Daiwa House Logistics Trust

(a real estate investment trust constituted on 2 November 2021 under the laws of the Republic of Singapore)

ASIA-FOCUSED LOGISTICS REIT WITH HIGH QUALITY MODERN PROPERTIES

STRONG AND COMMITTED DEVELOPER SPONSOR TO SUPPORT FUTURE GROWTH

6.5% DISTRIBUTION YIELD[1]
Projection Year 2022

DPL Kawasaki Yako - Kanagawa, Greater Tokyo region

Scan here to view Prospectus and Product Highlights Sheet (PHS)

Offering of 244,438,000 Units
(subject to the Over-Allotment Option (as defined herein))

Offering Price: S$0.80 per Unit

PROSPECTUS DATED 19 NOVEMBER 2021

(Registered with the Monetary Authority of Singapore on 19 November 2021)

This document is important. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

The offer of units representing undivided interests in Daiwa House Logistics Trust ("**DHLT**", and the units in DHLT, the "**Units**") under this Prospectus will be by way of an initial public offering in Singapore (the "**IPO**"). Application has been made to Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to list on the Main Board of the SGX-ST, and DHLT has received a letter of eligibility from the SGX-ST for the listing and quotation of (i) all Units comprised in an international placement of 219,438,000 Units to investors, outside the United States of America (the "**United States**") (the "**Placement Tranche**") and an offering of 25,000,000 Units to the public in Singapore (the "**Public Offer**", and together with the Placement Tranche, the "**Offering**"), (ii) the 2,000 Units in issue as at the date of this Prospectus (the "**Initial Units**") which were issued to Daiwa House Industry Co., Ltd. ("**DHI**" or the "**Sponsor**") in connection with the constitution of DHLT, (iii) the 94,498,000 Units to be subscribed by the Sponsor concurrently with but separate from the Offering pursuant to subscription agreement entered into by the Sponsor (the "**Sponsor's Subscription Agreement**", and the Units subscribed by the Sponsor under the Sponsor's Subscription Agreement (the "**Sponsor's Subscription Units**"), (iv) the aggregate of 336,062,000 Units (the "**Cornerstone Units**") to be subscribed by Bangkok Life Assurance Public Co. Ltd, Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients), DBS Bank Ltd., DBS Bank Ltd. (on behalf of certain wealth management clients), DBS Bank (Hong Kong) Ltd. (on behalf of certain wealth management clients), DWS Investments Australia Limited, Kuang Ming Investments Pte Limited, Nomura Singapore Limited (on behalf of certain wealth management clients), Hazelview Securities Inc., Metro ARC Investments Pte. Ltd. (collectively, the "**Cornerstone Investors**") concurrently with but separate from the Offering pursuant to separate subscription agreements entered into by each of the Cornerstone Investors (the "**Cornerstone Subscription Agreements**") and (v) all the Units which may be issued to Daiwa House Asset Management Asia Pte. Ltd. (the "**Manager**") from time to time for full or part payment of the Manager's fees. Such permission will be granted when DHLT has been admitted to the Official List of the SGX-ST (the "**Listing Date**"). Acceptance of applications for Units will be conditional upon issue of the Units and upon permission being granted to list the Units. In the event that such permission is not granted or if the Offering is not completed for any other reason, application monies will be returned in full, at each investor's own risk, without interest or any share of revenue or other benefit arising therefrom, and without any right or claim against any of DHLT, the Manager, HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "**Trustee**"), the Sponsor, DBS Bank Ltd., as the sole financial adviser (the "**Sole Financial Adviser**"), DBS Bank Ltd. and Nomura Singapore Limited, as the joint issue managers (the "**Joint Issue Managers**"), DBS Bank Ltd., Nomura Singapore Limited, Citigroup Global Markets Singapore Pte. Ltd. and Credit Suisse (Singapore) Limited as the joint global co-ordinators (the "**Joint Global Coordinators**") and DBS Bank Ltd., Nomura Singapore Limited, Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited, Daiwa Capital Markets Singapore Limited, Mizuho Securities (Singapore) Pte. Ltd., Morgan Stanley Asia (Singapore) Pte., and SMBC Nikko Capital Markets Limited, as the joint bookrunners and underwriters (collectively, the "**Joint Bookrunners and Underwriters**" or the "**Joint Bookrunners**"). Mizuho Securities (Singapore) Pte. Ltd. and SMBC Nikko Capital Markets Limited are not Joint Bookrunners or Underwriters in connection with the Public Offer, and will act as Joint Bookrunners and Underwriters only in relation to the Placement Tranche. SMBC Nikko Capital Markets Limited and its affiliates have not engaged and will not engage in any marketing and/or offering of any Offering Units in DHLT (including procuring subscribers for any of the Offering Units) to any investor in Singapore. DHLT's eligibility to list on the Main Board of the SGX-ST does not indicate the merits of the Offering, DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, Joint Issue Managers and the Joint Global Co-ordinators, the Joint Bookrunners or the Units. The SGX-ST assumes no responsibility for the correctness of any of the statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers and the Joint Global Co-ordinators, the Joint Bookrunners or the Units.

See section entitled "Risk Factors" commencing on page 92 of this Prospectus for a discussion of risk factors to be considered in connection with an investment in the Units. None of the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, Joint Issue Managers and the Joint Global Co-ordinators or the Joint Bookrunners guarantees the performance of DHLT, the repayment of capital or the payment of a particular return on the Units. The collective investment scheme offered in this Prospectus is a scheme pending authorisation under the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act" or "SFA"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "Authority" or "MAS") on 10 November 2021 and 19 November 2021 respectively. The MAS assumes no responsibility for the contents of the Prospectus. Registration of the Prospectus by the MAS does not imply that the Securities and Futures Act or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the collective investment scheme. This Prospectus will expire on 18 November 2022 (12 months after the date of the registration of this Prospectus).

Nothing in this Prospectus constitutes an offer for securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities law of any other jurisdiction and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Units are being offered and sold only outside the United States in offshore transactions as defined in and in reliance on the exemption from registration provided by Regulation S under the Securities Act ("Regulation S").

In connection with Section 309B of the Securities and Futures Act and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined the classification of the Units as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

[1] Projection Year 2022 refers to the full financial year from 1 January 2022 to 31 December 2022. The forecast and projected yields are calculated based on the Offering Price, together with the accompanying assumptions and assumed exchange rates as set out in the Prospectus. Such yields will vary accordingly to the extent that the Listing Date is later than 1 October 2021, or for investors who purchase the Units in the secondary market at a market price different from the Offering Price.

SPONSOR
Daiwa House

SOLE FINANCIAL ADVISOR
DBS

JOINT ISSUE MANAGERS
DBS NOMURA

JOINT GLOBAL CO-ORDINATORS
DBS NOMURA citi CREDIT SUISSE

JOINT BOOKRUNNERS AND UNDERWRITERS
DBS NOMURA citi CREDIT SUISSE Daiwa MIZUHO Morgan Stanley SMBC

ABOUT DAIWA HOUSE LOGISTICS TRUST ("DHLT")

DHLT is a Singapore real estate investment trust ("**REIT**") established with the investment strategy of principally investing in a portfolio of income-producing logistics and industrial real estate assets located across Asia.

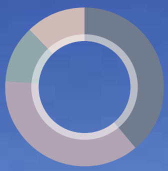
The initial portfolio of DHLT (the "**IPO Portfolio**") will comprise 14 high quality modern logistics properties in Japan with an appraised value of approximately JPY 80,570.0 million or S$952.9 million[2] and an aggregate net lettable area ("**NLA**") of approximately 423,920 square metres ("**sq m**").

KEY OVERVIEW

14
Properties

S$952.9m
Portfolio Valuation[2]

IPO Portfolio by Geographic Region (by NLA)



Total NLA: 423,920 sq m

- Greater Tokyo **39.0%**
- Hokkaido and Tohoku **37.2%**
- Greater Nagoya **11.8%**
- Chugoku & Kyushu **12.0%**

DPL Sendai Port - Miyagi, Tohoku region

STRONG DEVELOPER SPONSOR

Daiwa House

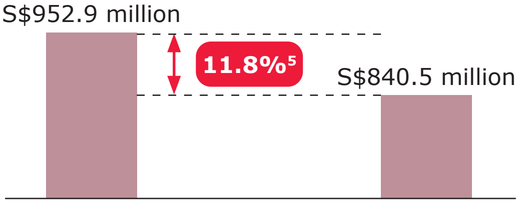
S$29.5 billion
Market Capitalisation[3]
AA Credit Rating[4]

Daiwa House Industry Co., Ltd. is one of the largest construction and real estate development companies in Japan. It is listed on the Tokyo Stock Exchange ("**TSE**") with a market capitalisation of JPY 2,491.1 billion (S$29.5 billion) as of 30 September 2021.

Founded in 1955, the Sponsor has an extensive track record in real estate, having developed around 1.9 million residential units and completed around 54,900 commercial facility projects as at 31 March 2021.

STRONG COMMITMENT TO DHLT AND THE IPO

IPO Portfolio Acquired at Discount to Appraised Value



Extensive experience in asset and fund management and growth

Wholly-owned subsidiaries of the Sponsor	Daiwa House Asset Management Co., Ltd.	Daiwa House Real Estate Investment Management Co., Ltd.
Established	2004	2014
Funds being managed	TSE-listed Daiwa House REIT Multiple private funds	2 unlisted REITs Multiple private funds
AUM[6]	JPY 931.7 billion (S$11.0 billion)	JPY 723.4 billion (S$8.6 billion)


DPL Koriyama - Fukushima, Tohoku region

[2] The Appraised Value is calculated based on the average of the two independent valuations of the IPO Properties conducted by the Independent Valuers which are as at 30 June 2021.
[3] As of 30 September 2021.
[4] By the Japan Credit Rating Agency as at the date of this Prospectus.
[5] Discount to Appraised Value as at 30 June 2021.
[6] As at 30 September 2021.

KEY INVESTMENT HIGHLIGHTS

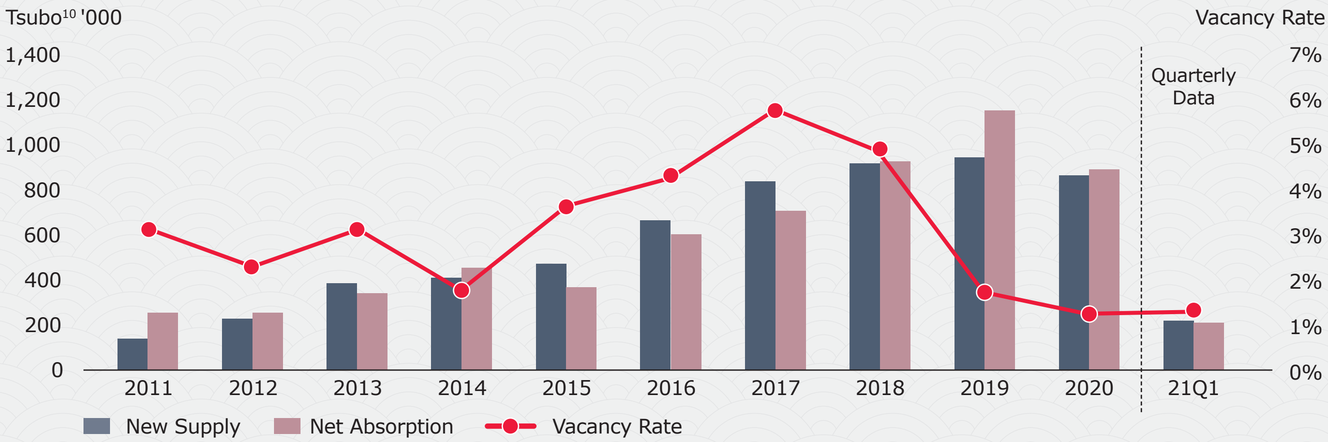
1. FAVOURABLE FUNDAMENTALS FOR LOGISTICS PROPERTIES

JAPAN

Scarcity of high-quality, modern logistics facilities

- Demand from fast-growing tenant sectors, such as third-party logistics ("**3PL**") and e-commerce, and undersupply of modern logistics facilities

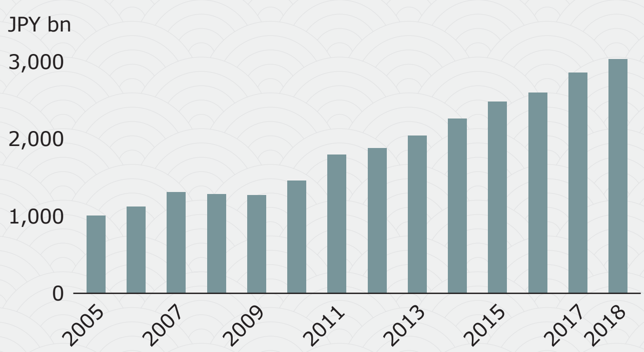
Japan Nationwide Demand & Supply for Logistics Facilities



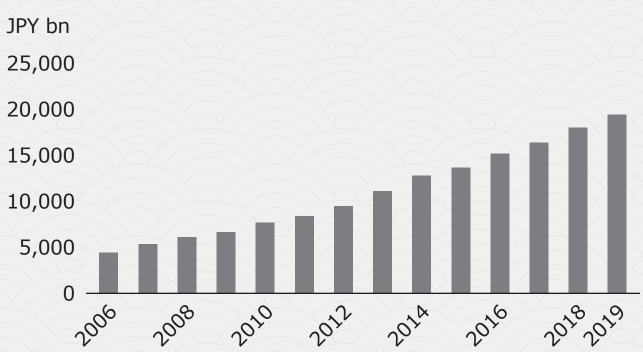
Source: Independent Japan Logistics Market Study Report

Proliferation of 3PL and e-commerce is driving demand for logistics real estate, supporting both multi-tenanted and single-tenanted formats

3PL Market Size



E-commerce Sales



Source: Independent Japan Logistics Market Study Report

Attractive local conditions evidenced by rental rate growth and high occupancy both in Greater Tokyo and across Japan's core regional markets

- Aside from Greater Tokyo, the other core regions of Japan are also inhabited by large populations with corresponding economic activity which contribute meaningfully to the overall GDP of Japan
- Attracts existing and prospective tenants to the IPO Portfolio, which acts as a base of distribution and fulfilment for the large population centres surrounding or within close proximity to the respective locations

SOUTHEAST ASIA

Strong growth potential for logistics and industrial assets

- Sponsor has developed a pipeline of logistics properties in Indonesia, Vietnam, and Malaysia, which are particularly attractive for potential investment
- Southeast Asia's growth is fuelled by its strategic location, its large population base, a booming middle-class, a significant and increasingly well-educated labour force, a wealth of natural resources, rapid urbanisation and rising infrastructure spending
- The Sponsor has announced plans to pursue development opportunities more aggressively in the logistics asset class, with the ASEAN region being a key area of focus given the demand for overseas logistics and manufacturing bases, particularly from Japanese-based tenants

[10] 1 tsubo = 3.305785 sq m.

2. HIGH-QUALITY LOGISTICS PORTFOLIO

423,920 sq m
Total NLA

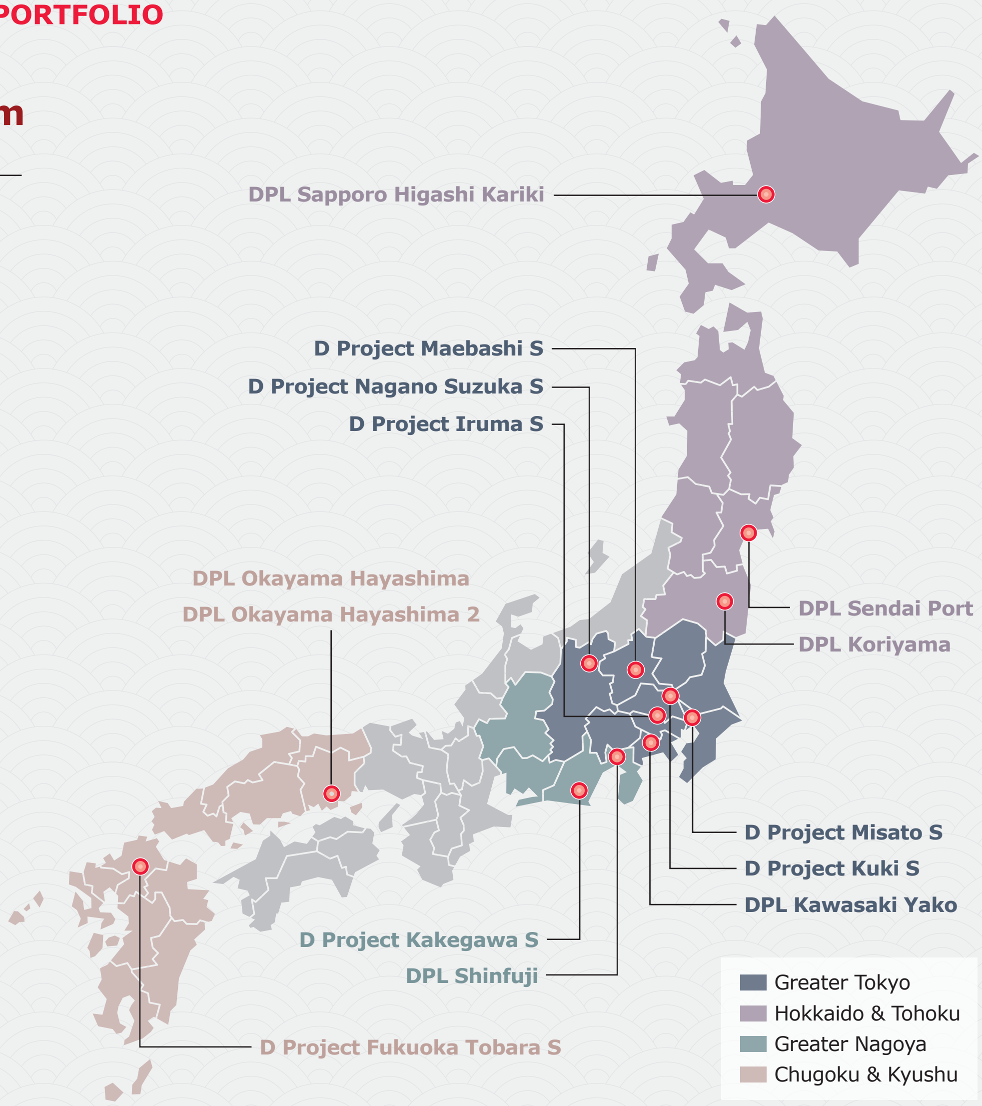
7.2 Years
Long WALE[11]

3.7 Years
Portfolio Age[12]

96.3%
Occupancy[13]

79.0%
Occupied by High-Quality 3PL & E-Commerce Players[14]

95.7%
Certified Green[14, 15]



1 Modern facilities developed by the Sponsor

- **DPL brand:** Multi-tenanted properties with high-end specifications offering premium quality, standardised rental spaces
- **D Project brand:** Single-tenanted build-to-suit ("**BTS**") properties with customisations including temperature control facilities, electric power capacities, higher floor loads and other specialised features tailored to meet the exact needs of tenants

2 Strategically located properties closely interlinked with transportation and shipping networks

3 Assets developed and operated with a commitment to environment, social and governance ("ESG") principles, majority of the IPO Properties are green certified

- 10 out of 14 properties in the IPO Portfolio are installed with solar power panels on their roof-tops with aggregate solar power generation capacity of 13.5MWp
- Energy-efficient LED lights are installed in all but one property in the IPO Portfolio

4 Resilient rental cash flows despite the COVID-19 pandemic

- None of the tenants of the IPO Portfolio have requested for any form of rental relief or abatements throughout the COVID-19 period as at 30 September 2021
- Majority of the IPO Portfolio's tenants comprises 3PL and e-commerce players, and the necessary function of storing and shipping essential goods remains largely unabated

11 By occupied NLA as of 30 June 2021.
12 Portfolio age as at 30 June 2021 based on weighted average by NLA.
13 As at 1 October 2021.
14 By NLA.
15 DBJ Green Building Certification Program is the leading program in Japan which evaluates and measures the environmental and social awareness characteristics of real estate properties. Under the DBJ Green Building Certification Program, only top 20% of the assessed investment grade properties in Japan are certified green.

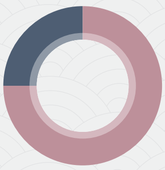
3. WELL DIVERSIFIED PORTFOLIO

Geography diversification

- Assets are well diversified across Japan, located in both Greater Tokyo as well as core regional areas, mitagating concentration risk

Mix of BTS single-tenanted and multi-tenanted properties

IPO Portfolio by Tenant Type (by NLA)



Total NLA: 423,920 sq m

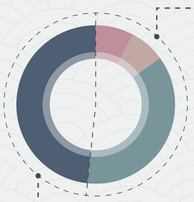
Multi-Tenanted **75.2%**

BTS **24.8%**

- Single-tenanted BTS properties are primarily occupied by blue-chip tenants with long WALE
- Multi-tenanted properties provide opportunities for rent increases upon lease renewals

Balanced mix of freehold and leasehold assets

IPO Portfolio by Land Lease Expiry Profile (by NLA)



Leasehold **51.7%**

Total NLA: 423,920 sq m

<20 Years **7.8%**

20-40 Years **7.4%**

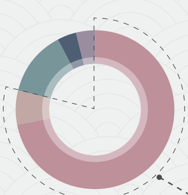
>40 Years **36.5%**

Freehold **48.3%**

- Mixture of freehold and leasehold assets which tend to provide better investment efficiency, offering higher yields and a more attractive returns profile
- 84.8% of the IPO Portfolio consists of properties which are freehold assets, or assets on leasehold land interests with expiry dates exceeding 40 years[16]

Diversified blue-chip tenant base

IPO Portfolio by Tenant Trade Sector (by NLA)



Total NLA: 423,920 sq m

3PL **72.0%**

E-Commerce **7.0%**

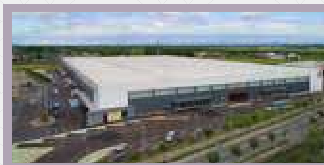
Retail **13.3%**

Manufacturing **4.0%**

Vacant **3.7%**

3PL + E-Commerce **79.0%**

- 70.6% of the tenant base[17] is occupied by TSE-listed companies, their parents and/or their subsidiaries



DPL Sapporo Higashi Kariki

NLA: 60,347 sq m

Valuation[18]: JPY 12,250 million

DPL Sendai Port

NLA: 63,119 sq m

Valuation[18]: JPY 12,600 million

DPL Koriyama

NLA: 34,174 sq m

Valuation[18]: JPY 6,830 million

D Project Nagano Suzaka S

NLA: 9,810 sq m

Valuation[18]: JPY 2,630 million

D Project Misato S

NLA: 14,877 sq m

Valuation[18]: JPY 2,370 million

D Project Iruma S

NLA: 14,582 sq m

Valuation[18]: JPY 2,405 million

D Project Maebashi S

NLA: 14,736 sq m

Valuation[18]: JPY 3,405 million

DPL Kawasaki Yako

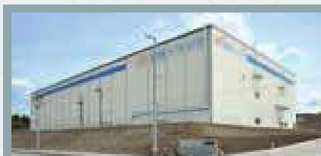
NLA: 93,159 sq m

Valuation[18]: JPY 20,750 million

D Project Kuki S

NLA: 18,257 sq m

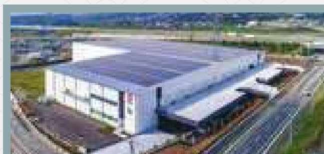
Valuation[18]: JPY 1,385 million



D Project Kakegawa S

NLA: 22,523 sq m

Valuation[18]: JPY 4,205 million



DPL Shinfuji

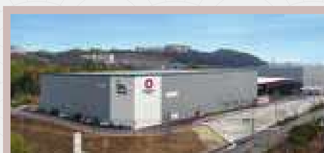
NLA: 27,537 sq m

Valuation[18]: JPY 3,680 million

DPL Okayama Hayashima

NLA: 23,541 sq m

Valuation[18]: JPY 4,455 million



DPL Okayama Hayashima 2

NLA: 16,750 sq m

Valuation[18]: JPY 2,270 million

D Project Fukuoka Tobara S

NLA: 10,508 sq m

Valuation[18]: JPY 1,335 million

16 As at 30 June 2021

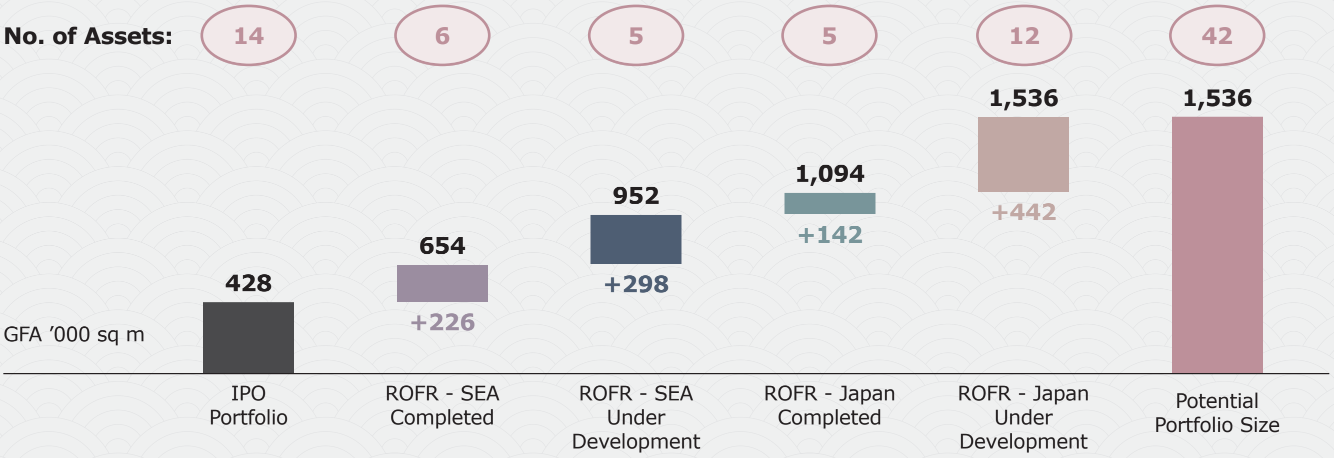
17 By NLA as at 30 June 2021.

18 Based on average of the two independent valuations of the IPO Properties conducted by the Independent Valuers which are as at 30 June 2021.

4. VISIBLE GROWTH TRAJECTORY THROUGH THE RIGHT OF FIRST REFUSAL ("ROFR") GRANTED BY THE SPONSOR TO DHLT

- ROFR granted to DHLT over the Sponsor's pipeline of assets in Southeast Asia and Japan
- DHLT stands to benefit from the Sponsor's capabilities as one of the largest construction and real estate development companies in Japan, with the opportunity to potentially tap into a pipeline including 367,659 sq m GFA of completed logistics assets and 739,731 sq m GFA of assets under development across Japan and Southeast Asia

DHLT's Potential Acquisition Pipeline



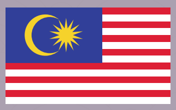
Substantial pipeline in Japan as well as a growing portfolio across Southeast Asia

Indonesia

Fourth most populous country in the world and also the largest economy in Southeast Asia. Many foreign manufacturing companies have chosen Indonesia as a base for international expansion due to its growing middle class, rapid urbanisation and relatively affordable labour.

Vietnam

Fastest growing economy in Southeast Asia and a major manufacturing hub. Its openness to foreign businesses, investment and free trade has led to major multi-national companies establishing a presence in the country.



Malaysia

Third largest economy in Southeast Asia. Many manufacturing and logistics firms have been looking to centralise their operations and improve their business capacities, using Malaysia as an access to the regional and global markets.

5. ALIGNMENT OF UNITHOLDERS' INTEREST WITH SPONSOR AND BOARD AND MANAGEMENT TEAM

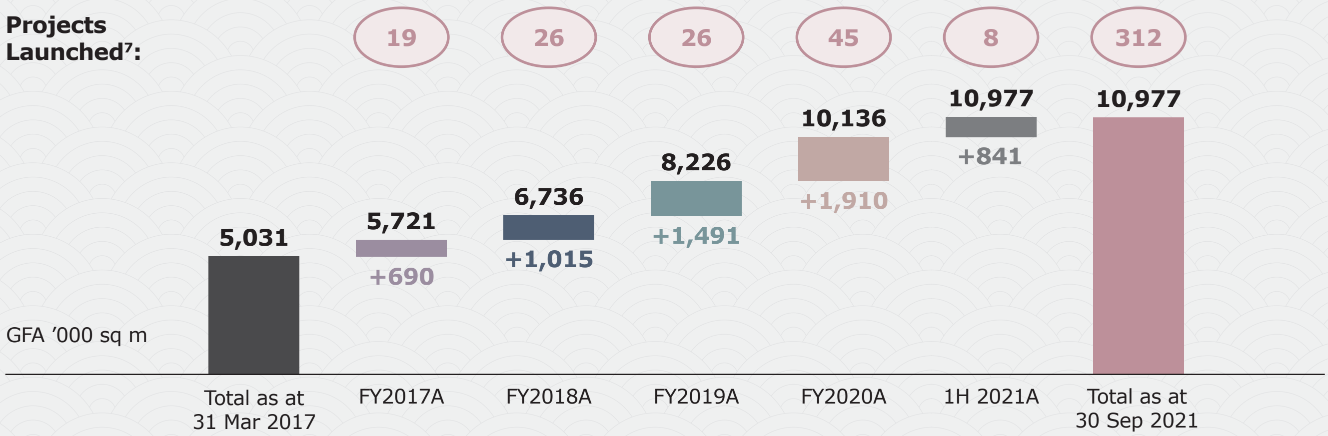
- Sponsor's commitment to DHLT is demonstrated by its investment in approximately 14.0% of the total issued capital of DHLT (subject to the exercise of the Over-Allotment Option), its subscription of the Perpetual Securities issued by DHLT amounting up to 6.6% of DHLT's Unitholders' funds, as well as the ROFR granted to DHLT
- Management fee structure based on distributable income and DPU growth, hereby incentivising the Manager to grow income and DPU and demonstrates the Manager's alignment of interest with that of Unitholders
- Manager has elected to receive 50.0% of the Base Fee and Performance Fee (if any) in the form of Units for Forecast Period 2021 and Projection Year 2022
- Highly experienced leadership team with proven and relevant track record

STRONG DEVELOPER SPONSOR (CONT'D)

The Sponsor is one of the largest logistics real estate developers in Japan by both number of properties and gross floor area

Deep knowledge of the logistics asset class, with a substantial pipeline in Japan as well as a growing portfolio across Southeast Asia

Sponsor's Japan Logistics Asset Development Track Record



As of 30 September 2021, the Sponsor has completed nine (9) logistics assets across the South East Asian region with a total GFA of 345,851 sq m and has five (5) logistics facility projects under development across Vietnam, Indonesia and Malaysia with a total GFA of 298,024 sq m.

In a survey conducted by The Nikkei in June 2021, the Sponsor was shown to be the
most recognisable logistics asset brand and developer in Japan

Established network of subsidiaries and group companies to provide supporting services, which DHLT is well positioned to take advantage of

Daiwa House REIM. — Daiwa House Group

Japan Asset Manager

Currently servicing **50 funds[8]** with an aggregate AUM of **S$8.6 billion[8]**

Daiwa House Prop.Mgt. — Daiwa House Group

Property Manager

Currently overseeing **183 properties[9]** with a total GFA of **6.4 million sq m[9]**

The Sponsor's group of companies offers specialised value-added services addressing the needs of logistics tenants

Daiwa LogiTech Inc. (100% subsidiary of the Sponsor group) — **Logistics service provider**

100%	100%	100%	18.1%	15.1%
Frameworx, Inc.	**Monoplus, Inc.**	**acca international Co., Ltd.**	**GROUND Inc**	**Hacobu Corp.**
Logistic System Consultant	Cloud System Development	Fulfilment for E-Commerce	Carriage Robot Distributor	Vehicle Management System

[7] Includes assets the Sponsor Group has completed or is currently developing. As at 30 September 2021, the Sponsor Group has completed or has commenced the development of 312 logistics assets.
[8] As at 30 September 2021.
[9] As at the end of August 2021.

MANAGER'S KEY STRATEGIES

Proactive asset management and asset enhancement strategy

- To optimise the cash flow and value of the properties
- Drive organic growth, encourage strong relationships with the tenants of DHLT's properties
- Ensure continued relevance of DHLT's properties and facilitate property enhancement opportunities

Investments and acquisition growth strategy

- Seek to achieve portfolio growth through acquisition of quality income-producing logistics and industrial properties that fit within DHLT's investment strategy to enhance return to Unitholders and to pursue opportunities for future income and capital growth
- DHLT has been granted the ROFR by the Sponsor over income-producing logistics and industrial real estate assets located in Asia held by the Sponsor or its subsidiaries, on the terms of the ROFR agreement

Capital Management Strategy

- Employ an appropriate mix of debt and equity in financing acquisitions and asset enhancement
- Adopt financing policies to optimise risk-adjusted returns to the Unitholders
- Seek to establish a resilient financial base and a portfolio of debt obligations with diversified maturity, with a priority on having long-term loans and fixed interest rate loans

Management team / Governance

- Management team has extensive experience and strong capabilities to independently source for suitable investments for DHLT
- Independent from the management teams of the Sponsor Group Funds to prevent conflicts of interest

Sustainability

- Establish a Sustainability Policy which will allow the Manager to include ESG considerations in DHLT's operations
- Aim to obtain high ESG ratings from established benchmarks

DPL Okayama Hayashima 2 - Okayama, Chugoku region

INDICATIVE TIMETABLE

Opening date and time for the Public Offer	**19 November 2021, 8.00 p.m.**
Closing date and time for the Public Offer	**24 November 2021, 12.00 p.m.**
Commence trading on a "Ready" basis	**26 November 2021 at 2.00 p.m.**

HOW TO APPLY

Applications for the Public Offer may be made through:

- ATMs and internet banking websites of DBS Bank Ltd. (including POSB), Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
- Mobile banking interface of DBS Bank Ltd. (including POSB) and United Overseas Bank Limited
- Printed WHITE Public Offer Units Application Form which forms part of the Prospectus

D Project Nagano Suzaka S - Nagano, Greater Tokyo region

D Project Kuki S - Saitama, Greater Tokyo region

SUMMARY OF THE OFFERING

THE OFFERING

The Manager is making the Offering of 244,438,000 Units for subscription (the "**Offering Units**"). It is currently expected that the issue price of each Unit under the Offering (the "**Offering Price**") will be S$0.80 per Unit. The Offering consists of (i) the Placement Tranche and (ii) the Public Offer.

OVER-ALLOTMENT AND STABILISATION

In connection with the Offering, the Joint Bookrunners have been granted an over-allotment option (the "**Over-Allotment Option**") by Daiwa House Industry Co., Ltd. (the "**Unit Lender**") exercisable by DBS Bank Ltd. (the "**Stabilising Manager**") (or any of its affiliates or other persons acting on behalf of the Stabilising Manager at the Offering Price), in consultation with the other Joint Global Co-ordinators, in full or in part, on one or more occasions, only from the Listing Date but no later than the earliest of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 27,000,000 Units, representing approximately 11.0% of the total number of Units in the Offering, to undertake stabilising actions to purchase up to an aggregate of 27,000,000 Units (representing approximately 11.0% of the total number of Units in the Offering). The exercise of the Over-Allotment Option will not increase the total number of Units outstanding.

In connection with the Offering, the Stabilising Manager (or its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels that might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations.

SPONSOR AND CORNERSTONE UNITS

Concurrently with, but separate from the Offering, the Sponsor has entered into the Sponsor's Subscription Agreement to subscribe for the Sponsor's Subscription Units at the Offering Price conditional upon the underwriting agreement entered into between the Joint Bookrunners and Underwriters, the Manager, the Unit Lender and the Sponsor on 19 November 2021 (the "**Underwriting Agreement**"), having been entered into, and not having been terminated, pursuant to its terms on or prior to the date and time on which the Units are issued as settlement under the Offering (the "**Settlement Date**"). In addition, concurrently with, but separate from the Offering, each of the Cornerstone Investors has entered into a separate subscription agreement to subscribe for the Cornerstone Units at the Offering Price conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date.

PRE-LISTING UNITHOLDING STRUCTURE

As at the date of this Prospectus, the Initial Units are the only Units in issue, which was issued to the Sponsor in connection with the constitution of DHLT. The total number of outstanding Units immediately after completion of the Offering will be 675,000,000 Units.

SOLE FINANCIAL ADVISER, JOINT ISSUE MANAGERS, THE JOINT GLOBAL CO-ORDINATORS AND JOINT BOOKRUNNERS AND UNDERWRITERS

DBS Bank Ltd. is the Sole Financial Adviser. DBS Bank Ltd. and Nomura Singapore Limited are the Joint Issue Managers and DBS Bank Ltd., Nomura Singapore Limited, Citigroup Global Markets Singapore Pte. Ltd. and Credit Suisse (Singapore) Limited are the Joint Global Co-ordinators. DBS Bank Ltd., Nomura Singapore Limited, Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited, Daiwa Capital Markets Singapore Limited, Mizuho Securities (Singapore) Pte. Ltd.[1], Morgan Stanley Asia (Singapore) Pte. and SMBC Nikko Capital Markets Limited[1] are the Joint Bookrunners and Underwriters. The Offering is fully underwritten at the Offering Price by the Joint Bookrunners and Underwriters on the terms and subject to the conditions of the Underwriting Agreement. For the avoidance of doubt, Mizuho Securities (Singapore) Pte. Ltd. and SMBC Nikko Capital Markets Limited are Joint Bookrunners and Underwriters in connection with the Placement Tranche only and are not Joint Bookrunners or Underwriters in connection with the Public Offer. SMBC Nikko Capital Markets Limited and its affiliates have not engaged and will not engage in any marketing and/or offering of any Offering Units in DHLT (including procuring subscribers for any of the Offering Units) to any investor in Singapore.

APPLICATION FOR UNITS UNDER THE PUBLIC OFFER

Investors applying for Units by way of the printed application forms to be used for the purpose of the Offering and which forms part of the Prospectus (the "**Application Forms**") or Electronic Applications (both as referred to in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore") in the Public Offer will have to pay the Offering Price on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom), where (i) an application is rejected or accepted in part only or (ii) if the Offering does not proceed for any reason.

Investors should take note that trading in the Units on a "ready" basis is expected to commence on or about 26 November 2021.

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1 Mizuho Securities (Singapore) Pte. Ltd. and SMBC Nikko Capital Markets Limited are not Joint Bookrunners or Underwriters in connection with the Public Offer.

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NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators or the Joint Bookrunners. If anyone provides you with different or inconsistent information, you should not rely on it. Neither the delivery of this Prospectus nor any offer, subscription, placement, purchase, sale or transfer made hereunder shall under any circumstances imply that the information contained herein is correct as at any date subsequent to the date hereof or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the business, affairs, conditions and prospects of the Units, DHLT, the Manager, the Trustee, or the Sponsor since the date on the cover of this Prospectus. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, the Manager will make an announcement of the same to the SGX-ST and, if required, issue and lodge an amendment to this Prospectus or a supplementary document or replacement document pursuant to Section 296 or, as the case may be, Section 298 of the SFA and take immediate steps to comply with the said Sections. Investors should take notice of such announcements and documents and upon release of such announcements and documents shall be deemed to have notice of such changes.

GENERAL NOTICE TO INVESTORS

None of DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators, the Joint Bookrunners or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any prospective purchaser or subscriber of the Units regarding the legality of an investment by such purchaser or subscriber of the Units under appropriate legal, investment or similar laws.

In addition, this Prospectus is issued solely for the purpose of the Offering and prospective investors in the Units should not construe the contents of this Prospectus as legal, business, financial or tax advice. In making an investment decision, prospective investors must rely upon their own examination of DHLT and the terms of this Prospectus, including the risks involved. Prospective investors should be aware that they are required to bear the financial risks and other risks of an investment in the Units, and may be required to do so for an indefinite period of time. Prospective investors should consult their own professional advisers as to the legal, tax, business, financial and related aspects of an investment in the Units.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, during office hours, from:

DBS Bank Ltd.
12 Marina Boulevard Level 3
Marina Bay Financial Centre Tower 3
Singapore 018982

Nomura Singapore Limited
10 Marina Boulevard #36-01
Marina Bay Financial Centre Tower 2
Singapore 018983

and, where applicable, from certain members of the Association of Banks in Singapore, members of the SGX-ST as well as merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST's website at: http://www.sgx.com.

The Units have not been and will not be registered under the Securities Act and, accordingly, may not be offered or sold within the United States except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. The Units are being offered and sold in offshore transactions as defined and in reliance on Regulation S.

The distribution of this Prospectus and the offering, subscription, placement, purchase, sale or transfer of the Units in certain jurisdictions may be restricted by law. DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to any of DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners. This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful. Prospective investors are authorised to use this Prospectus solely for the purpose of considering the subscription for the Units in the Offering. For a description of certain restrictions on the offer, transfer and sale of the Units, see the section on "Plan of Distribution – Distribution and Selling Restrictions" for further details. Persons to whom a copy of this Prospectus has been issued shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur. No one has taken any action that would permit a public offering to occur in any jurisdiction other than Singapore.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the Joint Global Co-ordinators and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels that might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations (including the SFA and any regulations thereunder). (See "Plan of Distribution – Over-Allotment and Stabilisation" for further details.)

PERSONAL DATA PROTECTION ACT

For the purposes of the Personal Data Protection Act 2012, No. 26 of 2012 of Singapore ("**PDPA**"), you consent and acknowledge that all Personal Data (as defined in the PDPA) provided by you to the Manager, the Trustee, DHLT, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators or the Joint Bookrunners or any of their respective agents, may be collected, used, disclosed or otherwise processed in order for the Manager, the Trustee, DHLT, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners or any of their respective agents, to carry out their respective duties and obligations in relation to any investment by you into DHLT, for each of the purposes as set out in this section or as may be permitted under the PDPA.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute "forward-looking statements". Statements that are not historical facts, including statements about beliefs and expectations, are forward-looking statements and can generally be identified by the use of forward-looking terminology such as the words "believe", "expect", "anticipate", "plan", "intend", "estimate", "project" and similar words. This Prospectus also contains forward-looking financial information in "Profit Forecast and Profit Projection" and other sections. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of DHLT, the Manager, the Sponsor, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Manager's present and future business strategies and the environment in which DHLT, the Manager or the Sponsor will operate in the future. Because these statements and financial information reflect current views of the Manager and the Sponsor concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators, the Joint Bookrunners or any other person or that these results will be achieved or are likely to be achieved. You should not place any reliance on these forward-looking statements and financial information.

Among the important factors that could cause the actual results, performance or achievements of DHLT, the Manager or the Sponsor to differ materially from those in the forward-looking statements and financial information are the conditions of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as political, economic and social conditions in Singapore and other countries, changes in government laws and regulations affecting DHLT, competition in the logistics property markets in which DHLT may operate or invest, industry, foreign exchange rates, interest rates, inflation, relations with service providers, relations with lenders, hostilities (including future terrorist attacks), the performance and reputation of DHLT Properties and/or acquisitions, difficulties in identifying future acquisitions, difficulty in completing and integrating acquisitions, changes in the Manager's directors and executive officers, risks related to natural disasters, general volatility of the capital markets, general risks relating to the logistics property markets in which DHLT may invest and the market price of the Units as well as other matters not yet known to the Manager or not currently considered material by the Manager. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Profit Forecast and Profit Projection" and "Business and Properties". These forward-looking statements and financial information speak only as at the date of this Prospectus. The Manager expressly disclaims any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement or financial information contained herein to reflect any change in the expectations of the Manager or the Sponsor with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency.

CERTAIN DEFINED TERMS AND CONVENTIONS

DHLT will publish its financial statements in Singapore dollars. In this Prospectus, references to SGD, "S$", "Singapore dollars" or "cents" are to the lawful currency of the Republic of Singapore and references to "¥", "JPY", "Japanese yen" or "yen" are to the lawful currency of Japan. Certain monetary amounts set out in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in tables may not be an arithmetic aggregation of the figures that precede them.

For the reader's convenience, except where the exchange rate is expressly stated otherwise, in this Prospectus, yen has been translated into Singapore dollars based on the fixed exchange rate of S$1 = ¥84.55 as at the latest practicable date prior to the lodgement of this Prospectus with the MAS being 1 November 2021 (the "**Latest Practicable Date**").

However, such translations should not be construed as representations that Japanese yen amounts have been, could have been or could be converted into Singapore dollars at that or any other rate and vice versa (see "Exchange Rate Information and Exchange Controls – Exchange Rate Information" for further details).

Unless otherwise defined, capitalised terms used in this Prospectus shall have the meanings set out in the Glossary.

The forecast and projected yields are calculated based on the Offering Price, together with the accompanying assumptions and assumed exchange rates as set out in the Prospectus. Such yields will vary accordingly to the extent that the Listing Date is later than 1 October 2021, or for investors who purchase the Units in the secondary market at a market price different from the Offering Price.

*Any discrepancies in the tables, graphs and charts included in this Prospectus between the listed amounts and totals thereof are due to rounding. Save in the case of figures relating to the distributions per Unit ("**DPU**") which is rounded to two decimal places, where applicable, figures and percentages are rounded to one decimal place unless otherwise indicated. Measurements in square metres ("**sq m**") are converted to square feet ("**sq ft**") and vice versa based on the conversion rate of 1.0 sq m = 10.7639 sq ft. References to "Appendix" or "Appendices" are to the appendices set out in this Prospectus. All references in this Prospectus to dates and times shall mean Singapore dates and times unless otherwise specified.*

Unless otherwise specified, all information relating to the IPO Properties (as defined herein) in this Prospectus are as at 30 June 2021. See "Business and Properties" for details regarding the IPO Properties.

Tenants

All references to the names of the tenants of the IPO Properties are either to the trade names under which the respective tenants carry on business or its legal denomination. Further, in this Prospectus, "**tenants**" in relation to DHLT refer to the tenants which DHLT (through the Property Trustee (as defined herein)) has a direct contractual tenancy relationship with, as well as end-tenants with whom TK Operator (GK1) (as defined herein)[1], has a direct contractual tenancy relationship with. (See "Certain Agreements Relating to DHLT and the IPO Properties – Master Lease Agreements" and "Business and Properties – Lease Agreements and Lease Management" for further details of the pass-through arrangements under the Master Lease Agreements.) References to "**single-tenanted**" in relation to a Property refers to a Property which has one

[1] An entity which is also the master lessee for IPO Properties which are multi-tenanted under a pass-through arrangement pursuant to the Master Lease Agreements (as defined herein).

single end-tenant, which includes BTS, while "**multi-tenanted**" in relation to a Property refers to a Property which has more than one end-tenant. "**BTS**" refers to built-to-suit property with one single tenant.

Leasehold

DHLT will be acquiring leasehold interests in eight out of the 14 Properties in the IPO Portfolio. These leasehold interests may be held at different levels, such as in relation to DHLT's interests as the lessee, sub-lessee, or sub-sub-lessee of the property. Unless otherwise specified, references to "**leasehold**" in relation to a Property refers to leasehold interest which is held by the Property Trustee on behalf of DHLT at the relevant leasehold level. (See "Business and Properties – Leasehold Interests" for further details on the level of leasehold interest held by the Property Trustee for each leasehold property in the IPO Portfolio.)

Relevant dates in relation to the independent valuations conducted for each Property

In this Prospectus, unless otherwise specified, the independent valuations conducted by the Independent Valuers (as defined below) in respect of the IPO Properties are as at 30 June 2021.

All references to "**Appraised Value**" mean the average of the two independent valuations of each of the IPO Properties conducted by the Independent Valuers as at 30 June 2021. "**Occupancy rate**" figures are calculated in terms of net lettable area ("**NLA**"). The NLA figures contained in this Prospectus may differ from the figures used in the Independent Property Valuation Summary Reports as set out in Appendix E of this Prospectus and the full valuation reports for each of the IPO Properties due to different measurement standards employed from time to time.

MARKET AND INDUSTRY INFORMATION

This Prospectus includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. The Manager has commissioned CBRE K.K. and Savills Valuation and Professional Services (S) Pte Ltd as the independent market research consultants in connection to the IPO Properties (the "**Independent Market Research Consultants**"), to respectively prepare the Independent Japan Logistics Market Study Report and Independent Review of Selected Industrial and Logistics Markets in ASEAN (collectively, the "**Independent Property Market Research Reports**") (see Appendix F, "Independent Property Market Research Reports" for further details).

Save for statements which are attributed to the Experts or the Manager, none of the parties to whom any information has been sourced has provided their consent to the inclusion of the information in this Prospectus. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein. Consequently, none of DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators or the Joint Bookrunners makes any representation as to the accuracy or completeness of such information, and each of them shall not be held responsible in respect of any such information and shall not be obliged to provide any updates on the same.

The Trustee and the Manager have respectively appointed Savills Japan Co., Ltd. ("**Savills**") and CBRE K. K. ("**CBRE**") as the independent valuers of the IPO Properties (together, the "**Independent Valuers**") (see Appendix E, "Independent Property Valuation Summary Reports" for further details).

Where information in this Prospectus has been sourced to the Sponsor Group, Daiwa House REIT (as defined herein), the Nikkei, Monthly Logistics Business, Bloomberg L.P. ("**Bloomberg**"), Nike Inc., the Japan Ministry of Land, Infrastructure, Transport and Tourism ("**MLIT**"), the Japan Ministry of Economy, Trade and Industry ("**METI**"), the Japan Cabinet Office, the Japan Ministry of Internal Affairs and Communications ("**MIC**") or the Japan Ministry of Foreign Affairs (as the case may be), (i) none of the Sponsor Group, Daiwa House REIT, the Nikkei, Monthly Logistics Business, Bloomberg, Nike Inc., MLIT, METI, the Japan Cabinet Office, MIC or the Japan Ministry of Foreign Affairs (as the case may be) have provided consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information extracted from the relevant report published by any of them and therefore they are not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA); and (ii) while the Managers have taken reasonable action to ensure that the information from the relevant report published by the Sponsor Group, Daiwa House REIT, the Nikkei, Monthly Logistics Business, Bloomberg, Nike Inc., MLIT, METI, the Japan Cabinet Office, MIC or the Japan Ministry of Foreign Affairs (as the case may be) is reproduced in its property form and context, and that the information is extracted accurately and fairly, neither the Managers, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

OVERVIEW

The following section is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Prospectus. As a result of the risks involved in investing in the Units, prospective investors are advised not to rely solely on this section, but to read this Prospectus in its entirety and, in particular, the sections from which the information in this section is extracted and "Risk Factors" on page 94 of this Prospectus to better understand the Offering and DHLT's businesses and risks.

OVERVIEW OF DHLT

DHLT is a Singapore real estate investment trust ("**REIT**") established with the investment strategy of principally investing in a portfolio of income-producing logistics and industrial real estate assets located across Asia.

KEY OBJECTIVES

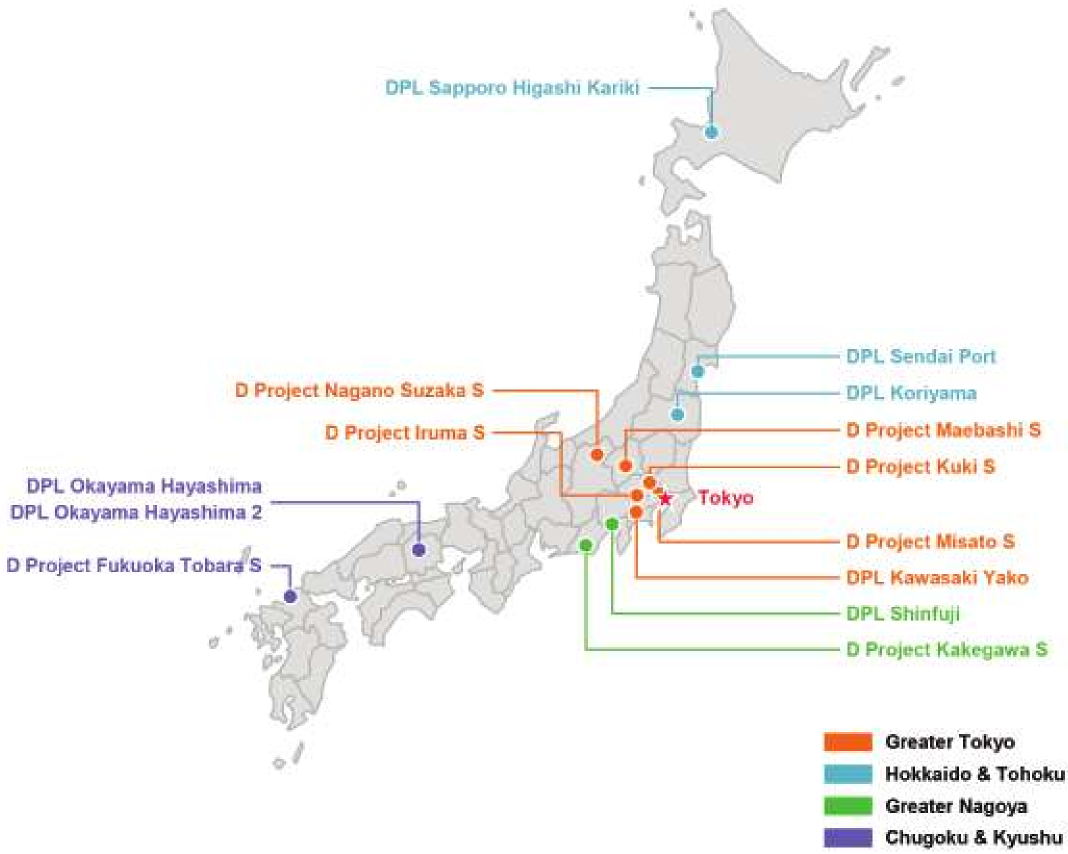
DHLT's key objectives are to provide Unitholders with regular and stable distributions, and to achieve long-term growth in DPU and net asset value ("**NAV**") per Unit, while maintaining an optimal capital structure and strengthening the portfolio in scale and quality.

DHLT'S IPO PORTFOLIO

The initial portfolio of DHLT (the "**IPO Portfolio**" or "**IPO Properties**", and each, an "**IPO Property**") as at the Listing Date will comprise 14 logistics properties in Japan with an aggregate NLA of approximately 423,920 sq m and a total land area of approximately 420,393 sq m. The Appraised Value[1] of the IPO Portfolio is approximately JPY 80,570.0 million (S$952.9 million). Taking into account the Appraised Value, the aggregate purchase consideration agreed between the Vendors and DHLT on a willing-buyer and willing-seller basis payable by DHLT for the IPO Portfolio is JPY 71,068.5 million (S$840.5 million).

1 The Appraised Value is calculated based on the average of the two independent valuations of the IPO Properties conducted by the Independent Valuers which are as at 30 June 2021.

A brief overview of the IPO Portfolio and the geographical locations of the IPO Properties in Japan are set out in the diagrams below.



CERTAIN INFORMATION ON THE IPO PROPERTIES

The following table sets out certain information on the IPO Properties. (See the "Business and Properties" section of this Prospectus for further details.)

Name of Property	Geographic Area	Freehold/ Leasehold	Completion Year	Tenancy Type (Single/ Multi-tenanted)	Net Lettable Area (sq m)	Occupancy as at 1 October 2021 (%)	WALE by Occupied NLA (years)	Independent Valuation by CBRE (¥ million) (S$ million)	Independent Valuation by Savills (¥ million) (S$ million)	Purchase Consideration (¥ million) (S$ million)
DPL Sapporo Higashi Kariki	Hokkaido and Tohoku	Freehold	February 2018	Multi-tenanted[(1)]	60,347	83.8%	2.3	¥12,400 S$146.7	¥12,100 S$143.1	¥10,520 S$124.4
DPL Sendai Port	Hokkaido and Tohoku	Freehold	March 2017	Multi-tenanted[(1)]	63,119	100.0%	1.8	¥12,900 S$152.6	¥12,300 S$145.5	¥11,580 S$137.0
DPL Koriyama	Hokkaido and Tohoku	Freehold	September 2019	Multi-tenanted[(1)]	34,174	82.3%	1.4	¥6,770 S$80.1	¥6,890 S$81.5	¥5,350 S$63.3
D Project Maebashi S	Greater Tokyo	Freehold	November 2018	Single-tenanted	14,736	100.0%	12.3	¥3,430 S$40.6	¥3,380 S$40.0	¥3,170 S$37.5
D Project Kuki S	Greater Tokyo	Leasehold expiring on 31 July 2034[(2)]	August 2014	Single-tenanted	18,257	100.0%	3.1	¥1,380 S$16.3	¥1,390 S$16.4	¥1,346 S$15.9[(8)]
D Project Misato S	Greater Tokyo	Leasehold expiring on 14 February 2045[(2)(4)]	February 2015	Single-tenanted	14,877	100.0%	13.6	¥2,350 S$27.8	¥2,390 S$28.3	¥1,668 S$19.7[(8)]
D Project Iruma S	Greater Tokyo	Leasehold expiring on 31 December 2048[(2)]	December 2017	Single-tenanted	14,582	100.0%	16.5	¥2,370 S$28.0	¥2,440 S$28.9	¥2,430 S$28.7[(8)]
DPL Kawasaki Yako	Greater Tokyo	Leasehold expiring on 29 March 2067[(2)(5)]	June 2017	Multi-tenanted[(1)]	93,159	100.0%	11.8	¥20,500 S$242.5	¥21,000 S$248.4	¥18,770 S$222.0[(8)]
D Project Nagano Suzaka S	Greater Tokyo	Freehold	September 2018	Single-tenanted	9,810	100.0%	7.3	¥2,650 S$31.3	¥2,610 S$30.9	¥2,400 S$28.4

Name of Property	Geographic Area	Freehold/ Leasehold	Completion Year	Tenancy Type (Single/ Multi-tenanted)	Net Lettable Area (sq m)	Occupancy as at 1 October 2021 (%)	WALE by Occupied NLA (years)	Independent Valuation by CBRE (¥ million) (S$ million)	Independent Valuation by Savills (¥ million) (S$ million)	Purchase Consideration (¥ million) (S$ million)
DPL Shinfuji	Greater Nagoya	Leasehold expiring on 31 March 2065[(2)]	September 2017	Multi-tenanted[(1)]	27,537	100.0%	9.7	¥3,560 S$42.1	¥3,800 S$44.9	¥3,194 S$37.8[(8)]
D Project Kakegawa S	Greater Nagoya	Freehold	May 2019	Single-tenanted	22,523	100.0%	12.8	¥4,240 S$50.1	¥4,170 S$49.3	¥3,980 S$47.1
DPL Okayama Hayashima	Chugoku	Leasehold expiring on 29 April 2067[(2)]	September 2017	Multi-tenanted[(1)]	23,541	100.0%	6.0	¥4,400 S$52.0	¥4,510 S$53.3	¥3,650 S$43.2[(8)]
DPL Okayama Hayashima 2	Chugoku	Leasehold expiring 30 years from the Closing Date[(2)(3)(6)]	October 2017	Multi-tenanted[(1)]	16,750	100.0%	3.5	¥2,400 S$28.4	¥2,140 S$25.3	¥1,750 S$20.7[(8)]
D Project Fukuoka Tobara S	Kyushu	Leasehold expiring on 30 March 2068[(2)]	February 2019	Single-tenanted	10,508	100.0%	13.1	¥1,340 S$15.8	¥1,330 S$15.7	¥1,260 S$14.9[(8)]
Total/Average/ Weighted Average		**38.3**[(3)]			**423,920**	**96.3%**	**7.2**	**¥80,690 S$954.3**	**¥80,450 S$951.5**	**¥71,068 S$840.5**

Notes: Unless otherwise specified, all property-related information is as at 30 June 2021.

(1) In relation to the multi-tenanted properties of the IPO Portfolio, TK Operator (GK1) has on 9 November 2021 entered into the Master Lease Agreements with the Property Trustee as the property owner of the Japanese multi-tenanted real properties (See "Business and Properties – Lease Agreements and Lease Management – Master Lease" for further details on the master lease arrangement and the Master Lessee (as defined herein)). The Master Lease Agreements are pass-through arrangements under which TK Operator (GK1), as the Master Lessee, will be succeeding the lessor's status under each lease agreement with each end-tenant of the multi-tenanted properties of the IPO Portfolio upon obtaining the consent of such end-tenant on or after the Listing Date (until such consent is obtained, the Property Trustee succeeds the lessor's status and will be a direct lessor to the end-tenant). Even if the Property Trustee remains a direct lessor to the end-tenant, there is no adverse effect for DHLT including the payment of additional trust fees as long as the master lessee leases the multi-tenanted properties of the IPO Portfolio from the Property Trustee. Pursuant to the Master Lease arrangement, the amount of rent payable by TK Operator (GK1) to the Property Trustee under the Master Lease Agreements is equal to the total amount of rent TK Operator (GK1) receives from the end-tenants under the sub-lease agreements. (See "Certain Agreements Relating to DHLT and the IPO Properties – Master Lease Agreements" and "Business and Properties – Lease Agreements and Lease Management" for further details.)

(2) (a) Under Japanese law, buildings and the underlying land upon which they are built can be owned independently of each other, and for some properties in the IPO Portfolio, the Property Trustee will hold the ownership interest in the building and the land leasehold right, subleasehold right or sub-subleasehold right (as the case may be) in respect of the land on which the building is constructed (save in the case of DPL Okayama Hayashima, where the Property Trustee holds some parcels of the land as freehold interest and the rest of the land parcels as sub-leasehold rights) and (b) for such properties, at the expiration of the tenure to the underlying land (i.e. expiration of the term of the leasehold right, subleasehold right or sub-subleasehold right (as the case may be) of the land), the Property Trustee as the owner of the building must demolish the building and return the land as it was when it was leased. DHLT is unlikely to be able to sell the building separately from the land because if the purchaser of the building does not also own the underlying land or have any right to use the land (such as a leasehold right), the building will become non-compliant of the Civil Code and will be required to be demolished under the Civil Code. If DHLT wishes to continue to hold the TBI of the title to the building, the Property Trustee and the landowners would need to agree on and enter into a new lease agreement. It is further noted that the market value of the leasehold IPO Properties are reflective of their remaining lease tenure (i.e. the leasehold IPO Properties are valued taking into consideration the remaining leasehold term).

(3) Land lease expiry of leasehold assets weighted by NLA and the land lease expiry of the leasehold assets is calculated with effect from 30 June 2021, save for DPL Okayama Hayashima 2, for which the Closing Date used to compute the 30-year lease tenure is assumed to be 30 June 2021.

(4) The lease term under the existing lease is until 14 February 2035, but the lease will be extended to 14 February 2045 on the Closing Date.

(5) The lease term under the existing lease is until 31 May 2048, but the lease will be extended to 29 March 2067 on the Closing Date.

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

(7) The valuation amounts and purchase consideration in S$ are based on the exchange rate of S$1.00 = ¥84.55 as at 1 November 2021.

(8) This does not include the monthly land rent payable in respect of the eight leasehold properties. The total amount payable by DHLT to the Sponsor for the leasehold properties comprises (a) the purchase consideration for the acquisition of the TBI in respect of the building and the title to the underlying leasehold interest effectively payable to the vendor and (b) a monthly land rent payable to DHLT (as lessor) for the continuing right to use the underlying land for the remaining tenure of the leasehold[1]. In arriving at the independent valuations of the property, the monthly land rent that remains payable by DHLT for the remaining leasehold term is taken into account and treated as an expense and applied towards reducing the income and cash flow generated by the property, which is a factor taken into account in the income capitalisation method for purposes of the property valuation. The purchase consideration takes into account the independent valuations of the leasehold property. As such, if a lower monthly land rent is payable, with all things being equal, this will increase its aggregate net operating income and in turn, its valuation and the one-off purchase consideration payable by DHLT.[2] (See the "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements – Principal Terms of the Land Lease Agreements" section of this Prospectus for further details on the monthly land rent payable in respect of each leasehold property).

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1 In accordance with the market practice of J-REITs, the monthly land rent payable in respect of the eight leasehold properties is based on (a) existing land lease agreements where the current owner (the leasing company) owns the leasehold and DHLT will succeed the existing land rent condition for five of the properties (namely D Project Kuki S, D Project Misato S, D Project Iruma S, and DPL Kawasaki Yako and DPL Shinfuji), (b) current land lease rent payable from the Sponsor to its Superior Landlord for two of the properties (namely DPL Okayama Hayashima and D Project Fukuoka Tobara S), and (c) market comparables where new lease agreements are entered into (for DPL Okayama Hayashima 2).

2 Where the Sponsor has leasehold interests, the relevant land owner had granted a lease over the bare land to the Sponsor. As such, as per market practice, the Sponsor is only paying a monthly land rent to its landlord.

KEY INVESTMENT HIGHLIGHTS OF DHLT

(Unless otherwise stated herein, the industry and market-related data and information in this section have been extracted from the Independent Property Market Research Reports set out in Appendix F of this Prospectus which have been prepared by the Independent Market Research Consultants. In preparing the Independent Property Market Research Reports, the Independent Market Research Consultants relied on a variety of source data from professional consultants or statistical providers (e.g. CBRE, the World Bank, OECD, US-ASEAN Business Council, ASEAN Secreteriat, Oxford Economics Global Data Workstation, Japan Ministry of Land, Infrastructure, Transport and Tourism). The data points and time periods are determined by the relevant professional consultants or statistical providers, and the selection of data points and time periods depend on various factors including (i) statistical relevance, (ii) availability of relevant historical data and (iii) level of confidence of the periods being forecasted)

The Manager believes that an investment in DHLT offers the following benefits to Unitholders:

1. **Strong Sponsor with Depth of Experience in Real Estate Fund Management and an Extensive Track Record in Logistics Asset Development**

   o Sponsor is a well-established Tokyo Stock Exchange ("**TSE**") listed real estate conglomerate with extensive experience in property development and fund management

   o Deep knowledge of the logistics asset class, with a substantial pipeline in Japan as well as a growing portfolio across Southeast Asia

   o Significant synergies between Sponsor and DHLT, providing a distinct advantage over logistics real estate peers

2. **Favourable Fundamentals for Logistics Properties across Japan as well as Southeast Asia where the Sponsor has a Growing Pipeline**

   o Scarcity of high-quality, modern logistics facilities in Japan

   o Proliferation of third-party logistics ("**3PL**") and e-commerce is driving demand for logistics real estate, supporting both multi-tenanted and single-tenanted formats

   o Attractive local conditions evidenced by rental rate growth and high occupancy, both in the Greater Tokyo Area and across Japan's core regional markets

   o Strong growth potential for logistics and industrial assets throughout Southeast Asia

3. **High-Quality Logistics IPO Portfolio**

   o Modern portfolio built to high specifications

   o High occupancy rates across the IPO Portfolio anchored by a diversified blue-chip tenant base

   o Long WALE across IPO Portfolio

   o Strategic locations with proximity to transportation and shipping infrastructure

   o IPO Portfolio assets developed and operated with a commitment to environment, social and governance ("**ESG**") principles, majority of the IPO Properties are green-certified

4. **Well Diversified IPO Portfolio**

   o Properties diversified across the Greater Tokyo Area as well as core regional markets throughout Japan

   o Mix of built-to-suit ("**BTS**") single-tenanted and multi-tenanted properties, providing a balance of both long-term stability and opportunities for rent increases upon lease renewals

   o Balanced mix of freehold and leasehold assets

5. **Resilient Cash Flows Supporting an Attractive DPU Yield**

   o Resilient rental cash flows despite the COVID-19 pandemic

   o IPO Portfolio acquired at an attractive price which translates to a discount to Appraised Value

   o Attractive DPU yields for Unitholders

6. **Unique Growth Opportunities**

   o Visible growth trajectory through the right of first refusal ("**ROFR**") granted by the Sponsor to DHLT over its pipeline of assets in Southeast Asia and Japan (*See "Certain Agreements Relating to DHLT and the IPO Properties – ROFR Agreement" for further details*)

   o Conservative capital structure with headroom for future acquisitions

7. **Alignment of Interest with Sponsor and Experienced Board and Management Team**

   o Alignment of interest between Sponsor and Unitholders demonstrated by Sponsor's investment in Units and Perpetual Securities issued by DHLT at Listing, as well as the ROFR by the Sponsor granted to DHLT

   o Management fee structure demonstrates the Manager's alignment of interest with Unitholders

   o Highly experienced leadership team with proven and relevant track record

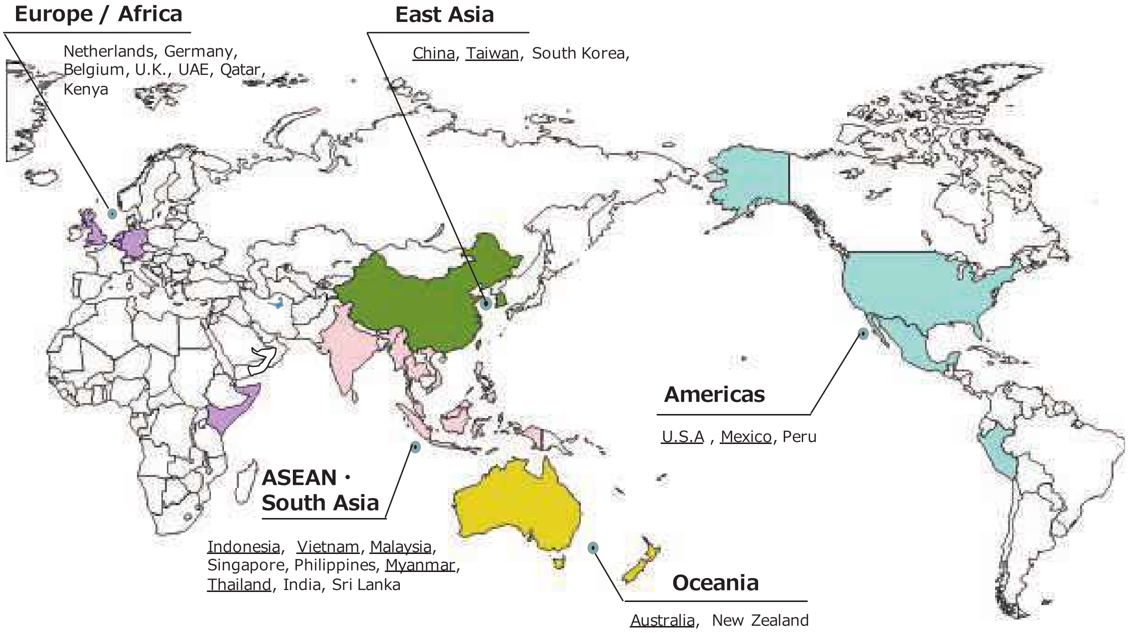
Details of these key investment highlights are set out below:

1. **Strong Sponsor with Depth of Experience in Real Estate Fund Management and an Extensive Track Record in Logistics Asset Development**

<u>Sponsor is a well-established TSE-listed real estate conglomerate with extensive experience in property development and fund management</u>

The Sponsor, Daiwa House Industry, was founded in 1955 and is one of the largest construction and real estate development companies in Japan and is listed on the TSE, with a market capitalisation of JPY 2,491.1 billion (S$29.5 billion) as of 30 September 2021. The Sponsor has an extensive track record of asset development across a variety of real estate subsectors, having developed around 1.9 million residential units and completed around 54,900 commercial facility projects as at 31 March 2021. In addition to its primary operations in Japan, the Sponsor is also actively involved in other markets including ASEAN, East Asia, the US, Europe and Australia. (See "The Sponsor" for further details.)

Sponsor Group's Global Operations in Real Estate Business



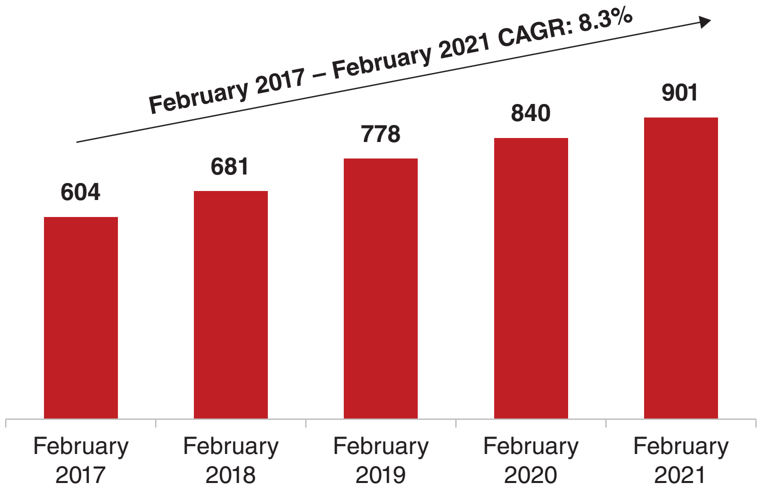
Underline: The Sponsor group conducts real estate business.

The Sponsor is also experienced in both asset and fund management. Through two of its wholly-owned subsidiaries, Daiwa House Asset Management Co., Ltd. and Daiwa House Real Estate Investment Management Co., Ltd. ("**DHREIM**" or "**Japan Asset Manager**"), the Sponsor is currently managing real estate funds with aggregate assets under management ("**AUM**") of JPY 1,655.1 billion[1] (S$19.6 billion) as at 30 September 2021, which includes TSE-listed Daiwa House REIT Investment Corporation ("**Daiwa House REIT**" or "**DHR**") and two unlisted REITs as well as private funds.

DHR maintains a diversified portfolio of 227 properties, including 64 logistics facilities (accounting for approximately 50.0% of the total portfolio purchase consideration), all of which were developed by the Sponsor, in addition to residential and retail assets across Japan. DHR has an AUM of JPY 846.5 billion (S$10.0 billion) as at 30 September 2021 and a market capitalisation of JPY 757.5 billion (S$9.0 billion) as of 30 September 2021. Under the stewardship of the Sponsor, Daiwa House REIT has demonstrated strong and consistent growth in its asset base.

[1] As at 30 September 2021.

Growth in Total Assets of Daiwa House REIT (JPY billion)



Source: Daiwa House REIT company filings.

The table below sets out brief information of the real estate funds currently managed by Daiwa House Asset Management Co., Ltd. and Daiwa House Real Estate Investment Management Co., Ltd., which are wholly-owned subsidiaries of the Sponsor.

	Daiwa House Asset Management Co., Ltd.	Daiwa House Real Estate Investment Management Co., Ltd.
Established	2004	2014
Funds being managed	Daiwa House REIT Multiple private funds	2 unlisted REITs Multiple private funds
AUM(1)	JPY 931.7 billion (SGD 11.0 billion)	JPY 723.4 billion (SGD 8.6 billion)

Notes:

(1) As at 30 September 2021.

Deep knowledge of the logistics asset class, with a substantial pipeline in Japan as well as a growing portfolio across Southeast Asia

The Sponsor is one of the largest logistics real estate developers in Japan by both number of properties and gross floor area. As of 30 September 2021, the Sponsor has completed, or is currently developing, 231 BTS single-tenanted properties located in Japan with a total GFA of approximately 5,160,302 sq m, as well as 81 multi-tenanted properties located in Japan with a total GFA of approximately 5,816,290 sq m. In a survey conducted by The Nikkei[1] in June 2021, the Sponsor was shown to be the most recognisable logistics asset brand and developer in Japan.

[1] The Nikkei has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information on the logistics brand survey quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the relevant report prepared by the Nikkei is reproduced in its proper form and context, and that the information on the logistics brand survey is extracted accurately and fairly, neither the Manager, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

Sponsor's Japan Logistics Asset Development Track Record (GFA '000 sqm)

Source: Sponsor Group

Note:

(1) Includes assets the Sponsor Group has completed or is currently developing. As at 30 September 2021, the Sponsor Group has completed or has commenced the development of 312 logistics assets.

The Sponsor has announced plans to pursue development opportunities more aggressively in the logistics asset class, with the ASEAN region being a key area of focus given the demand for overseas logistics and manufacturing bases, particularly from Japanese-based tenants. As of 30 September 2021, the Sponsor has completed nine (9) logistics assets across the South East Asian region with a total GFA of 345,851 sq m and has five (5) logistics facility projects under development across Vietnam, Indonesia and Malaysia with a total GFA of 298,024 sq m.

Within the three-year term of FY2019 to FY2021 in the company's 6th Mid-term Plan, the Sponsor plans to invest approximately JPY 150.0 billion (SGD 1.8 billion) in markets outside of Japan, of which approximately JPY 45.0 billion (SGD 532.2 million) or approximately 30.0% will be dedicated towards projects in ASEAN markets.

Significant synergies between Sponsor and DHLT, providing a distinct advantage over logistics real estate peers

DHLT may benefit from its Sponsor's extensive experience in real estate fund management and growth, as well as their deep experience in the logistics space.

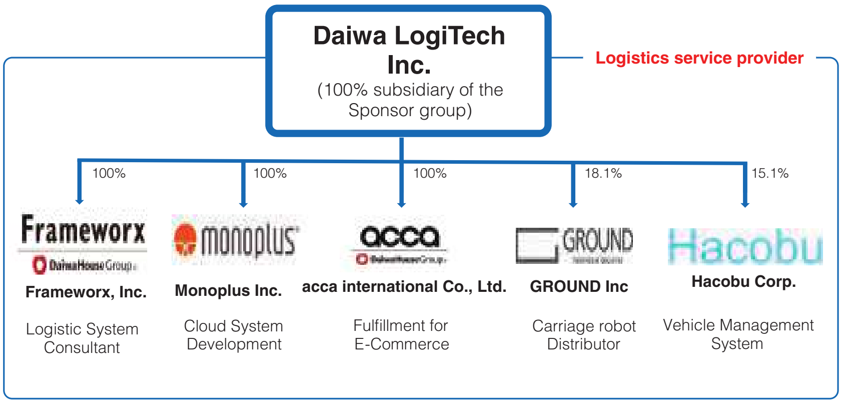
Within this asset class, the Sponsor has a track record of developing over 310 logistics properties, encompassing around 10 million sq m of total GFA. Furthermore, the Sponsor has a healthy development pipeline of logistics facilities, and in support of the Offering, has granted a ROFR ("**Sponsor ROFR**") to the Trustee, allowing DHLT to tap into the sizeable portfolio of high-quality logistics assets, either already completed or currently under development by the Sponsor. Given that the logistics asset class is a core area of focus for the Sponsor, both in Japan and across Southeast Asia, this potential pipeline of available assets is expected to remain strong moving forward. (See "Certain Agreements Relating to DHLT and the IPO Properties – ROFR Agreement" for further details.)).

In addition, the Sponsor has invested significant resources into establishing a network of subsidiaries and group companies to provide supporting services for its assets, which DHLT is well positioned to take advantage of.

Most notably, the property manager and Japanese asset manager for DHLT is Daiwa House Property Management Co., Ltd. ("**DHPM**") and DHREIM respectively, being wholly owned subsidiaries of the Sponsor. As at the end of August 2021, DHPM manages 183 properties in Japan with a total GFA of 6.4 million sq m. DHREIM manages 50 funds with an aggregate AUM of JPY 723 billion (S$8.6 billion) as at 30 September 2021 (See "Overview of the Structure of DHLT – The Japan Asset Manager" for further details).

Additionally, the Sponsor's group of companies, through its wholly owned subsidiary Daiwa LogiTech Inc., offers specialised value-added services addressing the needs of logistics tenants in the areas of logistics systems, cloud systems, e-commerce fulfilment, robotics and automation, and vehicle management. According to the CBRE's Logistics Occupier Survey conducted in March 2021, such needs of logistics tenants may become increasingly important as 64% of the respondents stated that they were prioritising the introduction of mechanisation and automation over the next three years.

A non-exhaustive list of companies in the Sponsor Group or companies in which the Sponsor Group has a stake (each a "**Sponsor Group Company**") providing such value-added support services is set out below, in addition to details on the specialised services which they may offer.



Sponsor Group Company Service Provider	**Logistics support services that are offered by the Service Providers**
Frameworx, Inc,	Automated picking and carrying robots which operate inside warehouses
Monoplus Inc	Cloud-based system for improving operational efficiency
acca international Co., Ltd.	Fulfilment services for e-commerce and warehouse control system with robots
GROUND Inc.	Automated picking and carrying robots which operate inside warehouses
Hacobu Corp.	Vehicle management system to optimise waiting time for trucks

As an example, a Sponsor Group Company and tenant in the IPO Portfolio, acca international Co., Ltd., has partnered with Nike Inc. in Japan to provide warehouse automation solutions that are manned by robots for Nike Inc.'s distribution centre facilities to support the sportswear-maker's e-commerce operations and directly run stores in Japan[1].

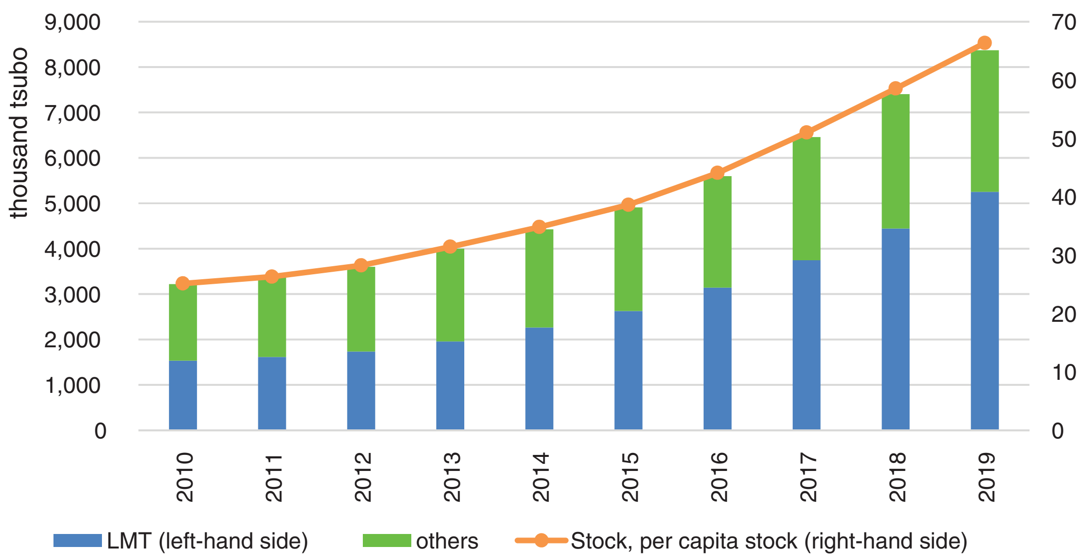
The Manager expects that the tenants of the IPO Portfolio can, if they so choose, elect to benefit from the value-added logistics support services offered by the Sponsor's subsidiaries or companies in which the Sponsor Group has a stake, to optimise their operations.

2. Favourable Fundamentals for Logistics Properties across Japan as well as Southeast Asia where the Sponsor has a Growing Pipeline

Scarcity of high-quality, modern logistics facilities in Japan

The logistics sub-sector has been a fast-growing asset class, with nationwide logistics space stock growing rapidly from approximately 9.9 million sq m in 2010 to over 26.4 million sq m in 2019. New supply of modern logistics facilities has primarily been concentrated in metropolitan markets, supported by the rapid adoption of e-commerce and online shopping. Despite this, modern logistics facilities (rental logistics facilities with a GFA exceeding 5,000 sq m owned by real estate companies, etc.) for instance only accounted for 3% to 4% of total stock of logistics GFA in Japan in 2019. Even within the Greater Tokyo Area, large multi-tenanted facilities (with a GFA exceeding 33,000 sq m) ("**LMT**") accounted for only 9.7% of total warehouses (including own-use facilities) by GFA as of 2019. According to CBRE's Logistics Occupier Survey conducted in March 2021, 64% of logistics tenants surveyed viewed the introduction of mechanised and automated equipment as being the most important area of focus over the next three years, and 10% placed top priority on refurbishing existing facilities and upgrading equipment. As such, the Manager believes that modern facilities are typically preferred by potential tenants.

Japan Logistics Space Stock



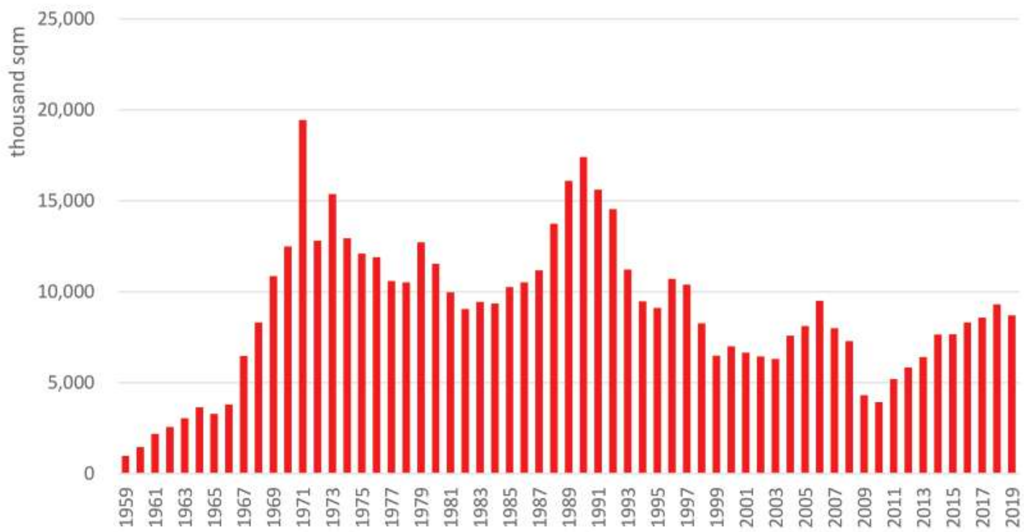
Source: Independent Japan Logistics Market Study Report

Note: Per capita stock = GFA stock/Japan population.

[1] Nike Inc. has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information on Nike's launch of robot assisted warehouse quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the relevant website published by Nike is reproduced in its proper form and context, and that the information on Nike's launch of robot assisted warehouse is extracted accurately and fairly, neither the Manager, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such website or verified the accuracy of the contents of the relevant information.

Much of the stock of logistics space developed during the mass supply period of the 1970's is 40 to 50 years old and nearing the end of its useful life, and will need to be reconstructed. The slow pace of reconstruction of these old facilities has contributed to the present undersupply of modern logistics assets available for rental, such as the modern facilities which comprise the IPO Portfolio. It is highly likely that demand for such facilities will become even more apparent as businesses seek to expand their bases, particularly in light of stay-at-home consumption habits that are being cultivated as a result of COVID-19.

Japan Logistics Asset Construction



Source: Long Term Construction Trend (2019), MLIT[1].

Proliferation of 3PL and e-commerce is driving demand for logistics real estate, supporting both multi-tenanted and single-tenanted formats

Third-party logistics ("**3PL**") refers to the outsourcing of logistics processes to a third party business, including inventory management, warehousing, and fulfilment functions. 3PL operators play a significant role in the demand for logistics space. With many companies in Japan choosing to outsource their logistics functions to 3PL operators, the market has grown from JPY 1 trillion in 2005 to over JPY 3 trillion in 2018, and is expected to continue along this growth trajectory.

[1] MLIT has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information on long term construction trend quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the relevant website published by MLIT is reproduced in its proper form and context, and that the information on long term construction trend is extracted accurately and fairly, neither the Manager, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such website or verified the accuracy of the contents of the relevant information.

Source: 3PL Market Size, data as at September 2019, Monthly Logistics Business.[1]

The 3PL sector also represents the largest segment of the IPO Portfolio's tenant roll by NPI, occupying both multi-tenanted and single-tenanted assets alike. For single-tenanted assets, the Sponsor has worked closely with tenants to develop high-specification facilities to meet the exact needs of the tenants, popular customisation requests including heightened ceilings, increased floor loads, and variable temperature controls primarily used by food distributors. Where these tailored solutions are required, the Manager believes it is generally more cost effective to implement such tenant requirements in the BTS single-tenanted format, and the longer leases typically associated with single-tenanted facilities allows the landlord to recoup the construction costs and in turn enhance the attractiveness of such facilities to tenants in the building.

3PL operators generally handle the end-to-end operation of its facilities in-house, and are now increasingly placing emphasis on improving the integration of its distribution networks, including cargo, transportation, customs, and storage to improve efficiency whilst reducing costs. The Manager believes that the ability of the Sponsor Group Companies to offer extensive logistics support services will be a key differentiator for its IPO Portfolio in retaining existing tenants and attracting new tenants in the future.

E-commerce players in Japan have also grown to become an important source of demand for logistics facilities in Japan. The market size of retail e-commerce has grown fourfold since 2006, reaching nearly JPY 20 trillion in 2019. Additionally, demand for daily necessities and other goods increased exponentially amid the COVID-19 pandemic, further accelerating growth of the segment. The IPO Portfolio is already capitalising on the growth of this sector, with DPL Sapporo Higashi Kariki currently being occupied by a leading global e-commerce player. The Manager believes that the other properties in the IPO Portfolio are also well suited for such operators, with the capability of deploying advanced inventory management and robotic package sorting systems which are crucial for the efficiency of e-commerce businesses.

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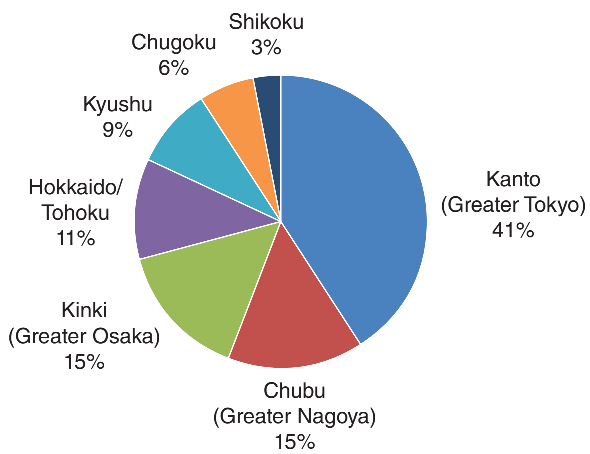
1 Monthly Logistics Business has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information on 3PL Market Size quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the relevant report published by Monthly Logistics Business is reproduced in its proper form and context, and that the information on 3PL Market Size is extracted accurately and fairly, neither the Manager, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

Source: METI, data as at July 2020[1].

Attractive local conditions evidenced by rental rate growth and high occupancy, both in the Greater Tokyo Area and across Japan's core regional markets

Whilst the bulk of logistics real estate development has been progressing in the Greater Tokyo Area[2], the other core regions of Japan are also inhabited by large populations with corresponding economic activity. Such regions contribute meaningfully to the overall gross domestic product ("**GDP**") of Japan.

GDP Contribution by Region



Source: Prefectural Accounts (2017), Japan Cabinet Office[3].

1 METI has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information on e-commerce market size quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the relevant website published by METI is reproduced in its proper form and context, and that the information on e-commerce market size is extracted accurately and fairly, neither the Manager, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such website or verified the accuracy of the contents of the relevant information.

2 The Greater Tokyo Area represents Tokyo and its surrounding prefectures.

3 Japan Cabinet Office has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information on the GDP contribution information quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the relevant website published by Japan Cabinet Office is reproduced in its proper form and context, and that the GDP contribution information is extracted accurately and fairly, neither the Manager, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such website or verified the accuracy of the contents of the relevant information.

Population by Region

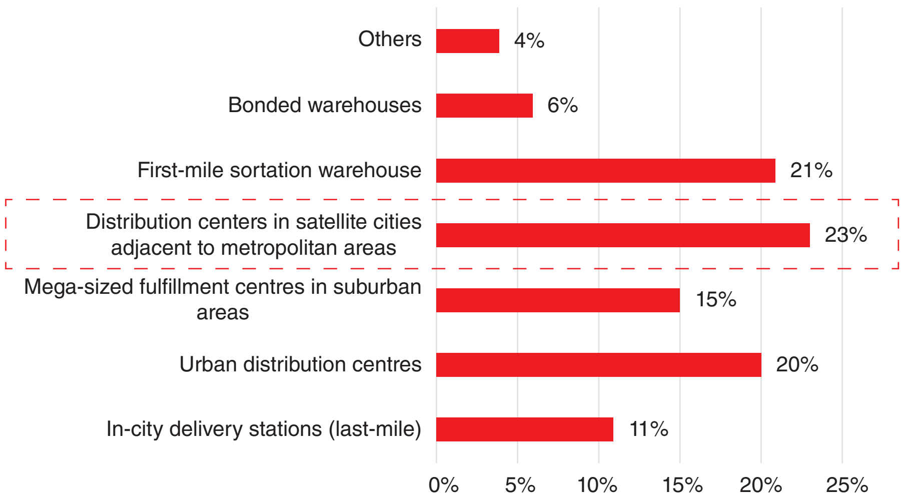
Region	IPO Property	Prefecture (Rank out of 47 prefectures in Japan by population size)	Population in Prefecture (in '000)	City/Town	Population in City/Town (in '000)
Greater Tokyo	DPL Kawasaki Yako	Kanagawa (#2 of 47)	9,209	Kawasaki	1,514
	D Project Kuki S	Saitama (#5 of 47)	7,390	Kuki	153
	D Project Misato S			Misato	142
	D Project Iruma S			Iruma	148
Regional Hub Cities	DPL Sapporo Higashi Kariki	Hokkaido (#8 of 47)	5,268	Sapporo	1,959
	D Project Fukuoka Tobara S	Fukuoka (#9 of 47)	5,130	Fukuoka/ Kasuya	1,554
	DPL Sendai Port	Miyagi (#14 of 47)	2,292	Sendai	1,064
	D Project Nagano Suzaka S	Nagano (#16 of 47)	2,087	Nagano/ Suzaka	426
	D Project Maebashi S	Gunma (#19 of 47)	1,969	Maebashi	336
	DPL Okayama Hayashima, DPL Okayama Hayashima 2	Okayama (#21 of 47)	1,904	Okayama/ Hayashima	722
Other Cities	D Project Kakegawa S	Shizuoka (#10 of 47)	3,709	Kakegawa	118
	DPL Shinfuji			Fuji	253
	DPL Koriyama	Fukushima (#20 of 47)	1,882	Koriyama	323

Source: Basic Resident Register, MIC, data as at 1 January 2020[1].

[1] MIC has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information on population quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the relevant website published by MIC is reproduced in its proper form and context, and that the information on population is extracted accurately and fairly, neither the Manager, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such website or verified the accuracy of the contents of the relevant information.

Based on the above population distribution, the Manager believes that existing and prospective tenants are attracted to properties in the IPO Portfolio, both within the Greater Tokyo Area as well as the core regional markets, with the latter acting as a base of distribution and fulfilment for the large population centres surrounding or within close proximity to the respective locations. Additionally, several tenants of the regional properties in the IPO Portfolio have manufacturing facilities nearby, and use the space to store or transfer work-in-progress and finished goods. Such usage reflects market sentiments as polled by CBRE's Logistics Occupier Survey conducted in March 2021, where the largest number of respondents (23% of the 239 respondents) expressed preference for logistics facilities which act as distribution centres in satellite cities adjacent to metropolitan areas. Based on the same survey, such distribution centres located in satellite cities adjacent to metropolitan areas are also more sought after than traditional urban distribution centres. The appeal of both the Greater Tokyo and regional markets is reflected in the common metric of low vacancy rates, highlighting strong demand for logistics space nationwide.

Logistics Occupiers' Preferred Types of Logistics Facilities



Source: Independent Japan Logistics Market Study Report.

The table below sets out the demand and supply dynamics for logistics assets in the various regions in Japan in which the IPO Properties are located. (See "Appendix F" of this Prospectus for further details.)

Region	% of IPO Portfolio[(1)]	Region Overview and Logistics Facility Demand & Supply
Greater Tokyo	39.0%	• Concentrated logistics areas include Tokyo Bay, Gaikan Expressway, Route 16 and Ken-O Expressway, due to their proximity to Central Tokyo

Region	% of IPO Portfolio[1]	Region Overview and Logistics Facility Demand & Supply
		• Demand and supply have primarily been seen in the Route 16 area, however the areas around the Ken-O Expressway have expanded due to improvements to the public transportation networks and the easing of restrictions on industrial developments • **Supply and Absorption:** Though many new logistics developments have come online, vacancy rates have remained low at 1.0% as at 1Q2021 • **Rental Rates:** Since 2019, rents have tended to increase with limited large-scale vacancies for tenants to take up
Hokkaido and Tohoku	37.2%	• In Hokkaido, there is a concentration of logistics facilities in the Shiroishi and Higashi wards, serving as distribution hubs for Sapporo, the main consumption base in Hokkaido - Though there are large-scale distribution complexes in the region, there are few facilities for rental - Most new developments have consisted of BTS assets • In the Tohoku region, there is a concentration of logistics facilities in the Sendai area, with ready access to Sendai Port and the Tohoku Expressway • The market for logistics facilities is still immature with a shortage of versatile assets in terms of size and specifications • **Supply and Absorption:** In Tohoku, no new supply has come online since 2019, with vacancy rates remaining at 0.0% as of 1Q2021 • **Rental Rates:** Asking rents have been increasing since 2016, trend is expected to continue given lack of vacancies
Greater Nagoya	11.8%	• Greater Nagoya represents the third-largest region for consumption after Greater Tokyo and Greater Osaka • Logistics facilities are concentrated in inland areas around Komaki and Kasugai cities, and around the Nagoya Port

Region	% of IPO Portfolio(1)	Region Overview and Logistics Facility Demand & Supply
		• New supply of logistics facilities has not grown relative to demand due to restrictions and customisation controls, furthermore the stock of existing warehouses has aged and will need to be revitalised • **Supply and Absorption:** Despite an increase in supply of large scale multi-tenanted logistics space from 2017 onwards, vacancy rates have remained low, currently at 8.4% as of 1Q2021 • **Rental Rates:** Moderate upward trend in rents, with a widening gap between newly built high-specification facilities and existing older warehouses
Chugoku	9.5%	• Logistics facilities are concentrated in Hiroshima Bay, around the densely populated Hiroshima city • Development of large-scale facilities to be rented has been limited, with most new supply being small and medium-scale BTS assets • Development of new assets is also challenging given the mountainous terrain, creating difficulties in securing flat and developable land for logistics facilities • **Supply and Absorption:** Due to the scarcity of large parcels of flat land, large-scale logistics asset investment has been limited. Most new facilities are BTS, with roughly equal levels of supply and demand resulting in high occupancy • **Rental Rates**: The Independent Property Market Research Reports comprise no data regarding the rental rate in the Chugoku region[1]
Kyushu	2.5%	• In the Greater Kyushu region, logistics assets are concentrated in the Fukuoka area where the largest population resides, in close proximity to the Fukuoka Interchange, Kyushu Expressway, Hakata Port and the Tosu Interchange • A market for large-scale logistics assets emerged in the region around 2007, however there was a sharp decline in demand during the GFC, which has been recovering since 2012

[1] In respect of the Chugoku region, given that the area has limited flat land to develop large scale rental facilities, there is a limited number of rental facilities. Therefore, it is difficult for reliable data to be obtained regarding the rental rates for logistics and industrial facilities in the area.

Region	% of IPO Portfolio[(1)]	Region Overview and Logistics Facility Demand & Supply
		• **Supply and Absorption:** Vacancy rates have remained low, with new supplies of multi-tenant facilities generating their own demand; since 2019 vacancy rates have remained at 0.0% as of 1Q2021 • **Rental Rates:** Average asking rent has been on an upward trend, with newer large-scale facilities experiencing an even greater increase in rent

Source: Independent Japan Logistics Market Study Report

Note:

(1) By NLA.

Strong growth potential for logistics and industrial assets throughout Southeast Asia

Despite Japan, China and India helming the "Asia Growth Story" in the 1990s and 2000s, Southeast Asia has rapidly emerged as a leading powerhouse in Asia Pacific in the most recent decade. In addition to economic expansion, numerous macroeconomic tailwinds are favouring growth of the logistics asset class in Southeast Asia including:

- Rapid urbanisation, with an estimated 90 million people being expected to move into major cities by 2030

- Population expected to grow from 662 million in June 2021 to over 710 million in 2030, with the middle-class population set to double to 334 million in the same period

- China's rising operational costs and continuing trade tensions, resulting in companies diversifying their manufacturing operations into Southeast Asia

Within Southeast Asia, the markets of Indonesia, Vietnam, and Malaysia, where the Sponsor has developed a pipeline of logistics properties, are particularly attractive for potential investment due to:

- Strong historical growth in GDP ranging from 4.9% to 6.8% CAGR from 2015 to 2019. The aggregate GDP of the three markets in 2020 was US$1.7 trillion

- The region's growth is fuelled by its strategic location, its large population base (401 million in 2020), a booming middle-class, a significant and increasingly well-educated labour force, a wealth of natural resources, rapid urbanisation and rising infrastructure spending

The table below provides an overview of the three countries as well as the logistics demand and supply dynamics in the respective countries. (For further details, please see Appendix F).

Country	Description
Indonesia	• Indonesia is the fourth most populous country in the world and also the largest economy in Southeast Asia. The country has been able to weather several global economic challenges due to its large domestic market and with the aid of substantial commitments from the government to ease the cost of doing business, with the goal of accelerating infrastructure development.

Country	Description
	• Indonesia's industrial and logistics sectors are driven by robust consumption demand, which accounts for a dominant portion of the country's GDP growth. With its large population base, growing middle class and rapid urbanisation, Indonesia is a thriving destination for fast moving consumer goods, automotive, pharmaceutical and chemical companies amongst many other sectors. Coupled with relatively affordable labour, many foreign manufacturing companies have chosen Indonesia as a base for international expansion. Rising e-commerce and relatively robust consumer spending have also continued to help support the market. • Indonesia's resilience to the COVID-19 pandemic has been reflected in the gradual upturn in GDP growth over the last two quarters. On this basis, demand in the industrial and logistics sector in the country is expected to recover to pre-COVID levels over the next two to three years.
Vietnam	• Vietnam is the fastest growing economy in Southeast Asia, and has developed into a major manufacturing hub which accounts for 16.5% of its economy. Its openness to foreign businesses, investment and free trade has led to major multi-national companies establishing a presence in the country. • The warehouse and logistics market in Vietnam is largely characterised by ready-built warehouses that are speculatively leased to occupiers. The sub-sector recorded an average nationwide occupancy of 91.0% at the end of 2020. • Whilst single-tenanted BTS warehousing previously dominated the Vietnam market, over the last three years the market has sufficiently matured to accommodate the growth of ready-built factories. Overseas entrants with available capital have recognised the clear opportunities and are becoming increasingly active.

Country	Description
Malaysia	• Malaysia is the third largest economy in Southeast Asia. Whilst initially agriculture- and commodity-based, Malaysia has successfully developed robust manufacturing and service sectors. • Many manufacturing and logistics firms have been looking to centralise their operations and improve their business capacities, using Malaysia as an access to the regional and global markets. • Greater Kuala Lumpur has been the largest beneficiary from the significant pick-up in demand for industrial facilities since 2017, driven by the expansion of many existing manufacturing companies in Selangor. • The logistics industry has proven to be the most resilient sector in Malaysia during the pandemic, as logistics and distribution services were deemed essential during the lockdown. The increased adoption of e-commerce during COVID-19 has also helped bolster the sector, pushing the logistics industry to digitalise its operations to serve the rising demand for last-mile delivery services and cold chain logistics.

Source: Independent Review of Selected Industrial and Logistics Markets in ASEAN

3. High-Quality Logistics IPO Portfolio

Modern portfolio built to high specifications

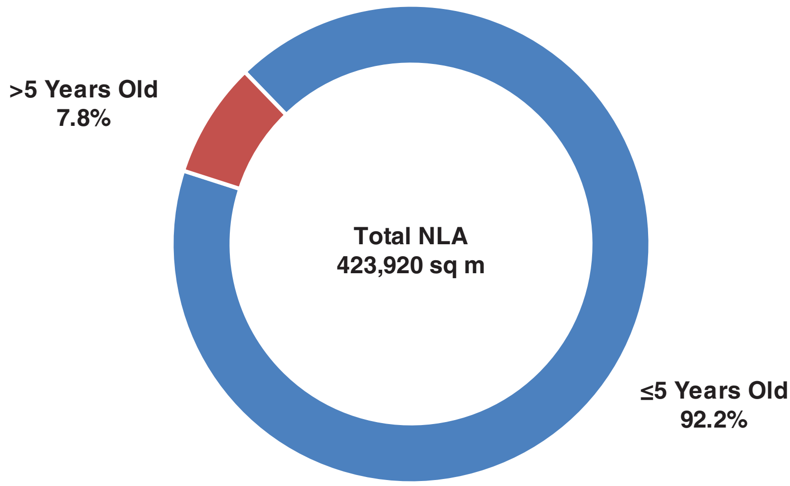
The IPO Portfolio assets have been developed by the Sponsor, a leading real estate player in Japan with an extensive track record and deep knowledge of the logistics asset class. The Sponsor has created and defined two brand formats for its logistics projects which is represented in the IPO Portfolio, namely "**DPL**" and "**D Project**".

Multi-tenanted properties are developed by the Sponsor under the DPL brand, which offers premium quality, standardised rental spaces. DPL assets are built with high-end specifications including minimum floor loads of 1.5 tonne/sq m, ceiling heights in excess of 5.5 metres, high energy efficiency, solar and back-up power systems, amongst others industry leading standards.

Assets developed under the D Project brand are single-tenanted BTS properties with customisations including temperature control facilities, electric power capacities, higher floor loads, and other specialised features tailored to meet the exact needs of the tenant.

As at 30 June 2021, 92.2% of the IPO Portfolio by NLA consists of logistics properties which were completed within the last five (5) years, with minimal near-term capital expenditure requirements expected over the Forecast Period and Projection Year. For the period from 1 October 2021 to 31 December 2022, an aggregate of S$2.7 million in capital expenditure for the IPO Portfolio is estimated, which represents approximately 0.27% of the Appraised Value.

IPO Portfolio Breakdown by Age (by NLA)



High occupancy rates across the IPO Portfolio anchored by a diversified blue-chip tenant base

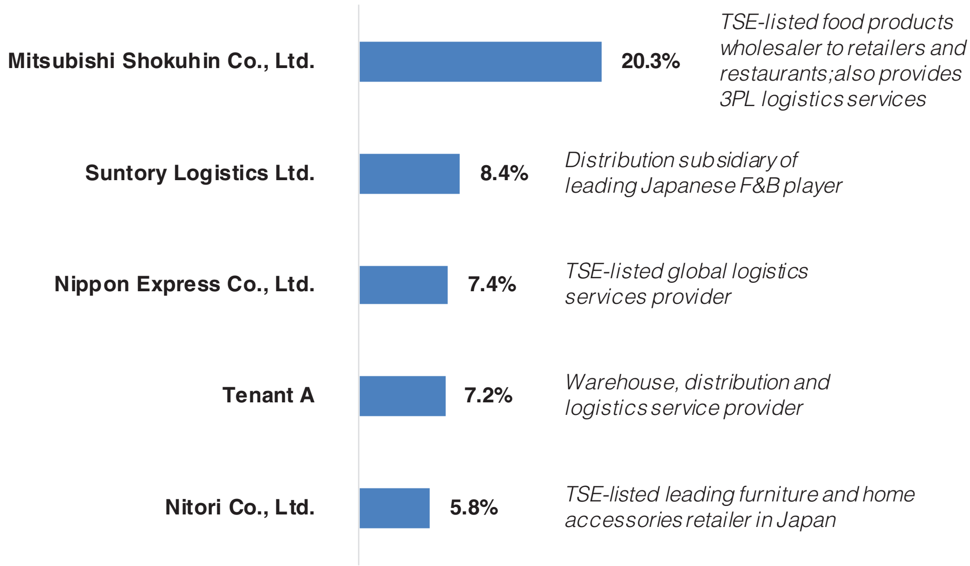
Modern logistics facilities built to high specification by experienced developers are highly sought after in the Japanese market, and the positive tenant sentiments are reflected in the high occupancy rates across the IPO Portfolio. As at 1 October 2021, DHLT's IPO Portfolio has 26 tenants and all of the properties in the IPO Portfolio are fully occupied, with the exception of DPL Sapporo Higashi Kariki and DPL Koriyama. As a result, DHLT's Initial Portfolio's occupancy rate is 96.3% as at 1 October 2021.

Given the Sponsor's extensive track record and network in the logistics real estate space, a strong relationship is maintained with the IPO Portfolio's high-quality tenant base, which is primarily composed of leading Japanese and global blue-chip companies. As at 30 June 2021, 70.6% of the tenant base by NLA is occupied by TSE-listed companies, their parents and/or their subsidiaries.

The Manager believes that the multi-tenanted assets in the IPO Portfolio, which are built according to the high specifications of the Sponsor's DPL brand format, have a strong edge over the competition. Whilst the BTS assets in the IPO portfolio are customise for existing tenants, these facilities are also developed to meet the high standards of the Sponsor's D Project brand format, and can be adjusted to meet the needs of a new tenant should the existing tenants choose not to renew.

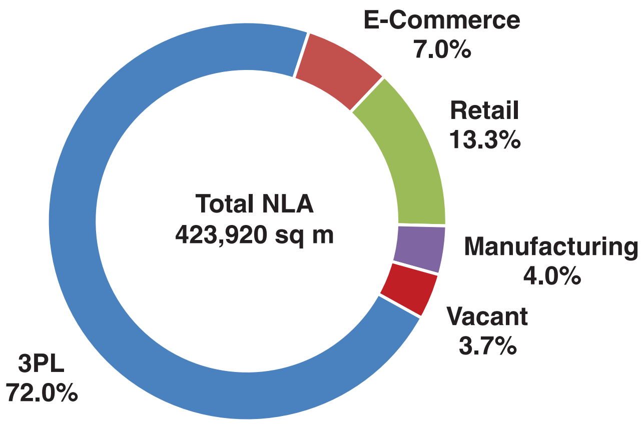
With the exception of one 3PL operator, no single tenant accounts for more than 10% of the NPI of the IPO Portfolio for FY2020, translating to low concentration risks. Moreover, the tenant base is diversified across multiple sectors including 3PL, e-commerce, retail, and manufacturing, with 3PL representing the highest proportion at 72.0% by NLA. None of the top 10 tenants are related to the Sponsor, or to each other. The aggregate contribution of the top 10 tenants as a percentage of NPI of the IPO Portfolio for FY2020 was 71.1%.

Top 5 Tenants by FY2020 NPI Contribution



Note: NPI contribution for multi-tenanted properties is calculated and adjusted based on the pro forma NPI of each property for FY2020 and allocated to the respective tenants by the proportion of NLA the tenants occupy in the property.

IPO Portfolio By Tenant Trade Sector (by NLA)

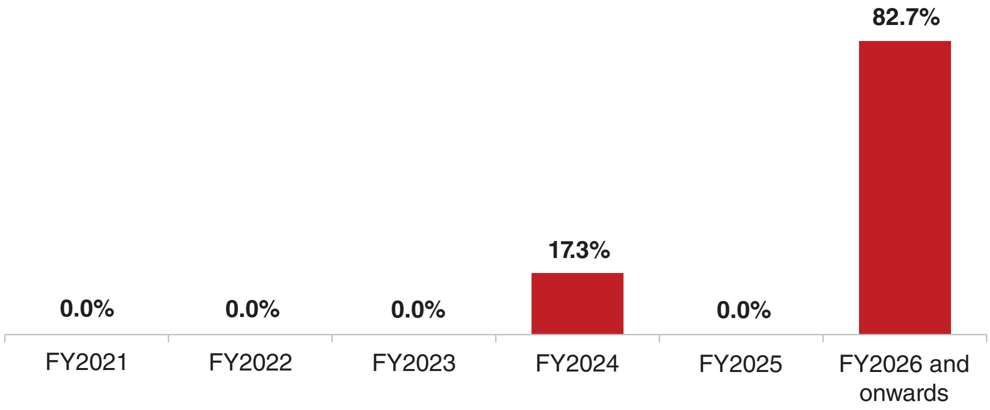


Note: As at 1 October 2021.

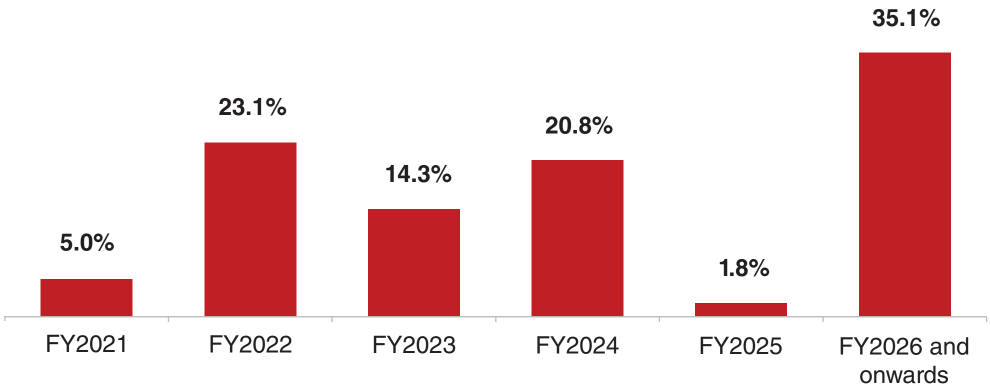
Long WALE across IPO Portfolio

The IPO Portfolio is anchored by single-tenanted BTS assets with a long WALE by occupied NLA of 11.2 years as of 30 June 2021. Separately, multi-tenanted assets within the IPO Portfolio have an aggregate WALE by occupied NLA of 5.9 years as of 30 June 2021. Overall, the IPO Portfolio's aggregate WALE by NLA is 7.2 years as of 30 June 2021[1].

Lease Expiry Profile of BTS Assets (by Occupied NLA)



Lease Expiry Profile of Multi-Tenanted Assets (by Occupied NLA)



[1] Multi-tenanted assets tend to have a relatively short WALE as the term of the tenancy agreements with end-tenants is typically two (2) years.

Strategic locations with proximity to transportation and shipping infrastructure

The IPO Properties are closely interlinked with transportation and shipping networks, which is attractive for DHLT's large 3PL and e-commerce tenant base.

IPO Properties' Distance To Transportation Infrastructure			
#	**Property**	**Nearest Railway (km)**	**Nearest Highway Interchange (km)**
1.	DPL Sapporo Higashi Kariki	6.5	2.5
2.	DPL Sendai Port	2.5	3.5
3.	DPL Koriyama	3.6	9.3
4.	D Project Maebashi S	2.6	3.5
5.	D Project Kuki S	6.5	3.6
6.	D Project Misato S	2.6	1.7
7.	D Project Iruma S	4.7	0.6
8.	DPL Kawasaki Yako	4.6	2.5
9.	D Project Nagano Suzaka S	0.6	3.3
10.	DPL Shinfuji	3.4	0.8
11.	D Project Kakegawa S	2.0	2.5
12.	DPL Okayama Hayashima	1.3	1.6
13.	DPL Okayama Hayashima 2	2.3	1.9
14.	D Project Fukuoka Tobara S	1.0	1.0

Source: Full valuation reports of the IPO Properties prepared by the Independent Valuers.

For instance, the strategic locations of IPO Portfolio are exemplified by DPL Okayama Hayashima and DPL Okayama Hayashima 2, which are each located approximately 2.0 km from the Hayashima interchange, allowing for ready access to the Sanyo and Setouchi Chuo expressways. The Hayashima interchange is the gateway to Okayama for vehicles originating from other major cities such as Osaka, Kobe, Hiroshima, and Shikoku Island. These two properties are occupied by 3PL and retail tenants; the logistics space is highly sought after for its proximity to Okayama and Kurashiki, the most populous cities in the Okayama prefecture.

IPO Portfolio assets developed and operated with a commitment to ESG principles, majority of the IPO Properties are green certified

The Manager believes that a firm commitment to environmentally sustainable practices further differentiates the IPO Portfolio as a whole, and represents increasingly important consideration for tenants. Almost half of the respondents of the CBRE's Logistics Occupier Survey conducted in March 2021 expressed a growing demand for facilities with sustainability features or green certificates.

The IPO Portfolio demonstrates the Manager's commitment to ESG principles. Approximately 95.7% of the IPO Portfolio by NLA is certified green by the DBJ Green Building Certification Programme, the leading programme in Japan which evaluates and measures the environmental and social awareness characteristics of real estate properties. The DBJ Green Building Certification Programme assesses "green" characteristics of a building such as energy & resources, resilience, amenity, community & diversity and partnership. Buildings certified green by the DBJ Green Buildings Certification Programme have demonstrated high environmental and social awareness.

Star Rating[1]	IPO Properties	No. of Properties	NLA% (sq m)
★★★	• DPL Sapporo Higashi Kariki • DPL Sendai Port • DPL Koriyama • DPL Kawasaki Yako • DPL Shinfuji	5	65.7%
★★	• D Project Misato S	1	3.5%
★	• D Project Maebashi S • D Project Iruma S • D Project Nagano Suzaka S • D Project Kakegawa S • DPL Okayama Hayashima • DPL Okayama Hayashima 2 • D Project Fukuoka Tobara S	7	26.5%
Total		**13**	**95.7%**

Note:

(1) Under the DBJ Green Building Certification Programme, only top 20% of the assessed investment grade properties in Japan are certified green. The top 20% of the assessed properties which qualify for the green certification will subsequently be assigned a star rating of one to five stars according to the score from the assessment.

Star Rating	Description	Percentile of scores amongst certified green properties
★★★★★	Highest-end-level environmentally and socially friendly building	Top 10%
★★★★	Extremely superior-level environmentally and socially friendly building	Top 30%
★★★	Highly superior-level environmentally and socially friendly building	Top 60%
★★	Fairly superior-level environmentally and socially friendly building	Top 85%
★	Satisfactory superior-level environmentally and socially friendly building	Top 100%

For more information on the DBJ Green Building Certification Programme, please refer to DBJ Green Building Certification Program's official webpage at www.dbj.jp/en/service/program/g_building.

DHLT's portfolio properties are well-equipped with systems which help to conserve and generate energy. For instance, energy-efficient LED lights are installed in all but one property in the IPO Portfolio.

Additionally, 10 out of the 14 properties in the IPO Portfolio are equipped with solar power generation systems on their roof-tops, which are operated by Daiwa Energy Co., Ltd. ("**Daiwa Energy**"), a wholly-owned subsidiary of the Sponsor, pursuant to solar power facilities installation agreements entered into between the Property Trustee and Daiwa Energy. The IPO Portfolio has an aggregate solar power generation capacity of 13.5MWp which is transferred to the power grid. Where the opportunity arises, the Manager intends to further equip properties in the IPO Portfolio with solar power and other renewables energy generation capabilities and lease the roof-tops and/or other available spaces to solar power and other renewable energy operators. This will serve to enhance the environmental friendliness of the properties while generating an additional source of income for DHLT through the leasing of roof-tops and/or other available spaces to solar power and other renewable energy operators.

#	Property	Solar Capacity (MWp) installed by Daiwa Energy
1	DPL Sendai Port	2.6
2	DPL Koriyama	3.0
3	D Project Maebashi S	1.4
4	DPL Kawasaki Yako	1.2
5	D Project Nagano Suzaka S	0.9
6	DPL Shinfuji	1.2
7	D Project Kakegawa S	0.7
8	DPL Okayama Hayashima	1.4
9	DPL Okayama Hayashima 2	0.7
10	D Project Fukuoka Tobara S	0.5
	Total	**13.5**

Solar Power Generation Systems

DPL Shinfuji

D Project Nagano Suzaka S

The Manager believes that beyond the commitment to environmental sustainability, the installation of these electricity-generating facilities improves DHLT's net operating income.

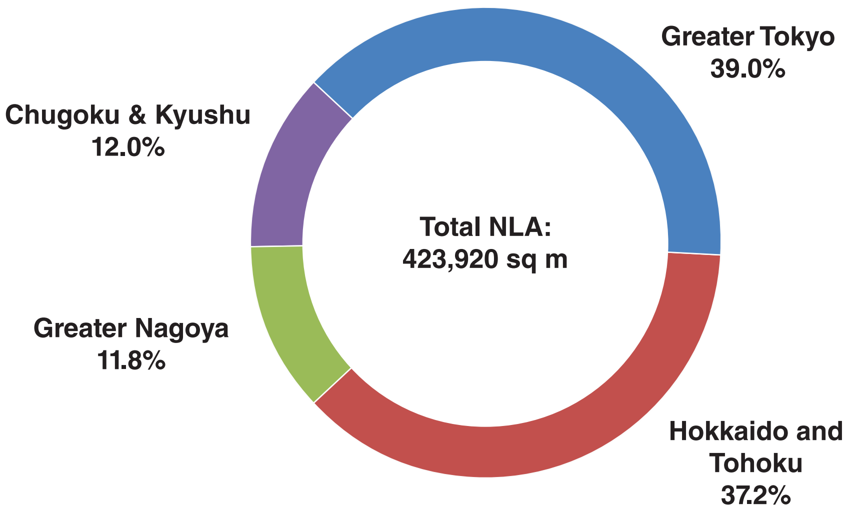
(See "Strategy – Key Strategies – Sustainability" for further details of the ESG principles adopted by the Manager for DHLT and the Manager's Sustainability Policy (as defined herein))

4. Well-Diversified IPO Portfolio

Properties diversified across the Greater Tokyo Area as well as core regional markets throughout Japan

The geography and economic make-up of Japan is such that there is strong production and consumption activity both within the Greater Tokyo Area, and across the core regional markets. DHLT offers a diversified initial IPO Portfolio of properties spread across various regions in prime industrial locations to minimise concentration risk, and to take advantage of markets which have traditionally been overlooked by existing Japanese-listed and private REITs.

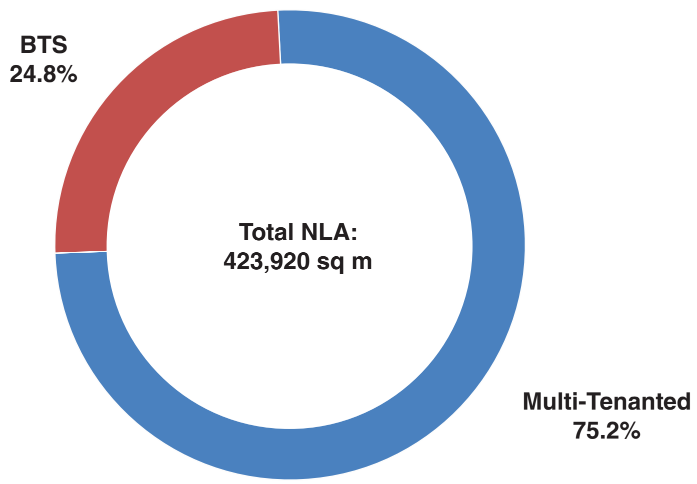
IPO Portfolio by Region (by NLA)



Mix of BTS single-tenanted and multi-tenanted properties, providing a balance of both long-term stability and opportunities for rent increases upon lease renewals

24.8% of the IPO Portfolio by NLA consists of long WALE BTS single-tenanted properties, which are primarily occupied with blue chip tenants. The remaining 75.2% of the IPO Portfolio by NLA consists of multi-tenanted properties with moderate WALE. This profile mix results in a balanced lease expiry profile, and gives DHLT the opportunity to increase rental rates upon renewal more frequently within the highly sought after multi-tenanted assets.

IPO Portfolio by Tenant Type (by NLA)



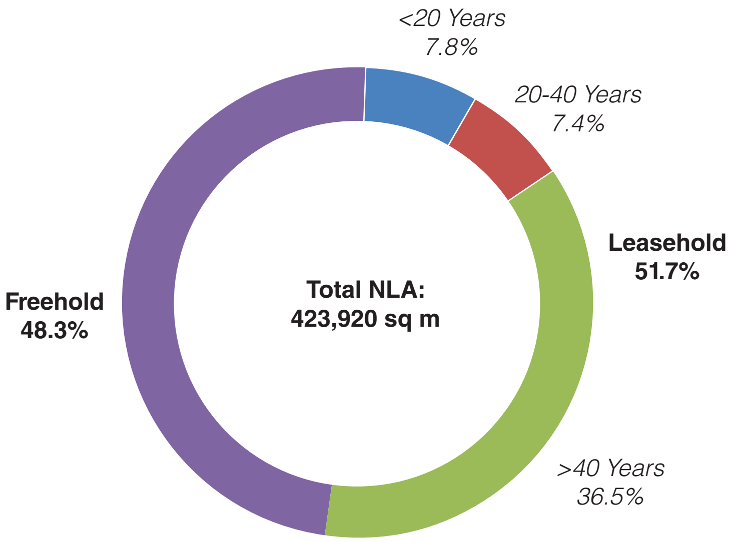
Balanced mix of freehold and leasehold assets

The IPO Portfolio comprises 48.3% freehold and 51.7% leasehold properties by NLA. The Manager believes that leasehold assets tend to provide better investment efficiency,[1] offering higher yields and a more attractive returns profile. The IPO Portfolio's weighted average leasehold land tenure by NLA is approximately 38.3 years as of 30 June 2021.

Additionally, 84.8% of the IPO Portfolio consists of properties which are either on freehold land interests, or leasehold land interests with expiry dates exceeding 40 years as of 30 June 2021.

[1] Freehold properties likely have higher valuations and purchase price than comparable leasehold properties. As such, leasehold assets likely have higher capitalisation rates and per dollar return for leasehold assets generate higher returns, resulting in more efficient deployment of capital.

Land Lease Expiry Profile of the IPO Portfolio (by NLA)



5. Resilient Cash Flows Supporting an Attractive DPU Yield

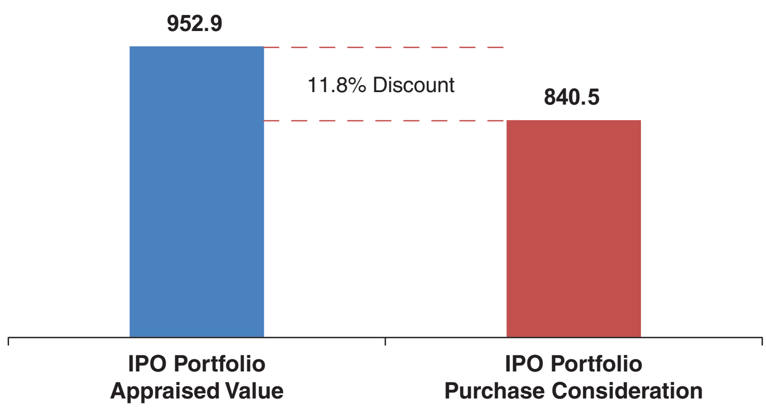
Resilient rental cash flows despite the COVID-19 pandemic

As at 30 September 2021, none of the tenants in the IPO Portfolio have requested for any form of rental relief or abatements throughout the COVID-19 period. With the majority of the IPO Portfolio's tenants comprising 3PL and e-commerce players, the necessary function of storing and shipping essential goods remains largely unabated with no impact on the financial performance of the properties. Logistics real estate in general has been resilient to the pandemic with low vacancy rates throughout.

IPO Portfolio acquired at an attractive price at a discount to Appraised Value

The IPO Portfolio is being acquired by DHLT at an attractive price, which translates to a 11.8% discount to the Appraised Value. This ability to offer tangible support for DHLT's IPO is possible in the case of the Sponsor as it is a developer and had developed the IPO Portfolio on greenfield sites. The attractive price given to DHLT highlights the Sponsor's strong commitment to DHLT and the IPO.

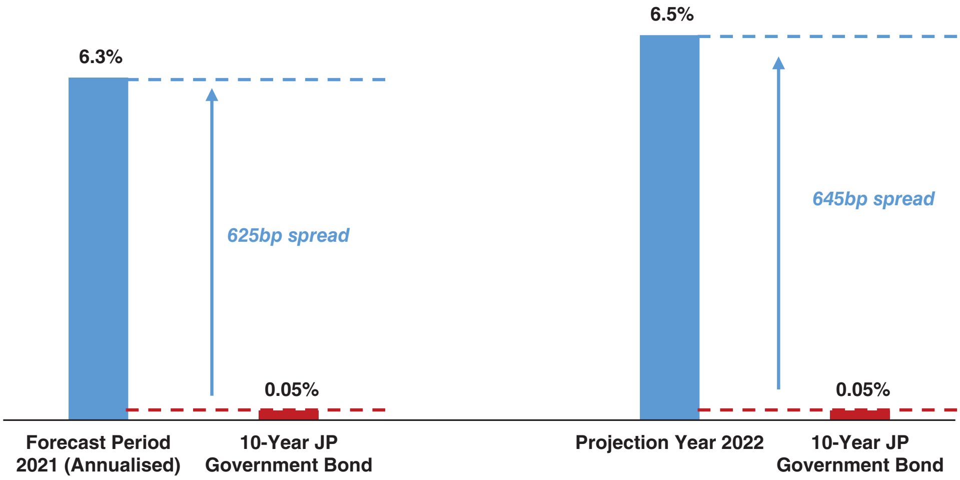
IPO Portfolio Acquired At Discount To Appraised Value (S$ million)



__Attractive DPU yields for Unitholders__

The Manager believes that an investment in DHLT provides an attractive distribution yield and total return to investors on a risk-adjusted basis. The combination of a diversified blue-chip tenant base, long WALE, favourable and well-staggered lease expiry profile, as well as strong logistics real estate tailwinds in Japan add visibility and resiliency to the cash flow profile of DHLT.

The Manager believes that the forecasted and projected DPU yields of 6.3% (annualised based on the Forecast Period 2021) and 6.5% (based on the Projection Year 2022) represent attractive spreads of 625 bps and 645 bps compared to the 10-year Japan government bond yield respectively.



Source: Bloomberg.[1]

Note: 10 Year Japan Government Bond Yield as at 1 October 2021.

6. Unique Growth Opportunities

__Visible growth trajectory through ROFR granted by the Sponsor to DHLT over its pipeline of assets in Southeast Asia and Japan__

DHLT stands to benefit from the Sponsor's capabilities as one of the largest construction and real estate development companies in Japan, with the opportunity to potentially tap into a pipeline including 367,659 sq m GFA of completed logistics assets and 739,731 sq m GFA of assets under development across Japan and Southeast Asia. The Sponsor and its group companies (the "**Sponsor Group**" or "**Daiwa House Group**") are highly capable in sourcing for logistics project opportunities, conducting architectural planning, maintaining relationships with existing and potential tenants, and engaging in construction functions across both Japan and Southeast Asia. As such, the potential pipeline available to DHLT via the Sponsor will be well-supported by the Sponsor's operational scale and resources, information gathering capabilities, and financial backing.

In addition, the Sponsor has granted the Sponsor ROFR to the Trustee over income-producing logistics and industrial real estate assets located in Asia held by the Sponsor or

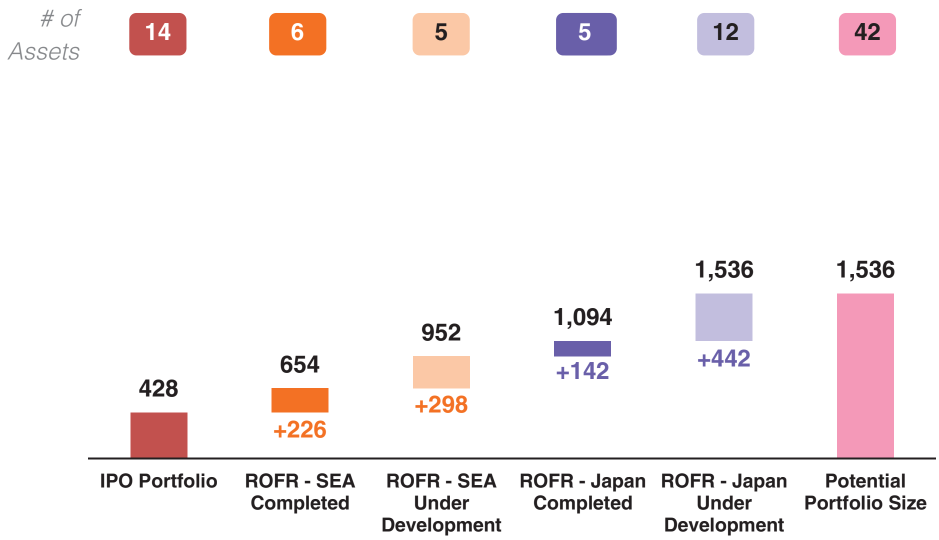
[1] Bloomberg has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information on the 10 year Japan Government Bond Yield information quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the 10 year Japan Government Bond Yield information published by Bloomberg is reproduced in its proper form and context, and that the information is extracted accurately and fairly, neither the Manager, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such website or verified the accuracy of the contents of the relevant information.

its subsidiaries, on the terms set out in the ROFR Agreement (as defined herein), for so long as (i) DHLT is listed on the Main Board of SGX-ST, (ii) the Manager or any of its related corporations remains the manager of DHLT and (iii) the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of DHLT.

With the Sponsor ROFR, DHLT will be able to tap into the Sponsor's sizeable portfolio of quality assets. Under the Sponsor ROFR, DHLT has been granted an exclusive right of first refusal over the Sponsor's pipeline logistics assets across Asia outside Japan. Within Japan, the Sponsor ROFR is subject to a pre-existing right of first refusal granted by the Sponsor in favour of Daiwa House REIT, as well as a pre-existing commitment from the Sponsor to support two of its private real estate funds.

Nonetheless, the Manager believes the Sponsor's strong pipeline of logistics assets is more than sufficient to meet the demands of all four funds including DHLT. (See "Certain Agreements Relating to DHLT and the IPO Properties – ROFR Agreement" for further details.)

DHLT's Potential Acquisition Pipeline



Note: The above chart depicts the potential acquisition pipeline of DHLT which fall within the ambit of the Sponsor ROFR, subject to the terms of the ROFR Agreement (See "Certain Agreements Relating to DHLT and the IPO Properties – ROFR Agreement" for further details).

In Southeast Asia, the Sponsor has successfully developed logistics real estate in partnership with existing Japanese tenants who are looking to expand internationally. DHML 1 in Malaysia was developed as the result of a longstanding relationship between the Sponsor and a major Japanese food wholesaler. More recently, having grown its operations in the region, the same tenant has asked the Sponsor for more floor space in the upcoming DHML 2 property. Similarly in Indonesia, several tenants in DMLP 1 are Japanese companies with an existing relationship with the Sponsor.

Details of some of the Sponsor's Southeast Asia logistics properties, which the Sponsor considers as potential pipeline properties for DHLT, are set out in the table below.

#	Project	Country	Type	GFA (sq m)	Land Type	Completion Date
1	**Long Duc Rental Factory**	Vietnam	Rental Factory	27,253	Leasehold	2017
2	**DPL Loc An – Binh Son 1**	Vietnam	Multi-tenanted	36,860	Leasehold	2019
3	**DPL Loc An – Binh Son 2**	Vietnam	Multi-tenanted	31,891	Leasehold	2021
4	**DPL Long Duc**	Vietnam	Multi-tenanted	24,345	Leasehold	2022[1]
5	**DHML 1**	Malaysia	Multi-tenanted	16,500	Leasehold	2020
6	**DHML 2**	Malaysia	Multi-tenanted	20,000	Leasehold	2021[1]
7	**DHML 3**	Malaysia	Multi-tenanted	85,000	Freehold	2023[1]
8	**DMLP 1**	Indonesia	Multi-tenanted	59,040	Leasehold	2018
9	**DMLP 2**	Indonesia	Multi-tenanted	54,294	Leasehold	2020
10	**DMLP 3**	Indonesia	Multi-tenanted	64,582	Leasehold	2023[1]
11	**DMLP 4**	Indonesia	Multi-tenanted	104,098	Leasehold	N.A.
	Total			**523,863**		

Note: Information as at 30 June 2021.

(1) Estimated year of completion.

Long Duc Rental Factory (Vietnam)

DHML 2 (Malaysia)

DMLP 1 (Indonesia)

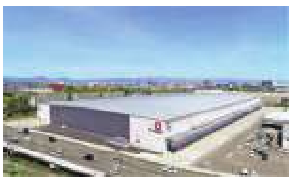
Details of some of the Sponsor's Japan logistics assets, which the Sponsor considers as potential pipeline properties for DHLT, are set out in the table below.

#	Name	Type	GFA (sq m)	Land Type	Completion Date
1	**DPL Toyama Imizu**	Multi-tenanted	22,889	Freehold	2021
2	**DPL Iwate Hanamaki**	Multi-tenanted	13,666	Freehold	2021
3	**DPL Maebashi**	Multi-tenanted	12,972	Freehold	2021

#	Name	Type	GFA (sq m)	Land Type	Completion Date
4	**DPL Tosu**	Multi-tenanted	50,807	Leasehold	2021
5	**DPL Tsukuba Yatabe**	Multi-tenanted	41,487	Freehold	2021
6	**DPL Gunma Fujioka**	Multi-tenanted	23,755	Freehold	2021[1]
7	**DPL Iwate Kitakami 3**	Multi-tenanted	10,803	Freehold	2021[1]
8	**DPL Kakegawa**	Multi-tenanted	58,192	Freehold	2022[1]
9	**DPL Sendai Rifu 1**	Multi-tenanted	48,860	Freehold	2022[1]
10	**DPL Nagano Chikuma**	Multi-tenanted	42,780	Freehold	2022[1]
11	**DPL Okayama Airport South**	Multi-tenanted	33,301	Freehold	2022[1]
12	**DPL Iwate Kanegasaki**	Multi-tenanted	20,286	Freehold	2022[1]
13	**DPL Koriyama 2**	Multi-tenanted	19,693	Freehold	2022[1]
14	**DPL Ibaraki Yuki**	Multi-tenanted	11,519	Freehold	2022[1]
15	**DPL Tomigusuku 2**	Multi-tenanted	79,916	Leasehold	2022[1]
16	**DPL Tsukuba Ami 3**	Multi-tenanted	76,750	Freehold	2023[1]
17	**DPL Sendai Rifu 2**	Multi-tenanted	15,851	Freehold	2023[1]
	Total		**583,527**		

Note: Information as at 30 June 2021.

(1) Estimated year of completion.



DPL Tosu

DPL Tomigusuku 2

DPL Sendai Rifu 1

(See "Certain Agreements Relating to DHLT and the IPO Properties – ROFR Agreement" for further details.)

Conservative capital structure with headroom for future acquisitions

As at the Listing Date, DHLT will have total borrowings of JPY 35.6 billion (S$421.1 million), comprising term loan facilities, defined bonds as well as a short-term Consumption Tax Loan (as defined herein). The Aggregate Leverage of DHLT (as defined herein) immediately following the Listing is approximately 43.8% (computed based on the aggregate purchase consideration of the Deposited Property).[1] (See "Capitalisation and Indebtedness – Indebtedness" for further details).

However, as the IPO Portfolio is being acquired at a significant discount to Appraised Value, the Illustrative Aggregate Leverage[2] of DHLT (computed based on the Appraised Value of the Deposited Property) is approximately 39.2%. If the Appraised Value remains unchanged at the end of the year, there will be a revaluation gain at the end of the year and the Illustrative Aggregate Leverage will then be reflective of the aggregate leverage of DHLT. As such, the Illustrative Aggregate Leverage has been disclosed for transparency.

The Consumption Tax Loan will be repaid as soon as practicable, following the refund of the proceeds of the consumption tax from the Japan National Tax Agency by end of second quarter of 2022, following which the Aggregate Leverage[3] of DHLT (computed based on the aggregate purchase consideration of the Deposited Property) is expected to be reduced to approximately 36.9% whilst the Illustrative Aggregate Leverage[4] (based on the Appraised Value of the Deposited Property) is expected to be reduced to approximately 33.1%.

For Forecast Period 2021 and Projection Year 2022, the estimated Interest Coverage Ratio[5] is 9.3x and 10.3x. (See "Capitalisation and Indebtedness – Indebtedness" for further details on the Consumption Tax Loan).

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1 For purposes of the Property Funds Appendix, the Aggregate Leverage is computed by taking total borrowings (excluding lease liabilities arising from land rent) divided by total assets using the aggregate purchase price of the IPO Portfolio (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).

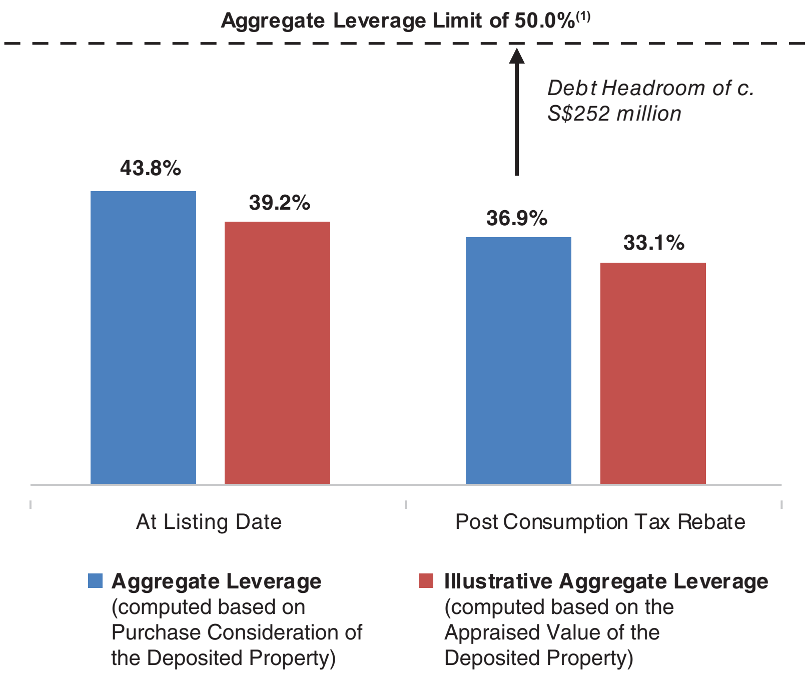
2 The Illustrative Aggregate Leverage is computed by taking total borrowings (excluding lease liabilities arising from land rent) divided by total assets using the Appraised Value (excluding right of use assets, asset retirement obligation assets and the amount of restricted cash equivalent to security deposits payable by end-tenants to the Property Trustee).

3 For purposes of the Property Funds Appendix, the Aggregate Leverage following the repayment of Consumption Tax Loan is computed by taking total borrowings (excluding lease liabilities arising from land rent), without the Consumption Tax Loan, divided by total assets using the aggregate purchase price of the IPO Portfolio (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).

4 The Illustrative Aggregate Leverage following the repayment of Consumption Tax Loan is computed by taking total borrowings (excluding lease liabilities arising from land rent), without the Consumption Tax Loan, divided by total assets using the Appraised 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).

5 Interest Coverage Ratio was computed as forecast and projected EBITDA (excluding effects of any fair value changes) divided by forecast and projected interest expenses and amortisation of borrowing-related fees arising from the Loan Facilities (excluding finance costs of asset retirement obligations and lease obligations).

Aggregate Leverage



Note:

(1) Pursuant to the Property Funds Appendix, DHLT is permitted to borrow up to 50.0% of the Deposited Property prior to 1 January 2022. On or after 1 January 2022, DHLT may subsequently borrow up to 50.0% if DHLT has a minimum Interest Coverage Ratio of 2.5x, failing which, it may borrow up to 45.0% of the Deposited Property. The estimated Interest Coverage Ratio for Forecast Period 2021 and Projection Year 2022 is 9.3x and 10.3x respectively, excluding finance costs of asset retirement obligations and lease obligations.

7. Alignment of Interest With Sponsor and Experienced Board and Management Team

Alignment of interest between Sponsor and Unitholders demonstrated by Sponsor's investment in Units and Perpetual Securities issued by DHLT at Listing, as well as the ROFR granted by the Sponsor to DHLT

In order to demonstrate its commitment to DHLT, the Sponsor will subscribe for approximately 14% of the total issued capital of DHLT and representing an investment of approximately S$75.6 million, on the Listing Date concurrently with the Offering, subject to the exercise of the Over-Allotment Option. (See "Capitalisation and Indebtedness for further details on capitalisation of DHLT.)

Over and above its investment in Units at Listing, the Sponsor will also directly subscribe for JPY 3.0 billion (approximately S$35.5 million) subordinated perpetual securities ("**Perpetual Securities**") carrying an initial distribution rate of 2.95% per annum as at the Listing Date and amounting to an additional investment of up to 6.6% of DHLT's Unitholders' funds. The Perpetual Securities, among others, has a perpetual term with no fixed redemption, will be subordinated to the other creditors of DHLT, will not be redeemable at the option of the Sponsor and will carry no voting rights (See "Capitalisation and Indebtedness – "Perpetual Securities" for further details). The Sponsor's investment in the Perpetual Securities, at a rate which is significantly lower than the distribution yields of the Units, will help to lower the weighted average cost of capital for DHLT.

To further demonstrate its commitment to DHLT, the Sponsor has granted the Sponsor ROFR over income-producing logistics and industrial real estate assets located in Asia held by the Sponsor or its subsidiaries, subject to the terms of the Sponsor ROFR. (See "Certain Agreements Relating to DHLT and the IPO Properties – ROFR Agreement" for further details.)

Management fee structure demonstrates the Manager's alignment of interest with Unitholders

The Manager's Management Fee is structured to align the interest of the Manager with that of Unitholders with the base and performance fee structure based on distributable income and DPU growth, instead of AUM or NPI, thereby incentivising the Manager to grow income and DPU for Unitholders.

Under the Trust Deed, the Manager is entitled to receive a base fee (the "**Base Fee**") of 10.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee (as defined below)), and a performance fee of 25.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the increase in DPU in a financial year over the DPU of 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**") (subject to adjustments in certain cases under the Trust Deed, as further described in "Management and Corporate Governance – Fees Payable to the Manager").

The Manager may elect to receive the Base Fee and Performance Fee in cash or Units or a combination of cash and Units. For the first Financial Year which covers the Forecast Period 2021 and Projection Year 2022, the Manager has elected to receive 50.0% of the Base Fee and Performance Fee (if any) in the form of Units and the remaining 50.0% of the fees in cash to more closely align the interests of the Manager with those of Unitholders. For the purpose of determining if any Performance Fee is payable in respect of the first Financial Year, the actual DPU for the period from the Listing Date to 31 December 2022 shall be compared to the sum of the forecast DPU in respect of Forecast Period 2021 (after the Listing Date) and the projected DPU in respect of Projection Year 2022.

Highly experienced leadership team with proven and relevant track record

The Manager has a highly experienced Board of Directors, who collectively are well-versed in the areas of real estate, logistics, public and private REIT fund management, property development, corporate finance, and law.

An overview of the Board of Directors and each Director's resume is set out in the table below.

Board of Directors					
Tan Jeh Wuan	**Tan Juay Hiang**	**Takashi Suzuki**	**Yoshiyuki Takagi**	**Eiichi Shibata**	**Takeshi Fujita**
Chairman and Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Non-Independent Non-Executive Director	Non-Independent Non-Executive Director	Non-Independent Executive Director/CEO
• Former Managing Director & Head, Capital Markets, Singapore of DBS Bank Ltd • Involved in many equity fund raising and financial advisory transactions, including IPOs, private placements and rights issues • More than 30 years of experience in banking and finance-related industries	• Former Managing Director, REIT Investments of Ascott Ltd • Former Chief Executive Officer of Ascendas Hospitality Fund Management Pte. Ltd., the Manager of Ascendas Hospitality Trust • More than 14 years of experience in real estate investment trust management	• Partner at Kyo Sogo Law Offices, Tokyo, Japan since September 2003 • 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	• Chairman of Cosmos Initia Co., Ltd., a Japanese listed residential developer, since October 2020 after his resignation as President • Led residential real estate development businesses in Australia for 19 years • More than 30 years of experience in real estate development	• Joined DHI in 1983 and is currently serving as the Managing Executive Officer • 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 • More than 38 years of experience in real estate and finance	• Former Executive Manager in charge of Real Estate Business Planning Department at Sumitomo Mitsui Trust Bank, Ltd • Former Chief Executive Officer at Daiwa House Asset Management Co., Ltd., the Manager of Daiwa House REIT • Former Deputy Chief Executive Officer at Sumitomo Mitsui Trust Real Estate Investment Management Co., Ltd • More than 35 years of experience in real estate and finance

Furthermore, the management team of the Manager brings a diverse wealth of relevant experience in managing listed REITs, real estate and property development. An overview of the management team and each member's resume is set out in the table below.

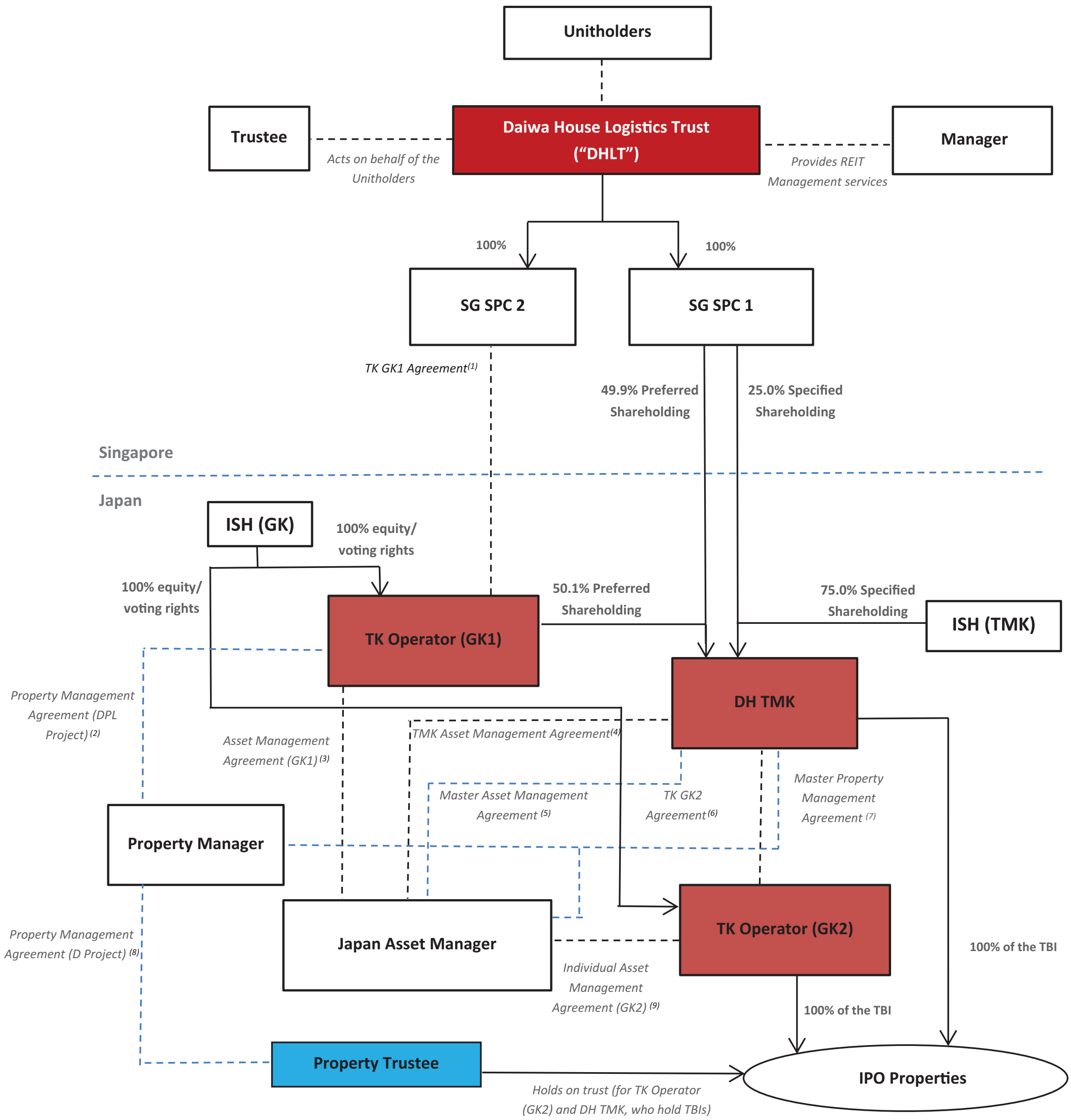
Management Team	Experience
Takeshi Fujita Chief Executive Officer	• Joined Sumitomo Mitsui Trust Bank, Ltd. in 1986 and started his career in corporate finance until 2000. • Worked across multiple fields in real estate post-2000, including brokerage, investment advisory and property fund management in Sumitomo Mitsui Trust Bank, Ltd. and fund management companies including Daiwa House Asset Management Co., Ltd., the Manager of Daiwa House REIT listed on TSE. • Served as CEO and President for Daiwa House Morimoto Asset Management Co., Ltd. (now Daiwa House Asset Management Co., Ltd.) from May 2008 to May 2011 and led JPY 139.3 billion merger and acquisition of another J-REIT in April 2010. • Held key management positions in a few private property funds post his resignation from Daiwa House Asset Management Co., Ltd. in 2011. • Holds a Bachelor of Arts in Economics from Kwansei Gakuin University, Japan, and a Master of Business Administration in Finance and Investment from The George Washington University, USA. • More than 35 years of experience in real estate and finance.
Chua Tai Hua, Anne[1] Chief Financial Officer	• Formerly the Chief Financial Officer of CapitaLand Commercial Trust Management Limited, the manager of CapitaLand Commercial Trust ("**CCT**"), a real estate investment trust that was listed on the SGX-ST. • Holds a Graduate Degree in Bachelor of Business Administration from the National University of Singapore, a Post-Graduate Degree in Master of Applied Finance from MacQuarie University of Australia (where she was the joint top graduand), and a Master of Professional Accounting from the Singapore Management University. • More than 35 years of experience in real estate and finance.

[1] As at the date of this Prospectus, the Chief Financial Officer, Ms Chua Tai Hua, Anne, is also in charge of the investor relations function of the Manager (*See "The Manager and Corporate Governance – Roles of the Executive Officers of the Manager" for further details*).

Management Team	Experience
Toru Aoki Chief Risk Officer	• Joined Sumitomo Mitsui Trust Bank, Ltd. in 1986 and has been responsible for global finance and global real estate related businesses in Tokyo, Hong Kong, Singapore and New York. • Holds a Bachelor of Arts in Economics from Hitotsubashi University, Japan. • More than 35 years of experience in real estate and finance.
Jun Yamamura Head of Planning	• Joined Marubeni Corporation in 1999 and has worked multiple fields in real estate including development, asset management both of private fund and Japanese REITs, and property management. • 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. • More than 20 years of diverse real estate and investment experience.
Cho Hongrae Head of Investment	• Joined DHI in 2005 and was previously based in Vietnam focusing on property development, construction, and management. • Holds a Bachelor of Arts in Humanities from Doshisha University, Japan. • More than 16 years of diverse real estate and construction experience.
Daijiro Nose Head of Asset Management	• Joined Sumitomo Mitsui Trust Bank, Ltd. in 2005 and has worked across multiple fields in real estate including brokerage, investment advisory and property fund management. • Holds a Bachelor of Arts in Economics from Keio University, Japan. • More than 16 years of diverse real estate experience.

OVERVIEW OF THE STRUCTURE OF DHLT

The following diagram illustrates the relationship, among others, between DHLT, the Manager, the Trustee and the Unitholders as at the Listing Date:



Notes:

(1) "**TK GK1 Agreement**" refers to the TK agreement entered into between SG SPC 2 and TK Operator (GK1) on 9 November 2021 to appoint TK Operator (GK1) as the TK Operator for SG SPC 2 in respect of 50.1% of preferred shares of DH TMK.

(2) "**Property Management Agreement (DPL Project)**" refers to the conditional property management agreements entered into amongst the Property Trustee, TK Operator (GK1) as the Master Lessee and the Property Manager on 9 November 2021 in relation to the Master Lease Property.

(3) "**Asset Management Agreement (GK1)**" refers to the asset management agreement entered into between TK Operator (GK1) and the Japan Asset Manager on 9 November 2021 in respect of 50.1% of preferred shares of DH TMK.

(4) "**TMK Asset Management Agreement**" refers to the asset management agreement entered into between DH TMK and the Japan Asset Manager on 9 November 2021 in respect of the TMK Properties and the TK interests in TK Operator (GK2).

(5) "**Master Asset Management Agreement**" refers to the master asset management agreement entered into between DH TMK and the Japan Asset Manager on 9 November 2021 regarding asset management agreements to be entered into between each limited liability company (*godo kaisha*) in which DH TMK makes a silent partnership (*tokumei kumiai*) investment and the Japan Asset Manager from time to time.

(6) "**TK GK2 Agreement**" refers to the agreement entered into between DH TMK and TK Operator (GK2) on 9 November 2021 to appoint TK Operator (GK2) as the TK Operator of DH TMK in respect of each of the GK2 Properties.

(7) "**Master Property Management Agreement**" refers to the master property management agreement entered into amongst DH TMK, the Japan Asset Manager and the Property Manager on 9 November 2021 regarding property management agreements to be entered into among the Property Trustee, TK Operator (GK1) as the Master Lessee and the Property Manager from time to time.

(8) "**Property Management Agreement (D Project)**" refers to the conditional property management agreements entered into between the Property Trustee and the Property Manager on 9 November 2021 in relation to the IPO Properties save for the Master Lease Property.

(9) "**Individual Asset Management Agreement (GK2)**" refers to the individual asset management agreement entered into between TK Operator (GK2) and the Japan Asset Manager on 9 November 2021.

(See "Overview of the Acquisition of the IPO Properties – Acquisition Structure of the IPO Properties" for further details on the acquisition structure of the IPO Properties.)

Introduction: DHLT

DHLT was constituted by the Trust Deed on 2 November 2021. It is principally regulated by the SFA, the Code on Collective Investment Schemes issued by the MAS ("**CIS Code**"), including Appendix 6 of the CIS Code (the "**Property Funds Appendix**"), other relevant regulations as well as the Trust Deed.

DHLT will be listed as a REIT. Under a REIT structure, the Trustee acts as the trustee of DHLT and, in such capacity, holds the assets of DHLT on trust for the benefit of the Unitholders, safeguards the rights and interests of the Unitholders and exercises all the powers of a trustee and the powers accompanying ownership of the IPO Properties.

The Sponsor: Daiwa House Industry Co., Ltd.

DHI is a company listed on the TSE and the principal company of the Daiwa House Group, which has a global presence via 444 group companies, with 174 based in Japan and 270 based overseas as of March 2021. The Daiwa House Group is a group of companies led by the Sponsor, with its head office in Osaka, Japan. The Sponsor was founded in 1955 and is one of the largest construction and real estate development companies in Japan, with a market capitalisation of JPY 2,491.1 billion (SGD 29.5 billion) as of 30 September 2021. As at the date of this prospectus, it has a credit rating of AA by the Japan Credit Rating Agency. For the years ended 31 March 2019, 2020 and 2021, the Sponsor has recorded (i) an Interest Coverage Ratio (EBITDA/Interest Expense) of approximately 59.1x, 50.8x and 43.5x respectively, (ii) a net asset value of approximately JPY 1.64 trillion (S$19.4 billion), JPY 1.77 trillion (S$20.9 billion) and JPY 1.89 trillion (S$22.4 billion) respectively, and (iii) a debt to equity ratio of approximately 48.8%, 60.4% and 69.5% respectively.

The Daiwa House Group principally engages in the business of construction and real estate development, with real estate investments in sectors such as housing and residential apartments, commercial real estate (including commercial, logistic, and medical facilities), and lifestyle properties (including hotels and fitness clubs). The Daiwa House Group aims to expand its overseas business to achieve net sales of JPY 400 billion (S$4.7 billion) in FY2021 by focusing more on ASEAN countries with promising growth to complement the more stable prospects of developed regions.

As a leader in the construction industry, the Daiwa House Group has developed around 1.9 million residential units and completed around 54,900 commercial facility projects as at 31 March 2021 and is currently undertaking ongoing logistics development projects with an aggregate value in excess of JPY 600 billion (approximately S$7.1 billion).

It operates through the following segments: single-family houses, rental housing, condominiums, existing homes, commercial facilities, logistics, business & corporate facilities, and other businesses. Within the logistics, business & corporate facilities sector, which accounts for more than 20% of consolidated net sales in the most recent fiscal year ended 31 March 2021, the logistics facilities-related business is the fastest growing business area in the recent year. In terms of real estate investment, DHI focuses on the logistics business by allocating JPY 650 billion (S$7.7 billion), 65% of the total investment of JPY 1 trillion (S$11.8 billion, to the logistics, business & corporate facilities in the company's 6th Mid-term Plan (FY2019 to FY2021).

(See "The Sponsor" section of this Prospectus for further details.)

The Manager: Daiwa House Asset Management Asia Pte. Ltd.

Daiwa House Asset Management Asia Pte. Ltd. is the manager of DHLT. The Manager was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") on 20 November 2020. It has an issued and paid-up capital of S$6,000,000 and its registered office is located at 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960. The Manager is wholly-owned by the Sponsor.

The Manager has been issued a capital markets services licence ("**CMS Licence**") for REIT management pursuant to the SFA on 17 November 2021.

(See "The Formation and Structure of DHLT" for further details.)

The Manager is responsible for the overall asset management of DHLT, including carrying out the following roles:

- **Investment**: Formulating DHLT's investment strategy, including determining the location, sub-sector type and other characteristics of DHLT Property portfolio. Overseeing the negotiations and providing the supervision in relation to investments of DHLT.

- **Asset management**: Formulating DHLT's asset management strategy, including determining the tenant mix, asset enhancement plans and rationalising operation costs. Providing the supervision in relation to asset management of DHLT.

- **Capital management**: Formulating the plans for equity and debt financing for DHLT Property acquisitions, distribution payments, expense payments and property maintenance payments. Executing the capital management plans, negotiating with financiers and underwriters.

- **Accounting**: Preparing accounts, financial reports and annual reports for DHLT on a consolidated basis.

- **Compliance**: Making all regulatory filings on behalf of DHLT, and assisting DHLT in complying with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the CIS Code (including the Property Funds Appendix), the Take-over Code, the Trust Deed, the CMS Licence, any tax ruling and all relevant contracts.

- **Investor relations**: Communicating and liaising with investors, analysts and the investment community.

(See "The Manager and Corporate Governance – The Manager of DHLT – Roles and Responsibilities of the Manager" for further details.)

The Trustee: HSBC Institutional Trust Services (Singapore) Limited

The trustee of DHLT is HSBC Institutional Trust Services (Singapore) Limited. It is a company incorporated in Singapore on 24 February 1949 with a paid-up capital of S$5,150,000 as at the Latest Practicable Date. The Trustee is licenced as a trust company under the Trust Companies Act, Chapter 336 of Singapore (the "**Trust Companies Act**"). It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the SFA and is regulated by the MAS. Its registered office is located at 10 Marina Boulevard, #48-01 Marina Bay Financial Centre Tower 2, Singapore 018983.

(See "The Formation and Structure of DHLT" for further details.)

Singapore Holding Companies: DH-CRUX Pte. Ltd. and DH-CRUX2 Pte. Ltd.

DH-CRUX Pte. Ltd. ("**SG SPC 1**") is a special purpose company ("**SPC**") which is wholly-owned by DHLT. SG SPC 1 is incorporated in Singapore on 28 December 2020 with a paid-up capital of S$1,500.00 as at the Latest Practicable Date. Its registered office is located at 8 Marina View #14-09 Asia Square Tower 1 Singapore 018960.

DH-CRUX2 Pte. Ltd. ("**SG SPC 2**") is a SPC and wholly-owned subsidiary of DHLT. SG SPC 2 is incorporated in Singapore on 1 June 2021 with a paid-up capital of S$1.00 as at the Latest Practicable Date. Its registered office is located at 8 Marina View #14-09 Asia Square Tower 1 Singapore 018960.

Through SG SPC 1 and SG SPC 2, DHLT holds the TBI interests of the IPO Properties through the *tokutei mokuteki kaisha* ("**TMK**") structure and the *tokumei kumiai* ("**TK**") – *godo kaisha* ("**GK**") investment structure. In the current real estate market in Japan, the TMK and the TK-GK investment structures are common investment structures typically used for real estate investment.

A TMK structure is used for real estate investment in Japan as such structure provides limited liability to the investors and is able to avail of a special tax treatment such that the TMK pays minimal or no Japanese corporate income tax if certain requirements are met.

A TK-GK structure is used for real estate investment in Japan as the TK-GK structure limits the liability of the investors and is able to avail of a special tax treatment such that the TK Operator pays minimal or no Japanese corporate income tax as long as the relationship between the TK Operator and the TK Investor is maintained as a TK (silent partnership) and not recharacterised. Both the TMK and the TK-GK structures are typically used for foreign investments investing in Japanese real estate.

(See "Overview of the Acquisition of the IPO Properties" – "Acquisition Structure of the IPO Properties", "Taxation – Japan Tax Overview" and "Overview of Relevant Laws and Regulations" for further details.)

The TK Operator (GK1): DH-CRUX Japan Intermediate GK

DH-CRUX Japan Intermediate GK ("**TK Operator (GK1)**") is the TK Operator for SG SPC 2 as well as a preferred shareholder of DH TMK (as defined herein). TK Operator (GK1) is incorporated in Japan under the Companies Act of Japan on 26 May 2021. It has an issued and paid-up capital of JPY 100,000 and its registered office is located at Toshida Bldg. 3F, 1-6-11 Ginza, Chuo-Ku, Tokyo, Japan.

TK Operator (GK1) will become the TK Operator for SG SPC 2 on or prior to the Closing Date, pursuant to a TK agreement entered into between SG SPC 2 and TK Operator (GK1) (the "**TK GK1 Agreement**") in respect of 50.1% of preferred shares of DH TMK. A Japanese bankruptcy remote vehicle which is established solely to act as a holding company (*Ippan Shadan Hojin*[1] or "**ISH**") ("**ISH (GK)**") holds 100.0% equity stake in TK Operator (GK1). TK Operator (GK1) is responsible for holding 50.1% of the preferred shares of DH TMK to meet one of the permanent requirements under the Special Taxation Measures Law of Japan (See "Taxation – Japan Tax Overview") and for tax efficiency purposes[2]. The TK GK1 Agreement is an investment agreement pursuant to which SG SPC 2 (as the TK Investor) owes the obligation to make contributions in cash to TK Operator (GK1) for the purpose of the TK business) of TK Operator (GK1), including the purchase of the 50.1% preferred shares in DH TMK and in return, will have a contractual right to receive a distribution of the profits from such TK business as well as the return of the residual assets in the TK business pursuant to the TK GK1 Agreement. TK Operator (GK1) legally owns assets contributed by SG SPC 2 and investment assets including the 50.1% preferred shares in DH TMK under the TK GK1 Agreement. SG SPC 2 shall not have voting rights of TK Operator (GK1) or any other rights to actively participate in decision-making processes of TK Operator (GK1), including the management and operation of the TK business, except for the rights of inspection of TK Operator (GK1) and the TK business under the TK GK1 Agreement. As TK Operator (GK1) manages the TK investments by investing principally in securities, TK Operator (GK1)'s activities constitute a "self-investment management business" which as a general rule requires the GK to register its business as an "Investment Management Business (*toshi un'yo gyo*)" under the Financial Instruments and Exchange Act ("**FIEA**"). However, TK Operator (GK1) is entitled to an exemption from the investment management business registration because it meets, among others, the following requirements: (i) it entered into a discretionary investment management service agreement with the Japan Asset Manager that is registered as an Investment Management Business (*toshi un'yo gyo*), (ii) TK Operator (GK1)'s entire authority of investment management for the benefit of the TK Investors is delegated to the Japan Asset Manager and (iii) the Japan Asset Manager filed a notification regarding TK Operator (GK1) prior to the execution of TK GK1 Agreement.

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1 The voting rights of ISH will be held by members of ISH, which will consist of certified public accountants who are members of Earth Tax Corporation, an independent structured vehicle management service provider in Japan with nominal equity contribution to achieve bankruptcy remoteness.

2 The operating cost of TK Operator (GK1) as special purpose company has to be deducted from the dividend income received by TK Operator (GK1) from DH TMK. Apart from such operating costs, there should not be any leakage of income as 50.1% of the net income from the underlying IPO Properties will be distributed to TK Operator (GK1) while 49.9% of the net income will be distributed to SG SPC 1. The ability to utilise the favourable tax treatment for a TMK makes this structure a tax efficient one despite such operating costs.

In relation to the multi-tenanted properties of the IPO Portfolio, TK Operator (GK1) has on 9 November 2021 entered into pass-through conditional master lease agreements[1] (the "**Master Lease Agreements**") with the Property Trustee (as defined herein) as the property owner of the Japanese multi-tenanted real properties, pursuant to which TK Operator (GK1) shall be the master lessee of the multi-tenanted properties (the "**Master Lessee**") (See "Business and Properties – Lease Agreements and Lease Management – Master Lease" for further details on the master lease arrangement and the Master Lessee). TK Operator (GK1), as the Master Lessee, will be succeeding the lessor's status under each lease agreement with each end-tenant of multi-tenanted properties of the IPO Portfolio upon obtaining the consent of such end-tenant on or after the Listing Date (until such consent is obtained, the Property Trustee succeeds the lessor's status and will be a direct lessor to the end-tenant). Pursuant to the pass-through Master Lease arrangement, the amount of rent payable by TK Operator (GK1) to the Property Trustee under the Master Lease Agreements is equal to the total amount of rent TK Operator (GK1) receives from the end-tenants under the sub-lease agreements. In the event that consent from end-tenants is not obtained for the Master Lessee to succeed the lessor's status under any lease agreement, the Property Trustee will remain the landlord of the end-tenants and as such will be able to directly enforce its rights as lessor against the end-tenants under the tenancy agreements. Even if the Property Trustee remains a direct lessor to the end-tenant, there is no adverse effect for DHLT including the payment of additional trust fees as long as the master lessee leases the multi-tenanted properties of the IPO Portfolio from the Property Trustee.

The Manager and/or the Unitholders cannot remove and/or appoint TK Operator (GK1) or the operating officer (*shokumu shikkosha*) of TK Operator (GK1). It would also not be beneficial to DHLT to remove and/or appoint TK Operator (GK1) as a control mechanism as it is not a service provider but is part of the overall property holding structure and as such, if and whenever TK Operator (GK1) is removed, 50.1% of the preferred shares of DH TMK held by TK Operator (GK1) will have to be transferred, incurring transfer costs (including substantial taxes). Nevertheless, as TK Operator (GK1) and its member are bankruptcy-remote, independent from all other entities and have no staff save for (i) (in respect of TK Operator (GK1)) the operating officer (*shokumu shikkosha*) and (ii) (in respect of ISH (GK)) the manager (*riji*), the decisions of TK Operator (GK1) are made by its operating officer (*shokumu shikkosha*) who is an independent qualified professional, appointed by a tax corporation engaged by TK Operator (GK1), and as such, in practice, DHLT may request the tax corporation to appoint or remove the operating officer (*shokumu shikkosha*) of TK Operator (GK1). As the operating officer (*shokumu shikkosha*) of TK Operator (GK1) has the conflict of interest in issuing such request, in practice, the Japan Asset Manager of TK Operator (GK1) will issue the request on behalf of the operating officer (*shokumu shikkosha*) of TK Operator (GK1). In addition, ISH (GK), the executive member of TK Operator (GK1), is managed by a manager (*riji*), who is an independent qualified professional appointed by the tax corporation engaged by TK Operator (GK1) (as mentioned in the foregoing). While the Manager and/or the Unitholders cannot remove and/or appoint the ISH (GK) or the independent qualified professionals of ISH (GK), given that the member (*shain*) and the manager (*riji*) of ISH (GK) is provided by a tax corporation that is engaged by TK Operator (GK1), DHLT may request the tax corporation to appoint or remove the manager (*riji*) of ISH (GK), or to replace ISH (GK). A replacement of the ISH (GK) is not expected to have material adverse impact to DHLT, as ISH (GK) is not entitled to any right to the economic benefits of TK Operator (GK1) and TK Operator (GK2). ISH (GK) is an orphaned entity and is the equity holder of TK Operator (GK1) and TK Operator (GK2) due to the requirements of lenders and bankruptcy remote purpose. The service

1 Pass-through master lease agreements means the lease agreement through which the owner of the property typically lease the entire building to another entity, such as TK Operator (GK1) or a property management company, acting as master lessor and pursuant to which the rent payable to the owner by the master lessor is equal to the rent the master lessee receives from the end-tenants to the master lessor under the end-tenant lease agreement through which the master lessor leases each unit to end-tenants. The pass-through Master Lease Agreements differ from the typical master lease structures of other listed S-REITs as it is a purely administrative arrangement to reduce the fees payable to the Property Trustee as compared to where the Property Trustee acts as the direct lessor to the underlying tenants.

agreement including officer dispatchment between TK Operator (GK1) and the tax corporation stipulates that the tax corporation has to dispatch an officer of TK Operator (GK1) and a manager of ISH (GK) who are reasonably satisfactory to TK Operator (GK1) and has to dispatch another person if TK Operator (GK1) reasonably requests. Thus, if the operating officer (*shokumu shikkosha*) of TK Operator (GK1) or the manager (*riji*) of ISH (GK) goes against the intention of DHLT, DHLT may request the tax corporation to appoint or remove them. (See "Certain Agreements Relating to DHLT and the IPO Properties – Master Lease Agreements" and "Business and Properties – Lease Agreements and Lease Management" for further details.) (See "Overview of Relevant Laws and Regulations" and "Certain Agreements relating to DHLT and the IPO Properties" for further details.)

The DH TMK: DH-CRUX Japan TMK

DH-CRUX Japan TMK ("**DH TMK**") is a SPC which holds directly and in trust each of the trust beneficial interests ("**TBIs**")[1] of the freehold properties and the ordinary land lease property in the IPO Portfolio ("**TMK Properties**"), while TK Operator (GK2) (as defined below) holds the TBIs of the special fixed-term land lease properties under a TK-GK structure. DH TMK is incorporated in Japan under the Asset Liquidation Act on 9 June 2021. It has an issued and paid-up capital of JPY 120,000 and its registered office is located at Toshida Bldg. 3F, 1-6-11 Ginza, Chuo-Ku, Tokyo, Japan.

The specified shareholders of DH TMK are SG SPC 1 (25.0%) and ISH (75.0%) ("**ISH (TMK)**"), and the preferred shareholders thereof are SG SPC 1 (49.9%) and TK Operator (GK1) (50.1%), which is in turn wholly-owned by ISH (GK). The sole TK Investor of TK Operator (GK1) is SG SPC 2. DHLT indirectly holds DH TMK and indirectly invests in TK Operator (GK2) through DH TMK.

DH TMK and its major specified shareholder, ISH (TMK), are bankruptcy-remote, independent from all other entities and have no staff save for (i) (in respect of DH TMK) the director, a statutory auditor and an accounting auditor and (ii) (in respect of ISH (TMK)) the manager (*riji*).

In the case of DH TMK, other than in respect of important matters which require the unanimous approval of the specified shareholders of DH TMK, the decisions of DH TMK are made by its director who is an independent qualified professional, appointed by a tax corporation engaged by DH TMK. DHLT may request the tax corporation to appoint or remove the director of DH TMK. As the director of DH TMK has the conflict of interest in issuing such request, in practice, the asset manager of DH TMK will issue the request on behalf of the director of DH TMK. Alternatively, the Manager and/or the Unitholders can remove and/or appoint the director of DH TMK as an independent qualified professional, subject to the approval of SG SPC 1 and ISH (TMK), as the specified shareholders of DH TMK, by passing a resolution at a specified shareholder's meeting pursuant to the Asset Liquidation Act. The Manager and/or the Unitholders will, through DHLT's wholly-owned Singapore SPC, SG SPC 1, pass the resolution. Although ISH (TMK) holds 75.0% of DH TMK's specified shares, given ISH (TMK)'s independent qualified professionals are dispatched from a tax corporation (i) that is engaged by DH TMK and (ii) should perform the duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of DH TMK (and ultimately SG SPC 1) and given that ISH (TMK) does not have staff and is operated only by one manager (*riji*), it will, in practice, follow the other specified shareholder's (i.e., SG SPC 1's) decision.

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[1] The TBI represents interests in the principal in and profits from the trust assets, pursuant to the trust agreements and the Trust Act of Japan. Please see "Overview of Relevant Laws and Regulations – Japan – Laws and Regulations Relating to Japanese Real Estate – Trust Beneficial Interests" for further details.

The Manager and/or the Unitholders cannot remove and/or appoint DH TMK. It would also not be beneficial to DHLT to remove and/or appoint DH TMK as a control mechanism as it is not a service provider but is part of the overall property holding structure and as such, if and whenever DH TMK is removed, properties held by DH TMK will have to be transferred, incurring transfer costs (including substantial taxes). Nevertheless, as DH TMK and its major specified shareholder are bankruptcy-remote, independent from all other entities and have no staff save for (i) (in respect of DH TMK) the director, a statutory auditor and an accounting auditor and (ii) (in respect of ISH (TMK)) the manager (*riji*). In the case of ISH (TMK), it is managed by a manager (*riji*), who is an independent qualified professional appointed by the tax corporation engaged by DH TMK (as mentioned in the foregoing). DHLT through DH TMK can request the tax corporation to appoint or remove the manager (*riji*) of ISH (TMK), or to replace ISH (TMK). The replacement of the ISH (TMK) would not have material adverse impact to DHLT, as ISH (TMK) is not entitled to any right to the economic benefits of DH TMK. ISH (TMK) is an orphaned entity and is the equity holder of DH TMK due to the requirements of lenders and bankruptcy remote purpose. The service agreement including officer dispatchment between DH TMK and the tax corporation stipulates that the tax corporation has to dispatch officers of DH TMK and a manager of ISH (TMK) who are reasonably satisfactory to DH TMK and has to dispatch another person if DH TMK reasonably requests. Thus, if the director of DH TMK or the manager (*riji*) of ISH (TMK) goes against the intention of DHLT, DHLT may request the tax corporation to appoint or remove them.

(See "Overview of Relevant Laws and Regulations" for further details.)

The TK Operator (GK2): DH-MIMOSA GK

DH-MIMOSA GK ("**TK Operator (GK2)**") is the TK Operator of DH TMK which holds in trust each of the TBIs of the seven (7) special fixed-term land lease properties in the IPO Portfolio ("**GK2 Properties**") for tax efficiency purposes (See "Taxation – Japan Tax Overview – TK Operator (GK1) and TK Operator (GK2)" for further details). TK Operator (GK2) is incorporated in Japan under the Companies Act of Japan on 26 May 2021. It has an issued and paid-up capital of JPY 100,000 and its registered office is located at Toshida Bldg. 3F, 1-6-11 Ginza, Chuo-Ku, Tokyo, Japan.

TK Operator (GK2) will become the TK Operator of DH TMK with effect from the Closing Date pursuant to a TK agreement entered into between DH TMK and TK Operator (GK2) (the "**TK GK2 Agreement**") in respect of each of the GK2 Properties. ISH (GK) holds 100.0% equity stake in TK Operator (GK2). TK Operator (GK2) is responsible for holding the GK2 Properties and managing their day-to-day operations. The TK GK2 Agreement is an investment agreement pursuant to which DH TMK (as the TK Investor) owes the obligation to make contributions in cash to TK Operator (GK2) for the purpose of the TK business of TK Operator (GK2), including investing in the GK2 Properties and in return, will have a contractual right to receive a distribution of the profits from such TK business as well as the return of the residual assets in the TK business pursuant to the TK GK2 Agreement. TK Operator (GK2) legally owns assets contributed by DH TMK and investment assets including the GK2 Properties under the TK GK2 Agreement. DH TMK shall not have voting rights of TK Operator (GK2) or any other rights to actively participate in decision-making processes of TK Operator (GK2), including the management and operation of the TK business, except for veto rights over material matters of the TK business or notification rights of its intention regarding some of the above material matters of the TK business and the rights of inspection of TK Operator (GK2) and the TK business under the TK GK2 Agreement (See "Certain Agreements relating to DHLT and the IPO Properties – TK Agreements – TK GK2 Agreement – Key Terms of the TK GK2 Agreement – TK Investor's veto rights and TK Investor's notice of intention" for further details of material matters of the TK business). As TK Operator (GK2) manages the TK investments by investing principally in securities, TK Operator (GK2)'s activities constitute a "self-investment management business" which as a general rule requires the GK to register its business as an "Investment Management Business (*toshi un'yo gyo*)" under the FIEA.

However, TK Operator (GK2) is entitled to an exemption from the investment management business registration because it meets, among others, the following requirements: (i) it entered into a discretionary investment management service agreement with the Japan Asset Manager that is registered as an Investment Management Business (*toshi un'yo gyo*), (ii) TK Operator (GK2)'s entire authority of investment management for the benefit of the TK Investors to DHREIM is delegated to the Japan Asset Manager and (iii) the Japan Asset Manager filed a notification regarding TK Operator (GK2) prior to the execution of TK GK2 Agreement.

The Manager and/or the Unitholders cannot remove and/or appoint TK Operator (GK2) or the operating officer (*shokumu shikkosha*) of TK Operator (GK2). It would also not be beneficial to DHLT to remove and/or appoint TK Operator (GK2) as a control mechanism as it is not a service provider but is part of the overall property holding structure and as such, if and whenever TK Operator (GK2) is removed, properties held by TK Operator (GK2) will have to be transferred, incurring transfer costs (including substantial taxes). Nevertheless, as TK Operator (GK2) and its member are bankruptcy-remote, independent from all other entities and have no staff save for (i) (in respect of TK Operator (GK2)) the operating officer and (ii) (in respect of ISH (GK)) the manager (*riji*), the decisions of TK Operator (GK2) are made by its operating officer (*shokumu shikkosha*) who is an independent professional, appointed by a tax corporation engaged by TK Operator (GK2), and as such, in practice, DHLT may request the tax corporation to appoint or remove the operating officer (*shokumu shikkosha*) of TK Operator (GK2). As the operating officer (*shokumu shikkosha*) of TK Operator (GK2) has the conflict of interest in issuing such request, in practice, the asset manager of TK Operator (GK2) will issue the request on behalf of the operating officer (*shokumu shikkosha*) of TK Operator (GK2). In addition, ISH (GK), the executive member of TK Operator (GK2), is managed by a manager (*riji*), who is an independent qualified professional appointed by the tax corporation engaged by TK Operator (GK2) (as mentioned in the foregoing. While the Manager and/or the Unitholders cannot remove and/or appoint the ISH (GK) or the independent qualified professionals of ISH (GK), given that the member (*shain*) and the manager (*riji*) of ISH (GK) is provided by a tax corporation that is engaged by TK Operator (GK2), DHLT may request the tax corporation to appoint or remove the manager (*riji*) of ISH (GK), or to replace ISH (GK). A replacement of the ISH (GK) is not expected to have material adverse impact to DHLT, as ISH (GK) is not entitled to any right to the economic benefits of TK Operator (GK1) and TK Operator (GK2). ISH (GK) is an orphaned entity and is the equity holder of TK Operator (GK1) and TK Operator (GK2) due to the requirements of lenders and bankruptcy remote purpose. The service agreement including officer dispatchment between TK Operator (GK2) and the tax corporation stipulates that the tax corporation has to dispatch officer of TK Operator (GK2) and a manager of ISH (GK) who are reasonably satisfactory to TK Operator (GK2) and has to dispatch another officer if TK Operator (GK2) reasonably requests. Thus, if the operating officer (*shokumu shikkosha*) of TK Operator (GK2) or the manager (*riji*) of ISH (GK) goes against the intention of DHLT, DHLT may request the tax corporation to appoint or remove them.

(See "Overview of Relevant Laws and Regulations" and "Certain Agreements relating to DHLT and the IPO Properties" for further details.)

Each of DH TMK, TK Operator (GK1) and TK Operator (GK2) are bankruptcy-remote vehicles that typically do not exercise their own discretion and will act on the instructions of the Japan Asset Manager (as defined herein). The Japan Asset Manager owes fiduciary duties to DH TMK under the TMK Asset Management Agreement, which in turn refer to the investors of DH TMK, being SG SPC 1. In order to replace the qualified independent professionals of DH TMK, the following steps need to be taken:

(1) SG SPC 1 as a specified shareholder of DH TMK will convene a specified shareholders' meeting (which it is entitled to unilaterally do so) to pass an ordinary resolution for the replacement of the qualified independent professional of DH TMK. The other specified shareholder of DH TMK, being ISH (TMK), is a passive bankruptcy remote vehicle which

does not exercise its own discretion, and will act on the instructions of the Japan Asset Manager (which is obliged to act in accordance with its fiduciary duties owed to the investors of DH TMK which in this case will be SG SPC 1 and ISH (TMK)). As ISH (TMK) is a bankruptcy remote vehicle, the Japan Asset Manager will act in the interest of SG SPC 1 and accordingly instruct the ISH (TMK) to vote in accordance with SG SPC 1's wishes to replace the qualified independent professional.

(2) Once an ordinary resolution of the specified shareholders of DH TMK is passed, DH TMK will then send the notice to the tax corporation to replace the qualified independent professional.

The same steps (1) and (2) above apply in relation to the replacement of the independent professionals of TK Operator (GK1) and TK Operator (GK2), with the additional step that SG SPC 2 and DH TMK as the respective TK Investors will have to give notice to TK Operator (GK1) and TK Operator (GK2) as the TK Operators to give notice to the tax corporation to replace the independent professionals.

The director of DH TMK and the operating officers of TK Operator (GK1) and TK Operator (GK2) are each independent professionals who have been appointed by the tax corporation engaged by the respective Japanese SPVs. Each Japanese SPV will execute an agreement to appoint the independent professionals, pursuant to which DHLT may, through the Japanese SPV, request the tax corporation to replace the appointed independent professionals. As the independent professionals of the relevant Japanese SPV have conflict of interests in issuing such requests, in practice, the asset manager of the relevant Japanese SPV will issue the request on behalf of the independent professional. In addition, the director of DH TMK may be removed by specified shareholders of DH TMK (i.e. SG SPC 1 and ISH (TMK)) by a specified shareholder's meeting pursuant to the Asset Liquidation Act. ISH (TMK) and ISH (GK) are in turn managed by the members (*shain*) and managers (*riji*) of the respective entities. The members (*shain*) and managers (*riji*) of ISH (TMK) and ISH (GK) are independent qualified professionals appointed by the tax corporation that is engaged by the respective SPV, and therefore DHLT may request the tax corporation to replace them. For the foregoing reasons, in practice, DHLT makes decisions on behalf of DH TMK, TK Operator (GK1) and TK Operator (GK2) and DHLT has, in practice, control over these vehicles.

The identities of the directors and executive officers (where relevant) of SG SPC 1, SG SPC 2, TK Operator (GK1), DH TMK, TK Operator (GK2), ISH (GK) and ISH (TMK) are as follows:

	SG SPC 1	SG SPC 2
Director	Takeshi Fujita	Chua Tai Hua, Anne
Secretary	Phang Oi Li	Phang Oi Li

	TK Operator (GK1)	TK Operator (GK2)
Executive Member	ISH (GK)	ISH (GK)
Operating Officer	Masateru Jumyo	Kazuto Ishikura

	DH TMK
Director	Takeshi Nakamura
Statutory Auditor	Hiroshi Shimazoe
Accounting Auditor	Ernst & Young ShinNihon LLC.

	ISH (GK)	ISH (TMK)
Member *(shain)*	(1) Takeshi Nakamura (2) Hiroshi Shimazoe	(1) Takeshi Nakamura (2) Hiroshi Shimazoe
Manager *(riji)*	Masateru Jumyo	Masateru Jumyo

The Japan Asset Manager: Daiwa House Real Estate Investment Management Co., Ltd.

DHREIM will be appointed as the asset manager of TK Operator (GK1) with effect from 9 November 2021 pursuant to an asset management agreement entered into with TK Operator (GK1) on 9 November 2021 ("**Asset Management Agreement (GK1)**") in respect of 50.1% of preferred shares of DH TMK. With effect from 9 November 2021, the Japan Asset Manager will provide asset management services to TK Operator (GK1), subject to the overall management and supervision of the Manager. The Japan Asset Manager has submitted to the Commissioner of the Financial Services Agency a notification in relation to TK Operator (GK1) in accordance with Article 16, Paragraph 1, Item 10 (e) of the Cabinet Office Order on Definitions under Article 2 of the FIEA (Cabinet Office Order No. 14 of 1993, as amended) prior to the execution of TK GK1 Agreement so that TK Operator (GK1) is entitled to an exemption from the requirement to be registered as an Investment Management Business (*toshi un'yo gyo*). These services fall into the investment management business *(toshi un'yo gyo)* prescribed under the FIEA and include:

- discretionary investment management services in connection with acquisition and divestment opportunities in relation to equity interests in property-holding special-purpose companies ("**SPCs**"), including gathering and analysis of market information;

- identify acquisition and divestment opportunities for TK Operator (GK1), conduct due diligence in respect of these investments and prepare the relevant documentation and proposals;

- master lease related services; and

- perform its duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of TK Operator (GK1) and the TK Investor thereof (i.e. SG SPC 2).

DHREIM will be appointed as the asset manager of DH TMK with effect from 9 November 2021 pursuant to an asset management agreement entered into with DH TMK on 9 November 2021 ("**TMK Asset Management Agreement**"). With effect from 9 November 2021, the Japan Asset Manager will provide asset management services in respect of the TMK Properties and the TK interests in TK Operator (GK2), subject to the overall management and supervision of the Manager. These services fall into the investment advisory business *(toshi jogen gyomu)* prescribed under FIEA and include:

- advisory services in connection with acquisition and divestment opportunities in relation to properties to be acquired by DHLT, including gathering and analysis of market information;

- identify acquisition and divestment opportunities for DH TMK, conduct due diligence in respect of these investments and prepare the relevant documentation and proposals;

- take steps to give effect to any decision by DH TMK to dispose of its assets, for example, by preparing a disposal plan;

- provide such notification to the TK Operator of any decision by DH TMK to dispose of the TK Operator's assets and make reasonable efforts to dispose of of such assets, for example, by preparing a disposal plan; and

- perform its duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of DH TMK and the shareholders thereof.

(See "Overview of Relevant Laws and Regulations – Japan – Other Regulations – Financial Instruments and Exchange Act" of this Prospectus for further details about the investment management business (*toshi un'yo gyo*) provided by the Japan Asset Manager to TK Operator (GK1) and TK Operator (GK2) and the investment advisory business (*toshi jogen gyomu*) provided by the Japan Asset Manager to DH TMK).

DHREIM will be appointed as the asset manager of TK Operator (GK2) with effect from 9 November 2021 pursuant to an individual asset management agreement entered into with TK Operator (GK2) on 9 November 2021 ("**Individual Asset Management Agreement (GK2)**") pursuant to the master asset management agreement entered into between DH TMK and DHREIM ("**Master Asset Management Agreement**"). With effect from 9 November 2021, the Japan Asset Manager will provide asset management services to TK Operator (GK2)[1] in respect of the GK2 Properties, subject to the overall management and supervision of the Manager. The Japan Asset Manager has submitted to the Commissioner of the Financial Services Agency or other competent official a notification in relation to TK Operator (GK2) in accordance with Article 16, Paragraph 1, Item 10 (e) of the Cabinet Office Order on Definitions under Article 2 of the FIEA (Cabinet Office Order No. 14 of 1993, as amended) prior to the execution of TK GK2 agreements so that TK Operator (GK2) is entitled to an exemption from the requirement to be registered as an Investment Management Business (*toshi un'yo gyo*). These services fall into the investment management business *(toshi un'yo gyo)* prescribed under FIEA and include:

- discretionary investment management services in connection with acquisition and divestment opportunities in relation to properties to be acquired by DHLT, including gathering and analysis of market information;

- identify acquisition and divestment opportunities for TK Operator (GK2) in relation to properties to be acquired by DHLT, conduct due diligence in respect of these investments and prepare the relevant documentation and proposals;

- take steps to give effect to any decision by TK Operator (GK2) to dispose of GK assets, for example, by preparing a disposal plan; and

- perform its duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of TK Operator (GK2) and the TK Investor thereof (i.e., DH TMK),

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1 DHREIM is registered in Japan as an Investment Management Business (*toshi un'yo gyo*) and is legally required under the FIEA to perform its duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of TK Operator (GK2) and its TK Investor thereof (i.e., DH TMK). In the event DHREIM acts independently against the express intention of decision of TK Operator (GK2) and its TK Investor (i.e., DH TMK), it may constitute breach of the obligation under the Individual Asset Management Agreement (GK2) and TK Operator (GK2) may terminate the Individual Asset Management Agreement (GK2) and remove DHREIM as the asset manager. According to the Manager, they are not aware of any safeguards placed to address the risk of an asset manager acting against the decision of TK Operator and its TK Investor nor are they aware of cases wherein the asset manager acts contrary to the decision of TK Operator and its TK Investor except in cases of breach of the relevant asset management agreement in which case, the TK Investor will through the TK Operator have recourse against the asset manager.

for the avoidance of doubt, in respect of the services provided by the Japan Asset Manager in connection with the acquisition of properties under the Individual Asset Management Agreement (GK2), such services shall only be provided for the IPO Properties, as TK Operator (GK2) will not acquire any other properties after listing. If required, DHLT will establish new GK entities for the acquisition of new properties post-listing.

These asset management services will similarly be provided under the individual asset management agreements ("**Individual Asset Management Agreements**") entered into by DHREIM and each prospective GK that may be incorporated by DHLT from time to time in relation to DHLT's special fixed-term land lease properties pursuant to the Master Asset Management Agreement (together with the Individual Asset Management Agreements, the "**Asset Management Agreements**").

The Japan Asset Manager was incorporated in Japan on 1 October 2014 and a wholly-owned subsidiary of the Sponsor. The Japan Asset Manager is a fund manager which specialise in private real estate funds and manages 50 funds with an aggregate AUM of JPY 723 billion (S$8.6 billion) as at 30 September 2021. It has not been subject of any regulatory actions since it was founded in 2014.

(See "Certain Agreements relating to DHLT and the IPO Properties" for further details.)

The Property Manager: Daiwa House Property Management Co., Ltd.

Daiwa House Property Management Co., Ltd. (the "**Property Manager**") will be appointed as the property manager of each of the IPO Properties with effect from the Listing Date pursuant to conditional property management agreements entered into among the Property Trustee (as defined herein), (as may be applicable in respect of multi-tenanted properties) the Master Lessee and the Property Manager on 9 November 2021 (each an "**Individual Property Management Agreement**") pursuant to the master agreement regarding property management agreements entered into between DH TMK, DHREIM and the Property Manager (the "**Master Property Management Agreement**" and together with the Individual Property Management Agreements, the "**Property Management Agreements**"). With effect from the Listing Date, the Property Manager will directly provide property management, lease management, project management and marketing services in respect of DHLT Properties located in Japan.[1] As part of the responsibilities of the Property Manager under the Property Management Agreement, the Property Manager will also act as the point of contact for the tenants on behalf of the Property Trustee or the Master Lessee and to demand the payment of unpaid rent by the tenants.

The Property Manager was incorporated in Japan under the Companies Act of Japan on 28 September 2016. It is a member of the Daiwa House Group and a wholly-owned subsidiary of the Sponsor.

1 According to the Japanese Counsel, in principle, the Property Trustee would not have the right to disagree with the choice of property manager reasonably selected by DH TMK as the purchaser of the TBIs in the properties and usually follow the instruction of DH TMK as the new trust beneficiary. The Property Trustee may only refuse the choice of property manager by DH TMK in limited circumstances, such as the property manager lacking the qualification to be property manager due to the lack of required licensing, or where the property manager is in financial distress. It is not within the Property Trustee's power to prevent DH TMK as the purchaser of the TBIs from appointing a suitably qualified property manager.

The Property Trustee: Sumitomo Mitsui Trust Bank, Limited

Sumitomo Mitsui Trust Bank, Limited (the "**Property Trustee**") is a licensed trust bank in Japan. Upon the acquisition of the TBIs, DH TMK (for TMK Properties) and TK Operator (GK2) (for GK2 Properties) will succeed the status of the vendors as beneficiaries and settlors of trust, and enter into contractual relationships with the Property Trustee, the legal owner of the IPO Properties as part of the trust assets holding the IPO Properties on trust for the beneficiaries, DH TMK and TK Operator (GK2), in which DHLT indirectly holds equity interests (in relation to DH TMK) or economic interests (in relation to TK Operator (GK2)). Mori Hamada & Matsumoto, the legal adviser to the Manager as to Japanese Law ("**Japanese Counsel**"), has advised that under Japanese law, only Japanese licensed trust banks or companies may perform the function of a property trustee of trust assets, and such property trustee will be appointed by the vendors of the TBIs with the agreement of DH TMK (for TMK Properties) and TK Operator (GK2) (for GK2 Properties). Under the conditional trust agreements for the management and disposition of real estate ("**Trust Agreements**") entered into between the Property Trustee, DHI, Mitsubishi HC Capital Inc. ("**Mitsubishi**"), Mitsubishi HC Capital Community Corporation ("**HC Capital Community**") and/or Tokyo Century Corporation (as the case may be), the Property Trustee maintains, manages and disposes of the real property in accordance with the day-to-day instructions of the beneficiary, (upon the acquisition of the TBIs by DH TMK or, as the case may be, TK Operator (GK2), where they succeed the status of their vendors as beneficiary) DH TMK and TK Operator (GK2), or the beneficiary's agent. The beneficiary appoints the Japan Asset Manager which is registered to engage in investment management business under the FIEA as a qualified agent for giving the necessary instructions to the Property Trustee. The Trust Bank Business Law and its regulations require the property manager of a property entrusted to a trust bank to be competent in providing property management services. DH TMK and TK Operator (GK2) appoints the Property Manager for maintaining the physical aspects of the real properties.

CERTAIN FEES AND CHARGES

Fees and Charges in Connection with the Subscription for or Trading of the Units

The following is a summary of the amount of the fees and charges payable by the Unitholders in connection with the subscription for or trading of the Units (so long as the Units are listed).

In relation to DHLT, the applicable fees and charges payable by the Unitholders directly would be the brokerage fee (for Unitholders subscribing for Units via the Placement Tranche), an administration fee (for Unitholders subscribing for Units via the Public Offer) and the fees in relation to the trading of Units on the secondary market.

	Payable by the Unitholders directly	Amount payable
(a)	Subscription fee or preliminary charge	N.A.[1]
(b)	Realisation fee	N.A.[1]
(c)	Switching fee	N.A.[1]
(d)	Any other fee	**Brokerage Fee in relation to the subscription of Units via the Placement Tranche** Investors in the Placement Tranche may be required to pay brokerage of up to 1.0% of the Offering Price. **Administration fee in relation to the subscription of Units via the Public Offer** An administration fee is payable for each application made through automated teller machines ("**ATM**") and the internet banking websites of the **Participating Banks** (as defined herein). **Fees in relation to the trading of Units on the secondary market** For trading of the Units, investors will pay prevailing brokerage commissions (if applicable) and a clearing fee and a trading fee at the rate of 0.0325% of the transaction value, subject to Goods and Services Tax ("**GST**") chargeable thereon.

Note:

(1) As the Units will be listed and traded on the SGX-ST and Unitholders will have no right to request the Manager to redeem their Units while the Units are listed, no subscription fee, preliminary charge, realisation fee or switching fee is payable in respect of the Units.

Fees and Charges in Connection with the Establishment and On-going Management and Operation of DHLT and its Subsidiaries

Categories and Quantification of Fees and Charges

The following is a summary of the categories of the various fees and charges payable by DHLT or its subsidiaries in connection with the establishment and on-going management and operation of DHLT and its subsidiaries ("**DHLT Group**"), as well as the formula applicable to such fees and charges. The maximum fee or charge payable, if applicable, is also disclosed.

	Payable by DHLT	Amount payable
(a)	Management Fee (payable to the Manager or its nominee with effect from the Listing Date)	**Base Fee** Pursuant to Clause 15.1.1 of the Trust Deed, 10.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of DHLT's Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee). **Performance Fee** Pursuant to Clause 15.1.2 of the Trust Deed, 25.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) 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 (subject to adjustments in certain cases under the Trust Deed, as further described in "Management and Corporate Governance – Fees Payable to the Manager"). The Performance Fee is payable if the DPU in respect of 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 the financial year prior to the preceding financial year[1].

[1] As an illustration, if the DPU is 5.0 cents in Year 1, 3.0 cents in Year 2 and 4 cents in Year 3, the Performance Fee is payable in relation to Year 3 as the DPU for Year 3 exceeds Year 2, notwithstanding that the DPU for Year 3 is less than the DPU for Year 1.

	Payable by DHLT	Amount payable
		For illustrative purposes only, the following sets out an example of the computation of the Performance Fee based on an assumed DPU of 5.0 cents for Year 1 and 6.0 cents for Year 2 and a weighted average number of Units of 1,000,000,000:

	Year 1	Year 2
DPU (cents)[(1)]	5.0	6.0
Weighted average number of Units (million)	–	1,000
Performance Fee (S$ million)	–	2.5[(2)]

Notes:

(1) Calculated before accounting for the Performance Fee but after accounting for the Base Fee in the financial year.

(2) The Performance Fee is calculated based on the following computation: (0.06 – 0.05) x 1,000,000,000 x 25.0%.

For the computation of the Base Fee and the Performance Fee, the Annual Distributable Income and the DPU shall be calculated based on all income of DHLT arising from the operations of DHLT, such as, but not limited to, rentals, interest, dividends, capital distributions and divestment gains (to the extent it is distributed to Unitholders) and other similar payments or income arising from the Authorised Investments of DHLT.

Management Fee to be paid in cash or Units

The Base Fee and Performance Fee (together, the "**Management Fee**") are payable to the Manager or to any person which the Manager may designate or nominate (including but not limited to the Manager's subsidiaries) in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager.

For the first Financial Year which covers the Forecast Period 2021 and Projection Year 2022, the Manager has elected to receive 50.0% of the Base Fee and Performance Fee (if any) in the form of Units and the remaining 50.0% of the fees in cash.

	Payable by DHLT	Amount payable
		For the purpose of determining if any Performance Fee is payable in respect of the first Financial Year, the actual DPU for the period from the Listing Date to 31 December 2022 shall be compared to the sum of the forecast DPU in respect of Forecast Period 2021 and the projected DPU in respect of Projection Year 2022.
(b)	Trustee's Fee	Pursuant to Clause 15.5 of the Trust Deed, the Trustee's Fee shall not exceed 0.1% per annum of the value of the Deposited Property, subject to a minimum amount of S$12,000 per month, excluding out-of-pocket expenses and GST, and shall be payable out of the Deposited Property monthly in arrears in accordance with the Trust Deed. The actual fee payable to the Trustee will be agreed in writing between the Manager and the Trustee from time to time.
(c)	Any other substantial fee or charge (*i.e.* 0.1% or more of the value of the Deposited Property)	
	Payable to the Manager or its nominee	
	(i) Acquisition Fee	Pursuant to Clause 15.2.1 of the Trust Deed, 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): (i) the acquisition price of any real estate purchased, whether directly or indirectly through one or more SPVs, by DHLT (plus any other payments[1] in addition to the acquisition price made by DHLT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of DHLT's interest);

[1] "**Other payments**" refer to additional payments to the vendor of the asset, for example, where the vendor has already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the purchase consideration as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

	Payable by DHLT	Amount payable
		(ii) the underlying value[1] of any real estate which is taken into account when computing the purchase consideration payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by DHLT, whether directly or indirectly through one or more SPVs (plus any additional payments made by DHLT or its SPVs to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of DHLT's interest); or (iii) the purchase consideration of any investment purchased by DHLT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate, (the "**Acquisition Fee**"). For the avoidance of doubt, the Acquisition Fee is payable in respect of any acquisition of real estate assets to both third parties and interested parties. The acquisition price, or as the case may be, the acquisition value, shall take into account any completion or other price or value adjustment to be made post-completion (and the Acquisition Fee payable to the Manager will be adjusted upwards or downwards, if applicable). For the purpose of the Acquisition Fee, equity interests include all classes and types of equity securities relating to real estate which shall, for the avoidance of doubt, exclude any investment in debt securities of any property corporation or other SPV owning or acquiring real estate. Subject to the Property Funds Appendix, the Acquisition Fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect, such election to be made prior to the payment of the Acquisition Fee, in such proportions as may be determined by the Manager). Under 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 DHLT at prevailing market price(s). Such Units may not be sold within one year from the date of their issuance.

[1] For example, if DHLT acquires an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by DHLT as the purchase price and any debt of the SPV.

	Payable by DHLT	Amount payable
		No Acquisition Fee is payable for the acquisition of the IPO Portfolio by DHLT, as there will instead be the One-off Set Up Fee (as defined herein) payable to the Japan Asset Manager in connection with the acquisition of the IPO Portfolio in Japan (see below under *"Fees Payable to the Japan Asset Manager*"). Any payment to third party agents or brokers in connection with the acquisition of any assets of DHLT shall be paid to such persons out of the Deposited Property of DHLT or the assets of the relevant SPV, and not out of the Acquisition Fee received or to be received by the Manager, provided that where an AM Acquisition Fee (as defined below) is payable to the Japan Asset Manager, such fee shall reduce the Acquisition Fee payable to the Manager under the Trust Deed accordingly and where the AM Acquisition Fee exceeds the Acquisition Fee payable to the Manager, the Manager shall not be entitled to receive any Acquisition Fee but shall not be required to reimburse DHLT for the excess.
	(ii) Divestment Fee	Pursuant to Clause 15.2.1 of the Trust Deed, 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): (i) the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by DHLT (plus any other payment[1] in addition to the sale price received by DHLT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of DHLT's interest);

[1] "Other payments" refer to additional payments to DHLT or its SPVs for the sale of the asset, for example, where DHLT or its SPVs have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

	Payable by DHLT	Amount payable
		(ii) the underlying value[1] of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more SPVs, by DHLT (plus any additional payments received by DHLT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of DHLT's interest); or (iii) the sale price of any investment sold or divested by DHLT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate, (the "**Divestment Fee**"). For the avoidance of doubt, the Divestment Fee is payable in respect of any divestment of real estate assets to both third parties and interested parties. The sale price, or as the case may be, the sale value, shall take into account any completion or other price or value adjustment to be made post-completion (and the Divestment Fee payable to the Manager will be adjusted upwards or downwards, if applicable). For the purpose of this Divestment Fee, equity interests include all classes and types of equity securities relating to real estate which shall, for the avoidance of doubt, exclude any investment in debt securities of any property corporation or other SPV owning or acquiring real estate. Subject to the Property Funds Appendix, the Divestment Fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect, such election to be made prior to the payment of Divestment Fee, in such proportions as may be determined by the Manager). Under the Property Funds Appendix, in respect of any sale or divestment of real estate assets to interested parties, such a fee will be in the form of Units issued by DHLT at prevailing market price(s). Such Units may not be sold within one year from date of their issuance.

[1] For example, if DHLT sells or divests an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid to DHLT as the sale price and any debt of the SPV.

	Payable by DHLT	Amount payable
		Any payment to third party agents or brokers in connection with the disposal of any assets of DHLT shall be paid to such persons out of the Deposited Property of DHLT or the assets of the relevant SPV, and not out of the Divestment Fee received or to be received by the Manager, provided that where an AM Divestment Fee (as defined below) is payable to the Japan Asset Manager, such fee shall reduce the Divestment Fee payable to the Manager under the Trust Deed accordingly and where the AM Divestment Fee exceeds the Divestment Fee payable to the Manager, the Manager shall not be entitled to receive any Divestment Fee but shall not be required to reimburse DHLT for the excess.
	(iii) Development Management Fee	Pursuant to Clause 15.4.1 of the Trust Deed, the Manager is entitled to receive a development management fee equivalent to 3.0% of the Total Project Costs (as defined herein) incurred in a Development Project (as defined herein) undertaken by the Manager on behalf of DHLT. DHLT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments). The total contract value of property development activities may exceed 10.0% of DHLT's deposited property (subject to maximum of 25.0% of DHLT's deposited property) only if: • the additional allowance of up to 15.0% of DHLT's deposited property is utilised solely for the redevelopment of an existing property that has been held by DHLT for at least three years and which DHLT will continue to hold for at least three years after the completion of the redevelopment; and • DHLT obtains the specific approval of Unitholders at a general meeting for the redevelopment of the property. "**Total Project Costs**" means the sum of the following: • construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor; • principal consultants' fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;

	Payable by DHLT	Amount payable
		• the cost of obtaining all approvals for the project; • site staff costs; • interest costs on actual borrowings used to finance project cash flows (excluding equity capital) that are capitalised to the project in line with the International Financial Reporting Standards; and • any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with the International Financial Reporting Standards, but for the avoidance of doubt, shall not include land costs (including but not limited to the purchase consideration or underlying value of such land). "**Development Project**" means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by DHLT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations. When the estimated Total Project Costs is greater than S$100.0 million, the Trustee and the Independent Directors will first review and approve the quantum of the Development Management Fee whereupon the Manager may be directed by its Independent Directors to reduce the Development Management Fee. Further, in cases where the Manager is of the view that the market pricing for comparable services is materially lower than the Development Management Fee, the Independent Directors shall have the discretion to direct the Manager to accept a Development Management Fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of DHLT. For the avoidance of doubt, in respect of a Development Project, there will be no double counting of fees and the Manager will not be entitled to concurrently receive both the Development Management Fee as well as the Acquisition Fee. As land costs will not be included in the computation of Total Project Costs, the Manager shall be entitled to receive an Acquisition Fee on the land costs.

	Payable by DHLT	Amount payable
		Similarly, in respect of any repair works or development works to be done on DHLT Properties, there will be no double counting of fees and the Manager shall not receive any fees in respect of construction management services. Instead, the Property Manager will provide construction management services and the Construction Management Fee (as defined herein) will be payable to the Property Manager out of the Deposited Property directly or indirectly, provided that the Acquisition Fee or Development Management Fee payable to the Manager in relation with Development Project shall be reduced by the amount of Construction Management Fee payable to the Property Manager, such that there will be no double counting of the fees.
	Payable to the Japan Asset Manager[1]	
	(i) One-off Set Up Fee	Pursuant to the Asset Management Agreements entered into between the Japan Asset Manager and each of DH TMK and TK Operator (GK2), the Japan Asset Manager is entitled to a one-off set up fee of (i) 0.3% of the purchase consideration of the IPO Portfolio acquired by DH TMK under the TMK Asset Management Agreement and (ii) 0.3% of the purchase consideration of the IPO Portfolio acquired by TK Operator (GK2) under the Individual Asset Management Agreement (GK2) to be paid upfront in consideration for the Japan Asset Manager's administrative services provided in connection with the identification of acquisition opportunities and to give effect to the acquisition of the IPO Portfolio by DH TMK and TK Operator (GK2), such as investment analysis support, review of documents, opening of bank account, setting up SPCs, liaison with third party professionals such as accountants and the trust bank (acting as property trustee), negotiation with banks, asset management system configuration and data input, contracts documentation, and support for transaction closing and settlement (the "**One-off Set Up Fee**"). The One-off Set Up Fee is payable in respect of the acquisition of the IPO Portfolio only and will not be payable for subsequent acquisitions of properties in Japan by DHLT.

1 The fees that are payable to the Japan Asset Manager are in line with market practices and based on the exact set of services to be provided by the Japan Asset Manager.

	Payable by DHLT	Amount payable
		The Japan Asset Manager shall be entitled to receive out of the Deposited Property the One-off Set Up Fee. The One-off Set Up Fee is for work done by the Japan Asset Manager on behalf of DHLT at the local level in Japan to help effect the acquisition of the IPO Portfolio by DHLT and there is no duplicate in the respective scopes of work to be performed by the Japan Asset Manager and the Manager in relation to the acquisition of the IPO Portfolio. The One-off Set Up Fee will be payable in cash to the Japan Asset Manager in respect of DHLT's acquisition of the IPO Properties by DH TMK and TK Operator (GK2) to the Japan Asset Manager. The Manager believes that the One-off Set Up Fee payable is in line with the prevailing market rates in Japan.
	(ii) Japan Asset Manager's Acquisition Fee ("**AM Acquisition Fee**")	Pursuant to the TMK Asset Management Agreement and the Individual Asset Management Agreements entered into from time to time pursuant to the Master Asset Management Agreement, in relation to post-IPO acquisitions, the Japan Asset Manager is entitled to the AM Acquisition Fee of (i) 0.3% of the purchase consideration of the properties to be acquired by DH TMK under the TMK Asset Management Agreement and (ii) up to 0.3% of the purchase consideration of the properties to be acquired by the prospective GK that may be incorporated by DHLT from time to time under the Individual Asset Management Agreements entered into from time to time pursuant to the Master Asset Management Agreement, as consideration for the Japan Asset Manager's administrative services provided in connection with the identification of acquisition opportunities for and to give effect to decisions of DH TMK, and such respective GK that may be incorporated by DHLT from time to time to acquire the properties post-IPO, such as the preparation of investment analysis supports, the review of documents, the opening of bank account(s), the setting up SPCs, liaison with third party professionals such as accountants and the trust bank (acting as property trustee in respect of the newly-acquired properties), negotiation with banks, asset management system configuration and data input, the documentation of contracts, and the provision of support for transaction closing and settlement. The Manager believes that the AM Acquisition Fee payable is in line with the prevailing market rates in Japan.

	Payable by DHLT	Amount payable
		The Japan Asset Manager shall be entitled to receive out of the Deposited Property the AM Acquisition Fee indirectly (from DH TMK or the TK Operators, as the case may be), provided that the Acquisition Fee payable to the Manager under the Trust Deed shall be reduced by the amount of AM Acquisition Fee payable to the Japan Asset Manager, and, where the Manager is required to receive the Acquisition Fee in Units for the acquisition of a property from a Related Party, the Manager will have to refund DHLT the AM Acquisition Fee paid to the Japan Asset Manager in cash, such that there will be no double counting of the fees. For the avoidance of doubt, no AM Acquisition Fee will be payable for the acquisition of the IPO Portfolio, and as TK Operator (GK2) will not subsequently acquire any properties post-IPO, the Japan Asset Manager shall not under the Individual Asset Management Agreement (GK2) be entitled to any AM Acquisition Fee or any fees relating to the acquisition of DHLT's assets, save for the One-off Set Up Fee.
	(iii) Japan Asset Management Fees	Pursuant to the TMK Asset Management Agreement, the Asset Management Agreement (GK1), Individual Asset Management Agreement (GK2) and the Individual Asset Management Agreements entered into from time to time pursuant to the Master Asset Management Agreement, the Japan Asset Manager is entitled to asset servicing and administration fees comprising of an ongoing property operation and administration fee of a total of up to 0.15% per annum of the purchase price of the TBI acquired in consideration for the Japan Asset Manager's administrative services provided in connection with all services other than those relating to the acquisition and disposition of properties by DH TMK and TK Operator (GK2): • in relation to the IPO Properties, 0.10% per annum of the purchase consideration of the TBI held by DH TMK payable by DH TMK under the TMK Asset Management Agreement or the TBI held by TK Operator (GK2) payable by TK Operator (GK2) under the Individual Asset Management Agreement (GK2) and 0.05% per annum of the purchase consideration of the TBI held by DH TMK and TK Operator (GK2) payable by TK Operator (GK1) under the Asset Management Agreement (GK1); and

	Payable by DHLT	Amount payable
		• in relation to properties acquired post-IPO, 0.15% of the purchase consideration of the TBI to be held by DH TMK payable by DH TMK under the TMK Asset Management Agreement or up to 0.15% of the purchase consideration of the TBI to be held by prospective GK that may be incorporated by DHLT from time to time payable by such GK under the Individual Asset Management Agreements entered into from time to time pursuant to the Master Asset Management Agreement, (collectively, the "**Japan Asset Management Fees**"). The Manager believes that the Japan Asset Management Fees payable by DHLT and/or its subsidiaries is in line with the prevailing market rates in Japan. The Japan Asset Manager shall be entitled to receive out of the Deposited Property the Japan Asset Management Fees either directly (by the Trustee) or indirectly (by the entity which is held by DHLT), provided that the Management Fees payable to the Manager pursuant to the Trust Deed shall be reduced by the amount of Japan Asset Management Fees payable to the Japan Asset Manager, such that there will be no double-counting of the fees. In the event that the Japan Asset Management Fees exceed the Management Fees payable to the Manager pursuant to the Trust Deed, there shall be no Management Fees paid to the Manager. For the avoidance of doubt, the Manager shall not be obliged to reimburse DHLT for the amount of Japan Asset Management Fee in excess of the Management Fees (for the avoidance of doubt, this includes both the Base Fee and the Performance Fee). In the event that the Manager received the Management Fees prior to the Japan Asset Manager's receipt of Japan Asset Management Fee, to the extent that there is overlap between these fees, the Manager will reimburse DHLT for the amount of Management Fees which have been paid and which overlaps with the Japan Asset Management Fee, provided that the Manager will not be required to reimburse DHLT in excess of the amount of Management Fees the Manager had received if the fees payable to the Japan Asset Manager exceeds the amount of Management Fees the Manager had received. The terms and mechanics for the payment of the Japan Asset Management Fees shall be set out in the Asset Management Agreements appointing the Japan Asset Manager.

	Payable by DHLT	Amount payable
	(iv) Japan Asset Manager's divestment Fee ("**AM Divestment Fee**")	Pursuant to the TMK Asset Management Agreement, Individual Asset Management Agreement (GK2) and the Individual Asset Management Agreements entered into from time to time pursuant to the Master Asset Management Agreement, the Japan Asset Manager is entitled to an AM Divestment Fee of (i) 0.3% of the purchase consideration of the properties to be disposed of by DH TMK under the TMK Asset Management Agreement, (ii) 0.3% of the purchase consideration of the properties to be disposed of by TK Operator (GK2) under the Individual Asset Management Agreement (GK2) and (iii) up to 0.3% of the purchase consideration of the properties to be disposed of by prospective GK that may be incorporated by DH TMK from time to time under the Individual Asset Management Agreements entered into from time to time pursuant to the Master Asset Management Agreement, as consideration for the Japan Asset Manager's provision of administrative services provided in connection with the identification of divestment opportunities for and to give effect to decisions of DH TMK, TK Operator (GK2) and such respective GK to dispose of the properties, such as the review of documents, liaison with third party professionals such as accountants and the trust bank (acting as property trustee), negotiation with banks, asset management system configuration and data input, the documentation of contracts, and support for transaction closing and settlement. The Manager believes that the AM Divestment Fee payable is in line with the prevailing market rates in Japan. The Japan Asset Manager shall be entitled to receive out of the Deposited Property the AM Divestment Fee from DH TMK, TK Operator (GK2) or prospective GK that may be incorporated by DHLT from time to time, provided that the Divestment Fee payable to the Manager under the Trust Deed shall be reduced by the amount of AM Divestment Fee payable to the Japan Asset Manager, and, where the Manager is required to receive the Divestment Fee in Units for the divestment of a property to a Related Party, the Manager will have to refund DHLT for the AM Divestment Fee paid to the Japan Asset Manager in cash, such that there will be no double counting of the fees.

	Payable by DHLT	Amount payable
	Payable to the Property Manager[1]	
	(i) Property Management Fee	Pursuant to the Property Management Agreements entered into between the Property Trustee, (as may be applicable in respect of multi-tenanted properties) the Master Lessee and the Property Manager and the Individual Property Management Agreements entered into from time to time pursuant to the Master Property Management Agreement, the Property Manager is, in respect of each property in DHLT's portfolio save for DPL Okayama Hayashima 2 and DPL Shinfuji, entitled to receive 1.2% per annum of the gross revenue income of the property (however, amounts less than 100 yen shall be disregarded), with a minimum payment of JPY 3.6 million (exclusive of consumption tax), and in respect of DPL Okayama Hayashima 2 and DPL Shinfuji, entitled to receive JPY 5.04 million and JPY 3.6 million per annum respectively (however, amounts less than 100 yen shall be disregarded) (the "**Property Management Fee**"). The Manager believes that the Property Management Fee is in line with the prevailing market rates in Japan. The Property Management Fee are assessed on a monthly basis and payable in arrears. In the event the Manager decides to engage the Property Manager to provide other services, the terms of provision of such additional services (including any additional fees payable by DHLT) shall be separately negotiated and agreed to by the parties and be subject to the applicable Related Party Transaction requirements under Chapter 9 of the Listing Manual (See "The Manager and Corporate Governance – Related Party Transactions" for further details). The Manager may also appoint other third parties to provide property management services for properties which may be acquired in future. The Property Manager is a wholly-owned subsidiary of the Sponsor. For the avoidance of doubt, the Manager may appoint other parties to provide property management services for the Properties after the expiry of the relevant Property Management Agreement.

1 The fees that are payable to the Property Manager are in line with market practices.

<table>
<tr><th></th><th>Payable by DHLT</th><th>Amount payable</th></tr>
<tr><td></td><td>(ii) Construction Management Fee</td><td>Pursuant to the Property Management Agreements entered into between the Property Trustee, (as may be applicable in respect of multi-tenanted properties) the Master Lessee and the Property Manager and the Individual Property Management Agreements entered into from time to time pursuant to the Master Property Management Agreement, in the event that the improvement and repair work is performed in accordance with the Property Management Agreement, the Property Manager shall be appointed as the construction manager and be entitled to a construction management fee (the “Construction Management Fee”) as follows.
<table>
<tr><td>The total for one order of construction work is less than 1,000,000 yen</td><td>Free of charge</td></tr>
<tr><td>The total for one order of construction work is equal to JPY 1,000,000 or higher but less than JPY 5,000,000</td><td>5% of the total for the order of construction work (excluding tax)</td></tr>
<tr><td>The total for one order of construction work is equal to JPY 5,000,000 or higher but less than JPY 10,000,000</td><td>250,000 yen + 4% of the amount for one order of construction work that exceeds 5,000,000 yen (excluding tax)</td></tr>
<tr><td>The total for one order of construction work is 10,000,000 yen or higher</td><td>450,000 yen + 3% of the amount for one order of construction work that exceeds 10,000,000 yen (excluding tax)</td></tr>
<tr><td>The total for one construction job exceeds 100,000,000 JPY</td><td>Up to 3,150,000 yen + 2% of the amount for one order of construction work that exceeds 100,000,000 yen</td></tr>
</table></td></tr>
</table>

	Payable by DHLT	Amount payable
		Amounts less than one yen shall be rounded off. For the avoidance of doubt, in relation to work the Property Manager undertakes in the capacity as the developer, the Property Manager shall not be entitled to such Construction Management Fee. Similarly, in respect of any repair works or development works to be done on DHLT Properties, there will be no double counting of fees. The Construction Management Fee will be payable to the Property Manager out of the Deposited Property directly or indirectly, provided that the Acquisition Fee or Development Management Fee payable to the Manager in relation with Development Project shall be reduced by the amount of Construction Management Fee payable to the Property Manager, such that there will be no double counting of the fees. The Manager believes that the Construction Management Fee as set out above is in line with the prevailing market rates in Japan.
	(iii) Lease Contract Administration Fee	Pursuant to the Property Management Agreements entered into between the Property Trustee, (as may be applicable in respect of multi-tenanted properties) the Master Lessee and the Property Manager and the Individual Property Management Agreements entered into from time to time pursuant to the Master Property Management Agreement, in the event that a new lease contract is signed or the term of an existing lease is extended, a lease contract administration fee ("**Lease Contract Administration Fee**") for work done including to give tenants tours of the property, conduct the necessary surveys, negotiate the contract terms and prepare the relevant documents will be payable as follows. Any Lease Contract Administration Fee payable shall not exceed the maximum amount stipulated under the relevant laws and regulations.

<table>
<tr><th></th><th>Payable by DHLT</th><th colspan="2">Amount payable</th></tr>
<tr><td rowspan="4"></td><td rowspan="4"></td><td colspan="2">(A) New tenants</td></tr>
<tr><td colspan="2">(i) Signing a new lease with a term of three years or more</td></tr>
<tr><td>Where new tenants are sought by third parties (including the Sponsor and its subsidiaries and affiliates)</td><td>The third party shall be entitled to a Lease Contract Administration Fee up to an amount equivalent to one month of the new tenant's monthly rent (excluding consumption tax) ("New Tenant's Rent") payable by the Property Manager. The Property Manager may request the reimbursement of the Lease Contract Administration Fee out of the Deposited Property. In this case, the Property Manager shall be entitled to a Lease Contract Administration Fee equivalent to 0.5 months of the New Tenant's Rent up to 5 million yen and no less than 1 million yen payable out of the Deposited Property.</td></tr>
<tr><td>Where new tenants are sought by the Property Manager</td><td>The Property Manager shall be entitled to an amount consisting of the Lease Contract Administration Fee equivalent to one month of the New Tenant's Rent as consideration for the lease contract administration and leasing services rendered.</td></tr>
</table>

	Payable by DHLT	Amount payable	
		(ii) Signing a new lease with a term less than three years	
		Where new tenants are sought by third parties (including the Sponsor and its subsidiaries and affiliates)	The Lease Contract Administration Fee shall be separately negotiated and not exceed the amount payable in (A)(i) above.
		Where new tenants are sought by the Property Manager	The Lease Contract Administration Fee shall be separately negotiated and not exceed the amount payable in (A)(i) above.
		B. Re-contracting with an existing tenant or extending the contract term	
		The Property Manager shall be entitled to a Lease Contract Administration Fee consisting of a re-contract base fee and a re-contract incentive fee as follows, up to an amount equivalent to one month of the new rent. If the Lease Contract Administration Fee is less than JPY 600,000, it shall be negotiated with JPY 600,000 as the upper limit:	
		(i) Re-contract base fee	The re-contract base fee shall be 50% of the current monthly rent (excluding common service fees).
		(ii) Re-contract incentive fee	The re-contract incentive fee shall be calculated in accordance with the formula below. $\frac{\text{(New rent – Current rent)}}{2} \times \text{No. of contract months}$ **Note:** (1) The new and current rents are calculated on a monthly basis and exclude common service fees. For the avoidance of doubt, in the event that the current rent exceeds the new rent, no re-contract incentive fee will be payable.

	Payable by DHLT	Amount payable
		C. Increase in the leased space of an existing tenant or an additional contract for office space The Lease Contract Administration Fee shall be separately determined and negotiated. The Manager believes that the Lease Contract Administration Fee as set out above is in line with the prevailing market rates in Japan.
	Payable to the Property Trustee	
	Initial trust fee	Pursuant to the Trust Agreements entered into between the Property Trustee, DHI, Mitsubishi, HC Capital Community and/or Tokyo Century Corporation (as the case may be), the Property Trustee is, in respect of each property in the IPO Portfolio, entitled to receive an initial trust fee of JPY 700,000 in relation to the acquisition of each IPO Property by DHLT and a base fee of JPY 700,000 per annum for each IPO Property. In the event the Manager decides to engage the Property Trustee to provide other services, additional fees will be payable by DHLT.

The rationale for each of the fees payable by DHLT or its subsidiaries to the Manager and the Japan Asset Manager in connection with the establishment and on-going management and operation of the DHLT Group are as follows:

- **Management Fee (payable to the Manager):** The Management Fee comprises the Base Fee and the Performance Fee which make up a substantial portion of the Manager's total remuneration for the provision of on-going management services, some of which are being outsourced, to DHLT. These services cover functions such as investment management, asset management, capital management, accounting, legal, compliance and investor relations, rendered by a professional licensed REIT manager on a full time and dedicated basis.

  o **Base Fee –** The Base Fee, which is based on the value of Annual Distributable Income, is recurring and enables the Manager to cover operational and administrative overheads incurred in the management of the portfolio. The Base Fee is based on a fixed percentage of the Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee) which is commensurate with the complexity and efforts required of the Manager in managing DHLT.

- o **Performance Fee –** The Performance Fee, which is based on and linked to DPU growth, is a measure of the Manager's continuing efforts to retain existing tenants and attract new tenants to its Properties, with the aim of maintaining income stability and a long lease expiry profile. This is aligned to the long term interest of Unitholders as the Manager is motivated and incentivised to achieve sustainable DPU growth in the long term through proactive asset management strategies and asset enhancement initiatives. As such, to achieve sustainable DPU growth, the Manager will not take on excessive short-term risks, and will strive to manage DHLT in a balanced manner.

- **Acquisition Fee and Divestment Fee (payable to the Manager) –** The Acquisition Fee and Divestment Fee payable to the Manager seek to motivate and compensate the Manager for the time, effort and cost spent by the management team of the Manager (in the case of the Acquisition Fee) in sourcing, evaluating and executing new investments to grow DHLT or, (in the case of the Divestment Fee) in rebalancing and unlocking the underlying value of existing properties where they have reached a stage which offers limited scope for further growth. The Manager provides these services over and above the provision of on-going management services with the aim of enhancing long-term returns and achieving the investment objectives of DHLT.

  The Divestment Fee is lower than the Acquisition Fee because there is generally less work required to be undertaken in terms of sourcing, evaluating and conducting due diligence for a disposal. As the Divestment Fee for all disposals is the same, the Manager will also be incentivised to sell a Property at the best price.

- **Development Management Fee (payable to the Manager)** – The Development Management Fee allows the Manager to recover the cost of providing resources to manage the development projects, which is outside the scope of the usual operations of the Manager. This serves to incentivise the Manager to undertake development projects that will enhance returns for Unitholders, thereby aligning the Manager's interests with the interests of Unitholders.

- **One-off Set Up Fee (payable to the Japan Asset Manager) –** The One-off Set Up Fee allows the Japan Asset Manager to recover the cost of providing its administrative services in connection with the acquisition of the IPO Portfolio, such as investment analysis support, review of documents, opening of bank account, setting up SPCs, liaison with third party professionals such as accountants and the trust bank (acting as Property Trustee), negotiation with banks, asset management system configuration and data input, contracts documentation, support for transaction closing and settlement and setting up of the Japan Asset Manager to serve as the local asset manager of DHLT Properties. The One-off Set Up Fee is payable in respect of the acquisition of the IPO Portfolio only and will not be payable for subsequent acquisitions of properties in Japan by DHLT. The One-off Set Up Fee is for work done by the Japan Asset Manager on behalf of DHLT at the local level in Japan to help effect the acquisition of the IPO Portfolio by DHLT and there is no duplicate in the respective scopes of work to be performed by the Japan Asset Manager and the Manager in relation to the acquisition of the IPO Portfolio.

- **AM Acquisition Fee and AM Divestment Fee (payable to the Japan Asset Manager)** – The AM Acquisition Fee and AM Divestment Fee payable to the Japan Asset Manager allow the Japan Asset Manager to recover the cost of providing its administrative services in connection with the subsequent acquisition and divestment of DHLT Properties located in Japan, such as investment analysis support, review of documents, opening of bank account, setting up SPCs, liaison with third party professionals such as accountants and the trust bank (acting as Property Trustee), negotiation with banks, asset management system configuration and data input, contracts documentation, and support for transaction closing and settlement. The AM Acquisition Fee is payable in respect of subsequent acquisitions of properties located in Japan by DHLT post-IPO whereas the AM Divestment Fee is payable in respect of any disposition of DHLT Properties located in Japan. As the AM Acquisition Fee and the AM Divestment Fee are for work done by the Japan Asset Manager at the local level to help effect the acquisition of and the disposition of DHLT properties located in Japan post-IPO, there is no duplicate in the scope of work to be performed by each of the Japan Asset Manager and the Manager in relation to the acquisition of and the disposition of DHLT Properties located in Japan post-IPO. To avoid double counting of the fees, the Acquisition Fee and Divestment Fee payable to the Manager under the Trust Deed shall be reduced by the amount of AM Acquisition Fee and AM Divestment Fee payable to the Japan Asset Manager. Where the acquisition or disposition of a DHLT Property is from or to a Related Party and the Manager is required to receive its Acquisition Fee or Divestment Fee in Units, the Manager shall refund DHLT in cash, the amount of AM Acquisition Fee or, as the case may be, AM Divestment paid to the Japan Asset Manager.

- **Japan Asset Management Fees (payable to the Japan Asset Manager) –** The Japan Asset Management Fees make up a substantial portion of the Japan Asset Manager's total remuneration for the provision of on-going management services to DH TMK, TK Operator (GK1) and TK Operator (GK2). These services cover functions such as investment management, asset management, capital management, reporting, organisational administration services, accounting, legal and compliance, which are rendered by a professional licensed Japanese asset manager on a full-time and dedicated basis. To avoid double counting of the fees, the Management Fee payable to the Manager under the Trust Deed shall be reduced by the amount of the Japan Asset Management Fees payable to the Japan Asset Manager.

THE OFFERING

DHLT	A REIT established in Singapore and constituted by the Trust Deed.
The Manager	Daiwa House Asset Management Asia Pte. Ltd.
The Sponsor	Daiwa House Industry Co., Ltd.
The Trustee	HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of DHLT.
The Offering	244,438,000 Units offered under the Placement Tranche and the Public Offer, subject to the Over-Allotment Option.
The Placement Tranche	219,438,000 Units offered by way of an international placement to investors (other than the Sponsor and the Cornerstone Investors), pursuant to the Offering. The Units have not been and will not be registered under the Securities Act and, accordingly, may not be offered or sold within the United States except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. The Units are being offered and sold in offshore transactions as defined in and in reliance on Regulation S.
The Public Offer	The Public Offer Units offered by way of a public offer in Singapore. 25,000,000 Units will be offered under the Public Offer.
Clawback and Re-allocation	The Units may be re-allocated between the Placement Tranche and the Public Offer at the discretion of the Joint Global Co-ordinators (in consultation with the Manager, subject to the minimum holding and distribution requirements of the SGX-ST), in the event of an excess of applications in one and a deficit in the other.
Subscription by the Sponsor	Concurrently with, but separate from the Offering, the Sponsor has entered into the Sponsor's Subscription Agreement to subscribe for an aggregate of 94,498,000 Units at the Offering Price conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date.
Subscription by the Cornerstone Investors	Concurrently with, but separate from the Offering, each of the Cornerstone Investors has entered into a subscription agreement to subscribe for an aggregate of 336,062,000 Units at the Offering Price, conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date.

	(See "Ownership of the Units – Subscription by the Cornerstone Investors" of this Prospectus for further details.)
Offering Price	S$0.80 per Unit.
Subscription for Units in the Public Offer	Investors applying for Units by way of Application Forms or Electronic Applications (both as referred to in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore") in the Public Offer will pay the Offering Price on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case, without interest or any share of revenue or other benefit arising therefrom) where: (i) an application is rejected or accepted in part only; or (ii) the Offering does not proceed for any reason. For the purpose of illustration, an investor who applies for 1,000 Units by way of an Application Form or an Electronic Application under the Public Offer will have to pay S$800, which is subject to a refund of the full amount or the balance thereof (without interest or any share of revenue or other benefit arising therefrom), as the case may be, upon the occurrence of any of the foregoing events. **The minimum initial subscription is for 1,000 Units. An applicant may subscribe for a larger number of Units in integral multiples of 100.** Investors in Singapore must follow the application procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore". Subscriptions under the Public Offer must be paid for in Singapore dollars. No fee is payable by applicants for the Units, save for an administration fee for each application made through ATM and the internet banking websites of the Participating Banks, and the mobile banking interfaces of DBS Bank Ltd. and United Overseas Bank Limited.
Unit Lender	The Sponsor.

Over-Allotment Option	In connection with the Offering, the Joint Bookrunners have been granted the Over-Allotment Option by the Unit Lender to purchase up to an aggregate of 27,000,000 Units (representing approximately 11.0% of the total number of Units in the Offering), at the Offering Price. The Over-Allotment Option is exercisable by the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), in consultation with the other Joint Global Co-ordinators, in full or in part, on one or more occasions, only from the Listing Date but no later than the earliest of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 27,000,000 Units, representing approximately 11.0% of the total number of Units in the Offering, to undertake stabilising actions. Unless indicated otherwise, all information in this document assumes that the Over-Allotment Option is not exercised. (See "Plan of Distribution – Over-Allotment" for further details.) The total number of Units in issue immediately after completion of the Offering will be 675,000,000 Units. The exercise of the Over-Allotment Option will not increase this total number of Units in issue. The total number of Units subject to the Over-Allotment Option will not exceed 11.0% of the total number of Units under the Placement Tranche and the Public Offer.
Lock-ups	The Sponsor has entered into (i) a lock-up arrangement during the period commencing from the Listing Date until the date falling six months after the Listing Date (both dates inclusive) (the "**First Lock-up Period**") in respect of its direct and indirect effective interest in the Units subject to the lock-up arrangement (the "**Lock-up Units**")); and (ii) a lock-up arrangement during the period commencing from the day following the end of the First Lock-up Period until the date falling six months after the First Lock-up Period (both dates inclusive) (the "**Second Lock-up Period**") in respect of its direct and indirect effective interest in 50.0% of the Lock-up Units, subject to certain exceptions. Save for DBS Bank Ltd. (in its own capacity) as one of the Cornerstone Investors, the Cornerstone Investors are not subject to any lock-up restrictions in respect of their Unitholdings. The Manager has undertaken not to offer, issue or contract to issue any Units, and to not make any announcements in connection with any of the foregoing transactions, during the First Lock-up Period, subject to certain exceptions. (See "Plan of Distribution – Lock-up Arrangements" for further details.)

Capitalisation	S$996.5 million (see "Capitalisation and Indebtedness" for further details).
Use of Proceeds	See "Use of Proceeds" and "Certain Agreements Relating to DHLT and the IPO Properties" for further details.
Listing and Trading	Prior to the Offering, there was no market for the Units. Application has been made to the SGX-ST for permission to list on the Main Board of the SGX-ST: • all the Units comprised in the Offering; • the Initial Units; • all the Sponsor's Subscription Units; • all the Cornerstone Units; and • all the Units which may be issued to the Manager from time to time in full or part payment of the Manager's fees (including Units issued to the Manager for the Acquisition Fee, Divestment Fee and Development Management Fee) (see "The Manager and Corporate Governance – The Manager of DHLT – Fees Payable to the Manager" for further details). Such permission will be granted when DHLT is admitted to the Official List of the SGX-ST. The Units will, upon their issue, be listed and quoted on the SGX-ST and will be traded in Singapore dollars under the book-entry (scripless) settlement system of CDP. The Units will be traded in board lot sizes of 100 Units.
Stabilisation	In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Global Co-ordinators and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations (including the SFA and any regulations thereunder).

Such transactions may commence on or after the date of commencement of trading in the Units on the SGX-ST and, if commenced, may be discontinued at any time and shall not be effected after the earliest of (i) the date falling 30 days from the commencement of trading in the Units on the SGX-ST or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought on the SGX-ST all the Units under the Over-Allotment Option, to undertake stabilising actions.

(See "Plan of Distribution – Over-Allotment and Stabilisation" for further details.)

No Redemption by Unitholders

Unitholders have no right to request the Manager to redeem their Units while the Units are listed. Unitholders may only deal in their listed Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

(See "Ownership of the Units" for further details on the Redemption.)

Distribution Policy

Distributions from DHLT to Unitholders will be computed based on 100% of DHLT's Annual Distributable Income for the period from the Listing Date to the end of Projection Year 2022. Thereafter, DHLT will distribute at least 90.0% of its Annual Distributable Income. Distributions will be made on a semi-annual basis. The first distribution, which will be in respect of the period from the Listing Date to 30 June 2022 ("**First Distribution**"), will be paid by the Manager on or before 30 September 2022.

(See "Distributions" for further details.)

Singapore Tax Considerations

DHLT, through its wholly-owned Singapore incorporated subsidiaries SG SPC 1 and SG SPC 2, will receive dividends from DH TMK and TK profit distributions from TK Operator (GK1) in respect of the IPO Portfolio.

Dividends from DH TMK should qualify for tax exemption under Section 13(8) of the Income Tax Act, Chapter 134 of Singapore (the "**Income Tax Act**") when received in Singapore (from Japan) by SG SPC 1 provided that the relevant conditions are met.

The TK profit distributions made by TK Operator (GK1), net of any deductible expenses, should be subject to Singapore corporate income tax in the hands of SG SPC 2 at the prevailing rate of 17.0% upon receipt in Singapore. However, provided that SG SPC 2 is a tax resident of Singapore, it should be able to claim foreign tax credit for the Japanese withholding tax suffered against its Singapore tax payable (capped at the lower of the two) on the distributions. Given that the Japanese withholding tax rate is currently higher than the prevailing Singapore corporate income tax rate, it is expected that there should be no incremental Singapore tax payable on the TK profit distributions.

Provided that SG SPC 1 and SG SPC 2 are tax residents of Singapore, the dividends paid by SG SPC 1 and SG SPC 2 to DHLT should be exempt from Singapore income tax.

Distributions made by DHLT in respect of the IPO Portfolio may comprise all, or a combination, of the following types of distribution:

(a) tax-exempt income distribution – which will be exempt from Singapore income tax in the hands of the Unitholders;

(b) after-tax income distribution – which will not be subject to further Singapore income tax in the hands of the Unitholders; and

(c) capital distribution – which will be regarded as return of capital in the hands of the Unitholders. The amount of such distribution will be applied to reduce the cost of Units held by the Unitholders. For Unitholders who are liable to Singapore income tax on gains arising from the disposal of Units, the reduced cost of Units will be used to calculate the amount of taxable gains when the Units are subsequently disposed of. If the amount of return of capital exceeds the cost or reduced cost of Units, the excess will be subject to tax as trading income of such Unitholders.

Distributions made by DHLT from income or receipts from the IPO Portfolio should not be subject to Singapore withholding tax.

(See "Taxation" for further details.)

Termination of DHLT	DHLT can be terminated by either an Extraordinary Resolution[1] at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed or by the Manager or the Trustee under certain circumstances specified in the Trust Deed, for example, if DHLT is delisted permanently from the SGX-ST. (See "The Formation and Structure of DHLT – Termination of DHLT" for further details.)
Governing Law	The Trust Deed is governed by Singapore law.
Commission Payable by DHLT to the Joint Bookrunners	(i) the underwriting, selling and management commission, comprising of (i) a fixed commission of 2.5% of the Offering Price multiplied by the aggregate number of Offering Units, Cornerstone Units and Units for which the Over-allotment Option has been exercised and (ii) an incentive fee payable at the discretion of the Manager of up to 0.5% of the Offering Price multiplied by the aggregate number of Offering Units, Cornerstone Units and Units for which the Over-allotment Option has been exercised (and together with any GST payable thereon, where applicable). (See "Plan of Distribution – Issue Expenses" for further details.)
Risk Factors	**Prospective investors should carefully consider certain risks connected with an investment in the Units, as discussed under "Risk Factors".**

1 "**Extraordinary Resolution**" means a resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

INDICATIVE TIMETABLE

An indicative timetable for the Offering is set out below for the reference of applicants for the Units:

Date and time		Event
19 November 2021, 8.00 p.m.	:	Opening date and time for the Public Offer.
24 November 2021, 12.00 p.m.	:	Closing date and time for the Public Offer.
25 November 2021	:	Balloting of applications under the Public Offer, if necessary. Commence returning or refunding of application monies to unsuccessful or partially successful applicants, if necessary.
26 November 2021, at or before 2.00 p.m.	:	Completion of the acquisition of the IPO Portfolio.
26 November 2021 at 2.00 pm	:	Commence trading on a “ready” basis.
29 November 2021	:	Settlement date for all trades done on a “ready” basis on the Listing Date.

The above timetable is indicative only and is subject to change. It assumes:

- that the closing of the application list relating to the Public Offer (the “**Application List**”) is 24 November 2021;
- that the Listing Date is 26 November 2021;
- compliance with the SGX-ST’s unitholding spread requirement; and
- that the Units will be issued and fully paid up prior to 2.00 p.m. on the Listing Date.

All dates and times referred to above are Singapore dates and times.

The completion of the acquisition of the IPO Portfolio is expected to take place at or before 2.00 p.m. on the Listing Date (see “Certain Agreements Relating to DHLT and the IPO Properties” for further details).

Trading in the Units through the SGX-ST on a “ready” basis will commence at 2.00 p.m. on the Listing Date (subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Units through the SGX-ST on a “ready” basis have been fulfilled).

If DHLT is terminated by the Manager or the Trustee under the circumstances specified in the Trust Deed prior to, or the acquisition of the IPO Portfolio is not completed at or before, 2.00 p.m. on the Listing Date, the Offering will not proceed and the application monies will be returned in full (without interest or any share of revenue or other benefit arising therefrom and at each applicant’s own risk and without any right or claim against DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and/or the Joint Bookrunners).

In the event of any early or extended closure of the Application List or the shortening or extension of the time period during which the Offering is open, the Manager will publicly announce the same:

- via SGXNET, with the announcement to be posted on the internet at the SGX-ST website: http://www.sgx.com; and

- in one or more major Singapore newspapers, such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao*.

For the date on which trading on a "ready" basis will commence, investors should monitor SGXNET, the major Singapore newspapers, or check with their brokers.

The Manager will provide details and results of the Public Offer through SGXNET and in one or more major Singapore newspapers, such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao*.

The Manager reserves the right to accept or reject, in whole or in part, or to scale down or ballot any application for Units, without assigning any reason, and no enquiry and/or correspondence on the decision of the Manager will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

Where an application is accepted or rejected in part only or if the Offering does not proceed for any reason, the full amount or, as the case may be, the balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, and without any right or claim against DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators, the Sole Financial Adviser or the Joint Bookrunners.

Where an application is not successful, the refund of the full amount of the application monies (without interest or any share of revenue or other benefit arising therefrom) to the applicant, is expected to be completed, at his own risk within 24 hours after balloting (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore").

Where an application is accepted in full or in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 14 Market Days[1] after the close of the Offering (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore").

Where the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will, within three Market Days after the Offering is discontinued, be returned to the applicants at their own risk (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore").

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1 "**Market Day**" means any day on which the SGX-ST is open for trading in securities.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and based on the assumptions and accounting policies set out in Appendix C "Unaudited Pro Forma Consolidated Financial Information", and hence, may not give a true picture of the actual profit or loss and financial position of DHLT. The Unaudited Pro Forma Financial Information should be read together with these assumptions and accounting policies. As DHLT was only newly constituted on 2 November 2021, there are no historical audited financial statements for DHLT Group.

Unaudited Pro Forma Consolidated Statement of Financial Position(1)

	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
Current assets:		
Cash and cash equivalents	15,389	15,389
Restricted cash	51,610	51,610
Prepaid expenses and other assets	77,351	77,351
Total current assets	**144,350**	**144,350**
Non-current assets:		
Investment properties	1,070,554	1,069,025
Total non-current assets	**1,070,554**	**1,069,025**
Total assets	**1,214,904**	**1,213,375**
Current liabilities:		
Loans and borrowings	66,233	66,233
Lease liability	3,449	3,486
Total current liabilities	**69,682**	**69,719**
Non-current liabilities:		
Loans and borrowings	345,618	345,618
Lease liability	200,345	198,592
End-tenants' security deposits	32,520	32,520
Other liabilities	17,486	17,673
Total non-current liabilities	**595,969**	**594,403**
Total liabilities	**665,651**	**664,122**
Net assets	**549,253**	**549,253**
Represented by:		
Unitholder funds	**513,771**	**513,771**
Perpetual securities	**35,482**	**35,482**
	549,253	**549,253**
Units in issue ('000)	**675,000**	**675,000**
Net asset value per Unit (S$)	**0.76**	**0.76**

Note:

(1) Based on the Offering Price of S$0.80 per Unit and Exchange Rate of S$1 = JPY 84.55.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

	1 January to 31 December			1 January to 30 June	
	FY2018	**FY2019**	**FY2020**	**1H2020**	**1H2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Gross revenue	40,642	58,695	71,019	35,087	34,351
Property operating expenses	(11,331)	(14,278)	(16,238)	(8,126)	(7,597)
Net property income	**29,311**	**44,417**	**54,781**	**26,961**	**26,754**
Manager's Management Fee	–	(1,290)	(5,135)	(2,528)	(1,967)
Japan Asset Management Fees	(1,025)	(1,251)	(1,380)	(684)	(647)
Trustee's Fee	(255)	(287)	(307)	(153)	(145)
Trust expenses	(2,320)	(2,019)	(2,147)	(1,077)	(1,017)
Finance expenses	(9,792)	(9,695)	(9,631)	(4,859)	(4,522)
Net income before tax and fair value change in investment properties	**15,919**	**29,875**	**36,181**	**17,660**	**18,456**
Fair value change in investment properties[(1)]	(6,888)	(6,947)	(4,070)	(2,044)	(797)
Tax expenses	(1,365)	(3,335)	(5,013)	(2,446)	(2,627)
Total returns	**7,666**	**19,593**	**27,098**	**13,170**	**15,032**
Attributable to:					
Unitholders	6,583	18,487	25,952	12,596	14,489
Perpetual Securities	1,083	1,106	1,146	574	543
Total returns	**7,666**	**19,593**	**27,098**	**13,170**	**15,032**

Note:

(1) Fair value change in investment properties comprises adjustments to (i) recognise a fair value loss related to lease commission fees, (ii) recognise a fair value change for the current period's effects of straight-line rent and (iii) account for recognition of fair value changes relating to asset retirement obligation and right-of-use asset in accordance with the adoption of IFRS 16 Leases from 1 January 2019.

Unaudited Pro Forma Consolidated Statement of Cash Flows

	1 January 2020 to 31 December 2020 FY2020 S$'000	1 January 2021 to 30 June 2021 1H2021 S$'000
Cash flows from operating activities:		
Net income before tax	38,718	18,637
Adjustments for:		
Manager's fee paid/payable in Units	916	605
Finance expenses	402	193
Amortisation of deferred financing costs	2,168	887
Amortisation of prepaid expenses	411	195
Fair value change in investment properties	(1,594)	390
Subtotal of net income before working capital changes	41,021	20,907
Changes in working capital:		
Prepaid expenses and other assets	(72,707)	–
Net cash flows (used in)/generated from operating activities	**(31,686)**	**20,907**
Cash flows from investing activities:		
Acquisition of investment properties and related assets and liabilities	(852,327)	–
Acquisition costs	(9,134)	–
Cash flow used in investing activities	**(861,461)**	**–**
Cash flows from financing activities:		
Repayments of lease liability	(3,696)	(1,781)
Proceeds from issuance of units	540,000	–
Payment of IPO fees	(26,229)	–
Proceeds from perpetual securities	37,147	–
Proceeds from debt financings	440,812	–
Payments of deferred financing costs	(9,633)	–
Distribution to unit holders	(17,418)	(13,255)
Withholding taxes	(2,302)	(1,590)
Payments of perpetual securities interest	(1,146)	(543)
Restricted cash for financing activities	(57,850)	–
Cash flow generated from/(used in) financing activities	**899,685**	**(17,169)**
Net increase in cash and cash equivalents	**6,538**	**3,738**
Cash and cash equivalents at beginning of the year	–	6,251
Effect of exchange rate changes on cash and cash equivalents	(287)	(332)
Cash and cash equivalents at end of the year	**6,251**	**9,657**

PROFIT FORECAST AND PROFIT PROJECTION

The following is only an extract from, and should be read with "Profit Forecast and Profit Projection". Statements contained in the Profit Forecast and Profit Projection section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section of the Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators, the Joint Bookrunners or any other person, or that these results will be achieved or are likely to be achieved. (See "Forward-looking Statements" page vii of this Prospectus and "Risk Factors" on page 92 of this Prospectus for further details.) Investors in the Units are cautioned not to place undue reliance on these forward-looking statements.

None of DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators or the Joint Bookrunners guarantees the performance of DHLT, the repayment of capital or the payment of any distributions, or any particular return on or capital growth of the Units. The forecast and projected yields stated in the following tables are calculated based on:

- ***the Offering Price; and***
- ***the assumption that the Listing Date is 1 October 2021.***

Such yields will vary accordingly if the Listing Date is not on 1 October 2021, or for investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

The following table shows DHLT's forecast and projected Consolidated Statements of Comprehensive Income for Forecast Period 2021 and Projection Year 2022. The financial year end of DHLT is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of Units is other than 1 October 2021, being the assumed date of the issuance of Units for the Offering. The Profit Forecast and Profit Projection are based on the assumptions set out below and have been examined by the Reporting Auditor, being Ernst & Young LLP, and should be read together with the report "Reporting Auditor's Report on the Profit Forecast and Profit Projection" set out in Appendix A, as well as the assumptions and the sensitivity analysis set out in this section of the Prospectus.

Forecast and Projected Consolidated Statements of Comprehensive Income

The forecast and projected Consolidated Statements of Comprehensive Income are as follows:

	1 October 2021 to 31 December 2021 Forecast Period 2021 S$'000	1 January 2022 to 31 December 2022 Projection Year 2022 S$'000
Gross revenue	16,790	67,574
Property operating expenses	(3,658)	(14,928)
Net property income	13,132	52,646
Manager's Management Fee(1)	(554)	(2,376)
Japan Asset Management Fees	(318)	(1,272)
Trustee's Fee	(68)	(274)
Trust expenses	(1,023)	(1,994)
Finance expenses	(2,397)	(9,316)
Net income before tax and fair value change in investment properties	8,772	37,414
Fair value change in investment properties	(810)	(4,353)
Tax expenses	(1,114)	(4,703)
Total returns	6,848	28,358
Attributable to:		
Unitholders	6,586	27,302
Perpetual Securities	262	1,056
Total returns	6,848	28,358
Distribution Statement		
Total returns attributable to Unitholders of DHLT	6,586	27,302
Adjustments	1,856	7,986
Distributable income to Unitholders of DHLT	8,442	35,288
Number of Units issued at the end of the year ('000)	675,346	676,818
Distribution per Unit (Singapore cents)(2)	1.25	5.21
Distribution payout ratio	100%	100%
Offering Price (S$)	0.80	0.80
Distribution yield (%)	6.3%(2)	6.5%

Notes:

(1) The Management Fee which the Manager is entitled to is reduced by the amount of Japan Asset Management Fees such that there is no double-counting of the fees paid to the Manager and the Japan Asset Manager.

(2) Calculated by annualizing the DPU for the Forecast Period 2021

RISK FACTORS

An investment in the Units involves risk. Prospective investors should consider carefully, together with all other information contained in this Prospectus, the factors described below before deciding to invest in the Units. The risks described below are by no means exhaustive or comprehensive. Additional risks, whether known or unknown, may have a material adverse effect on DHLT and impair the business operations of DHLT and may accordingly reduce the ability of DHLT to make distributions to Unitholders. The business, financial condition, results of operations and prospects of DHLT could be materially and adversely affected by any of these risks, which may reduce the ability of DHLT to make distributions to Unitholders. This Prospectus also contains forward-looking statements (including a profit forecast and profit projection) that involve risks, uncertainties and assumptions. The actual results of DHLT could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by DHLT as described below and elsewhere in this Prospectus.

As an investment in a REIT is meant to produce returns over the long-term, investors should not expect to obtain short-term gains.

Investors should be aware that the price of Units, and the income from them, may fall or rise. Investors should note that they may not get back their original investment.

Before deciding to invest in the Units, prospective investors should seek professional advice from their relevant advisers about their particular circumstances.

RISKS RELATING TO DHLT PROPERTIES

The outbreak of the COVID-19 or any other infectious diseases or any other serious public health concerns in Japan and elsewhere could adversely impact the business, financial condition and results of operations of DHLT.

COVID-19 is a highly contagious respiratory illness caused by a novel coronavirus and has developed into a severe and widespread health crisis worldwide. On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. The number of reported cases of COVID-19 worldwide, as well as the number of reported deaths as a consequence of COVID-19 worldwide, significantly exceed those observed during the severe acute respiratory syndrome ("**SARS**") epidemic that occurred from November 2002 to July 2003.

The COVID-19 outbreak has resulted in quarantines, travel restrictions, enhanced health screenings at ports of entry and elsewhere, event cancellations and suspensions, city lockdowns and closed international borders.

The COVID-19 outbreak has, and may continue to have, an adverse impact on businesses and economies globally. There have been disruptions to businesses in many sectors, including retail, hospitality, travel, manufacturing, logistics, construction, aviation and shipping. The outbreak has resulted, and may continue to result, in protracted market volatility, business shutdowns and falling real estate prices. If the government should introduce measures to alleviate the economic impact of COVID-19 such as rental rebates or subsidies provided to tenants by landlords, the imposition of restrictions on the termination of lease agreements and/or the application of enforcement measures and on taking steps with a view to initiating insolvency and/or enforcement proceedings could adversely affect DHLT's ability to enforce and require its tenants to perform their obligations under their lease agreements. The COVID-19 pandemic creates the risk of potential for volatility in financial markets (including interest rate and foreign exchange rate risks) and may adversely impact the cost, availability, duration or terms of financing and credit available to DHLT. The potential exists for recession within individual countries, the failure of businesses and austerity measures, all of which might impact the future demand for leased spaces. There is also the risk that new and uncontrollable strains of the virus may emerge, which may reduce the effectiveness of existing vaccines in controlling the spread of COVID-19. Such factors are highly uncertain and cannot be predicted.

Outbreaks of other infectious diseases such as the Ebola virus, SARS, Influenza A (“**H1N1**”), Middle East respiratory syndrome coronavirus (“**MERS-CoV**”), the Zika virus and avian influenza and other serious public health concerns, including epidemics and pandemics, in Japan and elsewhere which are beyond DHLT’s control may have a similar adverse effect as mentioned above, and in addition, may also adversely affect the attractiveness of Japan to prospective tenants.

There can be no assurance that any precautionary measures taken against infectious diseases would be effective. The outbreak of an infectious disease such as COVID-19, the Ebola virus, SARS, H1N1, MERS-CoV, the Zika virus and avian influenza in Japan and elsewhere, together with any resulting disruption to business operations, restrictions on travel and/or imposition of quarantines, could have a negative impact on the overall global market sentiment, economy and business activity, thereby adversely impacting the revenues and results of DHLT. These factors could materially and adversely affect the business, financial condition and the results of operations of DHLT and the ability of DHLT to make regular distributions to Unitholders.

The IPO Properties and future properties to be acquired by DHLT or its subsidiaries may require significant capital expenditure periodically and DHLT or its subsidiaries may not be able to secure funding.

Even though the IPO Properties are relatively new, having been completed between August 2014 and September 2019, the IPO Properties and future properties to be acquired by DHLT or its subsidiaries may require periodic capital expenditure, refurbishment, renovation for improvements and development in order to remain competitive or be income-producing. DHLT or its subsidiaries may not be able to fund capital expenditure solely from cash provided from its operating activities and DHLT or its subsidiaries may not be able to obtain additional equity or debt financing on favourable terms or at all. If DHLT is not able to fund such capital expenditures, the attractiveness, marketability and operating efficiency of the IPO Properties and the future properties to be acquired by DHLT or its subsidiaries may be affected and this may adversely affect the business, financial condition and results of operations of DHLT and the ability of DHLT to make regular distributions to Unitholders.

Further, the forecasted capital expenditure (See “Business and Properties – Capital Expenditure” for further details) is merely a best estimate of the associated costs and expenses in maintaining the IPO Properties. There is a risk that the actual capital expenditure required to maintain the IPO Properties exceeds the current forecast, which could lead to increased funding costs and in turn impact the distributions to Unitholders. In addition, any requirement for unforeseen material capital expenditure to be incurred for the DHLT Properties could impact the overall performance of DHLT. For the avoidance of doubt, the Manager does not expect the capital expenditure and development works that will be taking place within six months post-listing to have a material adverse impact on the operations in the respective buildings, thereby affecting the operations and financial performance of DHLT and the ability of DHLT to make regular distributions to Unitholders.

DHLT Properties might be adversely affected if the Japan Asset Manager, the Property Manager and/or any other person appointed to manage the IPO Properties does not provide adequate management and maintenance.

To the extent that the responsibility for the maintenance of DHLT’s Properties lies with the Japan Asset Manager, the Property Manager and/or any other person appointed to manage an IPO Property (as the case may be) and such person fails to provide adequate management and maintenance to such IPO Property, the value of such IPO Property might be adversely affected, notwithstanding that DHLT would (through DH TMK, TK Operator (GK1), TK Operator (GK2), or the Property Trustee, as the case may be) have recourse against the Japan Asset Manager and/or the Property Manager for any losses suffered as a result of their breach of obligations under the respective Asset Management Agreement or Property Management Agreement. This may result in a loss of tenants and may adversely affect the ability of DHLT to make regular distributions to Unitholders.

DHLT may suffer material losses in excess of insurance proceeds or DHLT may not be able to put in place or maintain adequate insurance in relation to DHLT Properties and its potential liabilities owed to third parties.

DHLT Properties are subject to the risk of suffering physical damage caused by, including but not limited to, the following: (i) fire; (ii) terrorism; (iii) acts of God such as natural disasters like flooding, earthquakes or other causes; as well as (iv) potential public liability claims, including claims arising from the operations of DHLT Properties. In addition, certain types of risks (such as losses caused by the outbreak of contagious diseases, contamination or other environmental impairment or breaches) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Any insurance coverage taken out by DHLT or its subsidiaries may also be subject to limits and any damage or loss suffered by DHLT may exceed such insured limits, so DHLT may not be fully compensated for the losses they incur.

Currently, DHLT Property and casualty insurance policies for the IPO Properties do not cover acts of war, intentional or dishonest acts, nuclear reaction or radio-active contamination, asbestos contamination, long-term environmental impairments, terrorism liability or floods caused by tsunami, as is in line with market practice in Japan. There is also no earthquake insurance taken out for the IPO Properties as the Manager is of the view that that there is low risk that substantial damage will be caused to the IPO Properties as a result of an earthquake and as such the costs of taking out earthquake insurance does not commensurate with the risk. The Manager, in reaching such a decision, considered the fact that the PML, which measures the probable maximum loss suffered, including repair and reprocurement expenses, that would be incurred if a major earthquake struck for each property is below 15.0% of the current building replacement construction cost (See "Business and Properties – Insurance" for further details).

Should an uninsured loss or a loss in excess of insured limits occur, including loss caused by vandalism or resulting from breaches of security at one of DHLT Properties, DHLT could be required to pay compensation and/or suffer loss of capital invested in the affected property as well as anticipated future revenue from that property as it may not be able to rent out or sell the affected property. DHLT may also be liable for any debt or other financial obligation[1] related to that property. Even though there have not been any such loss in excess of insured limits which had a material adverse impact on the IPO Properties, no assurance can be given that material losses in excess of insurance proceeds will not occur, which may adversely affect the ability of DHLT to make regular distributions to Unitholders.

Renovation or redevelopment works or physical damage to DHLT Properties may disrupt the operations of DHLT Properties and collection of rental income or otherwise result in adverse impact on the financial condition of DHLT.

The quality and design of DHLT Properties have a direct influence over the demand for space in, and the rental rates of, DHLT Properties. DHLT Properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations.

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1 Such "debt or other financial obligation" refers to those which will be taken up at the IPO and will be secured over the IPO Properties. Such debts or financial obligations may change over time as DHLT discharges or reduces its indebtedness or seeks refinancing.

In the case of DPL Sendai Port, there were earthquakes in February and March 2021, but the impact on the operations and financials of DHLT is expected to be minimal as the Sponsor has agreed, subject to the terms of PSA (1) (as defined herein), to carry out restoration works of the damage caused by the recent earthquakes in February and March 2021 at its own expense and to bear and indemnify DHLT against any losses (including but not limited to the costs of restoration works and compensation for business suspension of the tenants (if any)) arising out of or in connection with such damages or the restoration works and such works are expected to be completed by the Proposed Listing. While the said indemnity given by the Sponsor in PSA (1) is not limited contractually, the losses entitled to be claimed by DH TMK as the purchaser in PSA (1) will ultimately be subject to reasonableness based on principles of equity as determined by the Japanese courts. The impact of the damage to DPL Sendai Port has been considered in the independent valuations of DPL Sendai Port conducted by the Independent Valuers and there is no impact on the Appraised Value.

The costs of maintaining industrial and logistics properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as the building ages. During the period where such renovation, redevelopment works, unforeseen maintenance or repair works (as the case may be) are being carried out at DHLT Property(ies), the business and operations of such property(ies) may suffer from some disruption and it may not be possible to collect the full or any rental income on the space affected by such renovation or redevelopment works or unforeseen maintenance or repair works (as the case may be). In addition, existing third parties' surface rights and easements to which DHLT Properties are subject may hinder such renovation or redevelopment works or unforeseen maintenance or repair works. There may also be restrictions on renovation or redevelopment works to be carried out due to zoning or other regulations or agreements with the local government.

In addition, physical damage to DHLT Properties resulting from fire or other causes may lead to a significant disruption to the business and operation of DHLT Properties and, together with the foregoing, may impose unbudgeted costs on DHLT and result in an adverse impact on the financial condition and results or the operations of DHLT and its ability to make regular distributions to Unitholders.

Amenities and transportation infrastructure near the IPO Properties may not be completed or implemented as planned, or may be closed, relocated, terminated or delayed.

There is no assurance that amenities, transportation infrastructure and public transport services near the IPO Properties will be completed or implemented as planned, or will not be closed, relocated, terminated or delayed. If such an event were to occur, it could adversely impact the accessibility of the relevant IPO Property as well as the attractiveness and marketability of the relevant IPO Property to tenants, which may in turn have an adverse impact on the demand and rental rates for the relevant IPO Property and the ability of DHLT to make regular distributions to its Unitholders may be adversely affected.

DHLT could incur significant costs or liability related to environmental matters.

DHLT's operations are subject to various environmental laws, including those relating to contamination, air pollution control, water pollution control, waste disposal, noise pollution control and the storage and handling of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including a fine or imprisonment for breach of these laws, for contamination, air pollution, water pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals or substances at that property. In addition, DHLT may be required to incur costs to comply with these environmental laws. The presence of contamination, air pollution, water pollution, noise pollution or dangerous goods without a valid licence, or the failure to remediate or make good issues relating to contamination, air pollution, noise pollution or dangerous goods may expose DHLT to liability or materially adversely affect its ability to sell or lease the IPO Properties or to use the IPO Properties as collateral for future borrowings. Even though there have not been any such material issues relating to contamination, pollution or dangerous goods which had a material adverse impact on the IPO Properties, the IPO Properties and other assets acquired in the future by DHLT may be affected by contamination or other environmental issues which may not previously have been identified and/or rectified at the time of acquisition or which may subsequently occur after acquisition.

This gives rise to a number of risks, including but not limited to:

- the risk of prosecution by environmental authorities;

- the requirement to incur unbudgeted additional costs to remedy such issues;

- the adverse impact on the operations at the affected property which may in turn adversely affect the revenue of DHLT; and

- the adverse impact on the value of the affected property,

which may subsequently have an adverse effect on the ability of DHLT to make regular distributions to Unitholders.

The due diligence exercise on the IPO Properties, tenancies, buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies and any losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flows.

The Manager believes that reasonable property and legal due diligence investigations with respect to the IPO Properties have been, and with respect to other future acquisitions will be, conducted prior to their acquisitions. The Manager has also commissioned technical, environmental, legal, tax and financial advisers to undertake reasonable due diligence on the IPO Properties with respect to the environmental and technical aspects of the IPO Properties and the taxation matters that affect the IPO Properties. Due diligence investigations on the IPO Properties have identified certain material defects relating to the IPO Properties, which will be rectified by the Vendors or by existing tenants before the Listing Date (save in the case of any defects newly identified before acquisition date, for which restoration works will be completed after Listing at the Sponsor's expense). However, there is no assurance that due diligence investigations and technical inspections will uncover all material defects or deficiencies relating to the IPO Properties, including defects which require repair or maintenance (such as design, construction or other latent property or equipment defects in the IPO Properties which may require additional capital expenditure, special repair or maintenance expenses and the payment of damages) or will uncover all non-compliance with the laws and regulations in relation to the IPO Properties. Such defects or deficiencies may require significant costs or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on DHLT's earnings and cash flows. The experts' reports that the Manager relies on as part of its due diligence investigations of the IPO Properties are subject to uncertainties or limitations as to their scope and the limitation of liability of the experts with respect to such reports.

In addition, statutory or contractual representations, warranties and indemnities given by any seller of industrial and logistics properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects. Costs or liabilities arising from such defects or deficiencies may require significant capital expenditures or obligations to third parties and may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on DHLT's earnings, prospects, cash flows and the ability of DHLT to make regular distributions to Unitholders.

DHLT could incur significant losses or liability related to breaches in certain sale and purchase agreements.

In relation to D Project Maebashi S, D Project Nagano Suzaka S and D Project Kakegawa S, the current title holders of those properties (together with the current title holder of DPL Kawasaki Yako, the "**Current Property Holders**") will be selling the TBIs of the buildings only to the Sponsor pursuant to the sale and purchase agreements dated 9 November 2021 between the Sponsor and Current Property Holders, and the Sponsor will in turn entrust the underlying land, following which the Sponsor will transfer the TBIs of the buildings as well as the underlying land which the Sponsor holds to DH TMK under PSA (1) on the Closing Date. In relation to DPL Kawasaki Yako, its Current Property Holder will be selling the TBI of the building and the subleasehold right of the land pursuant to the sale and purchase agreement dated 9 November 2021 between the Sponsor and Current Property Holder, following which the Sponsor will sell the TBI to TK Operator (GK2) under PSA (2) on the Closing Date. (See "Business and Properties – Back-to-Back Acquisitions of TBIs" and "Certain Agreements Relating to DHLT and the IPO Properties – Trust Beneficial Interest Sale and Purchase Agreements" for further details.) In this regard, under PSA (1) and PSA (2) between the Sponsor and DH TMK or TK Operator (GK2), although there is no dilution of DHLT's rights and recourse pursuant to the customary representations and warranties provided by the Seller such as those regarding (i) title to the property and the fact that there are no encumbrances with respect to the holding of the property, (ii) compliances with laws and regulations and (iii) no contractual non-conformance (i.e. the representation and warranty that there is no non-conformity of the property to the terms of a sale and purchase agreement with respect to kind, quality or quantity), the Sponsor is not liable for any loss attributable only to a default by the Current Property Holders under the relevant sale and purchase agreement entered into between the relevant Current Property Holder and the Sponsor, such as delay of completion, though DH TMK or TK Operator (GK2) is able to ask the Sponsor to seek indemnity from such Current Property Holder under the relevant sale and purchase agreement which has been entered into between the Sponsor and the Current Property Holder. As such, pursuant to PSA (1) and PSA (2), DHLT can instruct the Sponsor to claim losses suffered by DH TMK or TK Operator (GK2) due to the Current Property Holder's breach, and the Sponsor may in turn claim such losses under the relevant sale and purchase agreement. Once the Sponsor receives the claims for such losses from the Current Property Holder, the Sponsor will pass the claims to DH TMK or TK Operator (GK2) (where applicable) for DHLT to recover the losses. The same kind of arrangements are often made with the Sponsor for transactions with a similar factual matrix.

However, if the Sponsor is not successful in seeking indemnification from such Current Property Holder, DH TMK and/or TK Operator (GK2) will not be able to recover such losses from the Sponsor, which may have a material adverse effect on DHLT's earnings, prospects and cash flows.

DHLT may be subject to unknown or contingent liabilities related to properties or businesses that it has acquired or may acquire, which may result in damages and investment losses.

Assets and entities that DHLT or its subsidiaries have acquired or may acquire in the future may be subject to unknown or contingent liabilities for which DHLT and/or its subsidiaries may have limited or no recourse against the sellers. Such unknown or contingent liabilities might include, but are not limited to, liabilities for clean-up or remediation of environmental conditions, claims of tenants, vendors or other persons dealing with the acquired entities, tax liabilities and other liabilities whether incurred in the ordinary course of business or otherwise. The transactions which DHLT or its subsidiaries have entered or may enter into may, among others, have limited representations and warranties or have representations and warranties that do not survive the completion of the transactions or be subject to limitations on liability, in which event DHLT and/or its subsidiaries would have no or limited recourse against the sellers of such properties. In respect of breaches of PSA (1) and PSA (2) by the Sponsor as a result of default only by the Current

Property Holder, such as delay of completion, DHLT may not be protected by the representations and warranties granted by the Sponsor under PSA (1) and PSA (2) although DH TMK or TK Operator (GK2) can ask the Sponsor to seek indemnity from such Current Property Holder under PSA (1) and PSA (2). While the sellers of properties acquired after Listing may have given indemnity in favour of DHLT and/or its subsidiaries over losses which DHLT and/or its subsidiaries may suffer as a result of, among others, breaches of representations and warranties that survive the completion of the transactions, such indemnity is often limited and subject to various materiality thresholds, a significant deductible or an aggregate cap on losses. As a result, there is no guarantee that DHLT or its subsidiaries (as the case may be) will be able to recover any amounts with respect to losses due to the breaches by the sellers of their representations and warranties. In addition, the total amount of costs and expenses that DHLT and/or its subsidiaries may incur with respect to liabilities associated with properties and entities acquired may exceed DHLT's expectations. Any of these matters could have a material adverse effect on DHLT, thereby adversely affecting DHLT's cash flows and the amount of funds available for distribution to Unitholders.

DHLT Properties may face increased competition from other properties.

The IPO Properties are located in areas where other competing properties are present and new properties may be developed which may compete with the IPO Properties. Some competing properties may be newer, better located, have more attractive features, floor plans or amenities or otherwise be more attractive to tenants. Competing properties may also have lower rates of occupancy or operating costs than the IPO Properties, which may result in the owners of competing properties offering available space at rents lower than the rates offered at the IPO Properties.

The market value of DHLT Properties and the income to be generated from its properties will be dependent on the ability of its properties to compete against other industrial and logistics properties for tenants. If, after the Offering, competing properties are more successful in attracting and retaining tenants or similar properties in the vicinity of DHLT Properties are substantially upgraded and refurbished, the income from DHLT Properties could be reduced, thereby adversely affecting DHLT's cash flows and the amount of funds available for distribution to Unitholders. (See "Business and Properties – Certain Information on the IPO Properties – Competition" for further details.)

The appraisals of the IPO Properties are based on various assumptions and the price at which DHLT is able to sell an IPO Property in the future may be different from the initial acquisition value of the IPO Property.

There can be no assurance that the assumptions on which the appraisals of the IPO Properties are, or will be, based on are accurate measures of the market, and the values of the IPO Properties may be evaluated inaccurately. The Independent Valuers may have included a subjective determination of certain factors relating to the IPO Properties such as their relative market positions, financial and competitive strengths, and physical condition and, accordingly, the valuation of the IPO Properties (which affects the NAV per Unit) may be subjective and incorrect. There is no guarantee that the value of an IPO Property will not fall as a result of the assumptions on which the relevant valuations are based proving to be incorrect.

The valuation of any of the IPO Properties does not guarantee a sale price at that value at present or in the future. DHLT may sell an IPO Property at a price lower than its purchase price or lower than the anticipated sale price projected at the time of its acquisition. Hence, there is no guarantee that an IPO Property will achieve a capital gain on its sale.

RISKS RELATING TO INVESTING IN REAL ESTATE

There are general risks attached to investments in real estate.

Investments in real estate and therefore the income generated from DHLT Properties are subject to various risks, including but not limited to:

- adverse changes in local and international political or economic conditions;
- adverse local and international market conditions (such as over-supply of properties or reduction in demand for properties in the market in which DHLT operates);
- the financial condition of tenants;
- the availability of financing such as changes in availability of debt or equity financing, which may result in an inability by DHLT to finance future acquisitions on favourable terms or at all;
- changes in interest rates and other operating expenses;
- changes in environmental laws and regulations, zoning laws, laws related to building standards, town planning laws, laws relating to condemnation and redevelopment, land readjustment and other governmental laws, regulations and rules and fiscal policies (including tax laws and regulations and government charges), and the corresponding increase in management expenses or unforeseen capital expenditure to ensure compliance or restrictions to rights related to the properties;
- environmental claims in respect of real estate;
- changes in energy prices;
- changes in the relative popularity of property types and locations leading to an oversupply of space or a reduction in tenant demand for a particular type of property in a given market;
- competition among industrial and logistics property owners for tenants which may lead to vacancies or an inability to rent space on favourable terms;
- inability to renew leases or re-let space as existing leases expire;
- inability to collect rents from tenants on a timely basis or at all due to bankruptcy or insolvency of the tenants or otherwise;
- insufficiency of insurance coverage or increases in insurance premiums;
- increases in the rate of inflation;
- inability of the asset manager and/or property manager to provide or procure the provision of adequate maintenance and other services;
- defects affecting DHLT Properties which need to be rectified, or other required repair and maintenance of DHLT Properties, leading to unforeseen capital expenditure;
- the relative illiquidity of real estate investments;
- fluctuation in the value of the real estate;
- dependence on cash flows for the maintenance of, and improvements to, DHLT Properties;
- increased operating costs, including real estate taxes;

- any defects or illegal structures that were not uncovered by physical inspection or due diligence review;
- management style and strategy of the Manager;
- the attractiveness of DHLT Properties to current and potential tenants;
- the cost of regulatory compliance;
- ability to rent out properties on favourable terms; and
- power supply failure, acts of God, wars, terrorist attacks, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rental rates or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of DHLT Properties will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of DHLT's real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in Japan, which may adversely affect the financial condition of DHLT and the ability of DHLT to make regular distributions to Unitholders.

There are special risks associated with the underlying land of DHLT Properties held in the form of a leasehold interest or surface rights.

Under Japanese law, buildings and the underlying land upon which they are built can be owned independently of each other. For example, the owner of a building may only hold a leasehold interest in the underlying land. Due to the independence of ownership of a building and the underlying land at the expiration of the tenure to the underlying land (i.e. the term of the leasehold right, subleasehold right or sub-subleasehold right (as the case may be) of the land), the owner of the building must demolish the building and return the land as it was when it was leased. This applies even when the owner of the building holds some parcels of the underlying land as freehold interest and the rest of the land parcels as sub-leasehold rights, such as in the case of DPL Okayama Hayashima, and that the owner of the building will have to demolish the building and return the land in the event that the leasehold term expires and that is not renewed. Leasehold interests may also be terminated by the mutual agreement of the lessor and the lessee, the lessee's non-payment of rent or other defaults or they may be not extended upon expiry of the lease term. If the Property Trustee as the owner of the building is obliged to demolish the building and return the land, it will constitute a breach of the lease agreement of the building to the tenants unless the Property Trustee and the tenant of the building agree otherwise. As such, DHLT may be required to incur substantial amounts of money to return the land as it was when it was leased, including costs incurred in relation to the demolition of any existing building and/or reinstatements thereof on any leasehold properties held by DHLT.

Further, the value of leasehold properties held by DHLT will depreciate over the term of their respective leasehold terms, and consequentially the asset value underlying the Units may be substantially reduced when compared to their original purchase price or valuation at which the properties were acquired. For instance, eight out of 14 Properties in the IPO Portfolio are leasehold properties (the "**Leasehold Properties**") and it is assumed by the Independent Valuers in the independent valuations of such Leasehold Properties that, save for DPL Okayama Hayashima 2 which is an ordinary land lease and is subject to automatic renewal, the buildings on the other seven fixed-term leaseholds will be demolished upon the expiry of the leases. While the Property Trustee, TK Operator (GK2) or DH TMK may take appropriate measures to prevent such events from occurring, or to enable DHLT to address such events should they occur, such as monitoring compliance with lease agreements, such events may nonetheless still occur. While the Property Trustee, TK Operator (GK2) or DH TMK may engage in dialogues for lease renewal ahead of the expiry of the leasehold term, there is no assurance that such negotiations will be successful and the lease renewal will be granted and in the event that the leases are not renewed upon the expiry of their lease tenure, this may cause the Property Trustee to have to demolish the building so as to return the land as it was when it was leased.

Moreover, if the land of the IPO Properties is an ordinary property held by an ordinary local public entity as defined under Japanese law, such as part of DPL Okayama Hayashima, being held by Hayashima-cho, the head of the ordinary local public entity may exercise its right to terminate the lease agreement in the event that the Japanese government, the local public entity or other public entities require the use of the land for public use or common use. As a result, the exercise of such termination right by the ordinary local public entity may cause the Property Trustee to forfeit the subleasehold rights for the land of the IPO Properties.

Transfer of leasehold rights, subleasehold rights or sub-subleasehold rights of the land requires consent from each of the landlords holding interest at the level(s) above Property Trustee. To assign title of a building on a leasehold also requires consent from the owner in principle, as this also entails assignment of the leasehold. TK Operator (GK2) may fail to obtain the owner's timely and/or sufficient consent for disposition of its properties, and thus may not be able to dispose of the properties at a time or under terms DHLT consider appropriate. This risk is especially significant if the land underlying the properties is owned by multiple owners, namely D Project Misato S, DPL Shinfuji, DPL Okayama Hayashima and D Project Fukuoka Tobara S. (See "Business and Properties – Leasehold Interests" for further details)

Moreover, in the case of a sublease, if the lease agreement between the owner and the lessee is terminated due to the lessee's default such as a breach of contract by the lessee or the occurrence of other termination events, the sublease agreement between the lessee and the sub-lessee will also be terminated. In respect of six of the leasehold IPO Properties (DPL Kawasaki Yako, D Project Kuki S, D Project Misato S, DPL Shinfuji, DPL Okayama Hayashima and D Project Fukuoka Tobara S)[1], the lease agreements between the Sponsor and its superior landlords contain various termination events, such as non-payment or delay in payment of rent, the commencement of a petition for the Sponsor (as lessee) to enter into insolvency proceedings or a breach of the terms of the land lease agreement by the Sponsor (as lessee). Given that the Sponsor shall be the Superior Landlord of the Property Trustee, there is a risk that DHLT (through the Property Trustee) will lose its interests in the six leasehold IPO Properties in the event that the Sponsor's leasehold interests are terminated due to the occurrence of any of the termination events. (For further details on the termination events in the lease agreements, see "Business and Properties – Leasehold Interests – Sponsor's lease obligations" of this Prospectus.)

While the Sponsor has provided an undertaking in relevant Land Lease Agreements (as defined herein) between the Sponsor and the Property Trustee that it shall properly perform and comply with its own obligations under the land lease agreements with the relevant lessors or sub-lessors (being the direct landlords of the Sponsor) and indemnify or compensate the Property Trustee for any damage, losses or expenses (including reasonable attorney's fees) sustained, if the Sponsor's lease agreements with its landlords are terminated as a result of the occurrence of termination events relating to the credit of the Sponsor, there is no guarantee that the interests of DHLT will be protected by the Sponsor's undertaking to indemnify or compensate for losses. While the Sponsor has demonstrated a stable financial track record, being a TSE-listed conglomerate and the principal company of Daiwa House Group and one of the largest construction and real estate development companies in Japan, there can be no assurance that the Sponsor will never become insolvent. In the event that the Sponsor becomes insolvent, DHLT will lose its interests in the six leasehold IPO Properties and would not likely be able to claim damages from the Sponsor.

Additionally, it is stipulated in the Property Trustee's Land Lease Agreements with the Sponsor that (i) (in respect of DPL Kawasaki Yako, D Project Kuki S, D Project Misato S and DPL Shinfuji) the Sponsor has the obligation to obtain consent from its direct landlords for the Property Trustee to conclude a lease agreement for the land directly with the land owner (or the sublessor in the

[1] These properties contribute on aggregate NPI of JPY 589.0 million for Forecast Period 2021 and JPY 2,287.3 million for Projection Year 2022 to DHLT, accounting for 51.8% and 51.6% of the total NPI of the IPO Portfolio for Forecast Period 2021 and Projection Year 2022 respectively.

case of DPL Shinfuji) at the cost of the Sponsor and (ii) (in respect of DPL Okayama Hayashima and D Project Fukuoka Tobara S) the Sponsor has the obligation under the relevant Land Lease Agreements to make an effort to obtain the consent from its direct landlords for the Property Trustee to conclude a lease agreement for the land directly with the land owner (or the sublessor in the case of D Project Fukuoka Tobara S) at the cost of the Sponsor, if the lease agreement with the land owner (or the sublessor in the case of DPL Shinfuji and D Project Fukuoka Tobara S) has been terminated for reasons attributable to the Sponsor. However, given that there is no assurance that the Sponsor's direct landlords would agree to conclude a lease agreement with DHLT (through the Property Trustee), in the event that the Sponsor's lease agreements with its landlords are terminated as a result of the Sponsor's insolvency or financial position, which results in the loss of DHLT's land subleasehold interests or land sub-subleasehold interests (as the case may be), it is unlikely that DHLT will be able be adequately compensated by the Sponsor for its failure to fulfill its undertaking to obtain consent from its direct landlords to conclude a lease agreement with DHLT (through the Property Trustee).

In addition, the deterioration of the financial condition or bankruptcy of an owner of land may affect the return of all or part of the leasehold or security deposit payable by the Property Trustee to its Superior Landlord. It is customary that no leasehold or security deposits payable by the Property Trustee to its Superior Landlord is pledged and that no guarantee is given for the return of leasehold or security deposit payable by the Property Trustee to its Superior Landlord held by owners of land. If the owner of land becomes subject to insolvency proceedings, unless the lease is duly protected under the applicable laws and regulations regarding the leasehold, the owner, its trustee in bankruptcy or administrator is able to cancel the lease contract (See "Business and Properties – Capital Expenditure – Security Deposits" of this Prospectus for further details.)

Unlike ownership structures under which both the land and the building on the land are owned together, the building on land that has been leased are especially exposed to the risks and limitations described above. As a result, despite the fact that such leasehold interests would constitute proper legal and good and marketable titles to the relevant properties and DHLT would have freedom to dispose of such properties, such properties may take longer or be costlier to be acquired or disposed of, depending on the provisions of relevant agreements, prevailing market practice or otherwise, which may adversely affect their value[1].

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[1] DH TMK and TK Operator (GK2) will hold TBIs in the IPO Properties rather than direct ownership of the physical properties. Accordingly, the disposition of any of the IPO Properties is likely to occur by way of disposition of TBIs and not by way of disposition of the leasehold interests. In this regard, if the REIT disposes of the TBIs, according to the Japanese Counsel, the REIT would not have to obtain the relevant consents from Superior Landlords and/or other counter-parties of the agreements which provide the prohibition or restriction on the transfer of the leasehold interests except for the consents of the Property Trustee (such Property Trustee's consent may be usually obtained in practice and obtaining such consent should not be an obstacle or restriction for the disposition of TBIs because the trust agreements provide that the Property Trustee cannot unreasonably refuse such consent). Once the leasehold interests are entrusted to the Property Trustee upon acquisition of leasehold properties by the REIT, the leasehold interests will not be transferred when the REIT dispose of the TBIs whose trust assets include the leasehold interests. While the REIT is likely to dispose TBIs in the IPO Properties instead of disposing the underlying leasehold properties, in the event the REIT disposes of the leasehold properties, the REIT will have to obtain the relevant consents from Superior Landlords and/or other counter-parties of the agreements. It is likely that the Superior Landlords do not usually refuse to provide such consents because the use of the land by the purchaser will not be changed after the transfer of the leasehold property from the REIT to the purchaser. In addition, in the event consent from the Superior Landlords is not forthcoming, the REIT may seek judicial permission for the transfer in respect of leasehold of occupied land and a court may give permission unless the transfer will prejudice the Superior Landlords' rights. It is likely that the court would give such permission in circumstances where it is unavoidable to transfer the leasehold right to dispose of the properties, and this may be accompanied by an order to the parties to make reasonable payment to the Superior Landlords. Though the court ultimately has the power not to grant such permission for the unoccupied parcels under the Land and Building Lease Law, the court may nevertheless regard it as an abuse of rights if the Superior Landlords refuse to give consent to the unavoidable transfer of unoccupied parcels which are integrally used with the occupied parcels and may determine that the Superior Landlords cannot cancel the land lease agreement on the basis that the transfer was made without the Superior Landlord's consent.

TK Operator (GK2) and DH TMK hold all of the IPO Properties through TBIs and may suffer losses as a trust beneficiary.

All of the IPO Properties will be held in the form of beneficial interests in Japanese trusts that hold or will hold those IPO Properties as title holders for tax purposes (See "Taxation – Japan Tax Overview – Real Property Transaction and Holding Taxes – Registration and Licence Tax and Real Estate Acquisition Tax – Rates in General" of this Prospectus for further details). While TK Operator (GK2) and DH TMK have entered into various contractual arrangements to mitigate trust-related risks, TK Operator (GK2) and DH TMK may nevertheless still suffer certain trust-related liabilities and losses that would not arise if TK Operator (GK2) and DH TMK had direct ownership of these properties, including liabilities to third parties arising from the disposition of a trust property, compensation of the Property Trustee, property defects or losses due to unauthorised disposition or collateralisation of a trust property by the Property Trustee, the Property Trustee's insolvency or losses arising from the breach of any of the trust agreements by the Property Trustee. Although DHLT is entitled to sue the Property Trustee through DH TMK and/or TK Operator (GK2) for any losses suffered due to the Property Trustee's breach of its trust-related obligations under the trust agreements, DHLT will have no special recourse over other creditors of the Property Trustee. For the avoidance of doubt, the Independent Valuers are aware of the arrangement that all the IPO Properties will be held by the Property Trustee and DHLT's interests will be held in the form of TBIs but such arrangement has not been taken into account in the independent valuations of the properties as the manner of DHLT's holding of interests in the IPO Properties does not affect the property valuations.[1]

In addition, the Property Trustee's consent is generally required to transfer the beneficial interest. Further, TK Operator (GK2) and DH TMK may not be able to assert their rights as beneficial owner if no trust registration is filed.

For properties held through TBIs, TK Operator (GK2) and DH TMK, as beneficiaries, will be subject to losses and risks related to the underlying properties as described in this "Risk Factors" section, which may have an adverse impact on the financial condition and results of operations of DHLT and its ability to make regular distributions to Unitholders.

1 Given that the manner of holding of DHLT's interests does not change the rent generated from the real estate nor the operational cost needed for the property, such manner of holding is beyond the remit of the Independent Valuers which is to value the property concerned based on the industry accepted valuation methodologies (in the present case, using the income capitalisation method). This is a commonly accepted market practice in Japan. The property-holding structure is also typically not considered to be material to a potential purchaser of a property given that such structure or manner of holding (i.e. through TBIs or otherwise) may be easily changed through the execution or termination of a trust agreement.

One of the IPO Properties is and future properties to be acquired by DHLT or its subsidiaries may be subject to the repurchase right.

The Civil Code allows the seller to reserve the right to repurchase the real estate if the seller and the purchaser so agree. The repurchase price would be the purchase consideration of the property in the original acquisition or some other amount to which the seller and the purchaser may agree in advance. If the repurchase right is registered, it will be perfected against third parties.

The land of one of the IPO Properties, DPL Okayama Hayashima 2, is subject to the registered repurchase right of the previous owner, Okayama Prefecture. The Sponsor, which purchased the freehold title to the land of DPL Okayama Hayashima 2 from Okayama Prefecture and will establish and grant the leasehold interest over the property to the Property Trustee on the Closing Date pursuant to the land sublease agreement between the Sponsor and the Property Trustee, agreed with Okayama Prefecture that Okayama Prefecture can exercise its repurchase right if the Sponsor breaches:

(i) its undertaking to, for a period of 10 years (which may not be extended by the Sponsor and/or Okayama Prefecture) from the date of the execution of the agreement between the Sponsor and Okayama Prefecture ("**Use Designation Period**"),[1] use the land as the site of the Sponsor's place of business that is set forth in the Okayama Synthesis Distribution Centre (Expansion District) Purchase Application submitted to Okayama Prefecture by the Sponsor dated 25 March 2016 ("**Purchase Application**"),

(ii) its undertaking to construct and commence operations of a place of business in accordance with the business plan set forth in the Purchase Application, and/or

(iii) its undertaking not to assign to a third party or cause a third party to succeed its rights and duties under the agreement with Okayama Prefecture or transfer the land to a third party or establish mortgage, surface right, leasehold or the right of collateral, use or profit on the land (with which, for the avoidance of doubt, the Sponsor is compliant, as Okayama Prefecture has granted the approval for the creation and grant of leasehold interest over the land of DPL Okayama Hayashima 2 to the Property Trustee) during the Use Designation Period.

[1] There agreement which stipulates the repurchase right and undertakings do not provide for the extension of the Use Designation Period.

In relation to (iii), Okayama Prefecture approved the establishment and grant of the leasehold interest over the land to the Property Trustee. This is considered in the independent valuations of DPL Okayama Hayashima 2 conducted by the Independent Valuers, but there is no impact on the Appraised Value nor the operations and financials of DHLT. If Okayama Prefecture exercises its right of repurchase prior to the expiry of its right of repurchase on 26 October 2026 due to a breach of any such undertaking by the Sponsor, the Sponsor as the Superior Landlord (as defined herein) of the property will lose the ownership of the land and the Property Trustee will also lose its leasehold interest of the land and ownership of the building of DPL Okayama Hayashima 2 as a result (for the avoidance of doubt, the Property Trustee is not entitled to receive the repurchase price if Okayama Prefecture exercises its right of repurchase[2]). Under the Civil Code, the repurchase price would be the purchase consideration of the property in the original acquisition unless the seller and the purchaser agreed some other amount in advance. Thus, the repurchase price of JPY 917 million has already been fixed as the purchase consideration of the property in the original acquisition and cannot be changed by the Sponsor. Therefore, the Property Trustee, as the lessee of the land, will not be involved in the sale process should the repurchase right be exercised. There are also restrictions regarding the transfer of DPL Okayama Hayashima 2 as the Sponsor has undertaken not to dispose the land without the approval of Okayama Prefecture. While the Manager believes that it is unlikely that the undertakings regarding the use of the land will be breached by the Sponsor as (i) it is provided under the land lease agreement between the Sponsor and the Property Trustee that the Sponsor should observe its obligations (including the undertakings) under the land sale agreement between Okayama Prefecture and the Sponsor, (ii) the undertakings given by the Sponsor are not difficult to comply with and (iii) the Sponsor will be vigilant against any breach of the undertakings, there can be no assurance that a breach will not occur outside the control of the Sponsor[1], which will then entitle Okayama Prefecture to exercise its right to repurchase DPL Okayama Hayashima 2 (the negotiation process for which DHLT would not be involved in), thereby subjecting DHLT to losses and this may have an adverse effect on the business, financial condition and results of operations or prospects of DHLT and its ability to make distributions to the Unitholders. Furthermore, while DHLT may, through the Property Trustee, seek indemnity under the land lease agreement against the Sponsor for any damage, losses or expenses sustained as a result of or in connection with the Sponsor's breach of its undertaking, there can be no assurance that the Sponsor will be able to fulfil its indemnity obligations and in the event that such indemnity obligations are not fulfilled, this may have an adverse effect on the business, financial condition and results of operations or prospects of DHLT and its ability to make distributions to the Unitholders.

1 As the Property Trustee is not the underlying landowner but only owns the building and the leasehold interest over the underlying land, it is not entitled to the repurchase price in the event Okayama Prefecture exercises its right of repurchase. Given that the Independent Valuers are valuing only the building and the leasehold interest over the underlying land to be acquired by the Property Trustee, the Independent Valuers have considered the repurchase price to be irrelevant for purposes of their valuations.

2 The Sponsor shall indemnify or compensate the Property Trustee for any damage, losses or expenses sustained as a result of or in connection with the breach of the land lease agreement to the extent of reasonable causation and it is agreed in the land lease agreement that the Sponsor shall comply with the provision of the sales and purchase agreement dated 27 October 2016 between the Sponsor and Okayama Prefecture.

Some lands of the IPO Portfolio and future properties to be acquired by DHLT or its subsidiaries may be agricultural lands and there may be restrictions when such agricultural lands are transferred or leased.

Under the Agricultural Land Act, agricultural lands may not be transferred or leased for purposes other than for use as agricultural lands without first obtaining permission to convert its use from the government or the agricultural committee or, if the land is designated as an urbanisation promotion area, making prior notification to the agricultural committee. Thus, if agricultural lands, whether transferred or leased, are to be developed and converted into logistics properties, it is necessary to have obtained permission to convert, otherwise such transfer or lease would not be valid. If an agricultural land is transferred or leased without obtaining permission to convert, the competent authority may issue an order to convert the land use back to agricultural land. Even if the land is used for logistics purposes at the time of acquisition by DHLT or its subsidiaries, there is a risk that the competent authority may issue an order to convert the land use back to agricultural land as a result of the previous owner's failure to obtain permission to convert.

In respect of the IPO Properties, the land owner of DPL Okayama Hayashima is in the process of converting the registered land use from agricultural purposes to"building lot", and such process is expected to be completed before the Listing Date. The land owners of DPL Shinfuji, another IPO Property in which some parcels of land on the property are currently registered as agricultural land, are unable to change the registered land use as DPL Shinfuji is under a land readjustment project which is expected to finalise around the end of March 2026. Nonetheless, according to the Japanese Counsel, there is no impact on the current and ongoing use of DPL Shinfuji as a building lot, and there are no implications and/or penalties to which DHLT may be subject as a result of such use before the conversion of land is registered as the Agricultural Committee of Fuji City has confirmed that DPL Shinfuji's actual designation of land use has been already converted and its land use will be registered as a building lot once the final order pursuant to the land readjustment project is issued, following which an announcement shall be made on SGX-ST via SGXNET, which is scheduled to be at around the end of March 2026. Nevertheless, there may be restrictions relating to future transfer or lease of other agricultural lands held by DHLT or its subsidiaries and this may have an adverse effect on the business, financial condition, results of operations and prospects of DHLT and its ability to make distributions to the Unitholders.

The Property Trustee may not be registered in the land records as lessees or sublessees of the lands on which future properties to be acquired by DHLT are situated.

If a land lessee's registered building stands only on some parcel(s) of the leased land which consists of multiple parcels, any leasehold interest in such occupied parcels of that land is perfected while any leasehold interest in the other parcels of that land which are not occupied by the registered building ("**Unoccupied Land**") is required to be registered in order to be perfected. The same applies to subleasehold interest and sub-subleasehold interest, therefore if a sublessee or a sub-sublessee owns a registered building on the subleased land or, as the case may be, the sub-subleased land, any subleasehold interest or any sub-subleasehold interest in the Unoccupied Land is not perfected unless registered. If the subleasehold interest or the sub-subleasehold interest have not been perfected, there is a risk that if (i) the lessor or sub-lessee of the leased land transfers the land or, as the case may be, the sub-leasehold interest to a third party, (ii) a creditor of the lessor or sub-lessee of the leased land seizes the land or, as the case may be, the sub-leasehold interest, or (iii) a bankruptcy trustee is appointed in case of the bankruptcy of the lessor or sub-lessee of the leased land, the Property Trustee may not be able to assert its subleasehold rights or its sub-subleasehold rights over the leased lands against such transferee, creditor or bankruptcy trustee. In such cases, the Property Trustee may be required to vacate and deliver the land to such third party. This will have an adverse effect on the business, financial condition, results of operations and prospects of DHLT and its ability to make distributions to the Unitholders.

DHLT may lose rental revenues in the event of lease terminations, decreased lease renewals, rental reduction or the default of a tenant as a result of financial difficulty or insolvency, or careless or imprudent property management by a tenant.

If the tenants terminate their lease agreements during lease terms or decide not to renew their lease agreements at the end of their rental terms or default on their rent payment obligations as a result of financial difficulty or insolvency, overall occupancy rate of DHLT Properties, including the IPO Properties, may fall or DHLT may experience a delinquency of rent payments by our tenants, resulting in a decrease in expected revenues. Additionally, tenants may request rent concessions or deferrals in light of the COVID-19 pandemic.

Furthermore, landlords such as the Property Trustee or TK Operator (GK 1) as the master lessee (in the case of the IPO Properties) may be limited from protecting themselves against such losses through the use of contractual provisions that limit a tenant's right to terminate its lease agreement, such as early termination penalties, if the courts refuse to uphold such contractual provisions or limit their effect. In addition, lease agreements may sometimes contain contractual rights which entitle tenants to re-negotiate the rental on a periodic basis, taking into account changes in economic conditions and other factors. For example, the leases for some of the IPO Properties contain contractual rights for tenants to renegotiate their rent with the Property Trustee or, as the case may be, TK Operator (GK1) as the master lessee, every five years. While owners and tenants would usually act reasonably when engaging in negotiations on the rent, in the event that the parties are unable to agree to the revised rent, disputes may arise which may result in lawsuits or legal complaints being brought by the tenant against the Property Trustee or, as the case may be, TK Operator (GK1) as the master lessee for a rent reduction.

Apart from contractual rights under lease agreements, under the Land and Building Lease Law in Japan, tenants also have a statutory right to demand the reduction of rent under certain circumstances, which may cause a reduction in rent or a refund of excess rent order by the court unless tenants have validly agreed to waive such right in a special fixed-term lease agreement as provided in Article 32 of the Land and Building Lease Law. Tenants may also seek the protection of bankruptcy laws, which could result in delays in the receipt of rent payments, the inability to collect rental income, delays in the termination of the tenant's lease or a delay in the Property Trustee's ability to re-let or sell the space.

Moreover, the daily management of the properties is generally in the hands of the tenants, and careless or imprudent management of the properties by the tenants may result in a material adverse effect on the value of the properties. In addition, even where a tenant is improperly managing one of the properties, the lessor may in some cases be unable to terminate the lease with such tenant to prevent further harm to the property. For example, if the Property Trustee has entered into a building lease agreement under which the lessor's ability to refuse renewal of the lease after it expires is limited, or a special fixed-term lease agreement that is found to be unenforceable as a special fixed-term lease agreement for failing to meet the requirements under Article 38 of the Land and Building Lease Law, the lessor may be unable to terminate the lease unless the lessor provides a justifiable reason, even where the term of the lease has expired.

Even though there have not been any past occurrences of the foregoing which had a material adverse impact on the IPO Properties, there can be no assurance that these will not occur in the future, which may have an adverse effect on the business, financial condition, results of operations and prospects of DHLT and its ability to make distributions to the Unitholders.

DHLT's reliance on key tenants creates risk for DHLT's business.

The key tenants of DHLT are important for the business performance of certain IPO Properties. In particular, for logistics properties, key tenants generally occupy large portions of IPO Properties under long-term leases. For example, the top three (3) key tenants of DHLT contribute 36.1% of the NPI of the IPO Portfolio for FY2020. The Manager expects operating revenues attributable to DHLT's key tenants and DHLT's concentration of rents from them to remain high for at least the near term.

DHLT's reliance on its key tenants creates a number of potentially significant risks for DHLT's business. In addition to the risks associated with master lessees, such risks include the following:

- if any of DHLT's key tenants were to suffer from operational or financial difficulties, fail to make or maintain their rent payments or become insolvent, DHLT's business, financial condition or results of operations could be materially and adversely affected, and the Unit price and distributions that DHLT makes on the Units could decrease; and

- although many of DHLT's IPO Properties have long-term lease agreements with only limited termination rights, some of DHLT's IPO Properties have shorter-term leases. Moreover, in some cases, a tenant may violate a lease agreement and vacate a property without providing notice as required by the lease agreement. In the event that a tenant chooses either not to renew a lease agreement after it expires or to terminate an existing lease agreement, all or some portions of a property may remain unleased until DHLT find a suitable replacement tenant, and any lease with a subsequent tenant may not be on terms as favourable as DHLT's lease with the vacating tenant. Although the Property Trustee typically holds tenant leasehold deposits as security for non-payment of rent and other liabilities on the part of the tenants, if any of the foregoing occurs to any of DHLT's key tenants, DHLT's business, financial condition or results of operations, and its ability to make distributions to the Unitholders, could be materially and adversely affected.

Some of DHLT Properties may be customised to cater to a single tenant or a small number of tenants and are typically designed for a specific use, which may make it difficult to find substitute tenants.

Some of the DHLT Properties may be customised for single tenants. If any of these lessees were to terminate their leases or have difficulty in making rent payments, DHLT's business may be adversely affected. If a lessee were to vacate a property, the pool of potential substitute lessees may be limited due to a number of factors unique to logistics facilities, including the large area of the lease space or the specific use and configuration of the facility, creating the possibility of a prolonged period of vacancy. As a consequence, DHLT may be forced to decrease the rent in order to secure a substitute lessee or incur significant refurbishment expenses to prepare a property for a new lessee, which may adversely affect DHLT's business, financial condition and results of operations, and its ability to make distributions to the Unitholders. Even though there are no past occurrences of the foregoing which had a material adverse impact on the IPO Properties, this risk has been considered in the independent valuations of the relevant properties conducted by the Independent Valuers.

Some of the properties owned by DHLT or future properties to be acquired by DHLT or its subsidiaries may be designated as reserved land (*horyu-chi*) or provisionally replotted land (*kari-kanchi*) and TK Operator (GK2) and DH TMK's rights relating to such properties may be affected by the operation of the Land Readjustment Act.

The Land Readjustment Act allows the relevant authorities to modify the location and boundaries of small roads, non-linear roads and irregularly shaped plots of land that are difficult to use efficiently and to modify the location and boundaries of any land for town planning purposes, in some cases by restructuring the ownership of land. This process, in some cases, involves the provisional replot of land, designating such land as “reserved” or “provisionally replotted”. TK Operator (GK2) will acquire DPL Shinfuji which is located on reserved and provisionally replotted land. The purpose of the Land Readjustment Act is to seek to establish well-ordered urban zoning and thereby contributing to public welfare, and as such, it is a general principle that the operator (i.e. Fuji City in the case of DPL Shinfuji) designates materially the same physical plots of land as the final replotment in the final order, except in cases where it is necessary for the operator to assert ultimate authority in designating different plots from the provisionally replotted land to serve the aforestated purpose of establishing well-ordered urban zoning and contributing to public welfare. While it is unlikely for Fuji City to designate different plots of land from the provisional replotting land, as final order of the replot is scheduled to be issued around the end of March 2026 and the actual replot of such land is not certain until the issuance of the final order, there is no guarantee that TK Operator (GK2) will be able to acquire the same physical plot(s) of land as originally planned. Additionally, in the final order, TK Operator (GK2) may receive a different replot of land in lieu of the provisionally replotted land, and such replacement land may be affected by pre-existing rights and restrictions that TK Operator (GK2) was not aware of at the time of the acquisition. The Land Readjustment Act also allows the relevant authorities to restrict a resale or other disposition of replotted land for a certain period of time in some cases. Any of these circumstances adversely affect DHLT’s business, financial condition and results of operations, and its ability to make distributions to the Unitholders. This Land Readjustment Act has been considered in the independent valuations of DPL Shinfuji conducted by the Independent Valuers.

DHLT Group may face significant competition in seeking tenants and difficulties in finding replacement tenants.

The IPO Properties and the future properties to be acquired by DHLT or its subsidiaries may face competition from other logistics properties on many fronts when seeking tenants, including location, functionality, age, construction quality, appearance, maintenance and design of the property. DHLT will also compete for tenants on the basis of rent levels and other lease terms. This competition may create a number of risks for DHLT’s business. Tenants may consider DHLT’s competitors to have superior properties, and any of DHLT’s future tenants may terminate or decide not to renew their leases in the future. As a result, DHLT may lose tenants to DHLT’s competitors or have difficulty in renewing leases or renting properties with terms favorable or acceptable to DHLT. An increase in the number of competing properties, particularly in close proximity to DHLT Properties, could increase competition for tenants, causing the attractiveness of DHLT Properties to be negatively affected by comparison with competing properties and force DHLT to reduce rents or incur additional costs in order to make DHLT Properties more attractive.

If DHLT is not able to consistently compete for tenants or if DHLT is unable to retain or find suitable replacement tenants, DHLT’s occupancy rates may decline and DHLT may have to take measures, such as lowering rent levels, in order to fill vacancies. This, in turn, could adversely affect DHLT’s business, financial condition and results of operations, and its ability to make distributions to the Unitholders.

Ownership rights in some properties may be declared invalid, limited or may have defects that cannot be ascertained at the time of acquisition.

TK Operator (GK2) and DH TMK will hold the properties in a trust structure under which the title to the property is or will be registered in the name of the Property Trustee. However, such registration of title does not guarantee absolute ownership under Japanese law. The same applies even where TK Operator (GK2) and DH TMK directly hold the properties. For example, if the former owner of a property which TK Operator (GK2) or DH TMK acquires from subsequently becomes subject to bankruptcy, corporate reorganisation or civil rehabilitation proceedings, TK Operator (GK2) and DH TMK could face a claim for avoidance or fraudulent conveyance. If, for example, TK Operator (GK2) and DH TMK acquired the property while the seller or a former owner was insolvent, or if as a result of the sale of the property to TK Operator (GK2) or DH TMK, the seller becomes insolvent, TK Operator (GK2) and DH TMK may be required to return the property or beneficiary interest in the property to the seller or a former owner without refund of the purchase price, or pay significant amounts to settle such claims. Further, if the former owner of a property TK Operator (GK2) and DH TMK acquires was or becomes unable to pay its debts at the time of the acquisition of the property by TK Operator (GK2) and DH TMK, the acquisition may be voided by the creditors of the former owner. TK Operator (GK2) and DH TMK may also lose the beneficiary interest in a trust property if it is found that the seller or a former owner originally entrusted the property with a property trustee to avoid having the property foreclosed by creditors. Although (i) the Manager has been advised by their Japanese Counsel and the Manager does not believe that any of the IPO Properties is currently subject to risks of this type based on the due diligence conducted for the acquisition of the IPO Properties and the representations and warranties regarding their financial conditions provided by the seller or a former owner, and (ii) the Manager will conduct the due diligence in the same manner at the future acquisition of properties by DHLT or its subsidiaries so that such properties are not subject to significant risks of this type and will ask for the same kind of representations and warranties at the time of future acquisition, these risks cannot be completely eliminated. As a result, changes in the conditions of any owners or former owners of the IPO Properties or the future properties to be acquired by DHLT or its subsidiaries could jeopardise the ownership of the properties by DHLT or its subsidiaries.

Due to the rights and obligations relevant to the leasehold interest in the land of the IPO Properties, DHLT or its subsidiaries may find that the rights with respect to such land are limited by the rights of third parties or by administrative orders and regulations, or that TK Operator (GK2) and/or DH TMK are infringing on the rights of a third party. Due to time constraints and other issues that arise in connection with the acquisition of land for logistics properties, land is often acquired before it is possible to ascertain the boundaries of such land or obtain consents from adjoining land owners. Although the Manager has been advised by their Japanese Counsel that nothing has been uncovered during due diligence that would suggest that any of the IPO Properties is currently subject to risks of this type, and the Manager does not believe that any of the IPO Properties is currently subject to risks of this type based on the due diligence conducted for the acquisition of the IPO Properties, and the Manager will conduct the due diligence in the same manner at the future acquisition of properties by DHLT or its subsidiaries so that such properties are not subject to significant risks of this type, these risks cannot be completely eliminated. For the avoidance of doubt, due diligence has been conducted on the IPO Properties to ascertain the boundaries of the underlying land of the IPO Properties and, if such boundaries are not ascertained, to check whether any disputes may arise against the adjoining land owners. In such a case, and where a boundary dispute arises, pursuant to which it is determined that the land area held by the Property Trustee is less than originally anticipated, the neighboring land owners may possess land that is required for the operation of DHLT's assets. Litigation expenses and damages in connection with boundary disputes may also result in unexpected expenses, and failure to ascertain boundaries at the time of acquisition may lead to delays and other issues when trying to dispose of such land.

Even if acquisition of the land by DHLT or its subsidiaries were based on appropriate due diligence, including a review of the real estate register of the land, the Property Trustee may fail to acquire appropriate rights with regard to such land since the actual circumstances regarding the ownership of such land may differ from those recorded in the real estate register. While TK Operator (GK2) and DH TMK may seek an indemnity from sellers or other appropriate parties to the extent legally or contractually permissible, but each indemnifying party may ultimately fail to satisfy the liabilities that it may owe to TK Operator (GK2) and DH TMK under such indemnity. There is also no title insurance available in Japan, which limits DHLT's ability to obtain protection from property ownership risks. In the event that the DHLT Group may not be able to assert the ownership over the relevant property, this could have a material adverse effect on DHLT's business, financial condition and results of operations, and its ability to make distributions to the Unitholders.

The DHLT Group may lose their rights in a property they intend to acquire if the purchase of the property is recharacterised as a secured financing.

Depending on the underlying facts and circumstances surrounding the purchase of a property, the purchase may not meet "true sale" requirements under Japanese law and may be recharacterised as a secured financing. In such a case, the relevant property would be deemed to be an asset of the seller, and the DHLT Group would lose their ownership interest in the property, and would instead hold only a security interest in the property. Under Japanese law, whether a purchase may be recharacterised as a secured financing is determined through a consideration of various factors, including, without limitation, the intention of the seller and purchaser, whether the seller recorded the purchased property on its balance sheet, whether the seller transferred the economic risk to the purchaser, and whether the seller and purchaser contracted a buy-back arrangement permitting the seller to reacquire the property. Such recharacterisation could occur when the seller becomes insolvent by way of bankruptcy, corporate reorganisation or civil rehabilitation proceedings. Although DHLT has no reason to believe that the acquisition of any of the properties the DHLT Group intend to acquire would be recharacterised as a secured financing as the PSAs contain the representation and warranty from both the purchaser and the vendor that the transaction is intended to be a "true sale" under Japanese law, any such acquisition may be subsequently recharacterised following a legal or regulatory proceeding. This could have a material adverse effect on DHLT's business, financial condition and results of operations, and its ability to make distributions to the Unitholders.

The DHLT Group may from time to time acquire properties in the form of a property co-ownership interest (*kyoyu-mochibun*), and their rights relating to such properties may be affected by the rights and intentions of other owners.

The DHLT Group may from time to time acquire interests in properties in the form of property co-ownership interest (*kyoyu-mochibun*). For properties held in the form of property co-ownership, management is conducted by a majority of the co-owners, weighted according to ownership proportion, unless otherwise agreed between the co-owners. For this and other reasons, there are certain risks associated with co-ownership that do not exist in the case of sole ownership, such as risks concerning the maintenance, use and disposition of the properties. There is a risk that another co-owner may transfer its ownership to a third party without the property trustee's consent since, under Japanese law, a co-owner of a property has the right to sell its interest in the property without the consent of the other co-owners, unless there is an agreement between the co-owners that requires such consent or grants a ROFR. On the other hand, if such agreement exists, there is a risk that the DHLT Group may not be able to sell their interests in the way the DHLT Group is desirous of selling their interests. In relation to the IPO Portfolio, DH TMK will acquire D Project Kakegawa S (being the only property in the IPO Portfolio with co-ownership interest), of which one parcel of the land (the "**Co-owned Land (Pond)**") will be co-owned by the Property Trustee and the Sponsor,[1] which has been considered in the independent valuations of D Project Kakegawa S conducted by the Independent Valuers, but there is no impact on the Appraised Value or the financials and operations of DHLT[2] save that the Property Trustee will have to pay a portion of the land tax and maintenance cost, which is taken into account in such independent valuations. The Co-owned Land (Pond) was created pursuant to a regulatory requirement in the City Planning Act. The Sponsor and the Property Trustee have agreed to co-own the Co-owned Land (Pond) as well as the way in which such land will be maintained and used and the Manager believes that there

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1 Pursuant to the agreement entered into between the parties, the Property Trustee holds an interest of 24% in the Co-owned Land (Pond) and is allocated to bear 22% of the management cost.

2 Given that the storm water management pond was built pursuant to a regulatory requirement under the City Planning Act, the co-ownership of the Co-Owned Land (Pond) is stapled with the whole of D Project Kakegawa S and the cost of running the pond has been duly considered as cash outflow in the independent valuation of D Project Kakegawa S. The land parcel and the property, being viewed as one property, is accounted for as an investment property in the financial records of DHLT.

is no possibility of conflict between DHLT and the Sponsor in relation to the use and maintenance of the Co-owned Land (Pond), due to the limited uses of the land, the pre-determined allocation of the maintenance cost based on the Pond Management Agreement (as defined herein) to be entered into on or before the Closing Date between the Sponsor, Kakegawa City Land Development Corporation and Kakegawa-shi (see below for further details). The Co-owned Land (Pond) is used for a storm water management pond, on which the building is not situated. Kakegawa-shi, the city where D Project Kakegawa S is situated, uses this storm water management pond in accordance with the Pond Management Agreement. All rights and obligations under the Pond Management Agreement in respect of the Property Trustee's share of ownership in the Co-owned Land (Pond) shall be transferred to the Property Trustee with effect from the transfer of the co-ownership interest on the Closing Date. As co-owner of the Co-owned Land (Pond), DHLT will be responsible for contributing part of the maintenance fees of the storm water management pond on the Co-owned Land (Pond) pursuant to the Pond Management Agreement, which is a facility to collect water in the event of heavy rain.

In general, a co-owner also has the right to demand that such property be partitioned. Although special provisions may be included to contractually prohibit the exercise of such right of partition, such provisions are only valid for a period of five years under the Civil Code. If a co-owner of one of our properties becomes subject to bankruptcy proceedings, corporate reorganisation or civil rehabilitation proceedings, the relevant property trustee in such proceedings of the relevant co-owner may have the right to demand that such property be partitioned. Nevertheless, if the property trustee in such proceedings of the relevant co-owner demand the partition of such property, other co-owners of the property have a right of first refusal to purchase the ownership interests of the insolvent co-owner under Japanese law, so DHLT or its subsidiaries may not be able to exercise such rights on favourable terms. These would have an adverse effect on DHLT's business, financial condition and results of operations, and its ability to make distributions to the Unitholders.

A co-owner of a property may mortgage its interest in the property. However, such mortgage becomes applicable to the entire property when the co-owned property is partitioned. Accordingly, each of the co-owners in such case would be subject to such mortgage in proportion to its ownership interest. There is a risk that interest of DHLT or its subsidiaries in a property that was formerly owned through a co-ownership interest and owned by DHLT or its subsidiaries independently following a partition may be subject to a mortgage that was placed on it by another co-owner. DHLT or its subsidiaries may also bear the credit risk of a co-owner in case, for example, there is a contractual arrangement under which the rent is paid from a lessee to the co-owner, which in return pays a portion of such rent to DHLT or its subsidiaries. Any such risks may have a material adverse effect on DHLT's business, financial condition and results of operations, and its ability to make distributions to the Unitholders.

DHLT may be adversely affected by the illiquidity of real estate investments.

Real estate investments are relatively illiquid and such illiquidity may affect DHLT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. Therefore, DHLT may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale.

Further, DHLT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate due to the illiquid nature of real estate assets.

All of the abovementioned factors could have an adverse effect on DHLT's financial condition and results of operations, with a consequential adverse effect on DHLT's ability to deliver expected distributions to Unitholders.

DHLT's ability to make distributions to Unitholders may be adversely affected by increases in direct expenses and other operating expenses.

DHLT's ability to make distributions to Unitholders apart from the several circumstances set out below could be adversely affected if direct expenses and other operating expenses increase (save for such expenses which DHLT is not responsible for pursuant to the lease) without a corresponding increase in revenue.

Factors which could lead to an increase in expenses include, but are not limited to, the following:

- increase in property tax assessments and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- change in direct or indirect tax policies, laws or regulations;
- increase in sub-contracted service costs;
- increase in labour costs;
- increase in repair and maintenance costs;
- increase in the rate of inflation;
- defects affecting, or environmental pollution in connection with, DHLT Properties which need to be rectified;
- increase in insurance premiums;
- increase in cost of utilities; and
- increase in land rent.

RISKS RELATING TO THE JURISDICTIONS WHICH DHLT MAY OPERATE IN

DHLT may be adversely affected by economic and real estate market conditions, as well as changes in regulatory, fiscal and other governmental policies in the jurisdictions in which DHLT Properties may be located, such as Japan and countries in Asia.

DHLT Properties will upon listing be located in Japan but may over time be located in various other jurisdictions in Asia. As a result, DHLT's revenue and results of operations depend upon the performances of the economies of the foreign jurisdictions, such as Japan and countries in Asia. An economic decline in these economies could adversely affect DHLT's results of operations and future growth.

Financial instability in other countries could disrupt DHLT's business and the markets in which DHLT Properties may be located, causing the trading price of the Units to decrease.

The economy of the jurisdictions in which DHLT Properties are located may be affected by global economic condition as the financial markets and the economies of these jurisdictions may be influenced by economic and market conditions in other countries.

For instance, the global financial crisis that began in 2007 has had a significant impact on many Asian economies and the stability of financial markets, such as Japan. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including the jurisdictions in which DHLT Properties are located. A loss of investor confidence in the financial systems of other emerging markets may cause volatility in financial markets of these jurisdictions, and indirectly, in the local economy in general. Any worldwide financial instability could also have a negative impact on the local economy of a jurisdiction in which DHLT Properties are located. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. In short, any significant financial disruption could have an adverse effect on DHLT's business, financial condition, cash flows, results of operations, future financial performance and the trading price of the Units.

In the case of Japan, in which DHLT's IPO Properties are located, a number of macroeconomic factors, such as uncertainty of the effect of monetary and fiscal policy of the Japanese government and the Bank of Japan, could have an adverse effect on the Japanese economy. Further, the COVID-19 pandemic has an adverse effect on the Japanese economy. While measures have been implemented in Japan to mitigate the impact of the pandemic, the extent and strength of the Japanese economic recovery remain uncertain.

Global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. These events could adversely affect DHLT insofar as they result in:

- a negative impact on the ability of the tenants to pay their rents or fees in a timely manner or continue their leases, thus reducing DHLT's cash flows;

- a decline in the demand for leased space for industrial and logistics purposes across the jurisdictions in which DHLT Properties may be located and the rents that can be charged when leases are renewed or new leases entered into, as compared to rents that are currently charged;

- a decline in the market value of DHLT Properties;

- access to capital markets becoming more difficult, expensive or impossible resulting in a material adverse effect on DHLT's ability to obtain debt or equity capital to fund its operations, meet its obligations, purchase additional properties or otherwise conduct its business;

- an increase in counterparty risk (being the risk of monetary loss which DHLT may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or

- one or more of (i) DHLT's banking syndicates (if any), (ii) banks or insurers, as the case may be, providing bankers' guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with DHLT Properties or operations or (iii) DHLT's insurers, may be unable to honour their commitments to DHLT.

There is also uncertainty as to the strength of the global economy, the potential for slowdown in consumer demand and the impact of the global downturn on the economies of the jurisdictions in which IPO Properties and future DHLT Properties are located. These factors could contribute to an economic decline in the relevant local economies, which may adversely affect DHLT's results of operations and future growth, and its ability to make distributions to the Unitholders.

Investment in industrial or logistics properties in other countries will expose DHLT to additional local real estate market conditions. Other real estate market conditions which may adversely affect the performance of DHLT include the attractiveness of competing industrial or logistics properties or an oversupply or reduced demand for such industrial or logistics properties.

Furthermore, DHLT will be subject to real estate laws, regulations and policies in the jurisdictions in which their Properties are located. Measures and policies adopted by the local governments and regulatory authorities at national, provincial or local levels, such as government control over property investments or foreign exchange regulations, may also negatively impact DHLT Properties. Changes in the economic and real estate market conditions, as well as changes in regulatory and other governmental policies may adversely affect DHLT's results of operations and its ability to make regular distributions to its Unitholders.

DHLT may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations.

DHLT's reporting currency for the purposes of its financial statements is Singapore Dollar. However, DHLT's revenues and operating costs are primarily in non-Singapore Dollar denominated currencies, such as the Japanese Yen. DHLT recognises foreign currency gains or losses arising from its operations in the period incurred. As a result, currency fluctuations between Singapore Dollar and the non-Singapore Dollar currencies in which DHLT does business or proposes to do business will cause DHLT to incur foreign currency translation gains and losses.

As part of the Manager's investment strategy for DHLT, it is envisaged that DHLT's investment focus will be on logistics and industrial real estate assets located in Asia. Therefore, DHLT's exposure to other currencies from the Southeast Asia region is also expected to increase as DHLT expands its portfolio in the Southeast Asia region.

The value of the foreign currencies against the Singapore Dollar fluctuates and is affected by changes in the respective jurisdiction and international political and economic conditions and by many other factors. DHLT cannot predict the effects of exchange rate fluctuations upon its future operating results because of the number of currencies involved, the variability of currency exposure and the potential volatility of foreign exchange rates. The value of the distributions received by a Unitholder may be adversely affected by fluctuations in the exchange rates between the Singapore Dollar and any other currencies which may be adopted from time to time. Fluctuations in the exchange rates between such currencies will also, among others, affect the NAV of the Units and the foreign currency value of the proceeds which a Unitholder would receive upon sale of the Units in Singapore. (See "Distributions" and "Exchange Rate Information and Exchange Controls" for further details.)

The laws, regulations and accounting standards in Singapore, Japan or other jurisdictions in which DHLT Properties may be located from time to time may change.

DHLT is a REIT constituted in Singapore and the IPO Properties are located in Japan. The laws, regulations in jurisdictions in which DHLT Properties may from time to time be located (including tax laws and regulations in Singapore and Japan) and accounting standards in jurisdictions (including Singapore and Japan) in which DHLT Properties may from time to time be located, are subject to change. New laws and regulations may also be introduced in these jurisdictions. As a result, the financial statements of DHLT may be affected by these changes. The extent and timing of these changes in laws, regulations and accounting standards are currently unknown and subject to confirmation by the relevant authorities. The Manager has not quantified the effects of these possible changes and there can be no assurance that these changes will not have a significant impact on the presentation of DHLT's financial statements or on DHLT's results of operations. In addition, such changes may adversely affect the ability of DHLT to make distributions to Unitholders. There can be no assurance that any such changes to laws, regulations and accounting standards will not materially and adversely affect the business, financial condition and results of operations of DHLT.

Properties in the jurisdictions in which DHLT Properties may be located from time to time may be acquired compulsorily by the relevant State.

Depending on the jurisdiction, state, or territory in which the DHLT Properties may be located from time to time, there may be laws and regulations that empower the local governments and regulatory authorities at national, provincial or local levels to acquire property under certain circumstances.

For instance, the Japanese government has the power to acquire compulsorily any land in Japan for public interest pursuant to the provisions of applicable legislation. For example, if the Japanese government designates a land as the city planning road, such land will be compulsorily acquired by the government. The designation of the city planning road will usually be publicly announced years before the compulsory acquisition. In the event of any compulsory acquisition, the amount of compensation to be awarded is assessed on the basis prescribed in the relevant laws and regulations. If any of the IPO Properties are acquired compulsorily by the Japanese government, the level of compensation paid to the Property Trustee pursuant to this basis of calculation may be less than the price which DHLT paid for the IPO Properties. The loss in income arising from any compulsory acquisition may adversely affect the business, financial condition and results of operations of DHLT.

Countries in Asia have experienced a number of major natural catastrophes over the years, such as earthquakes in Japan which, were they to recur, may materially disrupt and adversely affect DHLT Properties, financial position and results of operations.

Severe weather conditions and natural disasters such as major earthquakes may affect the operations of DHLT Properties, including all Japanese properties (including the IPO Properties). These events may cause substantial structural and physical damage to the buildings, resulting in expenses being incurred in order to repair the damage caused. In cases where the severity of such events causes the collapse of or irreparable damage to the buildings, this may result in the suspension of the operations of the properties and temporary or permanent loss in rental revenue. The environmental conditions may also cause disruptions, affect investments and result in various other adverse effects on the relevant economy in which severe weather conditions and natural disasters occur in general. This may lead to a decreased demand for industrial and logistics properties in the relevant economy. There could therefore be a material adverse impact on the capital growth of DHLT and/or on the results of operations and financial condition of DHLT and the ability of DHLT to make distributions to Unitholders.

For example, earthquakes in Japan may materially disrupt and affect the business and operations of the Japanese Properties. With respect to the IPO Portfolio, although it has a low average PML of 1.6%, there is no assurance that there will be no substantial or irreparable structural and physical damage to the IPO Properties in the event of major earthquakes, which may result in expenses being incurred by DHLT in order to repair the damage caused and material disruption or suspension of the operations of the properties, thereby resulting in temporary or permanent loss in rental revenue (See “Business and Properties – Insurance” for further details). This may in turn adversely affect DHLT’s financial condition and its ability to make distributions to Unitholders.

RISKS RELATING TO JAPAN

The Japanese buildings located on the IPO Properties may violate earthquake resistance building codes, requiring expenditure by DHLT to rectify the non-compliance or repair extensive damage caused during an earthquake.

The Manager believes that all of the IPO Properties were built in accordance with earthquake resistance building codes by the developers having followed the necessary procedures at the time of construction of the IPO Properties. However, there can be no assurance that any of the buildings located on the IPO Properties will not subsequently be discovered to have been built in violation of earthquake resistance building codes despite due diligence which have been conducted on the IPO Properties by the Manager and the technical advisers prior to the acquisitions. There can also be no assurance that buildings located on the IPO Properties will not subsequently be discovered to have violated earthquake resistance building codes as a result of a change in the building conditions by the tenants or any other parties. DHLT may be required to spend large sums of money and dedicate significant resources to strengthen the affected buildings. Furthermore, these non-compliant buildings may collapse or suffer extensive damage even in a minor earthquake. Should any of such buildings be heavily damaged and/or endanger lives during an earthquake, DHLT may be required to compensate victims, incur huge costs to repair the buildings, and suffer a loss of revenue. DHLT may also be subject to penalties and fines arising from such non-compliance. These losses and expenditures may exceed any indemnity, damages awarded or insurance proceeds (if available) paid to DHLT. This would in turn adversely affect DHLT's financial condition and its ability to make distributions to Unitholders.

The IPO Properties are subject to environmental laws and regulations.

With respect to the management of the IPO Properties, the Property Trustee is bound by environmental laws and regulations such as the Soil Contamination Countermeasures Act of Japan (Act No. 53 of 2002, as amended) (the "**Soil Contamination Countermeasures Act**"), the Water Pollution Prevention Act of Japan (Act No. 138 of 1970, as amended), the Waste Management and Public Cleaning Act of Japan (Act No. 137 of 1970, as amended) and the Environmental Impact Assessment Act of Japan (Act No. 81 of 1997, as amended). Substantial future liabilities could arise as a result of the Property Trustee's failure to comply with these laws and regulations. Even though there are currently no such liabilities which have a material adverse impact on the IPO Properties, major revisions to such laws or new regulations affecting operations of the IPO Properties are enacted in the future, the Property Trustee will be forced to adapt to those new laws and regulations possibly at a substantial cost, which could have a material adverse effect on the results of operations, the financial condition of DHLT and the ability of DHLT to make distributions to Unitholders.

There is no public system to search for the existence of pending lawsuits or other disputes in Japan.

As there is no public system available to search for the existence of pending lawsuits or other disputes in Japan, due diligence investigations regarding the existence of lawsuits or other disputes are limited to interviewing the relevant parties. Although the majority of the IPO Properties are from the Sponsor, there still remains a risk that due diligence investigations may fail to reveal disputes which have arisen if the information provided by the third party vendors to the Sponsor in the Sponsor's own acquisition is not accurate or complete. Any such pending disputes may have a material adverse effect on the business, financial condition, results of operation or cash flow of DHLT and its ability to make distributions to the Unitholders.

RISKS RELATING TO DHLT'S BUSINESS AND OPERATIONS

The Sponsor ROFR from the Sponsor is subject to existing commitments from the Sponsor to its existing fund vehicles and there is a risk that DHLT may be unable to acquire any of the Sponsor's Japanese assets pursuant to the Sponsor ROFR.

DHLT ranks fourth in priority and its right of first refusal to acquire Sponsor's assets in Japan under the ROFR agreement is, among others, subject to (i) the Existing ROFR (as defined herein) granted by the Sponsor in favour of Daiwa House REIT pursuant to the Basic Agreement Regarding the New Pipeline Support between the Daiwa House REIT, the J-REIT Manager, and the Sponsor dated 15 April 2016; and (ii) the Existing Commitments (as defined herein) from the Sponsor to support the Private Fund (as defined herein) and the Global REIT (as defined herein), which include providing to each of the Private Fund and the Global REIT with pipeline assets subject to the Existing ROFR of the Daiwa House REIT. (See "Certain Agreements Relating to DHLT and the IPO Properties – ROFR Agreement" for details of the terms of the ROFR agreement).

Accordingly, in addition to the need to satisfy the conditions in the ROFR agreement in order for DHLT to exercise its right of first refusal pursuant to the ROFR agreement, there is no assurance that DHLT will be able to acquire any of the Sponsor's assets in Japan pursuant to the ROFR agreement in the event that any of Daiwa House REIT, the Private Fund, or the Global REIT decided to exercise their first right to acquire such Sponsor's assets in Japan and this may adversely affect DHLT's ability to rely on the ROFR agreement for its acquisition pipeline.

Neither DHLT nor the Manager has an established operating history.

DHLT was constituted on 2 November 2021 and the Manager was incorporated on 20 November 2020. As such, neither DHLT (as a REIT) nor the Manager (as the manager of DHLT) has sufficient operating histories by which their past performance may be judged. The lack of a long established operating history will make it more difficult for investors to assess DHLT's future performance, as well as its business and prospects. There is no assurance that the Manager will be able to successfully manage DHLT as a REIT or as a publicly listed entity, and there is no assurance that DHLT will be able to generate sufficient rental revenue and cash flows from operations to make distributions to Unitholders or that such distributions to be made to Unitholders will be in line with those set out in "Profit Forecast and Profit Projection".

Neither DHLT nor the Manager is actively involved in the business of acquiring and operating the logistics properties related assets which are held by TK Operator (GK2).

DHLT will indirectly acquire the interests of TK Operator (GK2). Under Japanese laws, DH TMK which is a subsidiary of DHLT, as a TK Investor, is not allowed to actively participate in or directly control the business operated by TK Operator (GK2) (the "**GK2 Business**"). If DH TMK, as a TK Investor, directly controls the GK2 Business, it would most likely harm the TK (silent partnership) nature of the arrangement and the parties could possibly lose the benefits and advantages that would otherwise be available under the TK structure. Therefore, under the TK GK2 Agreement, TK Operator (GK2) has the sole responsibility for the acquisition and management of its logistics properties. Neither DHLT nor the Manager, nor any of their officers, directors, or employees, will have any active involvement in such activities. Although the Manager believes that, due to DH TMK's rights to be notified of the intention to TK Operator (GK2) and the veto rights granted by TK Operator (GK2) to DH TMK, as a TK Investor, over certain material matters related to the GK2 Business pursuant to the TK GK2 Agreement, and TK Operator (GK2) will not carry out the GK2 Business in a way that is inconsistent with or detrimental to the interests of DHLT, the day-to-day operations of the GK2 Business and matters relating to the GK2 Business which fall outside the scope of the veto rights granted to DH TMK, as a TK Investor, will be solely managed by TK Operator (GK2) at its own discretion. There is therefore no assurance that TK Operator (GK2) will not make decisions over matters which DH TMK, as a TK Investor, is not granted a veto right regarding the management of the logistic properties which could adversely affect the financial condition of DHLT and its ability to make distributions to the Unitholders.

The performance of the DHLT Properties held through the TK-GK and TMK structure depends largely on the Japan Asset Manager.

The IPO Properties are held through the TK-GK and TMK structure. Under these structures, TK Operator (GK2) and DH TMK depends on the Japan Asset Manager, DHREIM, for the oversight of the day-to-day operations, and the administration and management and the monitoring of property management of the IPO Properties. Any failure by DHREIM and the third party property managers to properly manage the operations of the IPO Properties may adversely affect the underlying value of and/or income from the IPO Properties. Dependence on third parties to conduct its business activities exposes it to potential risks. These third parties may not provide adequate services or may not remain in business. In addition, TK Operator (GK2) may express its intention pursuant to veto rights and right to notify the Japan Asset Manager of its intention in relation to key matters and if such veto right is exercised or DHREIM receives such notice, the Japan Asset Manager is obliged to respect the intention of the investors and shall make effort to conduct the matters in accordance with such intention, but shall not be bound by such intention (See "Certain Agreements Relating to DHLT and the IPO Properties – Asset Management Agreements – Individual Asset Management Agreement (GK2)" for further details). Further, if the asset management agreement with DHREIM is terminated, such as due to the breach of either the terms of the asset management agreement or the licensing conditions to which DHREIM is subject as a licensed asset manager in Japan, or if any of the Japanese regulatory authorities orders DHREIM to suspend the business under various laws and regulations, TK Operator (GK2) and DH TMK could face a substantial disruption to its operations and an increase in costs incurred for the management of the IPO Properties. TK Operator (GK2) and DH TMK would also lose the benefit of the extensive expertise and experience of DHREIM in managing and operating the IPO Properties. DHREIM owes TK Operator (GK2) and DH TMK fiduciary duties under the asset management agreement. However, since DHREIM acts as asset manager both of DH TMK (TK Investor) and of TK Operator (GK2) (TK Operator) and there is a risk of conflict of interest arising between the duties owed to DH TMK (being the TK Investor) and the duties owed to TK Operator (GK2) (being the TK Operator) under the TK Agreement, potential conflicts of interest between TK Operator (GK2) and DH TMK could adversely affect TK Operator (GK2) and DH TMK through DHREIM's performance. Moreover, DHREIM is presently and may be in the future, retained as asset manager by other funds or entities. If DHREIM acts in its own interest or that of a third party, to the detriment of TK Operator (GK2) and DH TMK, the financial condition or results of operations of TK Operator (GK2) and DH TMK could be adversely materially affected. (See "The Manager and Corporate Governance – Potential Conflicts of Interest" for further details on the measures in place to mitigate such conflicts of interests upon managing multiple funds.)

The foregoing factors may have a material adverse effect on the business, financial condition, results of operation or cash flow of DHLT and its ability to make distributions to the Unitholders.

DH TMK may fail to satisfy the requirements for dividend distribution deduction and consequently incur higher tax costs in Japan.

For a TMK to avail itself of the dividend distribution deduction tax treatment such that only the net taxable income (i.e., net of dividends paid), if any, is subject to Japanese corporate income tax at the regular rate, the TMK must be set up to meet certain permanent requirements and must be maintained to comply with certain ongoing requirements in accordance with the Special Taxation Measures Law of Japan.

DH TMK is structured to satisfy the permanent requirements on set-up. In addition, the Manager and the Japan Asset Manager intend to manage the affairs of DH TMK such that the ongoing requirements can be met.

One of the ongoing requirements for each fiscal year or period is that the TMK must distribute more than 90.0% of its distributable profit (the "**TMK Distribution Requirement**"). The TMK Distribution Requirement is based on the amount of profit of the TMK before taxation as calculated for accounting purposes, with certain adjustments, if any. While the Manager and the Japan Asset Manager will work closely with their professional advisers to minimise such adjustments (being differences between tax and accounting treatments), there can be no assurance that such adjustments can be entirely eliminated. Thus, DH TMK may incur some tax costs due to the differences between tax and accounting treatments or DH TMK may not have sufficient distributable profit to declare the dividends necessary to satisfy the TMK Distribution Requirement, in which case it would incur higher tax costs in Japan.

Therefore, if DH TMK fails to meet the TMK Distribution Requirement or any of the other requirements, it would not be able to deduct its dividend distributions from its taxable income as deductible expenses. Instead, DH TMK would have to make dividend distributions after its taxable income has been subject to Japanese corporate income tax at the regular rate. This will reduce the amount of distributions that DHLT can make to the Unitholders.

The Japanese tax authorities may also, from time to time, carry out tax audits to determine if the relevant Japanese tax laws and regulations have been fully complied with. If a tax audit determines that the dividend distribution deduction requirements are not fully satisfied, dividend distribution deductions claimed in prior periods may be reclassified as taxable income. In such a case, DH TMK's tax burden would be increased for the fiscal periods in which DH TMK recognises this additional taxable income. Consequently, the amount of profits distributable by DH TMK could be reduced significantly, thereby adversely affecting the amount of distributions that DHLT can make to the Unitholders.

(See "Taxation – Japan Tax Overview – Corporate Income Tax – DH TMK" of this Prospectus for further details).

The TK agreement between SG SPC 2 and TK Operator (GK1) may be recharacterised by the Japanese tax authorities, resulting in higher tax costs in Japan.

A TK agreement is an arrangement entered into between a TK Operator and a TK Investor where the TK Investor agrees to make cash or in-kind contributions to the TK Operator in return for participation in its profits and losses, as determined in the TK agreement. Under such agreement, the TK Operator owns, manages and operates the business, while the TK Investor acts as a mere passive investor with no involvement in the management and operating activities of the business. Conceptually, a TK Investor is a silent partner and will be liable to risks in the TK business up to the amount of its TK contribution. For Japanese corporate income tax purposes, provided that the TK agreement is a valid agreement, the profits or losses allocable to the TK Investor will be deducted from or added to (as the case may be) the taxable income of the TK Operator such that only the net taxable income, if any, is subject to Japanese corporate income tax at the regular rate.

However, if a TK Investor is actively involved in the daily operations and/or decision making of the TK business (in other words, the TK Investor, in essence, jointly runs the TK business with the TK Operator), the Japanese tax authorities may argue that the TK arrangement is in substance a *nin-i kumiai* ("**NK**") arrangement for tax purposes. A NK arrangement is similar to a general partnership where partners may actively and jointly participate in the business operations. Alternatively, the Japanese tax authorities may deem the TK Investor to have an agency permanent establishment in Japan (through the TK Operator's presence in Japan). In either case, the non-resident TK Investor will be deemed to have a permanent establishment in Japan and accordingly, will be required to file a Japanese tax return and be subject to Japanese corporate income tax at the regular rate.

While the Manager intends to conduct the affairs of DHLT and SG SPC 2 in a manner that would not cause SG SPC 2 to be deemed to be a NK partner or deemed to have an agency permanent establishment in Japan, there can be no assurance that this will not occur. In the event the Japanese tax authorities recharacterise the TK agreement or assess that SG SPC 2 has a permanent establishment in Japan, the income of SG SPC 2 could be subject to additional Japanese taxes. Consequently, this will adversely affect the amount of distributions DHLT can make to the Unitholders. (See "Taxation – Japan Tax Overview – Corporate Income Tax – TK Operator (GK1) and TK Operator (GK2)" of this Prospectus for further details).

DHLT may be exposed to risks associated with changes in Japanese tax laws.

The legal and regulatory framework governing TMKs continues to evolve and be reviewed by lawmakers and regulators. Changes, if any, may significantly increase DH TMK's tax burden for any fiscal period, and the amount of distributions DHLT may make to the Unitholders would consequently be reduced.

DHLT may be exposed to risks associated with applications of treaty benefits under the Singapore-Japan Avoidance of Double Taxation Agreement.

The application of the reduced withholding tax rate under the Singapore-Japan Avoidance of Double Taxation Agreement ("**Singapore-Japan DTA**") on the dividend income receivable by SG SPC 1 is subject to certain conditions. These include the requirement for the recipient of such income to be the beneficial owner of the income and to be a tax resident of Singapore. Additionally, with the entry into force of the Instrument of Ratification for the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (commonly known as the Multilateral Instrument in short) with effect from 1 April 2019, the application of treaty benefits is also subject to the principal purpose test. Under the principal purpose test, treaty benefits would be denied if one of the principal purposes of the transaction or arrangement is to obtain such treaty benefits (unless it is established that granting these benefits would be in accordance with the object and purpose of the provisions of the treaty).

While the Manager believes that SG SPC 1 should be able to meet the requisite conditions to benefit from the reduced withholding tax rate provided under the Singapore-Japan DTA for dividends, there can be no assurance that the Japanese tax authorities will not take a contrary position. Where the reduced withholding tax rate is not applicable, the Japanese domestic dividend withholding tax rate of 20.42% (inclusive of the 2.1% surtax applying till 31 December 2037) would apply and this would reduce DHLT's income from DH TMK, which may in turn adversely affect the income available for distribution to the Unitholders. (See "Taxation – Japan Tax Overview – Withholding Tax" for further details).

The amount DHLT may borrow is limited, which may affect the operations of DHLT.

Under the Property Funds Appendix, DHLT is permitted to borrow up to:

- 50.0% of the value of the Deposited Property at the time the borrowing is incurred (before 1 January 2022); and

- 45.0% of the value of the Deposited Property at the time the borrowing is incurred, save that the borrowings may exceed 45.0% of the value of the Deposited Property (up to a maximum of 50.0%) only if DHLT has a minimum adjusted Interest Coverage Ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings (on or after 1 January 2022), taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units). As at the Listing Date, DHLT is expected to have gross borrowings of JPY 35.6 billion (approximately S$421.1 million), with total borrowings and deferred payments (if any) as a percentage of the Deposited Property (the "**Aggregate Leverage**") of approximately 43.8%.[1] After the repayment of the Consumption Tax Loan, the Aggregate Leverage is expected to drop to 36.9%. For Forecast Period 2021 and Projection Year 2022, the estimated Interest Coverage Ratio[2] is 9.3x and 10.3x. (See "Capitalisation and Indebtedness – Indebtedness" for further details.)

It is currently not envisaged that DHLT will face issues with the borrowing limits imposed by the Property Funds Appendix. However, DHLT may, from time to time, require further debt financing to achieve its investment strategies. If DHLT decides to incur additional borrowings in the future, DHLT may face adverse business consequences because of a limitation on future borrowings, and these may include:

- having to forego attractive acquisition opportunities which may be available for only a limited period of time but for which debt financing in excess of the borrowing limits would have been required;
- an inability to fund capital expenditure requirements in relation to DHLT's existing asset portfolio;
- a decline in the value of the Deposited Property may cause the borrowing limit to be exceeded, thus affecting DHLT's ability to incur further borrowings; and
- shortage of cash flows (including with respect to distributions) which DHLT might otherwise be able to resolve by borrowing funds.

DHLT may face risks associated with debt financing and the Loan Facilities[3] and the debt covenants could limit or affect DHLT's operations.

As a result of (i) DHLT's distribution policy of distributing 100.0% of its Annual Distributable Income for the period from the Listing Date to the end of Projection Year 2022 and thereafter, at least 90.0% of its Annual Distributable Income for each financial year; as well as (ii) DHLT's level of debt and the covenants to which it is subject under its current facility agreements or future debt financing, DHLT may face significant adverse consequences, including, but not limited to, the following:

- its cash flow may be insufficient to meet its required principal and interest payments;
- it may not be able to borrow additional funds as needed or on commercially acceptable terms;
- it may not be able to refinance its indebtedness upon maturity or may only be able to do so with less favourable terms;

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1 Aggregate Leverage is computed by total borrowings divided by total assets computed using the aggregate purchase price of the IPO Portfolio (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).

2 Adjusted Interest Coverage Ratio was computed as forecast and projected EBITDA (excluding effects of any fair value changes in investment properties and fair value losses arising from leasing commissions) divided by forecast and projected interest expenses and amortisation of borrowing-related fees arising from the Loan Facilities (excluding finance costs of asset retirement obligations and lease obligations of S$1.2 million (JPY 100.8 million) and S$4.7 million (JPY 399.7 million) respectively).

3 See "Glossary – Glossary of Defined Terms" for the definition of "Loan Facilities".

- it may default on its obligations under its current facility agreements or future debt financing facilities, and the relevant lenders or mortgagees may foreclose on DHLT Properties and require a forced sale of the mortgaged property, or foreclose on its interests in the entities that own the properties and require a forced sale of such entities, with the proceeds generated therefrom being used to meet such obligations, which will result in a loss of income and asset value to DHLT;

- it is subject to restrictive covenants under the facility agreements and may be subject to similar covenants in future loan agreements, which may limit or adversely affect its operations, such as their ability to incur additional indebtedness, acquire properties, make certain other investments, make capital expenditures, or make distributions to its Unitholders; and

- it may also be subject to certain affirmative covenants, which may obligate it to set aside funds for maintenance or submit required information on a timely and regular basis. Further, the terms of DHLT's facility agreements may require DHLT to comply with certain financial covenants. DHLT's ability to meet these financial covenants may be affected by events beyond its control, such as a downward revaluation of assets, and the Manager cannot guarantee that DHLT will always be able to meet these covenants.

The failure of DHLT to meet any payment obligation or to comply with any covenant may, after expiration of the applicable cure period, constitute an event of default. Further, DHLT's default under any one of its loan agreements may result in a cross-default under its other loan agreements. In such case, the lending banks may declare an event of default and demand immediate repayments of all outstanding loans and other sums payable under such loan agreements.

If any one of these events were to occur, DHLT's financial condition, cash flow, cash available for distributions to Unitholders, trading price per Unit, and its ability to satisfy its debt service obligations could be materially and adversely affected. As a result, DHLT may not be able to pay distributions at expected levels to its Unitholders.

Removal of Daiwa House Asset Management Asia Pte. Ltd. as Manager may trigger the mandatory redemption of all the Perpetual Securities which could adversely affect DHLT's business, prospects and results of operations.

Under the terms and conditions of the Perpetual Securities, a mandatory redemption of all of the outstanding Perpetual Securities by DHLT will occur[1] if Daiwa House Asset Management Asia Pte. Ltd. is removed pursuant to a vote of Unitholders passing a resolution by a simple majority of Unitholders present and voting (with no Unitholders being disenfranchised) at a general meeting as manager of DHLT and a replacement manager has been appointed, subject to a six-month grace period (or as may be extended by the Sponsor at its sole discretion) and the Mandatory Redemption Undertaking (as defined herein) (See "Capitalisation and Indebtedness – Perpetual Securities" of this Prospectus for further details.) In such event, DHLT may not be able to fulfill its mandatory redemption obligations, if, among others:

- its cash flow may be insufficient to meet its required mandatory redemption obligation; and

- it is not able to borrow additional funds as needed or on commercially acceptable terms.

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1 For the avoidance of doubt, such mandatory redemption will not be triggered if the Manager is removed by notice in writing by the Trustee on any other basis save for removal pursuant to a vote of Unitholders at a general meeting pursuant to Clause 24.1.4 of the Trust Deed (See "The Manager and Corporate Governance – The Manager of DHLT – Retirement or Removal of the Manager")

The failure of DHLT to meet the mandatory redemption obligation may constitute a breach of the terms and conditions of the Perpetual Securities. Although the Sponsor has given the Mandatory Redemption Undertaking not to enforce the mandatory redemption obligation if doing so would result in a default or cross-default under DHLT's other loan agreements, such Mandatory Redemption Undertaking is subject to conditions which may not be met. In such case, a cross-default under DHLT's other loan agreements may still be triggered if the Sponsor fails to mandatorily redeem all the Perpetual Securities.

If any one of these events were to occur, DHLT's financial condition, cash flow, cash available for distributions to Unitholders, trading price per Unit, and its ability to satisfy its debt service obligations could be materially and adversely affected. As a result, DHLT may not be able to pay distributions at expected levels to its Unitholders.

If the Manager's CMS Licence is cancelled or the authorisation of DHLT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of DHLT will be adversely affected.

The CMS Licence issued to the Manager is subject to conditions unless otherwise cancelled. If the CMS Licence of the Manager is cancelled by the MAS, the operations of DHLT will be adversely affected, as the Manager would no longer be able to act as the manager of DHLT.

DHLT was authorised as a collective investment scheme on 19 November 2021 and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of DHLT is suspended, revoked or withdrawn, its operations will also be adversely affected and DHLT may not be able to pay timely distributions at expected levels to its Unitholders.

The Manager may not be able to successfully implement its investment strategy for DHLT.

The Manager may not be able to successfully implement its investment strategy to expand DHLT's portfolio at any specified rate or to any specified size. The Manager may also not be able to make acquisitions or investments on favourable terms or within a desired time frame.

DHLT faces active competition in acquiring suitable and attractive properties from other property investors, including but not limited to, other REITs, property development companies and private investment funds. There is no assurance that DHLT will be able to compete effectively against such entities and its ability to make new property acquisitions under its acquisition growth strategy or acquisitions that are accretive may be adversely affected. Even if DHLT or its subsidiaries were able to successfully acquire property or other investments, there is no assurance that DHLT will achieve its intended return on such acquisitions or investments.

The real estate industry in which DHLT operates is capital intensive and DHLT may from time to time require significant amounts of capital for purposes such as refurbishments, improvements, acquisitions or redevelopment. Since the amount of borrowings that DHLT can incur to finance such transactions is limited by the Property Funds Appendix, such transactions are likely to be largely dependent on DHLT's ability to raise equity capital. This may result in a dilution of Unitholders' holdings. Potential vendors may view negatively the prolonged time frame and lack of certainty associated with the raising of equity capital to fund any such purchase. They may instead prefer other potential purchasers. The foregoing factors may have a material adverse effect on the business, financial condition, results of operation or cash flow of DHLT and its ability to make distributions to the Unitholders.

Future acquisitions may not yield the returns expected which may result in disruptions to DHLT's business, may strain management resources and may result in dilution of holdings.

Future acquisitions may cause disruptions to DHLT's operations and divert management's attention away from day-to-day operations.

Newly acquired properties of DHLT or its subsidiaries may require significant management attention that would otherwise be devoted to DHLT's ongoing business. Notwithstanding pre-acquisition due diligence, DHLT does not believe that it is possible to fully understand a property before it is owned and operated for an extended period of time.

In addition, DHLT's acquisition growth strategy and its asset selection process may not be successful and as such, future investments and/or acquisitions may not provide positive returns to Unitholders. There are risks associated with pursuing further acquisitions of industrial and logistics assets and successfully integrating them into DHLT's portfolio. For example, the expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to be achieved or may not be achieved at all. New Units issued as consideration for or otherwise in connection with any new acquisition could also be dilutive to existing Unitholders. Hence, there is no assurance that DHLT's investments and/or acquisitions in the future will also be successful, and DHLT may instead incur loss(es) and adversely affect its business, financial condition, results of operations and prospects and its ability to make distributions to the Unitholders.

DHLT may be unable to successfully integrate and operate acquired properties, which could have a material adverse effect on DHLT.

Even if DHLT or its subsidiaries is able to make acquisitions on favourable terms, its ability to successfully integrate and operate them is subject to the following significant risks:

- it may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties, as well as require substantial management time and attention;

- it may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into its existing operations;

- acquired properties may be subject to reassessment, which may result in higher than expected property tax payments;

- its tenant retention and lease renewal risks may be increased; and

- market conditions may result in higher-than-expected vacancy rates and lower-than-expected rental rates.

Any inability to integrate and operate acquired properties to meet DHLT's financial, operational and strategic expectations could have a material adverse effect on DHLT and its ability to make distributions to the Unitholders.

DHLT depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

DHLT's performance depends, in part, upon the continued service and performance of the executive officers of the Manager and the Property Manager. (See "The Manager and Corporate Governance – The Manager of DHLT – Executive Officers of the Manager" for details of the executive officers of the Manager.) These key personnel may leave the employment of the Manager and/or the Property Manager. If any of the above were to occur, time will need to be spent searching for a replacement and the duties for which such executive officers are responsible may be affected. The loss of any of these individuals could have a material adverse effect on the financial condition and the results of operations of DHLT, and its ability to make distributions to the Unitholders.

DHLT may not be able to control or exercise any influence over entities in which it has minority interests.

DHLT or its subsidiaries may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance that DHLT or its subsidiaries will be able to exercise active control over such entities and the management of such entities may make decisions which could adversely affect the operations of DHLT and the ability of DHLT to make regular distributions to its Unitholders.

DHLT may from time to time be subject to legal proceedings and government proceedings.

Legal proceedings against DHLT and/or its subsidiaries relating to property management and disputes over tenancies may arise from time to time. There can be no assurance that DHLT and/or its subsidiaries will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operations or cash flows of DHLT.

DHLT and/or its subsidiaries is regulated by various government authorities and regulations. If any government authority believes that DHLT and/or its subsidiaries or any of their tenants are not in compliance with the regulations, it could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize DHLT Properties, enjoin future action or (in the case of DHLT's subsidiaries not being in compliance with the regulations), assess civil and/or criminal penalties against DHLT, its officers or employees. Any such action by the government authority would have a material adverse effect on the business, financial condition and results of operations or cash flow of DHLT, and its ability to make distributions to the Unitholders. To the best of the Manager's knowledge, there are currently no grounds for any governmental authority to believe that DHLT or any of its tenants are not in compliance with the regulations.

Laws, regulations and policies imposed by various government and regulatory authorities may adversely affect DHLT.

DHLT's ownership, operation and rights in respect of the IPO Properties are subject to various laws and regulations and policies of government and regulatory authorities in Singapore and Japan.

For example, these laws and regulations (including without limitation, restrictions on foreign ownership of the IPO Properties) can impose limitations on DHLT's operations and plans with respect to the IPO Properties. Compliance with, as well as failure to comply with, such laws, regulations and policies can have an adverse effect on the business, financial condition, results of operations and prospects of DHLT. While no such laws, regulations and policies are currently in place in Japan, there is no guarantee that new restrictions will not be enacted in the future. (See "Overview of Relevant Laws and Regulations" for examples of laws and regulations which may affect DHLT.)

There may also be laws that could result in a reduction in the revenue of the IPO Properties, which may adversely affect DHLT's ability to make distributions to the Unitholders. While no such laws currently in place in Japan, there is no guarantee that new restrictions will not be enacted in the future.

DHLT may engage in hedging transactions, which can limit gains and increase exposure to losses, and not offer full protection against interest rate and exchange rate fluctuations.

DHLT may enter into hedging transactions to protect itself or its portfolio from, among others, the effects of interest rate fluctuations on floating rate debt and interest rate and prepayment fluctuations. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put-and-call options or entering into forward agreements.

However, it may not always be possible for DHLT to enter into hedging activities and these hedging activities may not always have the desired beneficial effect on the results of operations or financial condition of DHLT. No hedging activity can completely insulate DHLT from risks associated with changes in interest rates and exchange rates, and changes in foreign exchange rates for example, may negatively affect DHLT's asset value. Moreover, interest rate hedging could fail to protect DHLT or adversely affect DHLT because, among other things:

- the available hedging may not correspond directly with the risk for which protection is sought;
- the duration or nominal amount of the hedge may not match the duration of the related liability;
- the party owing money in the hedging transaction may default on its obligation to pay;
- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs the ability of DHLT to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments and the significant loss in value of hedging instruments due to a write down to fair value would reduce the NAV of DHLT.

In addition, hedging activities involve risks and typically involve costs, including transaction costs, which may reduce overall returns. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. These costs will also limit the amount of cash available for distributions to the Unitholders. The Manager will regularly monitor the feasibility of engaging in such hedging transactions, taking into account the cost of such hedging transactions.

(See "Capitalisation and Indebtedness" and "Strategy" for further details.)

Possible change of investment strategies may adversely affect Unitholders' investments in DHLT.

The Manager may from time to time amend the investment strategies of DHLT if it determines that such a change is in the best interest of DHLT and its Unitholders without seeking Unitholders' approval. The Manager may, subject to the relevant laws, regulations and rules (including the Listing Manual), alter such investment strategies upon the expiry of three years from the Listing Date, provided that it has given not less than 30 days' prior notice of the change to the Trustee and Unitholders by way of an announcement on the SGX-ST. The methods of implementing DHLT's investment strategies may vary as new investment and financing techniques are developed or otherwise used. Such changes may adversely affect Unitholders' investment in DHLT and DHLT's ability to make distributions to the Unitholders.

Occurrence of any acts of God, natural disasters, war, terrorist attacks, riots, civil commotions and other events beyond the control of DHLT may adversely and materially affect the business and operations of DHLT Properties.

Acts of God, such as natural disasters, war, terrorist attacks, riots, civil commotions, widespread communicable diseases are beyond the control of DHLT or the Manager. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. DHLT's business and income available for distribution may be adversely affected should such acts of God occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of DHLT Properties and hence DHLT's income available for distribution.

In addition, physical damage to DHLT Properties resulting from fire, earthquakes, flooding or other acts of God may lead to a significant disruption to the business and operation of DHLT Properties which may result in an adverse impact on the business, financial condition and results of operations of DHLT and its capital growth, and DHLT's ability to make distributions to the Unitholders.

There is no assurance that DHLT will be able to leverage on the Sponsor's experience in the operation of the logistics properties or the Sponsor's experience in the management of REITs.

The Sponsor will be entering into the First Lock-up Period and the Second Lock-up Period in respect of its direct and indirect effective interest in the respective Lock-up Units held by it on the Listing Date. There is no assurance that the Sponsor will not dispose of all or part of its direct and indirect effective interest in the Units following the expiry of the respective Lock-up Periods. In the event that the Sponsor decides to transfer or dispose of its Units or its shares in the Manager, DHLT may no longer be able to leverage on:

- the Sponsor's experience in the ownership and operation of logistics properties; or
- the Sponsor's financial strength, market reach and network of contacts to further its growth.

This may have a material and adverse impact on DHLT's results of operations and financial condition which may consequently affect its ability to make distributions to its Unitholders.

DHLT's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments.

DHLT's investment strategy involves a higher level of risk as compared to a portfolio which has a more diverse range of investments.

A concentration of logistics properties located in Japan exposes DHLT to the risks arising from and/or in connection with a downturn in the logistics property market in Japan. Any economic slowdown in Japan is likely to negatively affect the performance of the logistics property market in Japan. The renewal of leases in properties of DHLT will depend, in part, upon the success of its tenants. Any economic downturn may cause higher levels of non-renewals of leases arrangements or vacancies as a result of failures or defaults by tenants or the market pressures exerted by an increase in available logistics properties. There can be no assurance that the tenants of DHLT Properties will renew their leases or that the new lease will be granted on terms and conditions that are as favourable as those set out in the existing leases. In the event that a tenant does not renew its lease, a replacement tenant or tenants would need to be identified, which could subject properties of DHLT to periods of vacancy and/or costly refittings, during which periods DHLT could experience reductions in rental income.

Such downturns may lead to a decline in occupancy for properties or real estate-related assets in DHLT's portfolio. This will affect DHLT's rental income from DHLT Properties, and/or a decline in the capital value of DHLT's portfolio, which will have an adverse impact on DHLT's ability to make regular distributions to Unitholders and/or on the results of operations and the financial condition of DHLT.

The Manager, Japan Asset Manager and Property Manager are or may be wholly-owned subsidiaries of the Sponsor. There may be potential conflicts of interest between DHLT and these entities.

The Sponsor or its subsidiaries may draw on its investment management experience to provide support to DHLT through the Manager, which is a direct wholly-owned subsidiary of the Sponsor. These include matters which require Unitholders' approval.

Furthermore, the Japan Asset Manager and the Property Manager are or may be also wholly-owned by the Sponsor. Certain conflicts of interest may arise with respect to transactions such as those between DH TMK, TK Operator (GK1) or TK Operator (GK2) and the Japan Asset Manager or the Property Manager because they are interested party transactions. For example, since the Japan Asset Manager and the Property Manager is entrusted the services to operate, manage and invest the assets of those entities on behalf of them and has broad discretion regarding the management of the assets thereof, there is a risk that it can make transactions that is not favorable to the Unitholders but to their affiliates, or affiliates of the Sponsor. The Manager has instituted procedures to deal with potential conflicts of interest as set out in "The Manager and Corporate Governance – Potential Conflicts of Interest" and DHLT has also been granted a ROFR by the Sponsor (see "Certain Agreements Relating to DHLT and the Properties – ROFR Agreement"). Notwithstanding these measures, if these entities were to manage a property which competes with DHLT Properties, there can be no assurance that these entities will not favour properties in the Sponsor Group's own property portfolio over those owned by DHLT when providing leasing and other asset management services to DHLT, which could lead to lower occupancy rates and/or lower rental income for the properties owned by DHLT as a whole and this could adversely affect distributions to Unitholders.

Potential conflicts of interest may arise from the TK Operator in a TK-GK structure.

TK-GK structure qualifies for favourable tax treatment if the TK Investor is a passive investor with minimal control over the management of the TK Operators and the contributed funds under the arrangement. Also, DHREIM, as asset manager of TK Operator (GK1) and TK Operator (GK2) has broad discretion regarding the management of the assets of TK Operator (GK1) and TK Operator (GK2). As a result, TK Operator (GK1) and TK Operator (GK2), DHREIM or as the shareholder of DHREIM, the Sponsor can exercise a significant influence on the management of the assets of TK Operator (GK1) and TK Operator (GK2). The FIEA requires certain designated transactions, such as transactions between TK Operator (GK1) or TK Operator (GK2) and another investor that retains DHREIM as the asset management company, to be approved in advance by the TK Investor and to be executed at the price calculated using a reasonable method, for all other instances such as, in the case of the acquisition of TBIs, determining the price based on the appraisal value of the real property. Specifically, with regard to each transaction, the TK Investor will be given an explanation on, and give its consent to, the details of the transaction and the reason for conducting such transaction. It is considered to be legally possible and permissible for the TK Investor to be given the right to approve (or disapprove) material business decisions of the TK Operator in the TK Agreement or pursuant to applicable laws and regulations even if we consider the TK Investor is intended to be a passive investor with minimal control over the management of the TK Operator. However, there is no assurance that TK Operator (GK1), TK Operator (GK2), DHREIM or the Sponsor will respect the decisions of TK Investor and as such, conflict of interests between TK Investor and them may arise. For instance, the TK Operator may refuse to heed the TK Investor's requirement to dispose of assets in order to continue the operation of the TK business. Such a problem with conflicts of interest is exacerbated if TK Operator (GK1) or TK Operator (GK2) is to purchase real estate from another investor that retains DHREIM as the asset management company. There may be also an issue with respect to, for example, the selection of the investment opportunity, the purchase price of the real estate and the timing of the purchase. Any of the above could adversely affect the operations of DHLT, its business, financial condition, cash flows and results of operations and consequentially may have a material adverse impact on distributions to be made by DHLT to its Unitholders.

DHLT relies on information technology in its operations, and any material failure, inadequacy, interruption or security failure of that technology could harm its business.

DHLT relies on information technology networks and systems, including the Internet, to process, transmit and store electronic information, as well as to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of tenants and lease data. DHLT relies on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential tenant information, such as individually identifiable information relating to financial accounts. Although DHLT has taken steps to protect the security of the data maintained in its information systems, it is possible that such security measures will not be able to prevent the systems' improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorised disclosures of confidential information. Any failure to maintain proper function, security and availability of DHLT's information systems could interrupt its operations, damage its reputation, subject DHLT to liability claims or regulatory penalties and could materially and adversely affect it.

RISKS RELATING TO AN INVESTMENT IN THE UNITS

Sale or possible sale of a substantial number of Units by the Sponsor and/or their subsidiaries (following the lapse of any applicable lock-up arrangements), or the Cornerstone Investors in the public market could adversely affect the price of the Units.

Following the Offering, DHLT will have 675,000,000 issued Units, of which 94,500,000 Units will be held by the Sponsor assuming the Over-allotment Option is not exercised and 336,062,000 Units will be held by the Cornerstone Investors. If the Sponsor and/or any of their transferees of the Units (following the lapse of the relevant respective lock-up arrangement, or pursuant to any applicable waivers) or Cornerstone Investors sells or is perceived as intending to sell a substantial amount of its Units, or if a secondary offering of the Units is undertaken in connection with an additional listing on another securities exchange, the market price for the Units could be adversely affected (see "Plan of Distribution – Lock-up Arrangements" and "Ownership of the Units" for further details).

DHLT's ability to make distributions is dependent on the financial position of the SPVs holding DHLT Properties. DHLT may not be able to make distributions to Unitholders or the level of distributions may fall.

In order for the Trustee to make distributions from the income of DHLT Properties, DHLT has to rely on receiving distributions, dividends or repayments (where applicable) from the SPVs holding DHLT Properties. There can be no assurance that these SPVs will have sufficient revenue, profits and cash in any future period to pay such distributions, pay dividends or make repayments.

The level of revenue, distributable profits or reserves of the SPVs available to pay distributions, pay dividends or make repayments may be affected by a number of factors including, among other things:

- their respective business and financial positions;
- the availability of distributable profits;
- sufficiency of cash flows received by the SPVs from DHLT Properties;
- applicable laws and regulations which may restrict the payment of distributions by the SPVs;
- operating losses incurred by the SPVs in any financial year;
- losses arising from a revaluation of DHLT Properties. Such losses may become realised losses which would adversely affect the level of realised profits from which the SPVs may distribute distributions;
- changes in accounting standards (including standards in respect of depreciation policies relating to real estate investment properties), taxation laws, practices and regulations, laws and regulations in respect of foreign exchange and repatriation of funds, corporation laws and regulations in respect of statutory reserves required to be maintained) in the jurisdictions in which the SPVs are located;
- potential onshore tax and/or legal liabilities through investing in the SPVs; and
- the terms of agreements to which the SPVs are, or may become, a party to.

There can be no assurance that these entities will have sufficient revenue and cash flows in any future period to pay distributions, pay dividends or make repayments. In addition, no assurance can be given as to DHLT's ability to pay or maintain distributions or that the level of distributions will increase over time.

Market and economic conditions may affect the market price and demand for the Units.

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units.

An increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return as compared to other investments.

The NAV per Unit may be diluted if further issues are priced below the then current NAV per Unit.

The Trust Deed contemplates new issues of Units, the offering price for which may be above, at or below the then current NAV per Unit. The DPU may be diluted if new Units are issued and the use of proceeds from such issuance of Units generates insufficient cash flows to cover the dilution. Where new Units, including Units which may be issued to the Manager in payment of the Manager's management, acquisition and/or divestment fees, are issued at less than the NAV per Unit, the then current NAV of each existing Unit may be diluted.

DHLT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives.

DHLT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives. These new or revised legislation, regulations, guidelines or directives may be general in nature or may specifically affect REITs. There is no assurance that such new or revised legislation, regulations, guidelines or directives will not adversely affect REITs in general or DHLT specifically.

Specifically, REITs in Singapore can enjoy certain tax exemptions or concessions and some of these are granted for a specified period of time. These tax exemptions or concessions, whether or not for a specified period of time, are or may be subject to review by the Singapore Government and there is no assurance that they will continue to be available after such review. For example, while REITs listed on the SGX-ST (including such REITs' wholly-owned Singapore incorporated and tax resident subsidiaries) may currently be able to avail of an exemption from taxation on certain foreign income derived in respect of foreign properties, this would currently apply only to such properties acquired on or before 31 December 2025. There can be no assurance that this foreign income tax exemption will not be removed earlier or will be extended beyond 31 December 2025. Although DHLT does not currently avail itself of this foreign income tax exemption in respect of the IPO Portfolio, if the exemption is indeed removed or not extended, the foreign income to be derived by DHLT and/or its wholly-owned Singapore incorporated and tax resident subsidiaries in respect of foreign properties acquired in future may be subject to Singapore income tax at the prevailing tax rate (currently 17.0%) to the extent of the amount received or deemed to have been received in Singapore.

There is no assurance that the Singapore Government will continue to grant the tax exemptions or concessions currently available to REITs indefinitely or renew them upon their expiry. A removal or modification of any or all of these tax exemptions or concessions may result in increased tax costs to the DHLT Group and accordingly have an adverse impact on its financial condition and results of operations.

In addition, the Singapore Government announced in the 2018 Singapore Budget its plans to raise the standard rate of GST from 7.0% to 9.0%, sometime in the period from 2021 to 2025. Although it was announced in the 2020 Singapore Budget that the GST rate for 2021 would remain at 7.0%, the Singapore Government reiterated in the 2021 Singapore Budget that the GST rate increase would be necessary by 2025. Further, GST on business-to-business imported services has also been implemented with effect from 1 January 2020 via a reverse charge mechanism. These changes may result in additional tax costs to DHLT.

Any such additional tax exposure could have a material adverse effect on the DHLT Group's business, financial condition, cash flows and results of operations and consequentially may have a material adverse impact on distributions to be made by DHLT.

Entities operating in Singapore and jurisdictions in which IPO Properties and future properties to be acquired by DHLT or its subsidiaries are located are subject to a variety of taxes and changes in legislation or the rules relating to such tax regimes could materially and adversely affect DHLT's business, prospects and results of operations.

The entities of Singapore and the jurisdictions in which DHLT Properties are located, respectively, in the DHLT Group are subject to various taxes in the respective jurisdictions, determined in accordance with the relevant tax legislation and rules.

The governments of Singapore and the jurisdictions in which DHLT Properties are located may in the future amend the tax legislation or rules, regulations, guidelines and practice relating to taxation with either prospective or retroactive effect and this may affect the overall tax liabilities of these entities in the DHLT Group and may potentially result in significant additional taxes becoming payable by such entities.

Additionally, the global tax landscape is rapidly evolving, with major changes in tax policies expected in the horizon by most jurisdictions. Particularly, there has been an increasing focus on combating base erosion and profit shifting, and upcoming measures include implementing a global minimum level of taxation of at least 15.0% (among other measures as announced in the statements released on 1 July 2021 and 8 October 2021 by the Organisation for Economic Co-operation and Development and Group of Twenty Inclusive Framework on Base Erosion and Profit Shifting). The governments of Singapore and the jurisdictions in which DHLT Properties are located may in the future make changes to their tax regimes to address these measures and this may potentially result in significant additional taxes becoming payable by the entities in the DHLT Group.

Such additional tax exposures could have a material adverse effect on the DHLT Group's business, financial condition, cash flows and results of operations and consequentially may have a material adverse impact on distributions to be made by DHLT.

DHLT may not be able to comply with the terms of tax exemptions or tax rulings, or such tax exemptions or tax rulings may be revoked or amended.

DHLT and/or its subsidiaries may, from time to time, obtain various tax exemptions and/or tax rulings from the relevant authorities. The approvals for these tax exemptions and/or tax rulings may be subject to DHLT and/or its relevant subsidiaries satisfying certain stipulated conditions.

Should DHLT and/or its relevant subsidiaries subsequently fail to satisfy any of the stipulated conditions, the relevant tax exemption and/or tax ruling may no longer apply. Consequently, DHLT may suffer increased tax liability, which in turn could adversely affect the amount of distributions made to Unitholders.

Foreign Unitholders may not be permitted to participate in future rights issues or entitlements offerings by DHLT.

The Trust Deed provides that, the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. The rights or entitlements to the Units to which such Unitholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Manager may determine, subject to such other terms and conditions as the Trustee may impose. The proceeds of any such sale will be paid to the Unitholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Unitholders are less than S$10.00, the Manager is entitled to retain such proceeds as part of the Deposited Property. The holding of the relevant holder of the Units may be diluted as a result of such sale.

The actual performance of DHLT and the IPO Properties could differ materially from the forward-looking statements in this Prospectus.

This Prospectus contains forward-looking statements regarding, among others, forecast and projected distribution levels for the Forecast Period 2021 and Projection Year 2022. These forward-looking statements are based on a number of assumptions regarding the Manager's strategies and environment in which DHLT or the Manager will operate in the future, which are subject to uncertainties and contingencies, many of which are outside of the Manager's control (see "Profit Forecast and Profit Projection – Assumptions" for further details).

DHLT's revenue is dependent on a number of factors including the ability of the Manager to fully implement its strategies and the receipt of rent from DHLT Properties. Such rent may decrease for a number of reasons, including the lowering of occupancy and rental rates, and insolvency or delay in payment by tenants, which may adversely affect DHLT's ability to achieve the forecast and projected distributions as some or all events and circumstances assumed may not occur as expected, or events and circumstances which are not currently anticipated may arise.

Furthermore, historical rental revenues and other financial data for the IPO Properties disclosed in this Prospectus include information that DHLT obtained from the sellers of such properties, not all of which have been audited, may have been prepared based on accounting principles different from those that apply to DHLT, and may be incomplete or inaccurate. In addition, the assumptions underlying such information may no longer be applicable after the acquisition of the IPO Properties. Therefore, such information may differ materially from the actual performance of the IPO Properties in the future.

Therefore, DHLT's actual results may be materially different from the forecast and projection. No assurance is given that the assumptions will be realised and the actual distributions will be as forecast and projected.

Property yield on real estate to be held by DHLT is not equivalent to distribution yield on the Units.

Generally, property yield depends on net property income and is calculated as the amount of revenue generated by DHLT Properties, less the expenses incurred in the maintaining, operating, managing and leasing of DHLT Properties compared against the current value of DHLT Properties.

Distribution yield on the Units, however, depends on the distributions payable on the Units, after taking into account other expenses including (i) taxes, (ii) interest costs for the debt facilities, (iii) the Manager's Management Fee, the Japan Asset Management Fees and the Trustee's Fee and (iv) other operating costs including administrative fees of DHLT and costs relating to its SPCs, as compared with the purchase price of the Units.

The Unaudited Pro Forma Consolidated Financial Information contained in this Prospectus is not necessarily indicative of the future performance of DHLT.

The Unaudited Pro Forma Consolidated Financial Information contained in this Prospectus is not necessarily indicative of the future performance of DHLT. (See "Unaudited Pro Forma Consolidated Financial Information" for further details.)

This will make it more difficult for investors to assess DHLT's likely future performance. There is no assurance that DHLT Properties will be able to generate sufficient revenue for DHLT to make distributions to Unitholders or that such distributions will be in line with those set out in the "Profit Forecast and Profit Projection" section of this Prospectus.

The Manager is not obliged to redeem Units.

Unitholders have no right to request the Manager to redeem their Units while the Units are listed on the SGX-ST. Unitholders may only deal in their listed Units through trading on the SGX-ST. Accordingly, apart from selling their Units through trading on the SGX-ST, Unitholders may not be able to realise their investments in Units.

If the Units are de-listed from the SGX-ST and are unlisted on any other stock exchange of repute in any part of the world ("**Recognised Stock Exchange**"), the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Unitholder has no right to request for the repurchase or redemption of Units more than once a year.

The Units have never been publicly traded and the listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units.

There is no public market for the Units prior to the Offering and an active public market for the Units may not develop or be sustained after the Offering. The Manager has received a letter of eligibility from the SGX-ST to have the Units listed and quoted on the Main Board of the SGX-ST. However, listing and quotation does not guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market for the Units. Prospective Unitholders must be prepared to hold their Units for an indefinite length of time.

There is no assurance that the Units will remain listed on the SGX-ST.

Although it is intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. Among other factors, DHLT may not continue to satisfy the listing requirements. Accordingly, Unitholders will not be able to sell their Units through trading on the SGX-ST if the Units are no longer listed on the SGX-ST.

Certain provisions of the Take-over Code could have the effect of discouraging, delaying or preventing a merger or acquisition which could adversely affect the market price of the Units.

Under the Take-over Code, an entity is required to make a mandatory offer for all the Units not already held by it and/or parties acting in concert with it (as defined by the Take-over Code) in the event that an increase in the aggregate unitholdings of it and/or parties acting in concert with it results in the aggregate unitholdings crossing certain specified thresholds.

While the Take-over Code seeks to ensure an equality of treatment among Unitholders, its provisions could substantially impede the ability of Unitholders to benefit from a change in control and, as a result, may adversely affect the market price of the Units and the ability to realise any potential change of control premium.

The price of the Units may decline after the Offering.

The Offering Price of the Units is determined by agreement between the Manager and the Joint Bookrunners. The Offering Price may not be indicative of the market price for the Units upon completion of the Offering. The Units may trade at prices significantly below the Offering Price after the Offering and the price of the Units may be volatile. The trading price of the Units will depend on many factors, which may change from time to time, including, but not limited to:

- the perceived prospects of DHLT's business and investments and the property market for logistics assets or assets related to the foregoing;
- differences between DHLT's actual financial and operating results and those expected by investors and analysts;
- changes in analysts' recommendations or projections;
- changes in general economic or market conditions;
- the market value of DHLT's assets;
- perceived attractiveness of the Units against those of other equity or debt securities, including those not in the real estate sector;
- the balance of buyers and sellers of the Units;

- the size and liquidity of the Singapore REIT market from time to time;
- any changes from time to time to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs;
- the ability on the Manager's part to implement successfully its investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

Units may trade at prices that are higher or lower than the NAV per Unit. To the extent that DHLT retains operating cash flows for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of DHLT's underlying assets, may not correspondingly increase the market price of the Units. Any failure to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Units.

Where new Units are issued at less than the market price of Units, the value of an investment in Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in DHLT.

The Units are not capital-safe products. There is no guarantee that Unitholders can regain the amount invested. If DHLT is terminated or liquidated, investors may lose a part or all of their investment in the Units.

Third parties may be unable to recover in claims brought against the Manager as the Manager is not an entity with significant assets.

Third parties, in particular, Unitholders, may in the future have claims against the Manager in connection with the carrying on of its duties as manager of DHLT (including in relation to the Offering and this Prospectus).

Under the terms of the Trust Deed, the Manager is indemnified from the Deposited Property against any actions, costs, claims, damages, expenses or demands to which it may be put as the manager of DHLT unless occasioned by the fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager. In the event of any such fraud, gross negligence, wilful default or breach, only the assets of the Manager itself and not the Deposited Property would be available to satisfy a claim. There is no assurance that the Manager will have sufficient assets to satisfy such claims.

USE OF PROCEEDS

ISSUE PROCEEDS

The Manager intends to raise gross proceeds of approximately S$575.5 million (JPY 48,657 million) from the Offering, the issuance of the Sponsor's Subscription Units and the Cornerstone Units and the Perpetual Securities. The Manager also intends to draw down an amount of JPY 35.6 billion of Loan Facilities on the Listing Date.

The total proceeds raised from the Offering, the issuance of the Sponsor's Subscription Units, the Cornerstone Units and the Perpetual Securities, as well as the amount drawn down from the Loan Facilities and issuance of the Initial Units will be used towards the following:

(i) payment to the Vendors for the purchase price payable in relation to the acquisition of the IPO Properties;

(ii) issue expenses in connection with the Offering;

(iii) payment of transaction costs incurred in relation to the acquisition cost of the IPO Properties, the Offering, the Cornerstone Units, the Perpetual Securities and the Loan Facilities;

(iv) payment of refundable consumption taxes; and

(v) general corporate and working capital purposes.

Source	Amount (S$'000)	Uses	Amount (S$'000)
Offering	195,550	Payment of Purchase Consideration for the IPO Portfolio[1]	840,549
Cornerstone Units	268,850	Issue expenses	26,229
Sponsor Subscription Units	75,598	Other transaction costs	27,329
Perpetual Securities	35,482	Refundable Consumption tax[2]	67,948
TMK Debt Facilities	421,053	Cash reserves required by lenders[3]	19,091
Initial Units	2	Working Capital	15,389
TOTAL	**996,535**	**TOTAL**	**996,535**

Notes:

(1) The proceeds from the Offering and the issuance of the Cornerstone Units allocated to Purchase Consideration for the acquisition of the IPO Portfolio will be used to repay the Joint Bookrunners who had pre-funded the acquisition of the IPO Portfolio (including certain transaction costs and working capital). Due to the mechanisms for the settlement of the acquisition, the Purchase Consideration for such acquisition would need to be released a few days prior to the settlement for the respective Vendors to be able to receive the Purchase Consideration on the date of completion of the acquisition.

(2) Refundable consumption tax is the consumption tax paid in relation to the acquisition of the IPO Portfolio, as well as consumption tax associated with relevant IPO costs, acquisition costs for acquiring the properties and loan upfront costs, all of which is expected to be refunded by end of June 2022.

(3) Cash reserves required by lending banks to be set aside for capital expenditure, property tax, security deposits payable to Superior Landlords, cost to operate special purpose vehicles, interest expense and insurance premium.

The Manager will make periodic announcements on the utilisation of the net proceeds from the Offering, the Sponsor's Subscription Units and the Cornerstone Units via SGXNET as and when such funds are materially utilised. Updates on the actual use of such proceeds will be disclosed in the annual report of DHLT.

LIQUIDITY

As at the Listing Date, DHLT will have a cash balance of approximately S$15.4 million. The Manager believes that this cash balance, in addition to the cash flows expected to be generated from operations after the Listing Date will be sufficient for DHLT's working capital requirements over the next 12 months following the Listing Date.

OWNERSHIP OF THE UNITS

EXISTING UNITS

On 2 November 2021, DHLT was constituted as a private trust and 2,000 Units was issued to the Sponsor at the issue price of S$0.80 per Unit. No other Units have been issued as at the date of this Prospectus.

UNITS TO BE SUBSCRIBED BY THE SPONSOR

Under the generally accepted accounting principles in Japan, if the Sponsor has 15% or more of DHLT's equity and has substantial influence on the decision-making process over DHLT, the equity method would be applied and the Sponsor would be required to eliminate a portion of the gain on sales of the real estate on its consolidated financial statements as unrealised gain. As such, on the Listing Date, separate from the Offering, 94,498,000 Units (representing approximately 14.0% of the total number of Units in issue on the Listing Date) will be subscribed by the Sponsor. Such unitholding of the Sponsor is less than the consolidation threshold of 15% and representing an investment of approximately S$75.6 million, on the Listing Date concurrently with the Offering, subject to the exercise of the Over-Allotment Option. Over and above its investment in Units at Listing, to demonstrate its commitment to DHLT, the Sponsor will also directly subscribe for the Perpetual Securities. (See "Capitalisation and Indebtedness – Perpetual Securities" for further details).

PRINCIPAL UNITHOLDERS AND THEIR HOLDINGS

The total number of Units in issue immediately after the completion of the Offering will be 675,000,000 Units.

The following table sets out the principal Unitholders and their holdings after the Offering and the issuance of the Sponsor's Subscription Units and the Cornerstone Units, based on the Offering Price:

<table>
<tr><th colspan="2" rowspan="2"></th><th colspan="2">Units in issue immediately before the Offering</th><th colspan="2">Units in issue after the Offering (assuming that the Over-Allotment Option is not exercised)</th><th colspan="2">Units in issue after the Offering (assuming that the Over-Allotment Option is exercised in full)</th></tr>
<tr><th>Units ('000)</th><th>(%)</th><th>Units ('000)</th><th>(%)</th><th>Units ('000)</th><th>(%)</th></tr>
<tr><td colspan="2">Daiwa House Industry Co., Ltd.</td><td>2,000</td><td>100.0</td><td>94,500</td><td>14.0</td><td>67,500</td><td>10.0</td></tr>
<tr><td rowspan="10">Cornerstone Investors</td><td>Bangkok Life Assurance Public Co. Ltd</td><td>–</td><td>–</td><td rowspan="8">240,588</td><td rowspan="8">35.7</td><td rowspan="8">240,588</td><td rowspan="8">35.7</td></tr>
<tr><td>Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients)(1)</td><td></td><td></td></tr>
<tr><td>DBS Bank Ltd.</td><td>–</td><td>–</td></tr>
<tr><td>DBS Bank Ltd. (on behalf of certain wealth management clients)(1)</td><td></td><td></td></tr>
<tr><td>DBS Bank (Hong Kong) Ltd. (on behalf of certain wealth management clients)(1)</td><td>–</td><td>–</td></tr>
<tr><td>DWS Investments Australia Limited</td><td></td><td></td></tr>
<tr><td>Kuang Ming Investments Pte Limited</td><td>–</td><td>–</td></tr>
<tr><td>Nomura Singapore Limited (on behalf of certain wealth management clients)(1)</td><td>–</td><td>–</td></tr>
<tr><td>Hazelview Securities Inc.(3)</td><td></td><td></td><td>43,849</td><td>6.5</td><td>43,849</td><td>6.5</td></tr>
<tr><td>Metro ARC Investments Pte. Ltd.(2)</td><td>–</td><td>–</td><td>51,625</td><td>7.6</td><td>51,625</td><td>7.6</td></tr>
<tr><td colspan="2">Public and Institutional Investors</td><td>–</td><td>–</td><td>244,438</td><td>36.2</td><td>271,438</td><td>40.2</td></tr>
<tr><td colspan="2">TOTAL</td><td>2,000</td><td>100.0</td><td>675,000</td><td>100.0</td><td>675,000</td><td>100.0</td></tr>
</table>

Notes:

(1) Based on the separate subscription agreements entered into between each of DBS Bank Ltd. (on behalf of certain wealth management clients), DBS Bank (Hong Kong) Ltd. (on behalf of certain wealth management clients), Nomura Singapore Limited (on behalf of certain wealth management clients), Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients) and the Manager, none of the wealth management clients of DBS Bank Ltd. and DBS Bank (Hong Kong) Ltd. nor the private banking clients of Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch, nor the wealth management clients of Nomura Singapore Limited will be a Substantial Unitholder immediately upon the completion of the Offering.

(2) Metro ARC Investments Pte. Ltd., a wholly owned subsidiary of Metro Holdings Ltd, will subscribe for 51,625,000 Units (representing 7.6% of the total Units in issue after the Offering), and will be a Substantial Unitholder immediately upon the completion of the Offering. 22.8% of the interests in Metro Holdings Ltd. are in turn held by Eng Kuan Company Private Limited ("Eng Kuan"), and the individuals, Ong Ling Ling, Ong Ching Ping, Ong Jenn (Wang Zhen), Ong Sek Hian (Wang ShiXian) ("collectively, the "Eng Kuan Shareholders") are substantial shareholders of Eng Kuan. As such, Metro Holdings Ltd, Eng Kuan and the Eng Kuan Shareholders have a deemed interest in 51,625,000 Units (representing 7.6% of the total Units in issue after the Offering).

(3) Hazelview Securities Inc. will subscribe for 43,849,000 Units (representing 6.5% of the total Units in issue after the Offering), and will be a Substantial Unitholder immediately upon the completion of the Offering.

LOCK-UPS

The Sponsor has entered into (i) a lock-up arrangement during the period commencing from the Listing Date until the date falling six months after the Listing Date (both dates inclusive) in respect of its direct and indirect effective interest in the Lock-up Units; and (ii) a lock-up arrangement during the period commencing from the day following the end of the First Lock-up Period until the date falling six months after the First Lock-up Period (both dates inclusive) in respect of its direct and indirect effective interest in 50.0% of the Lock-up Units, subject to certain exceptions.

Save for DBS Bank Ltd. (in its own capacity) as a Cornerstone Investor, the Cornerstone Investors are not subject to any lock-up restrictions in respect of their Unitholdings.

The Manager has undertaken not to offer, issue or contract to issue any Units, and to not make any announcements in connection with any of the foregoing transactions, during the First Lock-up Period, subject to certain exceptions.

(See "Plan of Distribution – Lock-up Arrangements" for further details.)

SUBSCRIPTION BY THE CORNERSTONE INVESTORS

In addition, concurrently with, but separate from the Offering, each of the Cornerstone Investors has entered into a subscription agreement to subscribe for an aggregate of 336,062,000 Units at the Offering Price conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date.

Information on the Cornerstone Investors

Bangkok Life Assurance Public Co. Ltd

Bangkok Life Assurance Public Co. Ltd ("**Bangkok Life Assurance**") is a leading life insurance company in Thailand. It was founded over 70 years ago when the company was established in 1951. In 2009, Bangkok Life Assurance was listed on the Stock Exchange of Thailand under the ticker symbol 'BLA'. Bangkok Life Assurance currently provides a full suite of life insurance services to individuals and corporates in Thailand, including tax planning, income protection, savings and investments, education, retirement, health care and accident plans as well as risk protection plans. As of 30 June 2021, Bangkok Life Assurance has total assets of Baht 348,527.4 million (approximately US$10.5 billion). Major shareholders include Nippon Life and Bangkok Bank.

Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients)

Credit Suisse AG is domiciled in Switzerland and is a wholly owned subsidiary of Credit Suisse Group AG which is listed on the SIX Swiss Exchange (ISIN: CH0012138530). Credit Suisse AG's business builds on its core strengths: its position as a leading global wealth manager, its specialist investment banking capabilities and its strong presence in its home market of Switzerland. Credit Suisse AG seeks to follow a balanced approach to wealth management, aiming to capitalise on both the large pool of wealth within mature markets as well as the significant growth in wealth in Asia Pacific and other emerging markets, while also serving key developed markets with an emphasis on Switzerland. Credit Suisse AG has entered into the cornerstone subscription agreement to subscribe for certain Cornerstone Units, on behalf of certain clients of its Asia Pacific division.

DBS Bank Ltd.

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "World's Best Bank" by Euromoney, "Global Bank of the Year" by The Banker and "Best Bank in the World" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "World's Best Digital Bank" by Euromoney and the world's "Most Innovative in Digital Banking" by The Banker. In addition, DBS has been accorded the "Safest Bank in Asia" award by Global Finance for 13 consecutive years from 2009 to 2021.

DBS provides a full range of services in consumer, SME and corporate banking. For more information, please visit www.dbs.com.

DBS Bank Ltd. (on behalf of certain wealth management clients)

DBS Bank Ltd. is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS Bank Ltd. is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS Bank Ltd. has been named "World's Best Bank" by Euromoney, "Global Bank of the Year" by The Banker and "Best Bank in the World" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "World's Best Digital Bank" by Euromoney and the world's "Most Innovative in Digital Banking" by The Banker. In addition, DBS Bank Ltd. has been accorded the "Safest Bank in Asia" award by Global Finance for 13 consecutive years from 2009 to 2021.

In 2021, DBS Private Bank was also awarded "Best Asian Private Bank", "Best for Investment Research in Asia", "Best for Family Offices – Singapore" and "Best for ESG – Singapore" by Asiamoney, and "Best Private Bank For HWNIs in Asia" by The Asset, cementing its position as a leading wealth manager in Asia. DBS Bank Ltd. has SGD 264 billion in wealth assets under management as of FY2020.

DBS Bank Ltd. has entered into the cornerstone subscription agreement, on behalf of certain of its wealth management clients, to subscribe for the Units. The Units will be held in custody by DBS Nominees (Pte) Ltd, on behalf of such clients. DBS Nominees (Pte) Ltd acts as a custodian for these Units and neither DBS Nominees (Pte) Ltd nor DBS Bank Ltd. has any beneficial interest in the Units allotted under the cornerstone subscription agreement.

DBS Bank (Hong Kong) Ltd. (on behalf of certain wealth management clients)

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa2" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "World's Best Bank" by Euromoney, "Global Bank of the Year" by The Banker and "Best Bank in the World" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "World's Best Digital Bank" by Euromoney. In addition, DBS has been accorded the "Safest Bank in Asia" award by Global Finance for 13 consecutive years from 2009 to 2021.

In 2021, DBS Private Bank was also awarded "Best Private Bank in Asia-Pacific" by Global Finance and "Best Asian Private Bank" by Asiamoney, as well as "Private Banking – Excellence Performance" by Bloomberg Businessweek and "Best Private Bank – HNWIs (Asia)" by The Asset, cementing its position as a leading wealth manager in Asia. Consistent double-digit growth and the expansion of sustainable and innovative business enables DBS to continually strive for further improvement while maintaining a client centric view at all times.

DBS Bank (Hong Kong) Limited has entered into the cornerstone subscription agreement, on behalf of certain of its wealth management clients, to subscribe for the Units. The Units will be held in custody by DBS Nominees (Pte) Ltd, on behalf of such clients. DBS Nominees (Pte) Ltd acts as a custodian for these Units and neither DBS Nominees (Pte) Ltd nor DBS Bank (Hong Kong) Limited has any beneficial interest in the Units allotted under the cornerstone subscription agreement.

DWS Investments Australia Limited

DWS is one of the world's leading asset managers with EUR 767 billion of assets under management (as of June 30, 2020) globally. Building on more than 60 years of experience and a reputation for excellence in Germany and across Europe, DWS has come to be recognized by clients globally as a trusted source for integrated investment solutions, stability and innovation across a full spectrum of investment disciplines. Australia being one of five strategically located offices in the Asia Pacific region, houses DWS's investment team managing Australian REIT & APAC Real Estate securities portfolios. In Australia, DWS operates through a subsidiary, DWS Investments Australia Ltd (ABN 52 074 599 401 & Australian Financial Services Licence No. 499640).

Kuang Ming Investments Pte Limited

Kuang Ming Investments Pte Limited is an investment holding company privately owned by Philip Ng and family.

Nomura Singapore Limited (on behalf of certain wealth management clients)

Nomura Singapore Limited is a merchant bank regulated by the Monetary Authority of Singapore. The International Wealth Management division of Nomura Singapore Limited has entered into the cornerstone subscription agreement, on behalf of certain of its wealth management clients, to subscribe for the Units. The Units will be held in custody by Nomura Singapore Limited on behalf of such clients. Nomura Singapore Limited does not have a beneficial interest in the Units allotted under the said cornerstone subscription agreement.

Hazelview Securities Inc.

Funds and accounts under management by Hazelview Securities Inc.

Metro ARC Investments Pte. Ltd.

Metro ARC Investments Pte. Ltd. is a wholly-owned subsidiary of Metro Holdings Ltd, an SGX-listed company. The Metro Group ("**Metro Group**") operates two core business segments – property investment and development, and retail – and focuses on key markets in Singapore, the People's Republic of China ("**PRC**"), Indonesia, the United Kingdom ("**UK**") and Australia. Metro Group has approximately net assets of S$1.6 billion and total assets of S$2.3 billion as of 31 March 2021.

Metro Group's property arm has significant interests in almost 564,000 square metres of prime retail and office investment properties in gateway cities in the PRC, such as Shanghai, Guangzhou and Chengdu, as well as Singapore, London and Australia; two PBSA properties in Warwick and Bristol, the UK; and over 335,000 square metres of residential and mixed-use development properties predominantly held for sale. Metro Group holds a 30% stake in a portfolio of 16 quality freehold properties comprising 4 office buildings and 12 retail centres spanning across 4 key states in Australia, namely New South Wales, Victoria, Queensland and Western Australia. Metro Group's 26% stake in Boustead Industrial Fund with a portfolio of 15 quality properties, comprised 6 industrial properties, 1 business park, 5 high-spec industrial properties and 3 logistics properties in Singapore. The Metro Group also owns 14.9% of Top Spring International Holdings Limited, a Hong Kong-listed PRC property developer.

SUBSCRIPTION BY THE DIRECTORS AND EMPLOYEES OF THE MANAGER

The directors of the Manager (the "**Directors**", and each a "**Director**") and employees of the Manager (the "**Employees**", and each an "**Employee**") may subscribe for the Units under the Public Offer and/or the Placement Tranche. Save for the Manager's internal policy, which prohibit the Directors from dealing in the Units at certain times, there are no restrictions on the Directors or the Employees disposing of or transferring all or any part of their holdings.

(See "The Manager and Corporate Governance – Corporate Governance of the Manager – Dealings in Units" for further details.)

OPTIONS ON UNITS

No option to subscribe for the Units has been granted to any of the Directors or to the Chief Executive Officer or any other key executive officers of the Manager.

DISTRIBUTIONS

DISTRIBUTION POLICY

One of the primary objectives of DHLT is to provide Unitholders with regular, stable and long term growth in distributions. Distributions will be made on a semi-annual basis. DHLT's distribution policy is to distribute 100.0% of DHLT's Annual Distributable Income for Forecast Period 2021 and Projection Year 2022 and at least 90.0% of its Annual Distributable Income thereafter on a semi-annual basis. The actual level of distribution is to be determined at the Manager's discretion and may be greater than 90.0% of its Annual Distributable Income for each financial year.

For these purposes, and under the terms of the Trust Deed, the "**Annual Distributable Income**" for a financial year (including Forecast Period 2021) is the amount calculated by the Manager (based on the audited financial statements of DHLT for that financial year) as representing the consolidated audited net profit after tax of DHLT (which includes the net profits of the SPVs held by DHLT for that financial year, to be pro-rated where applicable to the portion of DHLT's interest in the relevant SPV) for that financial year, as adjusted to take into account the effects of Adjustments. After taking into account the effects of these Adjustments, the Annual Distributable Income may be different from the net profit recorded for the relevant financial year.

"**Adjustments**" means:

(a) adjustments (as deemed appropriate by the Manager) to eliminate certain items which are charged or credited to the consolidated audited profit and loss account of DHLT for the relevant financial year or the relevant distribution period (as the case may be), including, (i) unrealised gains or losses, including property revaluation gains or losses, financial instruments/derivatives gains or losses, exchange gains or losses, and impairment provisions or reversals of impairment provisions, (ii) deferred tax charges/credits, (iii) negative goodwill, (iv) realised gains or losses on the disposal of properties and disposal/settlement of financial instruments (v) the portion of the Management Fee, the Acquisition Fee, Divestment Fee, the Lease Commissions, the Administrative Fee, the Development Management Fee, the Lease Contract Administration Fee and the fees payable to the property manager(s), asset manager(s), facility manager(s) and/or investment manager(s) in respect of the real estate held by DHLT (where applicable) that is paid or payable, directly or indirectly, in the form of Units, (vi) costs of any public or other offering of Units or convertible instruments that are expensed but are funded by proceeds from the issuance of such Units or convertible instruments, (vii) depreciation and amortisation in respect of the real estate held by DHLT and their ancillary machines, equipment and other fixed assets, (viii) adjustment for amortisation of leasing incentives and/or straight lining of rental increases, (ix) other non-cash or timing differences relating to income or expenses; and

(b) any other adjustments as deemed appropriate by the Manager (in consultation with the Auditors and/or tax advisers).

The Manager also has the discretion to distribute any additional amounts (including capital). In determining whether to distribute additional amounts (including capital), the Manager will consider a range of factors including but not limited to DHLT's funding requirements, its financial position, its growth strategy, compliance with relevant laws, regulations and covenants, other capital management considerations, the overall suitability of distributions and prevailing industry practice.

FREQUENCY OF DISTRIBUTIONS

After DHLT has been admitted to the Main Board of the SGX-ST, DHLT will make distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates save that DHLT's First Distribution will be for the period from the Listing Date to 30 June 2022 and will be paid by the Manager on or before 30 September 2022. Subsequent distributions will take place on a semi-annual basis as well. Under the Trust Deed, the Manager is required to pay distributions within 90 days after the end of each distribution period.

Source of Distributions

DHLT's primary source of liquidity to fund distributions, servicing of debt, payment of property expenses and capital expenditure will be from the receipts from operations and borrowings, where appropriate.

While the investment strategy of DHLT is to hold its investments for the long-term, in the event that there are gains arising from sales of real properties, and only if such gains are surplus to the business requirements and needs of DHLT, the Manager may, at its discretion, direct the Trustee to distribute such gains. Such gains, if not distributed, will form part of the Deposited Property.

DHLT's ability to make distributions will be subject to its available cash flow. Where the cash flow generated from operations is not sufficient to meet the distributions of DHLT, DHLT may incur borrowings for the purpose of funding such distributions. DHLT's ability to borrow is, however, limited by the Property Funds Appendix. On the other hand, the actual proportion of Annual Distributable Income distributed to Unitholders beyond 2023 may be greater than 90.0% if the Manager believes it to be appropriate, having regard to DHLT's funding requirements, other capital management considerations and the overall stability of distributions.

Under the Property Funds Appendix, if the Manager declares a distribution that is in excess of profits, the Manager should certify, in consultation with the Trustee, that it is satisfied on reasonable grounds that, immediately after making the distribution, DHLT will be able to fulfil, from the Deposited Property, the liabilities of DHLT as they fall due. The certification by the Manager should include a description of the distribution policy and the measures and assumptions for deriving the amount available to be distributed from the Deposited Property. The certification should be made at the time the distribution is declared.

FLOW OF FUNDS DERIVED FROM THE IPO PORTFOLIO TO DHLT

The following sets out the outline of flow of funds derived from the rental income of the IPO Portfolio to DHLT:

(a) The Property Trustee is entitled to rental income from end-tenants pursuant to (i) (in respect of IPO Properties which are multi-tenanted under a pass-through arrangement pursuant to the Master Lease Agreements) tenancy agreements entered into between the Master Lessee and the individual end-tenants of the multi-tenanted properties and (ii) (in respect of single-tenanted IPO Properties) tenancy agreements entered into between the Property Trustee and the end-tenants of the single-tenanted properties.

(b) In respect of the multi-tenanted properties, the Property Manager has been appointed to collect rent from the end-tenants on behalf of the Master Lessee, which is to be paid by the end-tenants directly into the designated bank account of the Property Trustee, in discharge of both (i) the obligations of end-tenants to pay the rental payments to the Master Lessee under the individual tenancy agreements and (ii) the obligation of the Master Lessee to pay master lease rental payments to the Property Trustee pursuant to the pass-through Master

Lease Agreement (See "Certain Agreements Relating to DHLT and the IPO Properties – Master Lease Agreements" for further details). In respect of single-tenanted properties, the Property Manager has been appointed to collect rent from the end-tenants on behalf of the Property Trustee which is to be paid by the end-tenants directly into the designated bank account of the Property Trustee.

(c) Pursuant to the terms of the Trust Agreements, the Property Trustee shall pay trust dividends[1] to the bank accounts of DH TMK and TK Operator (GK2) (as the case may be) as the holders of the relevant TBIs.

(d) TK Operator (GK2) shall distribute to DH TMK, being the sole TK Investor of TK Operator (GK2), the amount held in TK Operator (GK2)'s bank account less the amount reasonably determined by TK Operator (GK2) that should be retained in such bank account for TK Operator (GK2)'s working capital and/or for any payments to be made by TK Operator (GK2) including the payments with respect to any tax laws or relevant regulations (DH TMK, as the sole TK Investor, has agreed that such amounts to make payment with respect to any tax laws or relevant regulations may be retained by TK Operator (GK2) in advance to pursuant to the TK GK2 Agreement).

(e) Pursuant to the terms of the Asset Liquidation Plan of DH TMK, DH TMK shall distribute its distributable profit[2] ("**TMK Distribution**") to its preferred shareholders (being SG SPC 1, which holds 49.9% preferred shareholding in DH TMK, and TK Operator (GK1), which holds 50.1% preferred shareholding in DH TMK) in proportion to the percentage of preferred shares held by each preferred shareholder (please see "Overview of Relevant Laws and Regulations – Japan – Property Ownership and Investment Vehicles – TMK (tokutei mokuteki kaisha) under the Asset Liquidation Act – Specified and Preferred Shares" of this Prospectus for further details). Additionally, if there are cash flows in excess of distributable profit, DH TMK may also repatriate such amounts to its preferred shareholders by way of redemption of preferred shares.

(f) In respect of the 50.1% share of TMK Distribution and redemption proceeds payable to TK Operator (GK1), TK Operator (GK1) shall distribute to SG SPC 2, being the sole TK Investor of TK Operator (GK1) the amount held in TK Operator (GK1)'s bank account less the amount reasonably determined by TK Operator (GK1) that should be retained in such bank account for TK Operator (GK1)'s working capital and/or for any payments to be made by TK Operator (GK1) including the payments with respect to any tax laws or relevant regulations (SG SPC 2, as the sole TK Investor, has agreed that such amounts to make payment with respect to any tax laws or relevant regulations may be retained by TK Operator (GK1) in advance to pursuant to the TK GK1 Agreement).

(g) DHLT, as the sole shareholder of SG SPC 1 and SG SPC 2, shall then receive the dividends payable out of profits available for distribution, or as repayment of shareholders' loans from SG SPC 1 and SG SPC 2 to DHLT, in accordance with the Constitutions of SG SPC 1 and SG SPC 2.

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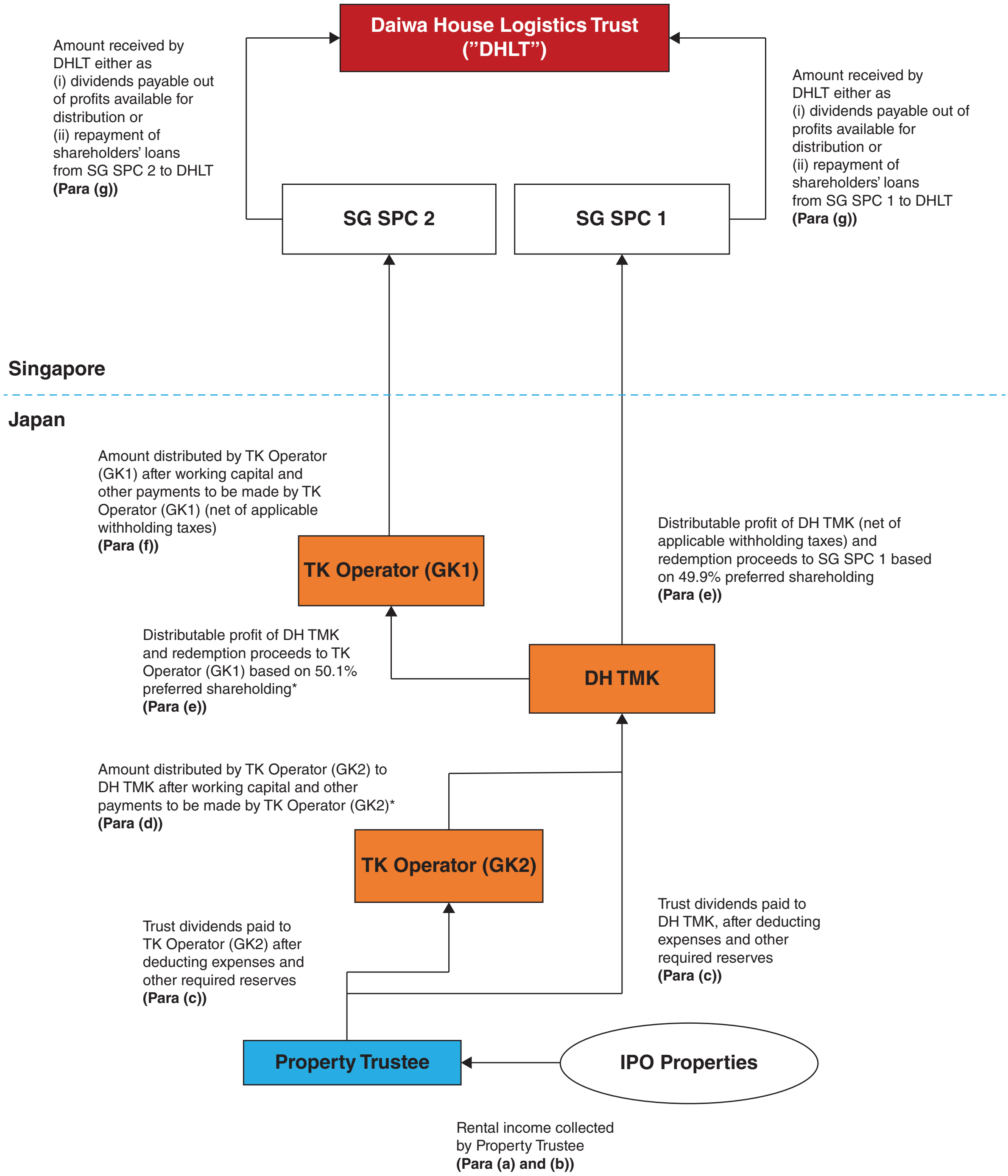
1 This refers to the trust revenue, including rental income from the IPO Properties accrued over each six-month trust calculation period ("**Trust Calculation Period**") after deducting the expenses incurred by the Property Trustee and other required reserves, etc.

2 DH TMK will distribute more than 90.0% of its distributable profit in order to avail itself of favourable tax treatment (Please refer to "Taxation – Japan Tax Overview – Corporate Income Tax– DH TMK" of this Prospectus for further details).

Illustrative diagram for flow of funds derived from the IPO Portfolio to DHLT



** On the basis that the Japanese withholding taxes payable is creditable and fully refunded*

DISTRIBUTION CURRENCY

Distributions will be declared in Singapore dollars.

EXCHANGE RATE INFORMATION AND EXCHANGE CONTROLS

EXCHANGE RATE INFORMATION

The following table set forth, for the period from 2017 to the Latest Practicable Date, information concerning the exchange rates between Japanese yen and Singapore dollars (in Japanese yen per Singapore dollar).

The exchange rates were based on the average between the bid and offer rates of the currency as obtained from Bloomberg L.P.[(1)]. No representation is made that the respective foreign currency amounts actually represent such Singapore dollar amounts or could have been or could be converted into Singapore dollars at the rates indicated, at any other rate, or at all. The exchange rates set out below are historical rates for illustrative purposes only and no representation is made regarding any trends in exchange rates.

	Singapore dollar/Japanese yen[(1)]		
Period ended	**Average**	**High**	**Low**
2017	81.26	84.61	77.68
2018	81.87	85.23	79.63
2019	79.94	82.83	75.92
2020	77.43	81.82	73.93
January 2021	78.23	78.82	77.90
February 2021	79.36	80.23	78.72
March 2021	80.99	82.33	80.21
April 2021	81.70	82.24	81.20
May 2021	82.10	83.05	81.72
June 2021	82.57	83.06	81.94
July 2021	81.36	82.69	80.28
August 2021	81.07	81.80	80.41
September 2021	81.72	82.27	80.75
October 2021	83.77	85.08	81.74
1 November 2021[(2)]	84.55	84.55	84.55

Notes:

(1) **Source**: Bloomberg. Bloomberg has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the relevant report published by Bloomberg is reproduced in its proper form and context, and that the information is extracted accurately and fairly, neither the Manager nor any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

(2) Up to the Latest Practicable Date.

EXCHANGE CONTROLS

Japan

Under the current Foreign Exchange and Foreign Trade Act of Japan (Law No. 228 of 1949, as amended) (the "**Foreign Exchange Act**"), cash dividends and other cash distributions payable in Japanese yen by TK Operator (GK1) or DH TMK or (if any) other similar Japanese SPCs that will not engage in businesses other than holding logistics properties in Japan which may be established in the future for the purpose of holding DHLT Properties in Japan may be converted into foreign currency and freely transferred to SG SPC1 or SG SPC2 or (if any) other similar Singapore SPCs which may be established in the future as DHLT's subsidiaries. The transferor of such cash distributions in Japan are subject to the post-facto reporting requirements unless it is exempted.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the pro forma capitalisation of DHLT as at the Listing Date and after application of the total proceeds from the Offering and the issuance of the Sponsor's Subscription Units and the Cornerstone Units. The information in the table below should be read in conjunction with "Use of Proceeds".

	Pro forma as at the Listing Date (S$'000)
Borrowings	**421,053**
Unitholders' funds (gross of issue costs)	540,000
Perpetual Securities	35,482
Total borrowings and capitalisation	996,535

PERPETUAL SECURITIES

As the Sponsor's unitholding in DHLT cannot exceed 15% for the reason set out in this Prospectus in the section titled "Ownership of the Units" – Units to be issued to the Sponsor", to demonstrate Sponsor's commitment to DHLT, the Sponsor has agreed to subscribe for the Perpetual Securities which will, among others, be perpetual, deeply subordinated to the other creditors of DHLT, irredeemable at the holder's option and carry no voting rights. Pursuant to the subscription agreement ("**Perpetual Securities Subscription Agreement**") entered into on 9 November 2021 between the Trustee, the Manager and the Sponsor (the "**Perpetual Securityholder**"), the Perpetual Securityholder will subscribe for JPY 3.0 billion Perpetual Securities (which will amount to an additional investment of up to 6.6% of DHLT's Unitholders' funds (gross of issue costs) as of the Listing Date) to be issued by DHLT on the Listing Date.

Depending on market conditions, DHLT may issue new series of perpetual securities to third parties and/or to the public after the IPO on such terms and conditions as may be determined by the Manager which may be different from the terms and conditions of the Perpetual Securities.

Announcements will be made to SGX-ST upon any redemptions or cancellations and prior to the payment of any Perpetual Security Distribution (as defined herein). Such payments of Perpetual Security Distributions shall also be reflected in the financial statements of the periodic announcements of DHLT's financial results, including in its annual reports. The table below sets out the key terms of the Perpetual Securities.

Issuer	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of DHLT) ("**Issuer**")
Issue	JPY-denominated Perpetual Securities to DHI
Status	Direct, unconditional, unsecured and subordinated obligation of DHLT
Issuer/Issue Rating	Unrated
No Fixed Maturity	Save for the specific circumstances provided herein the Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right (but not the obligation) to redeem or purchase them in accordance with the provisions of the conditions of the Perpetual Securities.
Issue Size	JPY 3,000,000,000

Settlement Date	To be settled in conjunction with the IPO units and for the Perpetual Securities to be issued on the Listing Date
Form and Denomination	In registered form in denomination of JPY 20,000,000
Governing Law	Singapore Law
Listing	Unlisted
Distribution Basis	The Perpetual Securities in issue shall entitle the Perpetual Securityholder to receive a distribution (the "**Perpetual Security Distribution**") of an amount equivalent to the Initial Distribution Rate of 2.95% per annum. The Perpetual Security Distribution will be paid on a semi-annual basis in arrear on 30 September and 31 March of each year and the first Perpetual Security Distribution payment date will be on or before 31 March 2022. Any and all decisions regarding the declaration of any Perpetual Security Distribution shall be at the sole and absolute discretion of DHLT. For the avoidance of doubt, DHLT shall have no obligation to pay any Perpetual Security Distribution. However, if DHLT elects not to pay the Perpetual Security Distribution on a payment date, certain restrictions will apply on DHLT as described in the section "Dividend Stopper" below.
Redemption at the Option of the Issuer	Applicable on every Reset Date (as described below) upon DHLT giving not less than 30 nor more than 60 days' notice to the Perpetual Securityholder. For the avoidance of doubt, the Perpetual Securities are redeemable in whole and not in parts. There are other specific circumstances under which DHLT may redeem the Perpetual Securities as described in the section "Redemption on specific instances" below.
Initial Distribution Rate	2.95 per cent. per annum
Initial Spread	2.924 per cent. per annum
Distribution Deferral	At DHLT's discretion. Any deferred distributions are non-cumulative and do not accrue interest and any failure to pay a Perpetual Security Distribution in whole or in part shall not constitute a default of DHLT in respect of the Perpetual Securities.
Reset	Applicable as follows: (i) First Reset Date: The date falling 5 years from the date of issuance (ii) Reset Date(s): The First Reset Date and each date falling every 5 years after the First Reset Date (iii) Reset Period: Every 5 years (iv) Relevant rate: JPY 5-year mid Interest Rate Swap ("**IRS**") (v) Step-Up Margin: Not Applicable

Reset Distribution Rate	IRS with respect to the First Call Date or the relevant Reset Date (as the case may be) plus the Initial Spread per annum
Distribution Rate Step-Up	Not Applicable
Dividend Pusher	Not Applicable
Dividend Stopper	Applicable. If, on any Perpetual Security Distribution payment date, DHLT elects not to pay (or to pay only part of) a Perpetual Security Distribution scheduled to be made on such date, DHLT may not declare or pay any distributions on the Units, unless and until: (i) a redemption of all the outstanding Perpetual Securities has occurred; (ii) the next scheduled Perpetual Security Distribution has been paid in full; or (iii) an optional distribution equal to the amount of Perpetual Security Distribution payable with respect to the most recent Perpetual Security Distribution payment period is paid to the Perpetual Securityholder. (See "Certain Agreements Relating to DHLT and the IPO Properties – Perpetual Securities Subscription Agreement" and refer to paragraph 4(d) of that section.)
Use of Proceeds	Net proceeds from the issue of the Perpetual Securities will be used for the acquisition of the Initial Portfolio, general working capital, capital expenditure and corporate requirements (including acquisitions and investments) of DHLT.
Ranking at liquidation	In the event of the commencement of any dissolution or winding up of DHLT, the Perpetual Securities shall rank: (i) junior to (a) all debt of DHLT (including, without limitation, all costs of the Trustee in its capacity as trustee of DHLT (including, but not limited to, liabilities owed to the Perpetual Securityholder or any unitholder of DHLT who is a creditor of DHLT), and (b) any securities or ownership interests and all obligations of DHLT that are expressed to rank senior to the Perpetual Securities; (ii) pari passu with (a) each other and (b) any other securities and all obligations of DHLT that are expressed to rank pari passu with the Perpetual Securities; and (iii) senior to the Units.

Redemption on specific instances	The Perpetual Securities shall be redeemable at the option of DHLT in its sole discretion in the following circumstances: (i) at DHLT's option as described above; (ii) for accounting reasons; (iii) for tax reasons; and (iv) upon a regulatory event. The Perpetual Securities shall also be redeemed by DHLT if Daiwa House Asset Management Asia Pte. Ltd. is removed as manager of DHLT by Unitholders passing a resolution pursuant to a vote of a simple majority of Unitholders present and voting (with no Unitholders being disenfranchised) at a meeting of Unitholders, provided that such redemption shall not take place until after six months (or as may be extended by the Sponsor at its sole discretion) from the removal of Daiwa House Asset Management Asia Pte. Ltd. as manager of DHLT and the appointment of a replacement manager, subject always to the Mandatory Redemption Undertaking. For the avoidance of doubt, the Perpetual Securities are redeemable in whole and not in parts. The Perpetual Securities are not redeemable at the option of the Perpetual Securityholder.
Voting Rights in DHLT	None
Default	If a winding-up of DHLT occurs or DHLT fails to make any payment in respect of the Perpetual Securities for a period of 15 business days or more after the date on which such payment is due, DHLT shall be deemed to be in default under the Perpetual Securities and the Perpetual Securityholder may initiate proceedings against DHLT. For the avoidance of doubt, in the case of any Perpetual Security Distribution, such distribution will not be considered due if DHLT has elected not to pay that distribution in whole or in part, to the extent of the amount so elected to be unpaid.

(See "Certain Agreements Relating to DHLT and the IPO Properties – Perpetual Securities Subscription Agreement" for further details on the terms and conditions of the Perpetual Securities.)

Given that the principal amount of the Perpetual Securities of around JPY 3.0 billion (approximately S$35.5 million) is relatively small, the Unitholders will have various options (including the incurring of debt, or issuance of new equity) to raise funds to fully redeem the Perpetual Securities in the event that DHAMA is removed pursuant to a vote of the Unitholders passing a resolution by a simple majority of Unitholders present and voting (with no Unitholders being disenfranchised) at a general meeting as manager of DHLT and is replaced by a replacement manager. In addition, the Sponsor has agreed to give DHLT a grace period of six months (or as may be extended by the Sponsor at its sole discretion) after DHAMA ceases to be the manager of DHLT and a replacement manager has been appointed for DHLT to raise funds for the redemption of the Perpetual Securities and has also given the Mandatory Redemption Undertaking, it is unlikely that DHLT will have difficulties in financing a mandatory redemption of the Perpetual Securities.

Mandatory Redemption Undertaking

The Sponsor has, on 19 November 2021, given an undertaking to the issuer of the Perpetual Securities that in the event that the failure of DHLT to perform its mandatory redemption obligation in accordance with the terms and conditions of the issuance of the Perpetual Securities would result in an event of default or cross-default of any one or more of DHLT's loan facilities, the Sponsor will not enforce its rights against DHLT's failure to meet its mandatory redemption obligation (the "**Mandatory Redemption Undertaking**") provided that:

(a) DHLT and the replacement manager and trustee of DHLT have demonstrated that they have used best endeavours to raise financing (whether by debt or equity or otherwise) to fully redeem the Perpetual Securities but have not been able to do so; and

(b) DHLT shall use its best endeavours to fulfil the mandatory redemption obligation as soon as practicable, and until such time the Perpetual Securities have been fully redeemed, save as required by law or to fulfil DHLT's then existing obligations immediately prior to the appointment of the replacement manager, DHLT shall not raise additional equity or debt for any purpose other than for purposes of redeeming all the Sponsor's Perpetual Securities and/or for general refinancing purposes.

INDEBTEDNESS

On or about the Listing Date, DHLT, through DH TMK, will have in place debt facilities aggregating JPY 35.6 billion (approximately S$421.1 million):

(a) JPY 29.0 billion loan facilities from a syndicate of lenders (the "**Facilities Lenders**") arranged by Sumitomo Mitsui Trust Bank Limited (the "**Acquisition Loan Facilities**"). The Acquisition Loan Facilities are expected to comprise three tranches with a maturity period of three years, four years and five years respectively in the form of loan;

(b) JPY 5.6 billion consumption tax loan from Sumitomo Mitsui Trust Bank Limited with a maturity period of one year (the "**Consumption Tax Loan**" and collectively with the Acquisition Loan Facilities, the "**Loan Facilities**"); and

(c) JPY 1.0 billion specified bonds issued to Sumitomo Mitsui Trust Bank Limited with a maturity period of five years (the "**Specified Bonds**", and collectively with the Loan Facilities, the "**TMK Debt Facilities**").

DH TMK is issuing the Specified Bonds in order for DH TMK to enjoy special tax treatment.

(See "Overview of Relevant Laws and Regulations – Japan – Specified Bonds and Loans" of this Prospectus for further details of the debt financing DH TMK may obtain and "Taxation – Japan Tax Overview – Special tax treatment of a TMK" for details of the special tax treatment of DH TMK.)

The Facilities Lenders include (i) Sumitomo Mitsui Banking Corporation, which is an affiliate of SMBC Nikko Capital Markets Limited, one of the Joint Bookrunners and Underwriters, (ii) Mizuho Bank, Ltd., which is an affiliate of Mizuho Securities (Singapore) Pte. Ltd., one of the Joint Bookrunners and Underwriters and (iii) MUFG Bank, Ltd., which is an affiliate of Mitsubishi UFJ Financial Group, Inc. ("**MUFG**"). MUFG is a substantial shareholder of Morgan Stanley, the parent company of Morgan Stanley Asia (Singapore) Pte., one of the Joint Bookrunners and Underwriters.

In the event of the commencement of any dissolution or winding up of DHLT, the claims by the lenders or the bondholders under the TMK Debt Facilities (for the avoidance of doubt, including the Specified Bonds) take preference over the claims by the shareholders including the preferred shareholders (i.e., SG SPC 1 and TK Operator (GK1)) and the specified shareholders (i.e., SG SPC 1 and ISH (TMK)) of DH TMK.

The following interest rates are payable: (i) (in relation to the Acquisition Loan Facilities) the all-in interest rate across all the three-year, four-year and five-year maturity tranches, the bank loan credit margin and the base interest rate is expected to be 1.10% per annum (including upfront fees), (ii) (in relation to the Consumption Tax Loan) the all-in interest rate, the bank loan credit margin and the base interest rate is expected to be 1.37% per annum (including upfront fees), and (iii) (in relation to the Specified Bonds) the all-in interest rate, the bank loan credit margin and the base interest rate is expected to be 1.10% per annum (including upfront fees). The Acquisition Loan Facilities and the Specified Bonds will be used for the acquisition of the IPO Portfolio (including TK contributions to TK Operator (GK2) for its acquisition of the IPO Portfolio) and ancillary expenses (including maintenance costs for DH TMK and TK Operator (GK2)) and the Consumption Tax Loan will be used for the payment of the consumption tax which is refundable, expenses ancillary to the acquisition of the IPO Portfolio and maintenance costs for DH TMK and TK Operator (GK2)).

The consumption tax is payable in relation to the acquisition of the IPO Portfolio, as well as consumption tax associated with relevant IPO costs, acquisition costs for acquiring the properties and loan upfront costs, all at the prevailing rate of 10%, payable by DH TMK and TK Operator (GK2). DH TMK and TK Operator (GK2) can however credit the consumption tax paid (i.e. input tax) against the consumption tax that they collected (i.e. output tax) when they file their respective consumption tax returns for the first fiscal period ending 31 December 2021. The input consumption tax paid on the acquisitions will exceed the output consumption tax for that period and under the Japanese law relating to consumption tax, the excess is refundable. The consumption tax returns will be filed in the first quarter of 2022 and it typically takes about two to three months for the Japanese tax authorities to refund the tax. Accordingly, such consumption tax paid is expected to be refunded by the end of June 2022.

The consumption tax refund will be used to repay the Consumption Tax Loan, and as such, the Consumption Tax Loan of JPY 5.6 billion is expected to be repaid on the interest payment date immediately following the second business day after the consumption tax refund (and in any event no later than the maturity date of the Consumption Tax Loan). Below sets out a numerical example illustrating how the refund is computed and used to repay the Consumption Tax Loan[1].

- Consumption tax paid by DH TMK on acquisitions (input tax): S$1,000
- Consumption tax collected (output tax) by DH TMK: S$50
- First consumption tax filing will show an excess of input tax over output tax of S$950 (i.e. S$1,000 – S$50), which is refundable.
- With the refund (S$950) and output tax collected (S$50), DH TMK will have S$1,000 to repay the Consumption Tax Loan as disclosed in the Prospectus.

A refund of consumption tax is common in Japanese real estate transactions and it is not expected that there will be any compliance issues if the refund is duly processed.

The TMK Debt Facilities will be partially or wholly drawn down or issued on or about the Listing Date for a total amount of JPY 35.6 billion (approximately S$421.1 million). The Aggregate Leverage on the Listing Date is expected to be approximately 43.8% as a percentage of the value of the Deposited Property (which will as at the Listing Date, be computed taking into account the aggregate purchase price for the IPO Portfolio).[2] After the repayment of the Consumption Tax Loan, the Aggregate Leverage is expected to drop to approximately 36.9%.

The TMK Debt Facilities contain covenants which are typical for financings of such nature. The material covenants require, inter alia, the following.

Financial Covenants

DH TMK is required to maintain

(i) a portfolio loan-to-value ratio of less than 55%; and

(ii) a portfolio synthetic debt service coverage ratio of no less than the standard value of 1.2,

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1 Figures used in the numerical example are hypothetical.

2 Aggregate Leverage is computed by total borrowings divided by total assets computed using the aggregate purchase price of the IPO Portfolio (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).

(collectively, the "**Financial Covenants**"), in each case as determined in accordance with the terms of the TMK Debt Facilities. The Financial Covenants would have been complied with by the Listing Date. They are also required to be satisfied as at the end of June and December of each year ("**Accounting Period End Date**").

In the event that DH TMK fails to satisfy either or both of the Financial Covenants on an Accounting Period End Date ("**Financial Covenants Breach**"), DH TMK shall immediately notify the agent and among others, immediately comply with the following:

(1) DH TMK shall not undertake any new borrowings or issue new specified bonds from the time of a Financial Covenants Breach until the satisfaction of all Financial Covenants on a subsequent Accounting Period End Date ("**Financial Covenants Breach Period**"), save in respect of (i) borrowings to be undertaken by DH TMK to refinance DH TMK's existing borrowings, provided that the refinancing amount shall be no greater than the existing borrowings, and (ii) the issuance of specified bonds to refinance issued specified bonds, provided that the value issued shall be no greater than the issue price of issued specified bonds;

(2) During a Financial Covenants Breach Period, DH TMK shall not pay to its preferred shareholders dividends, redemptions pertaining to reduction in capital, or any other monies whatsoever, except for cases where (i) DH TMK obtains the consent of majority of the lenders and bondholders or (ii) DH TMK pays the preferred shareholders dividends by using the proceeds of newly issued preferred shares only for the purpose of, and to the extent of, satisfying the tax conduit requirements;

(3) During a Financial Covenants Breach Period, DH TMK shall not sell the TBI (or its underlying real property) or the TK interests, or newly acquire any TBI or TK interests, or cause GKs to which DH TMK makes TK contributions to sell or newly acquire the TBI (or its underlying real property) unless (i) DH TMK has obtained the consent of all lenders and bondholders, or (ii) the total unpaid principal of all loans and accrued interest and break costs (if any) corresponding thereto, and the unpaid principal of the specified bonds and accrued interest and break costs (if any) corresponding thereto, will be repaid in full as a result of the sale of the TBI (or its underlying real property) or the sale of the TK interests. Lenders and bondholders shall not unreasonably withhold or delay consent if it is clear that Financial Covenants Breach will be resolved after the sale of the TBI (or its underlying real property) or the TK interests, or the acquisition of the TBI or the TK interests; and

(4) DH TMK shall, except for permitted as provided in (3) above, deposit to and maintain in the funds reserve account an amount sufficient for the anticipated payments by DH TMK to its preferred shareholders on the next monetary distribution date (scheduled date of payment to the preferred shareholders of dividends, redemption pertaining to reduction in capital, and all other money whatsoever) arriving immediately after the date on which the Financial Covenants Breach occurred. If a Financial Covenants Breach has arisen on two consecutive Accounting Period End Dates, DH TMK shall make prepayment of all or part of the unpaid principal of the loans and the specified bonds by using the balance in the funds reserve account.

Prohibited Matters

So long as the TMK Debt Facilities are outstanding, DH TMK shall not conduct any of the following acts unless DH TMK obtains the consent of all the lenders and bondholders under the loan master agreement (save for item (viii) below, which only requires the consent from the majority of the lenders and bondholders),[1] including but not limited to:

(i) Change or addition of directors or auditors, hiring of employees;[2]

(ii) Borrowing not in accordance with the loan master agreement or issuance of bonds other than specified bonds;

(iii) Issuance of new specified shares or preferred shares (excluding the case of issuance to each preferred shareholders as of the Listing Date of preferred shares of the same nature as the preferred shares that has already been issued so that there is no change in the equity ratios of preferred shareholders);

(iv) Granting of approval for assignment or other disposal of the specified shares;

(v) Amendment of the asset liquidation plan;

(vi) Changing the parent company[3] of the Japan Asset Manager; and

(vii) Execution of agreements other than agreements intended to be executed pursuant to the Related Agreements[4] or the business plan (excluding agreements normally occurring in the ordinary course of DH TMK's business under which it incurs payment obligations of less than JPY 5 million per agreement.

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1 Such consent shall not be unreasonably refused, withheld or delayed if the lenders and bondholders are reasonably able to determine that the subject matter will not adversely affect DHTMK's ability to perform its obligations under the TMK Debt Facilities.

2 It is noted that DH TMK has no employees. Under the terms of the TMK Debt Facilities in the event of a change of director or statutory auditor, DH TMK will not require the consent of the lenders and bondholders where a new director or statutory auditor is a certified public accountant, tax accountant or other qualified professional in Japan who is independent from the Japan Asset Manager, SG SPC 1, and the sellers of the TBIs ("**Independent Officer**") so long as (i) the change or addition of the director or statutory auditor is notified to the lenders and bondholders in advance and (ii) the new director or statutory auditor provides a non-petition letter to the lenders, under which the director or auditor undertakes, inter alia, not to file a petition in bankruptcy or other insolvency proceedings against DH TMK.

3 **"Parent Company"** means a parent company defined under the Companies Act of Japan as a company which has a majority of voting rights of the subject company or which has control over the management of the subject company.

4 **"Related Agreements"** means (i) agreements related to the TMK Debt Facilities (namely, loan master agreement, individual loan agreements, any other facility agreements (if any), any commitment line agreements (if any), agreements to create security interests, individual specified bonds subscription agreement (including terms and conditions of the specified bonds), individual fiscal agency agreement and related parties agreement), (ii) agreements related to the structure (namely, preferred shares subscription agreements, asset management agreements, TK agreements, related parties agreement, service agreements with JLL or Earthtax and TMK audit service agreement); and (iii) agreements related to the property (namely, property trust agreements, trust beneficiary PSAs and agreements between co-owners or co-rightholders (if any)).

Similarly, so long as the TMK Debt Facilities are outstanding, TK Operator (GK2) shall not conduct any of the following acts, unless TK Operator (GK2) obtains the consent of all the lenders and bondholders under the loan master agreement,[1] including but not limited to:

(i) Change or addition of member or operating officer, hiring of employees;[2]

(ii) Borrowing not in accordance with the Related Agreements or issuance of bonds;

(iii) Issuance of new equity interests;

(iv) Granting of approval for assignment or other disposal of the equity interests; and

(v) Execution of agreements other than agreements intended to be executed pursuant to the Related Agreements or the business plan (excluding agreements normally occurring in the ordinary course of TK Operator (GK2)'s business under which it incurs payment obligations of less than JPY 5 million per agreement.

Restrictions on Payments to Preferred Shareholders

DH TMK will be prohibited from making payments of dividends or redemptions pertaining to reduction in capital to its preferred shareholders if (a) an Event of Default (as defined below) or Potential Event of Default (meaning circumstances that will constitute an Event of Default as a result of the elapse of time, or notification, or both) has occurred, (b) it is in Financial Covenants Breach, or (c) there is specific potential for Financial Covenants Breach as a result of the redemption pertaining to reduction in capital.

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1 Such consent shall not be unreasonably refused, withheld or delayed if the lenders and bondholders are reasonably able to determine that the subject matter will not adversely affect DHTMK's ability to perform its obligations under the TMK Debt Facilities.

2 It is noted that neither TK Operator (GK2) nor ISH (GK) has any employees. Under the terms of the TMK Debt Facilities, TK Operator (GK2) is required to maintain one (and no more than one) operating officer (*shokumu shikkosha*) and ISH (GK) is required to maintain one (and no more than one) manager (*riji*), neither of whom is an employee of the respective entity. Further, in the event of a change of the operating officer, TK Operator (GK2) will not require the consent of the lenders and bondholders where a new operating officer is an Independent Officer so long as (i) the change of the operating officer is notified to the lenders and bondholders in advance and (ii) the new operating officer provides a non-petition letter to the lenders, under which the operating officer undertakes, inter alia, not to file a petition in bankruptcy or other insolvency proceedings against TK Operator (GK2). For the avoidance of doubt, ISH (GK) must obtain the consent of the lenders and bondholders when there is a change of employee, but given that its manager (*riji*) is not an employee, ISH (GK) does not need to obtain such consent if there is any change of the manager (*riji*), so long as the manager (*riji*) provides a non-petition letter to the lenders, under which the manager (*riji*) undertakes, inter alia, not to file a petition in bankruptcy or other insolvency proceedings against TK Operator (GK2).

Events of Default

The occurrence of any of the following events with respect to DH TMK or the Borrower Related Parties (as defined in (i) below) shall constitute events of default under the TMK Debt Facilities ("**Events of Default**"):

(i) DH TMK, its specified member or preferred shareholders, TK Operator (GK2) or the Japan Asset Manager[1] (collectively, the "**Borrower Related Parties**") suspend payments or become unable to pay their debts. Borrower Related Parties are subject to petition for commencement of applicable insolvency proceedings or commencement of special conciliation proceedings;

(ii) Borrower Related Parties are subject to suspension of dealings with a clearing house, suspension of dealings with densai.net Co., Ltd., or other equivalent measure by an electronic monetary claim recording institution;

(iii) Borrower Related Parties adopt a resolution to dissolve or are subject to a dissolution order (excluding mergers), or liquidation proceedings have been initiated with respect to Borrower Related Parties;

(iv) DH TMK is subject to acceleration with respect to any of the loans or other borrowings;

(v) Specified bonds have been accelerated;

(vi) Borrower Related Parties discontinue business;

(vii) (A) A Borrower Related Party has breached its obligation under any agreement related to the TMK Debt Facilities or (B) DH TMK or TK Operator (GK2) has failed to perform a monetary obligation;

(viii) (A) The representations and warranties made by DH TMK or TK Operator (GK2) under the Related Agreements or (B) the Borrower Related Parties' representations and warranties under the Related Agreements, are found to be untrue in a material respect;

(ix) Financial Covenants Breach has arisen on three consecutive Accounting Period End Dates;

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1 Given that the Japan Asset Manager is integral to the TMK structure where DH TMK is a bankruptcy-remote vehicle that typically does not exercise its own discretion and will act on the instructions of the Japan Asset Manager, the lenders and bondholders require the conditions relating to the Japan Asset Manager to be included in debt facilities such as the TMK Debt Facilities. As such, these conditions relating to the Japan Asset Manager are included solely at the request of the lenders and bondholders and not included for the purpose of entrenching the Japan Asset Manager. It is noted DHREIM is a licensed financial instruments business operator under the FIEA. Under the FIEA and the TMK Asset Management Agreement, DHREIM owes a duty of care and a fiduciary duty to DH TMK and TK Operator (GK2), and if the acts of DHREIM result in a breach of the terms of the TMK Debt Facilities and/or an Event of Default under the TMK Debt Facilities, DH TMK will be entitled to remove DHREIM for cause under the TMK Asset Management Agreement and to seek compensation from DHREIM for the losses suffered by DH TMK as a result of such breach or Event of Default.

(x) Borrower Related Parties have failed to perform all or any part of material obligations under the Related Agreements, or Borrower Related Parties' representations and warranties under the Related Agreements are found to be untrue in a material respect;[1]

(xi) Orders for or notifications of provisional attachment, provisional disposition, preservative attachment, disposition for tax delinquency, or attachment have been sent with respect to all or any part of the assets held by Borrower Related Parties;

(xii) Borrower Related Parties are in arrears for taxes or other public charge;

(xiii) Borrower Related Parties are in violation of the FIEA or any other law or regulation in a material respect;

(xiv) All or a part of the security interests established for the TMK Debt Facilities have lost effect or are no longer perfected;

(xv) There is a fire, natural disaster such as an earthquake, explosion, or other accident in any building pertaining to the TBI, resulting in the loss or damage of such building, and it is objectively and reasonably recognised that (a) it is difficult for DH TMK to continue its business and (b) it is extremely difficult for DH TMK to repay debts under the TMK Debt Facilities;

(xvi) Daiwa House Real Estate Investment Management Co., Ltd. has ceased to be DH TMK's asset manager or the asset management agreement with respect to DH TMK has been terminated and a new asset management agreement has not been executed;

(xvii) DH TMK's preferred shares are transferred to a third party without the all lenders' prior written consent; or

(xviii) Any other event has occurred that objectively demonstrates a significant deterioration in the financial condition or creditworthiness of DH TMK or TK Operator (GK2) such that it is objectively and reasonably necessary to accelerate for the purpose of preserving lenders' or bondholders' claims.

Security Interests in connection with the Loan Facilities

The following security interests will be created to secure the obligations of DH TMK as the borrower under the Loan Facilities:

(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);

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1 From the lenders' perspective, in addition to the importance of DH TMK fulfilling its obligations as the Borrower, all of the Borrower Related Parties are essential for the investment structure and their obligations under the Related Agreements are important for the certainty of repayment of the TMK Debt Facilities for the following reasons: (i) (in respect of the specified shareholders and preferred shareholders of DH TMK) they make decisions for DH TMK and provide equity investments to DH TMK respectively, (ii) (in respect of TK Operator (GK2)) TK Operator (GK2) holds the GK2 Properties, which are held as TK interests by DH TMK and (iii) (in respect of the Japan Asset Manager) given that DH TMK is a bankruptcy-remote vehicle that typically does not exercise its own discretion and will act on the instructions of the Japan Asset Manager, DHLT's investment structure relies on the capability of the Japan Asset Manager to manage and operate the underlying assets located in Japan. Under the Loan Master Agreement, in the event of material breach of a Related Agreement or material incorrectness in representations and warranties under a Related Agreement, such material breach or material incorrectness only becomes an Event of Default if it is not remedied within 30 days of the breach or incorrectness.

(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).

Security Interests in connection with the Specified Bonds

A general security lien (*ippan tanpo*) will also be created to secure the obligations of DH TMK as the issuer of the Specified Bonds. The subject of such general security lien (*ippan tanpo*) is the assets of DH TMK, which are, in substance, TBIs and TK interests in GKs. The Asset Liquidation Act grants to 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 is subordinated to the above security interests (i) to (iii) and (v) held by DH TMK's lenders, but takes preference over other unsecured creditors. Unless otherwise provided in the asset liquidation plan, that general security lien is automatically created by operation of law.

Other Covenants

The TMK Debt Facilities also contain covenants that require Daiwa House Real Estate investment Management Co., Ltd., (*i.e.* the Japan Asset Manager) to not change its parent company without obtaining the consent of all the lenders and bondholders. If (i) the Japan Asset Manager ceases to be the asset manager of DH TMK or (ii) the TMK Asset Management Agreement terminates and a new asset management agreement with content reasonably satisfactory to all lenders is not executed with a successor asset manager reasonably approved by the lenders and DH TMK within 30 days of such termination, this shall be an event of default which entitles Sumitomo Mitsui Trust Bank, Limited, as agent, to request for immediate repayment under the TMK Debt Facilities.

As such, while the change in control provision in the TMK Debt Facilities relates to the Japan Asset Manager and is not a specified condition within the ambit of Rule 704(31) of the Listing Manual, the Sponsor and DHREIM has each provided the respective undertakings to the Manager and the Trustee:

(i) (in respect of the undertaking provided by the Sponsor) for so long as DHI is a controlling shareholder of the Manager, DHI will notify the Manager and the Trustee as soon as it becomes aware of (x) the details of any share pledging arrangement (or other arrangements having similar legal or economic effect) relating to all or any of the shareholding interests in DHREIM held by DHI, (y) the details of any expected changes to DHI's shareholding in DHREIM which will result in DHI ceasing to hold more than a majority of the voting rights of DHREIM, or (z) and the details of any event which will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the TMK Debt Facilities; and

(ii) (in respect of the undertaking provided by DHREIM) for so long as DHREIM is the asset manager of DH TMK, it will notify the Manager and the Trustee as soon as it becomes aware of the details of any event which will be an event of default, an enforcement event or an event that would cause acceleration of the repayment of the TMK Debt Facilities.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and based on the assumptions and accounting policies set out in Appendix C "Unaudited Pro Forma Consolidated Financial Information", and hence, may not give a true picture of the actual profit or loss and financial position of DHLT. The Unaudited Pro Forma Financial Information should be read together with these assumptions and accounting policies. As DHLT was only newly constituted on 2 November 2021, there are no historical audited financial statements for DHLT Group.

Unaudited Pro Forma Consolidated Statement of Financial Position[(1)]

	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
Current assets:		
Cash and cash equivalents	15,389	15,389
Restricted cash	51,610	51,610
Prepaid expenses and other assets	77,351	77,351
Total current assets	**144,350**	**144,350**
Non-current assets:		
Investment properties	1,070,554	1,069,025
Total non-current assets	**1,070,554**	**1,069,025**
Total assets	**1,214,904**	**1,213,375**
Current liabilities:		
Loans and borrowings	66,233	66,233
Lease liability	3,449	3,486
Total current liabilities	**69,682**	**69,719**
Non-current liabilities:		
Loans and borrowings	345,618	345,618
Lease liability	200,345	198,592
End-tenants' security deposits	32,520	32,520
Other liabilities	17,486	17,673
Total non-current liabilities	**595,969**	**594,403**
Total liabilities	**665,651**	**664,122**
Net assets	**549,253**	**549,253**
Represented by:		
Unitholder funds	**513,771**	**513,771**
Perpetual securities	**35,482**	**35,482**
	549,253	**549,253**
Units in issue ('000)	**675,000**	**675,000**
Net asset value per Unit (S$)	**0.76**	**0.76**

Note:

(1) Based on the Offering Price of S$0.80 per Unit and Exchange Rate of S$1 = JPY 84.55.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

	1 January to 31 December			1 January to 30 June	
	FY2018	**FY2019**	**FY2020**	**1H2020**	**1H2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Gross revenue	40,642	58,695	71,019	35,087	34,351
Property operating expenses	(11,331)	(14,278)	(16,238)	(8,126)	(7,597)
Net property income	**29,311**	**44,417**	**54,781**	**26,961**	**26,754**
Manager's Management Fee	–	(1,290)	(5,135)	(2,528)	(1,967)
Japan Asset Management Fees	(1,025)	(1,251)	(1,380)	(684)	(647)
Trustee's Fee	(255)	(287)	(307)	(153)	(145)
Trust expenses	(2,320)	(2,019)	(2,147)	(1,077)	(1,017)
Finance expenses	(9,792)	(9,695)	(9,631)	(4,859)	(4,522)
Net income before tax and fair value change in investment properties	**15,919**	**29,875**	**36,181**	**17,660**	**18,456**
Fair value change in investment properties(1)	(6,888)	(6,947)	(4,070)	(2,044)	(797)
Tax expenses	(1,365)	(3,335)	(5,013)	(2,446)	(2,627)
Total returns	**7,666**	**19,593**	**27,098**	**13,170**	**15,032**
Attributable to:					
Unitholders	6,583	18,487	25,952	12,596	14,489
Perpetual Securities	1,083	1,106	1,146	574	543
Total returns	**7,666**	**19,593**	**27,098**	**13,170**	**15,032**

Note:

(1) Fair value change in investment properties comprises adjustments to (i) recognise a fair value loss related to lease commission fees, (ii) recognise a fair value change for the current period's effects of straight-line rent and (iii) account for recognition of fair value changes relating to asset retirement obligation and right-of-use asset in accordance with the adoption of IFRS 16 Leases from 1 January 2019.

Unaudited Pro Forma Consolidated Statement of Cash Flows

	1 January 2020 to 31 December 2020 FY2020 S$'000	1 January 2021 to 30 June 2021 1H2021 S$'000
Cash flows from operating activities:		
Net income before tax	38,718	18,637
Adjustments for:		
Manager's fee paid/payable in Units	916	605
Finance expenses	402	193
Amortisation of deferred financing costs	2,168	887
Amortisation of prepaid expenses	411	195
Fair value change in investment properties	(1,594)	390
Subtotal of net income before working capital changes	41,021	20,907
Changes in working capital:		
Prepaid expenses and other assets	(72,707)	–
Net cash flows (used in)/generated from operating activities	**(31,686)**	**20,907**
Cash flows from investing activities:		
Acquisition of investment properties and related assets and liabilities	(852,327)	–
Acquisition costs	(9,134)	–
Cash flow used in investing activities	**(861,461)**	**–**
Cash flows from financing activities:		
Repayments of lease liability	(3,696)	(1,781)
Proceeds from issuance of units	540,000	–
Payment of IPO fees	(26,229)	–
Proceeds from perpetual securities	37,147	–
Proceeds from debt financings	440,812	–
Payments of deferred financing costs	(9,633)	–
Distribution to unit holders	(17,418)	(13,255)
Withholding taxes	(2,302)	(1,590)
Payments of perpetual securities interest	(1,146)	(543)
Restricted cash for financing activities	(57,850)	–
Cash flow generated from/(used in) financing activities	**899,685**	**(17,169)**
Net increase in cash and cash equivalents	**6,538**	**3,738**
Cash and cash equivalents at beginning of the year	–	6,251
Effect of exchange rate changes on cash and cash equivalents	(287)	(332)
Cash and cash equivalents at end of the year	**6,251**	**9,657**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The "Management's Discussion and Analysis of Financial Condition and Results of Operations" section is based on, and should be read in conjunction with the full text of this Prospectus, including the section on Unaudited Pro Forma Financial Information and notes thereto included in this Prospectus. Statements contained in this section that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions which could cause actual results to differ materially from those forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers and the Joint Global Coordinators, the Joint Bookrunners or any other person, nor that these results will be achieved or are likely to be achieved. (See "Forward-looking Statements" and "Risk Factors" for further details.) Recipients of this Prospectus and all prospective investors in the Units are cautioned not to place undue reliance on these forward-looking statements.

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only, and is based on certain assumptions after making certain adjustments to show what:

(i) the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2020 and 30 June 2021 would have been if the Acquisition had been completed on 31 December 2020 and 30 June 2021, pursuant to the terms set out in the Prospectus;

(ii) the Unaudited Pro Forma Consolidated Statements of Comprehensive Income for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and each of the six-month periods ended 30 June 2020 and 30 June 2021 would have been if the Acquisition had been completed on 1 January 2018, or the date of completion of construction of the buildings, if later, pursuant to the terms set out in the Prospectus; and

(iii) the Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2020 and for the six-month period ended 30 June 2021 would have been if the Acquisitions had been completed on 1 January 2020 pursuant to the terms set out in the Prospectus.

The Unaudited Pro Forma Consolidated Financial Information is not necessarily indicative of the results of the operations or the financial position that would have been attained had the Offering, the acquisition of the IPO Properties, the Loan Facilities and the Fee Arrangements actually occurred in the relevant periods. The Unaudited Pro Forma Consolidated Financial Information, because of its nature, may not give a true or accurate picture of DHLT's actual profit or loss or financial position.

The following discussion and analysis of the financial condition and results of operations is based on and should be read in conjunction with the Unaudited Pro Forma Consolidated Financial Information and related notes thereto, which are included elsewhere in this Prospectus.

(See Appendix B, "Reporting Auditor's Report on the Unaudited Pro Forma Consolidated Financial Information" and Appendix C, "Unaudited Pro Forma Consolidated Financial Information", for further details.)

GENERAL BACKGROUND

DHLT is a Singapore REIT established with the investment strategy of principally investing, directly or indirectly, in a portfolio of income-producing logistics and industrial real estate assets located across Asia. The intention is that DHLT's portfolio will, at the time of the IPO, comprise a portfolio of 14 stabilised Japanese logistics properties. DHLT's investment focus will be to invest in logistics and industrial real estate assets in Asia, in particular, within Japan as well as in the ASEAN region.

DHLT's IPO Portfolio

As at the Listing Date, the IPO Portfolio comprises 14 logistics properties in Japan. A brief overview of the IPO Portfolio is set out below:

	IPO Portfolio
Number of Properties	14
Appraised Value	JPY 80,570.0 million or S$952.9 million(1)(2)
Purchase Consideration	JPY 71,068.5 million or S$840.5 million(2)
NLA (sq m)	423,920
Occupancy as of 1 October 2021	96.3%
WALE by Occupied NLA (years) as of 30 June 2021	7.2
Portfolio Age (years)	3.7(3)

Notes:

(1) The Appraised Value as at 30 June 2021 is based on the average of the two independent valuations of the IPO Properties conducted by the Independent Valuers.

(2) Based on exchange rate on 1 November 2021: 1S$ = 84.55 JPY.

(3) Portfolio Age as at 30 June 2021 based on weighted average by NLA.

(See "Business and Properties" section for further details of the IPO Portfolio.)

Acquisition of the Properties

Prior to the Listing, DHLT, through DH TMK and TK Operator (GK2), has entered into a number of TBI sale and purchase agreements in respect of the acquisition of the IPO portfolio at an aggregate purchase consideration of JPY 71,068.5 million (approximately S$840.5 million).

(See "Certain Agreements Relating to DHLT and the IPO Properties – Trust Beneficial Interest Sale and Purchase Agreements" and "Use of Proceeds" for further details.)

FACTORS AFFECTING DHLT'S RESULTS OF OPERATIONS

General economic conditions and demand and supply conditions of the logistics and industrial sector in Japan and Asia

The IPO Portfolio and future properties to be acquired by DHLT or its subsidiaries are located in Asia. As a result, DHLT's Gross Revenue and results of operations depend upon the performance of the Asian economies. An economic decline in Asian countries could adversely affect DHLT's results of operations and future growth.

In addition, Asian economies are affected by global economic conditions. The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries.

The Japanese economy contracted sharply following the onset of the COVID-19 pandemic and the declaration of a nationwide state of emergency during April and May 2020. Real GDP fell by 29.2% quarter-on-quarter on an annualised basis in 2Q2020, the largest decline since records that began in 1955.

After the state of emergency was lifted at the end of May 2020, the economy had begun to recover until another wave of infection started to negatively affect the sentiment from around the beginning of 4Q. According to the Japan Ministry of Foreign Affairs, Japan's GDP contracted by 4.8% in 2020. State of emergency was declared on 7th January 2021 and May 2021. As a result, it is now generally expected that GDP will be impacted in 1Q2021 and 2Q2021. For 2021, CBRE expects the GDP to recover by slightly below 2%, in anticipation of COVID-19 vaccine being disseminated during the first quarter of the year, as per the government's current plan.

Since the beginning of 2000, logistics development has been progressing mainly in the Greater Tokyo Area, and the market has grown rapidly in recent years due to the rapid progress of online shopping. Retail e-commerce sales have grown fourfold since 2006 and reached nearly JPY 20 trillion in 2019. With an aging society and growing working female population, e-commerce demand has steadily been on the rise. In addition, internet usage for buying daily necessities and other goods increased exponentially amid COVID-19 environment, which further accelerate the growth of e-commerce market and increase the demand for logistics assets. On the supply side, new participants are considering entering the market. The Greater Tokyo Area has a growing number of new developments, especially key transport highways; and in the Greater Osaka area, development areas will likely be expanding mainly in inland areas.

Meanwhile, despite the expansion of large-scale developments, there has been potential demand for replacement of old facilities which were built during Japan's high-growth economy period, which is likely to boost the logistics market in medium-run forecasting.

COVID-19

According to CBRE's June 2020 survey of the longer-term impact of COVID-19 for occupiers, 30% of respondents had elected to shore up inventory levels, in preparation for unforeseen circumstances in the future. 17% of respondents had also preferred to accelerate automation of warehouse work. Logistics labour costs had increased due to higher demand for labour in the wake of pandemic. Companies are hoping that automation technology will provide efficiency and improve profitability.

That said, the outbreak of the COVID-19 or any other infectious disease or any other serious public health concerns in Japan and elsewhere could adversely impact the business, financial condition and results of operations of DHLT.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME DETAILS

Exchange Rates

The following exchange rates were used for the conversion of JPY to S$ for the Consolidated Statement of Comprehensive Income:

Financial Year/Period	Average rate for financial period (based on monthly closing rate) S$-JPY	Commentary
FY2018	81.75	
FY2019	79.97	JPY strengthened 2.2% y-o-y
FY2020	77.25	JPY strengthened 3.4% y-o-y
1H2020	77.06	
1H2021	81.46	JPY weakened 5.7% y-o-y

The movements of exchange rate led to swings in the presentation of the performance of the portfolio, which may not reflect the underlying operational performance of the portfolio. Therefore, we have also disclosed the financial information in JPY, which we believe depicts a better picture for the underlying performance of the portfolio.

Property Details

Properties	Description
DPL Sapporo Higashi Kariki	Freehold land was acquired on 13 January 2018 and construction of the building was completed on 1 February 2018. Property tax, insurance expenses, utilities, property management and building management expenses were incurred in 2018. Accrual of rental income commenced in January 2019 when the property was leased. Average occupancy in 2019 was 40.5% and increased to 94.7% in 2020.
DPL Sendai Port	Freehold land and building were assumed to be acquired on 1 January 2018. Average occupancy in 2018 was 32.2%, increasing to 76.1% in 2019 and 98.1% in 2020.
DPL Koriyama	Freehold land was assumed to be acquired on 1 January 2018 and the construction of the building was completed on 6 September 2019. Lease commenced on 1 October 2019 with average occupancy of 48.6% in 2019. Average occupancy was 66.4% in 2020.
D Project Maebashi S	Freehold land was assumed to be acquired on 1 January 2018 and construction of the building was completed on 5 November 2018. The property was fully leased to a single tenant since 5 November 2018.

Properties	Description
D Project Kuki S	Leasehold land and building were assumed to be acquired on 1 January 2018. The BTS building was fully leased to a single tenant since the acquisition by DHLT from 1 January 2018.
D Project Misato S	Leasehold land and building were assumed to be acquired on 1 January 2018. The BTS building was fully leased to a single tenant since the acquisition by DHLT from 1 January 2018.
D Project Iruma S	Leasehold land and building were assumed to be acquired on 1 January 2018. The BTS building was fully leased to a single tenant since the acquisition by DHLT from 1 January 2018.
DPL Kawasaki Yako	Leasehold land and building were assumed to be acquired on 1 January 2018. Average occupancy was 91.7% in 2018 and achieved full occupancy from 1 January 2019.
D Project Nagano Suzaka S	Freehold land was acquired on 2 February 2018 and building was acquired on 25 September 2018. The building was fully leased to a single tenant since 1 November 2018.
DPL Shinfuji	Leasehold land and building were assumed to be acquired on 1 January 2018. The property was fully leased as a multi-tenanted facility when DHLT acquired the property on 1 January 2018.
D Project Kakegawa S	Freehold land was acquired on 25 April 2019 and construction of the building was completed on 1 May 2019. The BTS building was fully leased to a single tenant from 1 May 2019.
DPL Okayama Hayashima	Leasehold land and the first building were assumed to be acquired on 1 January 2018. Another building was constructed on the land which doubled its net lettable area with effect from 30 November 2018. Both buildings were fully occupied from December 2018 which increased the rental income in FY2019. On 1 October 2020, a lease with a tenant expired, albeit the vacant space was partially occupied by a new lease that commenced on 1 December 2020. The average occupancy was 94.8% in FY2020.
DPL Okayama Hayashima 2	Leasehold land and building were assumed to be acquired on 1 January 2018. Notwithstanding that this is a multi-tenanted facility, the building was fully leased to a single tenant since the acquisition by DHLT from 1 January 2018.
D Project Fukuoka Tobara S	Leasehold land was acquired on 1 April 2018 and construction of the building was completed on 21 February 2019. The BTS building was fully leased to a single tenant from 1 March 2019.

1. **Gross Revenue**

Gross Revenue comprises gross rental income and all other income accruing or resulting from the operation of the Properties, including utilities income, parking charges and other operating income earned from the Properties.

The Gross Revenue of DHLT for the relevant period consists of the following:

	1 January to 31 December			1 January to 30 June	
	FY2018	**FY2019**	**FY2020**	**1H2020**	**1H2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Gross Rental Income	35,693	52,674	64,198	31,711	31,110
Recoverable Income	4,618	5,498	6,207	3,071	2,938
Other Income	331	523	614	305	303
Gross Revenue	**40,642**	**58,695**	**71,019**	**35,087**	**34,351**

Gross Rental Revenue

Gross rental revenue principally comprises rental income received from the rental of space. Rental rates are generally fixed for the tenure of the leases and are subject to review upon renewal and/or extension of the leases.

Gross rental income in the Unaudited Pro Forma Consolidated Statement of Comprehensive Income is presented in accordance with International Financial Reporting Standards ("**IFRS**") whereby all lease revenues, including lease incentives, if any, over the tenure of the leases are required to be brought to account on a straight-line basis.

Recoverable Income

Recoverable income includes common service fees and other recoverables such as utilities charged to tenants.

Other Income

Other income comprises income attributable to the operation of DHLT Properties other than rental income, which include parking lot income and income from leasing out rooftops to a solar panel operator who installed solar panels on the roof-tops of 10 out of 14 of the IPO Properties.

Details of gross revenue by area in S$ terms are as follows:

	1 January to 31 December			1 January to 30 June	
	FY2018	**FY2019**	**FY2020**	**1H2020**	**1H2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Hokkaido(1)	22	3,220	7,763	3,663	3,897
Tohoku(2)	2,577	6,704	11,666	5,482	6,019
Greater Tokyo(3)	28,808	34,216	35,419	17,755	16,912
Greater Nagoya(4)	4,657	6,793	8,085	4,052	3,833
Chugoku and Kyushu(5)	4,578	7,762	8,086	4,135	3,690
Gross Revenue	**40,642**	**58,695**	**71,019**	**35,087**	**34,351**

Details of gross revenue by area in JPY terms are as follows:

	1 January to 31 December			1 January to 30 June	
	FY2018	**FY2019**	**FY2020**	**1H2020**	**1H2021**
	JPY'000	**JPY'000**	**JPY'000**	**JPY'000**	**JPY'000**
Hokkaido[(1)]	1,819	257,473	599,691	282,258	317,486
Tohoku[(2)]	210,692	536,090	901,154	422,475	490,327
Greater Tokyo[(3)]	2,354,990	2,736,254	2,736,255	1,368,128	1,377,595
Greater Nagoya[(4)]	380,737	543,251	624,507	312,253	312,253
Chugoku and Kyushu[(5)]	374,210	620,759	624,597	318,681	300,570
Gross Revenue	**3,322,448**	**4,693,827**	**5,486,204**	**2,703,795**	**2,798,231**

Notes:

(1) The Hokkaido region comprises DPL Sapporo Higashi Kariki of the IPO Portfolio.

(2) The Tohoku region comprises DPL Sendai Port and DPL Koriyama of the IPO Portfolio.

(3) The Greater Tokyo region comprises D Project Maebashi S, D Project Kuki S, D Project Misato S, D Project Iruma S, DPL Kawasaki Yako, and D Project Nagano Suzaka S of the IPO Portfolio.

(4) The Greater Nagoya region comprises DPL Shinfuji and D Project Kakegawa S of the IPO Portfolio.

(5) The Chugoku and Kyushu region comprises DPL Okayama Hayashima, DPL Okayama Hayashima 2, and D Project Fukuoka Tobara S of the IPO Portfolio.

1a. Comparison of DHLT's Revenue Performance

1a(i) FY2019 over FY2018

Gross revenue increased by 44.6% from S$40.6 million in FY2018 to S$58.7 million in FY2019, while the increase was 41.3% from JPY 3,322.4 million in FY2018 to JPY 4,693.8 million in FY2019. The increase was largely attributed to contributions arising from new acquisitions or completion of construction of the buildings or commencement of leases.

1a(ii) FY2020 over FY2019

Gross revenue increased by 21.0% from FY2019 to S$71.0 million in FY2020, while the increase was 16.9% from FY2019 to JPY 5,486.2 million in FY2020. The increase was largely attributed to contributions from rental growth mainly due to higher occupancies of the properties, with the properties being progressively leased following the completion of the construction of the buildings.

1a(iii) 1H2021 over 1H2020

Gross revenue was stable in 1H2021 versus 1H2020 in Singapore dollar terms, while the increase was 3.5% for 1H2021 of JPY 2,798.2 million over 1H2020 of JPY 2,703.8 million.

2. **Property Operating Expenses**

The Property Operating Expenses comprise the following:

	1 January to 31 December			1 January to 30 June	
	FY2018	**FY2019**	**FY2020**	**1H2020**	**1H2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Property taxes	4,498	6,051	7,130	3,576	3,340
Utilities expenses	2,980	3,286	3,363	1,703	1,551
Property management fees and expenses	799	1,288	1,771	851	871
Building management expenses	1,892	2,306	2,567	1,287	1,217
Other operating expenses	1,162	1,347	1,407	709	618
Property Operating Expenses	**11,331**	**14,278**	**16,238**	**8,126**	**7,597**

	1 January to 31 December			1 January to 30 June	
	FY2018	**FY2019**	**FY2020**	**1H2020**	**1H2021**
	JPY'000	**JPY'000**	**JPY'000**	**JPY'000**	**JPY'000**
Property taxes	367,747	483,924	550,780	275,602	272,056
Utilities expenses	243,641	262,749	259,802	131,198	126,317
Property management fees and expenses	65,254	103,001	136,840	65,612	70,910
Building management expenses	154,689	184,389	198,338	99,169	99,169
Other operating expenses	94,924	107,716	108,626	54,609	50,435
Property Operating Expenses	**926,255**	**1,141,779**	**1,254,386**	**626,190**	**618,887**

Property taxes

Property taxes consist of fixed asset tax and city planning tax, typically assessed on an annual basis for each property and paid quarterly but accrued on a straight-line basis during the respective periods. Property taxes are levied based on the price of the fixed assets registered in the fixed asset tax ledger subject to adjustment for reduction where applicable.

Property tax on land were paid even if there was no building or revenue. Property tax on buildings were assessed on an annual basis and hence there would be no property tax on buildings for that year if the buildings were completed after 1 January.

Utilities expenses

Utilities expenses were for electricity and water. Utilities for single-tenanted properties were paid by the tenants.

Property management fees and expenses

The Property Trustee entered into Property Management Agreements with the Property Manager, a wholly-owned subsidiary of the Sponsor. In respect of each IPO Property, save for DPL Okayama Hayashima 2 and DPL Shinfuji, the Property Manager is entitled to receive a Property Management Fee of 1.2% per annum of gross revenue income for each property subject to a minimum of JPY 3.6 million, as more specifically defined in each Property Management Agreement. In respect of DPL Okayama Hayashima 2 and DPL Shinfuji, the Property Manager is entitled to receive a Property Management Fee of JPY 5.04 million and JPY 3.6 million per annum respectively. The Property Manager is also entitled to other fees payable, including leasing commissions to secure tenants for the properties and construction management fee for improvement and repair work performed in accordance with the Property Management Agreement.

Building management expenses

Building management expenses 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 management of the buildings of the Properties. Building management expenses were based on existing service and maintenance agreements with the service providers.

Other Operating Expenses

Other operating expenses include depreciable assets other than buildings which are subject to a depreciable asset tax at a rate of 1.4% on the amount of taxable basis, insurance premium paid in relation to fire and building insurance and business interruptions, repair costs and expenses relating to expendable supplies and other miscellaneous costs incurred for the operation of the property.

2a. Comparison of property operating expenses

2a(i) FY2019 over FY2018

Property operating expenses increased by 26.5% from S$11.3 million in FY2018 to S$14.3 million in FY2019, while the increase was 23.3% from JPY 926.3 million in FY2018 to JPY 1,141.8 million in FY2019. The increase was largely attributed to full year accrual in FY2019 of property operating expenses for properties acquired during 2018, as well as additional properties acquired during the 2019.

2a(ii) FY2020 over FY2019

Property operating expenses increased by 13.3% from FY2019 to S$16.2 million in FY2020, while the increase was 9.9% from FY2019 to JPY 1,254.4 million in FY2020 due to full year accruals of expenses in FY2020 for properties acquired during 2019.

2a(iii) 1H2021 over 1H2020

Property operating expenses dropped by 6.5% year on year in Singapore dollar terms mainly due to weaker JPY against S$ in 1H2021 versus 1H2020. In JPY terms, property operating expenses slightly decreased by 1.2% from JPY 626.2 million in 1H2020 to JPY 618.9 million in 1H2021.

3. Net Property Income

The table below sets out the Net Property Income from the IPO Properties during the relevant periods:

	1 January to 31 December			1 January to 30 June	
	FY2018	**FY2019**	**FY2020**	**1H2020**	**1H2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Hokkaido	(334)	1,267	5,719	2,626	2,913
Tohoku	574	4,521	8,403	3,864	4,499
Greater Tokyo	21,795	26,530	27,531	13,796	13,206
Greater Nagoya	3,426	5,465	6,288	3,152	3,009
Chugoku and Kyushu	3,850	6,634	6,840	3,523	3,127
Net Property Income	**29,311**	**44,417**	**54,781**	**26,961**	**26,754**

	1 January to 31 December			1 January to 30 June	
	FY2018	**FY2019**	**FY2020**	**1H2020**	**1H2021**
	JPY'000	**JPY'000**	**JPY'000**	**JPY'000**	**JPY'000**
Hokkaido	(27,283)	101,310	441,798	202,353	237,332
Tohoku	46,952	361,568	649,134	297,777	366,474
Greater Tokyo	1,781,688	2,121,496	2,126,657	1,063,142	1,075,691
Greater Nagoya	280,116	437,047	485,760	242,880	245,100
Chugoku and Kyushu	314,720	530,627	528,469	271,452	254,746
Net Property Income	**2,396,193**	**3,552,048**	**4,231,818**	**2,077,604**	**2,179,343**

3a. Comparison of DHLT's Net Property Income Performance

3a(i) FY2019 over FY2018

Net property income increased by 51.5% from S$29.3 million in FY2018 to S$44.4 million in FY2019, while the increase was 48.2% from JPY 2,396.2 million in FY2018 to JPY 3,552.0 million in FY2019. The increase was due to better performance of DPL Sapporo Higashi Kariki, DPL Sendai Port, DPL Koriyama, D Project Maebashi S, DPL Kawasaki Yako, D Project Nagano Suzaka S, D Project Kakegawa S, DPL Okayama Hayashima and D Project Fukuoka Tobara S. The losses at DPL Sapporo Higashi Kariki and DPL Koriyama were due to incurrence of pre-commencement expenses in 2018 such as property tax and insurance premium prior to leases commencing in 2019.

3a(ii) FY2020 over FY2019

Net Property Income increased by 23.4% from FY2019 to S$54.8 million in FY2020, while the increase was 19.1% from FY2019 to JPY 4,231.8 million in FY2020. The increase was largely attributed to better performances for all the properties listed in "Management's Discussion and Analysis of Financial Condition and Results of Operations – Consolidated Statement of Comprehensive Income Details – Property Details" above.

3a(iii) 1H2021 over 1H2020

Net Property Income dropped marginally by 0.8% to S$26.8 million in 1H2021 from the same period last year in 1H2020, while the increase was 4.9% from JPY 2,077.6 million in 1H2020 to JPY 2,179.3 million in 1H2021. The increase was largely attributed to higher revenue.

4. Manager's Management Fee

Pursuant to the Trust Deed, the Manager is entitled to a Management Fee comprising a Base Fee and a Performance Fee as follows:

1. Base Fee of 10.0% per annum of the Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee); and

2. Performance Fee of 25.0% per annum 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 (subject to adjustments in certain cases under the Trust Deed, as further described in "Management and Corporate Governance – Fees Payable to the Manager").

The Performance Fee is payable if the DPU in respect of 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 the financial year prior to the preceding financial year.

The Manager's Base and Performance Fee are payable in the form of cash and/or Units (as the Manager may elect). Such fees are accrued monthly based on the computed Distributable Income for the period.

The Manager has elected to receive 50.0% of the Base and Performance Fee in the form of Units for the pro forma periods. Where the management fees are payable in Units, the Manager has assumed that such Units are issued at the Offering Price for the pro forma years.

(See "The Manager and Corporate Governance – The Manager of DHLT – Fees Payable to the Manager" for further details.)

4a. Comparison of Manager's Management Fee

4a(i) FY2019 over FY2018

There was no Manager's Management Fee paid for FY2018 as the fees by Japan Asset Manager had exceeded the Fees payable to the Manager pursuant to the Trust Deed.

4a(ii) FY2020 over FY2019

The increase in Manager's Management Fee paid for FY2020 year-on-year was in line with higher distributable income.

4a(iii) 1H2021 over 1H2020

The decrease in in Manager's Management Fee paid for 1H2021 due to higher performance fee in 1H2020.

5. Japan Asset Management Fees

Under the Asset Management Agreements entered into between the Japan Asset Manager and each of DH TMK, TK Operator (GK1) and TK Operator (GK2), the Japan Asset Manager is entitled to asset servicing and administration fees comprising of an ongoing property operation and administration fee of 0.10% of the purchase consideration of the TBI held by DH TMK, 0.10% of the purchase consideration of TBI held by TK Operator (GK2) and 0.05% of the purchase consideration of the TBI held by DH TMK and TK Operator (GK2) billable to TK Operator (GK1).

The Japan Asset Manager's fees are payable in cash by DH TMK, TK Operator (GK1) and TK Operator (GK2) and will offset the Manager's Management Fee to reduce the Management Fees paid to the Manager.

For the avoidance of doubt, if the fees paid to Japan Asset Manager exceed the Manager's Management Fee, there will not be any Manager's Management Fee but there will not be any reimbursement by the Trust for the difference.

5a. Comparison of Japan Asset Management Fees

5a(i) FY2019 over FY2018

The increase in Japan Asset Management Fees in FY2019 from FY2018 was due to more properties in DHLT's portfolio in FY2019 compared with FY2018.

5a(ii) FY2020 over FY2019

The increase in FY2020 year-on-year was due to a full year's fees being paid to the Japan Asset Manager for properties acquired in FY2019 being carried over to the full year of FY2020.

5a(iii) 1H2021 over 1H2020

The marginal decrease in Japan Asset Management Fees for 1H2021 year-on-year in Singapore dollar terms was wholly due to weaker Japanese yen. The fees were the same in 1H2021 versus 1H2020 in JPY terms.

6. Trustee Fees payable to Trustee and Property Trustee

6a. Trustee's Fees

Pursuant to the Trust Deed, the Trustee's Fee shall not exceed 0.10% per annum of the value of the Deposited Property, excluding out-of-pocket expenses and GST.

The actual fee payable will be determined between the Manager and the Trustee from time to time.

6b. Trust fees payable to the Property Trustee

The Property Trustee for the Japan Asset Management Companies shall charge an initial trust fee of JPY 700,000 in relation to the acquisition of each IPO Property at the time of acquisition and a base fee of JPY 700,000 per annum for each IPO Property.

7. Trust Expenses

Trust expenses consist of audit fees, tax advisory fees, legal fees, unit registrar fees, valuation fees, listing and related fees, as well as expenses relating to investor communication such as preparation and distribution of reports to Unitholders meetings. During the pro forma periods, the general and administrative expenses were estimated based on expected expenses for each property.

The increase in trust expenses was due to additions of new properties to the portfolio. The marginal drop from 1H2020 to 1H2021 was due to weaker JPY.

8. Finance Expenses

Finance expenses includes interest expenses and amortisation of upfront debt-related transaction costs incurred in relation to the TMK Debt Facilities, interest portion of asset retirement obligation and land lease liability.

DHLT, through DH TMK, will have in place debt facilities aggregating JPY 35.6 billion or approximately S$421.1 million comprising (i) JPY 29.0 billion loan facilities from the Facilities Lenders (as defined below) expected to comprise three tranches with maturity periods of three years, four years and five years, (ii) a JPY 5.6 billion consumption tax loan from Sumitomo Mitsui Trust Bank Limited with a maturity period of one year and (iii) JPY 1 billion specified bonds issued to Sumitomo Mitsui Trust Bank Limited with a maturity of five years. A weighted average all-in interest rate of 1.1% per annum (including upfront debt-related transaction costs) were assumed during the pro-forma periods.

For the pro-forma periods, a partial repayment of JPY 4.7 billion or approximately S$59.1 million was assumed to be repaid on 30 June 2019, with the balance assumed to fully repaid on 30 June 2020.

8a. Comparison of Finance Expenses

8a(i) FY2019 over FY2018

Finance Expenses decreased by 1.0% year-on-year from S$9.8 million in FY2018 to S$9.7 million in FY2019, while the decrease was 3.1% from JPY 800.5 million in FY2018 to JPY 775.3 million in FY2019.

8a(ii) FY2020 over FY2019

Finance Expenses decreased by 1.0% from FY2019 to S$9.6 million in FY2020, while the decrease was 4.0% from FY2019 to JPY 744.1 million in FY2020. The decrease was attributed to lower interest expense as consumption tax loan was fully repaid on 30 June 2020.

8a(iii) 1H2021 over 1H2020

Finance Expenses decreased by 8.2% from S$4.9 million in 1H2020 to S$4.5 million in 1H2021, while it decreased by 1.6% from JPY 374.4 million in 1H2020 to JPY 368.3 million due to lower interest expenses and finance cost of lease liabilities. Lower interest expense was due to partial repayment of consumption tax loan in June 2020. Weaker JPY against S$ contributed to higher percentage drop in finance expenses in S$ terms for 1H2021 versus 1H2020.

9. Fair Value Change in Investment Properties

Fair value change in investment properties comprises adjustments to (i) recognise a fair value loss related to lease commission fees, (ii) recognise a fair value change for the current period's effects of straight-line rent and (iii) account for recognition of fair value changes relating to asset retirement obligation and right-of-use asset in accordance with the adoption of IFRS 16 Leases.

9a. Comparison of Fair Value Change in Investment Properties

9a(i) FY2019 over FY2018

Fair value loss in investment properties in S$ terms for FY2019 was slightly higher than that in FY2018 due to exchange rate movements. In JPY terms, the fair value loss was reduced in FY2019 compared with FY2018 due to lower fair value loss in relation to leasing commission and effect of straight-lining of rents.

9a(ii) FY2020 over FY2019

Fair value loss in investment properties decreased by 40.6% from S$6.9 million in FY2019 to S$4.1 million in FY2020, while it decreased by 43.4% from JPY 555.6 million in FY2019 to JPY 314.3 million in FY2020. The lower fair value loss was primarily attributed to fair value gain relating to leasing commissions and reduced fair value loss due to effects of straight-line.

9a(iii) 1H2021 over 1H2020

Fair value loss in investment properties dropped by 60.0% from S$2.0 million in 1H2020 to S$0.8 million in 1H2021, while it dropped by 58.8% from JPY 157.6 million in 1H2020 to JPY 64.9 million in 1H2021. The significantly lower fair value loss in investment properties was largely attributable to gains in fair value arising from straight-line rents due to absence of rent-free amortisation.

10. Tax Expenses

The tax expenses relate to Japan withholding tax and deferred tax.

Japan withholding tax relates to withholding tax of 20.42% on profit distributions from TK Operator (GK1) and 5.0% on dividends from DH TMK.

The Singapore-Japan DTA provides for a reduction of the Japan withholding tax rate on dividends to 5.0% in the case where, amongst other conditions, the income recipient is a Singapore tax resident company and owns at least 25.0% of the voting shares of the dividend-paying company during the period of six months immediately before the end of the accounting period for which the distribution of profits takes place. If the aforesaid ownership requirement is not met, the reduced withholding tax rate will be 15.0%.

The aforesaid dividends and TK profit distributions are arrived at after deducting allowable expenses including tax depreciation. Land is not a depreciating asset. DH TMK and TK Operator (GK2), as the TK Operator, would be able to claim tax depreciation on (i) the buildings they have acquired based on straight line depreciation over the lifetime of the buildings and (ii) the value of the plant and equipment they have acquired over the effective life of the respective depreciating assets based on the straight-line method.

Deferred tax is recognised on the amount of tax loss carried forward and tax depreciation that was claimed as a deduction to arrive at the amount of TMK dividends and TK profit distributions. The amount of tax depreciation claimed reduces the tax cost base of the asset, which may result in a higher taxable gain upon disposal.

(See also "Taxation" for further details.)

10a. Comparison of Tax Expenses

10a(i) FY2019 over FY2018

Tax expenses increased by 135.7% from S$1.4 million in FY2018 to S$3.3 million in FY2019, the increase was 139.2% from JPY 111.5 million in FY2018 to JPY 266.7 million in FY2019, due to higher deferred income tax expense. For FY2018 and FY2019, there was no withholding tax incurred because there was no distribution from DH TMK.

10a(ii) FY2020 over FY2019

Tax expenses increased by 51.5% to S$5.0 million in FY2020 from FY2019, the increase was 45.2% to JPY 387.3 million in FY2020 from FY2019, due to higher deferred income tax expense. Similarly, for FY2020, there was no withholding tax as there was no distribution from DH TMK of tax loss carried forward, that offset the taxable income in FY2020.

10a(iii) 1H2021 over 1H2020

Tax expenses increased by 8.3% from S$2.4 million in 1H2020 to S$2.6 million in 1H2021, the increase was 13.5% from JPY 188.5 million in 1H2020 to JPY 214.0 million in 1H2021, due to higher income tax expense, in line with higher net income.

LIQUIDITY AND CAPITAL RESOURCES

The principal sources of funding for the original acquisition or development and any subsequent improvement works at the IPO Properties have been from the TMK Debt Facilities and proceeds raised in the IPO and the issuance of the Perpetual Securities.

INDEBTEDNESS

As at the Listing Date, DHLT is expected to have gross borrowings of JPY 35.6 billion (approximately S$421.1 million) with an Aggregate Leverage of 43.8%. After the repayment of the Consumption Tax Loan, the Aggregate Leverage is expected to drop to approximately 36.9%. (See "Capitalisation and Indebtedness – Indebtedness" for further details.)

ACCOUNTING POLICIES

For a discussion of the principal accounting policies of DHLT, please see Appendix C, "Unaudited Pro Forma Consolidated Financial Information".

PROFIT FORECAST AND PROFIT PROJECTION

Statements contained in the Profit Forecast and Profit Projection section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section of the Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators, the Joint Bookrunners or any other person, or that these results will be achieved or are likely to be achieved. (See "Forward-looking Statements" and "Risk Factors" for further details.) Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are made only as of the date of this Prospectus.

None of DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators, or the Joint Bookrunners guarantees the performance of DHLT, the repayment of capital or the payment of any distributions, or any particular return on or capital growth of the Units. The forecast and projected yields stated in the following table are calculated based on:

- ***the Offering Price; and***

- ***the assumption that the Listing Date is 1 October 2021.***

Such yields will vary accordingly if the Listing Date is not on 1 October 2021, or for investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

The following table shows DHLT's forecast and projected Consolidated Statements of Comprehensive Income for Forecast Period 2021 and Projection Year 2022. The financial year end of DHLT is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of Units is other than 1 October 2021, being the assumed date of the issuance of Units for the Offering. The Profit Forecast and Profit Projection are based on the assumptions set out below and have been examined by the Reporting Auditor, being Ernst & Young LLP, and should be read together with the report "Reporting Auditor's Report on the Profit Forecast and Profit Projection" set out in Appendix A, as well as the assumptions and the sensitivity analysis set out in this section of the Prospectus.

Forecast and Projected Consolidated Statements of Comprehensive Income

The forecast and projected Consolidated Statements of Comprehensive Income are as follows:

	1 October 2021 to 31 December 2021	1 January 2022 to 31 December 2022
	Forecast Period 2021	**Projection Year 2022**
	S$'000	**S$'000**
Gross revenue	16,790	67,574
Property operating expenses	(3,658)	(14,928)
Net property income	**13,132**	**52,646**
Manager's Management Fee[(1)]	(554)	(2,376)
Japan Asset Management Fees	(318)	(1,272)
Trustee's Fee	(68)	(274)
Trust expenses	(1,023)	(1,994)
Finance expenses	(2,397)	(9,316)
Net income before tax and fair value change in investment properties	**8,772**	**37,414**
Fair value change in investment properties	(810)	(4,353)
Tax expenses	(1,114)	(4,703)
Total returns	**6,848**	**28,358**
Attributable to:		
Unitholders	6,586	27,302
Perpetual Securities	262	1,056
Total returns	6,848	28,358
Distribution Statement		
Total returns attributable to Unitholders of DHLT	6,586	27,302
Adjustments	1,856	7,986
Distributable income to Unitholders of DHLT	**8,442**	**35,288**
Number of Units issued at the end of the year ('000)	675,346	676,818
Distribution per Unit (Singapore cents)[(2)]	1.25	5.21
Distribution payout ratio	100%	100%
Offering Price (S$)	0.80	0.80
Distribution yield (%)	**6.3%[(2)]**	**6.5%**

Notes:

(1) The Management Fee which the Manager is entitled to is reduced by the amount of Japan Asset Management Fees such that there is no double-counting of the fees paid to the Manager and the Japan Asset Manager.

(2) Calculated by annualizing the DPU for the Forecast Period 2021

A. ASSUMPTIONS

The Manager has prepared the Profit Forecast and Profit Projection on the following assumptions. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Prospectus. However, investors should consider these assumptions as well as the Profit Forecast and Profit Projection and make their own assessment of the future performance of DHLT.

1. Gross Revenue

Gross Revenue comprises forecast and projected gross rental income, recoverable income and other income earned from the Properties.

The forecast and projected Gross Revenue by Properties across different regions are estimated as follows:

	1 October 2021 to 31 December 2021	1 January 2022 to 31 December 2022
	Forecast Period 2021	**Projection Year 2022**
	S$'000	**S$'000**
Hokkaido[1]	1,797	7,998
Tohoku[2]	3,036	12,240
Greater Tokyo[3]	8,184	32,130
Greater Nagoya[4]	1,853	7,466
Chugoku and Kyushu[5]	1,920	7,740
Gross Revenue	**16,790**	**67,574**

Notes:

(1) The Hokkaido region comprises DPL Sapporo Higashi Kariki of the IPO Portfolio.

(2) The Tohoku region comprises DPL Sendai Port and DPL Koriyama of the IPO Portfolio.

(3) The Greater Tokyo region comprises D Project Maebashi S, D Project Kuki S, D Project Misato S, D Project Iruma S, DPL Kawasaki Yako, and D Project Nagano Suzaka S of the IPO Portfolio.

(4) The Greater Nagoya region comprises DPL Shinfuji and D Project Kakegawa S of the IPO Portfolio.

(5) The Chugoku and Kyushu region comprises DPL Okayama Hayashima, DPL Okayama Hayashima 2, and D Project Fukuoka Tobara S of the IPO Portfolio.

The forecast and projected Gross Revenue comprise the following:

	1 October 2021 to 31 December 2021		1 January 2022 to 31 December 2022	
	Forecast Period 2021		**Projection Year 2022**	
	S$'000	**%**	**S$'000**	**%**
Gross rental income	15,232	90.7%	61,310	90.7%
Recoverable income	1,420	8.5%	5,707	8.5%
Other income	138	0.8%	557	0.8%
Gross Revenue	**16,790**	**100.0%**	**67,574**	**100.0%**

Before foreign exchange conversion, Gross Revenue for Forecast Period 2021 is JPY 1,417.9 million and for Projection Year 2022 is JPY 5,664.7 million.

Gross Rental Income

The gross rental income for the Forecast Period 2021 and the Projection Year 2022 of S$15.2 million and S$61.3 million, respectively, has been forecast on a property by property basis.

Gross rental income primarily comprises rental income received from the rental of warehouse and office spaces. Rental rates are generally fixed for the tenure of the leases and are subject to review upon renewal and extension of the leases. Terms of lease will usually be negotiated with the tenants as and when the relevant property manager considers it appropriate or close to the expiry of lease agreements. Gross rental income is presented in accordance with International Financial Reporting Standards ("**IFRS**") whereby all lease revenues over the tenure of the leases are required to be brought to account on a straight-line basis.

In determining the gross rental income for the IPO Portfolio for the Forecast Period 2021 and Projection Year 2022, the Manager has used the following assumptions:

(i) 98.1% and 90.7% of the gross rental income from the Forecast Period 2021 and Projection Year 2022, respectively, are computed based on existing committed leases;

(ii) The remaining gross rental income is assessed based on renewals of existing leases and new tenant leasing assumptions that take into account current market rents as at 30 June 2021, prevailing market conditions and rental rates of competing properties, historical building occupancies, and vacancy allowances;

A vacancy allowance is provided to consider the time generally required to lease a vacant space. A vacancy allowance for all expiring or new leases expected in the Forecast Period 2021 and Projection Year 2022 is assessed on a lease-by-lease basis, depending on the size and location of the individual premises. The vacancy allowance has generally been assumed to be three months, except that there will not be any vacancy allowance for existing tenancies where the Manager made an assessment that the tenants would likely renew the lease. In addition, rent-free periods of between one to two months and the same existing rental rates were assumed for the expiring or new leases. There is no expansion in lettable areas assumed in the Forecast Period and Projection Year.

The straight lining rental adjustments for Forecast Period 2021 and Projection Year 2022 are S$0.007 million and S$(0.8) million, respectively. Straight lining rental adjustments refer to the adjustment to represent the portion of rental income in future reporting periods. (See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further details.)

Recoverable Income

Recoverable income include common service fees and other recoverable income such as utilities charged to tenants. These relate to expenses that were prepaid on behalf of the tenants and subsequently billed back based on a share prescribed in respective tenancy agreements.

Other Income

Other income comprises income attributable to the operation of the properties other than rental and recoverable income including parking lot income, leasing income from solar panel operator and other operating income. The assessment of which is based on existing agreements, historical income collections and the Manager's assessment of the Properties.

2. Property Operating Expenses

The forecast and projected Property Operating Expenses arising from the Properties comprise the following:

	1 October 2021 to 31 December 2021		1 January 2022 to 31 December 2022	
	Forecast Period 2021		**Projection Year 2022**	
	S$'000	**%**	**S$'000**	**%**
Property taxes	1,613	44.1%	6,498	43.5%
Utilities expenses	751	20.6%	3,028	20.3%
Property management fees and expenses	235	6.4%	1,208	8.1%
Building management expenses	587	16.0%	2,366	15.9%
Other operating expenses	472	12.9%	1,828	12.2%
Property Operating Expenses	**3,658**	**100.0%**	**14,928**	**100.0%**

Before foreign exchange conversion, the Property Operating Expenses are JPY 309.0 million in Forecast Period 2021 and JPY 1,251.4 million in Projection Year 2022.

A summary of the assumptions which have been used in calculating Property Operating Expenses are set out as below:

Property taxes

Property taxes consist of fixed asset tax (1.4% of assessed value) and city planning tax (0.3% of assessed value), typically assessed on an annual basis for each property and paid quarterly but accrued on a straight-line basis for the Forecast Period 2021 and Projection Year 2022. For Forecast Period 2021, the prepaid property tax for the year is accrued as per the sale and purchase agreements and the prepaid property tax is amortised on a straight-line basis until the end of 2021. As for Projection Year 2022, property taxes are estimated based on the Manager's expectations based on the price of fixed assets to be registered in the fixed asset tax ledger.

Utilities expenses

Utilities expenses include expenses for electricity, water and gas and are estimated based on the Manager's estimate on expected usage and rates.

Property management fees and expenses

The property management expenses include fees payable to the Property Manager and are estimated based on the Manager's expectations. In respect of each of the properties, property management agreements with the Property Manager, a wholly owned subsidiary of DHI, have been entered into. In respect of each IPO Property, save for DPL Okayama Hayashima 2 and DPL Shinfuji, the Property Manager is entitled to receive a Property Management Fee of 1.2% per annum of gross revenue for each property (however, amounts less than 100 yen are disregarded), subject to a minimum of JPY 3.6 million (exclusive of consumption tax), as more specifically defined in each Property Management Agreement. In respect of DPL Okayama Hayashima 2 and DPL Shinfuji, the Property Manager is entitled to receive a Property Management Fee of JPY 5.04 million and JPY 3.6 million per annum respectively (however, amounts less than 100 yen shall be disregarded). The Property Manager is also entitled to other fees payable, including leasing commissions to secure tenants for the properties and construction management fee in relation to the improvement and repair works is performed in accordance with the Property Management Agreement.

Building management expenses

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.

Other operating expenses

Other operating expenses include depreciable assets other than buildings which are subject to depreciable asset tax at a rate of 1.4% on the amount of taxable basis, insurance premium paid in relation to fire and building insurance and business interruptions, repair costs, and expenses relating to expendable supplies and other miscellaneous costs incurred for the operation of the property.

Insurance premium was estimated based on quotes obtained, while the remaining operating expenses were estimated based on historical costs.

Repairs are estimated based on the conditions of each property, based on the recommendation from the consultants. For the avoidance of doubt, the entire cost of rectification works required to be carried out to rectify the damage caused by the earthquakes in February and March 2021 to DPL Sendai Port will be fully borne by the Sponsor. The contractor contracted by the Sponsor to perform rectification works has assessed that the overall anti-seismic performance of the property remains unchanged although the braces of the property have changed in shape as a result of the earthquakes. For the avoidance of doubt, the damage caused by the earthquakes to the property did not affect the tenants' use of the property for their business operations and as the valuation is based on the income approach, the damage did not materially affect the valuation of the property. There would also be no material implications to the financials in DPL Sendai Port. Further, given that the non-compliances of DPL Sendai Port as a result of damages from the earthquakes would be rectified before the Listing Date, sanctions in relation to such non-compliances will not be imposed on DHLT, thus there will not be any legal implications to the business operations and financials of DPL Sendai Port as a result of the earthquake damages.

The cost of rectification works in relation to the damage caused by the earthquakes to DPL Sendai Port is estimated by the contractor, Nishimatsu Construction Co., Ltd,[1] a listed construction company which constructed DPL Sendai Port, to be JPY 160.0 million, or about 1.4% of the purchase price of the property.

(See "Certain Agreements Relating to DHLT and the IPO Properties – Trust Beneficial Interest Sale and Purchase Agreements" for further details.)

[1] Nishimatsu Construction Co., Ltd ("**Nishimatsu**") is a listed construction company which constructed DPL Sendai Port. It is noted that the Sponsor has completed all necessary discussions with Nitshimatsu in relation to the Nishimatsu's provision of construction services to rectify the earthquake damages to DPL Sendai Port, and the tenants have provided consent for the proposed rectification work, the Manager does not foresee the risk that the rectification works would not be completed.

3. Net Property Income

The forecasted and projected Net Property Income ("**NPI**") of the IPO Properties grouped by their respective regions in Japan are estimated as follows:

Contribution to Net Property Income by Region

	1 October 2021 to 31 December 2021		1 January 2022 to 31 December 2022	
	Forecast Period 2021		**Projection Year 2022**	
	S$'000	**%**	**S$'000**	**%**
Hokkaido	**1,307**	**10.0%**	**5,955**	**11.3%**
– DPL Sapporo Higashi Kariki	1,307		5,955	
Tohoku	**2,327**	**17.7%**	**9,220**	**17.5%**
– DPL Sendai Port	1,605		5,787	
– DPL Koriyama	722		3,433	
Greater Tokyo	**6,415**	**48.9%**	**25,036**	**47.6%**
– D Project Maebashi S	483		1,952	
– D Project Kuki S	545		2,197	
– D Project Misato S	709		2,860	
– D Project Iruma S	572		2,308	
– DPL Kawasaki Yako	3,729		14,199	
– D Project Nagano Suzaka S	377		1,520	
Greater Nagoya	**1,451**	**11.0%**	**5,851**	**11.1%**
– DPL Shinfuji	836		3,370	
– D Project Kakegawa S	615		2,481	
Chugoku and Kyushu	**1,632**	**12.4%**	**6,584**	**12.5%**
– DPL Okayama Hayashima	870		3,508	
– DPL Okayama Hayashima 2	477		1,924	
– D Project Fukuoka Tobara S	285		1,152	
Net Property Income	**13,132**	**100.0%**	**52,646**	**100.0%**

The forecasted and projected Net Property Income (NPI) of the IPO Properties grouped by freehold and leasehold properties are estimated as follows:

Contribution to IPO Portfolio by Net Property Income

Property	**Net Property Income (JPY million)**	
	Forecast Period 2021	**Projection Year 2022**
Freehold properties		
DPL Sapporo Higashi Kariki	110.4	499.2
DPL Sendai Port	135.5	485.1
DPL Koriyama	61.0	287.8
D Project Maebashi S	40.8	163.7
D Project Nagano Suzaka S	31.8	127.4
D Project Kakegawa S	51.9	208.0
Aggregate of the freehold properties	**431.4**	**1,771.2**
Leasehold properties		
D Project Kuki S	46.0	184.2
D Project Misato S	59.9	239.7
D Project Iruma S	48.3	193.4
DPL Kawasaki Yako	314.9	1,190.3
DPL Shinfuji	70.6	282.5
DPL Okayama Hayashima	73.5	294.1
DPL Okayama Hayashima 2	40.3	161.3
D Project Fukuoka Tobara S	24.1	96.6
Aggregate of the leasehold properties	**677.6**	**2,642.1**

Before foreign exchange, NPI is JPY 1,109.0 million for Forecast Period 2021 and JPY 4,413.3 million for Projection Year 2022.

4. Manager's Management Fee

Under the Trust Deed, the Manager is entitled to a Management Fee comprising a Base Fee of 10.0% per annum of the Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee) and a Performance Fee of 25.0% per annum 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 (subject to adjustments in certain cases under the Trust Deed, as further described in "Management and Corporate Governance – Fees Payable to the Manager"). For the avoidance of doubt, straight lining rental adjustments do not impact the Performance Fee payable to the Manager, given that straight lining rental adjustments are non-cash in nature and excluded when computing the amount of the Annual Distributable Income.

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 such financial year where the Performance Fee is payable may be less than the DPU in any preceding financial year. For the purpose of determining if any Performance Fee is payable in respect of the first Financial Year, the actual DPU for the period from the Listing Date to 31 December 2022 shall be compared to the sum of the forecast DPU in respect of Forecast Period 2021 (as adjusted for the Listing Date) and the projected DPU in respect of Projection Year 2022.

For the first Financial Year which covers the Forecast Period 2021 and Projection Year 2022, the Manager has elected to receive 50.0% of the Base Fee and Performance Fee (if any) in the form of Units and the remaining 50.0% of the fees in cash. Where the Management Fees are payable in Units, the Manager has assumed that such Units are issued at the Offering Price for Forecast Period 2021 and Projection Year 2022.

The Manager may elect to receive the fees in cash or Units or a combination of cash and Units (as it may in its sole discretion determine), either wholly or partially, having regard to the distribution yields to Unitholders and the cash flow of the DHLT.

For the avoidance of doubt, the Manager's Management Fee shall be reduced by the amount of Japan Asset Management Fees payable to the Japan Asset Manager such that there will be no double-counting of the fees paid to the Manager and the Japan Asset Manager. In the event that the Japan Asset Management Fees exceed the fees payable to the Manager, there shall be no fees paid to the Manager. Where the acquisition or disposition of a DHLT Property is from or to a Related Party and the Manager is required to receive its Acquisition Fee or Divestment Fee in Units, the Manager shall refund DHLT in cash, the amount of AM Acquisition Fee or, as the case may be, AM Divestment Fee paid to the Japan Asset Manager.

Before foreign exchange conversion, the Manager's Management Fee is JPY 46.8 million in Forecast Period 2021 and JPY 199.2 million in Projection Year 2022.

(See "The Manager and Corporate Governance – The Manager of DHLT – Fees Payable to the Manager" for further details.)

5. Japan Asset Manager's fees

Pursuant to the Asset Management Agreements entered into between the Japan Asset Manager and each of DH TMK, TK Operator (GK1) and TK Operator (GK2), the Japan Asset Manager is entitled to servicing and administrative fees comprising of an ongoing property operation and administrative fee of 0.10% of the purchase price of the TBI held by DH TMK, 0.10% of the purchase price of the TBI held by TK Operator (GK2), and 0.05% of the purchase price of the TBI held by DH TMK and TK Operator (GK2) billable to TK Operator (GK1), accrued monthly and payable on a semi-annual basis.

The Japan Asset Manager's fees are payable in cash and will partly offset the Manager' Management Fees, to reduce the Management Fee paid to the Manager.

Before foreign exchange conversion, the Japan Asset Management Fee is JPY 26.9 million in Forecast Period 2021 and JPY 106.6 million in Projection Year 2022.

6. Trustee Fees payable to Trustee and Property Trustee

Trustee's Fees

Pursuant to the Trust Deed, the Trustee's Fee shall not exceed 0.10% per annum of value of the Deposited Property, excluding out-of-pocket expenses and GST. The Trustee's Fee will be paid in accordance with the Trust Deed.

The actual fee payable will be determined between the Manager and the Trustee from time to time.

Trust fees payable to the Property Trustee

The Property Trustee for the Japan Asset Management Companies shall charge an initial trust fee of JPY 700,000 in relation to the acquisition of each IPO Property at the time of acquisition and a base fee of JPY 700,000 per annum for each IPO Property.

7. Trust Expenses

Trust expenses consist of recurring expenses such as audit fees, tax advisory fees, legal fees, unit registrar fees, valuation fees, listing and related fees, as well as expenses relating to investor communication such as preparation and distribution of reports to Unitholders' meetings. For the forecast period of the fourth quarter of 2021, the trust expenses include one-off set-up fee of S$0.5 million.

8. Finance Expenses

Finance expenses consist of interest expenses, amortisation of upfront debt-related transaction costs incurred in relation to the TMK Debt Facilities, interest portion of the asset retirement obligation and land lease liability.

Before foreign exchange conversion, finance expenses are JPY 202.4 million in Forecast Period 2021 and JPY 780.9 million in Projection Year 2022.

DHLT has put in place the Loan Facilities. (See "Capitalisation and Indebtedness – Indebtedness" for further details.)

The amount of onshore loan drawn down and specified bond issued on the Listing Date will be JPY 30.0 billion. In addition, JPY 5.6 billion of the Consumption Tax Loan will also be drawn down to pay the consumption tax associated with relevant IPO costs, acquisition costs for acquiring the properties and loan upfront costs. The consumption taxes are expected to be refunded by the second quarter of Projection Year 2022, and correspondingly the Consumption Tax Loan will be fully repaid. The Aggregate Leverage (excluding the Consumption Tax Loan) will be approximately 36.9% based on the purchase price value of the TBIs. The Manager has assumed the weighted average all-in interest rate for the Loan Facilities for the Forecast Period 2021 and Projection Year 2022 will be approximately 1.14% per annum. In addition, an upfront fee incurred in relation to the Loan Facilities is assumed to be amortised over the term of the Loan Facilities. In view of the low interest rate, a high proportion of the loans will be fixed for the duration of the loans. The properties are pledged to the lenders for the onshore loan facilities. As stated above, the Manager has assumed that the consumption taxes will be refunded at the end of the second quarter of Projection Year 2022. In the event that there are any delays to such refund, additional interest expense of about S$0.04 million (or JPY 3.3 million) per month would be incurred in connection with the Consumption Tax Loan (for the avoidance of doubt, amortisation of upfront fee was excluded), which is expected to result in only an approximately 0.66% drop in Distributable Income for Projection Year 2022 assuming Consumption Tax Loan remained unpaid at end of FY2022.

DHLT has assumed borrowings of approximately S$ 2.5 million loans at the estimated interest rate of 2.0% per annum for first half of 2022 for paying distributions to unitholders. The borrowings were assumed due to (i) timing difference when the Japan subsidiaries pays its dividends to DHLT, and the time when DHLT pays distribution to its unitholders and (ii) timing difference of refund for withholding taxes paid by TK Operator (GK2) and DH TMK on their respective dividend distributions. DHLT intends to set up revolving credit facilities for working capital, acquisitions, funding of timing differences in relation to payment of distributions and receipt of dividends from its subsidiaries, and any other uses as required from time to time.

	1 October 2021 to 31 December 2021	1 January 2022 to 31 December 2022
	S$'000	**S$'000**
Interest expense on borrowings	649	2,536
Amortisation of debt related upfront fees	555	2,012
Interest expense on lease liabilities and other liabilities	1,193	4,768
Total	**2,397**	**9,316**

9. Fair Value Change in Investment Properties

The fair value change includes the fair value changes for the right of use asset, leasing commission, straight-lining of rents and asset retirement obligations.[1]

10. Tax Expenses

The tax expenses relate to Japan withholding tax and deferred tax.

Japan withholding tax relates to withholding tax of 20.42% on profit distributions from TK Operator (GK1) and 5.0% on dividends from DH TMK.

The Singapore-Japan DTA provides for a reduction of the Japan withholding tax rate on dividends to 5.0% in the case where, amongst other conditions, the income recipient is a Singapore tax resident company and owns at least 25.0% of the voting shares of the dividend-paying company during the period of six months immediately before the end of the accounting period for which the distribution of profits takes place. If the aforesaid ownership requirement is not met, the reduced withholding tax rate will be 15.0%.

[1] An asset retirement obligation is a legal obligation that is associated with the retirement of a tangible, long term asset. For the leasehold properties, the leasehold owner is obliged to return the land to the landlord and demolish the building on the land before returning. The asset retirement obligation takes the demolition cost at a discounted present value into account, adjusted for periodic finance cost. When the land lease expires, the full demolition cost liability will be in the balance sheet.

The aforesaid dividends and TK profit distributions are arrived at after deducting allowable expenses including tax depreciation. Land is not a depreciating asset. DH TMK and TK Operator (GK2) would be able to claim tax depreciation on (i) the buildings they have acquired based on straight line depreciation over the lifetime of the buildings and (ii) the value of the plant and equipment they have acquired over the effective life of the respective depreciating assets based on the straight-line method.

Deferred tax is recognised on the amount of tax depreciation that was claimed as a deduction to arrive at the amount of dividends and TK profit distributions. The amount of tax depreciation claimed reduces the tax cost base of the asset, which may result in a higher taxable gain upon disposal.

(See also "Taxation" for further details.)

11. Distributable Income to Unitholders of DHLT

	1 October 2021 to 31 December 2021	**1 January 2022 to 31 December 2022**
	Forecast Period 2021	**Projection Year 2022**
	S$'000	**S$'000**
Total returns attributable to Unitholders of DHLT	**6,586**	**27,302**
REIT manager's management fees payable in Units	277	1,188
Adjustments for income tax expenses deferred (non-cash)	918	4,597
Amortisation of upfront debt-related transaction costs	555	2,012
Adjustments for prepaid expenses	91	366
Other adjustments	15	(177)
Tax related and other adjustments	**1,856**	**7,986**
Distributable Income to Unitholders of DHLT	**8,442**	**35,288**

B. ACCOUNTING STANDARDS

DHLT has adopted the International Financial Reporting Standards.

The Manager assumes that the change in applicable accounting standards or other financial reporting requirements will not have a material effect on the Profit Forecast and Profit Projection. Significant accounting policies adopted by the Manager in the preparation of the Profit Forecast and Profit Projection are set out in "Appendix C – Unaudited Pro Forma Consolidated Financial Information".

C. OTHER ASSUMPTIONS

The Manager has made the following additional assumptions in preparing the Profit Forecast and Profit Projection:

(i) the initial property portfolio of DHLT remains unchanged for Forecast Period 2021 and Projection Year 2022;

(ii) no further equity capital will be raised during Forecast Period 2021 and Projection Year 2022;

(iii) the Loan Facilities are available for Forecast Period 2021 and Projection Year 2022;

(iv) there will be no change in the applicable tax legislation, other applicable legislation, or regulatory or judicial interpretation of the same for Forecast Period 2021 and Projection Year 2022.

(v) all leases and licences as at Latest Practicable Date are enforceable and will be performed in accordance with their terms during Forecast Period 2021 and Projection Year 2022;

(vi) there will be no pre-termination of any existing or expected leases (unless notice has already been given);

(vii) 100.0% of DHLT's Distributable Income for Forecast Period 2021 and Projection Year 2022 will be distributed;

(viii) Distributable Income in JPY for Forecast Period 2021 and Projection Year 2022 are hedged at the foreign exchange rate stated in (xi) below;

(ix) there will be no change in the fair value of the Properties[1];

(x) DH TMK satisfies the necessary conditions under the Special Taxation Measures Law of Japan to deduct dividend distributions made to its shareholders, and both the TK GK1 Agreement and TK GK2 Agreement are valid and not recharacterised for tax purposes; and

(xi) the foreign exchange rates applied in the preparation of the Forecast Period 2021 and Projection Year 2022 are assumed as follows:

	As at the Listing Date	**Forecast Period 2021**	**Projection Year 2022**
Japan Portfolio	S$1: JPY 84.55	S$1: JPY 84.45	S$1: JPY 83.83

[1] The Manager understands that fair value gain may occur when the properties are revalued, but given that purchase consideration is adopted as the value of the IPO Properties, an assumption that there will be no change to the fair value of the properties was made in the Profit Forecast and Profit Projection as there is no certainty to fair value of the Properties, in order to manage any potential expectations by investors of the value of the IPO Portfolio after Listing.

D. SENSITIVITY ANALYSIS

The forecast and projected distributions included in this Prospectus are based on a number of assumptions that have been outlined above. The forecast and projected distributions are also subject to a number of risks as outlined in the section "Risk Factors".

Investors should be aware that future events cannot be predicted with any certainty and deviations from the figures forecasted or projected in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the Profit Forecast and Profit Projection, a series of tables demonstrating the sensitivity of the distribution yield to changes in the principal assumptions are set out below.

The sensitivity analyses are intended only as a guide. Variations in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Gross Revenue

	Estimated Distribution Yield	
	Forecast Period 2021(2)	**Projected Year 2022**
Base Case	6.3%	6.5%
Assuming expiring Leases are vacant for 6 months instead of 3 months assumed in the Forecast Period and Projection Year(1)(2)	6.3%	6.3%
Assuming 5.0% drop in rental rates for expiring Leases(1)(2)	6.3%	6.5%

Notes:

(1) Except for leases which Management made an assessment that existing tenants would likely continue with the leases, in which case, there would be no vacancy for these leases.

(2) As none of the leases are expiring in the Forecast Period 2021, there is no impact on estimated Distribution Yield for Forecast Period 2021.

Property Operating Expenses

Changes in the Property Operating Expenses will impact the Net Property Income of DHLT and consequently, the distribution yield. The assumptions for Property Operating Expenses have been set out earlier in this section.

The effect of variations in Property Operating Expenses on the distribution yield for Forecast Period 2021 and Projection Year 2022 are set out in the table below:

	Estimated Distribution Yield	
Property Operating Expenses	**Forecast Period 2021**	**Projection Year 2022**
5.0% above base case	6.1%	6.4%
Base case	6.3%	6.5%
5.0% below base case	6.4%	6.7%

Fees of the Manager Paid in Units

The Manager has assumed that 50.0% of the Management Fees will be paid in Units for Forecast Period 2021 and Projection Year 2022. The Manager has assumed that such Units are issued at the Offering Price.

The effect of variations in% of the Management Fees paid in Units on the distribution yield for the Forecast Period 2021 and Projection Year 2022 are set out in the table below:

	Estimated Distribution Yield	
% of the Management Fees paid in Units for Forecast Period 2021 and Projection Year 2022	**Forecast Period 2021**	**Projection Year 2022**
100.0%	6.5%	6.8%
80.0%	6.4%	6.7%
50.0% (base case)	6.3%	6.5%

Foreign Exchange Rate

DHLT receives its income from the Properties in its IPO Portfolio in JPY. Each Unitholder will receive his distribution in SGD.

The effect of variations in SGD-JPY rate for Projection Year 2022 (as defined herein) on the distribution yield in Projection Year 2022 is set out in the table below:

	Estimated Distribution Yield
SGD-JPY rate for Projection Year 2022	**Projection Year 2022**
5.0% depreciation of SGD	6.9%
Base case	6.5%
5.0% appreciation of SGD	6.2%

Interest Rate

Changes in ongoing interest rate of the TMK Debt Facilities will impact the distributable income of DHLT and consequently, the distribution yield.

The effect of variations in ongoing interest rate on the distribution yield for the Forecast Period 2021 and Projection Year 2022 are set out in the table below:

	Estimated Distribution Yield	
Interest rate	**Forecast Period 2021**	**Projection Year 2022**
10 bps above base case	6.2%	6.5%
Base case	6.3%	6.5%
10 bps below base case	6.3%	6.6%

STRATEGY

INVESTMENT STRATEGY

At listing, DHLT's initial portfolio will comprise 14 logistics properties in Japan. DHLT is a Singapore-based REIT established with the investment strategy of principally investing in a portfolio of income-producing logistics and industrial real estate assets located across Asia. DHLT is principally regulated by the SFA, the CIS Code, including the Property Funds Appendix, other relevant regulations as well as the Trust Deed.

In accordance with the requirements of the Listing Manual, the Manager's investment strategy will be adhered to for at least three years following the Listing Date unless changed by Extraordinary Resolution passed at a meeting duly convened and held in accordance with the provisions of the Trust Deed. After the expiry of the three-year period, the Manager may, subject to the requirements under the relevant laws, regulations and rules (including the Listing Manual) and within the limits of the Trust Deed, from time to time change the investment strategy of DHLT without the approval of the Unitholders by giving not less than 30 days' prior notice of the change to the Trustee and the Unitholders by way of an announcement on SGXNET.

KEY OBJECTIVES

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 appropriate capital structure and strengthening the portfolio in scale and quality.

KEY STRATEGIES

The Manager plans to achieve DHLT's objectives through implementing the following key strategies:

A. **Proactive asset management and asset enhancement strategy –** The Manager will proactively manage the DHLT Property portfolio to maintain and improve their operational performance, seeking to optimise the cash flow and value of DHLT Properties. The Manager will also look to drive organic growth, encourage strong relationships with the tenants of the DHLT Properties, implement asset management strategies with the aim of ensuring continued relevance of the DHLT Properties and facilitate property enhancement opportunities. Through the use of and by offering the D's Smart Logistics system (as defined herein) to its tenants, DHLT is able to differentiate its properties. DHLT may also conserve energy for use by the properties through the use of energy-saving facilities and energy-management systems.

B. **Investments and acquisition growth strategy** – The Manager will seek to achieve portfolio growth through the acquisition of quality income-producing logistics and industrial properties that fit within DHLT's investment strategy of principally investing in a portfolio of income-producing logistics and industrial real estate assets located across Asia to enhance the return to the Unitholders and to pursue opportunities for future income and capital growth. In relation to DHLT's future investments in Japanese logistics or industrial properties, the Manager's strategy is not to acquire, on an individual standalone basis, any Japanese logistics or industrial property with a value of less than JPY 1 billion, unless such property is being acquired on a portfolio basis with other properties. DHLT has been given the right of refusal to acquire the Sponsor's Japanese properties under the Sponsor ROFR, subject to pre-existing rights granted and commitments undertaken by the Sponsor. Under the Sponsor ROFR, DHLT has been granted an exclusive right of first refusal over the Sponsor's pipeline logistics assets across Asia outside Japan. Through the Sponsor ROFR and/or otherwise, DHLT will leverage on the Sponsor's experience in the real estate business.

C. **Capital Management Strategy** – The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and asset enhancement. The Manager will also adopt financing policies to optimise risk-adjusted returns to the Unitholders and seek to establish a resilient financial base and a portfolio of debt obligations with diversified maturity, with a priority on having long-term loans and fixed interest rate loans.

D. **Management team/Governance** – The management team of the Manager has extensive experience and strong capabilities to independently source for suitable investments for DHLT, and which are independent from the management teams of the Sponsor Group Funds to prevent conflicts of interest.

E. **Sustainability** – The Manager will establish a Sustainability Policy, which will allow the Manager to include ESG considerations in its operations of DHLT. The Manager will also aim to obtain high ESG ratings from established benchmarks.

A. Proactive asset management and asset enhancement strategy

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 IPO Properties. The Manager will also look to drive organic growth and improve occupancy rates, encourage strong relationships with the tenants of the IPO Properties, actively negotiate for extension of leases prior to maturity, implement asset management strategies with the aim of ensuring continued relevance of the IPO Properties and facilitate property enhancement opportunities. For leasehold IPO Properties, the Manager intends to commence negotiations with the land owners to extend the leasehold terms and/or purchase the property when the remaining term of the leasehold interest is shorter than 10 years, subject to negotiations with the land owners at the time. While there can be no assurance that the land owners of each such IPO Property will agree to extend the term of the lease or sell the property to DHLT, the risk of having short remaining lease tenures are reflected in the valuations of such properties by the Independent Valuers through higher capitalisation rates.

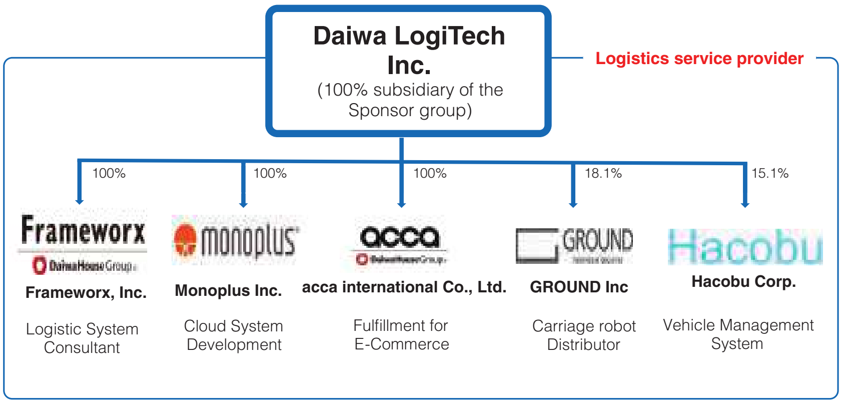
Further, the Manager will seek to maximise returns from the DHLT Property portfolio through some of, but not limited to, the following measures:

Delivering high-standard services to tenants

The Manager intends to work with the Property Manager to ensure it continues to provide high standard services to tenants through:

- providing high-quality asset management services to maintain high retention rates;
- placing on-site facility manager for prompt response to tenants;
- rapidly responding to tenants' feedback and enquiries; and
- providing additional value-added services, such as the D's Smart Logistics system, to tenants.

As part of the Manager's efforts to provide additional value-added services to tenants, DHLT's tenants are able to tap on an environmentally conscious digital transformation set of services offered by the Sponsor Group Companies ("**D's Smart Logistics**") if they are desirous of having such services provided. The D's Smart Logistics also helps to achieve Goal 8 (Decent work and economic growth) of the Sustainable Development Goals set up by United Nations Development Programme ("**SDGs**") in the middle term. Some examples of services provided under the D's Smart Logistics system include:



Sponsor Group Company Service Provider	Logistics support services offered by the Service Providers
Frameworx, Inc,	Automated picking and carrying robots which operate inside warehouses
Monoplus Inc	Cloud-based system for improving operational efficiency
acca international Co., Ltd.	Fulfilment services for e-commerce and warehouse control system with robots
GROUND Inc.	Automated picking and carrying robots which operate inside warehouses
Hacobu Corp.	Vehicle management system to optimise waiting time for trucks

Continuing to rationalise operating costs

The Sponsor conducts logistics and/or industrial development and management through its regional hubs (35 in Japan, two in Vietnam, one each in Malaysia, Singapore, and Indonesia), and works with its group companies for logistics and energy management. The Property Manager is highly experienced in rationalising operating costs through properties owned or managed by the Sponsor group. The Manager will continue to work closely with the Sponsor group, including the Property Manager, to improve tenant satisfaction, reduce costs, and lower environmental impact.

The operating costs of special purpose vehicles (including TK Operator (GK1), TK Operator (GK2), DH TMK, SG SPC 1 and SG SPC 2) in the property holding structure of DHLT shall be payable directly or indirectly (out of the distributions received) from the revenue earned from DHLT Properties. For instance, the operating costs of TK Operator (GK1) shall be payable out of the dividend income received from DH TMK (as the 50.1% preferred shareholder of DH TMK). Nonetheless, the operating costs of the special purpose vehicles, being orphaned entities without staff, will be minimal and necessary to be incurred in the establishment of the property holding structure (see "Overview of the Acquisition of the IPO Properties – Acquisition Structure of the IPO Properties" of this Prospectus for further details).

Energy savings installation

To achieve Goal 7 (Affordable and Clean Energy) of the SDGs, each of the IPO Properties is well-equipped with systems which help to conserve and generate energy. For instance, energy-efficient LED lights are installed in all but one property in the IPO Portfolio. In addition, rooftops of 10 out of 14 of the IPO Properties are leased to Daiwa Energy which installed solar panels on them that have on aggregate 13.5 megawatts peak ("**MWp**") of generation capacity. Installation of these electricity-generating facilities reduces electricity expenses of the properties and improves DHLT's net operating income.

B. Investments and acquisition growth strategy

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 ("**core investments**") 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.

Investment criteria

In evaluating future acquisition opportunities for DHLT, the Manager will focus primarily on the following investment criteria in relation to the property under consideration:

- **Yield requirements** – The Manager will seek to invest in income-producing properties that provide increasing distributions to Unitholders over time, through the ability to increase the building's occupancy rate, renew existing leases with higher market rents on the expiration of existing leases, and from contractual rent increases in the tenants' leases.

- **Tenant mix and occupancy characteristics** –The Manager will seek to acquire properties with quality and reputable existing tenants, or properties with the potential to generate higher rentals and properties with potential for high tenant retention rates, relative to comparable properties in their respective micro-property markets. In addition, the Manager will evaluate the following prior to the acquisition of a property: (i) tenant credit quality in order to reduce the probability of collection losses, (ii) rental rates, occupancy rates and occupancy trends to estimate rental income and occupancy rate going forward, (iii) the impact of the acquisition on the entire portfolio's tenant, business sector and lease expiry profiles, (iv) if it is reasonable to expect that long-term and constructive relationships may be built with the tenants and (v) if it is reasonable to expect mid to long term rent stability and/or rent increase.

- **Location** – The Manager will assess each property's location and the potential based on business growth in its market, as well as its impact on the overall geographic diversification of the portfolio. The Manager will evaluate potential acquisition targets for micro-market location and convenient access to major roads and public transportation. The Manager will also evaluate a range of location-related criteria including, but not necessarily limited to, ease of access, proximity and connectivity to major business and transportation hubs, visibility of premises from the surrounding catchment markets, and immediate presence and concentration of competitors.

- **Value-enhancing opportunities** – The Manager will seek to acquire properties with opportunities to increase occupancy rates and rental rates and enhance value through proactive property management. The potential to add value through selective renovation or other types of asset enhancement initiatives will also be assessed.

- **Building and facilities specification** – With respect to potential properties to be acquired by DHLT, the Manager will endeavour to conduct thorough property due diligence and adhere strictly to relevant quality specifications, with due consideration given to the size and age of the buildings. The Manager will seek to acquire buildings with good quality specifications and which are in compliance with the relevant building and zoning regulations, including energy conservation, health and safety regulations. The Manager will rely on due diligence reports submitted by experts relating to the structural soundness of the building, repairs, maintenance, capital expenditure requirements and encroachment of site boundaries. These reports will be the basis upon which the Manager will assess building conditions and the expected levels of future capital expenditures.

- **Probable maximum loss** – Where applicable, the Manager will assess the PML of future acquisition opportunities for DHLT and will in principle consider acquiring only Japanese properties with a PML of 15.0% or lower, which signifies that the probable maximum loss that would be incurred from a projected maximum size earthquake that occurs once every 475 years (i.e. an earthquake with a 10% probability of occurring within 50 years) is below 15.0% of the current building replacement construction cost (See "Business and Properties – Insurance" for further details).

- **Use of properties** – Reflecting surging demand for digital transformation, e-commerce, and restructuring in logistics networks, rental demand for logistics properties is rapidly growing around Japan and ASEAN countries, and as such, the Manager will primarily focus on logistics properties. DHLT may also invest in industrial properties such as factories, data centres, research and development centres, port facilities, etc. The IPO Portfolio is highly diversified, consisting not only multi-tenanted properties but BTS properties as well and providing not only modern logistics facilities but also facilities catering to a wide range of special uses, such as temperature control facilities. When making investment decisions, the Manager will assess future acquisition opportunities taking into account multiple considerations, one of which is to maintain the diversity of DHLT's portfolio. In this respect, the following chart sets out the broad spectrum of logistics and industrial properties DHLT may potentially invest in:

Features of Properties	
Tenant Types	• Multi-tenanted • Single-tenanted (including BTS)
Specifications	• Standardised specifications, especially for multi-tenanted properties • Customised specifications taking into account requirements including ceiling height, floor load and temperature control, especially for BTS properties
Use of Logistics Properties	• Distribution • Storage • Processing
Use of Industrial Properties	• Rental Factories • Research and Development Centres • Flatted Factories • Data Centres

- **Development projects** – The Manager will seek to invest in development projects and undertake property development activities of up to 10.0% of the value of the Deposited Property.

The Manager's strategy is not to acquire, on an individual standalone basis, a Japanese logistics or industrial property with a value of less than JPY 1 billion, unless such property is being acquired as part of a portfolio with other properties. The Manager currently expects that DHLT intends to hold the properties it acquires on a long-term basis, subject to the investment mandate and market conditions. However, in the future, where the Manager considers that any property has reached a stage that offers limited scope for further growth, the Manager may recommend divesting a property and recycling the proceeds into properties that meet its investment criteria.

Ability to leverage the Sponsor's experience in real estate business

The Sponsor is Daiwa House Industry Co., Ltd., a well-established Japanese real estate conglomerate listed on the TSE with extensive experience in property development and fund management and the principal company of the Daiwa House Group.

Founded in 1955, the Sponsor is one of the largest construction and real estate development companies in Japan, with a market capitalisation of JPY 2,491.1 billion (SGD 29.5 billion) as of 30 September 2021. The Sponsor holds an extensive track record of asset construction across a variety of real estate subsectors, having developed around 1.9 million residential units and completed around 54,900 commercial facility projects as at 31 March 2021. The company engages in the provision of construction and real estate services and operates through the following segments: single-family houses, rental housing, condominiums, existing home business, commercial facilities, logistics, business and corporate facilities, and other businesses. The single-family houses segment sells single-family residences including house and lot packages. The rental housing segment comprises of rental housing development, construction, management, and operation as well as real estate agency services. The condominiums segment develops, sells, and manages condominiums. The existing home business segment offers renovation and real estate agency services. The commercial facilities segment develops, constructs, and manages commercial facilities. The business and corporate facilities segment engages in the development and construction of logistics, manufacturing, medical, and nursing-care facilities as well as the operation of temporary facilities. The other businesses segment includes construction support, health and leisure, city hotels, and overseas businesses.

The Manager will be able to leverage on the Sponsor's experience and track record in investing in real estate and managing property funds, including the Sponsor's experience in the ownership and operation of logistics properties and the Sponsor's financial strength, market reach and network of contacts to further its growth and identify potential investment opportunities. The Sponsor has also granted a right of first refusal to the Trustee under the Sponsor ROFR. As at 30 September 2021, the Sponsor has developed and is currently developing 312 logistics properties in Japan (which amounts to an aggregate GFA of 11.0 million sq m) and 14 logistics and industrial properties in Southeast Asian countries (which amounts to an aggregate GFA of 643,875 sq m. It is intended that DHLT would principally invest, directly or indirectly, in income-producing logistics and industrial real estate assets located across Asia. While DHLT's IPO Portfolio is anchored by stabilised Japanese properties, following the IPO, DHLT's investment focus will be to invest in logistics and industrial real estate assets in Asia that have stable incomes, high occupancies and are distribution per unit accretive to Unitholders.

(See "The Sponsor" for further details.)

Sponsor's Right of First Refusal

To support the transaction, the Sponsor has granted the Sponsor ROFR to the Trustee over income-producing logistics and industrial real estate assets located in Asia held by the Sponsor or its subsidiaries, allowing DHLT to, subject to the terms of the Sponsor ROFR, tap into the sizeable portfolio of high-quality assets. Under the Sponsor ROFR, DHLT has been granted an exclusive right of first refusal over the Sponsor's pipeline logistics assets across Asia outside Japan, and the right to refusal over Japanese assets subject to the Existing ROFR and the Existing Commitments granted by the Sponsor. For further details, please see "Certain Agreements Relating to DHLT and the Properties – ROFR Agreement".

Details of some of the Sponsor's Southeast Asia logistics assets, whether completed or under development which when completed will fall under the Sponsor ROFR (subject to the terms of the ROFR Agreement), are set out in the table below.

#	Project	Country	Type	GFA (sq m)	Land Type	Completion Date
1	**Long Duc Rental Factory**	Vietnam	Rental Factory	27,253	Leasehold	2017
2	**DPL Loc An – Binh Son 1**	Vietnam	Multi-tenanted	36,860	Leasehold	2019
3	**DPL Loc An – Binh Son 2**	Vietnam	Multi-tenanted	31,891	Leasehold	2021
4	**DPL Long Duc**	Vietnam	Multi-tenanted	24,345	Leasehold	2022[1]
5	**DHML 1**	Malaysia	Multi-tenanted	16,500	Leasehold	2020
6	**DHML 2**	Malaysia	Multi-tenanted	20,000	Leasehold	2021[1]
7	**DHML 3**	Malaysia	Multi-tenanted	85,000	Freehold	2023[1]
8	**DMLP 1**	Indonesia	Multi-tenanted	59,040	Leasehold	2018
9	**DMLP 2**	Indonesia	Multi-tenanted	54,294	Leasehold	2020
10	**DMLP 3**	Indonesia	Multi-tenanted	64,582	Leasehold	2023[1]
11	**DMLP 4**	Indonesia	Multi-tenanted	104,098	Leasehold	N.A.
	Total			**523,863**		

Note: *Information as at 30 September 2021.*

(1) Estimated date of completion.

Featured Properties

Long Duc Rental Factory
(Vietnam)

DHML 2
(Malaysia)

DMLP 1
(Indonesia)

Details of some of the Sponsor's Japan logistics assets, which the Sponsor considers as potential pipeline properties for DHLT, are set out in the table below.

#	Name	Type	GFA (sq m)	Land Type	Completion Date
1	**DPL Toyama Imizu**	Multi-tenanted	22,889	Freehold	2021
2	**DPL Iwate Hanamaki**	Multi-tenanted	13,666	Freehold	2021
3	**DPL Maebashi**	Multi-tenanted	12,972	Freehold	2021
4	**DPL Tosu**	Multi-tenanted	50,807	Leasehold	2021
5	**DPL Tsukuba Yatabe**	Multi-tenanted	41,487	Freehold	2021
6	**DPL Gunma Fujioka**	Multi-tenanted	23,755	Freehold	2021[1]
7	**DPL Iwate Kitakami 3**	Multi-tenanted	10,803	Freehold	2021[1]
8	**DPL Kakegawa**	Multi-tenanted	58,192	Freehold	2022[1]
9	**DPL Sendai Rifu 1**	Multi-tenanted	48,860	Freehold	2022[1]
10	**DPL Nagano Chikuma**	Multi-tenanted	42,780	Freehold	2022[1]
11	**DPL Okayama Airport South**	Multi-tenanted	33,301	Freehold	2022[1]
12	**DPL Iwate Kanegasaki**	Multi-tenanted	20,286	Freehold	2022[1]
13	**DPL Koriyama 2**	Multi-tenanted	19,693	Freehold	2022[1]
14	**DPL Ibaraki Yuki**	Multi-tenanted	11,519	Freehold	2022[1]
15	**DPL Tomigusuku 2**	Multi-tenanted	79,916	Leasehold	2022[1]
16	**DPL Tsukuba Ami 3**	Multi-tenanted	76,750	Freehold	2023[1]
17	**DPL Sendai Rifu 2**	Multi-tenanted	15,851	Freehold	2023[1]
	Total		**583,527**		

Note: Information as at 30 June 2021. Japan pipeline assets developed or under development by the Sponsor shown above are unlikely to fall under the acquisition mandate of Daiwa House REIT, Daiwa House Global REIT and Daiwa House Logistics Core Fund.

(1) Estimated date of completion.

Featured Properties

DPL Tosu

DPL Tomigusuku 2

DPL Sendai Rifu 1

C. Capital Management Strategy

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 the Property Funds Appendix and utilise interest rate and foreign exchange hedging strategies where appropriate so as to minimise exposure to market volatility.

The Manager will seek to achieve the above by pursuing the following strategies:

Optimal capital structure strategy

Within the borrowing limits set out in the Property Funds Appendix, including, for the avoidance of doubt, the aggregate leverage limits, the Manager will endeavour to employ an optimal capital structure, comprising an appropriate mix of debt and equity in financing the acquisition of properties and asset enhancement activities of its properties. The Manager's capital management strategy involves adopting and maintaining aggregate leverage levels and debt maturity schedules that it believes will provide optimal returns to Unitholders, while maintaining flexibility in respect of future capital expenditures or acquisitions.

The Aggregate Leverage is expected to be approximately 43.8% as a percentage of the value of the Deposited Property on the Listing Date and is expected to drop to 36.9% after the repayment of the Consumption Tax Loan as soon as practicable after the refund of the consumption tax, which is expected to be refunded by end of June 2022. The Manager currently intends to maintain the Aggregate Leverage at below 40.0% following the repayment of the Consumption Tax Loan. The Manager will periodically review DHLT's capital management policy with respect to its Aggregate Leverage and modify its strategy in light of prevailing market conditions.

On or about the Listing Date, DHLT is expected to have incurred debt facilities aggregating JPY 35.6 billion (approximately S$421.1 million).

(See "Capitalisation and Indebtedness – Indebtedness" for further details.)

Debt diversification strategy

As and when appropriate, the Manager may consider diversifying sources of debt financing in the future by way of accessing the public debt capital markets through the issuance of bonds or other types of debt instruments and/or to tap on diverse investor base to further enhance the debt maturity profile of DHLT.

Proactive risk management hedging strategy

The Manager will endeavour to utilise interest rate and currency risk management hedging strategies, where appropriate, with the aim of optimising risk-adjusted returns to Unitholders. Where appropriate, the Manager will hedge the estimated distributable income of DHLT on a rolling one-year basis, unless the Manager assesses that the cost of foreign currency hedging is prohibitive or not practicable.

To manage the currency risk involved in investing in assets outside Singapore, the Manager may adopt a currency risk management strategy that includes the use of foreign currency-denominated borrowings to match the currency of the asset investment as a natural currency hedge, or to hedge the net investment value with foreign exchange contracts.

Other financing strategy

The Manager will, in the future, consider other opportunities to raise additional equity capital for DHLT through the issue of new Units, for example to finance acquisitions of properties. The decision to raise additional equity will consider the stated strategy of maintaining an optimal capital structure.

D. Management team/Governance

Management team

The management team of the Manager includes key executives with a strong track record in asset and investment management strategy, and who have extensive experience and strong capabilities to be able to independently source for suitable investments for DHLT (See "The Manager and Corporate Governance – The Manager of DHLT– The Executive Officers of the Manager" for further details). To deal with constantly evolving regulations and market conditions, the Manager will be organising training programs for its employees from time to time.

Governance

Each of the Manager, the manager of Daiwa House REIT Investment Corporation and Daiwa House Logistics Core Fund and the manager of Daiwa House Global REIT Investment Corporation is wholly-owned by the Sponsor. To mitigate potential conflicts of interest, the Manager and each of the managers of the other Sponsor Group Funds shall maintain a separate Board of Directors and management team to manage its affairs that is distinct from the Board of Directors and management team of the Sponsor and the other Sponsor Group Funds, hence ensuring that there is no sharing of information and the transparency of potential acquisition process.

There is also no overlapping personnel within DHREIM between the asset management team for the Sponsor Group Funds and the asset management team for DHLT. There will be in place the following measures within DHREIM: (i) a separate and segregated team within DHREIM dedicated only to DHLT assets and providing asset management services only to DHLT; and (ii) Chinese walls will be established within DHREIM by Listing Date to prevent any information leaks as regards the disposal information or strategy of DHLT to the Sponsor Group Funds that could potentially benefit the Sponsor Group Funds. DHREIM is further required to perform its duties under the asset management agreements entered into in respect of the assets of DHLT with a duty of care and loyalty as a custodian.

Separately, it is noted that although DHREIM, acts as the asset manager of DH TMK and TK Operator (GK2), the Manager believes there is no conflict of interest between DHREIM's capacity in acting for DH TMK and TK Operator (GK2), since the Japan Asset Manager will be managing the assets of DHLT in both capacities.

Similarly, although the Property Manager also manages properties of other Sponsor Group Funds, properties will be assigned and managed by a building manager (being a staff employed by the Property Manager) on a property-by-property basis, which prevents the building manager from cutting corners on less profitable properties and in favour of more profitable properties or using more profitable properties to mask any under-performance of less profitable properties, thereby mitigating any potential conflicts of interest. Each year, every building manager shall generate a business plan, which will include key performance targets, such as target occupancy of each property under their management, which will be approved by the Property Trustee. The Property Trustee will in turn take instructions from the Japan Asset Manager, who will make the decision of whether to approve such business plan in consultation with the Manager. Upon approval, the building managers must act based on the business plan, which will be monitored by the Property Manager on a regular basis to ensure that the building managers meet the performance targets set out in the business plan. Further, the performance of the Property Manager is also monitored and supervised by DHREIM as the local asset manager of each of DH TMK, TK Operator (GK1) and TK Operator (GK2).

E. Sustainability

Sustainability Policy

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:

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,

(collectively, the "**Sustainability Policy**").

Sustainability Action

Along with the Sustainability Policy, the Manager continues to maintain and improve high standards of green building certifications. In collaboration with Property Manager, the Manager will incorporate the ESG perspectives in both the management of properties and investment decisions, including the conduct of capital expenditure work. For ESG-oriented investors, the Manager will take into consideration green financing (debt and bond). As the result of continuous effort through daily operation, the Manager aims to obtain a high ESG rating at the portfolio level (*e.g.* The Global ESG Benchmark for Real Assets) for DHLT in the mid- to long-term. The Manager will consider the economic rationale behind decisions on sustainability investment and/or green financing. For the avoidance of doubt, the Manager has not taken into account capital expenditure for ESG improvements in the Profit Forecast and Profit Projection section in this Prospectus. Decisions on whether capital expenditure should be incurred for such improvements will be made considering its return on investment and its impact to the estimated return.

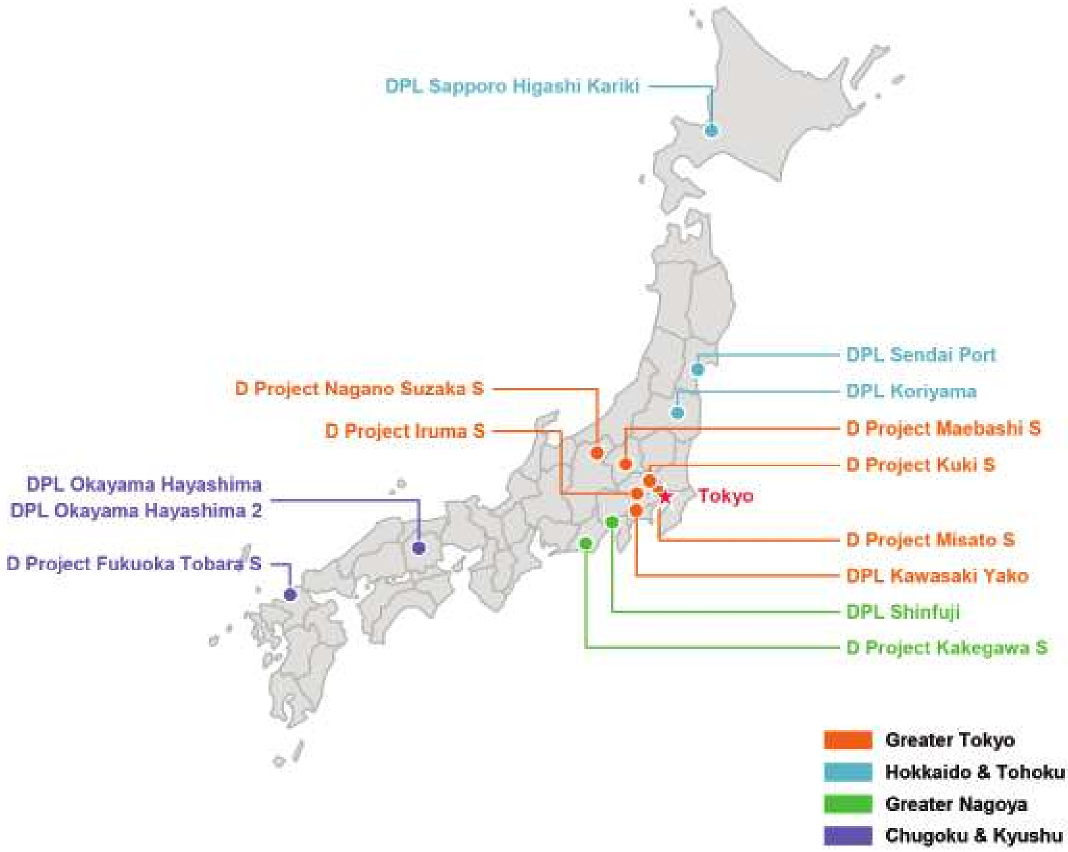
Unless otherwise specified, all information relating to the properties in the Prospectus is as at 30 June 2021.

DHLT is a Singapore REIT established with the investment strategy of principally investing in a portfolio of income-producing logistics and industrial real estate assets located across Asia.

IPO PORTFOLIO

The IPO Portfolio of DHLT as at the Listing Date comprises fourteen (14) logistics properties across Japan, with an aggregate NLA of approximately 423,920 sq m. The IPO Portfolio consists of six (6) freehold properties and eight (8) leasehold properties with remaining tenure of approximately 38.3 years by NLA. The Appraised Value of the IPO Portfolio is approximately JPY 80,570.0 million (S$952.9 million). Taking into account the Appraised Value, the aggregate purchase consideration agreed between the Vendors and DHLT on a willing-buyer and willing-seller basis payable by DHLT for the IPO Portfolio is JPY 71,068.5 million (S$840.5 million).

The locations of the IPO Properties are set out below.



COMPETITIVE STRENGTHS

DHLT's IPO Portfolio enjoys the following competitive strengths:

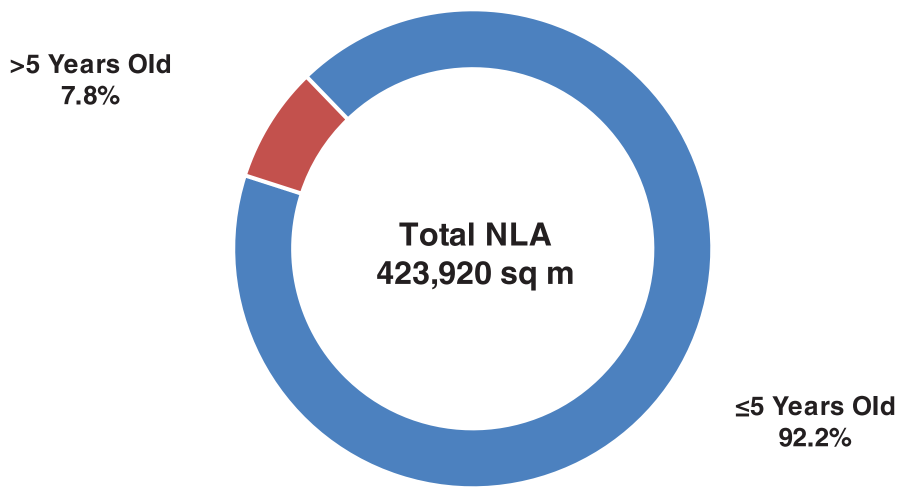
- Modern portfolio developed by the Sponsor, an industry leading Japanese developer;
- High occupancy rates across the IPO Portfolio anchored by a diversified blue-chip tenant base;
- Long WALE by occupied NLA of 11.2 years for BTS assets and 5.9 years for multi-tenanted assets;
- Strategically located assets in proximity to transportation and shipping infrastructure;
- Geographically diversified throughout Japan;
- Balanced mix of freehold and leasehold assets in the IPO Portfolio; and
- Majority of IPO Portfolio assets are green certified.

<u>Modern portfolio developed by the Sponsor, an industry leading Japanese developer</u>

The IPO Properties were developed by the Sponsor, a leading real estate player in Japan with an extensive track record and deep knowledge of the logistics subsector. The IPO Portfolio assets were developed under the DPL and D Project brands for multi-tenanted and BTS single-tenanted properties respectively. These formats are built to meet high-specifications and can be tailored to meet the varied demands of all potential tenants.

As of the Listing Date, 92.2% of the IPO Portfolio by NLA comprise of logistics assets which were completed within the last five (5) years.

IPO Portfolio Breakdown by Age (by NLA)



High occupancy rates across the IPO Portfolio anchored by a diversified blue-chip tenant base

As at 1 October 2021, DHLT's IPO Portfolio has 26 tenants and enjoys an occupancy rate of 96.3%. All of the IPO Portfolio assets are fully occupied, with the exception of DPL Sapporo Higashi Kariki and DPL Koriyama.

With the exception of one 3PL operator, no single tenant accounts for more than 10% of NPI of the IPO Portfolio, translating to low concentration risks. Moreover, the tenant base is well diversified across multiple sectors including 3PL, E-commerce, retail and manufacturing. None of the top 10 tenants are related to the Sponsor, or to each other. The aggregate contribution of the top 10 tenants as a percentage of NPI of the IPO Portfolio for FY2020 was 71.1%.

Tenant	Tenant Description	IPO Property(ies)	Trade Sector	% of NPI
Mitsubishi Shokuhin Co., Ltd.	TSE-listed food products wholesaler to retailers and restaurants; also provides 3PL logistics services	D Project Maebashi S DPL Kawasaki Yako	3PL	20.3%
Suntory Logistics Ltd.	Distribution arm of leading global food and beverage company	DPL Sendai Port D Project Misato S	3PL	8.4%
Nippon Express Co., Ltd.	TSE-listed global logistics services provider	DPL Sapporo Higashi Kariki DPL Koriyama DPL Okayama Hayashima 2	3PL	7.4%
Tenant A	Warehouse, distribution and logistics service provider	DPL Kawasaki Yako	3PL	7.2%
Nitori Co., Ltd.	TSE-listed and leading furniture and home accessories retailer in Japan	DPL Sendai Port	Retail	5.8%
Tenant B	TSE-listed cargo logistics, transportation and warehousing company	D Project Kakegawa S	3PL	4.8%
Create SD Co., Ltd.	TSE-listed pharmaceuticals and cosmetics retailer	DPL Shinfuji	Retail	4.6%
Tokyo Logistics Factory Co., Ltd.	Warehousing and cargo handling logistics service provider	D Project Iruma S	3PL	4.5%
Chuo Bussan Co., Ltd.	Provider of wholesale, warehouse and distribution services. 100.0% subsidiary of TSE-listed company.	D Project Kuki S	3PL	4.3%
Tenant C	Fortune 500 global E-commerce company	DPL Sapporo Higashi Kariki	E-commerce	3.8%
Top 10 Tenants				**71.1%**
Other Tenants				**28.9%**

Notes:

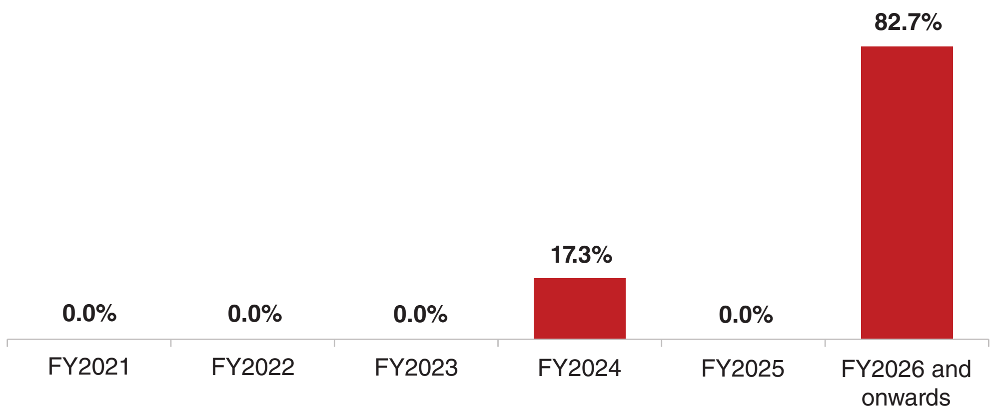
1. % of NPI is calculated and adjusted based on the NPI of each property and allocated to the respective tenants by the proportion of NLA the tenants occupy in the property.

2. The tenancy agreements with DHLT's tenants in general contain confidentiality clauses which are based on standard terms in Japan and provide that the information of the tenants and all the contents of their tenancy agreements (including the gross rental income) are subject to confidentiality obligations and public disclosure of the identity of the tenants and the terms of the tenancy agreement (including the gross rental income) without the tenants' consent is prohibited. In addition, it is a well-established practice to obtain consent from the tenant if any information as to the tenant is disclosed in the disclosure documents even when there is no confidentiality clause in the tenancy agreement. In this regard, 3 of the top 10 tenants have not given consent to the disclosure of any terms of the tenancy agreement at all (including their names) while 7 of the top 10 tenants have consented to the disclosure of their names and certain tenancy information such as net property income. All of the top 10 tenants did not consent to the disclosure of the gross rental income attributed to their tenancies. DHLT has obtained a waiver from the Authority from the requirement of paragraph 11.1(c)(ii) of the Property Funds Appendix.

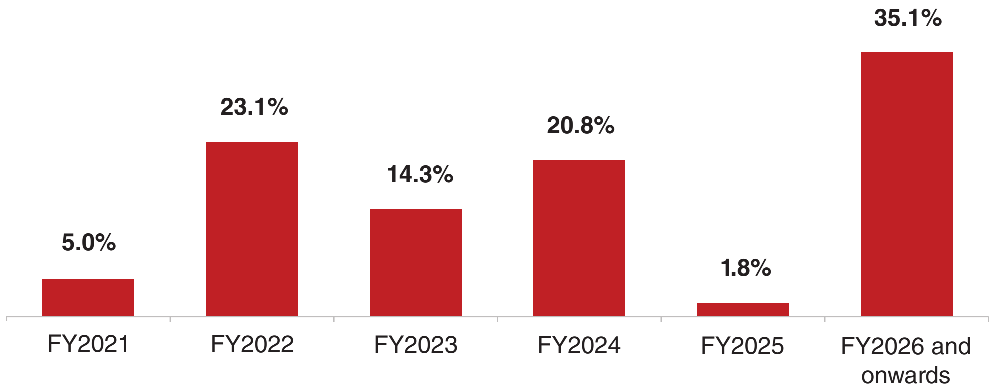
Long WALE of 11.2 years for BTS single-tenanted assets and 5.9 years for multi-tenanted assets

The IPO Portfolio is anchored by single-tenanted BTS assets with a long WALE of 11.2 years by occupied NLA. Additionally, multi-tenanted assets within the IPO Portfolio feature an aggregate WALE of 5.9 years by occupied NLA. Overall, the IPO Portfolio's aggregate WALE is 7.2 years by occupied NLA.

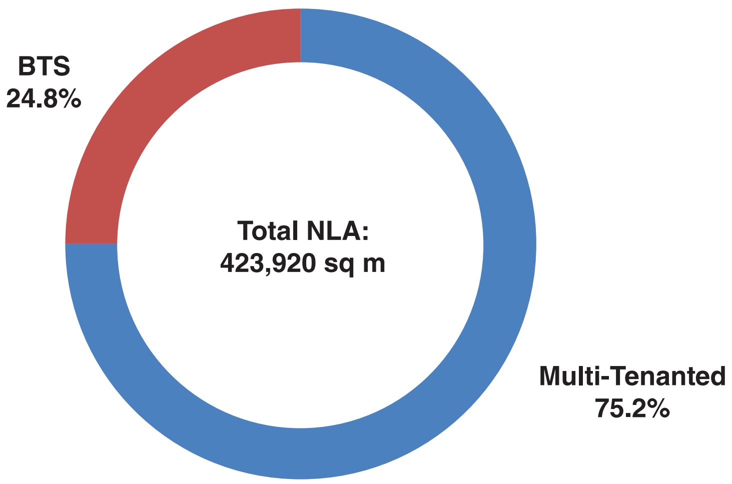
Lease Expiry Profile of BTS Assets (by Occupied NLA)



Lease Expiry Profile of Multi-Tenanted Assets (by Occupied NLA)



IPO Portfolio by Tenant Type (by NLA)



Strategically-located assets in proximity to transportation and shipping infrastructure

The IPO Properties are closely interlinked with transportation and shipping networks which is a key draw for DHLT's 3PL and e-commerce tenant base.

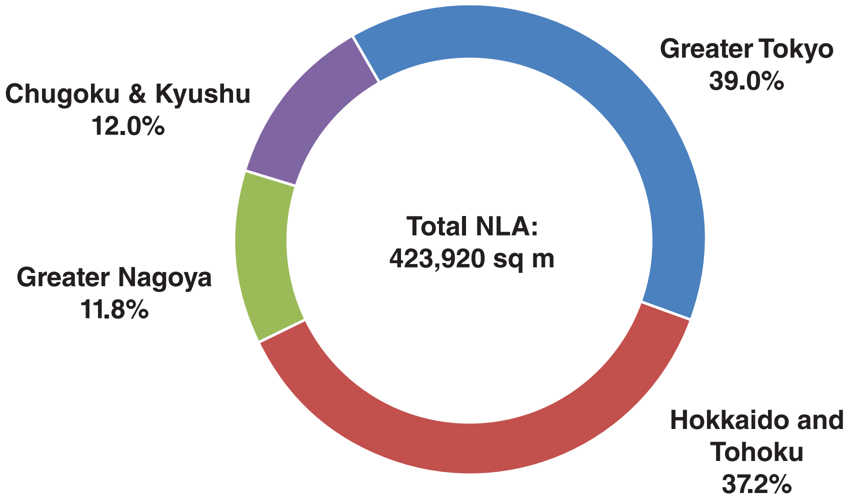
IPO Properties' Distance To Transportation Infrastructure			
#	Property	Nearest Railway (km)	Nearest Highway Interchange (km)
1.	DPL Sapporo Higashi Kariki	6.5	2.5
2.	DPL Sendai Port	2.5	3.5
3.	DPL Koriyama	3.6	9.3
4.	D Project Maebashi S	2.6	3.5
5.	D Project Kuki S	6.5	3.6
6.	D Project Misato S	2.6	1.7
7.	D Project Iruma S	4.7	0.6
8.	DPL Kawasaki Yako	4.6	2.5
9.	D Project Nagano Suzaka S	0.6	3.3
10.	DPL Shinfuji	3.4	0.8
11.	D Project Kakegawa S	2.0	2.5
12.	DPL Okayama Hayashima	1.3	1.6
13.	DPL Okayama Hayashima 2	2.3	1.9
14.	D Project Fukuoka Tobara S	1.0	1.0

Source: Full valuation reports of the IPO Properties prepared by the Independent Valuers.

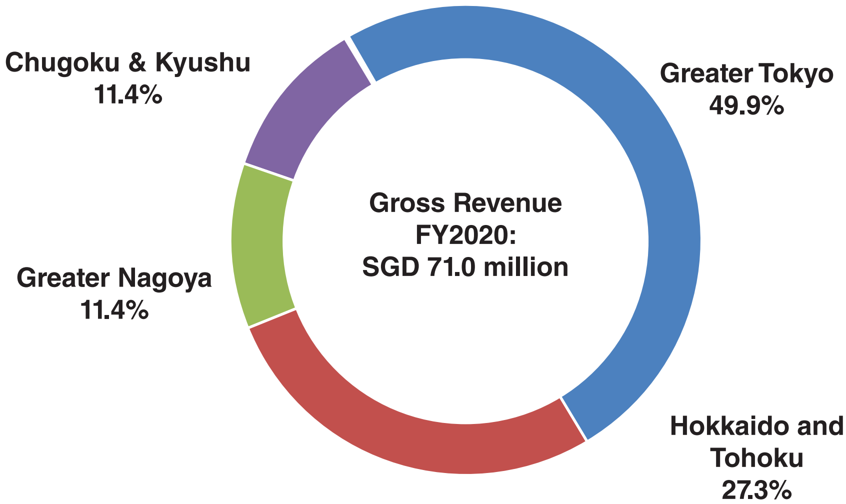
Geographically diversified throughout Japan

The geographical and economic make-up of Japan is such that there is strong production and consumption activity both within the Greater Tokyo Area and across the core regional markets. DHLT offers a diversified initial portfolio of assets spread across these areas which mitigates concentration risk.

IPO Portfolio by Region (by NLA)



IPO Portfolio by Region (by Gross Revenue)

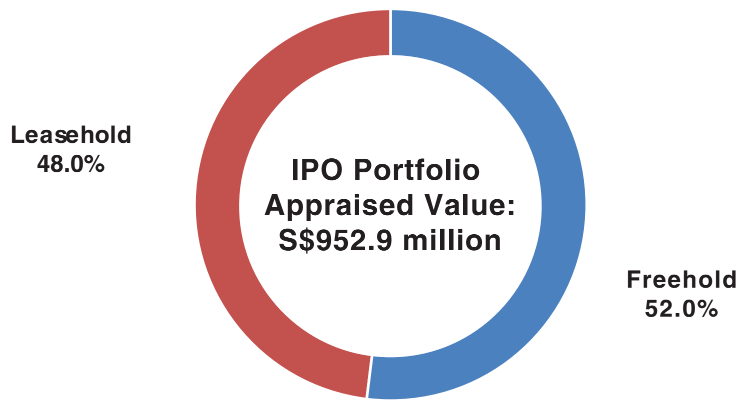


Balanced mix of freehold and leasehold assets in the IPO Portfolio

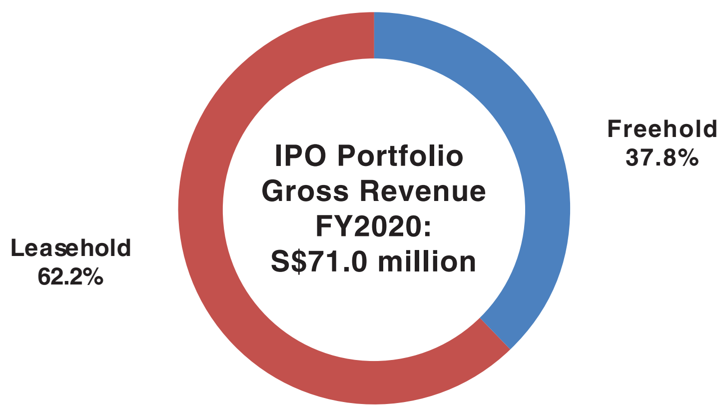
By NLA, the IPO Portfolio is comprised of 48.3% freehold and 51.7% leasehold assets. The IPO Portfolio's leasehold land tenure by NLA is approximately 38.3 years as of 30 June 2021. Additionally, 84.8% of the IPO Portfolio consists of land which are either freehold interests, or leasehold interests with expiry dates of 40 years or more as of 30 June 2021.

For leasehold IPO Properties, the Manager intends to commence negotiations with the land owners to extend the leasehold terms and/or purchase the property when the remaining term of the leasehold interest is shorter than 10 years, subject to negotiations with the land owners at the time. While there can be no assurance that the land owners of each such IPO Property will agree to extend the term of the lease or sell the property to DHLT, the risks of having short remaining lease tenures are taken into account in the valuations of such properties by the Independent Valuers through higher capitalisation rates.

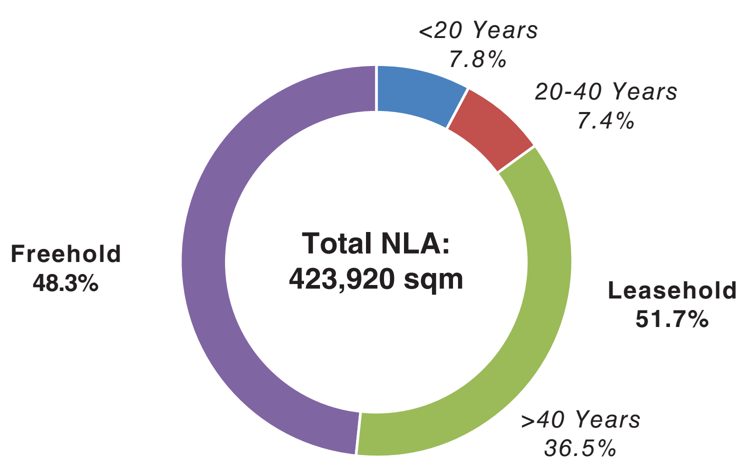
IPO Portfolio by Land Interest (by Appraised Value)



IPO Portfolio by Land Interest (by Gross Revenue)



Land Lease Expiry Profile of the IPO Portfolio (by NLA)



Majority of IPO Properties are green certified

Approximately 95.7% of the IPO Portfolio by NLA is certified green by the DBJ Green Building Certification Programme, the leading programme in Japan which evaluates and measures the environmental and social awareness characteristics of real estate properties. The DBJ Green Building Certification Programme assesses "green" characteristics of a building based on metrics such as energy & resources, resilience, amenities, community & diversity and partnership. Buildings certified green by the DBJ Green Buildings Certification Programme are deemed to have demonstrated high environmental and social awareness.

Star Rating[(1)]	IPO Properties	No. of Properties	NLA% (sq m)
★★★	• DPL Sapporo Higashi Kariki • DPL Sendai Port • DPL Koriyama • DPL Kawasaki Yako • DPL Shinfuji	5	65.7%
★★	• D Project Misato S	1	3.5%
★	• D Project Maebashi S • D Project Iruma S • D Project Nagano Suzaka S • D Project Kakegawa S • DPL Okayama Hayashima • DPL Okayama Hayashima 2 • D Project Fukuoka Tobara S	7	26.5%
Total		**13**	**95.7%**

Note:

(1) Under the DBJ Green Building Certification Programme, only the top 20% of the assessed investment grade properties in Japan are certified green. The top 20% of the assessed properties which qualify for the green certification will subsequently be assigned a star rating of one to five stars according to the score from the assessment.

Star Rating	*Description*	*Percentile of scores amongst certified properties*
★★★★★	Highest-end-level environmentally and socially friendly building	Top 10%
★★★★	Extremely superior-level environmentally and socially friendly building	Top 30%
★★★	Highly superior-level environmentally and socially friendly building	Top 60%
★★	Fairly superior-level environmentally and socially friendly building	Top 85%
★	Satisfactory superior-level environmentally and socially friendly building	Top 100%

For more information on the DBJ Green Building Certification Programme, please refer to DBJ Green Building Certification Program's official webpage at www.dbj.jp/en/service/program/g_building.

Additionally, 10 properties in the IPO portfolio are equipped with solar power generation systems operated by Daiwa Energy with an aggregate capacity of 13.5MWp. If such opportunities arise in the future, the Manager also intends to further equip the IPO Portfolio with solar power and other renewable energy generation capabilities and lease the roof-tops and/or other available spaces to solar power and other renewable energy operators. This will serve to enhance the environmental friendliness of the properties while generating an additional source of income for DHLT through the leasing of roof-tops and/or other available spaces to solar power and other renewable energy operators.

#	Property	Solar Capacity (MWp) installed by Daiwa Energy
1	DPL Sendai Port	2.6
2	DPL Koriyama	3.0
3	D Project Maebashi S	1.4
4	DPL Kawasaki Yako	1.2
5	D Project Nagano Suzaka S	0.9
6	DPL Shinfuji	1.2
7	D Project Kakegawa S	0.7
8	DPL Okayama Hayashima	1.4
9	DPL Okayama Hayashima 2	0.7
10	D Project Fukuoka Tobara S	0.5
	Total	**13.5**

CERTAIN INFORMATION ON THE IPO PROPERTIES

The table below sets out certain information on the IPO Portfolio.

Name of Property	Geographic Area	Freehold/ Leasehold	Completion Year	Tenancy Type (Single/ Multi-tenanted)	Net Lettable Area (sq m)	Occupancy as at 1 October (%)	WALE by Occupied NLA (years)	Independent Valuation by CBRE (¥ million) (S$ million)	Independent Valuation by Savills (¥ million) (S$ million)	Purchase Consideration (¥ million) (S$ million)
DPL Sapporo Higashi Kariki	Hokkaido and Tohoku	Freehold	February 2018	Multi-tenanted(1)	60,347	83.8%	2.3	¥12,400 S$146.7	¥12,100 S$143.1	¥10,520 S$124.4
DPL Sendai Port	Hokkaido and Tohoku	Freehold	March 2017	Multi-tenanted(1)	63,119	100.0%	1.8	¥12,900 S$152.6	¥12,300 S$145.5	¥11,580 S$137.0
DPL Koriyama	Hokkaido and Tohoku	Freehold	September 2019	Multi-tenanted(1)	34,174	82.3%	1.4	¥6,770 S$80.1	¥6,890 S$81.5	¥5,350 S$63.3
D Project Maebashi S	Greater Tokyo	Freehold	November 2018	Single-tenanted	14,736	100.0%	12.3	¥3,430 S$40.6	¥3,380 S$40.0	¥3,170 S$37.5
D Project Kuki S	Greater Tokyo	Leasehold expiring on 31 July 2034(2)	August 2014	Single-tenanted	18,257	100.0%	3.1	¥1,380 S$16.3	¥1,390 S$16.4	¥1,346 S$15.9(8)
D Project Misato S	Greater Tokyo	Leasehold expiring on 14 February 2045(2)(4)	February 2015	Single-tenanted	14,877	100.0%	13.6	¥2,350 S$27.8	¥2,390 S$28.3	¥1,668 S$19.7(8)
D Project Iruma S	Greater Tokyo	Leasehold expiring on 31 December 2048(2)	December 2017	Single-tenanted	14,582	100.0%	16.5	¥2,370 S$28.0	¥2,440 S$28.9	¥2,430 S$28.7(8)
DPL Kawasaki Yako	Greater Tokyo	Leasehold expiring on 29 March 2067(2)(5)	June 2017	Multi-tenanted(1)	93,159	100.0%	11.8	¥20,500 S$242.5	¥21,000 S$248.4	¥18,770 S$222.0(8)
D Project Nagano Suzaka S	Greater Tokyo	Freehold	September 2018	Single-tenanted	9,810	100.0%	7.3	¥2,650 S$31.3	¥2,610 S$30.9	¥2,400 S$28.4

Name of Property	Geographic Area	Freehold/ Leasehold	Completion Year	Tenancy Type (Single/ Multi-tenanted)	Net Lettable Area (sq m)	Occupancy as at 1 October (%)	WALE by Occupied NLA (years)	Independent Valuation by CBRE (¥ million) (S$ million)	Independent Valuation by Savills (¥ million) (S$ million)	Purchase Consideration (¥ million) (S$ million)
DPL Shinfuji	Greater Nagoya	Leasehold expiring on 31 March 2065[(2)]	September 2017	Multi-tenanted [(1)]	27,537	100.0%	9.7	¥3,560 S$42.1	¥3,800 S$44.9	¥3,194 S$37.8[(8)]
D Project Kakegawa S	Greater Nagoya	Freehold	May 2019	Single-tenanted	22,523	100.0%	12.8	¥4,240 S$50.1	¥4,170 S$49.3	¥3,980 S$47.1
DPL Okayama Hayashima	Chugoku	Leasehold expiring on 29 April 2067[(2)]	September 2017	Multi-tenanted[(1)]	23,541	100.0%	6.0	¥4,400 S$52.0	¥4,510 S$53.3	¥3,650 S$43.2[(8)]
DPL Okayama Hayashima 2	Chugoku	Leasehold expiring 30 years from the Closing Date[(2)(3)(6)]	October 2017	Multi-tenanted[(1)]	16,750	100.0%	3.5	¥2,400 S$28.4	¥2,140 S$25.3	¥1,750 S$20.7[(8)]
D Project Fukuoka Tobara S	Kyushu	Leasehold expiring on 30 March 2068[(2)]	February 2019	Single-tenanted	10,508	100.0%	13.1	¥1,340 S$15.8	¥1,330 S$15.7	¥1,260 S$14.9[(8)]
Total/Average/ Weighted Average		**38.3**[(3)]			**423,920**	**96.3%**	**7.2**	**¥80,690 S$954.3**	**¥80,450 S$951.5**	**¥71,068 S$840.5**

Notes: *Unless otherwise specified, all property-related information is as at 30 June 2021.*

(1) In relation to the multi-tenanted properties of the IPO Portfolio, TK Operator (GK1) has on 9 November 2021 entered into the Master Lease Agreements with the Property Trustee as the property owner of the Japanese multi-tenanted real properties (See "Business and Properties – Lease Agreements and Lease Management – Master Lease" for further details on the master lease arrangement and the Master Lessee). The Master Lease Agreements are pass-through arrangements under which TK Operator (GK1), as the Master Lessee, will be succeeding the lessor's status under each lease agreement with each end-tenant of the multi-tenanted properties of the IPO Portfolio upon obtaining the consent of such end-tenant on or after the Listing Date (until such consent is obtained, the Property Trustee succeeds the lessor's status and will be a direct lessor to the end-tenant). Even if the Property Trustee remains a direct lessor to the end-tenant, there is no adverse effect for DHLT including the payment of additional trust fees as long as the master lessee leases the multi-tenanted properties of the IPO Portfolio from the Property Trustee. Pursuant to the Master Lease arrangement, the amount of rent payable by TK Operator (GK1) to the Property Trustee under the Master Lease Agreements is equal to the total amount of rent TK Operator (GK1) receives from the end-tenants under the sub-lease agreements. (See "Certain Agreements Relating to DHLT and the IPO Properties – Master Lease Agreements" and "Business and Properties – Lease Agreements and Lease Management" for further details.)

(2) (a) Under Japanese law, buildings and the underlying land upon which they are built can be owned independently of each other, and for some properties in the IPO Portfolio, the Property Trustee will hold the ownership interest in the building and the land leasehold right, subleasehold right or sub-subleasehold right (as the case may be) in respect of the land on which the building is constructed (save in the case of DPL Okayama Hayashima, where the Property Trustee holds some parcels of the land as freehold interest and the rest of the land parcels as sub-leasehold rights) and (b) for such properties, at the expiration of the tenure to the underlying land (i.e. expiration of the term of the leasehold right, subleasehold right or sub-subleasehold right (as the case may be) of the land), the Property Trustee as the owner of the building must demolish the building and return the land as it was when it was leased. DHLT is unlikely to be able to sell the building separately from the land because if the purchaser of the building does not also own the underlying land or have any right to use the land (such as a leasehold right), the building will become non-compliant of the Civil Code and will be required to be demolished under the Civil Code. If DHLT wishes to continue to hold the TBI of the title to the building, the Property Trustee and the landowners would need to agree on and enter into a new lease agreement. It is further noted that the market value of the leasehold IPO Properties are reflective of their remaining lease tenure (i.e. the leasehold IPO Properties are valued taking into consideration the remaining leasehold term).

(3) Land lease expiry of leasehold assets weighted by NLA and the land lease expiry of the leasehold assets is calculated with effect from 30 June 2021, save for DPL Okayama Hayashima 2, for which the Closing Date used to compute the 30-year lease tenure is assumed to be 30 June 2021.

(4) The lease term under the existing lease is until 14 February 2035, but the lease will be extended to 14 February 2045 on the Closing Date.

(5) The lease term under the existing lease is until 31 May 2048, but the lease will be extended to 29 March 2067 on the Closing Date.

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

(7) The valuation amounts and purchase consideration in S$ are based on the exchange rate of S$1.00 = ¥84.55 as at 1 November 2021.

(8) This does not include the monthly land rent payable in respect of the eight leasehold properties. The total amount payable by DHLT to the Sponsor for the leasehold properties comprises (a) the purchase consideration for the acquisition of the TBI in respect of the building and the title to the underlying leasehold interest effectively payable to the vendor and (b) a monthly land rent payable to DHLT (as lessor) for the continuing right to use the underlying land for the remaining tenure of the leasehold[1]. In arriving at the independent valuations of the property, the monthly land rent that remains payable by DHLT for the remaining leasehold term is taken into account and treated as an expense and applied towards reducing the income and cash flow generated by the property, which is a factor taken into account in the income capitalisation method for purposes of the property valuation. The purchase consideration takes into account the independent valuations of the leasehold property. As such, if a lower monthly land rent is payable, with all things being equal, this will increase its aggregate net operating income and in turn, its valuation and the one-off purchase consideration payable by DHLT.[2] (See the "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements – Principal Terms of the Land Lease Agreements" section of this Prospectus for further details on the monthly land rent payable in respect of each leasehold property).

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[1] In accordance with the market practice of J-REITs, the monthly land rent payable in respect of the eight leasehold properties is based on (a) existing land lease agreements where the current owner (the leasing company) owns the leasehold and DHLT will succeed the existing land rent condition for five of the properties (namely D Project Kuki S, D Project Misato S, D Project Iruma S, and DPL Kawasaki Yako and DPL Shinfuji), (b) current land lease rent payable from the Sponsor to its Superior Landlord for two of the properties (namely DPL Okayama Hayashima and D Project Fukuoka Tobara S), and (c) market comparables where new lease agreements are entered into (for DPL Okayama Hayashima 2).

[2] Where the Sponsor has leasehold interests, the relevant land owner had granted a lease over the bare land to the Sponsor. As such, as per market practice, the Sponsor is only paying a monthly land rent to its landlord.

Diversification of IPO Portfolio by Appraised Value

The table below provides a breakdown of the IPO Portfolio's diversification by Appraised Value.

Property	Appraised Value[(1)] (JPY million)	Contribution To IPO Portfolio by Appraised Value (%)
DPL Kawasaki Yako	20,750	25.8%
DPL Sendai Port	12,600	15.6%
DPL Sapporo Higashi Kariki	12,250	15.2%
DPL Koriyama	6,830	8.5%
DPL Okayama Hayashima	4,455	5.5%
D Project Kakegawa S	4,205	5.2%
DPL Shinfuji	3,680	4.6%
D Project Maebashi S	3,405	4.2%
D Project Nagano Suzaka S	2,630	3.3%
D Project Iruma S	2,405	3.0%
D Project Misato S	2,370	2.9%
DPL Okayama Hayashima 2	2,270	2.8%
D Project Kuki S	1,385	1.7%
D Project Fukuoka Tobara S	1,335	1.7%

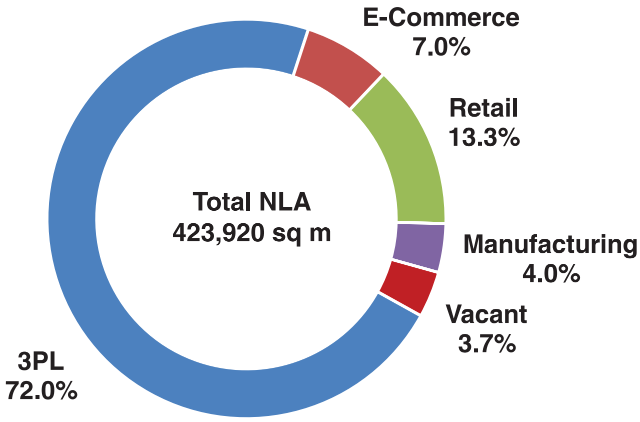
Note:

(1) By Appraised Value, which is calculated based on the average of the two independent valuations of the IPO Properties conducted by the Independent Valuers which are as at 30 June 2021.

Trade Sector Analysis

The charts below provide a breakdown of the trade sector of the tenants of the IPO portfolio by NLA.

IPO Portfolio By Tenant Trade Sector (by NLA)



Note: As at 1 October 2021.

Competition

(Unless otherwise stated herein, the industry and market-related data and information in this section have been extracted from the Independent Property Market Research Reports set out in Appendix F of this Prospectus which have been prepared by the Independent Market Research Consultants.)

Despite new supply of logistics assets coming online across Japan, vacancy rates have remained at historic lows, highlighting the robust demand for quality logistics space. The table below sets out an analysis of the demand for and supply of logistics assets in the various regions and sub-markets in Japan where the IPO Properties are located:

Region	Sub-Market/ Prefecture	Region Overview and Logistics Facility Demand & Supply Dynamics
Greater Tokyo		Greater Tokyo Overview • **Supply and Absorption:** Though many new logistics developments have come online, vacancy rates have remained low at 1.0% as at 1Q2021 • **Rental Rates:** Since 2019, rents have tended to increase with limited large-scale vacancies for tenants to take up
	Gunma	**D Project Maebashi S** • Area houses several industrial parks and large-scale industrial facilities for automotives, F&B and other sectors • D Project Maebashi S offers ready access to numerous expressways, giving tenants easy access to Maebashi City and Utsunomiya City, as well as central Tokyo which is 60 km away
	Saitama	**D Project Kuki S** • Following a land readjustment project in the Misato area in 2013, as well as the extension of the Ken-O Expressway, logistics asset development activity increased • Much of the construction has been low-rise, BTS owner-occupied facilities However, improvements to transportation infrastructure has encouraged newer large-scale facilities • Despite this, the supply of logistics space has been rapidly absorbed and vacancy rates have decreased to 2.6% in 1Q2021

Region	Sub-Market/ Prefecture	Region Overview and Logistics Facility Demand & Supply Dynamics
	Misato & Soka	**D Project Misato S** • Area is highly sought after as a delivery hub for the mass-consumption areas in the north-eastern wards of Tokyo and southern Saitama • Target location for major 3PL, e-commerce and supermarket players for deliveries to central Tokyo • Though occupiers are trending towards consolidation of their facilities to reduce logistics costs, demand for large-scale warehouses has been sustained • Good access to major expressways and highly competitive facility specifications will allow D Project Misato S to seek above-average rental rates
	Iruma	**D Project Iruma S** • Area is approximately 50 km from central Tokyo, and in close proximity to several expressways and national routes • One of the leading industrial cities in the prefecture, with several large-scale industrial parks serving as manufacturing bases for the Tokyo metropolitan area • As a modern property with high specifications, D Project Iruma S is highly competitive, in addition to being partially equipped with freezing and cooling facilities
	Kanagawa	**DPL Kawasaki Yako** • Area in close proximity to two (2) ports as well as interchanges for inland distribution routes, and also encompasses large-scale industrial parks • Development of large-scale logistics assets suffered a decline following the GFC, with new facilities developed trending towards being medium-sized • Despite the new supply, demand has remained steady and vacancy rates have stayed low since 2014
	Nagano	**D Project Nagano Suzaka S** • Nagano is connected to Kanto and Niigata via the Joshin-etsu expressway, as such the area serves as a transit base between the major cities and distributes to the areas surrounding the prefecture • The rental market is not yet mature, with limited large-scale logistics space available for rental • D Project Nagano Suzaka S is the only large-scale asset in the vicinity, and as such is considered to be highly scarce and in demand

Region	Sub-Market/ Prefecture	Region Overview and Logistics Facility Demand & Supply Dynamics
Hokkaido and Tohoku		Hokkaido and Tohoku Overview • **Supply and Absorption:** No new supply has come online since 2019, and vacancy rates remain at 0.0% as of 1Q2021 • **Rental Rates:** Asking rents have been increasing since 2016, trend is expected to continue given lack of vacancies
	Sapporo	**DPL Sapporo Higashi Kariki** • Area is located in a cluster of industrial facilities, with strong demand given ready access to New Chitose Airport and Tomakomai Port • Demand heightened by proximity to Sapporo city and its large population, which allows tenants to easily secure a workforce, including part-time workers • DPL Sapporo Higashi Kariki is highly competitive in both its location and building specifications
	Miyagi	**DPL Sendai Port** • Area is close to central Sendai, with access to Sendai Airport and Sendai Shiogama Port • After the 2012 earthquakes which impacted east Japan, construction volume increased sharply, with a slowdown post 2015 • Developers have been cautious and limited new supply of large-scale multi-tenant facilities has emerged; newly constructed spaces have mainly been single-tenanted BTS assets
	Koriyama	**DPL Koriyama** • Close proximity to central Koriyama and access to Tohoku and central Sendai regions via the Tohoku expressway • Located in a cluster of industrial facilities including nearby large-scale factories, with significant potential workforce coming from central Koriyama • DPL Koriyama has a highly competitive location and facility offering

<table>
<tr><th>Region</th><th>Sub-Market/ Prefecture</th><th>Region Overview and Logistics Facility Demand & Supply Dynamics</th></tr>
<tr><td rowspan="3">Greater Nagoya</td><td></td><td><u>Greater Nagoya Overview</u>
• Supply and Absorption: Despite an increase in supply of large scale multi-tenanted logistics space from 2017 onwards, vacancy rates have remained low, currently at 8.4% as of 1Q2021
• Rental Rates: Moderate upward trend in rents, with a widening gap between newly built high-specification facilities and existing older warehouses</td></tr>
<tr><td>Shizuoka</td><td>DPL Shinfuji
• Area is located in the middle of the Taiheiyo Belt Zone which connects the Tokyo, Aichi and Osaka regions
• Development of logistics assets spiked in 2014 and 2018, with most facilities being constructed by logistics companies and manufacturers
• Limited volume of large-scale space for rent, the logistics real estate market is still in its growth stage
• The prefecture has unique environmental characteristics which have supressed land development, requiring a multi-year process to secure development sites
• For large-scale warehouses with convenient traffic locations such as DPL Shinfuji, positive demand can be expected</td></tr>
<tr><td>Fuji City</td><td>D Project Kakegawa S
• Industrial-oriented area approximately 100 km from central Tokyo. Proximity has resulted in manufacturing bases shifting into the area
• Limited number of large-scale warehouses for rent in the surrounding area, with modern facilities such as D Project Kakegawa S being an even rarer commodity</td></tr>
<tr><td>Chugoku</td><td>Okayama</td><td>DPL Okayama Hayashima and DPL Okayama Hayashima 2
• Area is situated between Osaka, Hiroshima, Nagoya and Fukuoka, serving as a transportation hub for a broad range of businesses
• Development of logistics assets peaked in 2008 and subsequently became sluggish post-GFC
• Most of the assets are owned by manufacturers and logistics companies themselves, with few large-scale facilities available for rent</td></tr>
</table>

Region	Sub-Market/ Prefecture	Region Overview and Logistics Facility Demand & Supply Dynamics
Kyushu		Kyushu Overview • **Supply and Absorption:** Vacancy rates have remained low, with new supplies of multi-tenant facilities generating their own demand; since 2019 vacancy rates have remained at 0% as of 1Q2021 • **Rental Rates:** Average asking rent has been on an upward trend, with newer large-scale facilities experiencing an even greater increase in rent
	Fukuoka	**D Project Fukuoka Tobara S** • Due to its efficient and integrated transportation infrastructure network, Fukuoka leads the Greater Kyushu region in the logistics facilities market • Logistics asset development suffered a sharp decline since 2009 after the GFC, but has since recovered reaching 400,000 sq m of total stock in 2019 • Kyushu's largest multi-tenant facility was completed in 2017.However, the space has been absorbed and vacancy rates have remained at 0.0% since 2019 • Additionally, there has been steady leasing demand from 3PLs focusing on the e-commerce sector

Source: Independent Japan Logistics Market Study Report.

Marketing and Leasing Activities

The Property Manager will provide leasing and management services to the Properties in the form of day-to-day management, operation, maintenance, leasing, tenant relationships, marketing and servicing activities pursuant to the Property Management Agreements. The Property Manager will seek to build and maintain strong working relationships with DHLT's tenants. Dialogues for lease renewal will be held with tenants ahead of their lease expiry and the Property Manager will look to actively negotiate with tenants with long-term appeal to ensure, where possible, certainty of long-term occupancy.

The Property Manager shall also be responsible for:

- actively marketing the Properties to prospective tenants in desired target groups through the Sponsor Group's network and liaising with assigned consultants (including marketing agents and brokerage professionals);

- updating prospective tenants and their consultants regularly with information on the available units for rental at the Properties;

- conducting regular viewings of the premises with prospective tenants to market vacant units; and

- exploring opportunities for joint marketing efforts and other mutually beneficial opportunities with the Sponsor.

The Manager believes that such a proactive leasing approach and strategy will assist DHLT in attracting high-quality tenants to the Properties.

Lease Agreements and Lease Management

Master Lease

The Property Trustee typically owns the properties in the IPO Portfolio through the TBIs. However, in relation to the multi-tenanted properties, the Property Trustee, being a trust bank, typically avoids having direct contractual relationship with the tenants. The Property Trustee is primarily responsible for maintaining, managing and disposing of the properties, but in practice maintains, manages and disposes of the real property subject to and in accordance with the beneficiary's instructions and outsources most of real estate leasing, maintenance and management services to the Property Manager. Nevertheless, if the Property Trustee directly leases the properties to the tenants, there would be a lot of administrative work to be done by the Property Trustee such as execution, renewal, cancellation, termination, or amendment of the tenant lease agreements, which is administrative work that would pose an additional burden to the trust bank. Therefore, if the Property Trustee directly leases DHLT's multi-tenanted properties to the tenants rather than through the Master Lease arrangements, it would require more trust fees (other than in the exceptional circumstances where the consent from tenants to contract with the Master Lessee is not obtained), resulting in an increase in the operating costs of DHLT and correspondingly a reduction in the amount of distributions to the Unitholders. Similarly, establishing a new bankruptcy remote SPC to take on the role of the master lessee will also involve a considerable amount of expenses, which would also reduce the amount of distributions that DHLT can make to the Unitholders. As such, DHLT has appointed TK Operator (GK1) as the Master Lessee for the multi-tenanted properties pursuant to a pass-through Master Lease agreement entered into between TK Operator (GK1) and the Property Trustee. DHLT has on 9 November 2021, through the Property Trustee, entered into the pass-through Master Lease Agreements with TK Operator (GK1) to appoint TK Operator (GK1) as the Master Lessee for the multi-tenanted properties. TK Operator (GK1), as the Master Lessee, will be succeeding the lessor's status under each lease agreement with each end-tenant of multi-tenanted properties of the IPO Portfolio upon obtaining the consent of such end-tenant on or after the Listing Date (until such consent is obtained, the Property Trustee succeeds the lessors status and will be a direct lessor to the end-tenant). Pursuant to the pass-through Master Lease arrangement, the amount of rent payable by TK Operator (GK1) to the Property Trustee under the Master Lease Agreements is equal to the total amount of rent TK Operator (GK1) receives from the end-tenants under the sub-lease agreements. As one of the duties of DHPM as the Property Manager under the Property Management Agreement between the Property Trustee, the master lessee and Property Manager is to help collect rent from the end-tenants on behalf of the Property Trustee and the master lessee, the Property Manager will designate the bank account of the Property Trustee for end-tenants to pay their rents into, in discharge of its obligations to pass through the rental payments to the master lessee under the Master Lease Agreement (See "Certain Agreements Relating to DHLT and the IPO Properties – Master Lease Agreements" for further details.). In the event that consent from end-tenants is not obtained for the Master Lessee to succeed the lessor's status under any lease agreement, the Property Trustee will remain the landlord of the end-tenants and as such will be able to directly enforce its rights as lessor against the end tenants under the tenancy agreements. Even if the Property Trustee remains a direct lessor to the end-tenant, there is no adverse effect for DHLT including the payment of additional trust fees as long as the master lessee leases the multi-tenanted properties of the IPO Portfolio from the Property Trustee.

Under the pass-through Master Lease arrangement, sub-lessees are in substance tenants of DHLT as (i) all the economic benefits that arise from sub-lessees, including any tenant security deposits payable by the end-tenants to the Property Trustee, belong to the Property Trustee (which the Property Trustee will receive directly from the tenants into its bank account) and that the rent the Master Lessee shall pay to the Property Trustee under the Master Lease Agreements is equal to the total amount of the rent the Master Lessee received from the tenants under the sub-lease agreements (for the avoidance of doubt, the Master Lessee is not liable to pay any master lease rent to the Property Trustee as long as it does not receive any tenant rent from the end-tenants, and further, is not entitled to any of the underlying rent payable by the end-tenants) and (ii) the Master Lessee acts in accordance with the intent of DHLT (as elaborated below).

Under the Master Lease Agreement, the Master Lessee is obliged to report to the Property Trustee as well as its Beneficiary (as defined herein), DH TMK or TK Operator (GK2), as the case may be, when the end-tenant is in default of its obligations under the sub-lease agreement; for instance, with respect to the non-payment of rent and other payment obligations, to perform in accordance with the instructions by the Property Trustee and such Beneficiary, such as to demand and claim for the unpaid sums from the end-tenant, to terminate the sub-lease agreement, to bring an action against the end-tenant and to claim the surrendered leased premise together with the Property Manager.

As (i) DH TMK is controlled by DHLT through veto rights[1] provided under the articles of incorporation of DH TMK ("**Articles of Incorporation of DH TMK**") as well as a provision under the TMK Asset Management Agreement that states that the Asset Manager is bound to the intention of DHLT (through SG SPC 1), and (ii) TK Operator (GK2) is substantially controlled by DHLT through veto rights[2] and the obligations to give notice regarding DH TMK's intentions, as provided under the TK GK2 Agreement and the Individual Asset Management Agreement (GK2), the Master Lessee will in effect oblige with instructions by DHLT regarding matters such as the course of action to take when an end-tenant defaults on its obligations. (See "Overview of the Acquisition of the IPO Properties – Acquisition Structure of the IPO Properties" for further details.).

If end-tenants demand an adjustment to the rent, it is agreed between the Master Lessee and the end-tenant that this will be covered by the rights of the end-tenants to demand for rent adjustment under the Land Lease and Building Lease Law. Nonetheless, all end-tenant agreements entered into with respect to the IPO Portfolio properties are fixed-term building lease agreements which legally exclude the right to demand adjustment of rent by tenant pursuant to the Land Lease and Building Lease Law. (See "Overview of Relevant Laws and Regulations – Adjustment of Rents" for further details.)

Tenant Lease

For the single-tenanted properties, the Property Trustee will directly enter into tenant lease agreement with each tenant.

The Manager believes that the terms of the lease agreements entered into for the IPO Portfolio are generally in line with generally accepted market practice and procedures for comparable tenants at comparable properties. In certain instances, these terms have been varied to accommodate the specific needs of major tenants such as the provision of a rent-free fitting out period.

When a prospective tenant has committed to a lease, a security deposit payable by the end-tenants to the Property Trustee in the form of cash, banker's guarantee or letter of credit may be payable or required, subject to negotiations. Depending on the credit quality of the tenant, the amount of the security deposit payable by the end-tenants to the Property Trustee may be increased or decreased or reduced over the term of the lease (provided there have been no

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1 With respect to veto rights provided under the articles of incorporation of DH TMK see "Overview of the Acquisition of the IPO Properties – Acquisition Structure of The IPO Properties – DH TMK" for further details.

2 With respect to veto rights provided under the TK GK2 Agreement see "Certain Agreements Relating to DHLT and the IPO Properties – TK Agreements – TK GK2 Agreement" for further details.

defaults), or the requirement for a security deposit payable by the end-tenants to the Property Trustee may be waived or alternative security provided. The quantum of security deposits payable by the end-tenants to the Property Trustee obtained from the tenants under the respective lease agreements is a commercial matter assessed on an individual basis. Ultimately, the amount that is obtained is commensurate with the financial strength and credit worthiness of the respective tenant. Tenants will generally take possession of the premises after they have provided the requisite security deposit payable by the end-tenants to the Property Trustee and have formally executed the lease agreement.

Arrears management procedures will also be enforced to ensure timely payment of rent. The Manager believes that these proactive steps to retain tenants and reduce rental in arrears will help maintain a stable income stream for DHLT.

ENCUMBRANCES

The IPO Properties are subject to the following encumbrances:

Surface Right

A part of the land in DPL Sendai Port is subject to existing third parties' surface rights in relation to the installation and maintenance of underground transmission lines.

A part of the land in D Project Misato S is subject to existing third parties' surface rights in relation to the installation of regional sewerage system facilities.

Easement

A part of the land in DPL Sendai Port is subject to existing third parties' easement in relation to the installation and maintenance of overhead transmission lines.

A part of the land which will be replotted by the final order and where DPL Shinfuji is located at is subject to existing third parties' easement in relation to the installation and maintenance of power transmission lines.

A part of the land in DPL Okayama Hayashima is subject to existing third parties' easement in relation to the installation and maintenance of power transmission lines.

Repurchase Right

Land in DPL Okayama Hayashima 2 is subject to the existing repurchase right of Okayama Prefecture and consent would be required to be obtained from Okayama Prefecture for disposal of the property as the Sponsor has undertaken not to dispose the land without the approval of Okayama Prefecture. See "Risk Factor – Some of the IPO Properties or future properties to be acquired by DHLT or its subsidiaries may be subject to the repurchase right" for further details.

Mortgage

A part of the land in D Project Fukuoka Tobara S, which is leased land, is subject to existing third parties' mortgage. The proportion of the leased land in D Project Fukuoka Tobara S that is subject to existing third parties' mortgage is 96.4%. The owner of the land may establish the mortgage on the owned land even after the owner established the leasehold right for the third party. However, if the leasehold right is perfected to the third parties before the establishment of the mortgage, the lessee may perfect against the new owner (being the mortgagee) after the mortgage is exercised.

Statutory Pre-emptive Rights under the Civil Code

Under the Civil Code, the lessor of the real estate has a statutory pre-emptive right over the movables of the lessee of the real estate in connection with the lessee's obligations arising from the lease relationship, including rent payment obligation. (See "Overview of Relevant Laws and Regulations – Japan – Laws and Regulations Relating to Japanese Real Estate – Statutory Pre-emptive Rights under the Civil Code" for further details.)

Accordingly, the land lessors of the IPO Properties have such pre-emptive rights over the movables of the Property Trustee.

The Manager considers that the aforementioned encumbrances do not have material adverse effect on the operation of any IPO Property. The Manager considers that all surface rights, easements and statutory pre-emptive rights will not affect the operation of the logistics properties. These types of surface rights and easements are common in the logistics properties in Japan. The statutory pre-emptive rights are always existing by operation of Japanese law in case of the lease of the real estate. The Manager considers that the repurchase right will not be exercised because the Sponsor will comply with the undertakings. The mortgage on the leased land in the leasehold right of the land in D Project Fukuoka Tobara S will not be affected even if the mortgage is exercised, because the leasehold right had been registered before the mortgage was registered, and as such the registered leasehold right is perfected against the mortgagee. Under the circumstances that the leasehold right is perfected against the mortgagee, if the foreclosure sale proceeds, the purchaser of the foreclosure sale of the mortgaged land will own the land subject to the leasehold. Under the circumstances where the leasehold right is perfected against the mortgagee, if the foreclosure sale proceeds, the purchaser of the foreclosure sale of the mortgaged land will own the land subject to the leasehold. For the encumbrances over the Properties in respect of the security in connection with the Facilities, see the "Capitalisation and Indebtedness" section of this Prospectus.

CAPITAL EXPENDITURE

Pursuant to the agreements entered into in respect of the Loan Facilities, the lenders have required cash reserves of JPY 845.0 m (approximately S$10.0 m) equivalent to capital expenditure reserves based on the assessment by the independent technical due diligence consultant in an engineering report of an average of 12 years "medium and long-term repair & renewals cost" of the IPO Properties under the technical due diligence to be set aside, for the purposes of preserving cash assets to invest in capital expenditure for DHLT's assets, which will preserve their value from the lender's perspective, which is a common market practice in Japan. The cash reserves would be fully collected and held in the bank account of DH TMK by Listing Date, and any withdrawal will be subject to the written approval of the lender. Given that the accounts of DH TMK will be managed by the Japan Asset Manager, and that the Japan Asset Manager is bound by the TMK Asset Management Agreement entered into with DH TMK, the decisions regarding the use of the cash reserves for the purposes of capital expenditure will be made by the Manager, subject to the safeguard that the lender must provide consent before withdrawal. For the avoidance of doubt, as the capital expenditure reserves are the expected capital expenditure to the IPO Properties for the duration of the loan, any depletion of the capital expenditure reserves due to withdrawal for investment in capital expenditure need not be replenished.

Given the age of the properties, the IPO Portfolio is expected to have minimal near-term capital expenditure requirements expected over the Forecast Period and Projection Year from 1 October 2021 to 31 December 2022, of an aggregate estimated amount of S$2.7 million. The vendors of the IPO Properties have undertaken to rectify any material defects uncovered during the technical due diligence process. In the event that capital expenditure is necessary, the Manager will, upon obtaining lenders' consent, withdraw such sums from the cash reserves that are maintained pursuant to the agreements entered into in respect of the Loan Facilities. As the Manager have set aside an adequate level of capital expenditure reserves, incurrence of capital expenditure will not reduce the distributable income to Unitholders.

The Manager estimates that the total capital expenditure (excluding tenant improvement allowances and leasing costs) for the IPO Portfolio in relation to the period from 1 October 2021 to 30 September 2026 as assessed by the technical due diligence consultant is an aggregate of JPY 845 million (S$10.0 million), which represents approximately 1.0% of the Appraised Value. Capital expenditure are largely incurred for the maintenance of the IPO Properties.

(See "Profit Forecast and Profit Projection – Assumptions – Capital expenditures, tenant improvement allowances and lease commission" for further details.)

INSURANCE

DHLT has insurance coverage for the IPO Properties that the Manager believes are consistent with industry practice in Japan. The insurance coverage includes property insurance covering loss or damage caused by fire, explosion, lightning, wind disaster, hail disaster, snow disaster, and flood disaster, business interruption resulting from such loss or damage, and public liability (including personal injury). There are no significant or unusual excess or deductible payments required under such policies. All insurances contracts periodically undergo a competitive bid process. The Japan Asset Manager, directly or through insurance brokers, will identify requirements, create specifications and evaluate bids with a view to determining the most appropriate coverage and pricing. All insurance contracts are periodically reviewed by the Manager.

There are, however, certain types of risks that are not covered by such insurance policies, including earthquakes, acts of war, intentional or dishonest acts, inherent vice or normal wear and tear, nuclear reaction or radio-active contamination, asbestos, contamination or other long-term environmental impairments.

In relation to risks of earthquakes, the Manager intends make a comprehensive assessment on whether to purchase insurance for any properties that are expected to be greatly affected by damage to buildings upon the occurrence of large-scale earthquakes. The Manager conducts such assessment upon consideration of how the relevant property and the portfolio as a whole would be affected, as well as the ability to mitigate any adverse impact through insurance coverage. However, when acquiring any property with a PML exceeding 15.0%, the Manager would consider obtaining earthquake insurance for the acquired property that covers the portion of the PML exceeding 15.0%. Such PML refers to the probable maximum loss that would be incurred from a projected maximum size earthquake that occurs once every 475 years (i.e. an earthquake with a 10% probability of occurring within 50 years) represented by the rate (in percentage) of the estimated cost of restoration from the damage to the replacement cost (the construction cost required to build an equivalent building). The PML of the IPO Portfolio is 1.6%. As there is no individual property with PML in excess of 15.0% in the IPO Portfolio, no earthquake insurance will be taken out by the Manager. Daiwa House Insurance Co., Ltd, a subsidiary of the Sponsor ("**DH Insurance**") had helped to obtain quotations from various insurance companies, to which the Manager then compared the quotations and decide which insurance companies to engage. DH TMK and GK operators of DHLT will enter insurance contract directly with the insurance companies. For the avoidance of doubt, DHLT does not pay any fees to DH Insurance.

(See "Risk Factors – Risks Relating to DHLT Properties – DHLT may suffer material losses in excess of insurance proceeds or DHLT may not be able to put in place or maintain adequate insurance in relation to DHLT Properties and its potential liabilities owed to third parties" for further details.)

For countries in which future properties to be acquired by DHLT or its subsidiaries will be located at, DHLT will adopt insurance policies which the Manager believes to be consistent with the industry practice in the relevant country.

SECURITY DEPOSITS

When a prospective tenant has committed to a lease, a security deposit payable by the end-tenants to the Property Trustee in the form of cash, banker's guarantee or corporate guarantee from its parent may be required of the tenant, as determined on a case by case basis. The quantum of security deposit payable by the end-tenants to the Property Trustee (if taken) will vary depending on management's assessment as to the strength of the lessee entity and the creditworthiness of the tenant and typically ranges from three months to 12 months of gross rent. The tenant will take possession of the premises after it has provided the requisite security and formally executed the tenancy document. Rent and recoverable outgoings are usually payable monthly in advance. DHLT will, through the Property Trustee, collect JPY 2.7 billion in security deposits from the end-tenants of the IPO Properties, which will be held in the bank account of the Property Trustee and paid back or used for reimbursement of unpaid rent and costs if necessary. The tenant security deposits payable by the end-tenants to the Property Trustee will not be subject to any encumbrances in favour of the lenders of DHLT.

For the IPO Properties, the total quantum of security deposits to be paid by the Property Trustee to the Superior Landlords will amount to JPY 367.5 million.

The amount of security deposits payable by end-tenants to the Property Trustee and the security deposits payable by the Property Trustee to its Superior Landlords shall be paid by the Listing Date.

IPO PORTFOLIO SELECTION

DHLT's IPO Portfolio was selected from the existing portfolio of properties of the Sponsor which fit the investment mandate of the DHLT. The composition of the IPO Portfolio was determined based on the characteristics of the properties, such as building type, occupancy rate, tenant profile, lease expiry profile, location, size and current rental rates at the property and outlook of the sub-market. In particular, the IPO Properties were selected as they bear the following characteristics:

- completed assets which are ready for sale;
- high-quality, blue-chip tenant base;
- favourable lease expiry profiles with low releasing or renewal costs for tenants;
- desirable outlook of sub-markets in which the assets are located in;
- ability to generate attractive yields; and
- modern assets with low estimated capital expenditure over Forecast Period 2021 and Projection Year 2022.

Additionally, the Manager believes that the selected properties provides an aggregate portfolio which is well-diversified both geographically and across asset types (single-tenanted and multi-tenanted), thereby providing stability in rental revenues and a smooth lease expiry profile.

In addition to the 14 assets which make up the IPO Portfolio, the Sponsor holds other logistics assets across Japan and Southeast Asia which will not be included at the Listing Date. These assets have been excluded for a variety of reasons, including:

- The asset is still under development, or has completed and is still undergoing the process of being leased out to tenants, or is not ready for sale at the Listing Date for other reasons;

- At the Listing Date, the investment yield of the property makes it unsuitable for acquisition by DHLT for various reasons, such as low occupancy, re-leasing costs and/or capital costs associated with the replacement or renewal of tenants, among other reasons;

- At the Listing Date, the Manager views the asset as having an unfavourable lease expiry profile, either due to large lease roll overs, or there is a risk of tenant non-renewal in the near future;

- The Manager believes the prospects of the relevant sub-market or location of the asset is weakening or otherwise unsuitable for DHLT's acquisition;

- The asset is to be acquired by one of the Sponsor's other vehicles under the Existing ROFR or Existing Commitments which supersedes the Sponsor ROFR granted to DHLT.

The Manager will continue to actively monitor the availability and desirability of these assets post-listing, and DHLT may potentially acquire these properties in the future.

INFORMATION ON EACH IPO PROPERTY

DPL Sapporo Higashi Kariki

13 jyo, Higashikariki, Sapporo Hokkaido, Japan

Exterior

Lounge

Completed in February 2018, DPL Sapporo Higashi Kariki is located in Sapporo, Hokkaido, and positioned within proximity of the Sapporo expressway Kariki interchange and is also located approximately seven (7) km east of the Sapporo central business district ("**CBD**").

With a total floor area of 65,653 sq m, the Property is a two-storey building, with (maximum) eight (8) warehouse units for multiple tenants. The ready built warehouse units enable 3PL service providers to set up operations with speed and ease. The warehouse units have their own office spaces and dedicated loading and unloading bays inside warehouse which allows for an efficient workflow. Tenants are able to operate even in snowy weather or the winter season.

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.

The Property is currently occupied by multiple tenants including Sagawa Global Logistics Co., Ltd. which is one of the largest 3PL company in Japan, as well as a TSE-listed manufacturer of decorative interior products.

Summary of Selected Information

The table below sets out a summary of selected information on DPL Sapporo Higashi Kariki.

Land Address	1-1, Higashikariki 13-jyo 3-chome, Higashi-ku, Sapporo-shi, Hokkaido, Japan
Land Tenure	Freehold
Completion Date	1 February 2018
Occupancy as of 1 October 2021 (%)	83.8
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	420
Number of Storeys	2
Third-Party Solar Energy Generation Capacity (MWp)	2.6
NLA (sq m)	60,347.00
Land Area (sq m)	61,609.75
Net Property Income for FY2020	JPY 442 million SGD 5.7 million
Valuation by CBRE as at 30 June 2021	JPY 12,400 million SGD 146.7 million
Valuation by Savills as at 30 June 2021	JPY 12,100 million SGD 143.1 million
Purchase Consideration	JPY 10,520 million SGD 124.4 million
Number of Tenants as of 1 October 2021	5
WALE by Occupied[1] NLA as at 30 June 2021 (years)	2.3

[1] The calculation of WALE is based on total NLA, which is the same as occupied NLA since the occupancy rate as of 1 October 2021 is 96.3%.

DPL Sendai Port

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

Exterior ***Indoor Truck Berth***

Completed in March 2017, DPL Sendai Port is located in Sendai (the biggest city of Tohoku/North East of Japan), and positioned within proximity of 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.

With a total floor area of 64,309 sq m, the Property is a two-storey building, with a maximum of eight (8) warehouse units for multiple tenants. The ready built warehouse units enable third party logistics service providers to set up operations with speed and ease. The warehouse units have their own office spaces and dedicated loading and unloading bays inside warehouse which allows for an efficient workflow. Tenants are able to operate even in snowy weather or the winter season.

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

The Property is currently occupied by, among others, Nitori Co., Ltd. (a furniture and home accessories retail company), Hitachi Transportation System Ltd. (a TSE-listed 3PL service provider) and Suntory Logistics Ltd (a group company of Suntory Holdings, a global food and beverage conglomerate).

Summary of Selected Information

The table below sets out a summary of selected information on DPL Sendai Port.

Land Address	15-13, Minato 4-chome, Miyagino-ku, Sendai-shi, Miyagi, Japan
Land Tenure	Freehold
Completion Date	10 March 2017
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	204
Number of Storeys	2
Third-Party Solar Energy Generation Capacity (MWp)	N.A.
NLA (sq m)	63,118.56
Land Area (sq m)	58,867.01
Net Property Income for FY2020	JPY 475 million SGD 6.2 million
Valuation by CBRE as at 30 June 2021	JPY 12,900 million SGD 152.6 million
Valuation by Savills as at 30 June 2021	JPY 12,300 million SGD 145.5 million
Purchase Consideration	JPY 11,580 million SGD 137.0 million
Number of Tenants as of 1 October 2021	4
WALE by Occupied NLA as at 30 June 2021 (years)	1.8

DPL Koriyama

8-1, Aza-*Sotogawara, Koriyama-shi, Fukushima, Japan*

Exterior

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

With a total floor area of 34,299 sq m, the Property is single storey, with a maximum of six (6) warehouse units for multiple tenants. The ready-built warehouse units enable third party logistics 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.

The Property is currently occupied by multiple tenants, including Nippon Express Co., Ltd. and Japan Logistic Systems Corp, a TSE-listed multinational electronics company.

Summary of Selected Information

The table below sets out a summary of selected information on DPL Koriyama.

Land Address	8-1, Aza-Sotogawara, Koriyama-shi Fukushima, Japan
Land Tenure	Freehold
Completion Date	6 September 2019
Occupancy as of 1 October 2021 (%)	82.3
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	197
Number of Storeys	1
Third-Party Solar Energy Generation Capacity (MWp)	3.0
NLA (sq m)	34,174.19
Land Area (sq m)	56,305.98
Net Property Income for FY2020	JPY 174 million SGD 2.3 million
Valuation by CBRE as at 30 June 2021	JPY 6,770 million SGD 80.1 million
Valuation by Savills as at 30 June 2021	JPY 6,890 million SGD 81.5 million
Purchase Consideration	JPY 5,350 million SGD 63.3 million
Number of Tenants as of 1 October 2021	2
WALE by Occupied NLA as at 30 June 2021 (years)	1.4

D Project Maebashi S

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

Exterior

Temperature-Controlled Zone

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

With a total floor area of 14,075 sqm, this two-storey warehouse was built for Mitsubishi Shokuhin Co., Ltd. as a distribution centre. The Property is equipped with temperature control facilities to dry, freeze or chill. There are 149 parking bays on the Property.

Summary of Selected Information

The table below sets out a summary of selected information on D Project Maebashi S.

Land Address	1-10 Owatari-machi 1-chome, Maebashi-shi, Gunma, Japan
Land Tenure	Freehold
Completion Date	5 November 2018
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	149
Number of Storeys	2
Third-Party Solar Energy Generation Capacity (MWp)	1.4
NLA (sq m)	14,736.42
Land Area (sq m)	23,224.89
Net Property Income for FY2020	JPY 160 million SGD 2.1 million
Valuation by CBRE as at 30 June 2021	JPY 3,430 million SGD 40.6 million
Valuation by Savills as at 30 June 2021	JPY 3,380 million SGD 40.0 million
Purchase Consideration	JPY 3,170 million SGD 37.5 million
Number of Tenants as of 1 October 2021	1
WALE by Occupied NLA as at 30 June 2021 (years)	12.3

D Project Kuki S

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

Exterior ***Common Area***

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 the Tokyo Gaikan Expressway Shiraoka Shobu interchange, with easy access to the Greater Tokyo Area, and the Tohoku Area.

With a total floor area of 18,302 sqm, this three-storey warehouse is occupied by Chuo Bussan, a 3PL operator, which caters to the logistics needs of a nationwide supermarket chain.

There are 76 parking bays on the Property.

Summary of Selected Information

The table below sets out a summary of selected information on D Project Kuki S.

Land Address	6201-3 Shobuchosanga, Kuki-shi, Saitama, Japan
Land Tenure	Leasehold (expiring on 31 July 2034)
Completion Date	1 August 2014
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	76
Number of Storeys	3
Third-Party Solar Energy Generation Capacity (MWp)	N.A.
NLA (sq m)	18,257.35
Land Area (sq m)	14,197.57
Net Property Income for FY2020	JPY 184 million SGD 2.4 million
Valuation by CBRE as at 30 June 2021	JPY 1,380 million SGD 16.3 million
Valuation by Savills as at 30 June 2021	JPY 1,390 million SGD 16.4 million
Purchase Consideration	JPY 1,346 million SGD 15.9 million
Number of Tenants as of 1 October 2021	1
WALE by Occupied NLA as at 30 June 2021 (years)	3.1

D Project Misato S

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

Exterior

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 the Metropolitan Expressway/Joban Expressway/Tokyo Gaikan Expressway Misato interchange, with easy access to the Greater Tokyo Area, and the Tohoku Area.

With a total floor area of 14,835 sq m, this three-storey warehouse was designed and built for Suntory Logistics Ltd., which is a group company of Suntory Holdings, a global food and beverage conglomerate.

There are 41 parking bays on the Property.

Summary of Selected Information

The table below sets out a summary of selected information on D Project Misato S.

Land Address	1-28, Inter-Minami 2-chome, Misato-shi, Saitama, Japan
Land Tenure	Leasehold (expiring on 14 February 2045[(1)])
Completion Date	15 February 2015
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	41
Number of Storeys	3
Third-Party Solar Energy Generation Capacity (MWp)	N.A.
NLA (sq m)	14,877.00
Land Area (sq m)	14,239.24
Net Property Income for FY2020	JPY 239 million SGD 3.1 million
Valuation by CBRE as at 30 June 2021	JPY 2,350 million SGD 27.8 million

Valuation by Savills as at 30 June 2021	JPY 2,390 million SGD 28.3 million
Purchase Consideration	JPY 1,668 million SGD 19.7 million
Number of Tenants as of 1 October 2021	1
WALE by Occupied NLA as at 30 June 2021 (years)	13.6

Note:

(1) The lease term under the existing lease is until 14 February 2035, but the lease will be extended to 14 February 2045 on the Closing Date.

D Project Iruma S

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

Exterior

Warehouse Interior

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 the Ken-O Expressway Iruma interchange, with easy access to Tokyo's CBD area, and the whole Saitama area.

With a total floor area of 15,328 sq m, this three-storey warehouse was built for Tokyo Logi Factory Co., Ltd., a leading Japanese 3PL company which services numerous industries including food and beverages, medicines and industrial materials.

This warehouse has two sides of berth which make it suitable for regional distribution activities. There are 46 parking bays on the Property.

Summary of Selected Information

The table below sets out a summary of selected information on D Project Iruma S.

Land Address	224-1, Sayamagahara, Iruma-shi, Saitama, Japan
Land Tenure	Leasehold (expiring on 31 December 2048)
Completion Date	18 December 2017
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	46
Number of Storeys	3
Third-Party Solar Energy Generation Capacity (MWp)	N.A.
NLA (sq m)	14,581.81
Land Area (sq m)	11,528.52
Net Property Income for FY2020	JPY 191 million SGD 2.5 million
Valuation by CBRE as at 30 June 2021	JPY 2,370 million SGD 28.0 million
Valuation by Savills as at 30 June 2021	JPY 2,440 million SGD 28.9 million
Purchase Consideration	JPY 2,430 million SGD 28.7 million
Number of Tenants as of 1 October 2021	1
WALE by Occupied NLA as at 30 June 2021 (years)	16.5

DPL Kawasaki Yako

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

Exterior

Completed in June 2017, DPL Kawasaki Yako is located in the Kawasaki Bay/Industrial area. The Property is positioned within proximity of the 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 the Haneda Airport and the Port of Kawasaki respectively. Public transportation and all other urban amenities are available in the vicinity.

With a total floor area of 94,799 sq m, the Property is a five-storey, double ramp-up facility with a maximum of 40 warehouse units for multiple tenants. The ready built warehouse units enable third party logistics service providers to set up operations with speed and ease. The warehouse units have their own office spaces and dedicated loading and unloading bays to facilitate the operations of 3PL operators.

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 control facilities to dry, freeze, or chill. There are a total of 367 parking bays on the Property.

The Property is currently occupied by Mitsubishi Shokuhin Co., Ltd., one of the biggest food distributors in Japan, Seino Transportation Co., Ltd, a leading 3PL company listed on the TSE, and acca international Co., Ltd., a Sponsor Group Company which provides fulfilment services for e-commerce and warehouse control system with robots.

Summary of Selected Information

The table below sets out a summary of selected information on DPL Kawasaki Yako.

Land Address	2-3, 3-chome, Yako, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan
Land Tenure	Leasehold (expiring on 29 March 2067[(1)])
Completion Date	1 June 2017
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	367
Number of Storeys	5

Third-Party Solar Energy Generation Capacity (MWp)	1.2
NLA (sq m)	93,158.73
Land Area (sq m)	47,868.13
Net Property Income for FY2020	JPY 1,229 million SGD 16.0 million
Valuation by CBRE as at 30 June 2021	JPY 20,500 million SGD 242.5 million
Valuation by Savills as at 30 June 2021	JPY 21,000 million SGD 248.4 million
Purchase Consideration	JPY 18,770 million SGD 222.0 million
Number of Tenants as of 1 October 2021	5
WALE by Occupied NLA as at 30 June 2021 (years)	11.8

Note:

(1) The lease term under the existing lease is until 31 May 2048, but the lease will be extended to 29 March 2067 on the Closing Date.

D Project Nagano Suzaka S

34, Gokan, Suzaka-shi, Nagano, Japan

Exterior

Warehouse Interior

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 the Nagano area.

With a total floor area of 9,797 sq m, this two-storey warehouse was built for Itochu Shokuhin Co., Ltd. as a distribution centre.

This warehouse has two sides of berth which is convenient for food supply chain or regional distribution activities. There are 90 parking bays on the Property.

Summary of Selected Information

The table below sets out a summary of selected information on D Project Nagano Suzaka S.

Land Address	34, Gokan, Suzaka-shi, Nagano, Japan
Land Tenure	Freehold
Completion Date	25 September 2018
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	90
Number of Storeys	2
Third-Party Solar Energy Generation Capacity (MWp)	0.9
NLA (sq m)	9,810.12
Land Area (sq m)	19,178.21
Net Property Income for FY2020	JPY 123 million SGD 1.6 million
Valuation by CBRE as at 30 June 2021	JPY 2,650 million SGD 31.3 million
Valuation by Savills as at 30 June 2021	JPY 2,610 million SGD 30.9 million

Purchase Consideration	JPY 2,400 million SGD 28.4 million
Number of Tenants as of 1 October 2021	1
WALE by Occupied NLA as at 30 June 2021 (years)	7.3

DPL Shinfuji

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

Exterior

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

With a total floor area of 27,416 sq m, the Property is a two-storey warehouse for multiple tenants. The 1st floor and a part of 2nd floor are currently occupied by CREATE SD Co., Ltd., one of the largest drug store chains in Japan, whilst the rest of 2nd floor is occupied by NOK Corporation, a major Japanese car component supplier. Vehicles can directly access 2nd floor from a connecting road.

There are 227 parking bays on the Property.

Summary of Selected Information

The table below sets out a summary of selected information on DPL Shinfuji.

Land Address	1652-11, Atsuhara, Fuji-shi, Shizuoka, Japan
Land Tenure	Leasehold (expiring on 31 March 2065)
Completion Date	20 September 2017
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	227
Number of Storeys	2
Third-Party Solar Energy Generation Capacity (MWp)	1.2
NLA (sq m)	27,536.94
Land Area (sq m)	28,216.80
Net Property Income for FY2020	JPY 281 million SGD 3.6 million
Valuation by CBRE as at 30 June 2021	JPY 3,560 million SGD 42.1 million

Valuation by Savills as at 30 June 2021	JPY 3,800 million SGD 44.9 million
Purchase Consideration	JPY 3,194 million SGD 37.8 million
Number of Tenants as of 1 October 2021	3
WALE by Occupied NLA as at 30 June 2021 (years)	9.7

D Project Kakegawa S

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

Exterior

Completed in May 2019, this BTS warehouse is located in the Shizuoka prefecture.

The Property is situated within proximity of the Tomei Expressway Kakegawa interchange/ Shinkansen Express Train Kakegawa station, with easy access to the Tokyo Area, Nagoya Area and Osaka Area.

With a total floor area of 21,173 sq m, this three-storey warehouse was built for a TSE-listed 3PL operator, which provides logistics services for a household goods manufacturer.

There are 40 parking bays on the Property.

Summary of Selected Information

The table below sets out a summary of selected information on D Project Kakegawa S.

Land Address	1315-2, Minamisaigo, Kakegawa-shi, Shizuoka, Japan
Land Tenure	Freehold
Completion Date	1 May 2019
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	40
Number of Storeys	3
Third-Party Solar Energy Generation Capacity (MWp)	0.7
NLA (sq m)	22,522.50
Land Area (sq m)	25,633.00(1)
Net Property Income for FY2020	JPY 204 million SGD 2.6 million
Valuation by CBRE as at 30 June 2021	JPY 4,240 million SGD 50.1 million
Valuation by Savills as at 30 June 2021	JPY 4,170 million SGD 49.3 million

Purchase Consideration	JPY 3,980 million SGD 47.1 million
Number of Tenants as of 1 October 2021	1
WALE by Occupied NLA as at 30 June 2021 (years)	12.8

Note:

(1) Land Area is the aggregate of land area of two parcels which to be acquired, although one parcel of the land will be co-owned by the Property Trustee and the Sponsor.

DPL Okayama Hayashima

3500, Hayashima,* Hayashima-cho, Tsukubo-gun, *Okayama, Japan

Exterior

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

With a total floor area of 24,173 sq m, the Property is a two-storey warehouse for multiple tenants. The property is currently occupied by 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 control facilities to dry, freeze or chill.

There are 204 parking bays on the Property.

Summary of Selected Information

The table below sets out a summary of selected information on DPL Okayama Hayashima.

Land Address	3500, Hayashima, Hayashima-cho, Tsukubo-gun, Okayama, Japan
Land Tenure	Leasehold expiring on 29 April 2067[1]
Completion Date	19 September 2017[2]
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	204
Number of Storeys	2
Third-Party Solar Energy Generation Capacity (MWp)	1.4
NLA (sq m)	23,541.34
Land Area (sq m)	27,273.97
Net Property Income for FY2020	JPY 273 million SGD 3.5 million
Valuation by CBRE as at 30 June 2021	JPY 4,400 million SGD 52.0 million

Valuation by Savills as at 30 June 2021	JPY 4,510 million SGD 53.3 million
Purchase Consideration	JPY 3,650 million SGD 43.2 million
Number of Tenants as of 1 October 2021	2
WALE by Occupied NLA as at 30 June 2021 (years)	6.0

Notes:

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

(2) Block A of DPL Okayama Hayashima was newly constructed on 19 September 2017 and Block B was further constructed on 30 November 2018.

DPL Okayama Hayashima 2

4466-1, Hayashima, Hayashima-cho, Tsukubo-gun, Okayama, Japan

Exterior

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

With a total floor area of 14,000 sq m, the Property is a two-storey warehouse for multiple tenants. The Property is currently being solely occupied by Nippon Express Co., Ltd., one of the leading Japanese 3PL companies servicing a major Japanese food and beverage manufacturer.

As the Property has a large drive-through canopy, which enable tenants to continue operating even in rainy weather or during the rainy season. There are 60 parking bays.

Summary of Selected Information

The table below sets out a summary of selected information on DPL Okayama Hayashima 2.

Land Address	4466-1, Hayashima, Hayashima-cho, Tsukubo-gun, Okayama, Japan
Land Tenure	Leasehold expiring 30 years from the Closing Date
Completion Date	30 October 2017
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	60
Number of Storeys	2
Third-Party Solar Energy Generation Capacity (MWp)	0.7
NLA (sq m)	16,750.00
Land Area (sq m)	17,810.75
Net Property Income for FY2020	JPY 160 million SGD 2.1 million
Valuation by CBRE as at 30 June 2021	JPY 2,400 million SGD 28.4 million
Valuation by Savills as at 30 June 2021	JPY 2,140 million SGD 25.3 million
Purchase Consideration	JPY 1,750 million SGD 20.7 million
Number of Tenants as of 1 October 2021	1
WALE by Occupied NLA as at 30 June 2021 (years)	3.5

D Project Fukuoka Tobara S

602-6, Oaza *Tobara,* Kasuyacho, *Kasuya-gun, Fukuoka, Japan*

Exterior

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

With a total floor area of 10,058 sqm, this two-storey warehouse was designed and built for Sonoda Rikuun Co., Ltd., a 3PL operator catering to the food and beverage segment. To cater to the tenant's usage demands, temperature control facilities to dry, freeze, and chill were installed.

There are 64 parking bays on the Property.

Summary of Selected Information

The table below sets out a summary of selected information on D Project Fukuoka Tobara S.

Land Address	602-6, Oaza Tobara, Kasuyacho, Kasuya-gun, Fukuoka, Japan
Land Tenure	Leasehold (expiring on 30 March 2068)
Completion Date	21 February 2019
Occupancy as of 1 October 2021 (%)	100.0
Property Manager	Daiwa House Property Management Co., Ltd.
Parking Bays	64
Number of Storeys	2
Third-Party Solar Energy Generation Capacity (MWp)	0.5
NLA (sq m)	10,507.98
Land Area (sq m)	14,438.86
Net Property Income for FY2020	JPY 95 million SGD 1.2 million
Valuation by CBRE as at 30 June 2021	JPY 1,340 million SGD 15.8 million
Valuation by Savills as at 30 June 2021	JPY 1,330 million SGD 15.7 million
Purchase Consideration	JPY 1,260 million SGD 14.9 million
Number of Tenants as of 1 October 2021	1
WALE by Occupied NLA as at 30 June 2021 (years)	13.1

LEASEHOLD INTERESTS

DHLT will be acquiring leasehold interests in eight out of the 14 properties in the IPO Properties. As DHLT will be acquiring leasehold interests in the relevant IPO 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 (the "**Superior Landlords**"). (See "Risk Factors – Risks Relating to Investing in Real Estate – There are special risks associated with the underlying land of DHLT Properties held in the form of a leasehold interest or surface rights" for further details on the risks relating to leasehold rights.)

Nevertheless, the Manager has been advised by their Japanese Counsel that DHLT enjoys all the rights and economic benefits which arises from the leasehold interests, subleasehold interests and sub-subleasehold interests (as applicable) (hereinafter referred to as "leasehold interests" in this paragraph), including the right to exclusive use of the land, own building on the land and receive rent by leasing such building. Additionally, while DHLT cannot directly transfer or pledge the leasehold interest, or take benefit of mortgage from the leasehold interests by taking out a mortgage on the building on the land without consents from the Superior Landlords, as with the disposal of the properties through the disposal of the TBIs, the Manager has been advised by their Japanese Counsel that DHLT can likewise transfer and pledge TBIs of the leasehold interests without consents from the Superior Landlords. The only consent required is from the Property Trustee but given that the Property Trustee cannot unreasonably withhold, reject or delay such consent under the Trust Agreements and such requirement for consent is no different for freehold properties held by DHLT through TBIs, DHLT will have full ownership over the Leasehold Properties. Therefore, such holding of TBIs of the leasehold interests would constitute proper legal and good and marketable titles of DHLT to the relevant properties and DHLT would have freedom to dispose of such properties[1].

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[1] DH TMK and TK Operator (GK2) will hold TBIs in the IPO Properties rather than direct ownership of the physical properties. Accordingly, the disposition of any of the IPO Properties is likely to occur by way of disposition of TBIs and not by way of disposition of the leasehold interests. In this regard, if the REIT disposes of the TBIs, according to the Japanese Counsel, the REIT would not have to obtain the relevant consents from Superior Landlords and/or other counter-parties of the agreements which provide the prohibition or restriction on the transfer of the leasehold interests except for the consents of the Property Trustee (such Property Trustee's consent may be usually obtained in practice and obtaining such consent should not be an obstacle or restriction for the disposition of TBIs because the trust agreements provide that the Property Trustee cannot unreasonably refuse such consent). Once the leasehold interests are entrusted to the Property Trustee upon acquisition of leasehold properties by the REIT, the leasehold interests will not be transferred when the REIT disposes of the TBIs whose trust assets include the leasehold interests. While the REIT is likely to dispose TBIs in the IPO Properties instead of disposing the underlying leasehold properties, in the event the REIT disposes of the leasehold properties, the REIT will have to obtain the relevant consents from Superior Landlords and/or other counter-parties of the agreements. It is likely that the Superior Landlords do not usually refuse to provide such consents because the use of the land by the purchaser will not be changed after the transfer of the leasehold property from the REIT to the purchaser. In addition, in the event consent from the Superior Landlords is not forthcoming, the REIT may seek judicial permission for the transfer in respect of leasehold of occupied land and a court may give permission unless the transfer will prejudice the Superior Landlords' rights. It is likely that the court would give such permission in circumstances where it is unavoidable to transfer the leasehold right to dispose of the properties, and this may be accompanied by an order to the parties to make reasonable payment to the Superior Landlords. Though the court ultimately has the power not to grant such permission for the unoccupied parcels under the Land and Building Lease Law, the court may nevertheless regard it as an abuse of rights if the Superior Landlords refuse to give consent to the unavoidable transfer of unoccupied parcels which are integrally used with the occupied parcels and may determine that the Superior Landlords cannot cancel the land lease agreement on the basis that the transfer was made without the Superior Landlord's consent.

Creation of land leasehold, sub-leasehold or sub-sub-leasehold interests

Out of the eight Leasehold Properties, DPL Okayama Hayashima and D Project Fukuoka Tobara S will be acquired in the form of TBIs of which the trust property is a building held by DHI, who also owns the land leasehold interests or land subleasehold interests (as the case may be) in respect of the underlying land. Hence, a sub-lease or sub-sub-leasehold right creation agreement must be executed between DHI as sub-lessor or sub-sub-lessor and the Property Trustee as the sub-lessee or the sub-sub-lessee, which is a condition precedent of the transfer of TBIs under the PSAs. On the other hand, DPL Kawasaki Yako, D Project Kuki S, D Project Misato S and DPL Shinfuji will be acquired in the form of TBIs of which the trust property is a building held by Mitsubishi or HC Capital community, and the land leasehold interests or land subleasehold interests (as the case may be) also held by Mitubishi or HC Capital community, whose direct landlord is DHI in respect of the underlying land.[1] (Refer to the "Business and Properties – Leasehold Interests – Summary of the leasehold interests" section in this Prospectus for further details).

In respect of such properties, it is intended for DHI to act as an intermediate lessee for the Property Trustee, in order to ease the burden of the Property Trustee to manage the leasehold interests and the lessor-lessee relationships with the Superior Landlords. As liaising with many landlords is administratively burdensome, property trustees typically do not approve structures involving multiple lessors. In these situations, the Property Trustee may claim for higher trust fees in return for the additional work required to upkeep the relationship with multiple landlords. Therefore, having DHI as the intermediate lessee allows DHLT to avoid the additional administrative burden and potential higher costs incurred by Property Trustee trust fees.

Furthermore, some landlords expect DHI to remain in the lease structure, in light of DHI's creditworthiness and DHI's past relationship with the landlord. In such cases, the landlord might object to the change of lessee from DHI to any other entities. Having DHI as the intermediate lessee would also ensure that DHLT (through the Property Trustee) can expect the same level of representations and warranties as well as contractual undertakings and obligations of DHI as its direct lessor across the Leasehold Properties.

Payment for the Leasehold Properties

The total amount payable by DHLT to the Sponsor for the eight leasehold IPO Properties comprises (a) the purchase consideration (which is supported by the independent valuations of the properties)) for the acquisition of the TBI in respect of the building and the title to the leasehold interest in the underlying land payable to the vendor and (b) a monthly land rent payable to the Sponsor (as lessor) for the continuing right to use the underlying land for the remaining tenure of the leasehold.

In Japan, it is a common market practice for future land rents to be payable by the lessee to the landlord in regular intervals for the remaining duration of the lease. The following sets out how J-REITs typically compute the future land rent to be paid to the lessor periodically throughout the leasehold tenure and the purchase consideration to be paid by the J-REIT to the vendor:

(i) At the first stage, periodic land rent is fixed based on the commercial discussion between the lessor and lessee, taking in the consideration land rent comparables. However, if the land lease agreement already exists, generally J-REITs will adopt the agreement as is, including periodic land rent payment obligation.

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1 Although D Project Iruma S and DPL Okayama Hayashima 2 are leasehold properties held by DHLT (through the Property Trustee), these two properties are irrelevant to the explanation under this part since DHI will be the land owner of these two properties.

(ii) At the second stage, the purchase consideration is determined based on the independent valuations of the property, which is based on the income approach. This valuation of the property takes into account the periodic land rent (which is fixed in the first stage above) which is reflected in one of the assumptions of valuation as a decrease in future net operating income for the property, and there is no split in the valuation between building and leasehold interests in the land.

(iii) At the third and final stage, as an accounting requirement, the J-REIT (as purchaser) will retrospectively allocate the purchase consideration to building and the leasehold interest in the land. Allocation will be done using the building to land ratio which the valuer will assess using the cost approach.[1]

As such, the periodic land rent is fixed in stage 1, and the purchase price is a result of split at stage 3, just for accounting purpose, together with computation of consumption tax, which is paid to the vendor only on the price attributed to the building.[2]

In respect of the eight leasehold IPO Properties held by DHLT (through the Property Trustee), consistent with Japanese market practice as elaborated above, the monthly land rent payable by DHLT is determined based on (a) for D Project Kuki S, D Project Misato S, D Project Iruma S, and DPL Kawasaki Yako and DPL Shinfuji, existing land lease agreements where the current owner (the leasing company) owns the leasehold and DHLT will succeed the existing land rent condition for the five properties, (b) for DPL Okayama Hayashima, DPL Okayama Hayashima 2 and D Project Fukuoka Tobara S, market land rent comparables where new land lease agreements are entered into.

Sponsor's lease obligations

As DHLT's leasehold interests as the lessee or sub-sub- lessee is subject to the interests of the Superior Landlords, DHLT may lose its leasehold interest as a result of the Superior Landlords' loss of title. For example, DHI may breach or default on its own land lease agreement or becoming insolvent, causing DHLT's land sub-sub-lease agreement to be terminated and DHLT to lose its leasehold interest. Under Japanese law, perfection of title does not protect downstream sub-sub-leasehold interests where the land sub-sub-lease agreements are terminated by virtue of the lessee's breach of its land lease agreement with its landlord above[3].

To this end, in respect of the six properties in which the Sponsor owns land leasehold interests or land subleasehold interests (i.e. DPL Kawasaki Yako, D Project Kuki S, D Project Misato S, DPL Shinfuji, DPL Okayama Hayashima and D Project Fukuoka Tobara S), 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.

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1 The Reporting Auditor has confirmed that the allocation approach is in line with generally accepted accounting practice in Japan.

2 For the avoidance of doubt, the Japanese tax authorities have not reviewed the computation of consumption tax of the leasehold IPO Properties. The information will only be provided to the Japanese tax authorities at the time of filing the first Japanese tax consumption return (which will be post-IPO). As the computation is an established method in Japanese real estate market, the Manager does not expect that there will be any objection from the tax authorities.

3 Termination of land lease agreement by mutual agreement between the landlord and its lessee does not affect the existence of the land sub-lease agreement between the lessee and its sub-lessee, and the landlord must continue to acknowledge the land sub-lease agreement after the termination of the land lease agreement.

Nonetheless, the Japanese Counsel has advised that, in accordance with a well-established legal doctrine in Japanese law based on equitable principles (the "**Legal Doctrine**"), if a lessee acts in breach of provisions under a land lease agreement, it does not automatically entitle the lessor to terminate the land lease agreement, unless the breach is material enough to "destroy the trust between the lessor and the lessee", as determined by Japanese courts. As such, even if the land lease agreement expressly provides that the occurrence of certain event or breach of a certain provision in the lease agreement is a termination event, the lessor will not be allowed to terminate the agreement if such event or breach is not material enough to "destroy the trust between the lessor and the lessee" as determined by Japanese courts.

That being said, the following termination events are typically found in land lease agreements in Japan, such that an occurrence of such events may allow the lessor to terminate the land lease agreement:

(i) non-payment or delay in payment of rent for two consecutive months or more;

(ii) a cheque or cash note provided by the lessee is dishonoured;

(iii) the lessee receiving from a clearing house a disposition to suspend transactions with banks[1];

(iv) commencement of a petition for the lessee to enter into bankruptcy proceedings, or similar insolvency proceedings;

(v) commencement of a petition for seizure of the lessee's assets or similar enforcement procedure;

(vi) breach of any provision in the land lease agreement;

(vii) the lessee associates with anti-social forces; and

(viii) the abandonment of or non-use of the land without notification to the lessor.

Similar termination events are specified in the land lease agreements and land sub-lease agreements entered into between the Sponsor and the Level 1 Lessor or, as the case may be, the Level 2 Sub-Lessor (in each case, being the direct landlord of the Sponsor). The specific termination events which are applicable to each Leasehold Property are set out in the table below against that property.

[1] A clearing house is a financial intermediary between the public and financial institutions that provides services in connection with payment transactions, such as the clearing of cheques.

Nevertheless, the landlord immediately above DHLT post-IPO for the IPO Portfolio will be the Sponsor, and the risks of the leasehold interest or sub-leasehold interest of the Sponsor being terminated as a result of any occurrence of each such termination event may be mitigated in the manner set out below:

1. In relation to the termination event in item (i) above

The Property Trustee may fulfill part of its payment obligations to the Sponsor by paying such part of the rent which is equivalent to the amount of rent due and payable from the Sponsor to its landlord.[1] The land sub-lease agreement between DHI and the Property Trustee shall provide that the Property Trustee may fulfill part of its payment obligations[2] to DHI by paying such part of the rent (equivalent to the amount of rent due and payable from DHI to DHI's landlord under DHI's own land lease agreement) to DHI's landlord directly (with DHI to provide the relevant bank account details of its landlord) if (i) DHI fails to pay the rent to its landlord by the due date or (ii) the Property Trustee reasonably determines that DHI will likely to fail to pay the rent to its landlord by the due date, which will ensure that DHI will not be in breach of its lease obligations owed to its landlord.[3]

Such provision for the Property Trustee to fulfill part of its payment obligations to the Sponsor by paying such part of the rent which is equivalent to the amount of rent due and payable from the Sponsor to its landlord is not a common market practice, and the land lease agreements have been specifically drafted to provide for such arrangements as a mitigant to the risk of the Sponsor breaching its land lease agreement with its landlords.

The Japanese Counsel considers that it is likely that, based on a ruling of the Supreme Court in Japan[4], the Sponsor's landlord will have to accept payment from DHLT through the Property Trustee, on the basis that the Property Trustee has legitimate interest in the fulfilment of payment obligation by the Sponsor. In such situations where the Court makes a

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1 The Sponsor has a continuous obligation to pay rent to its landlord as long as it remains a lessee or a sub-lessee of the leasehold IPO Properties.

2 As the rent payable by the Property Trustee to DHI under the land sub-lease agreement is higher than the rent amount payable by DHI to its landlord under DHI's own land lease agreement, the proposed arrangement is for the Property Trustee to be able to fulfil such part of its rent payment obligations to DHI through the direct payment of rent (equivalent to the amount of rent due and payable from DHI to DHI's landlord under DHI's own land lease agreement) to DHI's landlord directly, subject to the conditions stated above. In respect of properties for which DHI is not the ultimate landlord, the rent payable by the REIT to DHI on a monthly basis under the land lease agreements have been determined upfront as disclosed in "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements" of the Prospectus based on either (i) the rent payable by the previous owner (of the same level as the REIT) to DHI, which will generally be higher than the rent payable by DHI to its landlord for the reason set out in (b) below, or (ii) up to 10% higher than the rent DHI pays to its landlord. Whether (i) or (ii) applies will depend on commercial decisions which may vary depending on the properties. As a for-profit entity, DHI does not expect to take a loss by leasing the property to the REIT (or any other entity, such as the previous owner which DHLT may acquire the property from) at a rent lower than what they pay to the landlord. Therefore, such arrangement will similarly be expected for future Japanese leasehold properties to be acquired by the REIT.

3 The rent payable by the Property Trustee to the Sponsor is in respect of the sub-lease or sub-sublease agreement entered into between the Sponsor and the Property Trustee, while the rent payable to the lessor or sub-lessor by the Sponsor is in respect of the lease agreement or sub-lease agreement between the Sponsor and the lessor or, as the case may be, the sub-lessor (in each case being the landlord of the Sponsor).

4 The ruling of the Supreme Court was in relation to a case which involves the question of whether a lessor of land had the obligation to accept the land rent paid by a tenant of a building on the leased land on behalf of the lessee of the land who owned and leased the building to the tenant. Though the facts differ from DHLT's transactions, which involve a sublessee and a lessor (or a sub-sublessee and a sub-lessor), and as such the Supreme Court ruling is not binding on DHLT's transactions, there are similarities between the transactions, namely the reliance of the tenant's interest (in light of its building lease with the lessee of the land) on the continuity of the lessor's land lease agreement and DHLT's interest (in light of its downstream sub-sub-leasehold) in the continuity of the Sponsor's land sub-lease agreement. As such, the Japanese Counsel is of the view that if the practice of the Property Trustee to repay the monthly rent of the Sponsor were ever contested, it is highly likely that DHLT will obtain a favourable ruling from the Supreme Court.

finding of the Property Trustee's legitimate interest in the Sponsor's fulfilment of its payment obligation, the Japanese Counsel considers that it is likely that DHLT can step into the shoes of the Sponsor to pay such rent payable from the Sponsor to the Sponsor's landlord even without the consent of the Sponsor or its landlord,[1] as the Supreme Court judgment is precedent for similar cases that the Sponsor's landlord shall accept the rent payment and will not hold the Sponsor responsible for non-payment of rent.

2. <u>In relation to the termination events in items (ii) to (v) above</u>

These are events relating to the credit of the lessee. Based on the Legal Doctrine where the mere occurrence of such event may not result in termination of the lease agreements, it essentially means that such events may likely result in termination of the land lease agreements only where the event is so material as to "destroy the trust between the lessor and the lessee", which will usually be in the case where the Sponsor is insolvent and is unlikely to meet its liabilities when fall due. However, the risk of such termination events occurring (which is considered material enough in accordance with the Legal Doctrine) is highly remote, given that the Sponsor, founded in 1955, is one of the largest construction and real estate development companies in Japan and has demonstrated a stable financial track record. It is listed on the Tokyo Stock Exchange and has a market capitalisation of JPY 2,491.1 billion (approximately SGD 29.5 billion) as of 30 September 2021. Nevertheless, while such risk is expected to be low, there can be no assurance that the Sponsor will never become insolvent. (For further details, refer to the "Overview – Key Investment Highlights – Strong Sponsor with Depth of Experience in Real Estate Fund Management and an Extensive Track Record in Logistics Asset Development" section of this Prospectus and the "Risk Factors – Risks Relating to Investing in Real Estate – There are special risks associated with the underlying land of DHLT Properties held in the form of a leasehold interest or surface rights" section of this Prospectus.)

3. <u>In relation to the termination event in item (vi) above</u>

Based on the Legal Doctrine as discussed above, a breach of a provision in the land lease agreement will not entitle the lessor to terminate if the breach is not material enough to destroy "the trust between the lessor and the lessee" as determined by Japanese courts.

The obligations owed under the land lease agreements can be grouped into ancillary obligations and material obligations and they are as follows:

(a) ancillary obligations owed by the lessee to the Lessor include:

(i) confidentiality obligations;

(ii) obligations to notify the lessor if the lessee changes its trade name, representative or address, any encroachment on the land or other specified occasions;

(iii) restriction against the assignment of the right to claim the refund of a security deposit payable by the end-tenants to the Property Trustee from the Lessor;

(iv) to update and provide necessary information to the lessor for the vacation of the land one year prior to the end of the lease term; and

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[1] In accordance with the Supreme Court ruling, it was decided that the building tenant had a legitimate interest in the payment of the rent of the underlying land of the building, and therefore the lessor of the land was obligated to accept the land rent if it was paid by the building tenant on behalf of the land lessee under Article 474, Paragraph 3 of the Civil Codes. As such, in the present transaction, the Manager has been advised by the Japanese Counsel and is of the view that it is not likely to be necessary for the Level 1 Lessor and Level 2 Sub-Lessor (if applicable) to be informed of or aware of the arrangements for the Property Trustee to fulfill the Sponsor's payment obligations.

(v) to notify the lessor upon change in corporate information of lessee, including a merger involving the lessee, commencement of a petition for the Sponsor to enter into bankruptcy proceedings or for seizure of the Sponsor's assets, or where there is significant damage to the land,

(collectively, the "**Ancillary Obligations**"); and

(b) the obligations owed by the Sponsor to its landlords which are expected to be considered material typically include:

(i) the obligation to pay rent on time;

(ii) the restriction against the transfer of the leasehold interest or sub-leasehold interest without prior written consent of the Level 1 Lessor or the Level 2 Sub-Lessor, as the case may be;

(iii) the restriction against the sublease of the land to a third party without prior written consent of the Level 1 Lessor or the Level 2 Sub-Lessor, as the case may be;

(iv) the observation of the specified use of the property (the "**Specified Use Obligation**");

(v) the responsible maintenance of the condition of the property (the "**Responsible Maintenance Obligation**");

(vi) no dangerous use or emittance of noise, vibration, poisonous gas or dirty water which may cause disturbance to the neighbourhood (the "**No Disturbance Obligation**");

(vii) dealing with complaints from neighbours;

(viii) no change of the reconstruction or extension plan without prior consent from the lessor;

(ix) the restriction against the transfer or pledge of the building without prior written consent from the lessor;

(x) inclusion of specified terms[1] into the lease agreement of the building;

(xi) cooperating with the landlord when the landlord examines the use of the land;

(xii) prior notification to the landlord upon lease of the building to an end-tenant;

(xiii) upon entry into a building lease with end-tenants, informing the end-tenant that the land underlying the building is leased to the Sponsor from the Level 1 Lessor under the special fixed-term land lease agreement for business purpose and providing notice of the building lease to the Level 1 Lessor (the "**Notification of Building Lease Obligation**"); and

[1] The specified terms provide that the building lease with the end-tenant must terminate six months (or more) earlier than the termination of the land lease agreement, and that the Sponsor must provide an explanation required under the Japanese law to the end-tenant.

(xiv) no change of end-tenants of the building without written consent of the Level 1 Lessor,

(collectively, the "**Material Obligations**").

The Manager is advised by the Japanese Counsel that, when assessed based on the Legal Doctrine, the Ancillary Obligations are not expected to be material and thus the breach of such Ancillary Obligations would not be expected to entitle the Lessor to terminate the lease agreements. Further, the mere occurrence of a breach of a Material Obligation may result in the termination of the land lease agreement only where the event is so material as to "destroy the trust between the lessor and the lessee" as determined by Japanese courts.

According to the Japanese Counsel, the risks of the land leasehold interest or sub-leasehold interest of the Sponsor being terminated as a result of any breach of the Sponsor's Material Obligations in its land lease agreements with its Superior Landlords are also mitigated in the manner set out below:

(A) In relation to the obligation in item (b)(i) above, as mentioned above, the Property Trustee may fulfill part of its payment obligations to the Sponsor by paying such part of the rent which is equivalent to the amount of rent due and payable from the Sponsor to its landlord;

(B) In relation to the obligations in item (b)(ii) and (b)(iii), the Sponsor has provided an undertaking in the land lease agreements with the Property Trustee that the Sponsor shall not transfer the land leasehold right or land sub-leasehold right (as the case may be) without the prior written consent of the Property Trustee, or establish any right which prevents the full exercise of the land subleasehold right or land sub-leasehold right (as the case may be). (See the "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements – Principal Terms of the Land Lease Agreements" section of this Prospectus for further details);

(C) In relation to the obligations in items (b)(iv) to (b)(xiii), they are within the control of DHLT, given that the Property Trustee has the exclusive use of the land and will be able to ensure the breaches of such obligations do not occur; and

(B) In relation to the obligation in item (b)(xiv), given that the tenants of this type of logistics properties are generally reputable and sound companies in Japan, it is not expected that the Sponsor's landlord will have an objection to the change of the end-tenant, but even if a breach of this obligation occurs, such a breach is not expected to be material when assessed based on the Legal Doctrine and thus the breach of such obligation would not be expected to entitle the Lessor to terminate the lease agreements.

4. <u>In relation to the termination event in item (vii) above</u>

The risk of the Sponsor being associated with anti-social forces is highly remote. The Sponsor is a reputable real estate conglomerate listed on the Tokyo Stock Exchange and is subject to stringent compliance regulations and has established codes of conduct which includes an express restriction against involvement with anti-social elements. The risk is further mitigated as the Sponsor has provided undertakings under the lease agreements with the Property Trustee that it shall not associate with anti-social forces, and breach of such undertaking will entitle the Property Trustee to claim for indemnity or compensation for any damage, losses or expenses sustained.

5. <u>In relation to the termination event in item (viii) above</u>

This event is within the control of DHLT given that the Property Trustee will have the exclusive use of the land and will be able to ensure this event, being the abandonment of or non-use of the land, does not occur.[1]

As a further mitigant, under the land sub-lease agreements and land sub-sublease agreements between the Sponsor and the Property Trustee, DHI has provided an undertaking in the land sub-sub-lease agreement (or any other agreement) between DHI and the Property Trustee that it shall properly perform and comply with its own obligations under the land lease agreements with the relevant lessors or sub-lessors (being the direct landlords of DHI). If the Sponsor breaches this undertaking, it shall indemnify or compensate the Property Trustee for any damage, losses or expenses (including reasonable attorney's fees) sustained. (See "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements" for further details.)

Furthermore, as DHI as the lessee had provided a pledge in the land sub-lease agreement (or any other agreement) that DHI shall not transfer the land leasehold right without prior written consent of the Property Trustee, there is no risk of DHI assigning its leasehold title to a third party without the Property Trustee reviewing the creditworthiness and reliability of such assignee. (See "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements" for further details.)

In relation to DPL Shinfuji and D Project Fukuoka Tobara S, there are intermediary SPCs which were formed as cooperatives to facilitate the leasing out of the individual parcels of land by the individual lessors[2]. As between the cooperative SPCs and the landlords, it is unlikely that the cooperatives will be in breach of their agreements with the landlords as they were set up with the express purpose of representing the individual lessors and to pass on the rental collected to the lessors. If the intermediary SPC intentionally breaches the land lease agreement in order to terminate the land lease agreement and/or terminate the sublease for the benefit of the lessors, the Japanese court would nevertheless hold that the land sub-lease agreement survives by lifting the corporate veil or deeming the lease is terminated by mutual agreement between the lessor and the lessee.

(See "Risk Factors – Risks Relating to Investing in Real Estate – There are special risks associated with the underlying land of DHLT Properties held in the form of a leasehold interest or surface rights" for further details.)

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1 This is in addition to the standard tenant obligations of DHI to amongst others, observe the specified use of property and to be liable for any loss or damage to the property should such DHI be responsible for any such loss or damage, which is within the control of the Property Trustee as the Property Trustee will have the right to exclusive use of the land.

2 The intermediary SPC in relation to D Project Fukuoka Tobara S is established for the management of D Project Fukuoka Tobara S and two other properties located next to D Project Tobara S. It is controlled by seven representatives of the owners of the three properties, out of which five are the individual lessors of D Project Fukuoka Tobara S. The intermediary SPC formed in relation to DPL Shinfuji is a typical bankruptcy remote SPC established for the purpose of integrating all individual lessors' interests, including the distribution of rent to the individual lessors.

Perfection of leasehold interests

All leasehold titles in the IPO Properties to be acquired by DHLT on the Closing Date will be deemed perfected on the Closing Date, upon application for registration, such registration being completed as a matter of course subject to submission of all relevant documents.[1] In respect of D Project Iruma S, DPL Kawasaki Yako, D Project Kuki S and the reserved land portion of DPL Shinfuji, as they each comprises a single parcel of land underlying a freehold building, the sub-leasehold interest in the land of such properties are perfected without registration. On the other hand, in respect of the land leasehold portion of DPL Okayama Hayashima, DPL Okayama Hayashima 2, D Project Fukuoka Tobara S, D Project Misato S and the provisional replotting land portion of DPL Shinfuji, each property consists of multiple parcels of land, where some parcels are occupied by a freehold building and others are unoccupied parcels of land. While DHLT's interests in the parcels of land occupied by the buildings will be perfected by DHLT's ownership of the building, DHLT's interests in unoccupied parcels of land will need to be registered in order for DHLT's interest in such land to be perfected. In this regard, requisite registrations for the interests in unoccupied parcels of land to be acquired by DHLT on the Closing Date would be applied and deemed perfected on the Closing Date. (Please see "Overview of Relevant Laws and Regulations – Japan – Land Leases – Perfection" of this Prospectus for further details on the perfection of leasehold interest.)

Summary of the Leasehold Interests

The table below sets out information relating to the leasehold interests DHLT will acquire through the Property Trustee and their Superior Landlords and the lease obligations of the Superior Landlords of the Property Trustee.

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[1] The acquisition of the IPO Portfolio will be completed on the Closing Date and the registration will be applied on the Closing Date. The interests will be deemed perfected on the date of application for registration, while it takes one or two weeks from then for the registration to be completed for administrative reasons. To this end, all documents required for registration of the REIT's interests will be provided to the Property Trustee as part of completion deliverables and the consents from the Superior Landlords for the perfection of the REIT's interest (through the Property Trustee) have already been obtained. As the procedure is administrative and procedural in nature, it will be completed as a matter of course subject to submission of all relevant documents. There is also no implication to DHLT in the event that completion of registration is delayed, given that the interests of DHLT will be deemed perfected on the date of application. An announcement will be made by the Manager via SGXNET upon completion of the registration.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
1	DPL Okayama Hayashima	DHI	Sub-leasehold	Level 1 – Lessor • Unrelated individual, corporate and municipal landlords (registered interest[1]) Level 2 – Lessee (and Sub-Lessor to Level 3) • DHI (comprises parcels underlying building[2] and unoccupied land parcels surrounding the building, of which interests have been registered) Level 3 – Sub-Lessee • DHLT (through the Property Trustee) (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests are to be registered on the Closing Date upon the creation of the subleasehold interest for and acquisition of the subleasehold interest by DHLT (through the Property Trustee))	Level 2 – Land Lease Agreement *Termination Events* Under the land lease agreement entered into between the Sponsor (Level 2 Lessee) and the Level 1 Lessor, the Level 1 Lessor may terminate the agreement when the following events occur: (i) non-payment or delay in payment of rent by for two consecutive months or more; (ii) the Sponsor receiving from a clearing house a disposition to suspend transactions with banks; (iii) commencement of a petition for the Sponsor to enter into bankruptcy proceedings, or similar insolvency proceedings; (iv) commencement of a petition for seizure of the Sponsor's assets or similar enforcement procedure; (v) breach of any provision in the land lease agreement; (vi) the Sponsor associates with anti-social forces; and (vii) the abandonment of or non-use of the land without notification to the Level 1 Lessor.

1 "**registered interest**" means that the interest in the freehold land, the leasehold interest, sub-leasehold interest or sub-sub-leasehold interest (as the case may be) has been perfected by registration.

2 "**parcels underlying building**" means that a registered building is located on the land parcels and the leasehold interest, sub-leasehold interest or sub-sub-leasehold interest (as the case may be) of the owner of the freehold title in the building has been perfected by virtue of the registration of the building on the land.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					Ancillary Obligations and Material Obligations In relation to the termination event in item (v) above, the obligations owed by the Sponsor under the land lease agreement are as follows: (a) the Ancillary Obligation to update and provide necessary information to the Level 1 Lessor for the vacation of the land one year prior to the end of the lease term; (b) the following Material Obligations: (i) the obligation to pay rent on time; (ii) the Specified Use Obligation; (iii) the Responsible Maintenance Obligation; (iv) the No Disturbance Obligation; and (v) the Notification of Building Lease Obligation. The risks of the land leasehold interest of the Sponsor being terminated as a result of the occurrence of any termination event or any breach of the Sponsor's Material Obligations in its land lease agreement with the Level 1 Lessor are mitigated in the manner explained in the foregoing section. (See the "Business and Properties – Leasehold Interests – Sponsor's lease obligations" section of this Prospectus for further details.) There is no other obligation owed by the Sponsor to the Level 1 Lessor under the land lease agreement between the Sponsor and the Level 1 Lessor that, if breached, will result in termination of the Sponsor's land lease agreement for DPL Okayama Hayashima.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
2	DPL Okayama Hayashima 2	DHI	Leasehold	Level 1 – Lessor • DHI (registered interest)[1] Level 2 – Lessee • DHLT (through the Property Trustee) (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests are to be registered on the Closing Date upon the creation of the leasehold interest for and acquisition of the leasehold interest by DHLT (through the Property Trustee))	N.A.
3	D Project Iruma S	DHI	Leasehold	Level 1 (Current) – Lessor • Yuasa Trading Co., Ltd. ("**Yuasa**") (unrelated third party) (registered interest) Level 1 (Post acquisition) – New Lessor • DHI as the new Lessor (interest to be registered on the Closing Date)[2,3] Level 2 (Current) – Lessee • DHI as the current Lessee (parcel underlying building) Level 2 (Post-acquisition) – New Lessee • DHLT (through the Property Trustee) (parcel underlying building)	N.A.

[1] DHI as the Level 1 Lessor is restricted from pledging or selling its interest in the land without DHLT's consent.

[2] DHI will purchase the freehold title in the land of D Project Iruma S from Yuasa and succeed to the status, rights and obligations of Yuasa as the new lessor immediately after the assignment of the Leasehold Interest from DHI to DHLT. DHI will apply for registration of the transfer of freehold title in the land and the transfer will be deemed to be perfected on the date of application, which will be on the Closing Date such registration to be completed as a matter of course subject to the submission of all relevant documents.

[3] DHI as the Level 1 Lessor is restricted from pledging or selling its interest in the land without DHLT's consent.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
4	DPL Kawasaki Yako	DHI	Sub-leasehold	Level 1 – Lessor • Toyo Glass Co., Ltd. (unrelated third party) (registered interest) Level 2 – Lessee (and Sub-Lessor to Level 3) • DHI (parcel underlying building) Level 3 (Current) – Sub-Lessee • Mitsubishi HC Capital Inc. ("**Mitsubishi**") (parcel underlying building) Level 3 (Post-acquisition) – New Sub-Lessee • DHLT (through the Property Trustee) (parcel underlying building)	Level 2 – Land Lease Agreement *Termination Events* Under the land lease agreement entered into between the Sponsor (Level 2 Lessee) and the Level 1 Lessor, the Level 1 Lessor may terminate the agreement when the following events occur: (i) delay in payment of rent by the Sponsor for three consecutive months; (ii) a cheque or cash note provided by the Sponsor is dishonoured; (iii) the Sponsor receiving from a clearing house a disposition to suspend transactions with banks; (iv) commencement of a petition for the Sponsor to enter into bankruptcy proceedings, or similar insolvency proceedings; (v) commencement of a petition for seizure of the Sponsor's assets or similar enforcement procedure; (vi) breach of any provision in the land lease agreement; and (vii) the Sponsor associates with anti-social forces.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					Ancillary Obligations and Material Obligations In relation to the termination event in item (vi) above, the obligations owed by the Sponsor under the land lease agreement are as follows: (a) the Ancillary Obligation including (i) confidentiality obligations, (ii) obligations to notify the lessor if the lessee changes its trade name or address, any encroachment on the land or other specified occasions and (iii) restriction against the assignment of the right to claim the refund of a security deposit paid by the Property Trustee to the Level 1 Lessor from the Level 1 Lessor; (b) the following Material Obligations: (i) the obligation to pay rent on time; (ii) the restriction against the transfer of the Level 2 leasehold interest to a third party; (iii) the restriction against the sublease of the land to a third party other than the Sponsor; (iv) the Specified Use Obligation; (v) the Responsible Maintenance Obligation; and (vi) dealing with complaints from neighbours.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					The risks of the land leasehold interest of the Sponsor being terminated as a result of the occurrence of any termination event or any breach of the Sponsor's Material Obligations in its land lease agreement with the Level 1 Lessor are mitigated in the manner explained in the foregoing section. (See the "Business and Properties – Leasehold Interests – Sponsor's lease obligations" section of this Prospectus for further details.) There is no other obligation owed by the Sponsor to the Level 1 Lessor under the land lease agreement between the Sponsor and the Level 1 Lessor that, if breached, will result in termination of the Sponsor's land lease agreement for DPL Kawasaki Yako.
5	D Project Fukuoka Tobara S	DHI	Sub-sub-leasehold	Level 1 – Lessor • Unrelated individual landlords (registered interest) Level 2 – Lessee (and Sub-Lessor to Level 3) • Tobara Co., Ltd ("**Tobara**") (unrelated third party) (registered interest) Level 3 – Sub-Lessee (and Sub-sub–lessor to Level 4) • DHI (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests have been registered)	Level 2 – Land Lease Agreement It is unlikely that Tobara will be in breach of their land leasehold agreements with the landlords as they were set up with the express purpose of representing the individual lessors and to pass on the rental collected to the lessors. If Tobara intentionally breaches its land leasehold agreement, the Japanese court would nevertheless hold that the land sub-lease agreement survives by lifting the corporate veil or deeming the lease is terminated by mutual agreement between the lessor and the lessee (See the "Business and Properties – Leasehold Interests – Sponsor's lease obligations" section of this Prospectus for further details.)

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
				<u>Level 4 – Sub-sub-Lessee</u> • DHLT (through the Property Trustee) (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests are to be registered on the Closing Date upon the creation of the sub-subleasehold interest for and acquisition of the sub-subleasehold interest by DHLT (through the Property Trustee))	Level 3 – Land Sub-Lease Agreement *Termination Events* Under the land sub-lease agreement entered into between the Sponsor (Level 3 Sub-Lessee) and the Level 2 Sub-Lessor, the Level 2 Sub-Lessor may terminate the agreement when the following events occur: (i) non-payment or delay in payment of rent by the Sponsor for two consecutive months or more; (ii) the Sponsor receiving from a clearing house a disposition to suspend transactions with banks; (iii) commencement of a petition for the Sponsor to enter into bankruptcy proceedings, or similar insolvency proceedings; (iv) commencement of a petition for seizure of the Sponsor's assets or similar enforcement procedure; (v) breach of any provision in the land sub-lease agreement; (vi) the Sponsor associates with anti-social forces; and (vii) abandonment of or non-use of the land without notification to the Level 2 Sub-Lessor.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					Ancillary Obligations and Material Obligations In relation to the termination event in item (v) above, the obligations owed by the Sponsor under the land sublease agreement are as follows: (a) the Ancillary Obligation including (i) to update and provide necessary information to the Level 2 Sub-Lessor for the vacation of the land one year prior to the end of the lease term, (ii) confidentiality obligations, (iii) obligations to notify the lessor if the lessee changes its trade name, representative or address and (iii) restriction against the assignment of the right to claim the refund of a security deposit paid by the Property Trustee to the Level 2 Sub-Lessor from the Level 2 Sub-Lessor without written consent from the Level 2 Sub-Lessor; (b) the following Material Obligations: (i) the obligation to pay rent on time; (ii) the restriction against the transfer of the Level 3 subleasehold interest to a third party; (iii) the Specified Use Obligation; (iv) the Responsible Maintenance Obligation; and (v) the No Disturbance Obligation.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					The risks of the land subleasehold interest of the Sponsor being terminated as a result of the occurrence of any termination event or any breach of the Sponsor's Material Obligations in its land sublease agreement with the Level 2 Sub-Lessor are mitigated in the manner explained in the foregoing section. (See the "Business and Properties – Leasehold Interests – Sponsor's lease obligations" section of this Prospectus for further details.) There is no other obligation owed by the Sponsor to Tobara under the land sublease agreement between the Sponsor and Tobara that, if breached, will result in termination of the Sponsor's land sublease agreement for D Project Fukuoka Tobara S.
6	D Project Misato S	Mitsubishi	Sub-leasehold	<u>Level 1 – Lessor</u> • Individual landlords (registered interest) <u>Level 2 – Lessee (and Sub-Lessor to Level 3)</u> • DHI (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests have been registered) <u>Level 3 (Current) – Sub-Lessee</u> • Mitsubishi (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests are to be registered on the Closing Date upon the acquisition of the sub-leasehold interest by DHLT (through the Property Trustee)[1])	<u>Level 2 – Land Lease Agreement</u> *Termination Events* Under the land lease agreement entered into between the Sponsor (Level 2 Lessee) and the Level 1 Lessor, the Level 1 Lessor may terminate the agreement when the following events occur: (i) delay in payment of rent by the Sponsor for three consecutive months or more; (ii) the Sponsor receiving from a clearing house a disposition to suspend transactions with banks; (iii) commencement of a petition for the Sponsor to enter into bankruptcy proceedings, or similar insolvency proceedings;

[1] The application for registration of Mitsubishi's subleasehold interest in unoccupied parcels of land on D Project Misato S will be made upon the acquisition of subleasehold interest by DHLT (through the Property Trustee) as this arrangement is required in order to facilitate the registration of DHLT's subleasehold interest as such registration of DHLT's subleasehold interests requires the registration of the interests of past title holders. For time and cost efficiency reasons, the arrangement for the registration of the current subleasehold interest of Mitsubishi will be applied for together with the application for the registration of DHLT's subleasehold interest (held through the Property Trustee). There is no impact on the acquisition of TBIs given that even though the applications will be made on the same day, the registration of the current interests of Mitsubishi will be recorded as preceding interests to DHLT's interests (through the Property Trustee). Therefore, there will be no risk of Mitsubishi's interests being registered over DHLT's interests (held through the Property Trustee). The interests of Mitsubishi shall be deemed perfected upon the application for the registration of the same, together with the application for registration of DHLT's interests (through the Property Trustee), such process being administrative and will be completed as a matter of course as long as all relevant documents are submitted. Thus, the transfer of TBIs to DHLT will not be affected.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
				Level 3 (Post-acquisition) – New Sub-Lessee • DHLT (through the Property Trustee) (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests are to be registered on the Closing Date upon the acquisition of the subleasehold interest by DHLT (through the Property Trustee))	(iv) commencement of a petition for seizure of the Sponsor's assets or similar enforcement procedure; (v) breach of any provision in the land lease agreement; and (vi) the Sponsor associates with anti-social forces. *Ancillary Obligations and Material Obligations* In relation to the termination event in item (v) above, the obligations owed by the Sponsor under the land lease agreement are as follows: (a) the Ancillary Obligation including (i) confidentiality obligations, (ii) obligations to notify the lessor if the lessee changes its trade name, representative or address, or any encroachment on the land and (iii) restriction against the assignment of the right to claim the refund of a security deposit paid by the Property Trustee to the Level 1 Lessor from the Level 1 Lessor; (b) the following Material Obligations: (i) the obligation to pay rent on time; (ii) the restriction against the transfer of the Level 2 leasehold interest to a third party without written consent of the Level 1 Lessor; (iii) the restriction against the sublease of the land to a third party without written consent of the Level 1 Lessor; (iv) the Specified Use Obligation; (v) the Responsible Maintenance Obligation;

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					(vi) dealing with complaints from neighbours; (vii) the No Disturbance Obligation; and (viii) no change of end-tenants of the building without written consent of the Level 1 Lessor. The risks of the land leasehold interest of the Sponsor being terminated as a result of the occurrence of any termination event or any breach of the Sponsor's Material Obligations in its land lease agreement with the Level 1 Lessor are mitigated in the manner explained in the foregoing section. (See the "Business and Properties – Leasehold Interests – Sponsor's lease obligations" section of this Prospectus for further details.) There is no other obligation owed by the Sponsor to the Level 1 Lessor under the land lease agreement between the Sponsor and the Level 1 Lessor that, if breached, will result in termination of the Sponsor's land lease agreement for D Project Misato S.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
7	DPL Shinfuji (the provisional replotting land portion)	HC Capital Community	Sub-sub-leasehold	Level 1 – Lessor • Individual landlords (registered interest) Level 2 – Lessee (and Sub-Lessor to Level 3) • Shinfuji Inter Butsuryu Danchi GK[1] ("**Shinfuji Butsuryu**") (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests have been registered) Level 3 – Sub-Lessee (and Sub-Sub-Lessor to Level 4) • DHI (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests have been registered) Level 4 (Current) – Sub-Sub-Lessee • HC Capital Community (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests have been registered) Level 4 (Post Acquisition) – New Sub-Sub-Lessee • DHLT (through the Property Trustee) (comprises parcels underlying building and unoccupied land parcels surrounding the building, of which interests are to be registered on the Closing Date upon the acquisition of the sub-subleasehold interest by DHLT (through the Property Trustee))	Level 2 – Land Lease Agreement It is unlikely that Shinfuji Butsuryu will be in breach of their land leasehold agreements with the landlords as they were set up with the express purpose of representing the individual lessors and to pass on the rental collected to the lessors. If Shinfuji Butsuryu intentionally breaches its land leasehold agreement, the Japanese court would nevertheless hold that the land sub-lease agreement survives by lifting the corporate veil or deeming the lease is terminated by mutual agreement between the lessor and the lessee (See the "Business and Properties – Leasehold Interests – Sponsor's lease obligations" section of this Prospectus for further details.) Level 3 – Land Sub-Lease Agreement *Termination Events* Under the land sub-lease agreement entered into between the Sponsor (Level 3 Sub-Lessee) and the Level 2 Sub-Lessor, the Level 2 Sub-Lessor may terminate the agreement when the following events occur: (i) non-payment or delay in payment of rent by the Sponsor for three consecutive months or more; (ii) breach of any provision in the land sublease agreement; and (iii) the Sponsor associates with anti-social forces.

[1] Shinfuji Butsuryu Danchi GK, the intermediary SPC in relation to DPL Shinfuji, is a typical bankruptcy remote SPC established for the purpose of integrating all individual lessors' interests, including the distribution of rent to the individual lessors.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					Ancillary Obligations and Material Obligations In relation to the termination event in item (ii) above, the obligations owed by the Sponsor under the land sublease agreement are as follows: (a) the Ancillary Obligation including (i) to notify the Level 2 Sub-Lessor upon change in corporate information of the Sponsor, including any merger involving the Sponsor, or commencement of a petition for the Sponsor to enter into bankruptcy proceedings or for seizure of the Sponsor's assets, or where there is significant damage to the land and (ii) restriction against the assignment of the right to claim the refund of a security deposit paid by the Property Trustee to the Level 2 Sub-Lessor from the Level 2 Sub-Lessor without written consent from the Level 2 Sub-Lessor; (b) the following Material Obligations: (i) the obligation to pay rent on time; (ii) the restriction against the transfer of the Level 3 subleasehold interest to a third party without prior written consent from the Level 2 Sub-Lessor; (iii) the restriction against the transfer or pledge of the building without prior written consent from the Level 2 Sub-Lessor; (iv) the Specified Use Obligation;

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					(v) the Responsible Maintenance Obligation; (vi) no use in manner which may cause trouble to the neighbourhood; (vii) dealing with complaints from neighbours; (viii) no reconstruction or extension of the building without prior written consent from the Level 2 Sub-Lessor; (ix) prior notification to the Level 2 Sub-Lessor upon lease of the building to an end-tenant; (x) inclusion of specified terms into the lease agreement of the building; and (xi) cooperating with the Level 2 Sub-Lessor when the Level 2 Sub-Lessor examines the use of the land. The risks of the land sub-leasehold interest of the Sponsor being terminated as a result of the occurrence of any termination event or any breach of the Sponsor's Material Obligations in its land lease agreements with the Level 2 Sub-Lessor are mitigated in the manner explained in the foregoing section. (See the "Business and Properties – Leasehold Interests – Sponsor's lease obligations" section of this Prospectus for further details.) There is no other obligation owed by the Sponsor to Shinfuji Butsuryu under the land sublease agreement between the Sponsor and Shinfuji Butsuryu that, if breached, will result in termination of the Sponsor's land sublease agreement for the provisional replotting land portion of DPL Shinfuji.

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<tr><th></th><th>Property</th><th>Vendor</th><th>Level at which DHLT is acquiring interest</th><th>Hierarchy of lessor/lessees (in descending order of hierarchy)</th><th>Superior Landlords' Lease Obligations</th></tr>
<tr><td>7</td><td>DPL Shinfuji (the reserved land portion)</td><td>Maruhato Co., Ltd.</td><td>Sub-leasehold</td><td>Level 1 – Lessor

• Maruhato Co., Ltd. (unrelated third party) (registered interest)

Level 2 – Lessee (and Sub-Lessor to Level 3)

• DHI (parcel underlying building)

Level 3 (Current) – Sub-Lessee

• HC Capital Community (parcel underlying building)

Level 3 (Post-acquisition) – New Sub-Lessee

DHLT (through the Property Trustee) (parcel underlying building)</td><td>Level 2 – Land Lease Agreement

Termination Events

Under the land lease agreement entered into between the Sponsor (Level 2 Lessee) and the Level 1 Lessor, the Level 1 Lessor may terminate the agreement when the following events occur:

(i) non-payment or delay in payment of rent by the Sponsor for three consecutive months or more;

(ii) breach of any provision in the land lease agreement; and

(iii) the Sponsor associates with anti-social forces.</td></tr>
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	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					Ancillary Obligations and Material Obligations In relation to the termination event in item (ii) above, the obligations owed by the Sponsor under the land lease agreement are as follows: (a) the ancillary obligations to (i) to notify the Level 1 Lessor upon change in corporate information of the Sponsor, including a merger involving the Sponsor, or commencement of a petition for the Sponsor to enter into bankruptcy proceedings or for seizure of the Sponsor's assets, or where there is significant damage to the land and (ii) restriction against the assignment of the right to claim the refund of a security deposit paid by the Property Trustee to the Level 1 Lessor from the Level 1 Lessor without written consent from the Level 1 Lessor; (b) the following Material Obligations: (i) the obligation to pay rent on time; (ii) the restriction against the transfer of the Level 2 leasehold interest to a third party without prior written consent from the Level 1 Lessor; (iii) the restriction against the transfer or pledge of the building without prior written consent from the Level 1 Lessor; (iv) the Specified Use Obligation; (v) the Responsible Maintenance Obligation;

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					(vi) no use in manner which may cause trouble to the neighbourhood; (vii) dealing with complaints from neighbours; (viii) no reconstruction or extension of the building without prior written consent from the Level 1 Lessor; (ix) prior notification to the Level 1 Lessor upon lease of the building to an end-tenant; (x) inclusion of specified terms into the lease agreement of the building; and (xi) cooperating with the Level 1 Lessor when the Level 1 Lessor examines the use of the land. The risks of the land leasehold interest of the Sponsor being terminated as a result of the occurrence of any termination event or any breach of the Sponsor's Material Obligations in its land lease agreement with the Level 1 Lessor are mitigated in the manner explained in the foregoing section. (See the "Business and Properties – Leasehold Interests – Sponsor's lease obligations" section of this Prospectus for further details.) There is no other obligation owed by the Sponsor to the Level 1 Lessor under the land lease agreement between the Sponsor and the Level 1 Lessor that, if breached, will result in termination of the Sponsor's land lease agreement for the reserved land portion of DPL Shinfuji.

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
8	D Project Kuki S	Mitsubishi	Sub-leasehold	Level 1 – Lessor • SAITAMA SUBARU KK (unrelated third party) (registered interest) Level 2 – Lessee (and Sub-Lessor to Level 3) • DHI (parcel underlying building) Level 3 (Current) – Sub-Lessee • Mitsubishi (parcel underlying building) Level 3 (Post-Acquisition) – New Sub-Lessee • DHLT (through the Property Trustee) (parcel underlying building)	Level 2 – Land Lease Agreement *Termination Events* Under the land lease agreement entered into between the Sponsor (Level 2 Lessee) and the Level 1 Lessor, the Level 1 Lessor may terminate the agreement when the following events occur: (i) delay in payment of rent by the Sponsor for three consecutive months or more; (ii) the Sponsor receiving from a clearing house a disposition to suspend transactions with banks; (iii) commencement of a petition for the Sponsor to enter into bankruptcy proceedings, or similar insolvency proceedings; (iv) commencement of a petition for seizure of the Sponsor's assets or similar enforcement procedure; and (v) breach of any provision in the land lease agreement. *Ancillary Obligations and Material Obligations* In relation to the termination event in item (v) above, the obligations owed by the Sponsor under the land lease agreement are as follows: (a) the Ancillary Obligation including (i) confidential obligations and (ii) obligations to notify the lessor if the lessee changes its trade name, or address, or any encroachment on the land;

	Property	Vendor	Level at which DHLT is acquiring interest	Hierarchy of lessor/lessees (in descending order of hierarchy)	Superior Landlords' Lease Obligations
					(b) the following Material Obligations: (i) the obligation to pay rent on time; (ii) the restriction against the transfer of the Level 2 leasehold interest to a third party without written consent of the Level 1 Lessor; (iii) the restriction against the sublease of the land to a third party without written consent of the Level 1 Lessor; (iv) the Specified Use Obligation; (v) the Responsible Maintenance Obligation; and (vi) no construction of new buildings, extension, or reconstruction of the building without the written consent of the Level 1 Lessor. The risks of the land leasehold interest of the Sponsor being terminated as a result of the occurrence of any termination event or any breach of the Sponsor's Material Obligations in its land lease agreement with the Level 1 Lessor are mitigated in the manner explained in the foregoing section. (See the "Business and Properties – Leasehold Interests – Sponsor's lease obligations" section of this Prospectus for further details.) There is no other obligation owed by the Sponsor to the Level 1 Lessor under the land lease agreement between the Sponsor and the Level 1 Lessor that, if breached, will result in termination of the Sponsor's land lease agreement for D Project Kuki S.

In relation to the leasehold interests table above, the subleasehold interest and the sub-sub-leasehold interest of the Property Trustee are perfected by holding the registered building on the land, save for vacant lots in relation to the parcels of land surrounding the registered building in the cases of D Project Misato S, DPL Okayama Hayashima, DPL Okayama Hayashima 2, DPL Shinfuji and D Project Fukuoka Tobara S. DHI procured all consents required for the registration of all the levels of interests in the unregistered vacant lots of DPL Okayama Hayashima, DPL Okayama Hayashima 2, D Project Fukuoka Tobara S, D Project Misato S and the provisional replotting land portion of DPL Shinfuji. All leasehold titles (including the sub-sub-leasehold interests) in the IPO Properties to be acquired by DHLT (through the Property Trustee)) will be deemed to be perfected on the date of application for registration of title (being the same day that TK Operator (GK2) completes the acquisition of the TBIs), which will be on the Closing Date, such registration to be completed as a matter of course subject to the submission of all relevant documents.

BACK-TO-BACK ACQUISITIONS OF TBIs OVER D PROJECT MAEBASHI S, D PROJECT NAGANO SUZAKA S, D PROJECT KAKEGAWA S AND DPL KAWASAKI YAKO

As part of the Sponsor's asset light and risk management strategy, in respect of each of D Project Maebashi S, D Project Nagano Suzaka S, D Project Kakegawa S and DPL Kawasaki Yako, the Sponsor had leased or sub-leased the land to the relevant Current Property Holder[1], which are leasing companies[2], and entered into a construction agreement with the relevant Current Property Holder, pursuant to which the Current Property Holders commissioned the Sponsor to construct the buildings on the properties. This arrangement allows the Sponsor to develop the buildings at the cost of the Current Property Holders without taking on leasing and operating risks following the completion of the development.

Consistent with its business practice for such arrangements, the expectation was that the Sponsor would at some point in time purchase the buildings from the Current Property Holder. Accordingly, in order to inject these properties into DHLT as part of the IPO Portfolio, the Sponsor has entered into a sale and purchase agreement dated 9 November 2021 with each Current Property Holder at a purchase price ("**Sponsor Purchase Price**") which took into consideration, among others, the construction costs incurred for the construction of the buildings, depreciation, as well as the rental income received by the Current Property Holders. The Sponsor did not refer to any valuation of the property executed by a valuer for the purpose of determining the Sponsor Purchase Price.

The back-to-back nature of the transactions in relation to D Project Maebashi S, D Project Nagano Suzaka S and D Project Kakegawa S is due to the current ownership structure, where the buildings and leasehold rights are held by the Current Property Holders while the underlying land parcels are held by DHI, and the technical arrangement associated with holding the properties using trust arrangements. As such, in order for DH TMK to purchase the full TBI of the trust assets (being the buildings and the underlying land parcels) under PSA (1), the Sponsor will first acquire the TBIs of only the buildings and leasehold rights from the Current Property Holders, following which the Sponsor will entrust the underlying land parcel(s) so that DH TMK can purchase the full TBI of the trust assets under PSA (1) on the Closing Date.[3]

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1 The Current Property Holder for D Project Maebashi S, D Project Kakegawa S and DPL Kawasaki Yako is Mitsubishi and the Current Property Holder for D Project Nagano Suzaka S is Tokyo Century Corporation.

2 Leasing companies like the Current Property Holders often enter into similar arrangements with developers.

3 The Sponsor would have good and marketable title to on-sell the TBIs of the buildings in respect of D Project Maebashi S, D Project Nagano Suzaka S and D Project Kakegawa S on the Closing Date.

In respect of DPL Kawasaki Yako, as the Current Property Holder holds the building and the land sub-leasehold interest, the Sponsor will be acquiring the TBIs in respect of the building and the land sub-leasehold interest from the Current Property Holder, which the Sponsor will in turn sell to TK Operator (GK2) under PSA (2) on the Closing Date.[1] Further, having the Sponsor as the direct seller of the TBI to TK Operator (GK2) (for which the Current Property Holder holds both the land subleasehold right and the building) is to enable the Sponsor to offer the same level of representations and warranties in PSA (2) to TK Operator (GK2) as PSA (1), as the Current Property Holder was unwilling to provide such extent of representations and warranties to TK Operator (GK2) had there been a direct sale of DPL Kawasaki Yako by the Current Property Holder to TK Operator (GK2).

The percentage difference between the aggregate Sponsor Purchase Price payable by the Sponsor to the Current Property Holders and the aggregate apportioned purchase price payable by DHLT to the Sponsor in relation to the back-to-back TBI acquisitions for these four properties is approximately 12.9%. For the purpose of comparison with the aggregate Sponsor Purchase Price, the Manager only apportioned the value attributed to the buildings based on the ratio of building to land assessed by an Independent Valuer to be acquired by DHLT in respect of D Project Maebashi S, D Project Nagano Suzaka S, D Project Kakegawa S, and not the freehold interests in these land as the Sponsor already owns the freehold interest and did not acquire the freehold interest from the Current Property Holders. However, in relation to DPL Kawasaki Yako, the Manager compared the Sponsor Purchase Price for the property to the full purchase price which DHLT will pay for the property as DHLT will acquire from the Sponsor the TBIs over the building and leasehold rights, which are the same interest as what the Sponsor will acquire from the Current Property Holder. The purchase consideration[2] payable by DH TMK or, as the case may be, TK Operator (GK2) to the Sponsor for the TBI is higher than the Sponsor Purchase Price as (1) (in respect of D Project Maebashi S, D Project Nagano Suzaka S and D Project Kakegawa S only) the value of the buildings, when DHLT acquires them from the Sponsor together with the freehold interests in the lands, will be higher as a building on freehold land is expected to have longer duration period than a building on leasehold land (as is the current case under the ownership of the Current Property Holders); (2) the Sponsor has provided seller's representations and warranties[3] under PSA (1) and PSA (2) which extend to matters relating to both the buildings and the underlying land parcels or, as the case may be, the subleasehold interest, including those regarding (i) title to the property and the fact that there are no encumbrances with respect to the holding of the property; (ii) compliances with laws and regulations and (iii) no contractual non-conformance (i.e., the representation and warranty that there is no non-conformity of the property to the terms of a sale and purchase agreement with respect to kind, quality or quantity) which DH TMK or, as the case may be, TK Operator (GK2) is entitled to enforce against the Sponsor directly, which results in additional risk to the Sponsor and (3) as mentioned above, the Sponsor did not refer to any valuation of the properties executed by a valuer for the purpose of determining the Sponsor Purchase Price whereas the purchase price payable by DHLT to the Sponsor takes into consideration the incremental representations and warranties which the

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1 The Sponsor would have good and marketable title to on-sell the TBIs of the land and the building in respect of DPL Kawasaki Yako on the Closing Date.

2 The purchase consideration was arrived at after negotiations between the Sponsor and DH TMK, which took into account the valuations of the properties by the Independent Valuers. The Independent Valuers had taken into consideration both the valuations of the buildings and the underlying land in their valuation process, although the figures are not disclosed separately, which is in line with the typical approach taken by the Independent Valuers and is in line with market practices for the acquisitions of income producing assets or TBIs in Japan. In practice, having separate valuations of the building and the land is not required it is very unlikely that the building and the underlying land to be disposed of separately, particularly since the property is held through TBIs. If DHLT wishes to dispose of the property, it will be selling the TBIs which represent interest in the land and the building collectively.

3 The representations and warranties of the PSAs are independent from and have nothing to do with the valuation of the property and as such are beyond the remit of the Independent Valuers which is to value the property concerned based on the industry accepted valuation methodologies. As such, the Independent Valuers have not taken the representations and warranties into consideration in respect of the valuations of D Project Maebashi S, D Project Nagano Suzaka S,D Project Kakegawa S and DPL Kawasaki Yako.

Sponsor is giving to DHLT and the independent valuations arrived at by the Independent Valuers commissioned by DHLT which is consistent with the approach in a typical sale of property by a developer.

The same kind of arrangements are often made by the Sponsor for transactions with a similar factual matrix. The level and scope of due diligence conducted by the Manager on those properties is akin to them acquiring the properties directly from the Current Property Owners.

For the avoidance of doubt, although the acquisition of the TBIs by the Sponsor from the Current Property Holders will be completed on the same day as the acquisition of the TBIs by DHLT from the Sponsor, the purchase consideration payable by the Sponsor to the Current Property Holder shall not be paid out of the proceeds of the Offering but be paid separately by the Sponsor.

The independent valuations and purchase consideration payable by DHLT for these four properties are disclosed at pages 3 and 4 of this Prospectus.

LEGAL PROCEEDINGS

None of DHLT and the Manager is currently involved in any material litigation nor, to the best of the Manager's knowledge, in any material litigation currently contemplated or threatened against DHLT or the Manager.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As at the Listing Date, DHLT has obtained all requisite approvals, and is in compliance with relevant laws and regulations that would materially affect its business operations.[1]

[1] As to the IPO Portfolio, there has not been any non-compliance with laws and regulations in Japan, except for (i) DPL Sendai Port and (ii) DPL Okayama Hayashima. In respect of DPL Sendai Port, the induction lights and shutters of the building, which must be installed in compliance with the laws and regulations, suffered damage from earthquakes in February and March 2021. While rectification work for the full extent of damages caused by the earthquakes to DPL Sendai Port will only be completed after the Listing Date, damages to the induction lights and shutters which would have caused DPL Sendai Port to be in non-compliance would have been rectified as at the Listing Date. Upon completion of the rectification works in full, the Manager will update Unitholders of such completion in DHLT's financial results announcement to be made via SGXNET in respect of the financial period during which the full rectification works are completed. In respect of DPL Okayama Hayashima, the confirmation of installation of lift equipment in the entrance of receptionist office has not been made, but it is expected that the lift equipment will be removed. Thus, the matter will be rectified by the Acquisition Date under the PSA (2) at the cost of the Sponsor and therefore will not be taken into account by the Independent Valuers. In relation to the rest of the IPO Portfolio, there is no material non-compliance with laws and regulations in Japan, save as otherwise disclosed in this Prospectus (please refer to "Risk Factors" of this Prospectus for further details).

OVERVIEW OF THE ACQUISITION OF THE IPO PROPERTIES

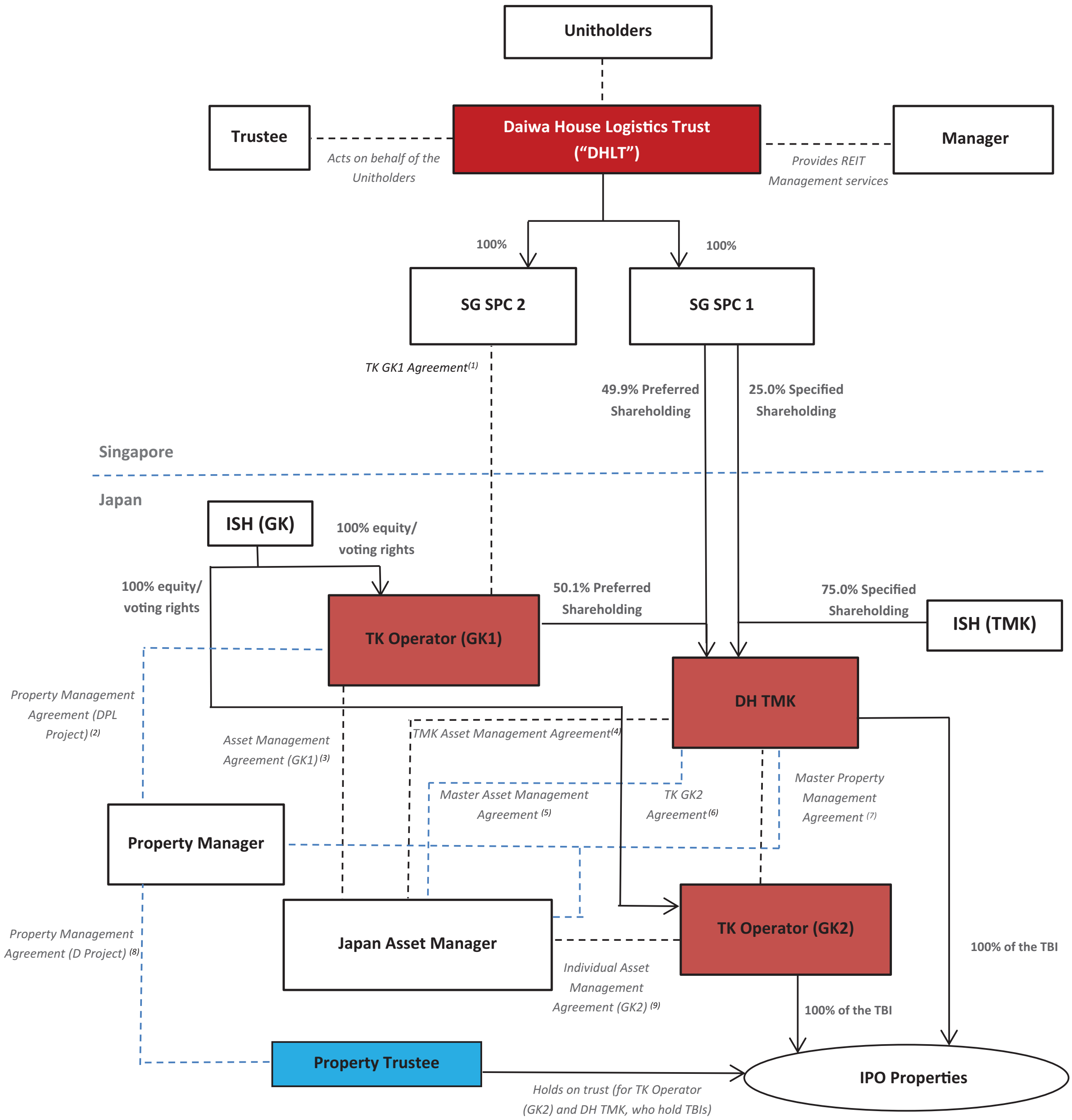
BACKGROUND

The initial portfolio of DHLT will comprise 14 logistics properties in Japan with an Appraised Value of approximately S$952.9 million as at 30 June 2021.

The details of each of these properties are set out in the section "Business and Properties".

ACQUISITION STRUCTURE OF THE IPO PROPERTIES

The holding structure of the IPO Properties is as follows:



Notes:

(1) "**TK GK1 Agreement**" refers to the TK agreement entered into between SG SPC 2 and TK Operator (GK1) on 9 November 2021 to appoint TK Operator (GK1) as the TK Operator for SG SPC 2 in respect of 50.1% of preferred shares of DH TMK.

(2) "**Property Management Agreement (DPL Project)**" refers to the conditional property management agreements entered into amongst the Property Trustee, TK Operator (GK1) as the Master Lessee and the Property Manager on 9 November 2021 in relation to the Master Lease Property.

(3) "**Asset Management Agreement (GK1)**" refers to the asset management agreement entered into between TK Operator (GK1) and the Japan Asset Manager on 9 November 2021 in respect of 50.1% of preferred shares of DH TMK.

(4) "**TMK Asset Management Agreement**" refers to the asset management agreement entered into between DH TMK and the Japan Asset Manager on 9 November 2021 in respect of the TMK Properties and the TK interests in TK Operator (GK2).

(5) "**Master Asset Management Agreement**" refers to the master asset management agreement entered into between DH TMK and the Japan Asset Manager on 9 November 2021 regarding asset management agreements to be entered into between each limited liability company (*godo kaisha*) in which DH TMK makes a silent partnership (*tokumei kumiai*) investment and the Japan Asset Manager from time to time.

(6) "**TK GK2 Agreement**" refers to the agreement entered into between DH TMK and TK Operator (GK2) on 9 November 2021 to appoint TK Operator (GK2) as the TK Operator of DH TMK in respect of each of the GK2 Properties.

(7) "**Master Property Management Agreement**" refers to the master property management agreement entered into amongst DH TMK, the Japan Asset Manager and the Property Manager on 9 November 2021 regarding property management agreements to be entered into among the Property Trustee, TK Operator (GK1) as the Master Lessee and the Property Manager from time to time.

(8) "**Property Management Agreement (D Project)**" refers to the conditional property management agreements entered into between the Property Trustee and the Property Manager on 9 November 2021 in relation to the IPO Properties save for the Master Lease Property.

(9) "**Individual Asset Management Agreement (GK2)**" refers to the individual asset management agreement entered into between TK Operator (GK2) and the Japan Asset Manager on 9 November 2021.

The TMK and TK-GK structures are two typical tax-efficient investment structures adopted by foreign investors for investing in Japanese properties. In the proposed holding structure of the IPO Portfolio, the TBIs of the TMK Properties consisting of the freehold properties and the ordinary land lease properties are held directly by DH TMK while the TBIs of the GK2 Properties consisting of seven special fixed-term land lease properties are held by a TK Operator (GK2) under a TK-GK structure *(See "Overview of Relevant Laws and Regulations – Laws and Regulations Relating to Japanese Real Estate – Land Leases – Special Fixed-term Land Leases for more information).* Besides holding the TBIs of the TMK Properties, DH TMK invests in TK Operator (GK2), which holds the TBIs of the GK2 Properties, pursuant to the TK GK2 Agreement as the sole TK Investor. DHLT will, through its two wholly-owned Singapore SPCs, SG SPC 1 and SG SPC 2, hold the IPO Properties through DH TMK and TK Operator (GK2). Although ISH (GK) holds 100.0% of TK Operator (GK1)'s equity interests, given that ISH (GK)'s independent qualified professionals are dispatched from the tax corporation (i) that is engaged by TK Operator (GK1) and (ii) should perform the duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of TK Operator (GK1) (and ultimately SG SPC 2) and that ISH (GK) does not have staff and is operated only by an independent qualified professional, it will, in practice, follow the TK Investor's (i.e., SG SPC 2's) intention. Similarly, although ISH (GK) holds 100.0% of TK Operator (GK2)'s equity interests, given that ISH (GK)'s independent qualified professionals are dispatched from the tax corporation that (i) is engaged by TK Operator (GK2) and (ii) should perform the duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of TK Operator (GK2) (and ultimately DH TMK) and that ISH (GK) does not have staff and is managed only by one manager (*riji*), it will, in practice, follow the TK Investor's (i.e. DH TMK's) intention. Likewise, although ISH (TMK) holds 75.0% of DH TMK's specified shares, given ISH (TMK)'s independent qualified professionals are dispatched from tax corporation (i) that is engaged by DH TMK and (ii) should perform the duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of DH TMK (and ultimately SG SPC 1) and given that ISH (TMK) does not have staff and is operated only by one manager (*riji*), it will, in practice, follow the other specified shareholder's (i.e., SG SPC 1's) decision. Such arrangements that involve appointing independent qualified professionals as the holder of the equity interests of TK Operators is a widely-established practice for maintaining the bankruptcy remoteness of such TK Operators.

DHLT indirectly holds DH TMK and indirectly invests in TK Operator (GK2) through DH TMK (See "Overview – Overview of The Structure Of DHLT", "Acquisition Structure of the IPO Properties", "Overview of Relevant Laws and Regulations – Japan – TMK (*tokutei mokuteki kaisha*) under the Asset Liquidation Act" and "Overview of Relevant Laws and Regulations – Japan – Godo kaisha or GK under the Companies Act of Japan" for further details on the roles and responsibilities of the various parties involved in the TMK and TK-GK structures.).

DH TMK

The specified shareholders of DH TMK are SG SPC 1 (25.0%) and ISH (TMK) (75.0%), and the preferred shareholders thereof are SG SPC 1 (49.9%) and TK Operator (GK1) (50.1%), which is in turn wholly-owned by ISH (GK) and whose sole TK Investor is SG SPC 2 (See "Certain Agreements Relating to DHLT and the IPO Properties – TK Agreements" and "Overview of Relevant Laws and Regulations – Japan – Laws and Regulations Relating to the TK Structure" for further details on the roles, responsibilities, and rights of DH TMK or SG SPC 2 as the TK Investor). The appointment and remuneration of the directors of DH TMK shall be decided by the specified shareholders at a general meeting pursuant to the Articles of Incorporation of DH TMK, and no additional fees or expenses shall be incurred. DH TMK is responsible for paying such remuneration of the directors of DH TMK.[1] The appointment and remuneration of the manager (*riji*) of ISH (TMK) shall be decided at a members (*shain*) meeting of ISH (TMK) and ISH (TMK) bears the cost or expenses of ISH (TMK).[2] In principle, unlike the specified shareholders, the preferred shareholders do not have voting rights at shareholders' meetings of DH TMK except as otherwise provided by Asset Liquidation Act. Further, DHLT has control rights over DH TMK and its assets in relation to the disposition of its assets, as evinced as follows:

(a) if DHLT decides to dispose of DH TMK's assets, SG SPC 1, as DH TMK's specified shareholder, will instruct DH TMK to dispose of the assets. The Articles of Incorporation of DH TMK provides that Important Matters (as defined in (c) below) including the disposition of DH TMK's assets requires the written consent of all specified shareholders and that any specified shareholder may propose the disposition of DH TMK's assets. Since the director of DH TMK is an independent qualified professional, it will, although not stipulated in the Articles of Incorporation of DH TMK, in practice, follow the specified shareholder's decision. Also, although ISH (TMK) holds 75.0% of DH TMK's specified shares, ISH (TMK) will not interfere with DHLT's intention to dispose of DH TMK's assets. Since ISH (TMK) is a bankruptcy remote vehicle and operated by an independent qualified professional[3], it will, although not stipulated in the Articles of Incorporation of DH TMK, in practice, follow the other specified shareholder's (i.e., SG SPC 1's) decision regarding the matters such as disposition of DH TMK's assets;

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1 "The expenses incurred in relation to the remuneration of the director of DH TMK and the operating officer of TK Operator (GK2) are payable by Earth Tax Corporation out of its fees received from DH TMK or TK Operator (GK2) (as the case may be) out of the retained trust revenue of DH TMK or the bank account of TK Operator (GK2) (as the case may be)."

2 "The expenses incurred in relation to the remuneration of the manager (*riji*) of ISH (TMK) and ISH (GK) are payable by Earth Tax Corporation out of its fees received from DH TMK or TK Operator (GK2) (as the case may be) out of the retained trust revenue of DH TMK or the bank account of TK Operator (GK2) (as the case may be)."

3 The voting rights of ISH (TMK) will be held by members of ISH (TMK), which will consist of certified public accountants who are members of Earth Tax Corporation, an independent structured vehicle management service provider with nominal equity contribution to achieve bankruptcy remoteness.

(b) if DH TMK decides to dispose of DH TMK's assets, DHREIM, in its capacity as DH TMK's asset manager, shall advance work to facilitate the disposition of DH TMK's assets, for example, to prepare a disposal plan. If DHREIM fails to do so, DH TMK may remove DHREIM as DH TMK's asset manager, pursuant to Article 6 read with Article 3(2) in the TMK Asset Management Agreement that, when DH TMK decides to dispose of DH TMK's assets, DHREIM shall conduct the necessary acts to realise it, and move toward disposition of DH TMK's assets, unless such disposition is contrary to laws or will be a breach of the contractual obligations by which DH TMK is bound and, if it does not, DH TMK may terminate its asset management agreement upon the written consent of all its specified shareholders[1]. As the asset manager who renders the investment advisory services for DH TMK, DHREIM has to perform its duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of DH TMK and the shareholders thereof, and DHREIM shall follow DH TMK's decision when DH TMK makes a decision to dispose of DH TMK's assets; and

(c) in this example, "**Important Matters**" is defined as follows:[2]

i. amendment of the articles of incorporation;

ii. cessation or change of the business;

iii. winding up, liquidation or dissolution;

iv. changes in the equity capital structure;

v. changes to the dividend distribution policies;

vi. issuance of asset-backed securities, redemption or retirement by purchase of specified bonds before maturity, or execution of derivative transactions;

vii. incurring borrowings and/or repayment before maturity of borrowings;

viii. the acquisition or sale of, creation of security interests over, or other disposition of TBI or TK interest in a GK acquiring a trust beneficial interest relating to real property (the "**TK Interest**") that will constitute specified assets[3], or giving instructions to the property trustee regarding the acquisition or sale of, creation of security interests over, or other disposition of trust property regarding the TBI relating to real property (the **"Trust Property"**), save where the creation of security for which the secured party or transferee of the disposed TBI, the TK Interest or the Trust Property is a lender of DH TMK[4];

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1 In practice, SG SPC 1 will hold the decision-making right since ISH (TMK) is a bankruptcy remote vehicle and operated by an independent qualified professional and will, follow the other specified shareholder's (i.e. SG SPC 1's) decision as regards DH TMK's exercise of its right to terminate.

2 The veto rights provided to DHLT under the Articles of Incorporation of DH TMK are wider in scope and provide DHLT with greater protection compared to other similar transactions in Japan, which is commonly seen in cases involving foreign investors.

3 The type of assets a TMK can invest in are limited and defined as "specified assets" under the Asset Liquidation Act.

4 This carve-out excludes the creation of security for which the secured party is a person who lends to DH TMK. When a TMK takes out a specified loan, it is not uncommon for such TMK to provide the lender with security over such TMK's properties or other assets.

ix. capital investments and other capital expenditures for the Trust Property, and giving instructions to the property trustee regarding capital investments and other capital expenditures for the Trust Property;

x. execution of (including renewal) or termination of, or any amendment of the terms of any, or waiver of any rights under any, interested party transactions (having the meaning set forth in section 5 of the Property Funds Appendix (as amended from time to time);

xi. (i) material amendment to, (ii) cancellation by agreement of, (iii) exercise of, waiver of, or failure to exercise, the cancellation right under, (iv) waiver of the rights or remedies against the other parties who have breached their obligations, or waiving or excusing such breach of obligations under, or (v) issuance or non-issuance of a notice of refusal to renew, the asset management agreement (as may be amended, restated and/or supplemented from time to time);

xii. giving instructions to the Property Trustee or the Master Lessee regarding the response to be provided to the tenants in breach of obligations under the Master Lease Agreement of the Trust Property (See "Business and Properties – Lease Agreements and Lease Management – Master Lease" and "Certain Agreements relating to DHLT and the IPO Properties – Master Lease Agreements" for further details on the Master Lease arrangements)

xiii. (i) determination as a TK Investor regarding (a) whether to exercise the veto right against any proposal from relevant TK Operator and/or the asset manager and (b) notification right of intention under the TK GK2 Agreement with respect to the TK Interest (ii) material amendments to the TK GK2 Agreement or any other material agreements to which DH TMK is a party;

xiv. disposal of business, acquisition of business, or business alliance; and

xv. establishment of an affiliate, and merger, corporate split, dissolution, disposal of business, or acquisition of business at the level of an affiliate.

Further, the process for the acquisition of assets that have been identified and/or offered to the Manager for acquisition is the same as the foregoing process set out in respect of the disposition of DH TMK's assets.

TK Operator (GK2)

DH TMK invests in TK Operator (GK2) pursuant to the TK GK2 Agreement and DH TMK is the sole TK Investor of TK Operator (GK2). The sole equity holder of TK Operator (GK2) is ISH (GK) (100.0%). DH TMK has contractual rights against TK Operator (GK2) pursuant to the TK GK2 Agreement while ISH (GK) has equity and voting rights in TK Operator (GK2). The TK Investor (DH TMK) is a passive investor, being entitled to a distribution of profits arising from the TK Business, but does not have active control over TK Operator (GK2)'s business decisions, save for the veto rights or the right to notify its intention in respect of material business decisions, pursuant to the TK GK2 Agreement. The equity holder (ISH (GK)) operates TK Operator (GK2)'s business, though in respect of the TK business, such operation is outsourced to DHREIM, as TK Operator (GK2)'s asset manager. (Please see "TK Agreements – TK GK2 Agreement" of the Prospectus and "Overview of Relevant Laws and Regulations – Japan – Property Ownership and Investment Vehicles – Member of a GK" of the Prospectus for further details.")

Further, the following example in relation to disposition of TK Operator (GK2)'s assets shows the control rights of DHLT against TK Operator (GK2) and its assets:

(a) if DHLT intends to dispose of TK Operator (GK2)'s assets, SG SPC 1 will notify DH TMK of such intention. It is provided in the Articles of Incorporation of DH TMK that the determination as a TK Investor under the TK GK2 Agreement regarding the veto right requires the written consent of all specified shareholders of DH TMK (i.e. SG SPC 1 and ISH (TMK)) and the determination as a TK Investor under the TK GK2 Agreement regarding the notification right of intention thereunder may be exercised by any specified shareholders of DH TMK (i.e. SG SPC 1 and ISH (TMK)), and as the disposition of TK Operator (GK2)'s assets is subject to such notification right of intention, any specified shareholder of DH TMK (i.e. SG SPC 1 and ISH (TMK)) may in effect propose the disposition of TK Operator (GK2)'s assets;

(b) if DH TMK intends to dispose of TK Operator (GK2)'s assets, DH TMK, as the sole TK Investor of TK Operator (GK2), shall notify TK Operator (GK2) of such intention and DHREIM, in its capacity as DH TMK's asset manager, shall provide such notification on behalf of DH TMK, unless such disposition is contrary to laws or will be a breach of the contractual obligations by which DH TMK is bound. If DHREIM fails to do so, DH TMK may remove DHREIM as DH TMK's asset manager, pursuant to Article 6 read with Article 3(2) in the TMK Asset Management Agreement. As a party to the GK2 Agreement is not any of the specified shareholders of DH TMK but DH TMK itself, only DH TMK has the right to notify the intention to dispose of the assets. The Manager has been advised by their Japanese Counsel that this structure does not conflict with the legal characteristic of TK agreement that TK Investor should be a silent partner because DH TMK does not order or instruct TK Operator (GK2) to dispose TK Operator (GK2)'s assets but only provides notification of its intention to do so as the TK Investor[1] to TK Operator (GK2) pursuant to the terms of the TK GK2 Agreement. Since the basic concept of TK-GK investment structure is that a TK Investor generally does not have active control over TK Operator's business decisions, it is reasonably considered that notification of the TK Investor's intention to the TK Operator is different from active control over the TK Operator's business decisions (See "Certain Agreements Relating to DHLT and the IPO Properties – TK GK2 Agreement" for further information);

(c) if TK Operator (GK2) receives such notification from DH TMK, TK Operator (GK2) shall promptly notify DHREIM (in its capacity as its asset manager of TK Operator (GK2)) of such intention, failure of which would constitute a breach of the TK GK2 Agreement by TK Operator (GK2) on which DH TMK as the TK Investor is entitled to sue. If TK Operator (GK2) and/or DHREIM as its asset manager does not act on the notification of the disposal, DHLT cannot dispose of GK2 Properties even when it wishes to do so. However, as TK Operator (GK2) delegates its entire authority of investment management including disposal of its assets for the benefit of the TK Investors to DHREIM, once TK Operator (GK2) notifies DHREIM of DH TMK's intention to dispose of TK Operator (GK2)'s assets, DHREIM, as TK Operator (GK2)'s asset manager, shall respect the intention and endeavour to realise it, and make effort to dispose of TK Operator (GK2)'s assets, for example, by preparing a disposal plan and, if it does not, based on the decision of all specified shareholders of DH TMK under Article 17.1 (11) of the Articles of Incorporation of DH TMK, TK Operator (GK2) may remove DHREIM as TK Operator (GK2)'s asset manager, pursuant to Article 15.2 in the asset management agreement of TK Operator (GK2). Once TK Operator (GK2) notifies DHREIM of DH TMK's intention to dispose of TK Operator (GK2)'s assets, DHREIM, as TK Operator (GK2)'s asset manager, shall respect the intention and endeavour to realise it, and make

[1] A TK Investor, generally, may not have active control over the TK Operator's business decisions because it goes against the basic concept of TK-GK investment structure that a TK Operator operates the business and a TK Investor simply provides capital. However, it is legally permissible for the TK Investor to be given the right to approve (or disapprove) material business decisions of the TK Operator (such as the acquisition or disposition of a TBI) in the TK Agreement.

effort to dispose of TK Operator (GK2)'s assets, for example, by preparing a disposal plan and, if it does not, TK Operator (GK2) may remove DHREIM as TK Operator (GK2)'s asset manager, pursuant to a provision in the asset management agreement of TK Operator (GK2), which provides that TK Operator (GK2) shall notify DHREIM of DH TMK's intention to dispose of TK Operator (GK2)'s assets when TK Operator (GK2) receives notification of such intention from DH TMK, and, once DHREIM receives such notification, DHREIM shall respect such intention and make efforts to dispose of TK Operator (GK2)'s assets and, if it does not, TK Operator (GK2) may terminate its asset management agreement. Although DHREIM is not legally bound by DH TMK's intention due to the nature of TK as mentioned above, DHREIM is not likely to go against the express intention of DH TMK. This is because, although DHREIM is authorised to make investments on behalf of TK Operator (GK2) and for the TK Investor thereof under the discretionary asset management agreement (*toushi ichininn keiyaku*), as is the case with DH TMK, DHREIM has to perform its duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of TK Operator (GK2) and the TK Investor thereof, and it shall respect DH TMK's intention when DH TMK makes a intention to dispose of TK Operator (GK2)'s assets. The performance of duties with the care of a good custodian and with the duty of loyalty are statutory obligations under the FIEA and should be strictly observed by DHREIM.

Further, the process for the acquisition of assets that have been identified and/or offered to the Manager for acquisition is the same as the foregoing process set out in respect of the disposition of TK Operator (GK2)'s assets.

The above arrangement ensures that TK Investor has the discretion with regard to the properties because DHREIM will, in practice, follow the TK Investor's intentions save for exceptional cases (such as, when the TK Investor's intent is contrary to the laws of Japan or will be a breach of the TK Operator's contractual obligations with a third party, which will adversely affect the business held by the TK Operator)[1].

TMK and TK-GK Structure

The reasons for the adoption of the TMK and TK-GK structures for the holding of the TBIs in special fixed-term land lease properties and other leasehold properties are as follows:

(a) The TMK and TK-GK structures are two tax-efficient investment structures commonly adopted by foreign investors, including existing Singapore REITs, for investing in Japanese properties. In the proposed structure for the ownership of the IPO Portfolio, the TBIs of the freehold properties and the ordinary land lease properties are held directly by DH TMK while the TBIs of the special fixed-term land lease properties are held by TK Operator (GK2) under a TK-GK structure.

[1] DHREIM will follow the TK Investor's intentions save for exceptional cases as disclosed herein. The Manager believes that it would be unlikely for TK Operator (GK2) and/or ISH (GK) to act against TK Investor's intention, and hence it would not be necessary for additional safeguards to address such a risk of TK Operator (GK2) and/or ISH (GK) acting against TK Investor's intention. This is because the sole member of TK Operator (GK2) is ISH (GK), and both (a) the operating officer (*shokumu shikkosha*) of TK Operator (GK2) (to which any of the members of the ISH (GK) will usually be appointed) and (b) the members and manager (*riji*) of ISH (GK) are all independent professionals and these independent professionals will perform their duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of TK Operator (GK2) and the TK Investor thereof (i.e., DH TMK) and it is thus highly unlikely that they will act against TK Investor's intention.

(b) The specified shareholders of DH TMK are SG SPC 1 (25%) and ISH (TMK) (75%), and the preferred shareholders thereof are SG SPC 1 (49.9%) and TK Operator (GK1) (50.1%). SG SPC 2 is the sole TK Investor in TK Operator (GK1). The equity holder of TK Operator (GK1) is ISH (GK) (100.0%). Besides holding the TBIs of the freehold properties and the ordinary land lease properties, DH TMK invests in TK Operator (GK2) (which holds the TBIs of the special fixed-term leasehold properties) as a TK Investor, pursuant to the TK GK2 Agreement. The equity holder of TK Operator (GK2) is ISH (GK) (100.0%).

(c) The rationale for the proposed holding of the TBIs of the special fixed-term land lease properties under a TK-GK structure (i.e. TK Operator (GK2)) and not directly under DH TMK is as follows. According to the Japan Generally Accepted Accounting Principles ("**J-GAAP**"), for fixed-term land lease properties (unlike the freehold properties and the ordinary land lease properties), the calculation of expense for accounting and for taxation purposes is different[1]. This will likely result in a difference between the net income for accounting purposes and the taxable income for taxation purposes, with the taxable income likely to be higher than accounting net income. As a TMK is a Japanese company, it can only make distributions up to its accounting net income, and therefore will not be able to distribute 100.0% of its taxable income in the scenario where this is higher than accounting net income. If the fixed-term land lease properties were held by DH TMK, this results in the following two issues: (i) taxable income retained in DH TMK is subject to Japanese corporate income tax; and (ii) if the taxable amount retained exceeds 10.0% of distributable income, DH TMK will not be eligible for the tax deduction in respect of dividend distributions (given that TMKs have to distribute a minimum of 90.0% of its accounting profits plus certain adjustments). The TK-GK structure, on the other hand, is not subject to the TMK minimum distribution requirement and has the flexibility to distribute taxable income if the TK Operator and the TK Investor agrees (i.e. not capped at accounting net income). Therefore, the TK-GK structure is being used to hold the special fixed-term land lease properties.

For an overview of the TMK structure and TK-GK investment structure, see "Overview of Relevant Laws and Regulations" for further details. For the key terms of the TK GK2 Agreement entered into between DH TMK and TK Operator (GK2), see "Certain Agreements relating to DHLT and the IPO Properties" for further details.

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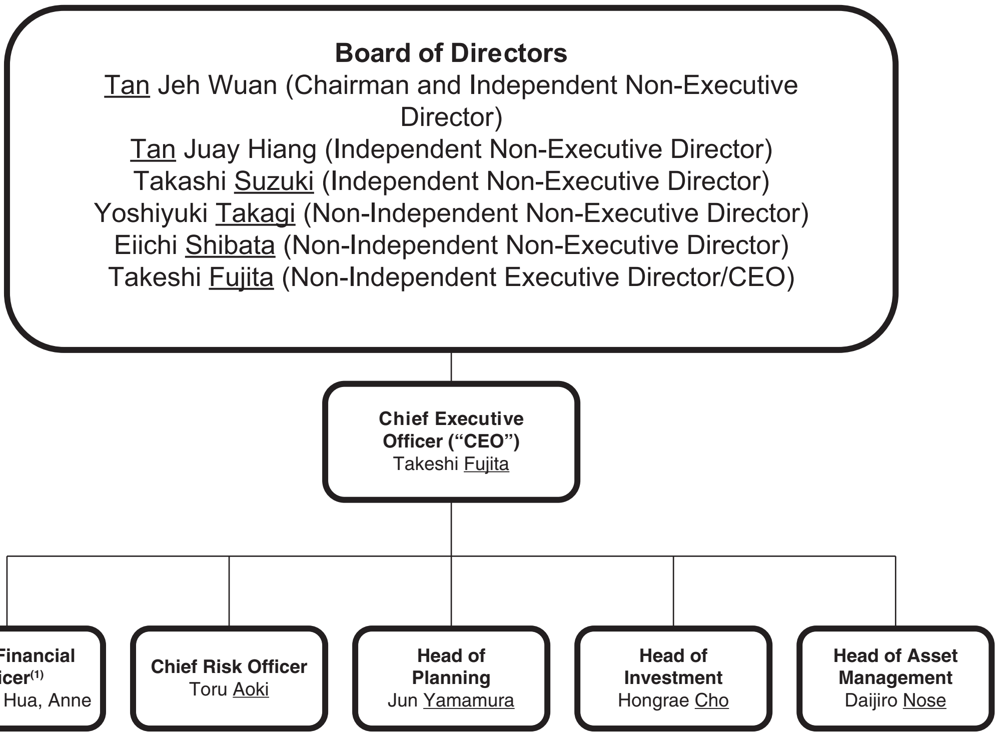
[1] Under J-GAAP, amortisation, depreciation and asset retirement obligation related-costs are recognised but for Japan tax purposes, such amortisation, depreciation and asset retirement obligation related-costs are not deductible and therefore the taxable income derived from such special fixed-term land lease properties will likely be higher than the accounting profits.

THE MANAGER OF DHLT

The Manager, Daiwa House Asset Management Asia Pte. Ltd., was incorporated in Singapore under the Companies Act on 20 November 2020. It has a paid-up capital of S$6,000,000. Its registered office is 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960, and its telephone number is +65 6202 0486. The Manager is a wholly owned subsidiary of the Sponsor, which is a publicly-listed company on the TSE.

The Manager has been issued a CMS Licence pursuant to the SFA on 17 November 2021 and is regulated by the MAS.

Management Reporting Structure of the Manager



Note:

(1) As at the date of this Prospectus, the Chief Financial Officer, Ms Chua Tai Hua, Anne, is also in charge of the investor relations function of the Manager (*See "The Manager and Corporate Governance – Roles of the Executive Officers of the Manager" for further details*).

Board of Directors of the Manager

The board of directors of the Manager (the "**Board**") is entrusted with the responsibility for the overall management of the Manager. The following table sets forth certain information regarding the directors of the Manager:

Name	Age	Address	Position
Mr Tan Jeh Wuan	56	c/o 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960	Chairman and Independent Non-Executive Director
Mr Tan Juay Hiang	59	c/o 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960	Independent Non-Executive Director
Mr Takashi Suzuki	59	c/o 3-13-1 Iidabashi, Chiyoda-ku, Tokyo 102-8112, Japan	Independent Non-Executive Director
Mr Yoshiyuki Takagi	61	c/o 3-13-1 Iidabashi, Chiyoda-ku, Tokyo 102-8112, Japan	Non-Independent Non-Executive Director
Mr Eiichi Shibata	60	c/o 3-13-1 Iidabashi, Chiyoda-ku, Tokyo 102-8112, Japan	Non-Independent Non-Executive Director
Mr Takeshi Fujita	58	c/o 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960	Non-Independent Executive Director and Chief Executive Officer

Listed Company Experience

Pursuant to Rule 210(5)(a) of the Listing Manual, a director who has no prior experience as a director of an issuer listed on the SGX-ST ("**First-time Director**") must undergo mandatory training with the Singapore Institute of Directors in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST, by the end of the first year of DHLT's listing ("**Mandatory Training**"). In this regard, Mr Tan Jeh Wuan, Mr Takashi Suzuki, Mr Yoshiyuki Takagi, Mr Eiichi Shibata and Mr Takeshi Fujita are considered to be First-time Directors and they will attend Mandatory Training within the period permitted under the Listing Manual.

The appropriate orientation session has been conducted to orientate the directors of the Manager in acting as a director of a manager of a public-listed REIT. The Board collectively has the appropriate experience to act as the directors of the Manager and is familiar with the rules and responsibilities of a director of a public-listed company and/or manager of a public-listed REIT.

Family Relationship

None of the directors of the Manager are related to one another, any substantial shareholder of the Manager or any Substantial Unitholder.

Independent Directors

None of the independent directors of the Manager sits on the boards of the principal subsidiaries of DHLT that are based in Singapore or other jurisdictions. Each of the independent directors of the Manager confirm that they are able to devote sufficient time to discharge their duties as an independent director of the Manager.

Experience and Expertise of the Board

Information on the business and working experience of the Directors is set out below.

Mr Tan Jeh Wuan is the Chairman and an Independent Non-Executive Director of the Manager.

Mr Tan Jeh Wuan was a career investment banker, spending 30 years with DBS Bank from 1989 to 2019. His last position held was Managing Director & Head of Capital Markets Singapore, in which position he was responsible for DBS Bank's equity capital markets business in Singapore. In his career, Mr Tan Jeh Wuan had been involved in many domestic and international equity fund raisings and financial advisory transactions, including initial public offerings, private placements and right issues.

Mr Tan Jeh Wuan also served on various financial sector workgroups and committees in Singapore in his career. He was a member of the Association of Banks in Singapore Corporate Finance Standing Committee (as well as its predecessor Singapore Investment Banking Association Corporate Finance Committee) for several years, including serving as the chairman of the Committee for two terms. Mr Tan Jeh Wuan was a member of the SGX Securities Advisory Committee from 2018 to 2019 and was conferred as an Institute of Banking & Finance Fellow, Capital Markets in 2019.

Mr Tan Jeh Wuan holds a Bachelor of Science in Industrial Engineering and Operations Research from the University of California, Berkeley, United States of America.

Mr Tan Juay Hiang is an Independent Non-Executive Director of the Manager.

Mr Tan Juay Hiang has had 14 years of relevant experience in real estate fund management.

He was the fund manager of Ascendas ASEAN Business Space Fund from 2007 to 2010, he structured the fund, raised US$400 million for the fund and invested in Malaysia, Vietnam and Philippines. He held the appointment of Senior Vice President, Real Estate Fund at Ascendas Pte. Ltd from March 2010 to June 2012, where he was responsible for setting up the new fund and undertaking the capital raising. From July 2012 to December 2019, he acted as Chief Executive Officer of Ascendas Hospitality Fund Management Pte. Ltd., as the manager of Ascendas Hospitality Trust ("**A-HTRUST**"), a listed S-REIT in Singapore, where he was responsible for the performance of A-HTRUST and for compliance and execution of A-HTRUST management strategies. From January 2020 to July 2020, he acted as Managing Director of Ascott, where he was responsible for the investments of Ascott Residence Trust.

Mr Tan Juay Hiang holds a Bachelors in Engineering from the National University of Singapore and a Masters in Business Administration from Nanyang Technological University, Singapore.

Mr Takashi Suzuki is an Independent Non-Executive Director of the Manager.

Mr Takashi Suzuki graduated with a Bachelor of Arts in Law from Waseda University, Tokyo, Japan in 1986, and obtained a Masters of Law from the University of Cambridge, England in 1992. He qualified as an Attorney-at-Law in the Supreme Court of Japan in 1988, and is admitted to the Japan Bar Association, and the Daini Tokyo Bar Association. He is also a member of the International Bar Association.

He has 17 years of relevant managerial experience as a Partner at Kyo Sogo Law Offices, Tokyo, Japan since September 2003. As a qualified lawyer specialised in the financial sector, Mr Takashi Suzuki has been handling matters involving financial transactions and risk management as well as real property related transactions for over 30 years and has extensive experience and knowledge relevant to his appointment as Independent Non-Executive Director of the Manager.

Mr Yoshiyuki Takagi is a Non-Independent Non-Executive Director of the Manager.

Mr Yoshiyuki Takagi joined Recruit Holding Co., Ltd. and seconded to Cosmos Initia Co., Ltd. ("**CI**") in 1983 and has had more than thirty-eight years of experience in management within CI which was listed on the JASDAQ board in Japan in 1985. For nineteen years from 1990 to 2009 he had been responsible for residential real estate developments in Australia and has been President of a CI subsidiary, Cosmos Australia Pty. Ltd., since 2001. He had been President of CI until his resignation in October 2020 when he became chairman of CI. Currently he holds directorships in several subsidiaries of CI. CI joined Daiwa House Group in 2013 and became a subsidiary of Daiwa House Industry Co., Ltd. while maintaining its listed status.

Mr Takagi graduated from the Faculty of Law in Hiroshima University, Japan, in 1983.

Mr Eiichi Shibata is a Non-Independent Non-Executive Director of the Manager.

Mr Eiichi Shibata joined Daiwa House Industry Co., Ltd. in 1983 and has had more than twenty-five years of experience in management and administration within DHI. He started his career in the accounting department. From April 2001 to April 2016, he pursued his career within DHI in the Group Management and Administration Department, Head Office first as a General Manager, and subsequently as Executive Office in 2011, and Senior Executive Officer in 2014. From September 2016 till date, he has been serving in the Business Development Department in the Tokyo Head Office first as a Senior Executive Officer in 2016 and subsequently as the Managing Executive Officer from April 2019 till date.

Mr Eiichi Shibata has also been 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. Since January 2021, he has been appointed to the Board of Daiwa House Modular Europe B.V. as the Supervisory Director.

Mr Eiichi Shibata holds a Bachelor of Arts in Business and Commerce from Keio University, Japan.

Mr Takeshi Fujita is an Executive Director and the Chief Executive Officer of the Manager.

Mr Takeshi Fujita joined Sumitomo Mitsui Trust Bank, Ltd. in 1986 and started his career in corporate finance business field until 2000. Then, he has pursued his career in real estate business field, such as brokerage, investment advisory, and property fund management in Sumitomo Mitsui Trust Bank, Ltd. and fund management companies, including Daiwa House Asset Management Co., Ltd., the manager of Daiwa House REIT.

During his service in Daiwa House Asset Management Co., Ltd. ("**DHAM**") from 2008 to 2011 when he was its Chief Executive Officer, the asset under management jumped to JPY 200.6 billion from JPY 55.5 billion, and market capitalisation jumped to JPY 73.1 billion from JPY 15.7 billion. One of his achievements was the acquisition of a TSE-listed REIT, which was under the process of civil rehabilitation but had struggled to get an approval of the recovery plan from creditors. He worked with the Daiwa House REIT's sponsor, DHI, to obtain a majority vote at the creditors' meeting and subsequently obtained court approval for the rehabilitation plan, which had the core strategy of the acquisition of the TSE-listed REIT.

Following his term in DHAM as its Chief Executive Officer in 2011, he took key management positions in Sumitomo Mitsui Trust Bank, Ltd from 2011 to 2020 where he succeeded in raising a private real estate fund with a French insurance company and several separate accounts with institutional investors, including corporate pension funds, formulated and implemented global business and alliance strategies, and was responsible for planning and promoting cross-border real estate investment business.

Mr Takeshi Fujita holds a Bachelor of Arts in Economics from Kwansei Gakuin University, Japan, and a Master of Business Administration in Finance and Investment from The George Washington University, USA. He is a licensed real estate transaction agent in Japan and a licensed representative of condominium management in Japan.

List of Present and Past Principal Directorships of the Directors

A list of the present and past directorships of each Director of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers".

The Key Roles of the Board

The key roles of the Board are to:

- guide the corporate strategy and directions of the Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills, integrity and enterprise;
- oversee the proper conduct of the Manager; and
- ensure that measures relating to corporate governance, financial regulations and other required policies are in place and enforced.

The Board comprises six Directors. The Audit and Risk Committee ("**ARC**") comprises Mr Tan Juay Hiang, who is chairman of the Audit and Risk Committee, Mr Tan Jeh Wuan, Mr Takashi Suzuki and Mr Yoshiyuki Takagi.

The Board will meet to review the key activities and business strategies of the Manager. The Board intends to meet at least once every quarter to deliberate the strategic policies of DHLT, including acquisitions and disposals, funding and hedging activities, approval of the annual budget and review of the performance of DHLT. The Board or the relevant board committee will also review DHLT's key financial risk areas and the outcome of such reviews will be disclosed in the annual report or where the findings are material, immediately announced via SGXNET.

Each Director of the Manager has been appointed on the basis of his professional experience and his potential to contribute to the proper guidance of DHLT.

The Board will have in place a set of internal controls which sets out approval limits for operational and capital expenditure, investments and divestments, bank borrowings and cheque signatory arrangements. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.

Taking into account the fact that DHLT was only constituted as a private trust shortly prior to listing on 2 November 2021, the Board, with the concurrence of the ARC, is of the opinion that the internal controls as further described in:

- "The Manager and Corporate Governance – The Manager of DHLT – The Key Roles of the Board";

- "The Manager and Corporate Governance – Corporate Governance of the Manager – Board of Directors of the Manager";
- "The Manager and Corporate Governance – Corporate Governance of the Manager – The Audit and Risk Committee";
- "The Manager and Corporate Governance – Corporate Governance of the Manager – Nominating and Remuneration Function";
- "The Manager and Corporate Governance – Corporate Governance of the Manager – Compliance Officer";
- "The Manager and Corporate Governance – Corporate Governance of the Manager – Dealings in Units";
- "The Manager and Corporate Governance – Corporate Governance of the Manager – Management of Business Risk";
- "The Manager and Corporate Governance – Corporate Governance of the Manager – Potential Conflicts of Interest";
- "The Manager and Corporate Governance – Related Party Transactions – The Manager's Internal Control System";
- "The Manager and Corporate Governance – Related Party Transactions – Role of the ARC for Related Party Transactions";
- "The Manager and Corporate Governance – Related Party Transactions – Related Party Transactions in Connection with the Setting Up of DHLT and the Offering";
- "The Manager and Corporate Governance – Related Party Transactions – Exempted Agreements"; and
- "The Manager and Corporate Governance – Related Party Transactions – Future Related Party Transactions",

will be adequate in addressing financial, operational, information technology and compliance risks faced by DHLT.

Changes to regulations and accounting standards are monitored closely by the members of the ARC. To keep pace with regulatory changes, where these changes have an important bearing on the disclosure obligations of the Manager or its Directors, the Directors will be briefed either during the meetings of the Board or at specially convened sessions involving the relevant professionals.

The management will also provide the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments.

The positions of Chairman of the Board (the "**Chairman**") and CEO are separately held by two different individuals in order to maintain effective checks and balances. The Chairman is Mr Tan Jeh Wuan, while the CEO is Mr Takeshi Fujita.

There is a clear separation of the roles and responsibilities between the Chairman and the CEO. The Chairman is responsible for the overall management of the Board as well as ensuring that the members of the Board and the management work together with integrity and competency, and that the Board engages the management in constructive debate on strategy, business operations, enterprise risk and other plans. The CEO has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Manager.

Half of the Directors are non-executive and independent. This enables the management to benefit from their external, diverse and objective perspectives on issues that are brought before the Board. It would also enable the Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process. This, together with a clear separation of the roles of the Chairman and the Chief Executive Officer, provide a healthy professional relationship between the Board and the management, with clarity of roles and robust oversight as they deliberate on the business activities of the Manager.

The Board has separate and independent access to senior management and the Company Secretary at all times. The Company Secretary, the function of which has been outsourced, attends to corporate secretarial administration matters and attends all Board meetings. The Board also has access to independent professional advice where appropriate and whenever requested.

The Executive Officers of the Manager

The executive officers of the Manager are entrusted with the responsibility for the daily operations of the Manager. The following table sets forth information regarding the executive officers of the Manager:

Name	Age	Address	Position
Mr Takeshi Fujita	58	c/o 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960	Executive Director and Chief Executive Officer
Ms Chua Tai Hua, Anne	58	c/o 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960	Chief Financial Officer
Mr Toru Aoki	57	c/o 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960	Chief Risk Officer
Mr Jun Yamamura	45	c/o 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960	Head of Planning
Mr Cho Hongrae	40	c/o 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960	Head of Investment
Mr Daijiro Nose	39	c/o 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960	Head of Asset Management

Experience and Expertise of the Executive Officers of the Manager

Information on the working experience of the executive officers of the Manager (save for Mr Takeshi Fujita, whose experience has been set out above) is set out below.

Ms Chua Tai Hua, Anne is the Chief Financial Officer[1] of the Manager.

Prior to joining the Manager, Ms Chua Tai Hua, Anne was the Chief Financial Officer of CapitaLand Commercial Trust Management Limited, the manager of CapitaLand Commercial Trust ("**CCT**"), a real estate investment trust listed on the SGX-ST, prior to its acquisition by CapitaLand Mall Trust, for 13 years, where she was responsible for mapping the strategic direction for the company, financial reporting, budgeting, taxation and capital management, meeting with financial analysts and investors to present business operations and strategies of CCT and working with various joint venture partners who co-invest with CCT on properties, projects and entities.

[1] As at the date of this Prospectus, the Chief Financial Officer, Ms Chua Tai Hua, Anne, is also in charge of the investor relations function of the Manager (*See "The Manager and Corporate Governance – Roles of the Executive Officers of the Manager" for further details*).

Ms Chua Tai Hua, Anne holds a Graduate Degree in Bachelor of Business Administration from the National University of Singapore, a Post-Graduate Degree in Master of Applied Finance from MacQuarie University of Australia (where she was the joint top graduand), and a Master of Professional Accounting from the Singapore Management University.

Ms Chua considers herself to be adequately familiar with the business and operations, accounting and policies of DHLT despite having being employed with the Manager for less than six months. After making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of the members of the Audit and Risk Committee to cause them to believe that Ms Chua does not have the competence, character and integrity expected of a Chief Financial Officer of the Manager. The Audit and Risk Committee considers that Ms Chua's educational qualifications coupled with her extensive experience of over 30 years of experience in financial reporting, fund raising, property investment, mergers and acquisitions ("**M&A**") and treasury risk management makes her a suitable candidate to be the Chief Financial Officer of the Manager. On this basis, the Audit and Risk Committee is of the opinion that Ms Chua is suitable as the Chief Financial Officer on the basis of her qualifications and relevant past experience.

Mr Toru Aoki is the Chief Risk Officer of the Manager.

Mr Toru Aoki joined 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. From 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 the date he joined the Manager, Mr Toru 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 Toru 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 Jun Yamamura is the Head of Planning of the Manager.

Mr Yamamura joined Marubeni Corp. ("**Marubeni**"), one of the largest general trading companies in Japan, in 1999. During his 22 years 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 the date he joined the Manager, Mr Jun Yamamura was the Senior Chief in the Business Development Department in DHI.

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*).

Mr Cho Hongrae is the Head of Investment of the Manager.

Mr Cho Hongrae joined DHI in 2005 and started his career in the field of general construction business. From 2011, he moved to Ho Chi Minh City and established a representative office for market research on industrial parks and construction business. He was involved in over 30 construction projects, with a focus on industrial buildings in Vietnam such as factories and warehouses, and has extensive experience negotiating with landlords in connection with acquisition of or development of logistics properties on site, which is relevant to his role as Head of Investment.

In December 2019, Mr Cho transferred from a subsidiary of the Sponsor in Vietnam to the General Construction Division of DHI and focused on introducing industrial real estate in foreign jurisdictions to companies in Japan.

Mr Cho Hongrae holds a Bachelor of Arts in Humanities from Doshisha University, Japan. He is a licensed real estate transaction agent in Japan.

Mr Daijiro Nose is the Head of Asset Management of the Manager.

Mr Daijiro Nose joined Sumitomo Mitsui Trust Bank, Ltd. in 2005 and started his career in the field of real estate brokerage business. In January 2011, he moved to the Real Estate Investment Division of SMTB and focused on introducing Japanese real estate to investors abroad as a real estate broker. In April 2014, he moved to the fund arrangement division, where he worked with both Japanese and international investors and focused on fund raising for and establishment of private property funds. In this division as a fund arranger, he raised a total of JPY 79 billion in equity, acquired 47 real estates and established 19 funds.

Mr Daijiro Nose holds a Bachelor of Arts in Economics from Keio University, Japan. He is a licensed real estate transaction agent in Japan and an ARES Master accredited by the Association for Real Estate Securitization in Japan.

List of Present and Past Principal Directorships of the Executive Officers of the Manager

A list of the present and past directorships of each Executive Officer of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers".

Roles of the Executive Officers of the Manager

The **Chief Executive Officer** of the Manager will work with the Manager's Board of Directors to determine the strategy for DHLT. The Chief Executive Officer will also work with the other members of the management team of the Manager to ensure that DHLT operates in accordance with the Manager's stated investment strategy. In addition, the Chief Executive Officer is responsible for planning the future strategic development of DHLT. The Chief Executive Officer is also responsible for the overall day-to-day management and operations of DHLT and working with the Manager's investment, asset management, financial and legal and compliance personnel in meeting the strategic, investment and operational objectives for DHLT.

The **Chief Financial Officer** of the Manager will work with the Chief Executive Officer and the other members of the management team to formulate strategic plans for DHLT in accordance with the Manager's stated investment strategy. The Chief Financial Officer will be responsible for applying the appropriate capital management strategy, including tax and treasury matters, as well as the finance and accounting matters, overseeing implementation of DHLT's short and medium-term business plans, fund and asset management activities and financial condition.

As at the date of this Prospectus, the Chief Financial Officer, Ms Chua Tai Hua, Anne, is also in charge of the investor relations function of the Manager. As a person in charge of the investor relations function, she is also responsible for maintaining transparent communications with the Unitholders and the market. She will oversee and facilitate DHLT's communications with the Unitholders, including to develop the investor relations strategy, produce annual reports to the Unitholders and prepare for investor presentations, result briefings and other engagement activities with investors.

The **Chief Risk Officer** of the Manager is responsible for formulating and maintaining the internal controls and risk management framework of DHLT and ensuring compliance by DHLT with the reporting requirements under the Listing Manual and the law. The Chief Risk Officer will be responsible for maintaining continuous disclosure and communications with the authorities and the market. The Chief Risk Officer will report the status of risk management and whether DHLT and the Manager complies with the directions of the Chief Executive Officer, the Board and the Audit and Risk Committee.

The **Head of Planning** of the Manager will work with the Chief Executive Officer and the other members of the management team to develop, establish and execute the business strategies of DHLT. The Head of Planning will be responsible for strategy formulation, management planning as well as to oversee and manage tasks relating to the general business operations of DHLT.

The **Head of Asset Management** of the Manager is responsible for formulating the business plans in relation to DHLT Properties with short, medium and long-term objectives, and with a view to maximising the rental income of DHLT via proactive asset management. He will work closely with the Japan Asset Manager and the Property Manager to implement DHLT's strategies so as to ensure that the DHLT portfolio's income generation potential is maximised and its expense base is minimised without compromising the properties' marketability. He will also focus on the operations of DHLT Properties and the implementation of the short to medium term objectives of DHLT's portfolio.

The **Head of Investment** of the Manager will work with the Chief Executive Officer and the other members of the management team to execute the investment programme of the Manager, which is responsible for identifying, researching and evaluating potential acquisitions and related investments with a view to enhancing DHLT's portfolio, or disposals where a property is no longer strategic, fails to enhance the value of DHLT's portfolio or fails to be yield accretive. In order to support these various initiatives, the investment team develops financial models to test the financial impact of different courses of action.

Roles and Responsibilities of the Manager

The Manager has general powers of management over the assets of DHLT. The Manager's main responsibility is to manage DHLT's assets and liabilities for the benefit of the Unitholders.

The Manager will set the strategic direction and provide, among others, the following services to DHLT:

- **Investment**: Formulating DHLT's investment strategy, including determining the location, sub-sector type and other characteristics of DHLT Property portfolio. Overseeing the negotiations and providing the supervision in relation to investments of DHLT and making final recommendations to the Trustee.

- **Asset management**: Formulating DHLT's asset management strategy, including determining the tenant mix, asset enhancement plans and rationalising operation costs. Providing the supervision in relation to asset management of DHLT and making final recommendations to the Trustee.

- **Capital management**: Formulating the plans for equity and debt financing for DHLT Property acquisitions, distribution payments, expense payments and property maintenance payments. Executing the capital management plans, negotiating with financiers and underwriters and making final recommendations to the Trustee.

- **Accounting**: Preparing accounts, financial reports and annual reports for DHLT on a consolidated basis.

- **Compliance**: Making all regulatory filings on behalf of DHLT, and assisting DHLT in complying with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the CIS Code (including the Property Funds Appendix), the Take-over Code, the Trust Deed, the CMS Licence, any tax ruling and all relevant contracts and making final recommendations to the Trustee.

- **Investor relations**: Communicating and liaising with investors, analysts and the investment community.

The Manager has covenanted in the Trust Deed to use its best endeavours to:

- carry on and conduct its business in a proper and efficient manner;

- ensure that DHLT's operations are carried on and conducted in a proper and efficient manner; and

- conduct all transactions with or for DHLT on an arm's length basis and on normal commercial terms.

The Manager will prepare property plans on a regular basis, which may contain proposals and forecasts on revenue, capital expenditures and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to monitor the performance of DHLT Properties.

The Manager may require DHLT to borrow or may recommend that its subsidiaries borrow, (upon such terms and conditions as the Manager thinks fit, including the charging or mortgaging of all or any part of the Deposited Property) whenever the Manager considers, among other things, that such borrowings are necessary or desirable in order to enable DHLT to meet its liabilities or to finance the acquisition of any property. However, the Manager must not direct the Trustee, or such subsidiary, to incur a borrowing, if to do so, would mean that DHLT's total borrowings and deferred payments will exceed the limit stipulated by the MAS based on the value of its Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units).

In the absence of fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Trust Deed. In addition, the Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as the manager of DHLT, to have recourse to the Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager.

The Manager may, in managing DHLT and in carrying out and performing its duties and obligations under the Trust Deed, with the written consent of the Trustee, appoint such persons to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Trust Deed, provided always that the Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

The Manager engages the Japan Asset Manager and/or the Property Manager in respect of the management of the IPO Properties that are held under the TMK and TK-GK structures. For that purpose the Manager makes sure that DH TMK engages the Japan Asset Manager and/or the Property Manager in accordance with the Manager's intention and that TK Operator (GK2) engages the Japan Asset Manager and/or the Property Manager in accordance with the Manager's intention. The Manager indicates its intention through the specified and preferred shareholders of DH TMK and once such intention has been indicated, the director of DH TMK and the operating officer (*shokumu shikkosha*) of TK Operator (GK2) engage the Japan Asset Manager and/or the Property Manager in accordance with their intention.

Fees Payable to the Manager

Management fees

The Manager is entitled under the Trust Deed to the following management fee:

- a Base Fee at the rate not exceeding the rate of 10.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee); and

- a Performance Fee at the rate not exceeding the rate of 25.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) 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 (subject to adjustments in certain cases under the Trust Deed, as further described below).

The Performance Fee shall from time to time be calculated as provided below in all of the following events ("**Events**"):

- an offer or invitation made by DHLT to its Unitholders under which they may acquire Units by way of a pro-rata renounceable rights issue; and

- any consolidation or subdivision of Units.

The Performance Fee shall from time to time be calculated via an adjustment to the number of Units prior to the Events used for the purposes of determining the DPU (in the case of Condition 1 below) and the DPU as well as the weighted average number of Units (in the case of Condition 2) (the "**Preceding Units**"), in accordance with the following provisions (but so that if the Event giving rise to any such adjustment shall be capable of fulfilling both Conditions 1 and 2 or if such Event is capable of giving rise to more than one adjustment, the adjustment shall be made in such manner as the Manager shall determine):

- Condition 1: Issue of Units by way of a pro-rata renounceable rights issue ("**Rights Issue**")

  If and whenever DHLT makes any offer or invitation to its Unitholders under which they may acquire or subscribe for Units by way of Rights Issue, the Performance Fee shall be calculated as a fee equal to a rate of 25.0% per annum of the difference in DPU in a Financial Year with the DPU in the preceding Financial Year (calculated before accounting for the Performance Fee in each Financial Year) multiplied by the actual weighted average number of Units in issue for such Financial Year. The Preceding Units used to calculate the DPU shall be adjusted in the following manner:

$$\text{Adjusted Number of Units} = N \times \frac{CP}{TERP}$$

  where:

  N = the number of Units outstanding before the issue of Units pursuant to the Rights Issue

  CP = the last traded price of the Units prior to the announcement of the Rights Issue; and

$$TERP = \frac{\text{Market capitalisation of the Trust based on CP + gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$$

Such adjustments pursuant to this Condition 2.1 will be effective (if appropriate, retroactively) from the date of issue of the Units under the Rights Issue.

- Condition 2: Consolidation or subdivision of Units

  If, and whenever, consolidation or subdivision of the Units occurs, the Performance Fee shall be calculated as a fee equal to a rate of 25.0% per annum of the difference in DPU in a Financial Year with the DPU in the preceding Financial Year (calculated before accounting for the Performance Fee in each Financial Year) multiplied by the adjusted weighted average number of Units in issue for such Financial Year. The Preceding Units used to calculate the DPU and the adjusted weighted average number of Units shall be adjusted in the following manner:

$$\text{Adjusted Number of Units} = N \times \frac{B}{A}$$

  where:

  N = the weighted average number of Units outstanding before the consolidation or subdivision;

A	=	the number of Units outstanding immediately before the consolidation or sub-division; and
B	=	the number of Units outstanding immediately after the consolidation or sub-division

Such adjustments will be effective from the date on which the consolidation or subdivision becomes effective.

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 the financial year prior to the preceding financial year.

For the computation of the Base Fee and the Performance Fee, the Annual Distributable Income and the DPU shall be calculated based on all income of DHLT arising from the operations of DHLT, such as, but not limited to, rentals, interest, dividends, capital distributions and divestment gains (to the extent it is distributed to Unitholders) and other similar payments or income arising from the Authorised Investments of DHLT.

The Manager may elect to receive the Base Fee and Performance Fee in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager. For the first Financial Year which covers the Forecast Period 2021 and Projection Year 2022, the Manager has elected to receive 50.0% of the Base Fee and Performance Fee (if any) in the form of Units and the remaining 50.0% of the fees in cash. For the purpose of determining if any Performance Fee is payable in respect of the first Financial Year, the actual DPU for the period from the Listing Date to 31 December 2022 shall be compared to the sum of the forecast DPU in respect of Forecast Period 2021 (as adjusted for the Listing Date) and the projected DPU in respect of Projection Year 2022. For the avoidance of doubt, the Manager is entitled under the Trust Deed to designate or nominate any person (including but not limited to the Manager's subsidiaries) to hold the Manager's Units.

Any increase in the rate or any change in the structure of the Management Fee must be approved by an Extraordinary Resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed. For the avoidance of doubt, the Manager's change in its election to receive cash or Units or a combination of cash and Units is not considered as a change in structure of the Management Fee.

Where the Base Fee and the Performance Fee are payable in the form of Units, such payment shall be made within 60 days of the last day of every calendar quarter, or such other period as the Manager may determine (in relation to the Base Fee), and every Financial Year (in relation to the Performance Fee), or such longer period as the Manager may determine in the event that the Base Fee and/or Performance Fee cannot be computed within 60 days of the last day of the relevant period), in arrears.

Where the Base Fee and the Performance Fee is payable in the form of cash, such payment shall be made within 60 days of the last day of every calendar month (in relation to the Base Fee) or 90 days of the last day of every FY (in relation to the Performance Fee) or such other period as the Manager may determine (or such longer period as the Manager may determine in the event that the Base Fee cannot be computed within (i) (in relation to the Base Fee) 60 days or (ii) (in relation to the Performance Fee) 30 days of the last day of the relevant period), in arrears and in the event that cash is not available to make the whole or part of such payment, then payment of such Base Fee or Performance Fee due and payable to the Manager shall be deferred to the next calendar month when cash is available.

Acquisition fee and divestment fee

The Manager is also entitled to:

- an Acquisition Fee of 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double counting):

  – the purchase consideration of any real estate purchased, whether directly or indirectly through one or more SPVs, by DHLT (plus any other payment[1] in addition to the purchase consideration made by DHLT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of DHLT's interest);

  – the underlying value[2] of any real estate which is taken into account when computing the purchase consideration payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by DHLT, whether directly or indirectly through one or more SPVs (plus any additional payments made by DHLT or its SPVs to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of DHLT's interest); or

  – the purchase consideration of any investment purchased by DHLT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate; and

- a Divestment Fee equivalent to 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting):

  – the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by DHLT (plus any other payments[3] in addition to the sale price received by DHLT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of DHLT's interest);

  – the underlying value[4] of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more SPVs, by DHLT (plus any additional payments received by DHLT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of DHLT's interest); or

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1 "**Other payments**" refer to additional payments to the vendor of the asset, for example, where the vendor has already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the purchase consideration as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if DHLT acquires an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset paid by DHLT as the purchase price and any debt of the SPV.

3 "**Other payments**" refer to additional payments to DHLT or its SPVs for the sale of the asset, for example, where DHLT or its SPVs have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

4 For example, if DHLT sells or divests an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid to DHLT as the sale price and any debt of the SPV.

– the sale price of any investment sold or divested by DHLT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

For the avoidance of doubt, the Acquisition Fee is payable in respect of any acquisition of real estate assets to both third parties and interested parties. The purchase consideration, or as the case may be, the acquisition value, shall take into account any completion or other price or value adjustment to be made post-completion.

For the avoidance of doubt, the Divestment Fee is payable in respect of any divestment of real estate assets to both third parties and interested parties. The sale price, or as the case may be, the sale value, shall take into account any completion or other price or value adjustment to be made post-completion.

No acquisition fee is payable for the acquisition of the IPO Portfolio by DHLT, as there will instead be the One-off Set Up Fee (as defined herein) payable to the Japan Asset Manager in connection with the acquisition of the IPO Portfolio in Japan. In accordance with the Property Funds Appendix, where the Manager receives a percentage-based fee when DHLT acquires real estate from an interested party, or disposes of real estate to an interested party, the Acquisition Fee or, as the case may be, the Divestment Fee will be in the form of Units issued at prevailing market price(s). Such Units may not be sold within one year from the date of issuance.

Any payment to third party agents[1] or brokers in connection with the acquisition or divestment of any real estate of DHLT shall be paid to such persons out of the Deposited Property of DHLT or the assets of the relevant SPV, and not out of the Acquisition Fee or the Divestment Fee received or to be received by the Manager.

The Acquisition Fee and Divestment Fee are payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager. In respect of any acquisition and sale or divestment of real estate assets from or to interested parties, such a fee should be in the form of Units issued by DHLT and such Units should not be sold within one year from the date of their issuance.

The Acquisition Fee and Divestment Fee are payable as soon as practicable after completion of the acquisition or, as the case may be, sale or disposal.

Any increase in the maximum permitted level of the Manager's Acquisition Fee or Divestment Fee must be approved by an Extraordinary Resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Development Management Fee

The Manager is entitled to receive a Development Management Fee equivalent to 3.0% of the Total Project Costs (as defined herein) incurred in a Development Project (as defined herein) undertaken by the Manager on behalf of DHLT.

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 is finalised.

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[1] These third party agents or brokers could be property agents who are engaged for the purpose of acquiring assets or auctioneers (where assets are to be acquired through auction sales).

DHLT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments). The total contract value of property development activities may exceed 10.0% of DHLT's deposited property (subject to maximum of 25.0% of DHLT's deposited property) only if:

(i) the additional allowance of up to 15.0% of DHLT's deposited property is utilised solely for the redevelopment of an existing property that has been held by DHLT for at least three years and which DHLT will continue to hold for at least three years after the completion of the redevelopment; and

(ii) DHLT obtains the specific approval of Unitholders at a general meeting for the redevelopment of the property.

"**Total Project Costs**" means the sum of the following:

- construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor;

- principal consultants' fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;

- the cost of obtaining all approvals for the project;

- site staff costs;

- interest costs on actual borrowings used to finance project cash flows (excluding equity capital) that are capitalised to the project in line with International Financial Reporting Standards; and

- any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with International Financial Reporting Standards,

but for the avoidance of doubt, shall not include land costs (including but not limited to the purchase consideration or underlying value of such land).

"**Development Project**" means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by DHLT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations.

When the estimated Total Project Costs is greater than S$100.0 million, the Trustee and the Independent Directors will first review and approve the quantum of the Development Management Fee whereupon the Manager may be directed by its Independent Directors to reduce the Development Management Fee. Further, in cases where the Manager is of the view that the market pricing for comparable services is materially lower than the Development Management Fee, the Independent Directors shall have the discretion to direct the Manager to accept a Development Management Fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of DHLT.

As land costs will not be included in the computation of Total Project Costs, the Manager shall be entitled to receive an Acquisition Fee on the land costs.

Retirement or Removal of the Manager

The Manager shall have the power to retire as the manager of DHLT in favour of a corporation recommended by the Manager and approved by the Trustee, in accordance with the terms set out in the Trust Deed.

Also, the Manager may be removed by notice given in writing by the Trustee if:

- the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over its assets or a judicial manager is appointed in respect of the Manager;

- the Manager ceases to carry on business;

- the Manager is in breach of any material obligation imposed on the Manager by the Trust Deed and such breach has not been cured or remedied within 60 days of receipt of written notice of such breach from the Trustee, provided that at the end of the 60 days, the cure period may be extended for such other period as may be agreed between the Manager and Trustee;

- the Unitholders, by Ordinary Resolution duly proposed and passed by Unitholders present and voting at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed, with no Unitholder (including the Manager and its Related Parties) being disenfranchised, vote to remove the Manager;

- for good and sufficient reason the Trustee is of the opinion that the actions of the Manager harms the interests of the Unitholders, and so states in writing such reason and opinion, that a change of Manager is desirable in the interests of the Unitholders; or

- the MAS directs the Trustee to remove the Manager.

Where the Manager is removed on the basis that a change of the Manager is desirable in the interests of the Unitholders, the Manager has a right under the Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the Manager, the Trustee and all Unitholders.

Under the terms of the Trust Deed, upon any removal or retirement of the Manager, the Trustee shall appoint a new manager as soon as possible whose appointment shall be subject to (i) compliance with any or all laws, regulations and guidelines that apply to DHLT and (ii) the approval of Unitholders by Ordinary Resolution.

ANNUAL REPORTS

An annual report will be issued by the Manager to Unitholders within the timeframe as set out in the Listing Manual and the CIS Code, and at least 14 days before the annual general meeting of the Unitholders, containing, among others, the following key items:

(i) if applicable, with respect to investments other than real property:

  (a) a brief description of the business;

  (b) proportion of share capital owned;

  (c) cost;

(d) (if relevant) Directors' valuation and in the case of listed investments, market value;

(e) dividends received during the year (indicating any interim dividends);

(f) dividend cover or underlying earnings; and

(g) net assets attributable to investments;

(ii) amount of distributable income held pending distribution;

(iii) the aggregate value of all transactions entered into by the Trustee (for and on behalf of DHLT) with an "interested party" (as defined in the Property Funds Appendix) or with an "interested person" (as defined in the Listing Manual) during the financial year under review;

(iv) total amount of fees paid to the Trustee;

(v) name of the manager of DHLT, together with an indication of the terms and duration of its appointment and the basis of its remuneration;

(vi) total amount of fees paid to the Manager and the price(s) of the Units at which they were issued in part payment thereof;

(vii) total amount of fees paid to the Property Manager;

(viii) the NAV of DHLT at the beginning and end of the financial year under review;

(ix) a comment by the Board on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;

(x) disclosure of whether each existing director is independent from management and business relationships with the Manager and DHLT and every substantial shareholder of the Manager and substantial unitholder of DHLT, and in the event that any director is not independent, to describe and explain the relationship of such non-independence;

(xi) disclosures on remuneration of directors and executive officers of DHLT as required by the Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management;

(xii) subject as specified below, the following items which are required to be disclosed pursuant to the Property Funds Appendix (as may be amended from time to time) for annual reports:

(a) details of all real estate transactions entered into during the financial year, including the identity of the buyers or sellers, purchase or sale prices, and their valuations (including the methods used to value the assets);

(b) details of all of DHLT's real estate assets, including the location of such assets, their purchase prices and latest valuations, rentals received and occupancy rates, or the remaining terms of DHLT's leasehold properties, where applicable;

(c) the tenant profile of DHLT's real estate assets, including the:

(A) total number of tenants;

(B) top 10 tenants, and the percentage of the total gross rental income attributable to each of these top 10 tenants;

(C) trade sector mix of tenants, in terms of the percentage of total gross rental income attributable to major trade sectors;

(D) lease maturity profile, in terms of the percentage of total gross rental income, for each of the next five years; and

(E) weighted average lease expiry of both DHLT's portfolio and new leases entered into during the year (and the proportion of revenue attributed to these leases).

In respect of sub-paragraph (c)(B) above, DHLT has obtained a waiver from the Authority from the requirement of paragraph 11.1(c)(ii) of the Property Funds Appendix;

(d) in respect of the other assets of DHLT, details of the:

(A) 10 most significant holdings (including the amount and percentage of fund size at market valuation); and

(B) distribution of investments in dollar and percentage terms by country, asset class (e.g. equities, mortgage-backed securities, bonds, etc.) and by credit rating of all debt securities (e.g. "AAA", "AA", etc.);

(e) details of DHLT's exposure to financial derivatives, including the amount (i.e. net total aggregate value of contract prices) and percentage of derivatives investment of total fund size and at market valuation;

(f) details of DHLT's investments in other property funds, including the amount and percentage of total fund size invested in;

(g) details of borrowings of DHLT including the maturity profile of the borrowings;

(h) details of deferred payment arrangements entered into by DHLT, if applicable;

(i) the Aggregate Leverage, Interest Coverage Ratio and Adjusted Interest Coverage Ratio of DHLT;

(j) where there has been an increase in DHLT's Aggregate Leverage as at the end of the financial year compared to its Aggregate Leverage as at the end of the immediately preceding financial year, the Manager's views of how the increase in Aggregate Leverage would impact the risk profile of DHLT;

(k) the total operating expenses of DHLT, including all fees and charges paid to the Manager, adviser and interested parties (in both absolute terms, and as a percentage of DHLT's NAV as at the end of the financial year) and taxation incurred in relation to DHLT's real estate assets;

(l) the distributions declared by DHLT for the financial year;

(m) the performance of DHLT in a consistent format, covering various periods of time (e.g. one-year, three-year, five-year or 10-year) whereby:

(A) in the case where DHLT is unlisted, such performance is calculated on an "offer to bid" basis over the period; or

(B) in the case where DHLT is Listed, such performance is calculated on the change in the unit price transacted on the stock exchange over the period;

(n) its NAV per unit at the beginning and end of the financial year;

(o) where DHLT is Listed, the Unit price quoted on the SGX-ST at the beginning and end of the financial year, the highest and lowest Unit price and the volume traded during the financial year;

(p) the amount of income support payments received by DHLT during the financial year and the effect of these payments on DHLT's DPU;

(q) where the income support arrangement is embedded in a master lease arrangement, the difference between the amount of rents derived under the master lease arrangement and the actual amount of rents from the underlying leases during the financial year as computed at the time of entry or renewal of the master lease arrangement; and

(r) any material deviation of actual DPU from forecast DPU, together with detailed explanations for the deviation; and

(xiii) such other items which may be required to be disclosed under the prevailing applicable laws, regulations and rules.

The annual report will also contain a written confirmation of the Manager that it 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 TBIs over the land subleasehold interests or land sub-subleasehold interests thereof (i.e. DPL Kawasaki Yako, D Project Kuki S, D Project Misato S, DPL Shinfuji, DPL Okayama Hayashima and D Project Fukuoka Tobara S).

The first annual report will cover the period from the Listing Date to 31 December 2022 and the first annual general meeting of DHLT will be held by 30 April 2023.

CORPORATE GOVERNANCE OF THE MANAGER

The following outlines the main corporate governance practices of the Manager.

Board of Directors of the Manager

The Board is responsible for the overall corporate governance of the Manager including establishing goals for management and monitoring the achievement of these goals. The Manager is also responsible for the strategic business direction and risk management of DHLT. All members of the Board participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and review of performance of directors.

The Board will establish a framework for the management of the Manager and DHLT, including a system of internal audit and control and a business risk management process. The Board consists of six members, three of whom are independent[1] directors. None of the Directors has entered into any service contract with DHLT.

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[1] The independence of the directors in this context refers to their independence from management and business relationships with the Manager.

The composition of the Board is determined using the following principles:

- the Chairman should be a non-executive director of the Manager;

- the Board should comprise directors with a broad range of commercial experience including expertise in funds management, legal matters, audit and accounting and the property industry; and

- at least one-third of the Board should comprise Independent Directors.

The Chairman of the Board will be an independent director. However, in the future, in the event where the Chairman is not an independent director, independent directors are to make up a majority of the Board in accordance with Provision 2.2 of the Code of Corporate Governance 2018.

The composition of the Board will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

The positions of Chairman and Chief Executive Officer will be held by two separate persons in order to maintain effective oversight. The Chairman will be Tan Jeh Wuan and the Chief Executive Officer will be Takeshi Fujita.

The Audit and Risk Committee

The ARC is appointed by the Board from among the Directors on the Board and is composed of four non-executive members, a majority of whom (including the chairman of the ARC) will be independent Directors.

As at the date of this Prospectus, the members of the ARC will be Mr Tan Juay Hiang, Mr Tan Jeh Wuan, Mr Takashi Suzuki and Mr Yoshiyuki Takagi. Mr Tan Juay Hiang has been appointed as the chairman of the ARC. All the members of the ARC will be appropriately qualified to discharge their responsibilities, possessing the requisite accounting and related financial management expertise or experience.

The role of the ARC is to monitor and evaluate the effectiveness of the Manager's internal controls. The ARC also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance.

The ARC's responsibilities to be set out in its terms of reference endorsed by the Board will include:

- monitoring the procedures established to regulate Related Party Transactions (as defined below), including ensuring compliance with the provisions of the Listing Manual relating to "interested person transactions" ("**Interested Person Transactions**") and the provisions of the Property Funds Appendix relating to "interested party transactions" ("**Interested Party Transactions**", and together with Interested Person Transactions, "**Related Party Transactions**") and reviewing transactions constituting Related Party Transactions;

- monitoring the procedures established to regulate the Sponsor ROFR, including ensuring compliance by the Sponsor Group with the terms and conditions under the Sponsor ROFR and the Sponsor Group's performance of all covenants, obligations and undertakings under or pursuant to the Sponsor ROFR;

- reviewing and approving any decision to make an Optional Distribution on the Perpetual Securities;

- deliberating on conflicts of interest situations involving DHLT and putting forth proposals to the Board on measures to mitigate such conflicts of interest, including situations where the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of DHLT with a Related Party of the Manager and where the Directors, controlling shareholder of the Manager, controlling Unitholder and associates (as defined in the Listing Manual) are involved in the management of or have shareholding interests in similar or related business as the Manager, and in such situations, the ARC will monitor the investments by these individuals in DHLT's competitors, if any, and will make an assessment whether there is any potential conflict of interest;

- reviewing and monitoring management's responsiveness to the recommendations of the ARC's report to the Board on material matters, findings and recommendations;

- providing timely input to the Board on critical risk issues;

- reviewing the REIT Manager's capability to identify and manage new risk types;

- receiving and reviewing at least quarterly reports from management on major risk exposures and the steps taken to monitor, control and mitigate such risks;

- reviewing and discussing, as and when appropriate, with management on the REIT Manager's and the REIT's risk governance structure and their risk policies, risk mitigation and monitoring processes and procedures;

- reviewing external and internal audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the management;

- reviewing arrangements by which staff and external parties may, in confidence, raise probable improprieties in matters of financial reporting or other matters, with the objective that arrangements are in place for the independent investigation of such matters and for appropriate follow up action;

- reviewing internal and external audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with and that the terms of the Sponsor ROFR have been complied with; ensuring that the internal audit and accounting function is adequately resourced and has appropriate standing with DHLT;

- reviewing, on an annual basis, the adequacy and effectiveness of the internal audit function in the overall context of DHLT's risk management system;

- reviewing the statements included in DHLT's annual report on DHLT's internal controls and risk management framework;

- ensuring that the REIT publicly discloses, and clearly communicates, to employees the existence of a whistle-blowing policy and the procedures for raising such concerns;

- the appointment, re-appointment or removal of the accounting or auditing firm or corporation to which the internal audit function is outsourced (including the review of their fees and scope of work);

- monitoring the procedures in place to ensure compliance with the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual and all applicable legislation, regulations and guidelines including notices issued by the MAS;
- reviewing the appointment, re-appointment or removal of external auditors;
- reviewing the nature and extent of non-audit services performed by external auditors;
- reviewing, on an annual basis, the independence and objectivity of the external auditors;
- meeting with external and internal auditors, without the presence of the executive officers, at least on an annual basis;
- assisting the Board to oversee the formulation, updating and maintenance work of adequate and effective internal controls and risk management framework;
- reviewing the system of internal controls including financial, operational, compliance and information technology controls and risk management processes;
- reviewing the financial statements, the auditor's report and formal announcements relating to financial performance on the annual financial statements for significant financial reporting issues and judgements contained in them before they are submitted to the Board for approval for better assurance of the integrity of such statements and announcements;
- reviewing and providing their views on all hedging policies and instruments to be implemented by DHLT to the Board and monitoring the implementation of such policies and instruments;
- monitoring the relevant tax regimes applicable to the REIT;
- investigating any matters within the ARC's purview, whenever it deems necessary; and
- reporting to the Board on material matters, findings and recommendations.

Nominating and Remuneration Function

The Board will itself perform the full functions of a nominating and remuneration committee and a separate committee, comprising a majority of independent directors, is not necessary. The current composition of directors in the Board provides sufficiently strong independence to perform the role of a nominating and remuneration committee. The Board will perform the various functions of the nominating and remuneration committee, including tabling nominations to the Board, reviewing the structure size, composition, performance, appointment, remuneration and renewal of the Board, reviewing the independence of the Board members, ensuring that there is professional development of the Board and approving the remuneration of key management personnel.

The SGX-ST has issued a Practice Note which provides that Rule 210(5)(e) of the Listing Manual does not apply to REITs if the REIT complies with regulations made under the SFA relating to board composition of a REIT manager. As the Manager complies with Regulation 13D of the Securities and Futures (Licensing and Conduct of Business) Regulations relating to the composition of the Board of the Manager, the Manager is of the opinion that the corporate governance requirements relating to the nominating and remuneration committee have been substantively addressed. The MAS has also issued Guideline SFA04-G07 *"Guidelines to all Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management"* which provides that a REIT manager which does not set up a nominating and remuneration committee should clearly explain the rationale in the annual report of the REIT. The requisite disclosures setting out the rationale for the non-establishment of a nominating and remuneration committee, including the criteria and process put in place by the Applicant for selecting and appointing new directors and for reviewing the performance of and re-electing existing directors, and for developing policies on remuneration and determining remuneration packages for directors and executive officers will be set out in the annual reports.

The Board will be undertaking all the responsibilities of the nominating and remuneration committee 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 the 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 Board's scope of duties and responsibilities in relation to nomination and remuneration matters includes:

- reviewing the process and criteria for evaluation of the performance of the Board, its Board Committees and Directors;

- deciding if a director is able to and has been adequately carrying out his duties as a director of the REIT, taking into consideration the director's principal commitments;

- reviewing the training and professional development programmes for the Board and its Directors;

- assessing the relevant attributes and corresponding representation and desired profile, underpinning any particular appointment or re-appointment;

- using external support (for example, search consultants), when necessary, to source for potential candidates if required;

- evaluating suitable candidates so that recommendations made on proposed candidates are objective and well supported;

- meeting shortlisted candidates to assess suitability, and to ensure the candidates are aware of the level of commitment required;

- determining annually, and as when circumstances require, if a Director is independent;

- considering all aspects of remuneration, including termination terms, to ensure they are fair;

- Directors for the Board's consideration, in particular the appointment and/or replacement of the Chairman, the CEO and key management personnel; and

- reviewing the appointment and re-appointment of Directors (including alternate directors, if any).

Compliance Officer

In order for the Manager to efficiently and fully comply with relevant laws and regulations for its operations of DHLT, the Manager has outsourced its compliance function to a service provider with relevant experience and expertise in relation to the Singapore REIT market. In particular, the Manager has engaged KPMG Services Pte. Ltd. to provide compliance support services and assist the Manager in certain compliance functions, which include:

- highlighting deficiencies and/or recommending suitable compliance processes for the Manager to comply with the regulatory requirements under the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual, the CMS Licence, and applicable laws, regulations, notices and guidelines;

- updating and providing training to the Directors and employees of the Manager on such compliance requirements as and when required by the Manager; and

- reviewing returns to the MAS as required under the SFA.

KPMG Services Pte. Ltd. will report to the Chief Executive Officer and the Board through the Chief Risk Officer. Notwithstanding the outsourcing of the Manager's compliance function, the Manager is responsible for ensuring compliance with all applicable laws, regulations and guidelines.

Dealings in Units

Each of the Directors and the Chief Executive Officer of the Manager is to give notice to the Manager of his acquisition of Units or of changes in the number of Units which he holds or in which he has an interest, within two Business Days after such acquisition or the occurrence of the event giving rise to changes in the number of the Units which he holds or in which he has an interest.

All dealings in the Units by the Directors and the Chief Executive Officer will be announced via SGXNET, with the announcement to be posted on the internet at the SGX-ST website: http://www.sgx.com. In addition, the Directors and employees of the Manager are prohibited from dealing in the Units:

- in the period commencing one month before the public announcement of DHLT's annual results, semi-annual results (if applicable) and property valuations, and (if the issuer announces its quarterly financial statements, whether required by the SGX-ST or otherwise) two weeks before the public announcement of the quarterly results of DHLT, and ending on the date of announcement of the relevant results or, as the case may be, property valuations; and

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

The Directors and employees of the Manager are also prohibited from communicating price sensitive information to any person.

Pursuant to Section 137ZC of the SFA, the Manager will be required to, *inter alia*, announce to the SGX-ST the particulars of any acquisition or disposal of interest in Units by the Manager as soon as practicable, and in any case no later than the end of the Business Day following the day on which the Manager became aware of the acquisition or disposal.

In addition, all dealings in Units by the Chief Executive Officer will also need to be announced by the Manager via SGXNET, with the announcement to be posted on the internet at the SGX-ST website http://www.sgx.com and in such form and manner as the Authority may prescribe.

Management of Business Risk

The Board will meet quarterly, or more often if necessary, and will review the financial performance of the Manager and DHLT against a previously approved budget. The Board will also review the business risks of DHLT, examine liability management and act upon any comments from both the internal and external auditors of DHLT.

The Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Manager and DHLT. In assessing business risk, the Board will consider the economic environment and risks relevant to the property industry. It will review management reports and feasibility studies on individual investment projects prior to approving major transactions. The management will meet regularly to review the operations of the Manager and DHLT and discuss any disclosure issues.

Potential Conflicts of Interest

The Manager is required to prioritise Unitholders' interests over those of the Manager and its shareholders in the event of a conflict of interest.

As at 30 September 2021, the Sponsor has interests in the following entities (together, the "**Sponsor Entities**"):

(a) an 8.2% interest in Daiwa House REIT, a Japanese real estate investment trust listed on the TSE and is managed by the REIT Division of Daiwa House Asset Management Co., Ltd. (the "**J-REIT Manager**") being a wholly-owned subsidiary of DHI. The Daiwa House REIT's investment policy is to invest in income-producing logistics, residential, commercial and hotel properties with a secondary focus on offices and healthcare properties. In particular, the Daiwa House REIT focuses properties in Japan (including logistics, residential, retail and hotel properties), particularly (i) Greater Tokyo (which constitutes Tokyo, Kanagawa, Saitama and Chiba prefectures); (ii) Greater Osaka (which constitutes Osaka, Kyoto, Hyogo prefectures); and (iii) Greater Nagoya (which constitutes Aichi, Gifu and Mie prefectures);

(b) a 3.0% interest in Daiwa House Logistics Core Fund (the "**Private Fund**"), a private fund established in October 2020 which has an asset size of JPY 85.2 billion. The Private Fund is likewise managed by the Private Fund Division of Daiwa House Asset Management Co., Ltd. (the "**Private Fund Manager**"). The Private Fund focuses on income-producing logistics properties only within Japan, with a geographical focus on the greater metropolitan area of Tokyo, Osaka, and Nagoya; and

(c) a 9.7% interest in Daiwa House Global REIT Investment Corporation (the "**Global REIT**" or "**DHGR**"), a private real estate investment trust established on 5 February 2019 which has an asset size of JPY 34.5 billion. The Global REIT is managed by a wholly-owned subsidiary of the Sponsor, DHREIM (the "**Global REIT Manager**") and focuses on a diversified class of income-producing properties (including logistics, residential, retail, and hotel properties) in Japan and outside of Japan, with no specific geographical focus within Japan and with a focus on North America and Europe for properties outside of Japan.

There is an existing ROFR ("**Existing ROFR**") granted by the Sponsor in favour of Daiwa House REIT pursuant to the Basic Agreement Regarding the New Pipeline Support between the Daiwa House REIT, the J-REIT Manager, and the Sponsor dated 15 April 2016. Further, there is an existing commitment from the Sponsor to support the Private Fund and the Global REIT (the "**Existing Commitments**") which includes providing to each of the Private Fund and the Global REIT with pipeline assets, subject to the Existing ROFR of the Daiwa House REIT.

In this respect, to mitigate against any potential conflicts of interest, the Sponsor has granted the Sponsor ROFR to the Trustee in respect of completed income-producing assets held by the Sponsor group that are used primarily for logistics purposes and are located in Asia. Under the Sponsor ROFR, DHLT is given the first right of refusal to acquire the Sponsor's Japanese properties subject to (i) the Existing ROFR of the Daiwa House REIT and (ii) the Existing Commitments to the Private Fund and the Global REIT. Thus, properties in Japan that fall within the investment mandates of DHLT, Daiwa House REIT, Global REIT and Private Fund (save for those properties that are independently sourced by the Manager) will first be offered to Daiwa House REIT pursuant to the Existing ROFR, and if declined, to Global REIT and Private Fund pursuant to the Existing Commitments. Only when Global REIT and Private Fund have each declined, will such property be offered to DHLT.

However, the Sponsor ROFR shall rank in priority to all rights of first refusal or commitments that may be given by the Sponsor to new funds managed by the Sponsor or its subsidiaries after the date of the Sponsor ROFR.

To ensure compliance with the terms of the Sponsor ROFR, the Manager will, after Listing, put in place the following procedures:

- as part of the Manager's internal control system, the Manager will maintain a register of all opportunities or transactions arising from the implementation of the Sponsor ROFR;

- the ARC will monitor the procedures established to regulate the Sponsor ROFR, including to ensure compliance by the Sponsor Group with the terms and conditions under the Sponsor ROFR and the Sponsor Group's performance of all covenants, obligations and undertakings under or pursuant to the Sponsor ROFR;

- the Manager will incorporate in its internal audit plan, a review of the implementation of the Sponsor ROFR; and

- as part of its review of the internal audit reports at least twice a year, the ARC will review the internal audit reports on the implementation of the Existing ROFR, the Existing Commitments and the Sponsor ROFR to ascertain that the terms of the Sponsor ROFR have been complied with. The review will include the examination of supporting documents and such other data deemed necessary to the ARC. If a member of the ARC has an interest in a transaction arising from the implementation of the Sponsor ROFR, he or she is to abstain from participating in the review and approval process in relation to that transaction.

In addition, the Manager has instituted the following procedures to deal with potential conflicts of interest issues:

- the management team of the Manager includes key executives with a strong track record in asset and investment management strategy, and who have extensive experience and strong capabilities to be able to independently source for suitable investments for DHLT;

- the Manager will not manage any other REIT which invests in the same type of properties as DHLT;

- all executive officers will be working exclusively for the Manager and will not hold other executive positions in other entities, save for any wholly-owned subsidiaries of the Manager;

- all resolutions in writing of the Directors in relation to matters concerning DHLT must be approved by at least a majority of the Directors (excluding any interested Director), including at least one independent director;

- at least one-third of the Board shall comprise independent directors, provided that where (i) the Chairman and the Chief Executive Officer are the same person, (ii) the Chairman and the Chief Executive Officer are immediate family members, (iii) the Chairman is part of the management team or (iv) the Chairman is not an independent director, at least half the Board shall comprise independent directors;

- in respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the directors and must exclude such interested director;

- in respect of matters in which the Sponsor and/or their subsidiaries have an interest, direct or indirect, for example, in matters relating to:

    - o potential acquisitions of additional properties or property-related investments by DHLT in competition with the Sponsor and/or their subsidiaries; and

    - o competition for tenants between properties owned by DHLT and properties owned by the Sponsor and/or their subsidiaries,

  any nominees appointed by the Sponsor and/or their subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of the Sponsor and/or their subsidiaries;

- save as to resolutions relating to the removal of the Manager, the Manager and its associates (as defined in the Listing Manual) are prohibited from voting or being counted as part of a quorum for any meeting of the Unitholders convened to approve any matter in which the Manager and/or any of its associates (as defined in the Listing Manual) has a material interest; and

- it is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of DHLT with a Related Party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of DHLT, has a *prima facie* case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors (including the Independent Directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of DHLT with a Related Party of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of the Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

For the avoidance of doubt, there is no overlapping personnel among DHREIM and the Manager as the manager of DHLT. There is also no overlapping personnel within DHREIM between the asset management team for the Global REIT and the asset management team for DHLT. This is as there will be in place the following measures within DHREIM: (i) a separate and segregated team within DHREIM dedicated only to DHLT assets and providing asset management services only to DHLT; (ii) Chinese walls will be established within DHREIM by Listing Date to prevent any information leaks as regards the disposal information or strategy of DHLT to the Global REIT that could potentially benefit the Global REIT. DHREIM is further required to perform its duties under the Asset Management Agreement entered into in respect of the assets of DHLT with a duty of care and loyalty as a custodian.

Separately, it is noted that DHREIM, being the asset manager of DH TMK and TK Operator (GK2), may face conflicts of interest (for instance, when a conflicting divestment opportunity arises in respect of both TMK Properties and GK2 Properties). However, due to the fact that the sole investor of TK Operator (GK2) is DH TMK, which are both part and parcel of the property holding structure for DHLT, the risks of conflict are low.

Similarly, although the Property Manager also manages properties of other Sponsor Group Funds, properties will be assigned and managed by a building manager (being a staff employed by the Property Manager) on a property-by-property basis, which prevents the building manager from cutting corners on less profitable properties and in favour of more profitable properties or using more profitable properties to mask any under-performance of less profitable properties, thereby mitigating any potential conflicts of interest. Each year, every building manager shall generate a business plan, which will include key performance targets, such as target occupancy of each property under their management, which will be approved by the Property Trustee, the Property Trustee will in turn take instructions from the Japan Asset Manager who will make the decision of whether to approve such business plan in consultation with the Manager. Upon approval, the building managers must act based on the business plan, which will be monitored by the Property Manager on a regular basis to ensure that the building managers meet the performance targets set out in the business plan. Further, the performance of the Property Manager is also monitored and supervised by DHREIM as a local asset manager of DH TMK, TK Operator (GK1), and TK Operator (GK2).

The following regulatory measures are also in place in Japan to mitigate potential conflicts of interest arising from the management of multiple funds by a single asset manager entity:

- Prohibition of transactions between investment properties[1]

  The FIEA in Japan prohibits an asset manager that is registered as Investment Management Business Operator under the FIEA, such as DHREIM, from making transactions between the fund's properties it manages, unless it meets the requirements for the exceptions. Specifically, the exception which is typically applicable to a transaction of TBIs of which the trust property is the real estate is that (a) with regard to each transaction, the asset manager gives an explanation on the details of the transaction to its relevant clients (being the respective funds) entering into the transaction and obtains consent to the details from the clients (being the respective funds, including Daiwa House REIT, Global REIT and Private Fund) before the relevant transaction[2] and (b) the sale and purchase price of the TBI for the transaction is at fair value or calculated by a reasonable method (in case of TBIs of which trust property is the real estate, such price means real estate appraisal value). For the avoidance of doubt, this prohibition only applies in respect of Japan properties.

1 This requirement does not apply to third party acquisition opportunities which are independently sourced by the Manager for DHLT, on the basis that such third party is not a fund managed by the same asset manager, DHREIM.

2 For the avoidance of doubt, details of each transaction will only be disclosed to client funds which are entering into the transaction for purposes of justifying the investments and safeguarding investors' interests, and as such, DHLT's interests will not be prejudiced by the regulatory measure.

- Other measures

  The Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. (including asset managers that are registered as Investment Management Business Operators) (the "**Guidelines**") requires appropriate measures to be taken by the asset manager to prevent practices that could promote the interests of specific clients at the expense of other clients, such as establishing an internal control system and procedures for the prevention of adverse effect between different types of business (for multiple funds) in a manner suited to the nature of the business (at VI-2-3-3(2) "Points of Attention Regarding Prevention of Conflicts of Interest in Investment Management Business"). Based on the Guidelines, an asset manager that is registered as an Investment Management Business Operator, including DHREIM, is required to take the following measures when they manage the investment properties of multiple funds:

  - Establishment of an internal rule regarding rank in priority to acquire new investment assets between multiple funds where there is an overlap in the investment criteria of the funds;

  - Disclosure to the investors of the fact that there is conflict of interest between the funds and the risk that arises from such conflict of interest;

  - Establishment of segregated divisions within the asset management entity as regards the personnel managing the assets of the respective funds and the management of information by the different divisions regarding their respective funds to be kept separate; and

  - Establishment of an internal rule regarding transactions between interested parties. An example of such rule is that, when a fund managed by an asset manager purchases real estate property from interested parties of such asset manager, (a) the asset manager has to obtain a resolution of compliance committee, which must consist of one or more independent members, within the asset management entity and (b) the purchase price may not exceed its real estate appraisal value.

RELATED PARTY TRANSACTIONS[1]

"Related Party Transactions" in this Prospectus refers to "Interested Person Transactions" under the Listing Manual and "Interested Party Transactions" under the Property Funds Appendix. The definition of "Interested Person" in the Listing Manual refers to the definition of "Interested Party" used in the Property Funds Appendix.

In general, transactions between:

- an entity at risk (in this case, the Trustee (acting in its capacity as the trustee of DHLT) or any of the subsidiaries or associated companies of DHLT); and

- any of the Interested Parties, being:

  (i) a director, chief executive officer or controlling shareholder of the Manager, or the Manager, the Trustee (acting in its personal capacity) or controlling Unitholder; or

[1] "**Related Party Transactions**" refer to an "Interested Person Transaction" which has the meaning ascribed to it in the Listing Manual and/or, as the case may be, "Interested Party Transaction" which has the meaning ascribed to it in the Property Funds Appendix.

(ii) an associate (as defined in the Listing Manual) of any director, chief executive officer or controlling shareholder of the Manager, or an associate (as defined in the Listing Manual) of the Manager, the Trustee (acting in its own capacity) or any controlling Unitholder,

would constitute an Interested Person Transaction.

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all future Related Party Transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of DHLT and the Unitholders.

As a general rule, the Manager must demonstrate to the ARC such transactions satisfy the foregoing criteria, which may entail:

- obtaining (where practicable) quotations from parties unrelated to the Manager; or
- obtaining two or more valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The Manager will maintain a register to record all Related Party Transactions which are entered into by DHLT and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases, on which they are entered into.

The Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by DHLT. The ARC shall review the internal audit reports at least twice a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. In addition, the Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix have been complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the ARC. If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Further, the following procedures will be undertaken with respect to Related Party Transactions (save for the avoidance of doubt, for those described under "Related Party Transactions in Connection with the Setting Up of DHLT and the Offering" and "Exempted Agreements"):

- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S$100,000 in value but less than 3.0% of the value of DHLT's net tangible assets will be subject to review by the ARC at regular intervals;
- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of DHLT's net tangible assets will be subject to the review and prior approval of the ARC. Such approval shall only be given if such transaction is on normal commercial terms, not prejudicial to the interests of DHLT and its Unitholders and is consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and

- any transaction (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of DHLT's net tangible assets will be reviewed and approved prior to such transaction 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 duly convened and held in accordance with the provisions of the Trust Deed.

Pursuant to the Listing Manual, transactions with a value below S$100,000 are disregarded for the purpose of the announcement and Unitholders' approval requirements under the Listing Manual as set out in the paragraph above. Accordingly, such transactions are excluded from aggregation with other transactions involving the same Related Parties.

Where matters concerning DHLT relate to transactions entered into or to be entered into by the Trustee for and on behalf of DHLT with a Related Party of the Manager (which would include relevant "associates" as defined under the Listing Manual) or DHLT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on normal commercial terms, are not prejudicial to the interests of DHLT and the Unitholders, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of the Manager or DHLT. If the Trustee is to sign any contract with a Related Party of the Manager or DHLT, the Trustee will review the contract to ensure that it complies with the relevant requirements relating to Related Party Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

Save for the transactions described under the sections "Related Party Transactions in connection with the Setting Up of DHLT and the Offering" and "Exempted Agreements", DHLT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if the value of such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person (as defined in the Listing Manual) during the same financial year, is 3.0% or more of DHLT's latest audited net tangible assets.

The aggregate value of all Related Party Transactions in accordance with the Listing Manual in a particular year, each of at least S$100,000 in value and which are subject to Rules 905 and 906 of the Listing Manual, will be disclosed in DHLT's annual report for the relevant financial year.

Role of the ARC for Related Party Transactions

The ARC will monitor the procedures established to regulate Related Party Transactions, including periodically reviewing all Related Party Transactions to ensure compliance with the Manager's internal control system, the relevant provisions of the Listing Manual and the Property Funds Appendix. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the ARC.

If a member of the ARC has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

In addition, the ARC will confirm that it has undertaken due process to ensure that the terms in a divestment to a Related Party are generally in line with that which would have been obtained had the asset been sold to a non-interested party

Related Party Transactions in Connection With the Setting Up of DHLT and the Offering

Agreements entered into in connection with setting up of DHLT and the Offering

Each of the Trustee, the Property Trustee, DH TMK, TK Operator (GK1) and TK Operator (GK2), on behalf of DHLT, have entered into a number of transactions with the Manager and certain Related Parties of the Manager, in connection with the setting up of DHLT and the Offering. These Related Party Transactions are as follows:

- The Trustee has on 2 November 2021 entered into the Trust Deed with the Manager. The terms of the Trust Deed are generally described in "The Formation and Structure of DHLT";
- The Trustee has on 9 November 2021 entered into the ROFR Agreement with the Sponsor on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – ROFR Agreement";
- The Trustee has on 9 November 2021 entered into a Perpetual Securities Subscription Agreement with the Manager and the Sponsor to subscribe for the Perpetual Securities on the terms generally described in "Capitalisation and Indebtedness – Perpetual Securities";
- The Sponsor and DH TMK have on 9 November 2021 entered into a Trust Beneficial Interest Sale and Purchase Agreement in relation to DPL Sapporo Higashi Kariki, DPL Sendai Port, DPL Koriyama, D Project Maebashi S, D Project Nagano Suzaka S, D Project Kakegawa S, and DPL Okayama Hayashima 2 ("**PSA (1)**") on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Trust Beneficial Interest Sale and Purchase Agreements";
- The Sponsor and TK Operator (GK2) have on 9 November 2021 entered into a Trust Beneficial Interest Sale and Purchase Agreement in relation to D Project Iruma S, DPL Kawasaki Yako, DPL Okayama Hayashima and D Project Fukuoka Tobara S ("**PSA (2)**") on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Trust Beneficial Interest Sale and Purchase Agreements";
- The **Asset Management Agreements** comprising:
  - o the Master Asset Management Agreement entered into on 9 November 2021 between DH TMK and DHREIM on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Asset Management Agreements – Master Asset Management Agreement";
  - o the TMK Asset Management Agreement entered into on 9 November 2021 between DH TMK and DHREIM on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Asset Management Agreements – TMK Asset Management Agreement";
  - o the Specified Asset Management Agreement entered into on 9 November 2021 between DH TMK and DHREIM on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Asset Management Agreements – TMK Asset Management Agreement";

- the Asset Management Agreement (GK1) entered into on 9 November 2021 between TK Operator (GK1) and DHREIM on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Asset Management Agreements – Asset Management Agreement (GK1)"; and

- the Individual Asset Management Agreement (GK2) entered into on 9 November 2021 between TK Operator (GK2) and DHREIM on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Asset Management Agreements – Individual Asset Management Agreement (GK2)";

• The **Property Management Agreements** comprising:

  - the Master Property Management Agreement dated 9 November 2021 between DH TMK, DHREIM and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Master Property Management Agreement";

  - the Individual Property Management Agreement (DPL Sapporo Higashi Kariki) dated 9 November 2021 between the Property Trustee, TK Operator (GK1) and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

  - the Individual Property Management Agreement (DPL Sendai Port) dated 9 November 2021 between the Property Trustee, TK Operator (GK1) and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

  - the Individual Property Management Agreement (DPL Koriyama) dated 9 November 2021 between the Property Trustee, TK Operator (GK1) and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

  - the Individual Property Management Agreement (D Project Maebashi S) dated 9 November 2021 between the Property Trustee and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

  - the Individual Property Management Agreement (D Project Kuki S) dated 9 November 2021 between the Property Trustee and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

  - the Individual Property Management Agreement (D Project Misato S) dated 9 November 2021 between the Property Trustee and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

  - the Individual Property Management Agreement (D Project Iruma S) dated 9 November 2021 between the Property Trustee and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

- the Individual Property Management Agreement (DPL Kawasaki Yako) dated 9 November 2021 between the Property Trustee, TK Operator (GK1) and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

- the Individual Property Management Agreement (D Project Nagano Suzaka S) dated 9 November 2021 between the Property Trustee and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

- the Individual Property Management Agreement (DPL Shinfuji) dated 9 November 2021 between the Property Trustee, TK Operator (GK1) and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

- the Individual Property Management Agreement (D Project Kakegawa S) dated 9 November 2021 between the Property Trustee and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

- the Individual Property Management Agreement (DPL Okayama Hayashima) dated 9 November 2021 between the Property Trustee, TK Operator (GK1) and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

- the Individual Property Management Agreement (DPL Okayama Hayashima 2) dated 9 November 2021 between the Property Trustee, TK Operator (GK1) and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements"; and

- the Individual Property Management Agreement (D Project Fukuoka Tobara S) dated 9 November 2021 between the Property Trustee and the Property Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Property Management Agreements – Individual Property Management Agreements";

- The Land Lease Agreements and assignment agreements thereof consisting:

  - the Conditional Land Lease Agreement (DPL Okayama Hayashima 2) dated 9 November 2021 between the Sponsor and the Property Trustee on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements";

  - the Conditional Agreement regarding Land Sublease Right Assignment (DPL Kawasaki Yako) dated 9 November 2021 among the Sponsor, Mitsubishi and the Property Trustee on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements";

  - the Conditional Land Lease Agreement (DPL Okayama Hayashima) dated 9 November 2021 between the Sponsor and the Property Trustee on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements";

- o the Conditional Land Lease Agreement (D Project Fukuoka Tobara S) dated 9 November 2021 between the Sponsor and the Property Trustee on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements";

- o the Conditional Agreement regarding Land Lease Right Assignment (D Project Iruma S) dated 9 November 2021 among Yuasa Trading Co., Ltd., the Sponsor and the Property Trustee on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements";

- o the Conditional Agreement regarding Land Sublease Right Assignment (D Project Kuki S) dated 9 November 2021 among the Sponsor, Mitsubishi and the Property Trustee on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements";

- o the Conditional Agreement regarding Land Sublease Right Assignment (D Project Misato S) dated 9 November 2021 among the Sponsor, Mitsubishi and the Property Trustee on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements"; and

- o the Conditional Agreement regarding Land Sublease Right Assignment (DPL Shinfuji) dated 9 November 2021 among the Sponsor, HC Capital Community and the Property Trustee on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Land Lease Agreements";

- The group brands agreements ("**Group Brands Agreements**") consisting:

  - o the Master Agreement for Group Brands (Endless Heart) dated 23 March 2021 between the Sponsor and the Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Master Agreement for Group Brands"; and

  - o the Memorandum of Understanding in respect of the Master Agreement for Group Brands (Endless Heart) dated 23 March 2021 between the Sponsor and the Manager on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Master Agreement for Group Brands"; and

- The conditional solar power facilities installation agreements ("**Solar Power Facilities Installation Agreements**") consisting:

  - o the Solar Power Facilities Installation Agreement (DPL Sendai Port) dated 9 November 2021 between the Property Trustee and Daiwa Energy on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Solar Power Facilities Installation Agreements";

  - o the Solar Power Facilities Installation Agreement (DPL Koriyama) dated 9 November 2021 between the Property Trustee and Daiwa Energy on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Solar Power Facilities Installation Agreements";

  - o the Solar Power Facilities Installation Agreement (D Project Maebashi S) dated 9 November 2021 between the Property Trustee and Daiwa Energy on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Solar Power Facilities Installation Agreements";

- o the Solar Power Facilities Installation Agreement (DPL Kawasaki Yako) dated 9 November 2021 between the Property Trustee and Daiwa Energy on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Solar Power Facilities Installation Agreements";

- o the Solar Power Facilities Installation Agreement (D Project Nagano Suzaka S) dated 9 November 2021 between the Property Trustee and Daiwa Energy on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Solar Power Facilities Installation Agreements";

- o the Solar Power Facilities Installation Agreement (DPL Shinfuji) dated 9 November 2021 between the Property Trustee and Daiwa Energy on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Solar Power Facilities Installation Agreements";

- o the Solar Power Facilities Installation Agreement (D Project Kakegawa S) dated 9 November 2021 between the Property Trustee and Daiwa Energy on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Solar Power Facilities Installation Agreements";

- o the Solar Power Facilities Installation Agreement (DPL Okayama Hayashima) (IA) and the Solar Power Facilities Installation Agreement (DPL Okayama Hayashima) (IB) dated 9 November 2021 between the Property Trustee and Daiwa Energy on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Solar Power Facilities Installation Agreements";

- o the Solar Power Facilities Installation Agreement (DPL Okayama Hayashima 2) dated 9 November 2021 between the Property Trustee and Daiwa Energy on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Solar Power Facilities Installation Agreements"; and

- o the Solar Power Facilities Installation Agreement (D Project Fukuoka Tobara S) dated 9 November 2021 between the Property Trustee and Daiwa Energy on the terms generally described in "Certain Agreements Relating to DHLT and the IPO Properties – Solar Power Facilities Installation Agreements"; and

- An agreement on co-owned storm water management pond and green space management (D Project Kakegawa S) ("**Pond Management Agreement**") to be entered into on or before the Closing Date between the Sponsor, Kakegawa City Land Development Corporation and Kakegawa-shi for the maintenance and management of a parcel of the land of D Project Kakegawa S as shared storm water management pond and green space. On the Closing Date, all rights and obligations under the Pond Management Agreement in respect of the Property Trustee's share of ownership in the Co-owned Land (Pond) shall be transferred to the Property Trustee with effect from the transfer of the co-ownership interest.

The Manager believes that the agreements set out above are made on normal commercial terms and are not prejudicial to the interests of DHLT and the Unitholders. The terms of the various management agreements are in accordance with prevailing market rates or based on negotiations which have been carried out on arm's length basis and the terms of the PSAs take into account the independent valuations of the IPO Properties and the Perpetual Securities are based on prevailing benchmark rates.

Save as disclosed in this Prospectus, the Trustee has not entered into any other transactions with the Manager or any Related Party of the Manager in connection with the setting up of DHLT.

Exempted Agreements

The entry into and the fees and charges payable by DHLT under:

- the Trust Deed;
- the Sponsor ROFR;
- the Perpetual Securities Subscription Agreement;
- the PSA (1);
- the PSA (2);
- the Asset Management Agreements;
- 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;
- 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;
- the Group Brands Agreements;
- the Solar Power Facilities Installation Agreements; and
- the Pond Management Agreement,

each of which constitutes, or will, when entered into, constitute a Related Party Transaction, are deemed to have been specifically approved by Unitholders upon purchase of the 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 Prospectus and there is no subsequent change to the rates and/or bases of the fees charged. (See "Overview – Fees and Charges" for the fees and charges payable by DHLT in connection with the establishment and on-going management and operation of DHLT for further details.)

However, any renewal of such agreements or amendments to the rates and/or bases of the fees charged thereunder will be subject to Rules 905 and 906 of the Listing Manual.

(See "Corporate Governance of the Manager – Related Party Transactions – The Manager's Internal Control System" for further details.)

Future Related Party Transactions

As a REIT listed on the SGX-ST, DHLT is regulated by the Property Funds Appendix and the Listing Manual. The Property Funds Appendix regulates, among other things, transactions entered into by the Trustee (for and on behalf of DHLT) with an Interested Party relating to DHLT's acquisition of assets from or sale of assets to an Interested Party, DHLT's investment in securities of or issued by an Interested Party and the engagement of an interested party as property management agent or marketing agent for DHLT Properties.

Depending on the materiality of transactions entered into by DHLT for the acquisition of assets from, the sale of assets to or the investment in securities of or issued by an Interested Party, the Property Funds Appendix may require that an immediate announcement to the SGX-ST be made, and may also require that the approval of Unitholders be obtained.

The Listing Manual regulates all Interested Person Transactions, including transactions already governed by the Property Funds Appendix. Depending on the materiality of the transaction, DHLT may be required to make a public announcement of the transaction (Rule 905 of the Listing Manual), or to make a public announcement of and to obtain the prior approval of the Unitholders for the transaction (Rule 906 of the Listing Manual). The Trust Deed requires the Trustee and the Manager to comply with the provisions of the Listing Manual relating to Interested Person Transactions as well as such other guidelines relating to Interested Person Transactions as may be prescribed by the SGX-ST to apply to REITs.

The Manager may at any time in the future seek a general annual mandate from the Unitholders pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, including a general mandate in relation to leases and/or licence agreements to be entered into with Interested Persons, and all transactions conducted under such general mandate for the relevant financial year will not be subject to the requirements of Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the Trustee will appoint an independent financial adviser (without being required to consult the Manager) pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of DHLT and the Unitholders.

Both the Property Funds Appendix and the Listing Manual requirements would have to be complied with in respect of a proposed transaction which is *prima facie* governed by both sets of rules. Where matters concerning DHLT relate to transactions entered or to be entered into by the Trustee for and on behalf of DHLT with a Related Party (either an "interested party" under the Property Funds Appendix or an "interested person" under the Listing Manual) of DHLT or the Manager, the Trustee and the Manager are required to ensure that such transactions are conducted in accordance with applicable requirements of the Property Funds Appendix and/or the Listing Manual.

Subject to compliance with the applicable requirements, the Manager is not prohibited by either the Property Funds Appendix or the Listing Manual from contracting or entering into any financial, banking or any other type of transaction with the Trustee (when acting other than in its capacity as trustee of DHLT) or from being interested in any such contract or transaction, provided that any such transaction shall be on normal commercial terms and is not prejudicial to the interests of DHLT and the Unitholders. The Manager shall not be liable to account to the Trustee or to the Unitholders for any profits or benefits or other commissions made or derived from or in connection with any such transaction. The Trustee shall not be liable to account to the Manager or to the Unitholders for any profits or benefits or other commission made or derived from or in connection with any such transaction.

Generally, under the Listing Manual, the Manager, its "connected persons" (as defined in the Listing Manual) and any director of the Manager are prohibited from voting their respective own Units at, or being part of a quorum for, any meeting to approve any matter in which it has a material interest.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Manager acknowledges its responsibilities toward society, the environment and its stakeholders. Through managing its business in a fair and ethical manner, the Manager demonstrates its consideration towards employees and the wider community. It will provide a safe and healthy working environment for its employees and visitors to its premises and will ensure that sufficient information and training are made available in pursuance of their activities.

The Manager is committed to managing its impact on the world's natural resources and strives to continually to improve its environmental credentials in all of its properties and business activities.

The Manager recognises its position within the community and acknowledges that its business activities have varying impact upon the society in which it operates. The Manager endeavours to manage these in a responsible manner.

The Manager seeks to build relationships with its suppliers, investors and stakeholders for mutual benefit and for the benefit of the community.

As the Manager was recently incorporated on 20 November 2020 and DHLT was recently constituted as a private trust on 2 November 2021, the Manager has not undertaken any specific activities so far. Going forward, the Manager will manage its business activities and monitor their corresponding environmental impact to continuously develop and improve its corporate responsibility.

In addition, the Manager will prepare an annual sustainability report, which will constitute part of the annual report, in line with the reporting requirements of the SGX-ST, for so long as required by the SGX-ST. Such sustainability report shall include description of sustainability practices with reference to the following primary components:

(i) material environmental, social and governance factors;

(ii) policies, practices and performance;

(iii) targets;

(iv) sustainability reporting framework; and

(v) a board statement.

The Manager is committed to creating an inclusive company and offering opportunities for leadership and advancement of women and minorities within its organisation.

THE SPONSOR

Daiwa House Industry Co., Ltd.

Daiwa House Industry Co., Ltd., is a company listed on the TSE and the principal company of the Daiwa House Group, which has a global presence represented by 444 group companies, with 174 based in Japan and 270 based overseas as of March 2021. The Daiwa House Group is a group of companies led by the Sponsor, with its head office in Osaka, Japan. The Daiwa House Group principally engages in the business of construction and real estate development, with real estate investments in sectors such as housing and residential apartments, commercial real estate (including commercial, logistic, and medical facilities), and lifestyle properties (including hotels and fitness clubs).

The Sponsor is a construction and real estate development company founded in 1955. As a leader in the construction industry, it has developed around 1.9 million residential units and completed around 54,900 commercial facility projects as at 31 March 2021, and is presently undertaking ongoing logistics development projects with an aggregate value in excess of JPY 600 billion (approximately S$7.1 billion). It operates through the following segments: single-family houses, rental housing, condominiums, existing homes, commercial facilities, logistics, business & corporate facilities, and other businesses. Within the logistics, business & corporate facilities sector, which accounts for more than 20% of consolidated net sales in the most recent fiscal year (ended March 2021), the logistics facilities-related business is the fastest growing business area in recent years. In terms of real estate investment, Daiwa House Industry Co., Ltd. focuses on the logistics business by allocating JPY 650 billion (S$7.7 billion), 65% of the total investment of JPY 1 trillion (S$11.8 billion), to the logistics, business & corporate facilities in the company's 6th Mid-term Plan (FY2019 to FY2021).

In the logistics facilities business, the Sponsor started its proprietary D Project logistics service in 2002 and has since expanded its activities in the logistics facility field from the simple design and construction of facilities to become a dedicated overall coordinator in the logistics business. Under D Project, the Sponsor offers its clients a start-to-finish service specifically tailored to each client's business model, encompassing everything from the proposal of prime-location logistics facility sites to post-completion maintenance and management. In support of logistics tenants utilising the Sponsor's facilities, the Sponsor's group of companies, through its wholly owned subsidiary, Daiwa LogiTech Inc., offers a wide range of specialised value-added services addressing the needs of tenants in the areas of logistics systems, cloud systems, E-commerce fulfilment, robotics and automation, and vehicle management. In collaboration with partners in related fields such as real estate and finance, the Sponsor also develops various comprehensive logistics real estate solutions including both in-house asset-based and non-asset based schemes as well as real estate securitisation. In addition to BTS logistics facilities customised to each user's requirements for particular tenants, it also constructs multi-tenanted logistics facilities designed to cater for a multiple number of tenant companies in prime locations, and both types of facilities are proving popular in the market. The Sponsor has been engaged in logistics facility development since it was founded. It aims to constantly derive advanced solutions from the frontline of the field to become the logistics facility supplier of choice.

The Sponsor's strong development capabilities and existing stock of logistics assets form an important source of pipeline for DHLT's future expansion ambitions. Historically, the annual development output of the Sponsor has exceeded the absorption capabilities of the Sponsor's other real estate investment vehicles. As such, DHLT represents an important arm of the Sponsor's capital recycling model and expects that this new vehicle will have access to a significant number of acquisition opportunities in Japan via the Sponsor ROFR.

In addition to its strong presence in Japan, the Sponsor Group also aims to expand its business outside of Japan to achieve overseas net sales of JPY 400 billion (S$4.7 billion) in FY2021 by focusing more on ASEAN countries with promising growth to complement the more stable prospects of developed regions. The Sponsor has already established a track record of logistics asset development in countries including Indonesia, Malaysia and Vietnam. The Sponsor ROFR granted to DHLT is the only such commitment that has been given over the Sponsor's logistics asset pipeline in ASEAN, and as such DHLT will be first in line in accessing a significant number of acquisition opportunities generated by the Sponsor's expanded activities in the region.

DHLT is well positioned to benefit from the Sponsor's strong regional presence and development capabilities. The Sponsor's consolidated financial data for the past three years are as follows:

Consolidated Financial Data of the Sponsor Group from March 2019 to March 2021

	March 2021	**March 2020**	**March 2019**
Total assets (JPY million)	5,053,052	4,627,388	4,334,037
Total net assets (JPY million)	1,893,504	1,773,388	1,643,717
Net sales (JPY million)	4,126,769	4,380,209	4,143,505
Net income attributable to owners of the parent (JPY million)	195,076	233,603	237,439

THE FORMATION AND STRUCTURE OF DHLT

The Trust Deed is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Trust Deed. Investors should refer to the Trust Deed itself to confirm specific information or for a detailed understanding of DHLT. A copy of the Trust Deed can be inspected during business hours at the registered office of the Manager, which is located at 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960 (prior appointment would be appreciated).

THE TRUST DEED

DHLT is constituted by the Trust Deed. It is principally regulated by the SFA and the CIS Code (including the Property Funds Appendix), other relevant regulations as well as the Trust Deed. DHLT was authorised as a collective investment scheme by the Authority on 19 November 2021.

The provisions of the SFA and the CIS Code (including the Property Funds Appendix) prescribe certain terms of the Trust Deed and certain rights, duties and obligations of the Manager, the Trustee and Unitholders under the Trust Deed. The Property Funds Appendix also imposes certain restrictions on REITs in Singapore, including a restriction on the types of investments which REITs in Singapore may hold, a general limit on their level of borrowings and certain restrictions with respect to Interested Party Transactions.

The terms and conditions of the Trust Deed shall be binding on each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Trust Deed and as if the Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed and an authorisation by each Unitholder to do all such acts and things as the Trust Deed may require the Manager and/or the Trustee to do.

Operational Structure

DHLT is a Singapore REIT established with the investment strategy of investing in a portfolio of income-producing real estate assets which are predominantly used for logistics or industrial purposes. The intention is that DHLT's portfolio will, at the time of the IPO, comprise a portfolio of 14 stabilised Japanese logistics properties. DHLT's investment focus will be to invest in logistics and industrial real estate assets in Asia, in particular, within Japan as well as in the ASEAN region. The Manager must manage DHLT so that the principal investments of DHLT meet the investment strategy.

DHLT aims to generate returns for its Unitholders by owning, buying and actively managing such properties in line with its investment strategy (including the selling of any property that has reached a stage that offers only limited scope for growth).

Subject to the restrictions and requirements in the Trust Deed, Property Funds Appendix and the Listing Manual, the Manager is also authorised under the Trust Deed to invest in investments which need not be real estate.

Under the Trust Deed, "Authorised Investments" means, subject to the CIS Code:

(i) real estate;

(ii) any improvement or extension of or addition to, or reconstruction, refurbishment, retrofitting, renovation or other development of any real estate or any building thereon;

(iii) real estate-related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded;

(iv) listed or unlisted debt securities and listed shares or stock and (if permitted by the Authority) unlisted shares or stock of or issued by local or foreign non-property companies or corporations;

(v) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board;

(vi) cash and cash equivalent items;

(vii) financial derivatives only for the purposes of (a) hedging existing positions in DHLT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management, PROVIDED THAT such derivatives are not used to gear the overall portfolio of DHLT or intended to be borrowings or any form of financial indebtedness of DHLT; and

(viii) any other investment not covered by paragraph (i) to (vii) of this definition but specified as a permissible investment in the Property Funds Appendix and selected by the Manager for investment by DHLT and approved by the Trustee in writing.

The Manager may use certain financial derivative instruments for hedging purposes or efficient portfolio management, provided that (i) such financial derivative instruments are not used to gear DHLT's overall portfolio or are intended to be borrowings of DHLT and (ii) the policies regarding such use of financial derivative instruments have been approved by the Board. Although the Manager may use certain financial derivative instruments to the extent permitted by such laws, rules and regulations as may be applicable including, but not limited to, the CIS Code (including the Property Funds Appendix) and the Listing Manual, the Manager presently does not have any intention for DHLT to invest in options, warrants, commodities futures contracts and precious metals.

The Units and the Unitholders

The rights and interests of Unitholders are contained in the Trust Deed. Under the Trust Deed, these rights and interests are safeguarded by the Trustee.

Each Unit represents an undivided interest in DHLT. A Unitholder has no equitable or proprietary interest in the Deposited Property. A Unitholder is not entitled to the transfer to him of the Deposited Property (or any part thereof) or of any estate or interest in the Deposited Property (or any part thereof). A Unitholder's right is limited to the right to require due administration of DHLT in accordance with the provisions of the Trust Deed, including, without limitation, by suit against the Trustee or the Manager.

Under the Trust Deed, each Unitholder acknowledges and agrees that he will not commence or pursue any action against the Trustee or the Manager seeking an order for specific performance or for injunctive relief in respect of the Deposited Property (or any part thereof), and waives any rights he may otherwise have to such relief. If the Trustee or the Manager breaches or threatens to breach its duties or obligations to a Unitholder under the Trust Deed, the Unitholder's recourse against the Trustee or the Manager is limited to a right to recover damages or compensation from the Trustee or the Manager in a court of competent jurisdiction, and the Unitholder acknowledges and agrees that damages or compensation is an adequate remedy for such breach or threatened breach.

Unless otherwise expressly provided in the Trust Deed, a Unitholder may not interfere with the rights, powers, authority or discretion of the Manager or the Trustee, exercise any right in respect of the Deposited Property (or any part thereof) or lodge any caveat or other notice affecting the Deposited Property (or any part thereof), or require that any part of the Deposited Property be transferred to such Unitholder.

No certificate shall be issued to Unitholders by either the Manager or the Trustee in respect of Units issued to Unitholders. For so long as DHLT is listed on the SGX-ST, the Manager shall, pursuant to CDP's depository services terms and conditions in relation to the deposit of Units in CDP (the "**Depository Services Terms and Conditions**"), appoint CDP as the Unit depository for DHLT, and all Units issued will be represented by entries in the register of Unitholders kept by the Trustee or the agent appointed by the Trustee in the name of, and deposited with, CDP as the registered holder of such Units.

The Manager or the agent appointed by the Manager shall issue to CDP, not more than 10 Business Days after the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium and for the purposes of the Trust Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

There are no restrictions under the Trust Deed or Singapore law on a person's right to purchase (or subscribe for) Units and to own Units, except in the case of a rights issue or (as the case may be) any preferential offering, where the Manager has the right under the Trust Deed to elect not to extend an offer of Units under the rights issue or (as the case may be) any preferential offering to Unitholders whose addresses are outside Singapore.

The Take-over Code applies to REITs. As a result, acquisitions of Units which may result in a change in effective control of DHLT and the aggregate Unitholdings of an entity and its concert parties crossing certain thresholds will be subject to the mandatory provisions of the Take-over Code, such as a requirement to make a mandatory general offer for Units.

Issue of Units

The following is a summary of the provisions of the Trust Deed relating to the issue of Units.

Subject to the following sub-paragraphs (1), (2) and (3) below and to such laws, rules and regulations as may be applicable, for so long as DHLT is listed on the SGX-ST or such other stock exchange of repute in any part of the world ("**Recognised Stock Exchange**"), the Manager may issue Units on any Business Day at an issue price equal to, or above, the "market price", without the prior approval of the Unitholders. For this purpose, "market price" shall mean:

(i) the volume weighted average price for a Unit (if applicable, of the same class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which V is listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding (and, for the avoidance of doubt, including) the relevant Business Day;

(ii) if the Manager believes that the calculation in paragraph (i) above does not provide a fair reflection of the market price of a Unit (which may include, among others, instances where the trades on the Units are very low or where there is disorderly trading activity in the Units), an amount as determined by the Manager and the Trustee (after consultation with a stockbroker approved by the Trustee), as being the fair market price of a Unit; or

(iii) (in relation to the issue of Units to the Manager as payment of the management fees) the volume weighted average price for a Unit for all trades on the SGX-ST, or (as the case may be) such other Recognised Stock Exchange on which DHLT is listed, in the ordinary course of trading on the SGX-ST or (as the case may be) the relevant Recognised Stock Exchange, for the last 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding (and, for the avoidance of doubt, including):

(A) (in relation to the Base Fee) the end date of the relevant financial quarter to which such Base Fee relates; and/or

(B) (in relation to the Performance Fee) the end date of the relevant financial year to which such Performance Fee relates.

(iv) (in relation to the issue of Units to the Manager as payment of the Acquisition Fee when the Acquisition Fee is paid in the form of Units) the issue price of Units issued to finance or part finance the acquisition in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance the Acquisition, the prevailing market price at the time of issue of such Units as determined sub-paragraph (i) or (ii) above.

(1) For so long as DHLT is listed on the SGX-ST or any other Recognised Stock Exchange, the Manager may issue Units at an issue price other than calculated in accordance with the above paragraph without the prior approval of Unitholders provided that the Manager complies with the listing rules of Singapore, or if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other relevant laws, regulations and guidelines in determining the issue price, including the issue price for a rights issue on a pro rata basis to all existing Unitholders, the issue price of a Unit issued other than by way of a rights issue offered on a pro rata basis to all existing Unitholders and the issue price for any reinvestment of distribution arrangement. If the issue price determined by the Manager is at a discount to the market price, the discount shall not exceed such percentage as may, from time to time, be permitted under the listing rules of Singapore or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other relevant laws, regulations and guidelines.

(2) Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by DHLT in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the issue price of a Unit so issued as full or partial consideration shall be the same as the issue price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.

(3) The scope of the general mandate to be given in a general meeting of the Unitholders is limited to the issue of an aggregate number of additional Units which must not exceed 50.0% of the total number of Units in issue, of which the aggregate number of additional Units to be issued other than on a pro rata basis to the existing Unitholders must not exceed 20.0% of the total number of Units in issue as at the date of the approval.

Unit Issue Mandate

By subscribing for the Cornerstone Units, the Sponsor Subscription Units, or as the case may be, the Units under the Offering, investors are (A) deemed to have approved the issuance of all Units comprised in the Offering, the Cornerstone Units and the Sponsor Subscription Units and (B) deemed to have given the authority (the "**Unit Issue Mandate**") to the Manager to:

(i) (a) issue Units whether by way of rights, bonus or otherwise; and/or

(b) 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, 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

(ii) issue Units in pursuance of any Instrument made or granted by the Manager while the Unit Issue Mandate was in force (notwithstanding that the authority conferred by the Unit Issue Mandate may have ceased to be in force at the time such Units are issued),

provided that:

(A) the aggregate number of Units to be issued pursuant to the Unit Issue Mandate (including Units to be issued in pursuance of Instruments made or granted pursuant to the Unit Issue Mandate) must not exceed 50.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders must not exceed 20.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below):

(B) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) after completion of the Offering, after adjusting for any subsequent bonus issue, consolidation or subdivision of Units;

(C) in exercising the Unit Issue Mandate, the Manager shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the MAS);

(D) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by the Unit Issue Mandate shall continue in force until (i) the conclusion of the first annual general meeting of DHLT or (ii) the date by which the first annual general meeting of DHLT is required by applicable regulations to be held, whichever is earlier;

(E) 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 the Unit Issue Mandate may have ceased to be in force at the time the Instruments or Units are issued; and

(F) 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 the Unit Issue Mandate.

Suspension of Issue of Units

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Manual or the listing rules of any other relevant Recognised Stock Exchange, suspend the issue of Units during any of the following events:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the opinion of the Manager or (as the case may be) the Trustee, might seriously prejudice the interests of the Unitholders as a whole or of the Deposited Property;
- any breakdown in the means of communication normally employed in determining the price of any assets of DHLT or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange, or when for any reason the prices of any assets of DHLT cannot be promptly and accurately ascertained;
- any period when remittance of money which will or may be involved in the realisation of any asset of DHLT or in the payment for such asset of DHLT cannot, in the opinion of the Manager, be carried out at normal rates of exchange;
- any period where the issuance of Units is suspended pursuant to any order or direction issued by the MAS or any other relevant regulatory authority;
- in relation to any general meeting of Unitholders, the 48-hour period before such general meeting or any adjournment thereof; or
- when the business operations of the Manager or the Trustee in relation to the operation of DHLT are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee.

In the event of any suspension while DHLT is listed on the SGX-ST, the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

Repurchase and Redemption of Units

The Trust Deed provides that any redemption of Units will be carried out in accordance with the Property Funds Appendix, the rules of the Listing Manual (if applicable) and all other applicable laws and regulations. With respect to any terms which are necessary to carry out such redemption but are not prescribed by the Property Funds Appendix, the rules in the Listing Manual and any laws and regulations, these terms shall be determined by mutual agreement between the Manager and the Trustee.

For so long as the Units are listed on the SGX-ST, the Unitholders have no right to request that the Manager repurchase or redeem their Units while the Units are listed on the SGX-ST and/or any other Recognised Stock Exchange. It is intended that the Unitholders may only deal in their listed Units through trading on the SGX-ST.

Rights and Liabilities of the Unitholders

The key rights of Unitholders include rights to:

- receive income and other distributions attributable to the Units held;
- receive audited accounts and the annual reports of DHLT; and
- participate in the termination of DHLT by receiving a share of all net cash proceeds derived from the realisation of the assets of DHLT less any liabilities, in accordance with their proportionate interests in DHLT.

No Unitholder has a right to require that any asset of DHLT be transferred to him.

Further, Unitholders shall not give any directions to the Trustee or the Manager (whether at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- DHLT, the Manager or the Trustee, as the case may be, ceasing to comply with the Listing Manual or, if applicable, the listing rules of the relevant Recognised Stock Exchange, and all other applicable laws and regulations; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter which, under the Trust Deed, requires the agreement of (i) the Trustee, (ii) the Manager or (iii) both the Trustee and the Manager.

The Trust Deed contains provisions that are designed to limit the liability of a Unitholder to the amount paid or payable for any Unit. The provisions provide that a Unitholder shall not be liable to the Manager or the Trustee to make any further payments to DHLT after it has fully paid the consideration to acquire its Units and no further liability shall be imposed on such Unitholder in respect of its Units. The provisions ensure that if the issue price of the Units held by a Unitholder has been fully paid, no such Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee or any creditor of DHLT in the event that the liabilities of DHLT exceed its assets.

Under the Trust Deed, every Unit carries the same voting rights.

Amendments of the Trust Deed

Approval of Unitholders by an Extraordinary Resolution will be obtained for any amendment of the Trust Deed unless the Trustee certifies, in its opinion, that such amendment:

- does not materially prejudice the interests of Unitholders and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders;
- is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), including, without limitation, requirements under all other applicable laws, regulations and guidelines; or
- is made to remove obsolete provisions or to correct a manifest error.

No such amendment shall impose upon any Unitholder any obligation to make any further payments in respect of his Units or to accept any liability in respect thereof.

Notwithstanding any of the above, the Manager and the Trustee may, with the written approval of the relevant authorities (including, without limitation, the MAS), alter certain provisions in the Trust Deed relating to the use of derivatives.

Meeting of Unitholders

Under applicable law and the provisions of the Trust Deed, DHLT will not hold any meetings for Unitholders unless:

- the Trustee or the Manager convenes a meeting; or
- unless not less than 50 Unitholders or Unitholders representing not less than 10.0% of the total Units issued gives written request for a meeting to be convened.

In addition, DHLT is required to hold an annual general meeting once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, but so long as DHLT holds its first annual general meeting within 18 months of its authorisation, it need not hold it in the year of its constitution or the following year. Furthermore, the Trust Deed shall comply with paragraph 4 of the Property Funds Appendix.

All meetings convened shall be held in Singapore.

Unitholders may, by Extraordinary Resolution and in accordance with the provisions of the Trust Deed:

- sanction any modification, alteration or addition to the Trust Deed which shall be agreed by the Trustee and the Manager as provided in the Trust Deed;
- sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the fees payable to the Manager and the Trustee;
- remove the auditors and appoint other auditors in their place;
- remove the Trustee;
- direct the Trustee to take any action pursuant to Section 295 of the SFA (relating to the winding up of DHLT); and
- delist DHLT after it has been listed.

Unitholders may also, by an Ordinary Resolution of Unitholders present and voting at a meeting of Unitholders convened in accordance with the Trust Deed, vote to remove the Manager (with the Manager and its related parties being permitted to vote).

Any decision to be made by resolution of Unitholders other than the above shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the SFA, the CIS Code or the Listing Manual.

Except as otherwise provided for in the Trust Deed, and save for an Extraordinary Resolution (which requires at least 21 days' notice) (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given), at least 14 days' notice (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Unitholders in the manner provided in the Trust Deed. Each notice shall specify the place, day and hour of the meeting, and the terms of the resolutions to be proposed. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such special business.

The quorum at a meeting shall not be less than two Unitholders (whether present in person or by proxy) together holding or representing one-tenth in value of all the Units for the time being in issue.

Subject to the prevailing listing rules by the SGX-ST, voting at a meeting shall be by poll. Unitholders do not have different voting rights on account of the number of votes held by a particular Unitholder. On a poll, every Unitholder has one vote for each Unit of which it is the Unitholder. The Trust Deed does not contain any limitation on non-Singapore resident or foreign Unitholders holding Units or exercising the voting rights with respect to their Unitholdings.

Neither the Manager nor any of its Associates shall be entitled to vote or be counted as part of a quorum at a meeting convened to consider a matter in respect of which the Manager or any of its Associates has a material interest save for an Ordinary Resolution duly proposed to remove the Manager, in which case, no Unitholder shall be disenfranchised.

For so long as the Manager is the manager of DHLT, the controlling shareholders (as defined in the Listing Manual) of the Manager and of any of its Associates are prohibited from voting or being counted as part of a quorum for any meeting of Unitholders convened to consider a matter in respect of which the relevant controlling shareholders of the Manager and of any of its Associates have a material interest.

DECLARATION OF UNITHOLDINGS

Duty of the Manager to Make Disclosure

Pursuant to Section 137ZC of the SFA, where the Manager acquires or disposes of interests in Units or debentures or units of debentures of DHLT, or the Manager has been notified in writing by, *inter alia*, a Substantial Unitholder or director or chief executive officer of the Manager pursuant to the unitholdings disclosure requirements of the SFA as set out below, the Manager shall announce such information via the SGXNET and in such form and manner as the Authority may prescribe as soon as practicable and in any case no later than the end of the Business Day following the day on which the Manager became aware of the acquisition or disposal or received the notice.

Substantial Unitholdings

Pursuant to Sections 135 to 137B of the SFA (read with Section 137U of the SFA), Substantial Unitholders are required to notify the Manager and the Trustee within two Business Days after becoming aware of their becoming a Substantial Unitholder, any subsequent change in the percentage level of their interest(s) in Units (rounded down to the next whole number) or their ceasing to be a Substantial Unitholder.

Directors and Chief Executive Officer of the Manager

Pursuant to Section 137Y of the SFA, Directors and the CEO of the Manager is required to notify the Manager in writing of, *inter alia*, their acquisition of interest in Units or of changes to the number of Units which they hold or in which they have an interest, within two Business Days after such acquisition or after becoming aware of such changes, as the case may be.

A Director or the CEO is deemed to have an interest in the Units in the following circumstances:

- Where the Director or the CEO is the beneficial owner of a Unit (whether directly through a direct securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP ("**Securities Account**") or indirectly through a depository agent or otherwise).

- Where a body corporate is the beneficial owner of a Unit and the Director or CEO is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in the body corporate.

- Where the Directors or the CEO's (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years has any interest in a Unit.

- Where the Directors or the CEO's (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years: has entered into a contract to purchase a Unit;

  – has a right to have a Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;

  – has the right to acquire a Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or

  – is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of Unitholders) to exercise or control the exercise of a right attached to a Unit, not being a Unit of which any of them is the holder.

- Where the property subject to a trust consists of or includes a Unit and the Director or the CEO knows or has reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such Unit.

THE TRUSTEE: HSBC Institutional Trust Services (Singapore) Limited

The trustee of DHLT is HSBC Institutional Trust Services (Singapore) Limited. It is a company incorporated in Singapore on 24 February 1949 with a paid-up capital of S$5,150,000 as at the Latest Practicable Date. The Trustee is licenced as a trust company under the Trust Companies Act. It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the SFA and is regulated by the MAS. Its registered office is located at 10 Marina Boulevard, #48-01 Marina Bay Financial Centre Tower 2, Singapore 018983. The Trustee holds the assets of DHLT on trust for the benefit of the Unitholders of DHLT, safeguards the rights and interests of the Unitholders of DHLT and exercises all the powers of a trustee and the powers accompanying ownership of the properties in DHLT.

Powers, Duties and Obligations of the Trustee

The Trustee's powers, duties and obligations are set out in the Trust Deed. The powers and duties of the Trustee include, but are not limited to:

- acting as trustee of DHLT and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that transactions it enters into for and on behalf of DHLT with a Related Party of the Manager, the Trustee or DHLT are conducted on normal commercial terms, are not prejudicial to the interests of DHLT or the Unitholders, and in accordance with all applicable requirements under the Property Funds Appendix and/or the Listing Manual relating to the transaction in question;

- holding the assets of DHLT on trust for the benefit of the Unitholders in accordance with the Trust Deed; and

- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of DHLT.

The Trustee has covenanted in the Trust Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of the Unitholders.

In the exercise of its powers, the Trustee may (on the recommendation of the Manager) and subject to the provisions of the Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The Trustee may, subject to the provisions of the Trust Deed, appoint and engage:

- a person or entity as may be necessary, usual or desirable to exercise any of its powers or perform its obligations; and

- any real estate agents or managers, including a Related Party of the Manager on an arm's length basis and on normal commercial terms, in relation to the project management, development, leasing, lease management, marketing, property management, purchase or sale of any real estate assets and real estate-related assets.

Subject to the Trust Deed and the Property Funds Appendix, the Manager may direct the Trustee to borrow or raise money or obtain other financial accommodation for the purposes of DHLT, both on a secured and unsecured basis.

The Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Take-over Code, any tax ruling and all other applicable laws, regulations and guidelines. It must retain DHLT's assets, or cause DHLT's assets to be retained, in safe custody and cause DHLT's accounts to be audited. It can appoint valuers to value the real estate assets and real estate-related assets of DHLT.

The Trustee is not personally liable to a Unitholder in connection with the office of the Trustee except in respect of its own fraud, gross negligence, wilful default, breach of trust or breach of the Trust Deed. Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of DHLT over which the Trustee has recourse, provided that the Trustee has acted without fraud, gross negligence, wilful default, breach of trust or breach of the Trust Deed. The Trust Deed contains certain indemnities in favour of the Trustee under which it will be indemnified out of the assets of DHLT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and Replacement of the Trustee

The Trustee may retire or be replaced under the following circumstances:

- The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the Trust Deed); and

- The Trustee may be removed by notice in writing to the Trustee by the Manager in any of the following events:

– if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee;

– if the Trustee ceases to carry on business;

– if the Trustee is in breach of any material obligation imposed on the Trustee by the Trust Deed, and such breach has not been cured or remedied within 60 days of receipt of written notice of such breach from the Manager, provided that at the end of 60 days, the cure period may be extended for such other period as may be agreed between the Manager and the Trustee;

– if the Unitholders by Extraordinary Resolution duly passed at a meeting of Unitholders held in accordance with the provisions of the Trust Deed, and of which not less than 21 days' notice has been given to the Trustee and the Manager, shall so decide; or

– if the MAS directs that the Trustee be removed.

Remuneration of the Trustee

The Trustee's Fee shall not exceed 0.10% 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 actual fee payable will be determined between the Manager and the Trustee from time to time.

Any increase in the maximum permitted amount or any change in the structure of the Trustee's Fee must be approved by an Extraordinary Resolution at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

TERMINATION OF DHLT

The Manager may in its absolute discretion terminate DHLT by giving notice in writing to all the Unitholders or (as the case may be) the depository (in respect of the depositors) and the Trustee not less than three months in advance of the termination and to the MAS not less than seven days before the termination in any of the following circumstances:

- if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable for DHLT to exist;

- if the NAV of the Deposited Property shall be less than S$50,000,000 after the end of the first anniversary of the date of the Trust Deed or any time thereafter; and

- if at any time DHLT becomes unlisted after it has been listed.

Subject to the SFA and any other applicable laws or regulations, DHLT may be terminated by the Trustee by notice in writing in any of the following circumstances, namely:

- if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business and the Trustee fails to appoint a successor manager in accordance with the provisions of the Trust Deed;

- if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable for DHLT to exist; and

- if within the period of three months from the date of the Trustee expressing in writing to the Manager the desire to retire the Manager fails to appoint a new trustee in accordance with the provisions of the Trust Deed.

The decision of the Trustee in any of the events specified above shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate DHLT pursuant to the paragraph above or otherwise. The Manager shall accept the decision of the Trustee and relieve the Trustee of any liability to it therefor and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

In addition to the above, the Unitholders may, by Extraordinary Resolution duly passed at a meeting of the Unitholders held in accordance with Section 295 of the SFA, terminate DHLT.

Generally, upon the termination of DHLT, the Trustee shall, subject to any authorisations or directions given to it by the Manager or the Unitholders pursuant to the Trust Deed, sell the Deposited Property and repay any borrowings incurred on behalf of DHLT in accordance with the Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of DHLT before distributing the balance of the Deposited Property to the Unitholders in accordance with their proportionate interests in DHLT.

CERTAIN AGREEMENTS RELATING TO DHLT AND THE IPO PROPERTIES

The agreements discussed in this section are complex documents and the following is a summary only. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of DHLT and the IPO Properties. Copies of these agreements are available for inspection at the registered office of the Manager at 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960.

ROFR AGREEMENT

Pursuant to the right of first refusal agreement ("**ROFR Agreement**") dated 9 November 2021, the Sponsor has granted a right of first refusal (the "**Sponsor ROFR**") to the Trustee for so long as:

- DHLT is listed on and quoted on the Main Board of the SGX-ST;
- Daiwa House Asset Management Asia Pte. Ltd. or any of its related corporations remains the manager of DHLT; and
- the Sponsor and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of DHLT.

(the "**Sponsor ROFR Period**").

For the purposes of the Sponsor ROFR:

- "**Business Day**" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and Japan and the SGX-ST is open for trading;
- "**control**" means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company, real estate investment trust or other entity (as the case may be);
- a "**controlling shareholder**" means a person who:
  - holds directly or indirectly 15.0% or more of the nominal amount of all voting shares of the company; or
  - in fact exercises control over the company;
- a "**controlling unitholder**" in relation to a real estate investment trust means a person who:
  - holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the real estate investment trust; or
  - in fact exercises control over the real estate investment trust;
- "**Existing Vehicles**" means collectively, DHR, Private Fund and DHGR;
- a "**related corporation**" has the meaning ascribed to it in the Companies Act;

- a "**Relevant Entity**" means the Sponsor or any of its existing or future subsidiaries (which shall exclude (i) any subsidiaries listed on any recognised stock exchange, (ii) any Existing Vehicles, and/or (iii) any existing or future private funds managed by the Sponsor or any of its subsidiaries in which the Sponsor holds an interest of 50% or less ("**DH Private Funds**"). For the avoidance of doubt, existing or future private funds managed by the Sponsor or any of its subsidiaries and in which the Sponsor holds an interest of more than 50% in the funds are not excluded from the definition of "**Relevant Entity**"[1];

- a "**Relevant Asset**" refers to a completed income-producing real estate asset used primarily for logistics and/or industrial purposes, located in Asia. Where such completed income-producing real estate is held by a Relevant Entity through SPVs established solely to own such real estate, or through trust beneficial interest held by the Relevant Entity, the term "**Relevant Asset**" shall include shares or equity interests in that SPV or, as the case may be, trust beneficial interest held by the Relevant Entity. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term "**Relevant Asset**" shall refer to the ownership share of the Relevant Entity in such real estate; and

- a "**subsidiary**" has the meaning ascribed to it in the Companies Act.

The Sponsor shall, subject to the terms of this agreement, issue a written notice ("**General Notice**"), any time on or after the date DHLT is first listed on the SGX-ST and during the Sponsor ROFR Period, to the Trustee (with a copy to the Manager) of any proposed offer by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity ("**Proposed Disposal**") provided that, where the Relevant Asset is located in Japan, such General Notice shall be issued within five Business Days after the later of:

(i) the date of expiry of the period of 20 Business Days from the date (inclusive of the date) DHR or Daiwa House Asset Management Co., Ltd. (**"DHAM"**) (as the manager of DHR) receives the information provided pursuant to the basic agreement regarding the new pipeline and support between the J-REIT, DHAM and the Sponsor dated 15 April 2016 (the "**Basic Agreement**") ("**First Exclusivity Period**") and neither DHR nor DHAM (as the manager of DHR) notified the Sponsor in writing during the First Exclusivity Period that they will consider the acquisition of the Relevant Asset; and

(ii) where DHR or DHAM (as the manager of DHR) notified the Sponsor in writing that they will consider the acquisition of the Relevant Asset during the First Exclusivity Period, the date of expiry of the period of 20 Business Days from the date (inclusive of the date) DHR or DHAM (as the manager of DHR) receives the additional information requested by DHAM (as the manager of DHR) from the Sponsor required for deciding to invest the Relevant Asset, or of the period separately agreed between DHR or DHAM (as the manager of DHR) and the Sponsor ("**Second Exclusivity Period**"), and neither DHR nor DHAM (as the manager of DHR) notified the Sponsor in writing during the Second Exclusivity Period that they intend to acquire the Relevant Asset,

unless the Sponsor shall have received notice from DHR or DHAM (as the manager of DHR) during the First Exclusivity Period or the Second Exclusivity Period that DHR or DHAM (as the manager of DHR) has declined the offer to acquire the interest in the Relevant Asset located in Japan which is owned by the Relevant Entity that is the subject of the Proposed Disposal, in which

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[1] Listed subsidiaries of the Sponsor and DH Private Funds have been excluded from the definition of "Relevant Entity" as the Sponsor would not be able to grant a ROFR over the assets held by them given that they are subject to the relevant listing rules and the approval of their majority shareholders, respectively. The Existing Vehicles have been excluded from the definition of "Relevant Entity" as they typically have rights to information rather than ROFRs over the assets of each other, which are restrictions on the disposal process of the assets and may affect their value. The private funds have been excluded from the definition of "Relevant Entity" as they tend to be held by the Sponsor as joint venture companies with a third party, pursuant to which the Sponsor typically holds less than half the voting shares in respect of such Private Funds and thus has no control over them.

case, the five Business Days shall be from the date of such notice from DHR or DHAM (as the manager of DHR) that it has declined the offer.

Such General Notice shall state that DHR or DHAM (as the manager of DHR) has declined or been deemed to have declined to acquire such Relevant Asset located in Japan pursuant to the Basic Agreement.

Further to the General Notice, for so long as the existing commitment from the Sponsor to support each of the Private Fund and DHGR which includes providing each of the Private Fund and DHGR with pipeline support (the "**Existing Commitment**") each continues to subsist, and the Relevant Asset is located in Japan and falls within the ambit of the Existing Commitment, where Private Fund and DHGR, which rank immediately after DHR in relation to its right to acquire the Sponsor's Japanese properties, have each declined or been deemed to have declined to acquire such Relevant Asset located in Japan pursuant to the Existing Commitment, the Sponsor shall within five Business Days of receipt of both Private Fund and DHGR's declinature or deemed declinature to acquire the Relevant Asset located in Japan, subject to the terms of this agreement, issue a written notice ("**ROFR Notice**"), to the Trustee informing the Trustee of its right to acquire the Relevant Asset located in Japan that is the subject of the Proposed Disposal pursuant to the procedure set out in this agreement.

If the Relevant Asset is:

- owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to DHLT is required; or

- owned by the Sponsor's subsidiaries and whose other shareholder(s) is/are third parties, and if consent from such shareholder(s) to offer the Relevant Asset to DHLT is required,

The Sponsor shall use its best endeavours to obtain the consent of the relevant third party(ies), other shareholder(s), failing which the Sponsor ROFR will exclude the disposal of such Relevant Asset. For the avoidance of doubt, the grant by any Relevant Entity of a lease (including a long term lease) over any such Relevant Asset (or any part thereof) for a rent or other service income shall not constitute or be deemed to constitute a Proposed Disposal for the purposes of this paragraph.

The Sponsor ROFR is subject to the Trustee giving confidentiality undertakings on customary and usual terms. The General Notice and the ROFR Notice described in the paragraphs above shall be accompanied by copies of the offer documents and other supporting documentation as may be reasonably available to the Sponsor (which shall include the indicative price for the Relevant Asset and the terms and conditions of the Proposed Disposal which shall be no less favourable than the terms and conditions offered to Existing Vehicles, where the Relevant Asset is located in Japan) in connection with the relevant Proposed Disposal (collectively, the "**Transaction Documents**") made by, or made available to, the Relevant Entity.

Notwithstanding anything to the contrary in this agreement, the Sponsor ROFR shall:

- be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets (which shall include but is not limited to, in respect of Relevant Assets located in Japan, the Basic Agreement and the Existing Commitment, subject to the rights of the DHR pursuant to the Basic Agreement) and/or to the third parties that hold interests in these Relevant Assets.

For the avoidance of doubt, the Sponsor ROFR shall rank in priority to any new funds (whether listed or unlisted) to be managed by the Sponsor or any of its subsidiaries in respect of any proposed disposal by a Relevant Entity of any Relevant Asset (including those located in Japan), and shall not be subject to any contractual (or otherwise) obligations which the Relevant Entity may enter into and/or be subject to on or after the date of this letter;

- exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to a related corporation of such Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement;

- exclude the disposal by a Relevant Entity of any Relevant Asset involving a completed real estate developed by the Relevant Entity specifically for a contracted buyer;

- exclude the disposal by a Relevant Entity of any Relevant Asset with a value of less than JPY 1 billion on an individual standalone basis; and

- be subject to the applicable laws, regulations and government policies and the Listing Manual.

Notwithstanding anything to the contrary in this agreement, the Basic Agreement and Existing Commitment will not apply to the assets located in Japan which the Trustee or DHLT have independently sourced from third parties and requested the Sponsor to first acquire and warehouse for subsequent acquisition by DHLT.

In the event that:

(i) the Trustee fails to or does not indicate in writing to the Relevant Entity, its interest in purchasing the Relevant Asset within 15 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee's receipt of the General Notice (where the Relevant Asset is located outside of Japan) or, as the case may be, the ROFR Notice (where the Relevant Asset is located in Japan) together with the relevant Transaction Documents;

(ii) the Trustee fails to or does not enter into a binding commitment (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) (the "**Binding Commitment**") for the purchase of the Relevant Asset within 60 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee's receipt of the General Notice (where the Relevant Asset is located outside of Japan) or, as the case may be, the ROFR Notice (where the Relevant Asset is located in Japan) together with the relevant Transaction Documents; or

(iii) the proposed acquisition of the Relevant Asset is aborted by the Trustee,

the Trustee shall be deemed to be unable to, or not to have, exercised the Sponsor ROFR.

In the event that the Trustee fails or does not wish to exercise the Sponsor ROFR, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the Trustee. If the Relevant Entity plans to dispose the Relevant Asset to a third party at a price lower than that offered by the Relevant Entity to the Trustee (the "**Final Price**"), the Relevant Entity shall make a second offer to the Trustee for the disposal of its interest in the Relevant Asset at the Final Price, and shall only proceed with the disposal of the Relevant Asset to the third party at the Final Price after the Trustee has declined or been deemed unable to exercise its right under sub-paragraphs (i) to (iii) above. It is agreed that the mere fact that the Proposed Disposal is subject to approval of the unitholders of DHLT would not by itself result in the terms offered by DHLT as being less favourable to that offered to the third party (even if there is no such similar condition in the offer to the third party).

However, if the completion of the disposal of the Relevant Assets by the Relevant Entity to the third party does not occur within 12 months from the date of the General Notice (where the Relevant Asset is located outside of Japan) or, as the case may be, the ROFR Notice (where the Relevant Asset is located in Japan), any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the Sponsor ROFR in accordance with the terms of this agreement.

PERPETUAL SECURITIES SUBSCRIPTION AGREEMENT

Background

Pursuant to the Perpetual Securities Subscription Agreement entered into on 9 November 2021 between the Trustee, the Manager and the Perpetual Securityholder to subscribe for the Perpetual Securities, the Perpetual Securityholder will subscribe for JPY 3.0 billion Perpetual Securities (which will amount to an additional investment of up to 6.6% of DHLT's Unitholders' funds (gross of issue costs) as of the Listing Date) to be issued by DHLT on the Listing Date.

Key Terms and Conditions of the Perpetual Securities

1. **FORM AND DENOMINATION**

   The Securities are in registered form in the denomination of JPY 20,000,000 (the **Authorised Denomination**).

2. **STATUS AND RANKING OF CLAIMS**

   (a) *Status of the Securities*: The Securities constitute direct, unconditional, unsecured and subordinated obligations of the Issuer which rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in Condition 17 (*Definitions*)) of the Issuer. The rights and claims of the Holder in respect of the Securities are subordinated as provided in Condition 2(b) (*Status and Ranking of Claims – Ranking of claims in respect of the Securities*).

   (b) *Ranking of claims in respect of the Securities:* Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up (as defined in Condition 17 (*Definitions*)) of DHLT, there shall be payable by the Issuer in respect of each Security (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Holder of such Security if, on the day prior to the commencement of the Winding-Up of DHLT, and thereafter, such Holder (as defined in Condition 3(a) (*Register, Title and Transfers – Register*)) were the holder of one notional preferred unit having such right to return of assets in the Winding-Up of DHLT which ranks as follows:

      (i) junior to all present and future debt of DHLT (including, without limitation, all costs of the Issuer in its capacity as trustee of DHLT and all liabilities owed to the Holder or any unitholder of DHLT who is a creditor of DHLT), which are not Parity Obligations of the Issuer;

      (ii) junior to any securities, ownership interests and all obligations of DHLT that, in each case, are expressed to rank senior to the Securities, which are not Parity Obligations of the Issuer;

(iii) *pari passu* among themselves and with the claims of the Parity Obligations of the Issuer; and

(iv) senior to the Junior Obligations (as defined in Condition 17 (*Definitions*)) of the Issuer,

(a **Notional Preferred Unit**),

on the further assumption that the amount that such Holder of a Security was entitled to receive under these Conditions in respect of each Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount of the relevant Security together with Distributions (as defined in Condition 4(a) (*Distribution – Distribution Calculation*)) accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4(d)(iii) (*Distribution – Distribution Discretion – Non-Cumulative and Optional Distribution*)) in respect of which the Issuer has given notice to the Holder in accordance with these Conditions.

(c) *Set-off*: Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities, and the Holder shall, by virtue of his holding of any Securities, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to the Holder by the Issuer in respect of, or arising under or in connection with, the Securities is discharged by set-off, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of DHLT's Winding-Up or administration, the liquidator or, as appropriate, administrator of DHLT) and, until such time as payment is made, shall hold such amount in trust for the Issuer (or the liquidator or, as appropriate, administrator of DHLT) and accordingly any such discharge shall be deemed not to have taken place.

3. REGISTER, TITLE AND TRANSFERS

(a) *Register*: The Manager will maintain a register in respect of the Securities (the **Register**), which shall be kept at the Specified Office of the Manager in accordance with these Conditions and be made available by the Manager to the Holder for inspection and for the taking of copies or extracts therefrom at all reasonable times during normal business hours. In these Conditions, Holder of a Security means the person in whose name such Security is for the time being registered in the Register. A tailored certificate (**Certificate**) will be issued to the Holder in respect of its registered holding. The Certificate will be numbered serially with an identifying number which will be recorded in the Register. The Register shall show the aggregate principal amount, serial number and date of issue of the Certificate, the name and address of the Holder and the dates of all transfers to, and the names and address of, all subsequent Holders thereof (if applicable), any cancellation of the Certificate and any replacement of the Certificate. The Manager shall receive requests for the transfer of Securities in accordance with these Conditions and shall make the necessary entries in the Register.

(b) *Title*: The Holder of a Security shall (except as otherwise required by law) be treated as the absolute owner of such Security for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Securities or the Perpetual Securities Subscription Agreement under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

The Holder of a Security shall, by virtue of its acquisition or ownership of such Security, (i) be regarded as consenting to the collection, use and disclosure (whether directly or through a third party) of personal data (if any) as defined in the Personal Data Protection Act 2012 of Singapore of such Holder by the Issuer, Daiwa House Asset Management Asia Pte. Ltd., as manager of DHLT (the **Manager**), or any affiliate or agent of the Issuer which is reasonably necessary or desirable to effect or facilitate the processing or administration of the Securities (including but not limited to the making of a determination of the amounts owed to or the making of any payment to the Holder under the Securities and the preparation of documents relating to any meetings of the Holder to consider matters relating to the Securities) and purposes incidental thereto, and in order for the Issuer, the Manager, or any affiliate or agent of the Issuer to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **Purposes**), (ii) warrant that where the Holder discloses the personal data of the Holder's proxy(ies) and/or representative(s) to the Issuer, the Manager, or any affiliate or agent of the Issuer, the Holder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Issuer, the Manager, or any affiliate or agent of the Issuer of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agree that the Holder will indemnify the Issuer, the Manager, or any affiliate or agent of the Issuer in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Holder's breach of warranty.

For so long as any of the Securities are constituted and represented by the Certificate (as defined in the Perpetual Securities Subscription Agreement), each person who is for the time being shown in the records of the Register as the holder of a particular principal amount of such Securities (in which regard any certificate or other document issued by the Register as to the principal amount of such Securities entered against the name of any person in the Register shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Manager and any other agent of the Issuer as the Holder of such principal amount of Securities other than with respect to the payment of principal, Distributions and any other amounts in respect of the Securities, for which purpose the holder of the Certificate shall be treated by the Issuer, the Manager and any other agent of the Issuer as the Holder of such Securities in accordance with and subject to the terms of the Certificate (and the expression "Holder" and related expressions shall be construed accordingly). Securities which are constituted and represented by the Certificate will be transferable only in accordance with these Conditions.

(c) *Transfers*: Subject to paragraph (f) (*Closed periods*) below, a Security may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Issuer or the Manager, together with such evidence as the Issuer or the Manager may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that (i) a Security may only be transferred to a wholly-owned subsidiary of the Holder (being also the Sponsor) and (ii) a Security may not be transferred unless the principal amount of Securities transferred and (where not all of the Securities held by a Holder are being transferred) the principal amount of the balance of Securities not transferred are in integral multiples of the Authorised Denomination. Where not all the Securities represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Securities will be issued to the transferor. No transfer of title to a Security will be valid unless and until entered on the Register.

(d) *Registration and delivery of Certificates*: Within five business days of the surrender of a Certificate in accordance with paragraph (c) (*Transfers*) above, the Issuer will register the transfer in question and deliver a new Certificate of a like principal amount to the Securities transferred to each relevant Holder at its or the Manager's Specified Office or (at the request and risk of any such relevant Holder) by uninsured post to the address specified for the purpose by such relevant Holder. In this paragraph, **business day** means a day, excluding a Saturday and a Sunday and public holidays, on which commercial banks are open for general business (including dealings in foreign currencies) in Singapore and Japan.

(e) *No charge*: The transfer of a Security will be effected without charge by or on behalf of the Issuer or the Manager but against such indemnity as the Issuer may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(f) *Closed periods*: A Holder may not require transfers effected pursuant to any of these Conditions to be registered during the period of 15 Business Days (as defined in Condition 17 (*Definitions*)) ending on the due date for any payment of principal, Distribution or Optional Distribution in respect of the Securities.

4. DISTRIBUTION

(a) *Distribution Calculation*: Subject to Condition 4(d) (*Distribution – Distribution Discretion*), the Securities confer a right to receive distributions (each a **Distribution**) from the date of issuance of the Securities pursuant to the Perpetual Securities Subscription Agreement (the **Issue Date**) at the applicable Distribution Rate (as defined in Condition 4(b) (*Distribution – Rate of Distribution*)) in accordance with this Condition 4 (*Distribution*). Subject to Condition 4(d) (*Distribution – Distribution Discretion*), Distributions shall be payable on the Securities semi-annually in arrear on 30 September and 31 March of each year (or such other date as notified in writing by the Manager to the Issuer and the Holder) (each, a **Distribution Payment Date**). The first Distribution Payment Date shall be not later than 31 March 2022 in respect of the period from (and including) the Issue Date to (but excluding) the first Distribution Payment Date.

Unless otherwise provided for in these Conditions, each Security will cease to confer the right to receive any Distribution from the date of redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused. In such latter event, Distribution will continue to accrue at the applicable Distribution Rate (after as well as before any judgement) up to (but excluding) whichever is the earlier of (a) the date on which all sums due in respect of any Security are received by or on behalf of the Holder and (b) the day which is seven days after the Manager has notified the Holder that it has received all sums due in respect of the Securities up to such seventh day (except to the extent that there is a failure in the subsequent payment to the Holder under these Conditions).

If a Distribution is required to be paid in respect of a Security, it shall be calculated by applying the Distribution Rate to the Authorised Denomination, multiplying the product by the relevant Day Count Fraction (as defined below), and rounding the resulting figure to the nearest Japanese Yen (half a Japanese Yen being rounded upwards).

The **Day Count Fraction** in respect of any period a Distribution is required to be paid in respect of a Security means the actual number of days in the relevant period divided by 365.

Distributions payable under this Condition 4 (*Distribution*) will be paid in accordance with Condition 6 (*Payments*).

For so long as any of the Securities are constituted and represented by the Certificate, Distribution and Optional Distribution payable on such Securities will be determined based on the aggregate holdings of Securities of each person who is for the time being shown the records of the Register as the holder of a particular amount of such Securities.

(b) *Rate of Distribution*: The rate of Distribution (**Distribution Rate**) applicable to the Securities shall be:

(i) in respect of the period from (and including) the Issue Date to (but excluding) the First Call Date (as defined in Condition 17 (*Definitions*)), the Initial Distribution Rate (as defined in Condition 17 (*Definitions*)); and

(ii) in respect of the period from (and including) the First Call Date and each Reset Date (as defined in Condition 17 (*Definitions*)) falling thereafter to (but excluding) the immediately following Reset Date, the relevant Reset Distribution Rate (as defined in Condition 17 (*Definitions*)).

(c) *Calculation of Distribution Rate*: The Manager will, prior to the First Call Date and each Reset Date, calculate the Reset Distribution Rate, payable in respect of each Security. The Manager will cause the Reset Distribution Rate determined by it to be notified to the Issuer as soon as practicable after the First Call Date or the relevant Reset Date (as the case may be). Notice thereof shall also promptly be given by the Manager to the Holder. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 (*Distribution*) by the Manager will (in the absence of manifest error) be binding on the Issuer and the Holder and (subject as aforesaid) no liability to any such person will attach to the Manager in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(d) *Distribution Discretion*:

(i) *Optional Payment*: The Issuer may, at its sole discretion on the recommendation of the Manager, elect not to pay a Distribution (or to pay only part of a Distribution) which is scheduled to be paid on a Distribution Payment Date by giving notice (an Optional Payment Notice) to the Holder (in accordance with Condition 13 (*Notices*)) not more than 15 nor less than three Business Days prior to a scheduled Distribution Payment Date.

(ii) *No obligation to pay*: Subject to Condition 4(d)(iii) (*Distribution – Distribution Discretion – Non-Cumulative and Optional Distribution*) and Condition 4(d)(v) (*Distribution – Distribution Discretion – Optional Distribution*), the Issuer shall have no obligation to pay any Distribution on any Distribution Payment Date and any failure to pay a Distribution in whole or in part shall not constitute a default of the Issuer in respect of the Securities.

(iii) *Non-Cumulative and Optional Distribution*: If the Issuer elects not to pay a Distribution in whole or in part, the Issuer is not under any obligation to pay that or any other Distributions that have not been paid in whole or in part. Such unpaid Distributions or part thereof are non-cumulative and do not accrue interest. The Issuer may, at its sole discretion on the recommendation of the Manager, and at any time, elect to pay an optional amount up to the amount of Distribution which is unpaid in whole or in part (an Optional Distribution) by complying with the notice requirements in Condition 4(d)(v) (*Distribution – Distribution Discretion – Optional Distribution*). There is no limit on the number of times or the extent of the amount with respect to which the Issuer can elect not to pay Distributions pursuant to this Condition 4(d) (*Distribution – Distribution Discretion*).

(iv) *Restrictions in the case of Non-Payment*: If, on any Distribution Payment Date, payments of all Distribution scheduled to be made on such date are not made in full by reason of this Condition 4(d) (*Distribution – Distribution Discretion*), the Issuer shall not:

(a) declare or pay any distributions or make any other payment on, and will procure that no distribution or other payment is made on, any of its Junior Obligations[1] or (except on a pro-rata basis) its Parity Obligations; or

(b) redeem, reduce, cancel, buy-back or acquire for any consideration any of its Junior Obligations or (except on a pro-rata basis) its Parity Obligations,

unless and until either a redemption of all the outstanding Securities in accordance with Condition 5 (*Redemption*) has occurred, the next scheduled Distribution has been paid in full, or an Optional Distribution equal to the amount of a Distribution payable with respect to the most recent Distribution Payment Period (as defined in Condition 17 (*Definitions*)) that was unpaid in full or in part, has been paid in full, or the Holder has provided written approval for such payment.

(v) *Optional Distribution*:[2] The Issuer may, at its sole discretion on the recommendation of the Manager, pay an Optional Distribution (in whole or in part) at any time by giving notice of such election to the Holder (in accordance with Condition 13 (*Notices*)) not more than 20 nor less than 15 Business Days prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice). In determining the Optional Distribution and the quantum of the Optional Distribution, the Manager will take into consideration factors such as cash position, performance of the portfolio, future cash flow and working capital requirement.

An Optional Distribution in respect of a prior Distribution may be paid on the same day as a scheduled Distribution under Condition 4(a) (*Distribution – Distribution Calculation*) and/or any distributions or any other payment with respect to the Issuer's Junior Obligations.

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1 Units in DHLT are also included in the definition of "Junior Obligations". Therefore, if payments of all Distribution scheduled to be made on each Distribution Payment Date are not made in full on such date, no distributions may be paid to any Unitholder pursuant to the distribution policy of DHLT (See "Distributions" for further details.). For the avoidance of doubt, any deferral of a Distribution would result in the application of Clause 4(d)(iv), and no distributions may be paid to any Unitholder pursuant to the distribution policy of DHLT.

2 As the payment of distribution to Unitholders is subject to a dividend stopper under the terms of the Perpetual Securities, this would impose restrictions on the Manager's ability to make interim distributions to Unitholders in the event that there are outstanding unpaid Perpetual Security Distributions to the Perpetual Securities. The Optional Distribution provision therefore is beneficial to DHLT and its Unitholders as it allows the Manager to release the dividend stopper by repaying the amount of Perpetual Security Distribution that was supposed to have been paid to the Sponsor at the previous distribution payment date. In any case, the Optional Distribution amount cannot exceed the amount of Perpetual Security Distribution in respect of the most recent distribution period that was unpaid.

(vi) *No default*: Notwithstanding any other provision in these Conditions, the non-payment of any Distribution payment in accordance with this Condition 4(d) (*Distribution – Distribution Discretion*) shall not constitute a default for any purpose (including, without limitation, pursuant to Condition 8 (*Non-payment*)) on the part of the Issuer.

5. REDEMPTION

(a) *No fixed redemption date:* The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 2 (*Status and Ranking of Claims*) and without prejudice to Condition 8 (*Non-payment*)), only have the right (but not the obligation) to redeem them in accordance with the following provisions of this Condition 5 (*Redemption*).

(b) *Redemption at the option of the Issuer*: The Issuer may, at its option and in its sole discretion, redeem the Securities in whole, but not in part, on the First Call Date or on any Reset Date thereafter at their principal amount, together with the Distribution accrued from (and including) the immediately preceding Distribution Payment Date to (but excluding) the date fixed for redemption, on giving not less than 30 nor more than 60 days' notice to the Holder (which notice shall be irrevocable).

Upon the expiry of any such notice as is referred to in this Condition 5(b) (*Redemption at the option of the Issuer*), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(b) (*Redemption at the option of the Issuer*).

(c) *Redemption for accounting reasons*: The Issuer may, at its option and in its sole discretion on the recommendation of the Manager, redeem the Securities in whole, but not in part, at any time, at their principal amount, together with the Distribution accrued from (and including) the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) to (but excluding) the date fixed for redemption, on giving not less than 30 nor more than 60 days' notice to the Holder (which notice shall be irrevocable), if as of the date fixed for redemption or in the Distribution Payment Period immediately following the date fixed for redemption, as a result of any changes or amendments to IFRS (as defined in Condition 17 (*Definitions*)) or any other accounting standards that may replace IFRS for the purposes of the consolidated financial statements of DHLT (the **Relevant Accounting Standard**), any of the outstanding Securities must not or must no longer be recorded as "equity" of DHLT pursuant to the Relevant Accounting Standard, provided that, prior to the publication of any notice of redemption pursuant to this Condition 5(c) (*Redemption for accounting reasons*), the Issuer shall deliver to the Holder:

(A) a certificate, signed by two duly authorised signatories for and on behalf of the Issuer or two authorised signatories of the Manager, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(B) an opinion of the Issuer's independent auditors stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to the Relevant Accounting Standard is due to take effect.

Upon the expiry of any such notice as is referred to in this Condition 5(c) (*Redemption for accounting reasons*), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(c) (*Redemption for accounting reasons*).

(d) *Redemption upon a regulatory event*: The Issuer may, at its option and in its sole discretion on the recommendation of the Manager, redeem the Securities in whole, but not in part, at any time, at their principal amount, together with the Distribution accrued from (and including) the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) to (but excluding) the date fixed for redemption, on giving not less than 30 nor more than 60 days' notice to the Holder (which notice shall be irrevocable), if, as a result of any change in, or amendment to, the Property Funds Appendix (as defined in Condition 17 (*Definitions*)), or any change in the application or official interpretation of the Property Funds Appendix, as of the date fixed for redemption, any of the outstanding Securities count, or will in the Distribution Payment Period immediately following the date fixed for redemption count, towards the Aggregate Leverage (as defined in Condition 17 (*Definitions*)) under the Property Funds Appendix, provided that, prior to the publication of any notice of redemption pursuant to this Condition 5(d) (*Redemption upon a regulatory event*), the Issuer shall deliver, or procure that there is delivered to the Holder:

(i) a certificate, signed by two duly authorised signatories for and on behalf of the Issuer or two authorised signatories of the Manager, stating that the circumstances referred to above prevail and setting out the details of such circumstances; and

(ii) an opinion of an independent legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, took, or is due to take, effect.

Upon expiry of any such notice as is referred to in this Condition 5(e) (*Redemption upon a regulatory event*), the Issuer shall be bound to redeem the Securities in accordance with this Condition 5(d) (*Redemption upon a regulatory event*).

References in this Condition 5(d) (*Redemption upon a regulatory event*) to "independent legal adviser of recognised standing" are not intended to and shall not in the ordinary course exclude any of the Issuer's, DHLT's or the Manager's usual legal advisers, or any such adviser who may have tendered professional services to the Issuer, DHLT or the Manager in connection with the issue and offering of the Securities.

(e) *Redemption upon replacement of Manager*:[1] The Issuer shall redeem the Securities in whole, but not in part, at their principal amount, together with the Distribution accrued from (and including) the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) to (but excluding) the date fixed for redemption, being the

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1 The rationale for this mandatory redemption provision is that, being unlisted and only transferable to wholly-owned subsidiaries of the Sponsor, the Perpetual Securities are highly illiquid and thus, the Sponsor would be unable to exit its investment in DHLT held through the Perpetual Securities in the event the Manager is replaced in a hostile takeover. Such an arrangement would not be beneficial to the new manager of DHLT as it is unable to obtain a clean break from the Sponsor even after the change of the manager. This provision is also comparable to change of control event clauses under the terms and conditions of listed bonds and/or perpetual securities issued by REITs, which are commonly default clauses, but unlike in typical change of control clauses, no consent of the Holder for the "change of control is required to be obtained. It is noted that the terms of the Perpetual Securities are based on benchmark rates and have been reviewed for compliance with transfer pricing principles. Further, given that the principal amount of the Perpetual Securities of around JPY 3.0 billion (approximately SGD 36.5 million) is relatively small, the Unitholders will have various options (including the incurring of debt, or issuance of new equity) to raise funds to fully redeem the Perpetual Securities in the event that DHAMA is removed pursuant to a vote of the Unitholders passing a resolution by a simple majority of Unitholders present and voting (with no Unitholders being disenfranchised) at a general meeting as manager of DHLT and is replaced by a replacement manager. In addition, the Sponsor has agreed to give DHLT a grace period of six months (or as may be extended by the Sponsor at its sole discretion) after DHAMA ceases to be the manager of DHLT and a replacement manager has been appointed for DHLT to raise funds for the redemption of the Perpetual Securities. The Sponsor has also agreed to give the Mandatory Redemption Undertaking provided that the conditions of the Mandatory Redemption Undertaking are met (See "Capitalisation and Indebtedness – Perpetual Securities – Mandatory Redemption Undertaking" for further details on Mandatory Redemption Undertaking.) As such, the mandatory redemption provision is neither an entrenchment provision nor is it prejudicial to the interests of DHLT and the minority Unitholders. For this same reason, the Manager is of the view that it would not be necessary for the REIT to set up an escrow amount at the outset to finance the mandatory redemption of the Sponsor Perpetual Securities as such mandatory redemption event may or may not happen and such arrangement will incur unnecessary cost which will not be in the interest of DHLT and its unitholders. This is so especially in view that the REIT will have funding options available to raise the sum required (which is a relatively small amount) to redeem the perpetual securities if unitholders do requisition a meeting to seek to remove the manager.

date falling six months (or as may be extended by the Sponsor at its sole discretion) from the date that Daiwa House Asset Management Asia Pte. Ltd. is removed as manager of DHLT by unitholders of DHLT ("**Unitholders**") passing a resolution pursuant to a vote of a simple majority of Unitholders present and voting (with no Unitholders being disenfranchised) at a meeting of Unitholders in accordance with Clause 24.1.4 of the Trust Deed and a replacement manager is appointed (or such later date as may be determined by the Subscriber at its sole discretion).

(f) *No other redemption*: The Issuer shall not be entitled to redeem the Securities and shall have no obligation to make any payment of principal in respect of the Securities otherwise than as provided in Condition 5(b) (*Redemption – Redemption at the option of the Issuer*) to Condition 5(e) (*Redemption – Redemption upon replacement of Manager*) above.

(g) *Cancellation*: All Securities redeemed by the Issuer shall be cancelled.

The Perpetual Securityholder has undertaken that in the event that the failure of DHLT to perform its mandatory redemption obligation in accordance with condition 5(e) (Redemption upon replacement of Manager) would result in an event of default or cross-default of any one or more of DHLT's loan facilities, the Perpetual Securityholder will not enforce its rights against DHLT's failure to meet its mandatory redemption obligation under condition 5(e) (Redemption upon replacement of Manager) provided that (i) DHLT and the replacement manager and trustee of the Issuer have demonstrated that they have used best endeavours to raise financing (whether by debt or equity or otherwise) to fully redeem the Securities but have not been able to do so; and (ii) DHLT shall use its best endeavours to fulfil the mandatory redemption obligation under condition 5(e) (Redemption upon replacement of Manager) as soon as practicable, and until such time the Securities have been fully redeemed, save as required by law or to fulfil DHLT's then existing obligations immediately prior to the appointment of the replacement manager, DHLT shall not raise additional equity or debt for any purpose other than for purposes of redeeming all the Perpetual Securityholder's Securities and/or for general refinancing purposes.

6. PAYMENTS

(a) *Principal*: Payments of principal by the Issuer (or by its subsidiaries or nominees, as the Issuer may direct) shall be made in Japanese Yen by wire transfer to a Japanese Yen account notified in writing by a Holder of a Security to the Issuer and the Manager and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of the Issuer.

(b) *Distribution*: Payments of Distribution by the Issuer (including any Optional Distribution) (or by its subsidiaries or nominees, as the Issuer may direct) shall be made in Japanese Yen by wire transfer to a Japanese Yen account notified in writing by a Holder of a Security to the Issuer and the Manager and (in the case of Distributions or Optional Distributions payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of the Issuer.

(c) *Payments subject to fiscal laws*: All payments in respect of the Securities are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Revenue Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Revenue Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto (**FATCA**). No commissions or expenses shall be charged to the Holder in respect of such payments.

(d) *Payments on business days*: Where payment is to be made by transfer to a Japanese Yen account, payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day) will be initiated and, where payment is to be made by Japanese Yen cheque, the cheque will be mailed (i) (in the case of payments of principal, Distributions and Optional Distributions payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of the Issuer and (ii) (in the case of payments of Distributions and Optional Distributions payable other than on redemption) on the due date for payment. A Holder of a Security shall not be entitled to any Distribution or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a business day or (B) a cheque mailed in accordance with this Condition 6 (*Payments*) arriving after the due date for payment or being lost in the mail. In this paragraph, **business day** means any day, other than a Saturday and a Sunday and public holidays, on which banks are open for general business (including dealings in foreign currencies) in Singapore and Japan and, in the case of surrender (or, in the case of part payment only, endorsement) of a Certificate, in the place in which the Certificate is surrendered (or, as the case may be, endorsed).

(e) *Partial payments*: If the Issuer makes a partial payment in respect of any Security, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

(f) *Record date*: Each payment in respect of a Security will be made to the person shown as the Holder in the Register at the opening of business in the place of the Issuer's Specified Office on the 15th Business Day before the due date for such payment (the **Record Date**). Where payment in respect of a Security is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

7. TAXATION

Regardless of whether the Securities are recognised as debt securities or equity securities for Singapore income tax purposes:

(a) all payments of principal, Distributions and Optional Distributions in respect of the Securities by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is as required by law; and

(b) where any such tax, duty, assessment or governmental charge is required to be withheld or deducted from any payment of principal, Distribution and Optional Distribution in respect of the Securities under the law:

    (i) the Holder will receive such payment net of the tax, duty, assessment or governmental charge; and

(ii) the Issuer will not be under any obligation to pay any additional amounts (**Additional Amounts**) to the Holder for or on account of any such tax, duty, assessment or governmental charge that will result in receipt by the Holder of an amount after such withholding or deduction as would have been received by them had no such withholding or deduction been required.

For the avoidance of doubt, notwithstanding any other provision of these Conditions, if the Issuer, or any other person through whom payments on the Securities are made, is required to make any withholding or deduction required pursuant to FATCA, the Issuer or that other person shall be permitted to make such withholding or deduction, and the Holder and beneficial owners of Securities will not be entitled to receive any Additional Amounts for such withholding or deduction.

For the avoidance of doubt, nothing in this Condition 7 (*Taxation*) shall apply to any payment of tax by the Holder with respect to its overall net income. The payments of principal, Distributions and Optional Distributions in respect of the Securities may be subject to income tax in Singapore and/or elsewhere in the hands of the Holder, and such income tax is to be borne entirely by the Holder.

8. NON-PAYMENT

(a) *Non-payment when due*: Notwithstanding any of the provisions below in this Condition 8 (*Non-payment*), the right to institute Winding-Up proceedings against DHLT is limited to circumstances where payment has become due. In the case of any Distribution, such Distribution will not be due if the Issuer has elected not to pay that Distribution in whole or in part, to the extent of the amount so elected to be unpaid, in accordance with Condition 4(d) (*Distribution – Distribution Discretion*).

(b) *Proceedings for Winding-Up*: If (i) a Winding-Up of DHLT occurs or (ii) the Issuer shall not make payment in respect of the Securities for a period of 15 Business Days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Securities and the Holder may institute proceedings for the Winding-Up of DHLT and/or prove in the Winding-Up of DHLT and/or claim in the Winding-Up of DHLT for such payment.

(c) *Enforcement*: Without prejudice to Condition 8(b) (*Non-payment – Proceedings for Winding-Up*), the Holder may without further notice to the Issuer institute such proceedings against the Issuer as they may think fit to enforce any term or condition binding on the Issuer under the Securities (other than any payment obligation of the Issuer under or arising from the Securities, including, without limitation, payment of any principal or satisfaction of any Distributions in respect of the Securities including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) *Extent of Holder's remedy*: No remedy against the Issuer or DHLT, other than as referred to in this Condition 8 (*Non-payment*), shall be available to the Holder, whether for the recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Securities.

9. PRESCRIPTION

Claims for principal, Distribution and Optional Distribution on redemption shall become void unless the relevant Certificates are surrendered for payment within ten years (in the case of principal) and five years (in the case of a Distribution or an Optional Distribution) of the appropriate Relevant Date.

10. REPLACEMENT OF CERTIFICATES

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Issuer, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses (including taxes and duties) incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

11. MODIFICATION

The Issuer may, without the consent of the Holder, modify any of these Conditions for the purpose of curing any ambiguity or of curing or correcting any manifest or proven error contained herein. Any such modification shall be binding on the Holder and any such modification shall be notified by the Issuer to the Holder as soon as practicable thereafter in accordance with Condition 13 (*Notices*).

12. FURTHER ISSUES

Subject to applicable laws, listing rules, regulations and/or guidelines, the Issuer may from time to time, without the consent of the Holder, create and issue further securities having the same terms and conditions as the Securities in all respects (or in all respects except for the amount and the first payment of Distribution) so as to form a single series with the Securities.

13. SUBSTITUTION

In addition, the Issuer may substitute in place of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of DHLT) (or of the previous substitute under this Condition 13) as the principal debtor under the Securities another company being appointed as the replacement or substitute trustee of DHLT (such substituted company being hereinafter called the "**New REIT Trustee**") in accordance with the terms of the Trust Deed, provided that:

(a) an undertaking is given by the New REIT Trustee, agreeing to be bound by the provisions of the Securities and these Conditions as fully as if the New REIT Trustee had been named in the Securities and these Conditions as the principal debtor in place of the Issuer (or of the previous substitute under this Condition 13); and

(b) the Holder shall be provided with evidence to its satisfaction that the appointment of the New REIT Trustee has been completed in accordance with the terms of the Trust Deed, including a copy of the deed supplemental to the Trust Deed providing for such appointment.

Any such undertaking given under Condition 13(a) shall, if so expressed, operate to release the Issuer or the previous substitute as aforesaid from all of its obligations as principal debtor under the Securities. Not later than 15 Business Days after the execution of such documents and compliance with such requirements, the New REIT Trustee shall give notice thereof in writing to the Holder in the manner provided in Condition 14. Upon the execution of such documents and compliance with such requirements, the New REIT Trustee shall be deemed to be named in the Securities and these Conditions as the principal debtor in place of the Issuer or in place of the previous substitute under this Condition 13, and the Securities and these Conditions shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Securities and these Conditions to the Issuer shall, unless the context otherwise requires, be deemed to be or include references to the New REIT Trustee.

14. NOTICES

Any notice or notification in any form to be given under these Conditions may be delivered in person or registered post to the addresses set out below, or sent by email addressed to:

(a) if to the Holder, to it at:

The Holder
Daiwa House Industry Co., Ltd.
Tokyo Head Office
3-13-1, Iidabashi
Chiyoda-ku, Tokyo 102-8112 Japan
Email:: eshibata@daiwahouse.jp and pjstraits@daiwahouse.jp
Attention of: Eiichi Shibata

With a copy to:
Daiwa House Asset Management Asia Pte. Ltd.
(in its capacity as manager of DHLT)
8 Marina View, #14-09
Asia Square Tower 1
Singapore 018960
Email: dhama@daiwahouse-lt.com
Attention of: Takeshi FUJITA

(b) if to the Issuer, to it at:

The Issuer
HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of DHLT)
10 Marina Boulevard
Marina Bay Financial Centre Tower 2 #45-01
Singapore 018983
Email: reits.cs@hsbc.com.sg
Attention of: SVP, REITs

With a copy to:
Daiwa House Asset Management Asia Pte. Ltd.
(in its capacity as manager of DHLT)
8 Marina View, #14-09
Asia Square Tower 1
Singapore 018960
Email: dhama@daiwahouse-lt.com
Attention of: Takeshi FUJITA, Chief Executive Officer

Any such notice or notification shall be in English. Any such notice sent by registered post shall, in the absence of industrial action affecting any relevant part of the postal services, be deemed to have been served on the date of posting, and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed, stamped and posted by registered post. Any such notice sent by email shall be deemed to be served at the time of despatch.

15. LIMITATION OF LIABILITIES

Notwithstanding any provision to the contrary in these Conditions, the Perpetual Securities Subscription Agreement and the Securities, the Holder acknowledges that HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of DHLT) has entered into the Perpetual Securities Subscription Agreement only in its capacity as trustee of DHLT and not in HSBC Institutional Trust Services (Singapore) Limited's personal capacity and all references to "the Issuer" in these Conditions, the Perpetual Securities Subscription Agreement and the Securities shall be construed accordingly.

Accordingly, notwithstanding any provision to the contrary in these Conditions, the Perpetual Securities Subscription Agreement and the Securities, HSBC Institutional Trust Services (Singapore) Limited has assumed all obligations under these Conditions, the Perpetual Securities Subscription Agreement and the Securities in its capacity as trustee of DHLT and not in its personal capacity. Any liability of or indemnity, covenant, undertaking, representation and/or warranty given by the Issuer under these Conditions, the Perpetual Securities Subscription Agreement and the Securities is given by HSBC Institutional Trust Services (Singapore) Limited only in its capacity as trustee of DHLT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under these Conditions, the Perpetual Securities Subscription Agreement and the Securities is limited to the assets of DHLT over which HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of DHLT, has recourse to under the Trust Deed and shall not extend to the personal assets of HSBC Institutional Trust Services (Singapore) Limited nor any other assets held by HSBC Institutional Trust Services (Singapore) Limited as trustee of any trust (other than DHLT). Any obligation, delegation, matter, act, action or thing required to be done, performed or undertaken by the Issuer under these Conditions, the Perpetual Securities Subscription Agreement and the Securities shall only be in connection with matters relating to DHLT (and shall not extend to HSBC Institutional Trust Services (Singapore) Limited's obligations in respect of any other trust or real estate investment trust of which it is a trustee). Notwithstanding any provision to the contrary in these Conditions, the Perpetual Securities Subscription Agreement and the Securities, the Holder acknowledges that the obligations of the Issuer under these Conditions, the Perpetual Securities Subscription Agreement and the Securities shall be solely the corporate obligations of HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of DHLT and not in its personal capacity. Accordingly, there shall be no recourse against the shareholders, directors, officers or employees of HSBC Institutional Trust Services (Singapore) Limited for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of these Conditions, the Perpetual Securities Subscription Agreement and the Securities. The foregoing shall not restrict or prejudice the rights or remedies of a Holder under law or equity in connection with any gross negligence, fraud or breach of trust of HSBC Institutional Trust Services (Singapore) Limited.

For the avoidance of doubt, any legal action or proceedings commenced against the Issuer whether in Singapore or elsewhere pursuant to the Perpetual Securities Subscription Agreement and the Securities shall be brought against HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of DHLT and not in its personal capacity.

The provisions of this Condition 15 (*Limitation of Liabilities*) shall apply, *mutatis mutandis*, to any notice, certificate or other document which the Issuer issues under or pursuant to these Conditions and the Perpetual Securities Subscription Agreement as if expressly set out in such notice, certificate or document.

This Condition 15 (*Limitation of Liabilities*) shall survive the termination, rescission, redemption or cancellation of the Perpetual Securities Subscription Agreement or the Securities.

16. GOVERNING LAW AND JURISDICTION

The Securities are governed by, and shall be construed in accordance with, Singapore law. The courts of Singapore are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Securities and accordingly any legal action or proceedings arising out of or in connection with the Securities (including any non-contractual obligations arising out of or in connection with this Agreement or the consequences of its nullity) (Proceedings) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

17. DEFINITIONS

For the purposes of these Conditions:

Additional Amounts has the meaning ascribed to it in Condition 7 (*Taxation*);

Aggregate Leverage means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a real estate investment trust, or such other definition as may from time to time be provided for under the Property Funds Appendix;

Business Day means any day, excluding a Saturday and a Sunday and public holidays, on which banks are open for general business (including dealings in foreign currencies) in Singapore and Japan;

Distribution Payment Period means the period from (and including) the previous Distribution Payment Date or the Issue Date (as the case may be) to (and excluding) the next Distribution Payment Date;

First Call Date means the date falling five years from the Issue Date;

IFRS means the International Financial Reporting Standards issued by the International Accounting Standards Board;

Initial Distribution Rate means 2.95% per annum;

Initial Spread means 2.924%;

Junior Obligation means the ordinary units of DHLT and any class of equity capital in DHLT, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units;

Notional Preferred Units has the meaning ascribed to it in Condition 2(b) (*Status and Ranking – Ranking of claims in respect of the Securities*);

Parity Obligation means any instrument or security (including without limitation any preferred units) issued, entered into or guaranteed by the Issuer (i) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a Notional Preferred Unit and/or other Parity Obligations and (ii) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof;

person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

Property Funds Appendix means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore;

Reset Date means each successive date falling every five calendar years after the First Call Date;

Reset Distribution Rate means the JPY 5-year Interest Rate Swap with respect to the First Call Date or the relevant Reset Date (as the case may be) plus the Initial Spread per annum;

Specified Office means the addresses of the Issuer, Holder and Manager, as the case may be, set out in Condition 14 (*Notices*);

Subsidiary means, in relation to DHLT, any company, corporation, trust, fund or other entity (whether or not a body corporate):

(i) which is controlled, directly or indirectly, by DHLT (through its trustee);

(ii) more than half the issued share capital of which is beneficially owned, directly or indirectly, by DHLT (through its trustee); or

(iii) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (i) or (ii) above applies, and for these purposes, any company, corporation, trust, fund, or other entity (whether or not a body corporate) shall be treated as being controlled by DHLT if DHLT (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

JPY 5-year Interest Rate Swap means, the rate per annum (expressed as a percentage) notified by the Manager to the Holder based on the information provided by Bloomberg page TKFX-JPY-JPY IRS – choose 5 years published at the close of business on the day that is two business days preceding the relevant Reset Date, provided that, in the event such rate is zero or negative, the rate shall be deemed to be zero per cent. per annum;

Trust Deed means the trust deed dated 2 November 2021 made between (a) the Manager, as manager of DHLT, and (b) the Issuer, as trustee of DHLT, and as further amended, modified or supplemented from time to time; and

Winding-Up means bankruptcy, termination, winding up, liquidation or similar proceedings.

SHARE PURCHASE AGREEMENTS

SG SPCS Share Purchase Agreement

Background

On 3 November 2021, Phoenix Accounting Singapore Pte. Ltd. (as "**Seller**") and the Trustee (as "**Purchaser**") entered into the share purchase agreement (the "**SG SPCs Share Purchase Agreement**") in relation to the entire issued share capital of SG SPC 1 and SG SPC 2 (together, the "**SG SPCs**") in which the Seller agreed to sell the entire issued share capital of SG SPC 1 (the "**SG SPC 1 Sale Shares**") and the entire issued share capital of SG SPC 2 (the "**SG SPC 2 Sale

Share" and together with the SG SPC 1 Sale Shares, the "**Sale Shares**") and the Purchaser agreed to purchase the Sale Shares, on and subject to the terms and conditions set out in this agreement.

Key Terms of the SG SPCs Share Purchase Agreement

The following sets out a summary of the key terms of the SG SPCs Share Purchase Agreement.

Consideration	S$1,501
Seller Warranties	The agreement contains certain warranties given by the Seller including: • corporate warranties regarding its due incorporation and authority to enter into this agreement; • warranties regarding no breach resulting from the execution of and the performance by the Seller of its obligations under this agreement; • warranties regarding ownership of Sale Shares; • warranties regarding due incorporation of the SG SPCs and DH TMK; • warranties regarding assets of SG SPCs and no breach of agreements; • warranties regarding SG SPCs and DH TMK having no employees; and • warranties regarding information of SG SPCs and DH TMK being true, accurate and not misleading.
Purchaser Warranties	The agreement contains certain warranties given by the Purchaser including: • corporate warranties regarding its due incorporation and authority to enter into this agreement; and • warranties regarding no breach resulting from the execution of and the performance by the Purchaser of its obligations under this agreement.

Specified Share Sale and Purchase Agreement

Background

On 28 June 2021, SG SPC 1 and ISH Tokyo Kyodo Accounting Office entered onto a share purchase agreement ("**Specified Share Sale and Purchase Agreement**", and together with the SG SPCs Share Purchase Agreement, the "**Share Purchase Agreements**") in which SG SPC 1 acquired three specified shares in DH TMK (the "**TMK Specified Shares**") representing 25.0% of the total issued specified share capital of DH TMK on 28 June 2021.

Key Terms of the Specified Share Sale and Purchase Agreement

The following sets out a summary of the key terms of the Specified Share Sale and Purchase Agreement.

Consideration	JPY 30,000 (JPY 10,000 per share)
Seller Representations and Warranties	The agreement contains certain representations and warranties given by the Seller including: • corporate representations and warranties regarding its due incorporation and authority to enter into this agreement; • representations and warranties regarding no breach resulting from the execution of and the performance by the Seller of its obligations under this agreement; • representations and warranties regarding ownership of the TMK Specified Shares; • representations and warranties regarding DH TMK not being active and not engaging in any business; • representations and warranties regarding DH TMK not having assets, liabilities or creditors; • representations and warranties regarding DH TMK having completed all filings or notifications; and • representations and warranties regarding DH TMK not incurring any liabilities.
Purchaser Representations and Warranties	The agreement contains certain representations warranties given by the Purchaser including: • corporate representations and warranties regarding its due incorporation and authority to enter into this agreement; and • representations and warranties regarding no breach resulting from the execution of and the performance by the Purchaser of its obligations under this agreement.
Governing Law	Japan
Dispute Resolution	Tokyo District Court shall be the exclusive court of first instance.

ASSET MANAGEMENT AGREEMENTS

Master Asset Management Agreement

Background

On 9 November 2021, DH TMK and DHREIM have entered into the Master Asset Management Agreement regarding asset management agreements to confirm the form and content of the asset management agreements to be entered into between each limited liability company (*godo kaisha*) in which DH TMK makes a silent partnership (*tokumei kumiai*) investment (hereafter referred to as the "**new GKs**") and DHREIM from time to time.

Key Terms of the Master Asset Management Agreement

In connection with the new GKs, DH TMK may appoint DHREIM or an affiliated company of DHREIM as the asset manager of each new GK. If DHREIM accepts the appointment, then the new GK and DHREIM or its affiliated company shall execute an Individual Asset Management Agreement in the form and content generally set forth in Appendix of the Master Asset Management Agreement. The following sets out a summary of the key terms of the Master Asset Management Agreement and the form Individual Asset Management Agreements to be entered into pursuant the Master Asset Management Agreement. Further, DHREIM, as asset manager of the new GK has broad discretion regarding the management of the assets of the new GK, this is not an unrestricted discretion. In particular, although DHREIM is authorised to make investments on behalf of the new GK and for the investor thereof under the discretionary asset management agreement (*toushi ichininn keiyaku*), DHREIM has to perform its duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of the new GK and the investor thereof, and it shall respect the intention of the new GK and the investor thereof. Thus, DHREIM is unlikely to go against the express intention of the Manager.

The key terms of the Master Asset Management Agreement are as follows:

The agreement concerning asset management agreements	1. In connection with a GK that will be formed in the future to acquire the TBIs of which trust property is the real estate ("**Trust Real Estate**"), DH TMK may appoint DHREIM or an affiliated company of DHREIM as the asset manager of the GK. In this case, DH TMK shall notify DHREIM regarding such an appointment. 2. If DHREIM accepts the appointment set forth in the preceding paragraph and either assumes the role of a GK's asset manager or causes an affiliated company to do so, the GK and DHREIM or its affiliated company shall execute an asset management agreement in the form and content generally set forth in appendix by reflecting individual terms (an "**Individual Asset Management Agreement**"), and the parties to this agreement shall carry out the acts required for this arrangement.

Term	1. The term of this agreement shall be 10 years from the date of this agreement's execution; provided, however, that if neither party gives written notice of refusal to renew at least three months prior to the expiration of the term, the term shall, subject to approval of the unitholders if such approval is required under the Listing Manual, be extended for another ten years, and the same shall apply thereafter. 2. Notwithstanding the preceding paragraph, this agreement shall automatically terminate upon DH TMK terminates its business and (i) all the TBI or the Trust Real Estate held by DH TMK and the GK or (ii) all assets held by DH TMK are sold. 3. The termination of the appointment of DHREIM or its affiliated company as the asset manager for a particular GK under an Individual Asset Management Agreement shall not affect this agreement or any other Individual Asset Management Agreement which has been entered into in relation to any other GK which shall remain in effect in accordance with their respective terms. 4. The termination of this agreement shall not affect any Individual Asset Management Agreement which has been entered into in relation to any GK which shall remain in effect in accordance with their respective terms. 5. Notwithstanding anything to the contrary, either party to the Master Asset Management Agreement may elect to terminate the Master Asset Management Agreement, by giving notice in writing to the other party (with a copy to the manager of DHLT) within 30 business days after the appointment of the replacement manager of DHLT following the removal of Daiwa House Asset Management Asia Pte. Ltd. as manager of DHLT by unitholders of DHLT ("**Unitholders**") at a meeting of Unitholders, and upon the appointment of the successor asset manager by DH TMK which shall take place as soon as reasonably practicable after the date of the termination notice, the Master Asset Management Agreement shall be terminated.
Governing Law	Japan
Dispute Resolution	The Tokyo District Court is the agreed court of first instance with exclusive jurisdiction.

The key terms of the form Individual Asset Management Agreements are as follows:

Scope of asset management services	• Management Services (1) Making decisions on and implementing the acquisition of the beneficial interests. (2) Making decisions on and implementing the sale of, creation of a security interest over, or any other disposition of, the beneficial interests. (3) Making decisions on and implementing the issuance of instructions to the trustees under the trust agreements (including any amendments to those agreements after their execution) regarding the sale of, creation of a security interest over, or any other disposition of, the real properties. (4) Making decisions on and implementing large scale repairs of the real properties and entrustment of additional funds necessary therefor (5) Making any other decisions on or implementing matters that will cause material changes to the trust assets pertaining to the beneficial interests. (6) Making investment decisions based on an analysis of the value, etc. of financial instruments as defined in Article 2, paragraph (8), item (xi), (b) of the FIEA, and management based on such investment decisions. (7) Making any other investment decisions on and implementing the acquisition and disposition of assets (including national government bonds and any other securities) as an investment of assets held by the new GK. (8) Services pertaining to making decisions on and implementing fundraising (including refinancing) for the new GK (provided, however, that this excludes acts prohibited under Article 42-5 of the FIEA (unless permitted under Article 45 of the FIEA) and money lending business provided for in the Money Lending Business Act). • Administration Services (1) Services for the preparation of plans and reports, etc. required by the new GK. (2) Services pertaining to appropriate operation and management of the beneficial interests and the real properties held by the new GK (including services such as giving instructions to and supervising master lessees and property managers but excluding the management services).

	(3) Services for providing instructions to the trustees pursuant to the trust agreements (excluding the management services). (4) Services for the confirmation of and reporting on the status of rent received from lessees of the real properties (including reports on new and renewing tenants, the status of inquiries, rent roll, the status of occupancy, and the like). (5) Services for handling matters relating to the lessees and management companies of the real properties. (6) Services for handling matters relating to the trustees (such as the preparation of materials requested by the trustees). (7) Services for handing coordination and accounting processes with companies acting as an administrative agent of the new GK. (8) Services pertaining to the organisational administration of the new GK (including administrative services for decision making processes, cash management, preparations for signing agreements, document storage, handling matters relating to the TK Investor (i.e., DH TMK), and dissolution services). (9) Administrative services for the sale of the real properties, etc. (10) Administrative services for fundraising for the new GK. (11) Other services entrusted by the new GK. (12) Any agency services permitted under laws and regulations which are incidental to or in connection with any of the preceding items. However, services that may not be conducted under any law or regulation without registration as a type-I financial instruments business or a type-II financial instruments business shall not be included, and if any of the entrusted services include such services, they shall automatically be excluded from the asset management services[1].

[1] There are the two reasons for this provision. First, DHREIM does not have a licence of a type-I financial instruments business. Second, DHREIM expects to execute another contract containing detailed terms and conditions such as additional fees for such services if it conducts services that fall under a type-II financial instruments business.

Effective Term	The effective term will be from the execution date of the asset management agreement until the latter of either the date on which the new GK has disposed of all of the real properties, etc. and the obligations of the new GK to the Japan Asset Manager under the asset management agreement have been paid in full, or the date on which the TK agreement ends in its entirety and the capital contribution return procedures are completed.
Fees	• AM Acquisition Fees As a fee for the management services pertaining to the acquisition of all or part of the real properties, etc., the amount obtained by multiplying the purchase consideration of the real properties, etc. that are the subject of such acquisition by up to 0.3% plus the amount of consumption tax and local consumption tax thereon is to be paid. • AM Interim Fees As an interim fee for the asset management services pertaining to each calculation period which shall end on the last day of June every year, the last day of December every year, and the earlier of either the date on which the sale of all of the real properties, etc. is completed or the date on which this asset management agreement ends, respectively (these dates are collectively referred to as the "Last Day of the AM Interim Fee Calculation Period" in this sub-section) (provided, however, that the first day of such calculation period shall be the day following the Last Day of the AM Interim Fee Calculation Period that is immediately prior to that period, and the first calculation period shall be from the date of first acquisition of the real properties, etc. until the last day of June or December, which comes first after the Individual Asset Management Agreement is executed; each such calculation period is referred to as the "AM Interim Fee Calculation Period" in this sub-section). The amount calculated in accordance with the formula below plus the amount of consumption tax and local consumption tax thereon is to be paid for each AM Interim Fee Calculation Period. **$X \times$ up to $0.1\% \times Y \div 365$** X = The purchase consideration of the real properties etc. held by the new GK on the first day of the AM Interim Fee Calculation Period Y = the actual number of days of that AM Interim Fee Calculation Period • Asset Disposition Fee As a fee for management services pertaining to the sale of the real properties, etc., the amount obtained by multiplying the sale price of the real properties, etc. pertaining to such sale by up to 0.3% plus the amount of consumption tax and local consumption tax thereon is to be paid.

Consent right	If the Japan Asset Manager intends to conduct any of the following matters in relation to the new GK or the TK business, it shall give written notice to the TK Investor. If there is a submission of an opposing opinion from the TK Investor, the Japan Asset Manager may not conduct that matter when performing the asset management services. (1) Amendment of the articles of incorporation (2) Cessation or change of the TK business (3) Winding up, liquidation or dissolution (4) Changes in the equity capital structure (5) Distribution of surplus to members or changes to the dividend distribution policies (6) Issuance of securities or derivative transactions (7) Incurring and/or repayment before maturity of borrowings (8) The sale, creation of a security interest over (however, this excludes the creation of security for which the secured party is a person who lends to the TK Investor; the same applies hereinafter in this subparagraph), or other disposition of the beneficial interests[1], or giving instructions to the trustees regarding the sale, creation of a security interest over, or other disposition of the real properties.[2] (9) Giving instructions to the trustees regarding capital investments and other capital expenditures for the real properties. (10) Entering into *tokumei kumiai* agreements with other investors.

[1] This refers to the TBIs held by the GK.

[2] Acquisition of the trust beneficial interests or giving instructions regarding the acquisition of the real properties are not in the list because, under Japanese law, one GK may only acquire assets once at the outset and it may not acquire additional assets and, accordingly, there will be no chance for such GK to acquire additional assets in the future.

	(11) Execution of (including renewal) or termination of, or any amendment of the terms of any, or waiver of any rights under any, interested person transactions (having the meaning set forth in Section 5 of Appendix 6 of the Code on Collective Investment Schemes (as amended from time to time) issued by the Monetary Authority of Singapore). (12) (i) Material amendment to, (ii) cancellation by agreement of, (iii) exercise of, waiver of, or failure to exercise, the cancellation right under, (iv) waiver of the rights or remedies against the other parties who have breached their obligations, or waiving or excusing for such breach of obligations under, or (v) issuance or non-issuance of a notice of refusal to renew the asset management agreement (including its successor agreement) or any other material agreements which the new GK is a party. (13) Giving instructions to the property trustee or the master lessee regarding the response to be provided to the tenants in breach of obligations under the master lease agreement of the real properties. (14) Merger, corporate split, conversion to a different entity, disposal of business, acquisition of business, or business alliance. (15) Establishment of an affiliate, and merger, corporate split, dissolution, disposal of business, or acquisition of business at the level of an affiliate.
TK Investor's notice of intention	Pursuant to the provisions of the TK agreement, if the new GK receives a notice of intention from the TK Investor pertaining to the matters set out in items (8), (12) or (13) in the above row, the new GK shall promptly notify the Japan Asset Manager of that intention. If the Japan Asset Manager receives such notice, the Japan Asset Manager shall respect the intention of the TK Investor and shall make efforts to conduct the notified matters, but shall not be bound by such intention.
Termination	The asset management agreement can be terminated if the Japan Asset Manager or the new GK does not perform their obligations under the asset management agreement due to willful misconduct or negligence, and despite receiving a demand in writing to remedy the non-performance, the non-performing party does not cure the non-performance within 15 business days from the date of receipt of the written demand for cure, etc.

	No termination fee is payable upon the termination of the Master Asset Management Agreement upon termination by the new or by the Japan Asset Manager. If the Japan Asset Manager continues providing its asset management services after such termination until a successor asset manager is appointed and takes over the scope of work under the asset management agreement, the Japan Asset Manager shall be entitled to remuneration for its services during such period pursuant to the asset management agreement. Notwithstanding anything to the contrary, either party to the Individual Asset Management Agreement may elect to terminate the Individual Asset Management Agreement, by giving notice in writing to the other party (with a copy to the manager of DHLT) within 30 business days after the appointment of the replacement manager of DHLT following the removal of Daiwa House Asset Management Asia Pte. Ltd. as manager of DHLT by unitholders of DHLT ("**Unitholders**") at a meeting of Unitholders, and upon the appointment of the successor asset manager by the GK which shall take place as soon as reasonably practicable after the date of the termination notice, the Individual Asset Management Agreement shall be terminated.
Compensation for Damage	If the new GK incurs any damage, etc. due to the willful misconduct or negligence of the Japan Asset Manager or its subcontractor, or any of their representatives, employees, or contractors, the Japan Asset Manager shall compensate the new GK for the damage, etc. within the scope of reasonable causation; provided, however, that the Japan Asset Manager shall not be liable to the new GK for damages in excess of the amount of fees that have already been received by the Japan Asset Manager (however, this shall not apply if the damage, etc. results from the willful misconduct or gross negligence of the Japan Asset Manager).
Governing Law	Japan
Dispute Resolution	The Tokyo District Court is the agreed court of first instance with exclusive jurisdiction.

TMK Asset Management Agreement

Background

On 9 November 2021, DH TMK and DHREIM entered into an asset management agreement to appoint DHREIM as the asset manager of DH TMK.

Key Terms of the TMK Asset Management Agreement

The following sets out a summary of the key terms of the TMK Asset Management Agreement.

Scope of services	• Advisory services on investment decisions based on the value or a value analysis of the specified assets that pertain to the acquisition, management, investment, and disposition of the specified assets; • Services related to the trust real estate (including instructions, etc. to the trustee, and instructions to and supervision, etc. of the master lessee and the property manager), services related to a silent partnership agreement (the "**Silent Partnership Agreement**") pertaining to the silent partnership investment equity (including performance of contributions or exercise of rights, etc. based on the Silent Partnership Agreement), and other services pertaining to acquisition, management, operation, and disposition of the specified assets other than the above services (however, excluding services related to investment decisions); • Services pertaining to borrowing, refinancing, or other fundraising that DH TMK will conduct (however, excluding that which falls under a money lending business (defined in Article 2 of the Money Lending Business Act)); • (i) Services that are acting on behalf of DH TMK with respect to authority that DH TMK has over an administration management company to which DH TMK delegates its administration management (including but not limited to authority to instruct and supervise the administration management company concerning accounting, tax affairs, and fund management services) and (ii) support services for DH TMK's administration management by an administration management company (including but not limited to support for clerical work related to a reduction of capital and retirement of preferred equity investments); • Services that are acting on behalf of DH TMK with respect to creation, notification, and reporting services for various types of reports to the other parties of agreements, etc. executed by DH TMK; • Services related to arrangements, instructions, or advice, etc. for documents (business commencement notification, notification of the asset liquidation plan, and notification of amendments and notice and consent documents, etc. that are necessary for amendments thereto) for carrying out procedures based on the Asset Liquidation Act that will be necessary for performance of business by DH TMK; • Services pertaining to DH TMK's organisational management (including clerical work to manage decision-making procedures, clerical work for revenue and expenditures, preparations for signing agreements, etc., storage of documents, handling of specified equity shareholders and preferred equity shareholders, and dissolution services); and • Other work that is related or incidental to each of the items above and that DH TMK delegates from time to time.

Effective Term	The effective term will be from the date of execution of the TMK Asset Management Agreement until the date when DH TMK has disposed of all of the specified assets according to the asset liquidation plan and DH TMK's obligations to the asset manager based on the asset management agreement have been fully paid.
Fees	• Initial AM Acquisition Fees payable in respect of the Initial Portfolio (also known as the One-off Set Up Fee) As a fee for the management services pertaining to the acquisition of all or part of the trust beneficial interests acquired by DH TMK on the Acquisition Date (the "**Initially Acquired Trust Beneficial Interests**"), the amount obtained by multiplying the purchase consideration of the Initially Acquired Trust Beneficial Interests that are the subject of such acquisition by 0.3% plus the amount of consumption tax and local consumption tax thereon is to be paid. • Additional AM Acquisition Fees payable in respect of Subsequent Acquisitions of Assets other than Initially Acquired Trust Beneficial Interests post-listing (also known as the AM Acquisition Fee) As a fee for the management services pertaining to the acquisition of all or part of the trust beneficial interests other than the Initially Acquired Trust Beneficial Interests acquired by DH TMK after listing (the "**Additionally Acquired Trust Beneficial Interests**"), the amount obtained by multiplying the purchase consideration of the Additionally Acquired Trust Beneficial Interests that are the subject of such acquisition by 0.3% plus the amount of consumption tax and local consumption tax thereon is to be paid. • AM Interim Fees As an interim fee for the asset management services pertaining to each calculation period which shall end on the last day of June every year, the last day of December every year, and the earlier of either the date on which the sale of all of the specified assets is completed or the date on which this asset management agreement terminates, respectively (these dates are collectively referred to as the "Last Day of the AM Interim Fee Calculation Period" in this sub-section) (provided, however, that the first day of such calculation period shall be the day following the Last Day of the AM Interim Fee Calculation Period that is immediately prior to that period, and the first calculation period shall be from the date of first acquisition of the specified assets until the last day of December 2021; each such calculation period is referred to as the "AM Interim Fee Calculation Period" in this sub-section). The amount calculated in accordance with the formula below plus the amount of consumption tax and local consumption tax thereon is to be paid to the Japan Asset Manager for each AM Interim Fee Calculation Period: **(X + Y) × the actual number of days of that AM Interim Fee Calculation Period ÷ 365**

	X = The total amount of the purchase consideration of the Initially Acquired Trust Beneficial Interests among the trust beneficial interests held by DHTMK on the first day of the AM Interim Fee Calculation Period × 0.1% Y = The total amount of the purchase consideration of the trust beneficial interests other than Initially Acquired Trust Beneficial Interests (the "Additionally Acquired Trust Beneficial Interests") among the trust beneficial interests held by DH TMK on the first day of the AM Interim Fee Calculation Period × 0.15% If the acquisition of Additionally Acquired Trust Beneficial Interests is conducted during the AM Interim Fee Calculation Period, the amount calculated in accordance with the formula below is to be additionally paid (if there are more than two acquisitions of the Additionally Acquired Trust Beneficial Interests during the AM Interim Fee Calculation Period, the additional payment is conducted each time): **W × 0.15% × Z ÷ 365** W = The purchase consideration of the Additionally Acquired Trust Beneficial Interests Z = the actual number of days from the acquisition date of Additionally Acquired Trust Beneficial Interests to the last day of AM Interim Fee Calculation Period • AM Disposition Fee As a fee for management services pertaining to the sale of the specified assets, the amount obtained by multiplying the sale price of the trust beneficial interests held by DH TMK pertaining to such sale by 0.3% plus the amount of consumption tax and local consumption tax thereon is to be paid.
Consent right	The Japan Asset Manager may not conduct the matters stated in each of the items below in relation to DH TMK or business conducted by DH TMK unless there is written consent by all of DH TMK's specified equity shareholders (however, excluding cases in which a lender, etc. will exercise rights based on a borrowing, etc. related agreement, and in this case the Japan Asset Manager shall follow the instructions of the lender, etc. or the provisions of the borrowing, etc. related agreement): (1) Amendment of the articles of incorporation; (2) Cessation or change of business; (3) Winding up, liquidation, or dissolution; (4) Changes in the equity capital structure; (5) Distribution of surplus to members or changes to the dividend distribution policies;

	(6) Issuance of asset-backed securities, redemption or retirement by purchase of specified bonds before maturity, or execution of derivative transactions; (7) Incurring and/or repayment before maturity of borrowings; (8) Acquisition, sale, creation of a security interest over (however, excluding creation of a security interest for which a lender, etc. is the secured creditor; hereinafter in this clause the same), or other disposition of the specified assets, or giving instructions to the trustee in relation to acquisition, sale, creation of a security interest over, or other disposition of the trust real estate; (9) Capital investments or other capital expenditures for the trust real estate, or giving instructions to the trustee regarding capital investments or other capital expenditures for the trust real estate; (10) Execution of (including renewal) or termination of, change of conditions of, or waiver of rights under an interested party transactions (having the meaning set forth in Article of Appendix 6 of the Code on Collective Investment Schemes (as amended from time to time) issued by the Monetary Authority of Singapore); (11) (i) Material change of, (ii) cancellation by agreement of, (iii) exercise of, waiver of, or non-exercise of the cancellation right under, (iv) waiver of the rights or remedies against the other parties who have breached their obligations, or waiving or excusing such breach of obligations under, or (v) issuance or non-issuance of a notice of refusal to renew the TMK Asset Management Agreement (including its successor agreements); (12) Giving instructions to the property trustee or the master lessee regarding the response to be provided to the tenants in breach of obligations under the master lease agreement of the trust real estate; (13) (i) Determination as a TK Investor regarding (a) whether to exercise the veto right against any proposal from relevant TK Operator and/or the asset manager and (b) notification right of intention under the TK GK2 Agreement, and (ii) material amendments to the TK GK2 Agreement or any other material agreements to which DH TMK is a party; (14) Disposal of business, acquisition of business, or business alliance; or (15) Establishment of an affiliate, and merger, corporate split, dissolution, disposal of business, or acquisition of business at the level of an affiliate.

Specified Shareholders' Proposal Right	In the event that a proposal is received from a specified equity member concerning matters aforementioned in the row above, DH TMK shall promptly notify the Japan Asset Manager of the content of that proposal. If the Japan Asset Manager has received that notification, unless such proposal is contrary to laws or will be a breach of the contractual obligations by which DH TMK is bound, the Japan Asset Manager, in the course of performing the asset management services, shall conduct the necessary acts in order to reflect the intention of the specified equity member who made the relevant proposal.
Termination	The TMK Asset Management Agreement can be terminated if a default by the Japan Asset Manager or DH TMK (including tort, etc.) under the TMK Asset Management Agreement occurs and the defaulting party does not correct the relevant breach of duty within 15 business days from the date of receipt of a demand for correction, etc. No termination fee is payable upon the termination of the TMK Asset Management Agreement upon termination by DH TMK or by the Japan Asset Manager. If the Japan Asset Manager continues providing its asset management services after such termination until a successor asset manager is appointed and takes over the scope of work under the TMK Asset Management Agreement, the Japan Asset Manager shall be entitled to remuneration for its services during such period pursuant to the TMK Asset Management Agreement. Notwithstanding anything to the contrary, either party to the TMK Asset Management Agreement may elect to terminate the TMK Asset Management Agreement, by giving notice in writing to the other party (with a copy to the manager of DHLT) within 30 business days after the appointment of the replacement manager of DHLT following the removal of Daiwa House Asset Management Asia Pte. Ltd. as manager of DHLT by unitholders of DHLT ("**Unitholders**") at a meeting of Unitholders, and upon the appointment of the successor asset manager by DH TMK which shall take place as soon as reasonably practicable after the date of the termination notice, the TMK Asset Management Agreement shall be terminated.
Compensation for Damage	If damage, loss, expenses, or any other liability or burden (including attorneys' expenses and those caused by claims from third parties) has occurred on the part of DH TMK due to the deliberate intention or negligence of the TMK Asset Manager, the TMK Asset Manager's sub-delegatee, or their representative, employee, or contractor, the TMK Asset Manager shall provide compensation to DH TMK for that damage, etc. within the scope of reasonable causation; provided, however, that the TMK Asset Manager shall not be liable to DH TMK for damages in excess of the amount of fees that have already been received by the TMK Asset Manager (however, this shall not apply if the damage, etc. results from the willful misconduct or gross negligence of the TMK Asset Manager).
Governing Law	Japan
Dispute Resolution	Tokyo District Court is the court of exclusive jurisdiction in the first instance.

Individual Asset Management Agreement (GK2)

Background

On 9 November 2021, TK Operator (GK2) and DHREIM entered into an asset management agreement to appoint DHREIM as the asset manager of TK Operator (GK2).

Key Terms of the Individual Asset Management Agreement (GK2)

The following sets out a summary of the key terms of the Individual Asset Management Agreement (GK2).

Scope of asset management services	• Management Services (1) Making decisions on and implementing the acquisition of the beneficial interests. (2) Making decisions on and implementing the sale of, creation of a security interest over, or any other disposition of, the beneficial interests. (3) Making decisions on and implementing the issuance of instructions to the trustees under the trust agreements (including any amendments to those agreements after their execution) regarding the sale of, creation of a security interest over, or any other disposition of, the real properties. (4) Making decisions on and implementing large scale repairs of the real properties and entrustment of additional funds necessary therefor (5) Making any other decisions on or implementing matters that will cause material changes to the trust assets pertaining to the beneficial interests. (6) Making investment decisions based on an analysis of the value, etc. of financial instruments as defined in Article 2, paragraph (8), item (xi), (b) of the FIEA, and management based on such investment decisions. (7) Making any other investment decisions on and implementing the acquisition and disposition of assets (including national government bonds and any other securities) as an investment of assets held by TK Operator (GK2). (8) Services pertaining to making decisions on and implementing fundraising (including refinancing) for TK Operator (GK2) (provided, however, that this excludes acts prohibited under Article 42-5 of the FIEA (unless permitted under Article 45 of the FIEA) and money lending business provided for in the Money Lending Business Act).

	• Administration Services (1) Services for the preparation of plans and reports, etc. required by TK Operator (GK2). (2) Services pertaining to appropriate operation and management of the beneficial interests and the real properties held by TK Operator (GK2) (including services such as giving instructions to and supervising master lessees and property managers but excluding the management services). (3) Services for providing instructions to the trustees pursuant to the trust agreements (excluding the management services). (4) Services for the confirmation of and reporting on the status of rent received from lessees of the real properties (including reports on new and renewing tenants, the status of inquiries, rent roll, the status of occupancy, and the like). (5) Services for handling matters relating to the lessees and management companies of the real properties. (6) Services for handling matters relating to the trustees (such as the preparation of materials requested by the trustees). (7) Services for handing coordination and accounting processes with companies acting as an administrative agent of TK Operator (GK2). (8) Services pertaining to the organisational administration of the GK (including administrative services for decision making processes, cash management, preparations for signing agreements, document storage, handling matters relating to the TK Investor, and dissolution services). (9) Administrative services for the sale of the real properties, etc. (10) Administrative services for fundraising for TK Operator (GK2). (11) Other services entrusted by TK Operator (GK2). (12) Any agency services permitted under laws and regulations which are incidental to or in connection with any of the preceding items. However, services that may not be conducted under any law or regulation without registration as a type-I financial instruments business or a type-II financial instruments business shall not be included, and if any of the entrusted services include such services, they shall automatically be excluded from the asset management services.

Effective Term	The effective term will be from the execution date of the asset management agreement until the latter of either the date on which TK Operator (GK2) has disposed of all of the real properties, etc. and the obligations of TK Operator (GK2) to the Japan Asset Manager under the asset management agreement have been paid in full, or the date on which the TK agreement ends in its entirety and the capital contribution return procedures are completed.
Fees	• AM Acquisition Fees (also known as the One-off Set Up Fee) As a fee for the management services pertaining to the acquisition of all or part of the real properties, etc., the amount obtained by multiplying the purchase consideration of the real properties, etc. that are the subject of such acquisition by 0.3% plus the amount of consumption tax and local consumption tax thereon is to be paid. • AM Interim Fees As an interim fee for the asset management services pertaining to each calculation period which shall end on the last day of June every year, the last day of December every year, and the earlier of either the date on which the sale of all of the real properties, etc. is completed or the date on which this asset management agreement ends, respectively (these dates are collectively referred to as the "Last Day of the AM Interim Fee Calculation Period" in this sub-section) (provided, however, that the first day of such calculation period shall be the day following the Last Day of the AM Interim Fee Calculation Period that is immediately prior to that period, and the first calculation period shall be from the date of first acquisition of the real properties, etc. until the last day of December 2021; each such calculation period is referred to as the "AM Interim Fee Calculation Period" in this sub-section). The amount calculated in accordance with the formula below plus the amount of consumption tax and local consumption tax thereon is to be paid for each AM Interim Fee Calculation Period. **$X \times 0.10\% \times Y \div 365$** X = The purchase consideration of the real properties etc. held by TK Operator (GK2) on the first day of the AM Interim Fee Calculation Period Y = the actual number of days of that AM Interim Fee Calculation Period • Asset Disposition Fee As a fee for management services pertaining to the sale of the real properties, etc., the amount obtained by multiplying the sale price of the real properties, etc. pertaining to such sale by 0.3% plus the amount of consumption tax and local consumption tax thereon is to be paid.

Consent right	If the Japan Asset Manager intends to conduct any of the following matters in relation to the TK Operator (GK2) or the TK business, it shall give written notice to the TK Investor. If there is a submission of an opposing opinion from the TK Investor, the Japan Asset Manager may not conduct that matter when performing the asset management services. (1) Amendment of the articles of incorporation (2) Cessation or change of the TK business (3) Winding up, liquidation or dissolution (4) Changes in the equity capital structure (5) Distribution of surplus to members or changes to the dividend distribution policies (6) Issuance of securities or derivative transactions (7) Incurring and/or repayment before maturity of borrowings (8) The sale, creation of a security interest over (however, this excludes the creation of security for which the secured party is a person who lends to the TK Investor; the same applies hereinafter in this subparagraph), or other disposition of the beneficial interests[1], or giving instructions to the trustees regarding the sale, creation of a security interest over, or other disposition of the real properties.[2] (9) Giving instructions to the trustees regarding capital investments and other capital expenditures for the real properties. (10) Entering into *tokumei kumiai* agreements with other investors. (11) Entering into (including renewal) or termination of, or any amendment of the terms of any, or waiver of any rights under any, interested party transactions (having the meaning set forth in Section 5 of Appendix 6 of the Code on Collective Investment Schemes (as amended from time to time) issued by the Monetary Authority of Singapore) other than those which have been specifically approved by the parties in any annual budget. (12) Giving instructions to the property trustee or the master lessee regarding the response to be provided to the tenants in breach of obligations under the master lease agreement of the real properties or any other material agreements which the TK Operator (GK2) is a party.

1 This refers to the TBIs held by TK Operator (GK2).

2 Acquisition of the trust beneficial interests or giving instructions regarding the acquisition of the real properties are not in the list because, under Japanese law, one GK may only acquire assets once at the outset and it may not acquire additional assets and, accordingly, there will be no chance for such GK to acquire additional assets in the future.

	(13) (i) Material amendment to, (ii) cancellation by agreement of, (iii) exercise of, waiver of, or failure to exercise, the cancellation right under, (iv) waiver of the rights or remedies against the other parties who have breached their obligations, or waiving or excusing for such breach of obligations under, or (v) issuance or non-issuance of a notice of refusal to renew the Individual Asset Management Agreement (GK2) (including its successor agreement). (14) Merger, corporate split, conversion to a different entity, disposal of business, acquisition of business, or business alliance. (15) Establishment of an affiliate, and merger, corporate split, dissolution, disposal of business, or acquisition of business at the level of an affiliate.
TK Investor's notice of intention	Pursuant to the provisions of the TK GK2 Agreement, if TK Operator (GK2) receives a notice of intention from the TK Investor pertaining to the matters set out in items (8), (12) or (13) in the above row, TK Operator (GK2) shall promptly notify the Japan Asset Manager of that intention. If the Japan Asset Manager receives such notice, the Japan Asset Manager shall respect the intention of the TK Investor and shall make efforts to conduct the notified matters, but shall not be bound by such intention.
Termination	The Individual Asset Management Agreement (GK2) can be terminated if the Japan Asset Manager or TK Operator (GK2) do not perform their obligations under the Individual Asset Management Agreement (GK2) due to willful misconduct or negligence, and despite receiving a demand in writing to remedy the non-performance, the non-performing party does not cure the non-performance within 15 business days from the date of receipt of the written demand for cure, etc. No termination fee is payable upon the termination of the Individual Asset Management Agreement (GK2) upon termination by TK Operator (GK2) or by the Japan Asset Manager. If the Japan Asset Manager continues providing its asset management services after such termination until a successor asset manager is appointed and takes over the scope of work under the Individual Asset Management Agreement (GK2), the Japan Asset Manager shall be entitled to remuneration for its services during such period pursuant to the Individual Asset Management Agreement (GK2). Notwithstanding anything to the contrary, either party to the Asset Management Agreement (GK2) may elect to terminate the Asset Management Agreement (GK2), by giving notice in writing to the other party (with a copy to the manager of DHLT) within 30 business days after the appointment of the replacement manager of DHLT following the removal of Daiwa House Asset Management Asia Pte. Ltd. as manager of DHLT by unitholders of DHLT ("**Unitholders**") at a meeting of Unitholders, and upon the appointment of the successor asset manager by TK Operator (GK2) which shall take place as soon as reasonably practicable after the date of the termination notice, the Asset Management Agreement (GK2) shall be terminated.

Compensation for Damage	If TK Operator (GK2) incurs any damage, etc. due to the willful misconduct or negligence of the Japan Asset Manager or its subcontractor, or any of their representatives, employees, or contractors, the Japan Asset Manager shall compensate TK Operator (GK2) for the damage, etc. within the scope of reasonable causation; provided, however, that the Japan Asset Manager shall not be liable to TK Operator (GK2) for damages in excess of the amount of fees that have already been received by the Japan Asset Manager (however, this shall not apply if the damage, etc. results from the willful misconduct or gross negligence of the Japan Asset Manager).
Governing Law	Japan
Dispute Resolution	The Tokyo District Court is the agreed court of first instance with exclusive jurisdiction.

Asset Management Agreement (GK1)

Background

On 9 November 2021, TK Operator (GK1) and DHREIM entered into an asset management agreement to appoint DHREIM as the asset manager of TK Operator (GK1).

Key Terms of the Asset Management Agreement (GK1)

The following sets out a summary of the key terms of the Asset Management Agreement (GK1).

Scope of asset management services	• Management Services (1) Making decisions on and implementing the acquisition of the preferred equity. (2) Making decisions on and implementing the sale of, creation of a security interest over, or any other disposition of, the preferred equity. (3) Making decisions on and implementing matters relating to the performance of obligations and exercise of rights under the TK agreement. (4) Making investment decisions based on an analysis of the value, etc. of financial instruments as defined in Article 2, paragraph (8), item (xi), (b) of the FIEA, and management based on such investment decisions. (5) Making any other investment decisions on and implementing the acquisition and disposition of assets (including national government bonds and any other securities) as an investment of assets held by TK Operator (GK1). (6) Services pertaining to making decisions on and implementing fundraising for the GK (provided, however, that this excludes acts prohibited under Article 42-5 of the FIEA (unless permitted under Article 45 of the FIEA) and money lending business provided for in the Money Lending Business Act (Act No. 32 of 1983, as amended)).

	• Administration Services (1) Services for the preparation of plans and reports, etc. required by TK Operator (GK1). (2) Services pertaining to appropriate operation and management of the preferred equity held by TK Operator (GK1) (including exercising the rights of TK Operator (GK1)based on its status as a preferred equity member of DH TMK and receiving and confirming documents and other materials delivered by DH TMK to preferred equity members but excluding the management services). (3) Services related to the master leases (such as the handling of administrative services that are necessary for exercising rights and performing obligations under the master lease agreements and the tenant lease agreement, the handling of matters relating to the tenant, and giving instructions to and supervising the property manager). (4) Services for handing coordination and accounting processes with companies acting as an administrative agent of TK Operator (GK1). (5) Services pertaining to the organisational administration of the GK (including administrative services for decision making processes, cash management, preparations for signing agreements, document storage, handling matters relating to the TK Investor, and dissolution services). (6) Administrative services for the disposition of the preferred equity. (7) Administrative services for fundraising for TK Operator (GK1). (8) Other services entrusted by TK Operator (GK1). (9) Any agency services permitted under laws and regulations which are incidental to or in connection with any of the preceding items. Services that may not be conducted under any law or regulation without registration as a type-I financial instruments business or a type-II financial instruments business shall not be included, and if any of the entrusted services include such services, they shall automatically be excluded from the asset management services.

Effective Term	The effective term will be from the execution date of the asset management agreement until the latter of either the date on which TK Operator (GK1) has disposed of all of the preferred equity (including cases where the preferred equity is cancelled, the same applies hereinafter) and the obligations of TK Operator (GK1) to the Japan Asset Manager under Asset Management Agreement (GK1) have been paid in full, or the date on which the TK agreement ends in its entirety and the capital contribution return procedures are completed.
Fees	• AM Interim Fees As an interim fee for the asset management services pertaining to each calculation period which shall end on the last day of June every year, the last day of December every year, and the earliest of the date on which the disposal of all of the preferred equity is completed, the date on which the sale of all of the specified assets held by DH TMK is completed, or the date on which the asset management agreement ends, respectively (these dates are collectively referred to as the "Last Day of the AM Interim Fee Calculation Period" in this item) (provided, however, that the first day of such calculation period shall be the day following the Last Day of the AM Interim Fee Calculation Period that is immediately prior to that period, and the first calculation period shall be from the date on which DH TMK acquires the specified assets until the last day of December 2021; each such calculation period is hereinafter referred to as the "AM Interim Fee Calculation Period" in this item). The amount calculated in accordance with the formula below plus the amount of consumption tax and local consumption tax thereon is to be paid for each AM Interim Fee Calculation Period. $\mathbf{X \times 0.05\% \times Y \div 365}$ X = The total amount of the purchase consideration of the specified assets that are trust beneficial interests which DH TMK acquires and assets that are trust beneficial interests which TK Operator (GK2) acquires respectively as of 26 November, 2021 (being the Closing Date), among the specified assets held by DH TMK and the assets held by TK Operator (GK2) on the first day of the AM Interim Fee Calculation Period Y = the actual number of days of that AM Interim Fee Calculation Period

Termination	The Asset Management Agreement (GK1) can be terminated if the Japan Asset Manager or TK Operator (GK1) do not perform their obligations under the asset management agreement due to willful misconduct or negligence, and despite receiving a demand in writing to remedy the non-performance, the non-performing party does not cure the non-performance within 15 business days from the date of receipt of the written demand for cure, etc. No termination fee is payable upon the termination of the Asset Management Agreement (GK1) upon termination TK Operator (GK1) or by the Japan Asset Manager. If the Japan Asset Manager continues providing its asset management services after such termination until a successor asset manager is appointed and takes over the scope of work under the Asset Management Agreement (GK1), the Japan Asset Manager shall be entitled to remuneration for its services during such period pursuant to the Asset Management Agreement (GK1). Notwithstanding anything to the contrary, either party to the Asset Management Agreement (GK1) may elect to terminate the Asset Management Agreement (GK1), by giving notice in writing to the other party (with a copy to the manager of DHLT) within 30 business days after the appointment of the replacement manager of DHLT following the removal of Daiwa House Asset Management Asia Pte. Ltd. as manager of DHLT by unitholders of DHLT ("**Unitholders**") at a meeting of Unitholders, and upon the appointment of the successor asset manager by TK Operator (GK1) which shall take place as soon as reasonably practicable after the date of the termination notice, the Asset Management Agreement (GK1) shall be terminated.
Compensation for Damage	If TK Operator (GK1) incurs any damage, etc. due to the willful misconduct or negligence of the Japan Asset Manager or its subcontractor, or any of their representatives, employees, or contractors, the Japan Asset Manager shall compensate TK Operator (GK1) for the damage, etc. within the scope of reasonable causation; provided, however, that the Japan Asset Manager shall not be liable to TK Operator (GK1) for damages in excess of the amount of fees that have already been received by the Japan Asset Manager (however, this shall not apply if the damage, etc. results from the willful misconduct or gross negligence of the Japan Asset Manager).
Governing Law	Japan
Dispute Resolution	Tokyo District Court is the court of exclusive jurisdiction in the first instance.

MASTER LEASE AGREEMENTS

Background

On 9 November 2021, the Property Trustee as the master lessor (the "**Master Lessor**") and TK Operator (GK1) as the Master Lessee entered into the conditional Master Lease Agreements in relation to the multi-tenanted properties, namely, DPL Sapporo Higashi Kariki, DPL Sendai Port, DPL Koriyama, DPL Shinfuji, DPL Okayama Hayashima, DPL Okayama Hayashima 2 and DPL Kawasaki Yako (collectively, the "**Master Lease Property**").

Key Terms of the Master Lease Agreements

The following sets out a summary of the key terms of the Master Lease Agreements.

Lease term and renewal	The term of each Master Lease Agreement is from 26 November, 2021 or the date separately agreed to by the Master Lessor and the Master Lessee to the end of November 2022, 2021 or the date separately agreed to by the Master Lessor and the Master Lessee. It will automatically renew each subsequent year unless the Master Lessor or the Master Lessee gives the other party a written notification regarding the rejection of the renewal six months prior to the expiration of the term or in the event that the Master Lease Agreement is terminated in accordance with stipulations in the Master Lease Agreement.
Rent	The rent for the master lease (the "**Master Lease Rent**") shall be paid monthly and the amount from the first day to the last day of the previous month (both dates inclusive) (the "**Period Corresponding to Tenant Rent**"), being the total rent payable by the tenant leasing the building of the Master Lease Property to the Master Lessee ("**Tenant Rent**") under the tenant lease for the Period Corresponding to Tenant Rent, shall be the Master Lease Rent for the current month. The Tenant Rent includes common service fees, rental fees for displays, rental fees for the parking lot, rental fees for auxiliary equipment which includes revenue from installing vending machines, and any revenue from delinquency charges. However, this excludes the security deposit and other deposits paid by the tenants. However, in the event that there is outstanding unpaid Tenant Rent for the relevant Period Corresponding to Tenant Rent, the payment of the amount equivalent to any outstanding Master Lease Rent payable by the Master Lessee to the Property Trustee shall be deferred until such amount is actually paid by the tenant. This is because under the pass-through master lease structure, the Master Rent is paid out of the Tenant Rent collected including the case where such payment is appropriated from the security deposit or other deposits paid by the Tenant to the Master Lessee, in the event that the tenant defaults on rent or other payments under the tenant lease agreement.

Security Deposit payable by the Master Lessee to the Property Trustee ("Master Lease Security Deposit")	The Master Lessee will provide a security deposit to the Property Trustee equivalent to the total security deposit payable by the Tenant (which, regardless of naming conventions, includes anything that can be substantially regarded as a security deposit; the "**Tenant Security Deposit**") that the Master Lessee received from the Tenant under the tenant lease agreement. In the event that the total amount of the security deposit which the Master Lessee receives from the Tenant fluctuates during the term of the Master Lease Agreement, the Master Lease Security Deposit shall be adjusted to be an equivalent amount (in accordance with the pass-through nature of the Master Lease Agreement under which the Master Lessee's obligation is to provide such sum of the Tenant Security Deposit collected under the respective tenant lease agreements). At the termination of a tenant lease agreement (under any circumstances), if the Master Lessee should refund the security deposit to the Tenant in accordance with the tenant lease agreement, the Master Lessee shall submit a refund request in relation to the Master Lease Security Deposit paid by the Master Lessee to the Property Trustee a month prior to the term of refund of the Tenant Security Deposit, and upon receipt of such refund of the Master Lease Security Deposit by the Master Lessee, the Master Lessee shall refund to the Tenant the amount equivalent to the tenant's security deposit.
Insurance, Taxes and Public Charges	The Master Lessor shall bear the taxes and public dues pursuant to the land, building, and facilities in the possession of the Master Lessor, as well as the insurance premium for them. The Master Lessor shall cause the Tenant to bear the taxes and public dues pursuant to facilities in the possession of the Tenant, fixtures, display implements, furnishing, and merchandise, as well as the insurance premium for them.
Response to the Tenants in Breach of Obligations	In the event that the Master Lessee becomes aware of non-payment by the Tenant of the Tenant Rent, etc., parking fees, restoration expenses, etc., or any other breach by Tenant under the lease agreement with the Tenant (the "**Tenant Lease Agreement**"), the Master Lessee shall immediately report to the Master Lessor and DH CRUX Japan TMK or DH-MIMOSA GK (as the case may be) (the "**Beneficiary**") to that effect, and unless it constitutes a violation of law or agreements to which the Master Lessee is a party, the Master Lessee shall, in accordance with the instructions of the Master Lessor or the Beneficiary, cooperate with the Property Manager to take actions such as demand, appropriation from the security deposit of the Tenant, cancellation of the Tenant Lease Agreement, filing a lawsuit, and requesting the surrender of the building against such Tenant in breach.
Damage or destruction	In the event that the building is lost or damaged and it becomes impossible to achieve the purpose of the Master Lease Agreement due to natural disaster or other reasons attributable to either the Master Lessor or the Master Lessee, the both shall confer separately concerning remedial measures. Furthermore, neither the Master Lessor nor the Master Lessee shall be liable to compensate the counterparty for damage sustained in such an instance.

Termination	• If any of the following situation were to take place, the Master Lease Agreement will automatically be terminated on the date that this took place. (1) If the beneficial interest under the each trust agreement (the "**Trust Agreement (Master Lease Property)**") related to the Master Lease Property was transferred from DH-CRUX Japan TMK or DH-MIMOSA GK (the "**Beneficiary**") to a third party, and, thereby, relocated to the transferee; or (2) If the Trust Agreement (Master Lease Property) has ended (excluding the case in which the Master Lessor delivered the building to the Beneficiary). • The Master Lessor may terminate the Master Lease Agreement by notifying the Master Lessee in writing of such 10 or more days in advance when fact of any of the following items applies to the Master Lessee. However, the Master Lessor may terminate immediately without requirement of any notice when any one of items (1) through (3) apply to the Master Lessee: (1) Petition is filed to start dissolution, stop payment or bankruptcy procedures, corporate reorganisation, civil rehabilitation proceedings, special liquidation, specific arbitration procedures or similar procedures; (2) Receives a disposition to suspend transactions with a clearing house; (3) Receives a disposition for seizure, delinquency or compulsory execution; or (4) Acts to breach the Master Lease Agreement.
Governing Law	Japan
Dispute Resolution	The Tokyo District Court shall hold exclusive jurisdiction for the first instance.

PROPERTY MANAGEMENT AGREEMENTS

Master Property Management Agreement

Background

On 9 November 2021, DH TMK, the Property Manager and DHREIM entered into the Master Property Management Agreement to confirm the form and content of the property management agreements to be entered into among the Property Trustee ("**Provider (1)**"), the Master Lessee (if any) ("**Provider (2)**", and together with the Provider (1), the "**Provider**") and the Property Manager from time to time.

Key Terms of the Master Property Management Agreement

In connection with the TBIs that will be acquired in the future either by DH TMK itself or through the new GK, DH TMK may appoint the Property Manager or its affiliated company as the property manager for the TBIs. If the Property Manager accepts such appointment, then the Property Manager or its affiliated company shall execute an Individual Property Management Agreement in the form and content generally set forth in Appendix of the Master Property Management Agreement. The following sets out a summary of the key terms of the form of the Individual Property Management Agreements.

The key terms of the Master Property Management Agreement are as follows:

The agreement concerning asset management agreements	1. In connection with the TBI that will be acquired in the future either by DH TMK itself or through a GK, DH TMK may appoint the Property Manager or an affiliated company of the Property Manager as property manager for the real estate that is the trust property ("**Trust Real Estate**"). In this case, DH TMK shall notify the Property Manager regarding such an appointment. 2. If the Property Manager accepts the appointment set forth in the preceding paragraph and either assumes the role of property manager of the Trust Real Estate or causes an affiliated company to do so, the trustee of each Trust Real Estate, the building master lessee (if any), and the Property Manager or its affiliated company shall execute a property management agreement in the form and content generally set forth in appendix ("**Individual Property Management Agreement**") by reflecting individual terms, and the parties to this agreement shall carry out the acts required for this arrangement.
Term	1. The term of this agreement shall be 10 years from the date of this agreement's execution; provided, however, that if neither party gives written notice of refusal to renew at least three months prior to the expiration of the term, the term shall, subject to approval of the unitholders if such approval is required under the Listing Manual, be extended for another ten years, and the same shall apply thereafter. 2. Notwithstanding the preceding paragraph, this agreement shall automatically terminate upon DH TMK terminates its business and (i) all the TBI or the Trust Real Estate held by DH TMK and the GK or (ii) all assets held by DH TMK are sold. 3. The termination of the appointment of the Property Manager or its affiliated company as the property manager for a particular Trust Real Estate under an Individual Property Management Agreement shall not affect this agreement or any other Individual Property Management Agreement which has been entered into in relation to any other Trust Real Estate which shall remain in effect in accordance with their respective terms. 4. The termination of this agreement shall not affect any Individual Property Management Agreement which has been entered into in relation to any Trust Real Estate which shall remain in effect in accordance with their respective terms.
Governing Law	Japan
Dispute Resolution	The Tokyo District Court is the agreed court of first instance with exclusive jurisdiction.

The key terms of the form Individual Property Management Agreements are as follows:

Term	The term of the property management agreement is one year from the execution date of the property agreement and will automatically renew each year. However, the term shall not automatically renew in the event that one of the parties concerned sends written notification regarding the rejection of the renewal three months prior to the expiration of the property management agreement or in the event that the property management agreement is cancelled. If any of the following situation were to take place, the term will automatically be terminated on the date that such situation took place. (1) If the related TBI was transferred from DH TMK or the new GK to a third party, and, thereby, relocated to the transferee. (2) If the trust agreement has ended (excluding the case in which the property trustee delivered the property to DH TMK or the new GK).
Property Management Business	The business of the Property Manager includes, but is not limited to, the following: (i) planning, management, supervision, evaluation and reporting services, (ii) tenant leasing and management services, (iii) facility operation services, (iv) facility maintenance and management services, (v) management and supervision of the building maintenance and management performed by the building maintenance companies or tenants, (vi) tenant management services, (vii) payments, accounts and ledger management services and (viii) facility technology management services. The building management services mentioned in the business specifications prepared by the Provider and the Property Manager upon separate agreement is included only in the property management agreements for DPL Projects. The property management business shall be calculated at the last day of each month and the calculation period shall be from the day immediately following the last calculation day until the relevant calculation day. The first calculation period shall be from the execution date of the property management agreement until the last day of the month and the final calculation period shall be from the day immediately following the last calculation day until the final day of the relevant calculation day.

<table>
<tr>
<td>Fee</td>
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The property trustee shall provide fee to the Property Manager for the price of the property management business (for the property management agreement (DPL Project), such excludes the building management business) from the trust property under the trust agreement.
Basic fee
The basic fee for each calculation period shall be the product of the sum of the rental fee paid to the Property Manager for the term from the first day of the previous month (including the 1st day) until the final day of the previous month (including the final day) under the tenant lease agreement plus common service fees, multiplied by up to 1.2% (however, amounts less than 100 yen shall be dropped.). However, if this amount is less than 300,000 yen, basic fee shall be 300,000 yen. Furthermore, when the calculation period of basic fee is less than one month, the calculation shall be based on the number of actual days for the relevant month and amounts less than 100 yen shall be rounded off.
Fee for improvement and repairs
When performing the improvement and repair work in accordance with the property management agreement, the property trustee shall appoint the Property Manager as the construction manager and provide the following fee. In addition, amounts less than one yen shall be rounded off.
<table>
<tr><td>The total for one order of construction work is less than 1,000,000 yen</td><td>Free of charge</td></tr>
<tr><td>The total for 1 order of construction work is equal to JPY 1,000,000 or higher but less than JPY 5,000,000</td><td>5% of the total for the order of construction work (excluding tax)</td></tr>
<tr><td>The total for one order of construction work is equal to JPY 5,000,000 but less than JPY 10,000,000</td><td>250,000 yen + 4% of the amount for one order of construction work that exceeds 5,000,000 yen (excluding tax)</td></tr>
<tr><td>The total for one order of construction work is 10,000,000 yen or higher</td><td>450,000 yen + 3% of the amount for one order of construction work that exceeds 10,000,000 yen (excluding tax)</td></tr>
<tr><td>The total for one construction job exceeds 100,000,000 JPY</td><td>Up to 3,150,000 yen + 2% of the amount for one order of construction work that exceeds 100,000,000 yen</td></tr>
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• Lease Contract Administration Fee

In the event that a new lease contract is signed or the term of an existing lease is extended, a Lease Contract Administration Fee for work done including to give tenants tours of the property, conduct the necessary surveys, negotiate the contract terms and prepare the relevant documents will be payable as follows. Any Lease Contract Administration Fee payable shall not exceed the maximum amount stipulated under the relevant laws and regulations.

(A) New tenants	
(i) Signing a new lease with a term of three years or more	
Where new tenants are sought by third parties (including the Sponsor and its subsidiaries and affiliates)	The third party shall be entitled to a Lease Contract Administration Fee up to an amount equivalent to one month of the new tenant's monthly rent (excluding consumption tax) ("**New Tenant's Rent**") payable by the Property Manager. The Property Manager may request the reimbursement of the Lease Contract Administration Fee out of the Deposited Property. In this case, the Property Manager shall be entitled to a Lease Contract Administration Fee equivalent to 0.5 months of the New Tenant's Rent up to 5 million yen and no less than 1 million yen payable out of the Deposited Property.
Where new tenants are sought by the Property Manager	The Property Manager shall be entitled to an amount consisting of the Lease Contract Administration Fee equivalent to one month of the New Tenant's Rent as consideration for the lease contract administration and leasing services rendered.
(ii) Signing a new lease with a term less than three years	
Where new tenants are sought by third parties (including the Sponsor and its subsidiaries and affiliates)	The Lease Contract Administration Fee shall be separately negotiated and not exceed the amount payable in (A)(i) above.
Where new tenants are sought by the Property Manager	The Lease Contract Administration Fee shall be separately negotiated and not exceed the amount payable in (A)(i) above.

B. Re-contracting with an existing tenant or extending the contract term

The Property Manager shall be entitled to a Lease Contract Administration Fee consisting of a re-contract base fee and a re-contract incentive fee as follows, up to an amount equivalent to one month of the new rent. If the Lease Contract Administration Fee is less than JPY 600,000, it shall be negotiated with JPY 600,000 as the upper limit:

(i) Re-contract base fee	The re-contract base fee shall be 50% of the current monthly rent (excluding common service fees).
(ii) Re-contract incentive fee	The re-contract incentive fee shall be calculated in accordance with the formula below. $\frac{(\text{New rent} - \text{Current rent})}{2} \times \text{No. of contract months}$ **Note:** (1) The new and current rents are calculated on a monthly basis and exclude common service fees. For the avoidance of doubt, in the event that the current rent exceeds the new rent, no re-contract incentive fee will be payable.

C. Increase in the leased space of an existing tenant or an additional contract for office space

The Lease Contract Administration Fee shall be separately determined and negotiated.

- Date and Method of Payment

The property trustee shall provide the Property Manager, in accordance with the instructions of asset manager, basic fee for all calculation periods by the 20th of the month following the calculation month for the relevant calculation period (or the previous business day if that date is a non-business day; however, when the instructions of asset manager are not given by five business days prior to the payment date, the property trustee shall not be responsible for delay in performance) as well as the consumption tax and regional consumption taxes assessed on such.

Termination	If the trust agreement has ended for any reason (excluding the case in which the property trustee has delivered the trust property to DH TMK or the new GK), the property management agreement will automatically end. The property trustee or the Master Lessee (if any) may terminate the property management agreement by notifying the Property Manager in writing of such 10 or more days in advance when fact of any of the following items applies to the Property Manager. However, the property trustee or the Master Lessee (if any) may terminate immediately without requirement of any notice when any one of Items (i) through (iii), (vi), and (vii) apply to the Property Manager: (i) Petition is filed to start dissolution, stop payment or bankruptcy procedures, corporate reorganisation, civil rehabilitation proceedings, special liquidation, specific arbitration procedures or similar procedures (ii) Receives a disposition to suspend transactions with a clearing house (iii) Receives a disposition for seizure, delinquency or compulsory execution (iv) Acts to breach the property management agreement (v) An objective reason exists that is sufficient for the property trustee or the Master Lessee (if any) and the asset manager to reasonably determine the Property Manager to be incapable of properly conducting the property management business (vi) The property trustee or the Master Lessee (if any) deems such necessary in order to protect a subcontractor or the rights and profits of a party receiving profit under the trust agreement (vii) A change to facts represented and warranted in the items that makes it difficult to continue to subcontract the property management business to the Property Manager arises (viii) Improvements to the property management business are not carried out despite instructions, etc. provided by the property trustee or the Master Lessee (if any) and asset manager
Compensation for Damage	If property trustee incurs damage or expenses (including such resulting from third party demands) as a result of intention or negligence on the part of the Property Manager, its executives or employees or a subcontractor, the Property Manager shall compensate for all damages and expenses incurred as property trustee and instruction agent directs.

Individual Property Management Agreements

Background

The Property Trustee ("**Provider (1)**", the Master Lessee ("**Provider (2)**", and together with the Provider (1), the "**Provider**") and the Property Manager have on 9 November 2021 entered into a conditional property management agreement (the "**Property Management Agreement (DPL Project)**") in relation to the Master Lease Property.

Separately, the Property Trustee as Provider (1) and the Property Manager have on 9 November 2021 entered into conditional property management agreements in relation to the IPO Properties save for the Master Lease Property (the "**Property Management Agreement (D Project)**", and together with the Property Management Agreement (DPL Project), the "**Individual Property Management Agreements**").

Key Terms of the Individual Property Management Agreements

The following sets out a summary of the key terms of the Individual Property Management Agreements.

Term	The Property Management Business commission period (the "**Management Commission Term**") is from 26 November, 2021 or the date separately agreed to by Provider and Property Manager (the "**Management Commission Start Date**") until the last day of November 2022 or the date separately agreed to by Provider and Property Manager and will automatically renew each year. However, the Management Commission Term shall not automatically renew in the event that one of the parties concerned sends written notification regarding the rejection of the renewal three months prior to the expiration of the Property Management Agreement or in the event that the Property Management Agreement is cancelled. If any of the following situation were to take place, the Management Commission Term will automatically be terminated on the date that this took place. (1) If the beneficial interest under each trust agreement (the "**Trust Agreement**") related to IPO Properties was transferred from the Beneficiary to a third party, and, thereby, relocated to the transferee. (2) If the Trust Agreement has ended (excluding the case in which Provider delivered the IPO Properties to the Beneficiary)
Property Management Business	The business (the "**Property Management Business**") of the Property Manager includes, but is not limited to, the following: (i) planning, management, supervision, evaluation and reporting services, (ii) tenant leasing and management services, (iii) facility operation services, (iv) facility maintenance and management services, (v) payments, accounts and ledger management services and (vi) facility technology management services. The building management services (the "**BM Business**") mentioned in the business specifications prepared by the Provider and the Property Manager upon separate agreement is included only in the Property Management Agreement (DPL Project).

<table>
<tr><td></td><td>The Property Management Business shall be calculated at the last day of each month and the calculation period (the “Calculation Period”) shall be from the day immediately following the last calculation day until the relevant calculation day. The first Calculation Period shall be from the Management Commission Start Date until the last day of the month and the final Calculation Period shall be from the day immediately following the last calculation day of the management commission until the final day of the Management Commission Period Management Commission Term.</td></tr>
<tr><td>Fee</td><td>The Provider (for the Property Management Agreement (DPL Project), the Provider (1)) shall provide fee to the Property Manager for the price (the “PM Fee”) of the Property Management Business (for the Property Management Agreement (DPL Project), such excludes the BM Business) from the trust property under the Trust Agreement.

• Basic fee

In respect of properties (apart from DPL Shinfuji and DPL Okayama Hayashima 2), the basic fee for each Calculation Period shall be the product of the sum of the rental fee paid to the Property Manager for the term from the 1st day of the previous month (including the 1st day) until the final day of the previous month (including the final day) under the tenant lease agreement plus common service fees, multiplied by 1.2% (However, amounts less than 100 yen shall be dropped.). However, if this amount is less than 300,000 yen, basic fee shall be 300,000 yen. For DPL Shinfuji and DPL Okayama Hayashima 2, the base fee in respect of each Calculation Period shall be JPY 300,000 and JPY 420,000 per month respectively (however, amounts less than 100 yen shall be dropped). Furthermore, when the Calculation Period of basic fee is less than 1 month, the calculation shall be based on the number of actual days for the relevant month and amounts less than 100 yen shall be rounded off.

• Construction Management Fee

When performing the improvement and repair work in accordance with the Property Management Agreement, the Provider shall appoint the Property Manager as the construction manager and provide the following Construction Management Fee. Amounts less than one yen shall be rounded off.

<table>
<tr><td>The total for one order of construction work is less than 1,000,000 yen</td><td>Free of charge</td></tr>
<tr><td>The total for 1 order of construction work is equal to JPY 1,000,000 or higher but less than JPY 5,000,000</td><td>5% of the total for the order of construction work (excluding tax)</td></tr>
</table>
</td></tr>
</table>

The total for one order of construction work is equal to JPY 5,000,000 or higher but less than JPY 10,000,000	250,000 yen + 4% of the amount for one order of construction work that exceeds 5,000,000 yen (excluding tax)
The total for one order of construction work is 10,000,000 yen or higher	450,000 yen + 3% of the amount for one order of construction work that exceeds 10,000,000 yen (excluding tax)
The total for one construction job exceeds 100,000,000 JPY	Up to 3,150,000 yen + 2% of the amount for one order of construction work that exceeds 100,000,000 yen

- Lease Contract Administration Fee

In the event that a new lease contract is signed or the term of an existing lease is extended, a Lease Contract Administration Fee for work done including to give tenants tours of the property, conduct the necessary surveys, negotiate the contract terms and prepare the relevant documents will be payable as follows. Any Lease Contract Administration Fee payable shall not exceed the maximum amount stipulated under the relevant laws and regulations.

(A) New tenants	
(i) Signing a new lease with a term of three years or more	
Where new tenants are sought by third parties (including the Sponsor and its subsidiaries and affiliates)	The third party shall be entitled to a Lease Contract Administration Fee up to an amount equivalent to one month of the new tenant's monthly rent (excluding consumption tax) ("**New Tenant's Rent**") payable by the Property Manager. The Property Manager may request the reimbursement of the Lease Contract Administration Fee out of the Deposited Property. In this case, the Property Manager shall be entitled to a Lease Contract Administration Fee equivalent to 0.5 months of the New Tenant's Rent up to 5 million yen and no less than 1 million yen payable out of the Deposited Property.
Where new tenants are sought by the Property Manager	The Property Manager shall be entitled to an amount consisting of the Lease Contract Administration Fee equivalent to one month of the New Tenant's Rent as consideration for the lease contract administration and leasing services rendered.

	(ii) Signing a new lease with a term less than three years	
	Where new tenants are sought by third parties (including the Sponsor and its subsidiaries and affiliates)	The Lease Contract Administration Fee shall be separately negotiated and not exceed the amount payable in (A)(i) above.
	Where new tenants are sought by the Property Manager	The Lease Contract Administration Fee shall be separately negotiated and not exceed the amount payable in (A)(i) above.
	B. Re-contracting with an existing tenant or extending the contract term	
	The Property Manager shall be entitled to a Lease Contract Administration Fee consisting of a re-contract base fee and a re-contract incentive fee as follows, up to an amount equivalent to one month of the new rent. If the Lease Contract Administration Fee is less than JPY 600,000, it shall be negotiated with JPY 600,000 as the upper limit:	
	(i) Re-contract base fee	The re-contract base fee shall be 50% of the current monthly rent (excluding common service fees).
	(ii) Re-contract incentive fee	The re-contract incentive fee shall be calculated in accordance with the formula below. $$\frac{\text{(New rent – Current rent)}}{2} \times \text{No. of contract months}$$ **Note**: (1) The new and current rents are calculated on a monthly basis and exclude common service fees. For the avoidance of doubt, in the event that the current rent exceeds the new rent, no re-contract incentive fee will be payable.
	C. Increase in the leased space of an existing tenant or an additional contract for office space	
	The Lease Contract Administration Fee shall be separately determined and negotiated.	

	• Date and Method of Payment The Provider (for the Property Management Agreement (DPL Project), the Provider (1)) shall provide the Property Manager, in accordance with the instructions of Daiwa House Real Estate Investment Management Co., Ltd. that is the instruction representative of the Beneficiary (the "**Instruction Agent**"), basic fee for all Calculation Periods by the 20th of the month following the calculation month for the relevant Calculation Period (or the previous business day if that date is a non-business day; however, when the instructions of Instruction Agent are not given by 5 business days prior to the payment date, the Provider (for the Property Management Agreement (DPL Project), the Provider (1)) shall not be responsible for delay in performance) as well as the consumption tax and regional consumption taxes assessed on such. However, any and all basic fee unpaid as of the time of the end of a Management Commission Term shall be provided without delay. Furthermore, payment date and method for non-basic fee shall be as separately agreed by the Provider (for the Property Management Agreement (DPL Project), the Provider (1)) and the Property Manager.
Termination	If the Trust Agreement has ended for any reason (excluding the case in which the Provider has delivered the IPO Properties to the Beneficiary), the Property Management Agreement will automatically end. The Provider may terminate the Property Management Agreement by notifying the Property Manager in writing of such 10 or more days in advance when fact of any of the following items applies to the Property Manager. However, the Provider may terminate immediately without requirement of any notice when any one of Items (i) through (iii), (vi), and (vii) apply to the Property Manager: (i) Petition is filed to start dissolution, stop payment or bankruptcy procedures, corporate reorganisation, civil rehabilitation proceedings, special liquidation, specific arbitration procedures or similar procedures (ii) Receives a disposition to suspend transactions with a clearing house (iii) Receives a disposition for seizure, delinquency or compulsory execution (iv) Acts to breach the Property Management Agreement (v) An objective reason exists that is sufficient for the Provider and the Instruction Agent to reasonably determine the Property Manager to be incapable of properly conducting the Property Management Business (vi) The Provider deems such necessary in order to protect a subcontractor or the rights and profits of a party receiving profit under the Trust Agreement

	(vii) A change to facts represented and warranted in the items that makes it difficult to continue to subcontract the Property Management Business to the Property Manager arises (viii) Improvements to the Property Management Business are not carried out despite instructions, etc. provided by the Provider and Instruction Agent
Compensation for Damage	If the Provider incurs damage or expenses (including such resulting from third party demands) as a result of intention or negligence on the part of the Property Manager, its executives or employees or a subcontractor, the Property Manager shall compensate for all damages and expenses incurred as Provider and instruction agent directs.
Governing Law	Japan
Dispute Resolution	The Tokyo District Court shall hold exclusive jurisdiction for the first instance.

TRUST BENEFICIAL INTEREST SALE AND PURCHASE AGREEMENTS

Background and Parties

Each of DH TMK and TK Operator (GK2) has entered into each of the following Trust Beneficial Interest Sale and Purchase Agreement dated 9 November 2021 (each a "**PSA**" and collectively, the "**PSAs**") in order to acquire the TBIs for the Properties:

PSA	Seller	Purchaser	Subject Property
PSA (1)	DHI	DH TMK	DPL Sapporo Higashi-Kariki
			DPL Sendai Port
			DPL Koriyama
			DPL Okayama Hayashima 2
			D Project Nagano Suzaka S
			D Project Maebashi S
			D Project Kakegawa S
PSA (2)	DHI	TK Operator (GK2)	DPL Kawasaki Yako
			DPL Okayama Hayashima
			D Project Fukuoka Tobara S
			D Project Iruma S
PSA (3)	Mitsubishi	TK Operator (GK2)	D Project Kuki S
			D Project Misato S
PSA (4)	HC Capital Community	TK Operator (GK2)	DPL Shinfuji

Principal Terms of the PSAs

The following sets out a summary of the principal terms of each PSA. Each PSA shall be governed by the laws of Japan and the Tokyo District Court shall have exclusive jurisdiction for any disputes.

PSA (1)

- On the Closing Date[1], DHI shall complete the following procedures, and then sell the TBIs for DPL Sapporo Higashi-Kariki, DPL Sendai Port, DPL Koriyama, DPL Okayama Hayashima 2, D Project Nagano Suzaka S, D Project Maebashi S and D Project Kakegawa S (collectively, the "**TBIs (PSA (1))**") to DH TMK:

  (i) DHI shall acquire the TBIs for D Project Nagano Suzaka S, D Project Maebashi S and D Project Kakegawa S from Tokyo Century Corporation and Mitsubishi (collectively, the "**Previous Building Owner**") pursuant to a certain trust beneficial interest sale and purchase agreements, and additionally entrust the lands of D Project Nagano Suzaka S, D Project Maebashi S and D Project Kakegawa S to the Property Trustee.

  (ii) DHI shall entrust the buildings and the lands of DPL Sapporo Higashi-Kariki, DPL Sendai Port and DPL Koriyama to the Property Trustee.

  (iii) DHI shall entrust the building of DPL Okayama Hayashima 2 to the Property Trustee, and create for the Property Trustee a land leasehold right by executing a certain land leasehold right creation agreement.

- The purchase price of the TBIs (PSA (1)) are as follows:

DPL Sapporo Higashi-Kariki	JPY 10,520 million
DPL Sendai Port	JPY 11,580 million
DPL Koriyama	JPY 5,350 million
DPL Okayama Hayashima 2	JPY 1,750 million
D Project Nagano Suzaka S	JPY 2,400 million
D Project Maebashi S	JPY 3,170 million
D Project Kakegawa S	JPY 3,980 million

- TBIs (PSA (1)) shall be transferred from DHI to DH TMK upon the payment of the purchase price, but prior to the listing of DHLT.

- If there are any TBIs (PSA (1)) for which any condition precedent set out in the PSA (1) is not satisfied on the Closing Date, DH TMK may choose, before the closing, (i) to exclude those TBIs (PSA (1)) from the transaction (i.e., DH TMK may proceed with purchasing without those TBIs (PSA (1)) excluded) or (ii) not to pay the purchase price in relation to all of the TBIs (PSA (1)).

- On the Closing Date, but prior to the listing of DHLT, DHI shall, in cooperation with the Previous Building Owner and the Property Trustee, apply for the registration procedures, including the followings:

  (i) registration of the transfer of ownership and the creation of trust relating to the land and the building to be held by the Property Trustee; and

  (ii) registration of the creation of the leasehold right (*chinshaku ken*) and the creation of trust relating to the land leasehold right to be held by the Property Trustee (however, limited to the portion other than the land beneath the building).

[1] The Closing Date is prior to or on the Listing Date.

- DH TMK shall bear the registration tax and any and all other expenses related to the registration and the creation of trust.

- DHI shall, at its own expense, carry out restoration works for any damages (but limited to the damages which occur prior to the Closing Date) to the building of DPL Sendai Port arising from the earthquakes which occurred off the coast of Fukushima Prefecture on 13 February 2021 and off the coast of Miyagi Prefecture on 20 March 2021, and any and all damages, losses, costs, etc. (including, but not limited to, costs for the restoration works, etc., and compensation for tenant's business suspension and/or caused to DHLT from rent reduction for the rectification period, any losses and expenses due to claims by tenants in relation to the restoration works and/or any penalties, losses and costs arising from non-compliance with laws and regulations (if any)) incurred to the building, the Property Trustee or DH TMK arising out of or in connection with such damages or the restoration works, shall be borne by DHI to the extent claimed by DH TMK within 6 months from the date on which DH TMK receives the completion report of the restoration works, and DHI shall promptly reimburse DH TMK if DH TMK or the Property Trustee pays out with respect to such damages. The estimated costs for the restoration works has been ascertained, while the amount of compensation for tenant's business suspension will be fixed. For the avoidance of doubt, there is no cost limitation to the quantum of expense that the Sponsor has agreed to bear. Subject to ongoing negotiations between the Sponsor and each tenant of DPL Sendai Port, it is expected that the rectification works will be completed after the Listing Date, before the end of June 2022, provided, however, if the rectification works will not be completed by the above date due to reasons beyond the control of the Sponsor, then the Sponsor and DH TMK shall consult in good faith to determine the new date of completion of the rectification works.

- In the event that any matter requiring repair or other action has occurred prior to the Closing Date with respect to each real property in trust for the TBIs to be acquired by DH TMK and TK Operator (GK2) on the Closing Date (the "**REIT Properties**"), and such matter violates laws and regulations, or the possibility of such violation is undeniable (the "**Matters in Conflict with Laws and Regulations**"), the Seller shall, at its responsibility and expense, carry out repair work and other necessary measures (the "**Measures to Restore Legal Compliance**") as soon as practicable. Damages, losses, costs, etc. incurred to the REIT Properties, the Property Trustee, DH TMK or TK Operator (GK2) (the "**REIT Related Parties**") arising out of or in connection with the Matters in Conflict with Laws and Regulations or the Measures to Restore Legal Compliance (including, but not limited to, costs for the Measures to Restore Legal Compliance, compensation for tenant's business suspension, losses caused to the REIT Related Parties from rent reduction during the period for the Measures to Restore Legal Compliance, any losses and expenses due to claims by tenants in relation to the Measures to Restore Legal Compliance and/or any penalties, losses and costs arising from non-compliance with laws and regulations (if any)) shall be borne by the Sponsor to the extent claimed by the relevant REIT Related Parties within 6 months from the date on which the relevant REIT Related Parties receives the completion report of the Measures to Restore Legal Compliance, and the Sponsor shall promptly reimburse the relevant REIT Related Parties if such relevant REIT Related Parties pays out with respect to such damages.

- If any contractual non-conformance of the Properties exists, DH TMK may make: (i)(1) a claim for subsequent completion to conform with the content of the agreement or (2) a claim for a reduced of the purchase price in accordance with the degree of non-conformance; and (ii) a claim for compensation for the damage caused by that non-conformance to the extent of reasonable causation until two years have passed from the Closing Date.

- If DH TMK intends to transfer the TBI pursuant to this TBI PSA (1) or other beneficial interests held by DH TMK, DH TMK shall notify DHI in writing of such intention to transfer the TBI and provide DHI information regarding the property intended to be transferred prior to discussions or negotiations with a third party pursuant to DHI's right to be informed of such intention to transfer. For the avoidance of doubt, as DHI's right to be informed is a term of this TBI PSA (1), it does not have its own validity period and shall subsist for so long as the TBI PSA subsists.[1]

- DHI provides representations and warranties which are in line with the industry practice in Japan including, but not limited to:

  (i) Corporate matters of DHI including valid incorporation, authority to enter the agreement, enforceability, no breaches of laws, organisational documents and agreements, no consents required, no insolvency, financial conditions and true sale

  (ii) Title to the properties and no encumbrances

  (iii) No contractual non-conformance

  (iv) Boundaries

  (v) No litigation and disputes

  (vi) Non-existence of land expropriation proceedings

  (vii) Compliance with laws and regulations

  (viii) Due payment of tax and public charges

  (ix) No illegal occupants

  (x) accessibility to utility services

  (xi) Due performance of contractual obligations

  (xii) Disclosure of important information and correctness of such information

  (xiii) Leases

  (xiv) No other buildings

  (xv) Neighboring relations

  (xvi) Ownership of the TBIs (PSA (1)) and no encumbrances, etc.

[1] Apart from DHI's right to be informed, DH TMK does not have any other ongoing obligation under the terms of PSA (1) which will continue to subsist notwithstanding that the Sponsor may no longer be a controlling shareholder of the Manager. The Manager believes that this provision is beneficial to DHLT as it increases the opportunities to sell the TBI and at the same time, DH TMK is not prevented from selling the TBI to a third party.

PSA (2)

- On the Closing Date[1], DHI shall complete the following procedures, and then sell the TBIs for DPL Kawasaki Yako, DPL Okayama Hayashima, D Project Fukuoka Tobara S and D Project Iruma S (collectively, the "**TBIs (PSA (2))**") to TK Operator (GK2):

  (i) DHI shall acquire the TBI for DPL Kawasaki Yako from Mitsubishi pursuant to a certain trust beneficial interest sale and purchase agreement.

  (ii) DHI shall entrust the buildings of DPL Okayama Hayashima and D Project Fukuoka Tobara S to the Property Trustee, and create for the Property Trustee land sub-sub-leasehold rights by executing certain land sub-sub-leasehold right creation agreements.

  (iii) DHI shall entrust the land leasehold right and the building of D Project Iruma S to the Property Trustee.

- The purchase price of the TBIs (PSA (2)) are as follows:

DPL Kawasaki Yako	JPY 18,770 million
DPL Okayama Hayashima	JPY 3,650 million
D Project Fukuoka Tobara S	JPY 1,260 million
D Project Iruma S	JPY 2,430 million

- The TBIs (PSA (2)) shall be transferred from DHI to TK Operator (GK2) upon the payment of the purchase price, but prior to the listing of DHLT.

- If there are any TBIs (PSA (2)) for which any condition precedent set out in the PSA (2) is not satisfied on the Closing Date, TK Operator (GK2) may choose, before the closing, (i) to exclude those TBIs (PSA (2)) from the transaction (i.e., DH TMK may proceed with purchasing without those TBIs (PSA (2)) excluded) or (ii) not to pay the purchase price in relation to all of the TBIs (PSA (2)).

- On the Closing Date, but prior to the listing of DHLT, DHI shall, in cooperation with Mitsubishi and the Property Trustee, apply for the registration procedures, including the followings:

  (i) registration of the transfer of ownership and the creation of trust relating to the land and the building to be held by the Property Trustee; and

  (ii) registration of the creation or the change of the leasehold right (*chinshaku ken*) and the creation of trust relating to the land sub-sub-leasehold right to be held by the Property Trustee (however, limited to the portion other than the land beneath the building).

- TK Operator (GK2) shall bear the registration tax and any and all other expenses related to the registration and the creation of trust.

- If any contractual non-conformance of the Properties exists, TK Operator (GK2) may make: (i)(1) a claim for subsequent completion to conform with the content of the agreement or (2) a claim for a reduced of the purchase price in accordance with the degree of non-conformance; and (ii) a claim for compensation for the damage caused by that non-conformance to the extent of reasonable causation until two years have passed from the Closing Date.

[1] The Closing Date is prior to or on the Listing Date.

- If TK Operator (GK2) intends to transfer the TBI pursuant to this TBI PSA (2) or other beneficial interests held by TK Operator (GK2), TK Operator (GK2) shall notify DHI in writing of such intention to transfer the TBI and provide DHI information regarding the property intended to be transferred prior to discussions or negotiations with a third party pursuant to DHI's right to be informed of such intention to transfer. For the avoidance of doubt, as DHI's right to be informed is a term of this TBI PSA (2), it does not have its own validity period and shall subsist for so long as the TBI PSA subsists.[1]

- DHI provided representations and warranties which are in line with the industry practice in Japan including, but not limited to:

  (i) Corporate matters of DHI including valid incorporation, authority to enter the agreement, enforceability, no breaches of laws, organisational documents and agreements, no consents required, no insolvency, financial conditions and true sale

  (ii) Title to the properties and no encumbrances

  (iii) No contractual non-conformance

  (iv) Boundaries

  (v) No litigation and disputes

  (vi) Non-existence of land expropriation proceedings

  (vii) Compliance with laws and regulations

  (viii) Due payment of tax and public charges

  (ix) No illegal occupants

  (x) accessibility to utility services

  (xi) Due performance of contractual obligations

  (xii) Disclosure of important information and correctness of such information

  (xiii) Leases

  (xiv) No other buildings

  (xv) Neighboring relations

  (xvi) Ownership of the TBIs (PSA (2)) and no encumbrances, etc.

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1 Apart from DHI's right to be informed, TK Operator (GK2) does not have any other ongoing obligation under the terms of PSA (2) which will continue to subsist notwithstanding that the Sponsor may no longer be a controlling shareholder of the Manager. The Manager believes that this provision is beneficial to DHLT as it increases the opportunities to sell the TBI and at the same time, DH TMK is not prevented from selling the TBI to a third party.

PSA (3) and PSA (4)

- On the Closing Date[1], Mitsubishi shall entrust the land subleasehold rights and the buildings of D Project Kuki S and D Project Misato S to the Property Trustee, and then sell the TBIs for D Project Kuki S and D Project Misato S (collectively, the "**TBIs (PSA (3))**") to TK Operator (GK2).

- On the Closing Date, HC Capital Community shall entrust the land sub-subleasehold right and the building of DPL Shinfuji to the Property Trustee, and then sell the TBI for DPL Shinfuji (the "**TBI (PSA (4))**") to TK Operator (GK2).

- The purchase price of the TBIs (PSA (3)) and the TBI (PSA (4)) are as follows:

D Project Kuki S	JPY 1,346 million
D Project Misato S	JPY 1,668 million
DPL Shinfuji	JPY 3,194 million

- The TBIs (PSA (3)) and the TBI (PSA (4)) shall be transferred from DHI to TK Operator (GK2) upon the payment of the purchase price, but prior to the listing of DHLT.

- If there are any TBIs (PSA (3)) for which any condition precedent set out in the PSA (3) is not satisfied on the Closing Date, TK Operator (GK2) may choose, before the closing, (i) to exclude the TBI (PSA (3)) from the transaction (i.e., DH TMK may proceed with purchasing without those TBIs (PSA (3)) excluded) or (ii) not to pay the purchase price in relation to all of the TBIs (PSA (3)).

- If any condition precedent set out in the PSA (4) is not satisfied on the Closing Date, TK Operator (GK2) may choose not to pay the purchase price in relation to the TBI (PSA (4)) (i.e., the TBI (PSA (4)) will be excluded from the IPO Properties).

- On the Closing Date, but prior to the listing of DHLT, Mitsubishi/HC Capital Community shall, in cooperation with the Property Trustee, apply for the registration procedures, including the followings:

  (i) registration of the transfer of ownership and the creation of trust relating to the building to be held by the Property Trustee; and

  (ii) registration of the creation or the change of the leasehold right (*chinshaku ken*) and the creation of trust relating to the land sub-sub-leasehold right to be held by the Property Trustee, (however, limited to the portion other than the land beneath the building).

- TK Operator (GK2) shall bear the registration tax and any and all other expenses necessary for the registration.

- Mitsubishi/HC Capital Community shall not be liable for any contractual non-conformance with respect to the TBIs (PSA (3))/TBI (PSA (4)) or the properties.[1]

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1 The Closing Date is prior to or on the Listing Date.

2 Even though Mitsubishi/HC Capital Community does not assume the contractual non-conformance liability, TK Operator (GK2) can recover damages in relation to any breaches of representations and warranties with respect to the TBIs (PSA (3))/TBI (PSA (4)).

- Mitsubishi/HC Capital Community provides representations and warranties which are in line with the industry practice in Japan including, but not limited to:

  (i) Corporate matters of DHI including valid incorporation, authority to enter the agreement, enforceability, no breaches of laws, organisational documents and agreements, no consents required, no insolvency, financial conditions and true sale

  (ii) Title to the properties and no encumbrances

  (iii) No contractual non-conformance

  (iv) Boundaries

  (v) No litigation and disputes

  (vi) Non-existence of land expropriation proceedings

  (vii) Compliance with laws and regulations

  (viii) Due payment of tax and public charges

  (ix) No illegal occupants

  (x) accessibility to utility services

  (xi) Due performance of contractual obligations

  (xii) Disclosure of important information and correctness of such information

  (xiii) Leases

  (xiv) No other buildings

  (xv) Neighboring relations

  (xvi) Ownership of the TBIs (PSA (3))/TBI (PSA (4)) and no encumbrances, etc.

LAND LEASE AGREEMENTS

Background and Parties

The land lease agreements (including land sublease agreements and land sub-sublease agreements, collectively the "**Land Lease Agreements**") will on the Listing Date become effective[1] or be succeeded[2] to by the Property Trustee. The outline of the Land Lease Agreements are as follows:

Property	Type	Lessor	Lessee	New/ Succession
DPL Okayama Hayashima 2	Lease	DHI	Property Trustee	New
DPL Kawasaki Yako	Sublease	DHI	Property Trustee	Succession
DPL Okayama Hayashima	Sublease	DHI	Property Trustee	New
D Project Fukuoka Tobara S	Sub-sublease	DHI	Property Trustee	New
D Project Iruma S	Lease	DHI	Property Trustee	Succession
D Project Kuki S	Sublease	DHI	Property Trustee	Succession
D Project Misato S	Sublease	DHI	Property Trustee	Succession
DPL Shinfuji	Sub-Sublease	DHI	Property Trustee	Succession

Principal Terms of the Land Lease Agreements

The following sets out a summary of the principal terms of each of the Land Lease Agreements. Each Land Lease Agreement shall be governed by the laws of Japan and the court with jurisdiction over the location of the lessor shall be the court of jurisdiction for litigation in relation to this agreement.

DPL Okayama Hayashima 2

- DHI and the Property Trustee entered into the Conditional Land Lease Agreement on 9 November 2021.
- The main purpose of the lease is for the Property Trustee to own the building on the land.
- The term is a period of 30 years from 26 November 2021 until 25 November 2051. The term shall renew automatically for a period of 20 years, and the same shall apply thereafter, unless the lessee notifies that the lessee will not renew the lease by six months prior to the expiration of the term.

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1 The rent of first month will be computed on a daily basis and paid to seller who paid monthly rent in advance. As the Sponsor is the Superior Landlord of the Property Trustee in respect of the leasehold interests, the monthly rents are a fixed fee in addition to the rent paid by the Sponsor to the landlord.

2 The monthly rents are the same as those under the existing land lease agreements after they are succeeded to the Property Trustee.

- The monthly rent is JPY 4,580,000. The rent may be increased or decreased by mutual consultation and agreement between the lessor and the lessee, taking into account the economic situation and the rent, etc. for similar land in the vicinity[1].

- The Property Trustee shall deposit JPY 22,900,000 to DHI, its Superior Landlord, as a security deposit on the Closing Date[2].

- If the lessee fails to pay the rent for three consecutive months, then the lessor may terminate the agreement without notice.

- If the agreement ends, the lessee may vacate the land by (i) completely demolishing and removing the building; or (ii) transfer the ownership of the building to the lessor for an amount equivalent to the market value.

- The lessor shall comply with the following:

  (i) The lessor shall not transfer the land without the prior written consent of the lessee.

  (ii) The lessor shall not establish any right which prevents the full exercise of the land leasehold right and shall not give consent to any action which prevents complete exercise of the land leasehold right by the lessee.

- The lessor agrees in advance, without objection, that in the event of termination of the trust agreement, the building and the land leasehold right, which are the trust property of the trust, shall be transferred to the beneficiaries of the trust at that time.

- DHI shall represent and warrant that:

  (i) DHI has not (i) leased nor (ii) assigned the ownership interest in the land to a third party; and

  (ii) DHI has not consented to any person other than the Property Trustee acquiring and registering the land leasehold right.

- DHI shall comply with the provisions of the "Sale and Purchase Agreement regarding the Prefectural Asset" dated 27 October 2016 between DHI and Okayama Prefecture (including any subsequent amendments, etc.) and the Lessee shall provide the necessary cooperation to the Lessor.

- DHI shall indemnify or compensate the Property Trustee for any damage, losses or expenses (including reasonable attorney's fees) sustained as a result of or in connection with the breach of the agreement[3] (including the breach of representations and warranties under the agreement) to the extent of reasonable causation.

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1 Changes to the monthly rent are subject to the applicable Related Party Transaction requirements under Chapter 9 of the Listing Manual. (See "The Manager and Corporate Governance – Related Party Transactions" for further details).

2 As the amount of deposit paid is subject to negotiation and differs from case to case, there is no definite market practice amount. The Property Manager has generally agreed to deposit the amount equivalent to the amount deposited by the Sponsor to the landlord of each property. The same applies to other land lease agreements whose lessor is the Sponsor.

3 "breach of the agreement" includes the breach of the covenant in the agreement which requires DHI to obtain consent from the Property Trustee prior to the transfer of the land to a third party.

DPL Kawasaki Yako

- Pursuant to the Conditional Agreement regarding Land Sublease Right Assignment (Kawasaki Yako) entered into between DHI, Mitsubishi and the Property Trustee on 9 November 2021, the Property Trustee will on the Listing Date succeed to the status, rights and obligations of Mitsubishi as a sublessee under the Notary Deed of Agreement on the Establishment of a Fixed-term Land Sublease Right between DHI and Mitsubishi dated March 31, 2017 (as amended).

- The main purpose of the sublease is for the sublessee to own the business use building on the land.

- The term is from 31 March 2017 until 29 March 2067.[1] The term shall not be extended through the renewal or due to the construction of buildings under the Land Lease and Building Lease Law.

- The monthly rent is JPY 26,000,000. The rent shall not be revised.

- The Property Trustee shall deposit JPY 198,629,600 to DHI as a Deposit to superior landlord on the Closing Date.

- If (i) the sublessor delays the payment of rent to the landowner, or (ii) the sublessee reasonably determines that the sublessor will delay the payment of rent to the landowner, the sublessee may directly pay the rent to the landowner on behalf of the sublessor. If the sublessee has directly paid the rent to the landowner, the sublessee may set off the claim to the sublessor against the corresponding amount of rent payment liabilities owed by the sublessee.

- If the sublessee fails to pay the rent for three consecutive months, then the sublessor may terminate the agreement without notice.

- If the agreement to create the business use fixed-term land leasehold right between DHI and Toyo Glass Co., Ltd. expires, the sub-sublease agreement shall end simultaneously[2]. However, if the original agreement has been cancelled or terminated for reasons attributable to the sublessor, the sublessee may enter into a land lease agreement with Toyo Glass Co., Ltd. directly, at the liability of the sublessor and the sublessor is obliged to obtain the consent from Toyo Glass Co., Ltd.

- If the agreement ends, the sublessee shall return the land to the sublessor after removing the building and other structures from the land and restoring the land to its original state at the expenses of the sublessee.

- The sublessor shall comply with the following:

  (i) The sublessor shall properly perform and comply with its own obligations under the land lease agreement under which the sublessor has a land leasehold right[3].

  (ii) The sublessor shall maintain the land leasehold right being perfected.

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1 The lease term under the existing lease is until 31 May 2048, but the lease will be extended to 29 March 2067 on the Closing Date.

2 This arrangement does not contravene the rule under the Civil Code, which provides that when the land lease agreement between the landlord and the sub-lessor expires, the land sublease agreement between the sub-lessor and the sub-lessee will terminate as well. The duration of the business use fixed-term land lease between DHI and Toyo Glass Co., Ltd. is from 31 March 2017 to 29 March 2067. The sublease will terminate when the agreement between the lessor (the landlord) and the lessee (the sub-lessor) expires.

3 This provision ensures that rent payment by the Sponsor to its direct lessor is paid.

(iii) The sublessor shall not transfer the land leasehold right without the prior written consent of the sublessee.

(iv) The sublessor shall not establish any right which prevents the full exercise of the land subleasehold right, and shall not give consent to any action which prevents complete exercise of the land subleasehold right by the sublessee.

(v) The sublessor shall immediately notify the sublessee if there is a possibility that the sublessor fails to pay the rent to its direct landlord on the due date.

- The sublessor agrees in advance, without objection, that in the event of termination of the trust agreement, the building and the land subleasehold right, which are the trust property of the trust, shall be transferred to the beneficiaries of the trust at that time.

- DHI shall represent and warrant that:

  (i) DHI has not (i) subleased other than Mitsubishi nor (ii) assigned the land leasehold right to a third party; and

  (ii) DHI has not consented to any person other than the Property Trustee acquiring and registering the land subleasehold right.

- DHI shall indemnify or compensate the Property Trustee for any damage, losses or expenses (including reasonable attorney's fees) sustained as a result of or in connection with the breach of the agreement[1] (including the breach of representations and warranties under the agreement).

DPL Okayama Hayashima

- DHI and the Property Trustee entered into the Conditional Business Use Fixed-Term Land Sublease Right Creation Agreement on 9 November 2021.

- The main purpose of the sublease is for the sublessee to own the business use building on the land.

- The term is from 26 November 2021 (or other agreed day) to 29 April 2067. The term shall not be extended through the renewal or due to the construction of buildings under the Land Lease and Building Lease Law.

- The monthly rent is JPY 4,108,225. The rent shall be fixed until 15 March 2023, and thereafter it shall be determined upon consultation if the assessed value of fixed assets has been changed significantly every three year[2].

- The Property Trustee shall deposit JPY 18,500,235 to DHI, its Superior Landlord, as a security deposit on the Closing Date.

- If (i) the sublessor delays the payment of rent to the landowners, or (ii) the sublessee reasonably determines that the sublessor will delay the payment of rent to the landowners, the sublessee may directly pay the rent to the landowners on behalf of the sublessor. If the sublessee has directly paid the rent to the landowners, the sublessee may set off the claim to the sublessor against the corresponding amount of rent payment liabilities owed by the sublessee.

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1 "breach of the agreement" includes the breach of the covenant in the agreement which requires DHI to obtain consent from the Property Trustee prior to the transfer of the land leasehold right to a third party.

2 Changes to the monthly rent are subject to the applicable Related Party Transaction requirements under Chapter 9 of the Listing Manual. (See "The Manager and Corporate Governance – Related Party Transactions" for further details).

- If the sublessee delays the payment of rent that covers two months or longer, then the sublessor may terminate the agreement upon notice.

- If the agreement to create the business use fixed-term land leasehold right between DHI and the landowners expires, the sublease agreement shall end simultaneously.[1] However, if the original agreement has been cancelled or terminated for reasons attributable to the sublessor, the sublessee may enter into a land lease agreement with the landowners directly, at the liability of the sublessor and the sublessor shall make an effort to obtain the consent from the landowners.

- If the agreement ends, the sublessee shall restore the land to its original condition and vacate it to the sublessor.

- The sublessor shall comply with the following:

  (i) The sublessor shall properly perform and comply with its own obligations under the land lease agreement under which the sublessor has a land leasehold right.[2]

  (ii) The sublessor shall maintain the land leasehold right being perfected.

  (iii) The sublessor shall not transfer the land leasehold right without the prior written consent of the sublessee.

  (iv) The sublessor shall not establish any right which prevents the full exercise of the land subleasehold right, and shall not give consent to any action which prevents complete exercise of the land subleasehold right by the sublessee.

  (v) The sublessor shall immediately notify the sublessee if there is a possibility that the sublessor fails to pay the rent to its direct landlord on the due date.

- The sublessor agrees in advance, without objection, that in the event of termination of the trust agreement, the building and the land subleasehold right, which are the trust property of the trust, shall be transferred to the beneficiaries of the trust at that time.

- DHI shall represent and warrant that:

  (i) DHI has not (i) subleased nor (ii) assigned the land leasehold right to a third party; and

  (ii) DHI has not consented to any person other than the Property Trustee acquiring and registering the land subleasehold right.

- DHI shall indemnify or compensate the Property Trustee for any damage, losses or expenses (including reasonable attorney's fees) sustained as a result of or in connection with the breach of the agreement[3] (including the breach of representations and warranties under the agreement) to the extent of reasonable causation.

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1 This arrangement does not contravene the rule under the Civil Code, which provides that when the land lease agreement between the landlord and the sub-lessor expires, the land sublease agreement between the sub-lessor and the sub-lessee will terminate as well. The duration of the business use fixed-term land lease between DHI and the landowners is from 21 February 2019 to 29 September 2067. The sublease will terminate when the agreement between the lessor (the landlord) and the lessee (the sub-lessor) expires.

2 This provision ensures that rent payment by the Sponsor to its direct lessor is paid.

3 "breach of the agreement" includes the breach of the covenant in the agreement which requires DHI to obtain consent from the Property Trustee prior to the transfer of the land leasehold right to a third party.

D Project Fukuoka Tobara S

- DHI and the Property Trustee entered into the Conditional Business Use Fixed-Term Land Sub-sublease Right Creation Agreement on 9 November 2021.

- The main purpose of the sub-sublease is for the sub-sublessee to own the business use building on the land.

- The term is from 26 November 2021 (or other agreed day) to 30 March 2068. The term shall not be extended through the renewal or due to the construction of buildings under the Land Lease and Building Lease Law.

- The monthly rent is JPY 2,631,958. The rent shall be fixed until March 31, 2024, and thereafter it may be revised upon consultation between the parties[1].

- The Property Trustee shall deposit JPY 18,783,125 to DHI, its Superior Landlord, as a security deposit on the Closing Date.

- If (i) the sub-sublessor delays the payment of rent to the sublessor, or (ii) the sub-sublessee reasonably determines that the sub-sublessor will delay the payment of rent to the sublessor, the sub-sublessee may directly pay the rent to the sublessor on behalf of the sub-sublessor. If the sub-sublessee has directly paid the rent to the sublessor, the sub-sublessee may set off the claim to the sub-sublessor against the corresponding amount of rent payment liabilities owed by the sub-sublessee.

- If the sub-sublessee fails to pay the rent for two months or on two or more occasions, then the sub-sublessor may terminate the agreement upon notice.

- If the agreement to create the business use fixed-term land subleasehold right between DHI and Tobara Co., Ltd. expires, the sub-sublease agreement shall end simultaneously[2]. However, if the original agreement has been cancelled or terminated for reasons attributable to the sub-sublessor, the sub-sublessee may enter into a land sublease agreement with Tobara Co., Ltd. directly, at the liability of the sub-sublessor and the sub-sublessor shall make an effort to obtain the consent from Tobara Co., Ltd.

- If the agreement ends, the sub-sublessee shall promptly remove the building and structures installed on the land, parking facilities, equipment, signage, etc., return the land to its original state and vacate it to the sub-sublessor.

- The sub-sublessor shall comply with the following:

  (i) The sub-sublessor shall properly perform and comply with its own obligations under the land sublease agreement under which the sub-sublessor has a land subleasehold right.[3]

  (ii) The sub-sublessor shall maintain the land subleasehold right being perfected.

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1 Changes to the monthly rent are subject to the applicable Related Party Transaction requirements under Chapter 9 of the Listing Manual. (See “The Manager and Corporate Governance – Related Party Transactions” for further details).

2 This arrangement does not contravene the rule under the Civil Code, which provides that when the land lease agreement between the landlord and the sub-lessor expires, the land sublease agreement between the sub-lessor and the sub-lessee will terminate as well. The duration of the business use fixed-term land lease between DHI and Tobara Co., Ltd. is from 1 April 2018 to 30 March 2068. The sub-sublease will terminate when the agreement between the lessor (the landlord) and the lessee (the sub-lessor) expires.

3 This provision ensures that rent payment by the Sponsor to its direct lessor is paid.

(iii) The sub-sublessor shall not transfer the land subleasehold right without the prior written consent of the sub-sublessee.

(iv) The sub-sublessor shall not establish any right which prevents the full exercise of the land sub-subleasehold right, and shall not give consent to any action which prevents complete exercise of the land sub-subleasehold right by the sub-sublessee.

(v) The sub-sublessor shall immediately notify the sub-sublessee if there is a possibility that the sub-sublessor fails to pay the rent to its direct landlord on the due date.

- The sub-sublessor agrees in advance, without objection, that in the event of termination of the trust agreement, the building and the land sub-subleasehold right, which are the trust property of the trust, shall be transferred to the beneficiaries of the trust at that time.

- DHI shall represent and warrant that:

(i) DHI has not (i) subleased nor (ii) assigned the land leasehold right to a third party; and

(ii) DHI has not consented to any person other than the Property Trustee acquiring and registering the land subleasehold right.

- DHI shall indemnify or compensate the Property Trustee for any damage, losses or expenses (including reasonable attorney's fees) sustained as a result of or in connection with the breach of the agreement[1] (including the breach of representations and warranties under the agreement) to the extent of reasonable causation.

D Project Iruma S

By way of background, DHI will purchase the freehold title in the land of D Project Iruma S from Yuasa and succeed to the status, rights and obligations of Yuasa as the new lessor immediately after the assignment of the Leasehold Interest from DHI to DHLT. DHI will apply for registration of the transfer of freehold title in the land and the transfer will be deemed to be perfected on the date of application, which will be on the Closing Date, such registration to be completed as a matter of course subject to the submission of all relevant documents.

- Pursuant to the Conditional Agreement regarding Land Lease Right Assignment (D Project Iruma S) entered into between Yuasa, DHI and the Property Trustee on 9 November 2021, (i) the Property Trustee succeeds to the status, rights and obligations of DHI as a lessee and (ii) DHI succeeds to the status, rights and obligations of Yuasa[2] as a lessor, under the Notarial Instrument for Creation of Business Use Fixed-Term Land Lease Right between Yuasa and DHI dated December 19, 2017 (as amended).

- The main purpose of the lease is for the lessee to own the business use building on the land.

- The term is from January 1, 2018 until December 31, 2048. The term shall not be extended through the renewal or due to the construction of buildings under the Land Lease and Building Lease Law.

- The monthly rent is JPY 3,485,000. The rent may be revised by mutual agreement between the parties only when the amount of rent becomes extremely unreasonable every five years[3].

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[1] "breach of the agreement" includes the breach of the covenant in the agreement which requires DHI to obtain consent from the Property Trustee prior to the transfer of the land subleasehold right to a third party.

[2] Yuasa Trading Co., Ltd. is not a related party of the Sponsor.

[3] Changes to the monthly rent are subject to the applicable Related Party Transaction requirements under Chapter 9 of the Listing Manual. (See "The Manager and Corporate Governance – Related Party Transactions" for further details).

- DHI has deposited JPY 20,910,000 to Yuasa, its superior landlord, as a security deposit, and the Property Trustee shall pay the equivalent amount to DHI, the Property Trustee's Superior Landlord, on the Closing Date.

- If the lessee fails to pay the rent for two months or on two or more occasions, then the lessor may terminate the agreement upon notice.

- During the period following the termination of the agreement in which demolition works on the building are ongoing (approximately four months, up to a maximum of six months), rent shall not be charged, and the lessee shall return the land to its original condition and vacate it to the lessor by May 31, 2049 (scheduled).

- The lessor shall comply with the following:

  (i) The lessor shall not transfer the land without the prior written consent of the lessee.

  (ii) The lessor shall not establish any right which prevents the full exercise of the land leasehold right, and shall not give consent to any action which prevents complete exercise of the land leasehold right by the lessee.

- The lessor agrees in advance, without objection, that in the event of termination of the trust agreement, the building and the land leasehold right, which are the trust property of the trust, shall be transferred to the beneficiaries of the trust at that time.

- DHI shall indemnify or compensate the Property Trustee for any damage, losses or expenses (including reasonable attorney's fees) sustained as a result of or in connection with the breach of the agreement[1] to the extent of reasonable causation.

D Project Kuki S

- Pursuant to the Conditional Agreement regarding Land Sublease Right Assignment (D Project Kuki S) entered into between DHI, Mitsubishi and the Property Trustee on 9 November 2021, the Property Trustee succeeds to the status, rights and obligations of Mitsubishi as a sublessee under the Notarial Instrument for Creation of Business Use Fixed-Term Land Sublease Right between DHI and Mitsubishi dated July 24, 2014 (as amended).

- The main purpose of the sublease is for the sublessee to own the business use building on the land.

- The term is 20 years, from August 1, 2014 until July 31, 2034. The term shall not be extended through the renewal or due to the construction of buildings under the Land Lease and Building Lease Law.

- The monthly rent is JPY 2,361,700. The rent shall not be revised.

- Mitsubishi has deposited JPY 14,170,200 to DHI, its superior landlord, as a security deposit, and the Property Trustee shall pay the equivalent amount to Mitsubishi on the Closing Date.

- If (i) the sublessor delays the payment of rent to the landowner, or (ii) the sublessee reasonably determines that the sublessor will delay the payment of rent to the landowner, the sublessee may directly pay the rent to the landowner on behalf of the sublessor. If the sublessee has directly paid the rent to the landowner, the sublessee may set off the claim to the sublessor against the corresponding amount of rent payment liabilities owed by the sublessee.

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[1] "breach of the agreement" includes the breach of the covenant in the agreement which requires DHI to obtain consent from the Property Trustee prior to the transfer of the land to a third party.

- If the sublessee fails to pay the rent for three consecutive months, then the sublessor may terminate the agreement without notice.

- If the agreement to create the business use fixed-term land leasehold right between DHI and SAITAMA SUBARU KK expires, the sub-sublease agreement shall end simultaneously[1]. However, if the original agreement has been cancelled or terminated for reasons attributable to the sublessor, the sublessee may enter into a land lease agreement with SAITAMA SUBARU KK directly, at the liability of the sublessor and the sublessor is obliged to obtain the consent from SAITAMA SUBARU KK.

- If the agreement ends, the sublessee shall return the land to the sublessor after removing the building and other structures from the land and restoring the land to its original state at the expenses of the sublessee.

- The sublessor shall comply with the following:

  (i) The sublessor shall properly perform and comply with its own obligations under the land lease agreement under which the sublessor has a land leasehold right.[2]

  (ii) The sublessor shall maintain the land leasehold right being perfected.

  (iii) The sublessor shall not transfer the land leasehold right without the prior written consent of the sublessee.

  (iv) The sublessor shall not establish any right which prevents the full exercise of the land subleasehold right, and shall not give consent to any action which prevents complete exercise of the land subleasehold right by the sublessee.

  (v) The sublessor shall immediately notify the sublessee if there is a possibility that the sublessor fails to pay the rent to its direct landlord on the due date.

- The sublessor agrees in advance, without objection, that in the event of termination of the trust agreement, the building and the land subleasehold right, which are the trust property of the trust, shall be transferred to the beneficiaries of the trust at that time.

- DHI shall represent and warrant that:

  (i) DHI has not (i) subleased other than Mitsubishi nor (ii) assigned the land leasehold right to a third party; and

  (ii) DHI has not consented to any person other than the Property Trustee acquiring and registering the land subleasehold right.

- DHI shall indemnify or compensate the Property Trustee for any damage, losses or expenses (including reasonable attorney's fees) sustained as a result of or in connection with the breach of the agreement[3] (including the breach of representations and warranties under the agreement) to the extent of reasonable causation.

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1 This arrangement does not contravene the rule under the Civil Code, which provides that, when the land lease agreement between the landlord and the sub-lessor expires, the land sublease agreement between the sub-lessor and the sub-lessee will terminate as well. The duration of the business use fixed-term land lease between DHI and Saitama Subaru KK is from 1 August 2014 to 31 July 2034. The sublease will terminate when the agreement between the lessor (the landlord) and the lessee (the sub-lessor) expires.

2 This provision ensures that rent payment by the Sponsor to its direct lessor is paid

3 "breach of the agreement" includes the breach of the covenant in the agreement which requires DHI to obtain consent from the Property Trustee prior to the transfer of the land leasehold right to a third party.

D Project Misato S

- Pursuant to the Conditional Agreement regarding Land Sublease Right Assignment (D Project Misato S) entered into between DHI, Mitsubishi and the Property Trustee on 9 November 2021, the Property Trustee succeeds to the status, rights and obligations of Mitsubishi as a sublessee under the Notarial Instrument for Creation of Business Use Fixed-Term Land Sublease Right between DHI and Mitsubishi dated February 13, 2015 (as amended).

- The main purpose of the sublease is for the sublessee to own the business use building on the land.

- The term is 30 years, from 15 February 2015 until 14 February 2045.[1] The term shall not be extended through the renewal or due to the construction of buildings under the Land Lease and Building Lease Law.

- The monthly rent is JPY 6,459,000. The rent shall not be revised.

- Mitsubishi has deposited JPY 38,754,000 to DHI, its superior landlord, as a security deposit, and the Property Trustee shall pay the equivalent amount to Mitsubishi on the Closing Date.

- If (i) the sublessor delays the payment of rent to the landowners, or (ii) the sublessee reasonably determines that the sublessor will delay the payment of rent to the landowners, the sublessee may directly pay the rent to the landowners on behalf of the sublessor. If the sublessee has directly paid the rent to the landowners, the sublessee may set off the claim to the sublessor against the corresponding amount of rent payment liabilities owed by the sublessee.

- If the sublessee fails to pay the rent for three consecutive months, then the sublessor may terminate the agreement without notice.

- If the agreements to create the business use fixed-term land leasehold right between DHI and the landowners expire, the sub-sublease agreement shall end simultaneously[2]. However, if the original agreements have been cancelled or terminated for reasons attributable to the sublessor, the sublessee may enter into land lease agreements with the landowners directly, at the liability of the sublessor and the sublessor is obliged to obtain the consent from the landowners.

- If the agreement ends, the sublessee shall return the land to the sublessor after removing the building and other structures from the land and restoring the land to its original state at the expenses of the sublessee.

- The sublessor shall comply with the following:

  (i) The sublessor shall properly perform and comply with its own obligations under the land lease agreement under which the sublessor has a land leasehold right.[3]

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1 The lease term under the existing lease is until 14 February 2035, but the lease will be extended to 14 February 2045 on the Closing Date.

2 This arrangement does not contravene the rule under the Civil Code, which provides that when the land lease agreement between the landlord and the sub-lessor expires, the land sublease agreement between the sub-lessor and the sub-lessee will terminate as well. The duration of the business use fixed-term land lease between DHI and the landowner is from 15 February 2015 to 14 February 2045. The sublease will terminate when the agreement between the lessor (the landlord) and the lessee (the sub-lessor) expires.

3 This provision ensures that rent payment by the Sponsor to its direct lessor is paid.

(ii) The sublessor shall maintain the land leasehold right being perfected.

(iii) The sublessor shall not transfer the land leasehold right without the prior written consent of the sublessee.

(iv) The sublessor shall not establish any right which prevents the full exercise of the land subleasehold right, and shall not give consent to any action which prevents complete exercise of the land subleasehold right by the sublessee.

(v) The sublessor shall immediately notify the sublessee if there is a possibility that the sublessor fails to pay the rent to its direct landlord on the due date.

- The sublessor agrees in advance, without objection, that in the event of termination of the trust agreement, the building and the land subleasehold right, which are the trust property of the trust, shall be transferred to the beneficiaries of the trust at that time.

- DHI shall represent and warrant that:

  (i) DHI has not (i) subleased other than Mitsubishi nor (ii) assigned the land leasehold right to a third party; and

  (ii) DHI has not consented to any person other than the Property Trustee acquiring and registering the land subleasehold right.

- DHI shall indemnify or compensate the Property Trustee for any damage, losses or expenses (including reasonable attorney's fees) sustained as a result of or in connection with the breach of the agreement[1] (including the breach of representations and warranties under the agreement) to the extent of reasonable causation.

DPL Shinfuji

- Pursuant to the Conditional Agreement regarding Land Sublease Right Assignment (DPL Shinfuji) entered into between DHI, HC Capital Community and the Property Trustee on 9 November 2021, the Property Trustee succeeds to the status, rights and obligations of HC Capital Community as a sub-sublessee under the Notarial Instrument for Creation of Business Use Fixed-Term Land Sub-sublease Right between DHI and HC Capital Community dated September 15, 2017 (as amended).

- The main purpose of the sub-sublease is for the sub-sublessee to own the business use building on the land.

- The term is from September 20, 2017 until March 31, 2065. The term shall not be extended through the renewal or due to the construction of buildings under the Land Lease and Building Lease Law.

- The monthly rent is JPY 5,804,195. The rent shall be revised every 10 years from the commencement date of the term, and the parties shall decide the rent upon discussion in consideration of taxes and public dues and fire insurance premiums on the land and the building, and changes in the long-term prime rate for 10 years[2].

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[1] "breach of the agreement" includes the breach of the covenant in the agreement which requires DHI to obtain consent from the Property Trustee prior to the transfer of the land leasehold right to a third party.

[2] Changes to the monthly rent are subject to the applicable Related Party Transaction requirements under Chapter 9 of the Listing Manual. (See "The Manager and Corporate Governance – Related Party Transactions" for further details).

- HC Capital Community has deposited JPY 34,825,170 to DHI, its superior landlord, as a security deposit, and the Property Trustee shall pay the equivalent amount to HC Capital Community on the Closing Date.

- If (i) the sub-sublessor delays the payment of rent to the sublessor, or (ii) the sub-sublessee reasonably determines that the sub-sublessor will delay the payment of rent to the sublessor, the sub-sublessee may directly pay the rent to the sublessor on behalf of the sub-sublessor. If the sub-sublessee has directly paid the rent to the sublessor, the sub-sublessee may set off the claim to the sub-sublessor against the corresponding amount of rent payment liabilities owed by the sub-sublessee and the sub-sublessor shall make an effort to obtain the consent from Shinfuji Inter Butsuryu Danchi GK and Maruhato Co., Ltd.

- If the sub-sublessee fails to pay the rent for three consecutive months, then the sub-sublessor may terminate the agreement without notice.

- If (i) the agreement to create the business use fixed-term land subleasehold right between DHI and Shinfuji Inter Butsuryu Danchi GK and (ii) the agreement to create the business use fixed-term land leasehold right between DHI and Maruhato Co., Ltd. expire, the sub-sublease agreement shall end simultaneously[1]. However, if the original agreements have been cancelled or terminated for reasons attributable to the sub-sublessor, the sub-sublessee may enter into land sublease agreements with Shinfuji Inter Butsuryu Danchi GK and Maruhato Co., Ltd. directly, at the liability of the sub-sublessor and the sublessor is obliged to obtain the consent from Shinfuji Inter Butsuryu Danchi GK and Maruhato Co., Ltd.

- If the agreement ends, the sub-sublessee shall return the land to the sub-sublessor after removing the building and other structures from the land and restoring the land to its original state at the expenses of the sub-sublessee.

- The sub-sublessor shall comply with the following:

  (i) The sub-sublessor shall properly perform and comply with its own obligations under the land sublease agreement under which the sub-sublessor has a land subleasehold right.[2]

  (ii) The sub-sublessor shall maintain the land subleasehold right being perfected.

  (iii) The sub-sublessor shall not transfer the land subleasehold right without the prior written consent of the sub-sublessee.

  (iv) The sub-sublessor shall not establish any right which prevents the full exercise of the land sub-subleasehold right, and shall not give consent to any action which prevents complete exercise of the land sub-subleasehold right by the sub-sublessee.

  (v) The sub-sublessor shall immediately notify the sub-sublessee if there is a possibility that the sub-sublessor fails to pay the rent to its direct landlord on the due date.

- The sub-sublessor agrees in advance, without objection, that in the event of termination of the trust agreement, the building and the land sub-subleasehold right, which are the trust property of the trust, shall be transferred to the beneficiaries of the trust at that time.

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1 This arrangement does not contravene the rule under the Civil Code, which provides that when the land lease agreement between the landlord and the sub-lessor expires, the land sublease agreement between the sub-lessor and the sub-lessee will terminate as well. The land lease between DHI and the landowner will terminate on 31 March 2065. The sublease will terminate when the agreement between the lessor (the landlord) and the lessee (the sub-lessor) expires.

2 This provision ensures that rent payment by the Sponsor to its direct lessor is paid.

- DHI shall represent and warrant that:

  (i) DHI has not (i) sub-subleased other than HC Capital Community nor (ii) assigned the land subleasehold right to a third party; and

  (ii) DHI has not consented to any person other than the Property Trustee acquiring and registering the land sub-subleasehold right.

- DHI shall indemnify or compensate the Property Trustee for any damage, losses or expenses (including reasonable attorney's fees) sustained as a result of or in connection with the breach of the agreement[1] (including the breach of representations and warranties under the agreement) to the extent of reasonable causation.

[1] "breach of the agreement" includes the breach of the covenant in the agreement which requires DHI to obtain consent from the Property Trustee prior to the transfer of the land subleasehold right to a third party.

TK AGREEMENTS

TK GK1 Agreement

Background

On 9 November 2021, SG SPC 2 and TK Operator (GK1) entered into a TK agreement to appoint TK Operator (GK1) as the TK Operator for SG SPC 2 in respect of 50.1% of preferred shares of DH TMK.

Key Terms of the TK GK1 Agreement

The following sets out a summary of the key terms of the TK GK1 Agreement.

Scope of TK operations and business	• TK Operator shall operate the TK business for the purpose of maximizing TK Investor's profit, and shall distribute the profit or loss to TK Investor in accordance with the terms of the TK agreement. TK Operator and TK Investor confirm that the TK business is for the purpose of investing in the beneficial interest, and that it is not for the purpose of directly investing in the real property. TK Operator shall not conduct any business other than the TK business. • TK Operator shall conduct the TK business by executing the asset management agreement that is a discretionary investment agreement with asset manager and entrusting asset manager with full authority to manage the capital contribution pursuant to the TK agreement (including investment decisions based on analysis of the value, etc. of securities that are the capital contribution investment targets).
Term	The initial term of the TK agreement shall commence on the execution date of the TK agreement, and shall be automatically renewed for a successive one year period unless TK Investor gives written notice to TK Operator. However, (i) if all of the preferred shares are disposed by sales or any other method and TK Operator has received the consideration of such disposal, or (ii) if all of the preferred shares are redeemed by capital reduction, the TK agreement shall automatically terminate at that point in time.
Termination[1]	The TK agreement can be terminated if TK Investor or TK Operator materially breach any provision of the TK agreement which has a material adverse effect on the TK business, where such breach cannot be cured etc.
Governing Law	Japan
Dispute Resolution	The parties agree that the Tokyo District Court shall have exclusive jurisdiction.

[1] Apart from the termination clauses, the party who suffers damages due to breach of contractual obligation by the counterparty may make a claim against the breaching party under the Civil Code.

TK GK2 Agreement

Background

On 9 November 2021, DH TMK and TK Operator (GK2) entered into a TK agreement to appoint TK Operator (GK2) as the TK Operator for the TK business, in respect of which DH TMK is the TK Investor in respect of each of the GK2 Properties. TK Operator (GK2) is responsible for holding the GK2 Properties and managing their day-to-day operations.

Key Terms of the TK GK2 Agreement

The following sets out a summary of the key terms of the TK GK2 Agreement.

Scope of TK operations and business	• TK Operator shall operate the TK business for the purpose of maximizing TK Investor's profit, and shall distribute the profit or loss to TK Investor in accordance with the terms of the TK agreement. TK Operator and TK Investor confirm that the TK business is for the purpose of investing in the beneficial interest, and that it is not for the purpose of directly investing in the real property. TK Operator shall not conduct any business other than the TK business. • TK Operator shall conduct the TK business by executing the asset management agreement that is a discretionary investment agreement with asset manager and entrusting asset manager with full authority to manage the Capital Contribution pursuant to the TK agreement (including investment decisions based on analysis of the value, etc. of securities that are the capital contribution investment targets). • TK Operator may not change the assets that are the object of the TK business by additionally acquiring assets that are the object of the TK business or by adding the property of TK Operator or property pertaining to a *tokumei kumiai* agreement other than the TK agreement or a partnership agreement under the Civil Code to assets that are the object of the Business. • If TK Operator and the asset manager intend to carry out the following matters in relation to TK Operator or the TK business, TK Operator shall give written notice to TK Investor. If TK Investor disagrees with such matter, it shall submit to TK Operator an opinion opposing such matter, and in such case TK Operator may not, and may not cause the asset manager to, carry out such matter. Notwithstanding the above, this shall not apply if the following matters shall be done subject to the lender etc.'s instructions pursuant to the loan and specified bond related agreements.

TK Investor's Veto Right	If TK Operator and the Japan Asset Manager intend to carry out the following matters in relation to TK Operator or the TK business, TK Operator shall give written notice to TK Investor. If TK Investor disagrees with such matter, it shall submit to TK Operator an opinion opposing such matter, and in such case TK Operator may not, and may not cause the Japan Asset Manager to, carry out such matter. Notwithstanding the above, this shall not apply if the following matters shall be done subject to the lender etc.'s instructions pursuant to the loan and specified bond related agreements. (a) Amendment of the articles of incorporation (b) Cessation or Change of the Business (c) Winding up, liquidation or dissolution (d) Changes in the equity capital structure (e) Distribution of surplus to members or changes to the dividend distribution policies (f) Issuance of securities or derivative transaction (g) Incurring and/or repayment before maturity of borrowings (h) The sale, creation of a security interest over (however, this excludes the creation of security for which the secured party is a person who lends to TK Investor; the same applies hereinafter in this subparagraph), or other disposition of the Beneficial Interest, or giving instructions to the property trustee regarding the sale, creation of a security interest over, or other disposition of the real property. (i) Giving instructions to the property trustee regarding capital investments and other capital expenditures for the real property. (j) Entering into *tokumei kumiai* agreements with other investors. (k) Entry into (including renewal) or termination of, or any amendment of the terms of any, or waiver of any rights under any, interested party transactions (having the meaning set forth in section 5 of Appendix 6 of the Code on Collective Investment Schemes (as amended from time to time) issued by the Monetary Authority of Singapore).

	(l) (i) Material amendment to, (ii) cancellation by agreement of, (iii) exercise of, waiver of, or failure to exercise, the cancellation right under, (iv) waiver of the rights or remedies against the other parties who have breached their obligations, or waiving or excusing such breach of obligations under, or (v) issuance or non-issuance of a notice of refusal to renew the Asset Management Agreement (including its successor agreement) or any other material agreements which the TK Operator is a party. (m) Giving instructions to the property trustee or the master lessee regarding the response to be provided to the tenants in breach of obligations under the master lease agreement of the real properties. (n) Merger, corporate split, conversion to a different entity, disposal of business, acquisition of business, or business alliance. (o) Establishment of an affiliate, and merger, corporate split, dissolution, disposal of business, or acquisition of business at the level of an affiliate.
Term	The initial term of the TK agreement shall commence on the execution date of the TK agreement, and shall be automatically renewed for a successive one year period unless TK Investor gives written notice to TK Operator. However, if all of the beneficial interest or the real property is sold and TK Operator has received the proceeds thereof or a trust distribution pertaining to such proceeds, the TK agreement shall automatically terminate at that point in time. Notwithstanding any other terms and conditions or provisions in the TK agreement, during the effective term of the loan agreement etc., except where required by applicable laws, TK Operator and TK Investor shall have no right to terminate the TK agreement without prior written consent of the lender etc. to the extent such termination would constitute a breach of the provisions of the loan agreement etc.
TK Investor's notice of intention	TK Investor may notify its intention regarding the matters prescribed in (h), (l) or (m) of the above in writing to TK Operator. TK Operator shall promptly notify TK Investor's intention to Japan Asset Manager if TK Operator receive such notification. TK Operator shall respect, and shall cause Japan Asset Manager to, respect TK Investor's intention and make efforts to conduct the notified matters, but shall not be bound by such intention.
Termination[1]	The TK agreement can be terminated if TK Investor or TK Operator materially breach any provision of the TK agreement which has a material adverse effect on the TK business, where such breach cannot be cured etc.
Governing Law	Japan
Dispute Resolution	The parties agree that the Tokyo District Court shall have exclusive jurisdiction.

[1] Apart from the termination clauses, the party who suffers damages due to breach of contractual obligation by the counterparty may make a claim against the breaching party under the Civil Code.

GROUP BRANDS AGREEMENTS

Pursuant to the Master Agreement for Group Brands (Endless Heart) dated 23 March 2021 between the Sponsor and the Manager (the "**Master Brand Agreement**"), the Manager shall be permitted to use the Group Brands (defined herein) as a symbol of the group in accordance with the operation regulations which the Sponsor shall prepare for the Group Brands. "Group Brands" is defined in the Master Brand Agreement as the Group Symbols (which means any prescribed symbols that are shared and used by the Group Companies to symbolise the Group, including "Endless Heart"), Corporate Symbols (which means any prescribed symbols that are used by each of the Group Companies to symbolise each of the Group Companies as being a member of the Group, including "Endless Heart") and any other marks related thereto. The "Group Companies" is defined in the Master Brand Agreement as the Sponsor, the Sponsor's consolidated subsidiaries and affiliated companies under the application of equity methods, or investment entities that are established and invested by the Sponsor under the Investment Trust and Investment Corporation Act, all of which will introduce the Group Symbols and Corporate Symbols.

The Master Brand Agreement shall remain effective from 23 March 2021 until the Manager ceases to use the Group Brands except where the Master Brand Agreement is terminated pursuant to the provisions in the contract regarding the cancellation of contract. If the Manager ceases to be a member of the Group Companies, the Sponsor may immediately cancel the Master Brand Agreement without any demand to the Manager. In the event that the Manager breaches each of the terms of this agreement, and that the cure of such breach is demanded in writing but is not cured within a specified period of time after such demand, the Sponsor may terminate this Master Brand Agreement. No fees or termination fees is payable to the Sponsor by the Manager pursuant to the Master Brand Agreement. The Master Brand Agreement shall be governed by the laws of Japan, and all disputes shall be submitted to the Osaka District Court.

Pursuant to the Memorandum of Understanding in respect of the Master Agreement for Group Brands (Endless Heart) dated 23 March 2021 between the Sponsor and the Manager, the Manager may use the Group Brands (as defined in the Master Agreement for Group Brands (Endless Heart) dated 23 March 2021) on the DHLT's website and company introduction brochure and other tools (the "**Tools**") to potential customers and other related companies, subject to the following conditions:

(i) the Manager shall create the Tools;

(ii) the Manager shall not provide data files of Group Brands to DHLT; and

(iii) the Manager shall make DHLT comply with the contents of the Master Brand Agreement.

The Memorandum of Understanding is with effect from 23 March 2021 and will remain effective up to the expiration date of the Master Brand Agreement. The Sponsor may terminate without any demand to the Manager the Memorandum of Understanding (i) if the Manager ceases to provide real estate investment trust management service to DHLT, or (ii) if it is found that the Manager or DHLT breaches any term of the memorandum. No fees or termination fees will be paid to the Sponsor by the Manager pursuant to the Memorandum of Understanding.

SOLAR POWER FACILITIES INSTALLATION AGREEMENTS

Background

The Property Trustee and Daiwa Energy, a wholly-owned subsidiary of the Sponsor, had on 9 November 2021 entered into the Solar Power Facilities Installation Agreements in relation to the properties, namely, DPL Sendai Port, DPL Koriyama, D Project Maebashi S, DPL Kawasaki Yako, D Project Nagano Suzaka S, DPL Shinfuji, D Project Kakegawa S, DPL Okayama Hayashima, DPL Okayama Hayashima 2, D Project Fukuoka Tobara S. Pursuant to the Solar Power Facilities Installation Agreements, Daiwa Energy will lease the roof-tops of the abovementioned properties to operate the solar panels which generate electricity with an aggregate capacity of 13.5MW.

Key Terms of the Solar Power Facilities Installation Agreements

The following sets out a summary of the key terms of the Solar Power Facilities Installation Agreements.

Term	The term of each Solar Power Facilities Installation Agreements shall commence on 26 November 2021 (the "**Agreement Term Start Date**") and end on (i) (in respect of DPL Sendai Port) 30 March 2037; (ii) (in respect of DPL Koriyama) 22 March 2040; (iii) (in respect of D Project Maebashi S) 29 August 2039; (iv) (in respect of DPL Kawasaki Yako) 8 October 2040; (v) (in respect of D Project Nagano Suzaka S) 30 October 2038; (vi) (in respect of DPL Shinfuji) 19 September 2037; (vii) (in respect of D Project Kakegawa S) 29 April 2039; (viii) (in respect of DPL Okayama Hayashima (IA)) 24 June 2038; (ix) (in respect of DPL Okayama Hayashima (IB)) 2 October 2039; (x) (in respect of DPL Okayama Hayashima 2) 30 July 2038; (xi) (in respect of D Project Fukuoka Tobara S) 27 January 2040, (each, the "**Agreement Term End Date**"). If neither the Property Trustee nor Daiwa Energy gives the other party a written notice of their intention to refuse to renew the Solar Power Facilities Installation Agreements at least six (6) months prior to the Agreement Term End Date, the Solar Power Facilities Installation Agreements shall be renewed with the same terms and conditions. Further, the Property Trustee shall not refuse to renew the Solar Power Facilities Installation Agreement without due cause[1]. As the solar power facilities are operated by Daiwa Energy and Daiwa Energy wants to use the facility as long as they can operate their power generation business at the property. From DHLT's perspective, Daiwa Energy provides a stable source of income for DHLT. As Daiwa Energy will be leasing the rooftop of the property, which is not typically an attractive location to other tenants, it would be difficult to replace Daiwa Energy as a lessee. An extension of the agreement with Daiwa Energy would allow DHLT to earn rent from Daiwa Energy, using a location that would otherwise be difficult to lease.

1 The Manager believes that the reason for this is that the Solar Power Facilities Installation Agreements are similar to lease agreements in that it rents out a certain amount of space to Daiwa Energy. As the solar power facilities are operated by Daiwa Energy, they would like to use the facility as long as they can operate their power generation business at the property. Under Japanese law, the lessor's rights to refuse to renew the lease agreement is restricted for the purpose of protecting the lessee.

Usage Fee	From the Agreement Term Start Date, Daiwa Energy shall pay the Property Trustee the usage fee equal to (i) (in respect of DPL Sendai Port) JPY 316,000; (ii) (in respect of DPL Koriyama) JPY 144,000; (iii) (in respect of D Project Maebashi S) JPY 104,000; (iv) (in respect of DPL Kawasaki Yako) JPY 109,400; (v) (in respect of D Project Nagano Suzaka S) JPY 49,000; (vi) (in respect of DPL Shinfuji) JPY 10,100; (vii) (in respect of D Project Kakegawa S) JPY 54,500 (viii) (in respect of DPL Okayama Hayashima (IA)) JPY 55,100; (ix) (in respect of DPL Okayama Hayashima (IB)) JPY 47,300; (x) (in respect of DPL Okayama Hayashima 2) JPY 61,000; (xi) (in respect of D Project Fukuoka Tobara S) JPY 33,300 per month plus consumption tax and local consumption tax.
Approvals and Cooperation Matters	• If Daiwa Energy is required to obtain any permits and approvals, etc. from supervisory authorities pertaining to its conduct of the business of selling electricity obtained from renewable energy generation facilities (the "**Business**"), the Property Trustee shall cooperate for such procedures to the extent practical upon request from Daiwa Energy. • The Property Trustee permits Daiwa Energy to attach name plates indicating the owner of the facilities. • The Property Trustee approves in advance of Daiwa Energy delegating to third parties performance of all or part of the maintenance, management, repair, and maintenance inspection of the facilities; provided, however, that Daiwa Energy shall delegate to such parties at its own responsibility and expense, and if the Property Trustee suffers or incurs damages as a result of any action or inaction of such third party, Daiwa Energy shall bear joint and several liability for such damages, irrespective of whether Daiwa Energy is attributable to such damages.
Termination	• The Property Trustee may terminate this Solar Power Facilities Installation Agreements upon notice if any of the following applies to Daiwa Energy: (1) it fails to pay three months' worth or more of the usage fee; (2) it is subject to a suspension of banking transactions, it is subject to, or files a petition for, bankruptcy, civil rehabilitation, corporate reorganisation, or other equivalent procedures; (3) it is subject to a filing for attachment, provisional attachment, provisional disposition, compulsory execution, or auction, or is subject to a disposition for tax arrears; (4) it is no longer able to lawfully carry out the Business; or (5) it breaches any provision of the Solar Power Facilities Installation Agreements.

	• Daiwa Energy may terminate the Solar Power Facilities Installation Agreements upon notice if any of the following applies to the Property Trustee: (1) it is subject to a suspension of banking transactions, it is subject to, or files a petition for, bankruptcy, civil rehabilitation, corporate reorganisation, or other equivalent procedures; (2) it is subject to a filing for attachment, provisional attachment, provisional disposition, compulsory execution, or auction, or is subject to a disposition for tax arrears; or (3) it breaches any provision of the Solar Power Facilities Installation Agreements.
Governing Law	Japan
Dispute Resolution	The Tokyo District Court shall hold exclusive jurisdiction for the first instance.

OVERVIEW OF RELEVANT LAWS AND REGULATIONS

JAPAN

Property Ownership and Investment Vehicles

TMK (*tokutei mokuteki kaisha*) under the Asset Liquidation Act

A TMK is a special purpose securitisation corporation established under the Asset Liquidation Act.

General

A TMK can acquire, manage and dispose of assets such as direct ownership (*shoyu-ken*) or trust beneficial interests (*shintaku jueki-ken*) in real properties, or TK investments (as defined below) to a TK Operator for the purpose of the TK business under a TK agreement in accordance with the Asset Liquidation Act. Under the Asset Liquidation Act, TMKs are authorised to procure funds by issuing "asset backed securities", which is defined to include specified bonds and preferred shares, among others. TMKs also issue specified shares, which do not constitute "asset backed securities" under the Asset Liquidation Act. Assets acquired by a TMK and used to back its asset-backed securities are defined as "specified assets" under the Asset Liquidation Act.

The Asset Liquidation Act prohibits TMKs from engaging in any business other than the so-called "liquidation of assets" and businesses ancillary thereto in accordance with the TMK's asset liquidation plan (*shisan ryudoka keikaku*). "Liquidation of assets" is defined in the Asset Liquidation Act as a series of transactions involving (i) the acquisition of assets using funds procured through the issuance of asset-backed securities or specified loans, as described below, and (ii) (a) the performance of obligations under specified bonds or specified loans or certain other debts (if any) and (b) the distribution of profits or residual assets to preferred shareholders or the acquisition of preferred shares for cancellation, with all cash payments to be made using funds obtained through the management and disposition of such assets.

Formation of a TMK

Many of the procedures for the establishment of a TMK are similar to those for the establishment of a limited liability company (*godo kaisha* or "**GK**") or a joint stock company (*kabushiki kaisha* or "**KK**"), two common forms of corporate entities in Japan. Unlike a GK or a KK, however, the TMK must satisfy a comprehensive application process with governmental authorities, which involves the preparation and filing of an Asset Liquidation Plan (the "**ALP**") before the TMK may commence its business operations.

A TMK is formed when a promoter (which may be an individual, a local company or a foreign company) prepares the articles of incorporation (*teikan*), arranges for them to be notarised, subscribes for specified shares (*tokutei shusshi*), which are equivalent to common shares in an ordinary corporation, and capitalises the TMK through its payment of the issue price of the specified shares. A TMK has no minimum capital requirement. The formation of the TMK is then registered (*setsuritsu no toki*) through the filing of an application for commercial registration with the local Legal Affairs Bureau in the jurisdiction of the principal office of the TMK. The date on which the application is accepted by the local Legal Affairs Bureau for processing will be the date of the TMK's formation.

Asset Liquidation Plan

A TMK intending to commence any business related to the liquidation of specified assets is required to file a prior notification to that effect (the "**Business Commencement Notification**"), together with an ALP, with the Regional Finance Bureau (the "**RFB**") of the Financial Services Agency (the "**FSA**"). This Business Commencement Notification must be accompanied by, among others, (i) the articles of incorporation of the TMK, (ii) an ALP approved by all of the specified shareholders of the TMK and (iii) purchase agreements[1] (or purchase option agreements) for the acquisition of the specified assets by the TMK. In the case where the TMK will acquire the specified assets under trust arrangements (*i.e.* TBIs), the relevant trust agreements (or if not yet executed, drafts of the trust agreements) must be submitted with the Business Commencement Notification. The ALP should detail the terms of asset liquidation, the asset-backed securities to be issued, the specified assets, the measures to be taken to manage and dispose of the assets, and matters concerning borrowings. In practice, amendment to an ALP, with some exceptions, requires the prior consent of all shareholders, holders of specified bonds (if specified bonds have been issued) and lenders of specified loans. An ALP which has been amended (other than an ALP which contains such minor amendments as prescribed under the Asset Liquidation Act) must be filed with the RFB.

Mandatory Outsourcing of Operations

In principle, the Asset Liquidation Act requires a TMK to outsource the management and disposition of its specified assets to a trust company. If the specified assets take the form of direct ownership interests in real property, the TMK may outsource the management and operation of the specified assets to an asset manager rather than to a trust company in accordance with the Asset Liquidation Act.

Generally, there are two types of asset management, depending on whether the TMK will acquire Actual Properties or TBIs. Actual Properties:

- The TMK will need to sub-contract the management and disposal of the properties to an asset manager who is licensed to engage in the Building Lots and Buildings Transaction Business (*takuchi tatemono torihiki gyo*). The TMK and such asset manager will enter into an asset management agreement, which will serve as the "Specified Asset Management and Disposition Service Agreement", which is required to be submitted to the RFB.

- TBIs: The trustee of each property will be responsible for the management and disposal of the property and in practice will often sub-contract such operations to a property manager who is licensed to engage in the Building Lots and Buildings Transaction Business. The TMK, as beneficiary, will have the power to instruct the trustee with respect to almost all actions that the trustee has to take as owner of the property. The TMK will usually sub-contract its day-to-day operations, including issuing instructions to the trustee, to an asset manager who is registered to engage in the investment advisory business (*toshi jogen gyomu*) or investment management business (*toshi un'yo gyo*) under the FIEA. Unlike in the case of Actual Properties above, this asset management agreement is not legally required to be entered into by the TMK or submitted to the RFB as long as the Asset Liquidation Act is concerned.

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[1] If it is contemplated that the purchase agreement will first be entered into between the seller and an initial purchaser (such as the Sponsor or its subsidiary) and the contractual status of the initial purchaser will be subsequently assigned to the TMK at a later stage, then copies of the initial purchase agreement and the assignment agreement should be submitted.

Specified and Preferred Shares

TMKs issue two types of equities under the Asset Liquidation Act. One is the specified share (*tokutei syusshi*) which TMKs must issue. The other is the preferred share (*yusen syusshi*) which TMKs may issue. Preferred shareholders have priority over specified shareholders with respect to profit distributions and/or residual assets of the TMK. Holders of specified shares typically waive their rights to dividends. With respect to the transferability of such shares, while a TMK may not restrict transfers of preferred shares, transfers of specified shares (other than transfers of specified shares between holders of specified shares) is subject to the approval of the TMK. The FSA appears to have taken the view that the proceeds from the issuance of specified shares may not be used to fund TMK's acquisition of the specified assets and such acquisition should be funded by the proceeds from issuing preferred shares and/or specified bonds and/or obtaining specified loans, although this view is not supported by any express provision of the Asset Liquidation Act. Partly because of this view, the amount of specified shares tends to be nominal and the preferred shares usually comprise the main part of the TMK's equity.

The FIEA provides for three types of private placement (*shibo*) under which applications for subscription of preferred shares issued by TMKs may be solicited. These are (i) private placements for qualified institutional investors (*tekikaku kikan toshika*) (as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definitions Provided in Article 2 of the FIEL) ("**Qualified Institutional Investors**") only, (ii) private placements for Specified Investors only and (iii) private placements under which the number of solicitees is less than fifty. If solicitations of application for subscription of preferred shares fall under any of the above types of private placement, the TMK, by virtue of Article 4, Paragraph 1 of the FIEL, will be exempted from the securities registration requirements under the FIEL.

Holders of preferred shares are entitled at the end of each fiscal period to receive dividends from distributable profits up to the total distributable profits on a pro-rata basis, subject to the provisions in the ALP regarding the preferential treatment of preferred shareholders. Shareholders are entitled to receive distributions from a TMK's residual assets (being distributable assets of a TMK after it pays in full (or reserves such amount necessary to pay in full) any and all of its obligations) on a pro-rata basis, but subject to the provisions in the ALP regarding the preferential treatment of preferred shareholders.

Specified Bonds and Loans

Other than issuing these two types of shares (equity-type securities), a TMK may also issue several kinds of debt securities:

(i) specified bonds;

(ii) specified short-term bonds (commercial paper);

(iii) specified promissory notes;

(iv) specified convertible bonds; and

(v) specified bonds with rights to acquire new preferred shares.

The securities described in (ii) to (v) are rarely issued in TMK structures backed by real properties. In most cases, a TMK tends to issue specified bonds under the Asset Liquidation Act. The Asset Liquidation Act grants to holders of specified bonds the right to receive all payments due in relation to such specified bonds out of the assets of the TMK before any payment is made to other unsecured creditors. This statutory right is generally referred to as a general security lien (*ippan tanpo*). Unless otherwise provided in the ALP, such general security interest is automatically created by operation of law.

In addition to funds procured through the issuance of specified bonds, the TMK may borrow funds to finance the acquisition of the specified assets from a bank or other Qualified Institutional Investor, with any such borrowing referred to as a "specified loan". Although a TMK may avail itself of (i) specified loans or (ii) other types of loans, TMKs usually take out specified loans in most cases. A TMK may obtain specified loans only from entities which qualify as Qualified Institutional Investors under the FIEA provided such financing is described in the ALP.

The securities to be issued, as well as the loans to be taken out, by a TMK must fulfill certain requirements in order for the TMK to be eligible for favourable pass-through tax treatment. This is a critical consideration in the structuring of the TMK and its debt. (See "Taxation – Japan Tax Overview – Special Tax Treatment of a TMK" for further details of the tax treatment of a TMK).

General Meetings of Shareholders

A TMK holds its ordinary general meeting of shareholders after the end of each fiscal period. If necessary, a TMK may also hold an extraordinary general meeting of shareholders. A general meeting of shareholders may resolve the matters provided for in the Asset Liquidation Act and the articles of incorporation of the TMK, the organisation, operations and administration of the TMK, and any and all other matters regarding the TMK. Specified shareholders have voting rights in respect of all matters which may be resolved at the general meeting of shareholders. However, preferred shareholders have voting rights only in respect of certain limited matters, as specified under the Asset Liquidation Act and the articles of incorporation of the TMK.

The matters on which the voting by specified shareholders is required are limited to matters set forth in the Asset Liquidation Act, unless the articles of incorporation are specially drafted to set out additional matters. Therefore, if the specified shareholders need to have veto rights over certain matters relating to the business and operations of the TMK, the articles of incorporation must specify such matters.

Directors, Statutory Auditors and Accounting Auditors

A TMK must have at least one director. Every director in a TMK has the authority to implement the operations of the TMK, unless otherwise provided in the article of incorporation. If there are two or more directors, decisions regarding the operations of the TMK will be made by a majority of the directors, unless otherwise provided in the TMK's articles of incorporation. Further, every director has the authority to represent the TMK. The TMK may appoint a representative director from among the directors pursuant to the TMK's articles of incorporation, or through the appointment by the directors from among themselves pursuant to the provisions of the TMK's articles of incorporation, or by the resolution of a shareholders' meeting.

A TMK must also appoint at least one statutory auditor. The function of such statutory auditor is to audit the execution of duties by the TMK's directors and to prepare reports of such audit. Statutory auditors may, at any time, request for reports on the TMK's business from the directors and investigate the operational and financial status of the TMK. If the statutory auditors find any director culpable of any misconduct, or is likely to engage in such conduct, or that there has been a violation of the TMK's ALP, the TMK's articles of incorporation or any law or regulation, or that there is any grossly improper factual circumstance, they are required to report the same without delay to the other directors or (if there are no other directors) to the general meeting of shareholders.

Additionally, if the TMK issues preferred shares or if there are certain other circumstances which make an accounting auditor necessary, the TMK must appoint an accounting auditor, which must be a Certified Public Accountant or an audit firm. The function of an accounting auditor is to audit the financial statements of the TMK and the supplementary schedules thereof. An accounting auditor may inspect and copy the accounting books or materials relating thereto at any time. If the accounting auditor detects any misconduct, the existence of any material fact which is in violation of laws and regulations, the TMK's ALP or the TMK's articles of incorporation in connection with the directors' execution of their duties, he/she shall report the same to the statutory auditor without delay.

Unless provided in the TMK's articles of incorporation, the term of office for directors and statutory auditors is indefinite. The term of office for the accounting auditor continues until the conclusion of the annual shareholders' meeting for the last business year which will end within a year of their election. However, unless otherwise resolved at the annual shareholders' meeting, the accounting auditor will be deemed re-elected at such annual shareholders' meeting.

Distribution of Profits and Residual Assets

Following shareholders' approval, dividends are distributed periodically, within the limits of distributable profit, in cash to shareholders on record as at the end of each fiscal period in proportion to the number of shares held by each shareholder, but subject to the provisions in the ALP regarding preferential treatment of holders of preferred shares. Additionally, if a TMK's fiscal period is one year, such TMK may make interim dividend payments in cash once during each fiscal period, by determination of its directors pursuant to the provision of the TMK's articles of incorporation.

A TMK may distribute profits by way of a period-end dividend out of the excess of its assets as at the last day of the fiscal period over the aggregate of (a) its liabilities, (b) its stated capital and (c) certain other amounts provided in the Cabinet Office Ordinance Regarding the Calculation of TMK.

A TMK may pay interim dividends out of the excess of its assets as at the last day of the immediately preceding fiscal period over the aggregate of (i) its liabilities as at the last day of the immediately preceding fiscal period, (ii) its stated capital as at the last day of the immediately preceding fiscal period, (iii) the amount of profits distributed or to be distributed which is resolved at the ordinary shareholders' meeting held with respect to the immediately preceding fiscal period and (iv) certain other amounts provided in the Cabinet Office Ordinance Regarding the Calculation of TMK. Interim dividends may not be paid if there is a risk that at the end of the fiscal period, assets may be less than the aggregate of the amounts referred to in items (a) through (c) of the preceding paragraph.

Dissolution of the TMK

A TMK may be dissolved by a resolution approved at a shareholders' meeting of the TMK, in which the preferred shareholders may participate. Before the TMK may be dissolved, however, all debts (including specified bonds or loans) must first be repaid. The assets remaining after payment of all debts (including debts under specified bonds and specified loans), liquidation expenses and taxes will be distributed among shareholders generally in proportion to the respective number of shares that they hold, but subject to the provisions in the ALP regarding preferential treatment of holders of preferred shares.

***Godo kaisha* or GK under the Companies Act of Japan**

A GK is one form of corporate entity available under the Companies Act of Japan.

General

All equity holders of a GK, which are called "members (*shain*)", bear limited liability, but the features of the operations and governance of a GK are intended to be more similar to those of a limited partnership. Unlike an ordinary KK (*kabushiki kaisha*), a GK does not require a statutory auditor or an accounting auditor.

Formation of a GK

A GK is formed when a person who intends to be a member of the GK prepares the Articles of Incorporation (*teikan*), arrange for them to be notarised, subscribes for ownership interests (*shain mochibun*, which are equivalent to common shares of a KK) and capitalises the GK through its payment of the issue price of the ownership interests. There is no minimum capital requirement for incorporating a GK. The formation of the GK is then registered (*setsuritsu no toki*) through the filing of an application for commercial registration with a relevant local Legal Affairs Bureau in the jurisdiction of the principal office of the GK. The date on which the application is accepted by the local Legal Affairs Bureau for processing process will be the date of the TMK's formation.

Member of a GK

A GK may have one or more members, and there is no restriction under the Companies Act of Japan in this regard. A member of a GK may be an individual or a company, including a foreign company. The initial member of a GK is a person or a company who establishes the GK by subscribing for membership interests in the GK and capitalising the GK through its equity contributions. After the establishment of the GK, its members will consist of the persons or companies who either capitalise the GK through their equity contributions or acquire or succeed membership interests in the GK from existing members of the GK.

Role of Member

Each member of a GK has the power to manage the GK, unless otherwise set out in its articles of incorporation. If the articles of incorporation name one or more specific member(s) as executive member(s) (*gyoumu shikko shain*), only such executive member(s) has the power to manage the GK. In most cases, the executive member is also the representative of the GK. If the executive member is a company, such company must appoint at least one individual who will act as a representative for the executive member and who will perform the executive member's duties. That individual is referred to as an operating officer (*shokumu shikkosha*) of the executive member.

Liability of Member

Under the Companies Act of Japan, a GK is an entity separate from its members and, in principle, the liability of each member is limited to the amount of its equity contributions to the GK.

Each executive member has a duty of loyalty and a duty of care as a good manager to the GK. If an executive member fails to perform its duties, it will be held liable to the GK for damage or losses arising out of such failure. An executive member which maliciously or with gross negligence fails to perform its duties will be liable for damage or losses incurred by third parties as a result of such malicious or grossly negligent failure.

Further, it is a general rule that an executive member is prohibited from carrying out certain transactions involving a conflict of interests between the executive member and the GK without approval of the majority of the other members, or from simultaneously engaging in transactions similar to the business of the GK, without unanimous approval of all the other members. If, however, it is otherwise provided in the articles of incorporation of the GK, or the GK has only one member, then the executive member may not need to obtain such approval for carrying out those transactions.

Dissolution of the GK

A GK may be dissolved by the members' resolution.

Laws and Regulations Relating to the TK Structure

The TK agreement under the Commercial Code of Japan (Act No. 48 of 1899, as amended) forms a contractual relationship between a TK Operator and a TK Investor and does not constitute a body corporate or separate legal entity in itself.

The TK agreement is an investment agreement. A TK Investor makes contributions in cash or in kind ("**TK investments**") to a TK Operator for the purpose of the TK business under a TK agreement and will have a contractual right to receive a distribution of the profits from such TK business as well as the return of the residual assets in the TK business pursuant to the TK agreement. The assets contributed by the TK Investor to the TK Operator shall be legally owned by the TK Operator.

Neither the TK Investor nor its officers, directors, employees, or representatives may actively manage and operate any part of the TK business, nor shall such entities or individuals have any authority to act for the TK Operator.

Further, a TK Investor shall not have voting rights at a shareholders meeting of the TK Operator or any other rights to actively participate in decision-making processes of the TK Operator, including management and operation of the TK business, except for veto rights over material matters of the TK business and for the rights of inspection of the TK Operator and the TK business which are granted by the laws and its contractual rights which may be provided for in the TK agreement to the extent allowed by law. The TK Operator will otherwise manage the TK business in its sole discretion.

A TK Operator owes a duty of care as a good manager to the TK Investor in managing and operating the TK business.

Laws and Regulations Relating to Japanese Real Estate

Real Estate Registration System

There is a real estate registration (*toki*) system in Japan, which is governed by the Real Estate Registration Law and pursuant to which title to real property and certain other real property-related interests (such as the right to use or security interests) are registered. Registration is the method of perfecting the registered title. The benefit of perfecting a title to real property and certain other property-related interests is that the registered holder of such title or interest can assert its title or interest against a third party. If such title or interest is not registered, the owner of a real property or the holder of a real property-related interest cannot assert its title or interest against a third party, subject to certain exceptions such as the perfection of a leasehold interest in land or a building. (See "Overview of Relevant Laws and Regulations – Japan – Land Leases – Perfection" and "Overview of Relevant Laws and Regulations – Japan – Building Leases – Perfection of Leasehold Interest" of this Prospectus for further details on the perfection of leasehold interests.)

In practice, the registration is usually relied upon by parties to a real estate transaction, as it is generally the best indication of the true owner of the real estate-related title or interest. However, the real estate registration does not necessarily reflect the true holder of the title or interest. As such, a party will have no recourse to anyone but the seller if, relying on the registration, it purchases real property or a related interest from an alleged owner or holder and the information indicated in the registration turns out to be incorrect. In such a case, the purchaser may seek reimbursement from the seller pursuant to statutory warranties or contractual warranties, but in general cannot acquire the ownership of, or title to, the real property.

Perfection

Title to real property and certain other real property-related interests (such as the right to use or security interests) may be perfected by way of registration or other manners provided under Japanese law. The implication of perfecting a title to real property and certain other property-related interests is that the holder of such perfected title or interest can assert its title or interest against a third party.

Under the Civil Code, in order to perfect title to real property and certain other property-related interests, the title holder is required to register its interest under the real estate registration system. To get a leasehold interest registered, the lessee will need the lessor's consent to register, and it is rare for the lessor of the land to agree to register the lessee's leasehold interest in the land. However, there is an exceptional rule in case of leasehold interest specifically provided under the Land Lease and Building Lease Law, which provides that, if the lessee owns the building, the lessee may perfect its leasehold interest in the land by registering the ownership of the building standing on the land. (See "Overview of Relevant Laws and Regulations – Japan – Land Leases – Perfection" of this Prospectus for further details about the perfection of leasehold interests in land.)

The Land Lease and Building Lease Law also provides that, as to the leasehold interest in the building, the building lessee's leasehold interest will be perfected once the leased building is delivered to the building lessee and as such, the building lessee can assert its leasehold interest against any person who acquires the building after delivery. (See "Overview of Relevant Laws and Regulations – Japan – Building Leases – Perfection of Leasehold Interest" of this Prospectus for further details about the perfection of leasehold interests in buildings.)

Liabilities of the Owner of Real Estate

Under the Civil Code of Japan (Act No. 89 of 1896, as amended), or the Civil Code, if any damage has been caused to another person by reason of any defect in the construction or maintenance of a structure on land, the person in possession of the structure is liable to compensate the injured person for damages it suffers, provided, however, that if the person in possession has exercised due care in order to prevent the occurrence of such damage, the owner of the structure is liable for such damage.

It is customary to obtain third party liability insurance over real property. However, in certain circumstances, insurance may not be available, or even if obtained, the insurance may not cover all or part of the liability in relation to the property.

A purchaser of real estate may in some instances seek reimbursement from the seller pursuant to statutory or contract-based warranties for liability to a third party that was caused by a defect in the property existing at the time of the sale. However, these warranties are sometimes limited or excluded or may prove insufficient if the seller lacks funds to compensate the purchaser for its loss.

Warranty Obligations

Unless contractually excluded, a seller of real estate property owes statutory warranty obligations to a purchaser for non-conformity of such property to the terms of a sale and purchase agreement with respect to kind, quality or quantity. Statutory warranties with respect to kind or quality are generally effective if notified by the purchaser within one year from the date on which the purchaser becomes aware of the existence of the non-conformity and statutory warranties with respect to quantity are generally effective for five years from the date on which the purchaser becomes aware of the existence of the non-conformity. Statutory warranties can be enforced during this period by claiming cure of the non-conformity or discount of purchase price, by a cancellation of the underlying sale or by requesting damages from the seller. These statutory warranty obligations may be contractually excluded or substantially reduced in the sale and purchase agreement under which the real property is purchased.

Soil Contamination Countermeasures Act

Under the Soil Contamination Countermeasures Act, a current owner of land may be held strictly liable for the survey, removal or remediation of hazardous or toxic substances on or under such land, whether or not the current owner knew of, or was responsible for, the presence of such hazardous or toxic substances.

Moreover, if the contamination of the land were to cause damage to a third party, the owner of such contaminated land may be obligated to compensate such third party for such damages under the Civil Code.

In addition, the presence of hazardous or toxic substances, or the failure to properly remediate such substances, may adversely affect the owner's ability to dispose of the land or borrow using the land as collateral.

Property Subject to Co-ownership

Co-ownership refers to a type of ownership where one party owns a certain percentage interest in the whole building or property and other owners own the remaining percentage interest.

Sale of Co-ownership Interest

A co-owner of a property subject to co-ownership is entitled under the Civil Code, to sell its co-ownership interest to any person or entity without the consent of the other co-owners, unless an agreement between the co-owners requires the consent or grants a ROFR. A co-owner of a property subject to co-ownership is also entitled under the Civil Code to mortgage its co-ownership interest to any person or entity without the consent of the other co-owners, unless an agreement between the co-owners requires the consent. Such mortgage becomes applicable to the entire property when the co-owned property is partitioned.

Sale of Property under Co-ownership and the Right to Partition

Sale or any other disposal of a property under co-ownership may not be made without the consent of the other co-owners. A co-owner may demand that a co-owned property be partitioned, giving each co-owner a right to a specific portion of the property that each co-owner may dispose of at its discretion. If co-owners cannot agree upon a partition, the court may be asked to intervene. If partition is not practicable, or may cause a significant decrease in the value of the co-owned property, the court may order that the property be sold by public auction. Each co-owner would then receive the proceeds of the sale of the co-owned property on a pro rata basis. The Civil Code permits the co-owners to agree not to exercise their right to demand partition of the co-owned property, subject to the following limitations:

- the agreement must be for a period of not more than five years, and any period of renewal must be limited to not more than five years;

- the agreement is not effective against a third-party purchaser of a co-ownership interest unless the agreement is registered; and

- the agreement is not effective against a trustee of a co-owner in relation to which bankruptcy, corporate reorganisation or civil rehabilitation proceedings have been commenced, although in these cases, the other co-owner(s) may purchase the co-ownership interest of the co-owner subject to such proceedings.

Administration of the Property

Co-owners generally decide on matters relating to the administration of co-owned properties by majority vote on the basis of co-owned property interest value, unless otherwise agreed among the co-owners, provided, however, that any conduct pertaining to the preservation of the co-owned property may be performed by each co-owner without such majority approval. Accordingly, a co-owner that is not able to get a majority share of the co-owned property interests may not participate in the administration of the co-owned property.

Claims and Obligations Relating to Properties under Co-ownership

When an underlying property that is co-owned is leased to tenants, the obligation of the co-owners to hold and refund the tenant leasehold deposits paid by the tenants is generally considered to be joint and several and the rents receivable by the co-owners are also deemed to be joint and several.

Boundary confirmation

In Japan, boundary confirmations are made by obtaining a signature seal from neighboring landowners who share borders with the subject property. There is no legal right or power by which a property owner can oblige its neighbors to execute a boundary confirmation. As such, it can only be up to a seller's best commercial efforts to try to obtain them before selling the property if the seller is not already in possession of such confirmation. The absence of a boundary confirmation might lead to a property owner having less leverage in a boundary dispute or a dispute over encroachment.

Agricultural Land Act

Under the Agricultural Land Act, agricultural lands may not be transferred or leased for purposes other than for use as agricultural lands without first obtaining Conversion Permission from the government or the agricultural committee or, if the land is designated as an urbanisation promotion area, giving prior notice to the agricultural committee. Thus, if agricultural lands, whether transferred or leased, are to be developed and converted into logistics properties, it is necessary to have obtained Conversion Permission, otherwise such transfer or lease would not be valid.

If an agricultural land is transferred or leased without obtaining Conversion Permission, the competent authority may issue an order to convert the land use back to agricultural land.

Building Standards Act

The main objective of the Building Standards Act ("**BSA**"), is to establish minimum standards concerning the site, structure, equipment and building use. Under the BSA, (i) the Confirmation Certificate should be obtained from the local government before the commencement of the initial construction, extension or reconstruction of a building and (ii) the Inspection Certificate should be obtained from the local government upon the completion of the construction, extension or reconstruction of a building. The local government issues Building Certificates only if it can confirm that the building is compliant with specific mandatory requirements under the Substantive Building Standards. If a building is in violation of the Substantive Building Standards, the local government may order the demolition, removal, rebuilding, enlargement, remodeling, prohibition of use, or restriction on use of the building, or may order the owner to take other necessary measures to make it compliant with such laws and regulations.

City Planning Act

The main objective of the City Planning Act is to ensure balanced land development and promote public welfare. Under the City Planning Act, developers must obtain permission from the prefectural governor (or the mayor, if the construction is planned in a designated city) prior to commencing any "development action" (as defined under the City Planning Act) on land that has been designated as certain categories of area by the prefecture (or city) in which such land is situated.

National Land Use Planning Act

Under The National Land Use Planning Act, if a large-scale land transfer is made or a large-scale ownership right to land is concluded, the person who acquires the right is required to notify the prefectural governor or the mayor of designated cities of the purpose of use, the transaction price of the land and other matters. A large scale land is defined as a land or a series of lands has 10,000 square metres or more, but for land located in the urban area or city planning area (other than the urban areas) under the City Planning Act, this is defined as a land or a series of land has 2,000 or 5,000 square metres or more, respectively. The prefectural governor or the mayor of designated cities may recommend to the purpose of use be changed, if the purpose of use in question does not confirm to various land use.

Land Leases

Overview

Under Japanese law, buildings can be owned independently of the underlying land on which they are built. It is common in Japan for the owner of a building to be different from the owner of the underlying land. If owners of buildings do not own the underlying land, they must obtain a perfected leasehold interest in the underlying land, or a *shakuchi-ken.* However, a free-charge lease, or ***shiyo-shaku-ken,*** can also form a basis for constructing and owning buildings on someone else's land, but with less protection under Japanese law.

- In order for the Land Lease and Building Lease Law to apply to a leasehold interest in the land, that leasehold interest must be either a *chijo-ken* or a *chinshaku-ken* which was created for the purpose of owning the buildings.

- The concept of "purpose of owning the buildings" is generally determined based on the agreement between the lessor and the lessee. However, objective conditions such as the actual existence of buildings on the subject land and the type of use are also taken into consideration in deciding whether the leasehold interest is for this purpose.

Perfection

- Under the Civil Code, in order to perfect a leasehold interest in the underlying land, the lessee needs to register its leasehold interest in the real estate register. However, it is rare for the lessor of the land to agree to register the lessee's leasehold interest in the land. In this regard, the Land Lease and Building Lease Law provides that, if the lessee owns the building, the lessee may perfect its leasehold interest in the land by registering the ownership of the building standing on the land.

- If the lessee's registered building stands only on a part of land which consists of multiple parcels, any leasehold interest in the other parts of that land which are not occupied by the registered building will not be perfected.[1]

- If the leasehold interest in the land is not duly perfected, the lessee cannot assert its leasehold interest against a purchaser of the land. Moreover, the leasehold interest is subject to any mortgage over the land if that mortgage was registered prior to the perfection of the leasehold interest in the land. Where there is a prior registered mortgage, the lessee will, as a general rule, lose its leasehold interest if and when the mortgagee forecloses on the premises. The mortgagee or its successor could then require the lessee to vacate the premises before the lease term expires.

Transfer and Sublease

- The transferability of a lessee's interest in a lease depends on whether the lease is a *chijo-ken* or a *chinshaku-ken*.

- A *chijo-ken* entitles a lessee to either transfer its interest or sublease the land to a third party without the consent of the landlord. Although the landlord may contractually prohibit the lessee from transferring a *chijo-ken*, the prohibition cannot be registered and will not prevent the transferee of a *chijo-ken* from validly acquiring the *chijo-ken* in the event of a transfer in breach of the prohibition. The landlord is only entitled to seek damages from the former lessee for the breach.

- In the case of a *chinshaku-ken*, however, any transfer or sublease of a lessee's interest is subject to the consent of the landlord, unless otherwise agreed in the land lease agreement.[2] If the landlord refuses to give consent, the lessee may seek judicial permission for the transfer or sublease. A court may give permission, in lieu of the landlord's consent, to the transfer or sublease, unless the transfer or sublease will prejudice the landlord's rights. In making its decision the court will consider the length of the remaining term of the land lease, the history of the land lease agreement, the circumstances requiring the transfer of the lease rights, and other relevant facts, and in practice, the court tends to order the lessee to pay the lessor in exchange for giving the permission.

Contract period, renewal, and lessee's right to demand for purchase of the building

As a general rule, land lease agreements to which the Land Lease and Building Lease Law applies will be subject to the following conditions, which are favorable to the lessee:

- the initial term of the land lease contract must be for at least 30 years;

- the lessee has the right to renew the lease unless the landlord has a "justifiable reason" for objecting to a renewal; and

- if the term is not renewed, the lessee has the right to demand that the landlord purchase the building at market value at the end of the term.

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[1] Having said that, in a ruling dated 1 July 1991, the Supreme Court dismissed dispossession proceedings relating to the parcel of land adjacent to the land on which the registered building was constructed. The court reasoned that, on the facts of the case, since the lessee also used the adjacent parcel, dispossession proceedings would lead to an abuse of rights (*kenri no ranyo*). This court ruling indicates the possibility that a lessee's leasehold in a parcel of land on which its registered building is not constructed may be protected against third parties in certain limited circumstances.

[2] According to a ruling of the Supreme Court dated 4 October 1996, a change in the shareholders of the lessee is not deemed to be a transfer of the leasehold right unless there is a good reason to reach such a conclusion.

The factors which will be considered in determining whether a landlord has a "justifiable reason" include the landlord's and the lessee's respective needs to use the land, the history of the land lease agreement, the present use of the leased land, and the amount of money the landlord is offering to pay the lessee (known as *tachinoki-ryo*) to compensate the lessee for vacating the land.

In situations where the Land Lease and Building Lease Law is not applicable to the land lease agreement, the term of the land lease agreement executed before 1 April 2020 cannot be longer than 20 years[1] and the lessee's right to extend the term described above does not apply.

Special fixed-term land leases

There are three special fixed-term land lease agreements, or *teiki shakuchi-ken*:

- those with a term of at least 50 years and which have special provisions on non-renewal and waiver by the lessee of its right to demand that the landlord purchase the building at the end of the term;

- those with respect to a building used only for business purposes (but not for residential purposes), with a term of at least 30 years but under 50 years, and which have special provisions on non-renewal and waiver by the lessee of its right to demand that the landlord purchase the building at the end of the term; and

- those with respect to a building used only for business purposes (but not for residential purposes), with a non-renewable term of from 10 years but under 30 years, and which include a compulsory waiver by the lessee of its right to demand that the landlord purchase the building at the end of the term.[2]

The lease agreements described in second and third clauses above must be prepared as notarised documents. Save for DPL Okayama Hayashima 2, DHLT will acquire all the leasehold properties in the IPO Portfolio as special fixed-term land lease properties upon Listing. DPL Okayama Hayashima 2 will be acquired as an ordinary land lease.

Adjustment of rent

- Generally, either party to a land lease may demand that the rent be increased or decreased in response to market conditions, even where a properly executed lease exists. If the parties cannot come to an agreement, a court may order an adjustment after considering the following: (i) any change in tax or other public charges imposed on the land, (ii) the value of the land, and other relevant economic conditions; and (iii) rents in neighboring areas. If the court determines that the rent should be decreased, the lessor will be ordered to return any excess rent and pay interest at the rate of 10% per annum on the excess amount.

- If the lessor and lessee specifically agree not to increase the rent for a certain period, the lessor cannot exercise its right to demand for an increase of the rent.

- The lessee cannot be deprived of the right to demand a decrease of the rent, even if the lessee explicitly agrees not to exercise that right under a land lease.

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1 This type of lease will be governed by the Civil Code which provides that the term of the lease contract will be shortened to 20 years, even if a longer period has been agreed. However, the amendment of the Civil Code extends the upper limit of the lease term to 50 years. Thus, the land lease agreement executed on or after 1 April 2020, the lease term cannot be longer than 50 years.

2 Special fixed-term lease agreements executed before 1 January 2008 must follow the provisions of the Land Lease and Building Lease Law *before* the amendment on 1 January 2008. The law before the amendment on 1 January 2008 provided for different categorisation criteria from those written above.

Security Deposit, Guarantee Money and Key Money

- Upon the execution of a land lease, the lessee is often required to pay a security deposit, or *shiki-kin,* as security for rent and other obligations. The security deposit does not bear interest and any outstanding amount after deduction for any charges is usually refundable after the land is vacated.

- Upon the execution of a land lease, the lessee sometimes also pays guarantee money, or *hosho-kin*, which essentially guarantees the lessee's obligations and takes the form of a loan (sometimes bearing interest) granted by the lessee to the lessor. The guarantee money is fully or partially refundable either after a specified period of time has passed under the lease or at the end of the lease, depending on the terms of the lease.

- Upon the execution of a land lease, the lessee may further pay key money, or *kenri-kin*, which is not intended to guarantee the lessee's obligations and instead is often paid as a consideration for the establishment of a leasehold interest. The key money is not refundable.

- The standard amount of security deposit, guarantee money or key money varies from location to location and from case to case in Japan and there is no single standard.

Building Leases

Overview

The lease of a "building" is subject to, not only the Civil Code, but also the Land Lease and Building Lease Law of Japan (the "**Land Lease and Building Lease Law**"). Some provisions of the Land Lease and Building Lease Law are mandatory provisions which the parties to a building lease cannot circumvent.

"Building"

A "building" within the context of the Land Lease and Building Lease Law means an entire building, or a part of an entire building that is structurally independent from other parts and can be used independently. For instance, a parking lot marked out simply by white lines is not regarded as a "building" under the Land Lease and Building Lease Law even if it is located inside the building. On the other hand, each unit of a multi-unit building is a "building" under the law.

Contract Period

A building lease may have either a fixed term or an indefinite term. If the building lease provides for an indefinite term or a term of less than one year (which is deemed an indefinite term lease under the Land Lease and Building Lease Law), then the lease may be terminated on six months' prior notice by the lessor or on three months' prior notice by the lessee, although if the lease provides for a longer notice period, then this longer period must be satisfied. A fixed term of one year or longer is also possible (no maximum period is required by law). In case of termination by the lessor, however, the lessor's notice is subject to the conditions described in the "Requirement of 'justifiable reason' for Lessor's Termination" section below.

Office leases in Japan are usually for a relatively short term (most commonly two to five years) and are subject to automatic renewal, unless either party gives notice to the contrary. In the case of office buildings, such leases often allow for termination by the lessee before the expiry of the term upon six months' prior written notice. Retail property lease terms tend to be longer than office leases, although there are exceptions.

Automatic Renewal

Even if the lease is for a fixed term of one year or longer, unless either the lessor or the lessee notifies its intention not to renew the lease at least six months to one year before the expiration of the term, the lease is deemed to be renewed as an indefinite term lease. The deemed renewal does not apply to special fixed-term building leases. The deemed renewal applies only to regular leases.

Requirement of "justifiable reason" for Lessor's Termination

The lessor, however, may not issue a notice of termination of, or intention not to renew, the lease unless it has a "justifiable reason." That justifiable reason may be established by weighing various factors such as:

- the lessor's and the lessee's needs for the building for their own use;
- the history of the building lease contract;
- the present use of the leased building;
- the current condition of the building; and
- the proposal of payment by the lessor to the lessee of an amount as consideration for the lessee vacating the leased building.

Under court rulings relating to the Land Lease and Building Lease Law, the lessee's non-payment of rent or other default, by itself, is considered as only one of the factors in establishing a "justifiable reason." Based on a comprehensive review of facts by the court, it is possible that a non-payment or default alone may not be a "justifiable reason" for the lessor to terminate the lease, unless that default is considered as a "destruction of the relationship of confidence between the lessor and the lessee" or *shinraikankei no hakai*. If it does not have a justifiable reason, the lessor may not terminate the lease, therefore, the lessor cannot lease to anyone with more preferable term than the current one.

Perfection of Leasehold Interest

Under the Civil Code, in order to perfect a leasehold interest in a building, the lessee is required to register its leasehold interest under the real estate registration system. However, to get a leasehold interest registered, the lessee will need the lessor's consent to the registration, and lessors typically do not give that consent. The Land Lease and Building Lease Law, however, provides that the lessee's leasehold interest will be perfected when the leased building is delivered to the lessee. In other words, once the leased building is delivered to the lessee, the lessee can assert its leasehold interest against any person who acquires the building after delivery.

Security Deposit and Guarantee Money

Security Deposit: Upon the execution of a building lease, the lessee is usually required to pay a security deposit, or *shiki-kin,* as security for rent and other obligations. The security deposit does not bear interest and any outstanding amount after deduction for any charges is usually refundable after the premises are vacated.

Guarantee Money: Upon the execution of a building lease, the lessee sometimes also pays guarantee money, or *hosho-kin*, which essentially guarantees the lessee's obligations and takes the form of a loan (sometimes bearing interest) granted by the lessee to the lessor. The guarantee money is fully or partially refundable either after a specified period of time has passed under the lease or at the end of the lease, depending on the terms of the lease.

The standard amount of security deposit or guarantee money varies from location to location and from case to case in Japan and there is no single standard.

Adjustment of Rent

Generally, either party to a building lease may demand that the rent be increased or decreased in response to market conditions, even where a properly executed lease exists. If the parties cannot come to an agreement, a court may order an adjustment after considering the following: (i) any change in tax or other liabilities imposed on the building or the underlying land, (ii) the value of the building or the underlying land, and other relevant economic conditions; and (iii) rents in neighboring areas. If the court determines that the rent should be decreased, the lessor will be ordered to return any excess rent and pay interest at the rate of 10% per annum on the excess amount.

Special Fixed-Term Building Lease

The Land Lease and Building Lease Law provides for a special fixed-term building lease known as *teiki tatemono chintaishaku*, which is for a fixed term with no renewal. When entering into a special fixed-term building lease, the lessor must in advance explain, and deliver a written explanation, to the lessee that the lease will not be renewed and will terminate upon the expiration of the lease term.

Among the most important things to remember about special fixed-term building leases are that:

- the rule on renewal described in the "Automatic Renewal" section above does not apply to special fixed-term building leases; and

- the lessor and the lessee may exclude the application of the rule on the adjustment of rent described in the "Adjustment of Rent" section above by setting forth clear-cut provisions on rent revisions. This means that any rent revision provision must be clear and explicit enough so that the revised amount of the rent can be objectively calculated.

Statutory Pre-emptive Rights under the Civil Code

- Under the Civil Code, the lessor of the real estate has a statutory pre-emptive right over the movables of the lessee of the real estate in connection with the lessee's obligations arising from the lease relationship, including rent payment obligation. As the statutory pre-emptive rights extend to the movables of the assignee or sublessee if the real estate lease right is assigned or the real estate is subleased, the statutory lien of the lessor shall extend to the movables of the assignee or sublessee, and monies to be received by the assignee or sublessor in relation to such assignment or sublease.

- For the fulfilment of obligation arising from the lease relationship, the lessor has a right to sell the lessee's movables furnished to the leased land, to the building on that land or to the leased building, movables provided for the use of that land, or fruits of that land in the possession of the lessee.

- If the lessor has received a security deposit, the lessor shall have a pre-emptive right solely in respect of the portion of their claim that will not be satisfied by that security deposit.

Trust Beneficial Interest

The TBI represents interests in the principal in and profits from the trust assets, pursuant to the trust agreements and the Trust Act of Japan.

When a real property is under a trust arrangement:

- the real property is owned by the property trustee (usually, a licensed trust bank in Japan) as part of the trust assets, and the investor (*i.e.*, the purchaser of the TBI) becomes a beneficiary of the trust by acquiring the TBI;

- the ownership of the real property is registered under the name of the property trustee in its capacity as the property trustee (registration of the trust is made in addition to a registration of ownership);

- the trust assets are booked and maintained separately from the property trustee's own assets or assets belonging to other trusts;

- the property trustee is primarily responsible for maintaining, managing and disposing of the trust asset, but in practice maintains, manages and disposes of the real property subject to and in accordance with the beneficiary's instructions except under extraordinary circumstances;

- the property trustee administers the real property as registered owner for the benefit of the beneficiary (*i.e.*, the purchaser of the TBI) in consideration for trust fees, and the beneficiary receives periodic cash distributions of income generated from the real property, after deducting the costs of administering the real property (including real property taxes and trust fees); and

- the property trustee's written consent is required for any assignment or collateralisation of the TBI.

Other Regulations

Financial Instruments and Exchange Act

In a TK-GK structure, under which a TK Investor makes TK investments to a GK, when the GK manages the TK investments by investing principally in securities, the GK's activities constitute a "self-investment management business" which as a general rule requires the GK to register its business as an "Investment Management Business (*toshi un'yo gyo*)" under the FIEA. The requirements for registration of an Investment Management Business (*toshi un'yo gyo*), however, include having human resources and internal organisations sufficient to appropriately conduct such business and a minimum paid-in-capital and net assets of JPY 50,000,000. Thus, it is not practical for a GK to be registered for such business. There are two major exemptions available under the FIEA which allow the GK to avoid the need for registration:

- if the GK's self-investment management activities constitute a "Qualified Institutional Investor-targeted Fund Business" under the FIEA. To be a "Qualified Institutional Investor-targeted Fund Business," the TK Investors should comprise more than one qualified institutional investor and not more than forty-nine non-qualified institutional investors. If the GK qualifies for this exception, it only has to file a simple notification rather than to register as an Investment Management Business (*toshi un'yo gyo*); and

- if, among other requirements, (i) the GK enters into a discretionary investment management service agreement with a financial instruments firm that is registered as an Investment Management Business (more specifically, a discretionary investment management service) (a "**Registered Investment Manager**"), (ii) the GK delegates its entire authority of investment management for the benefit of the TK Investors to the Registered Investment Manager and (iii) the Registered Investment Manager files a notification regarding the GK prior to the execution of TK agreements. The Registered Investment Manager will take on the role of asset manager of the GK. If the GK qualifies for this exception, the GK will not need to register or file a notification in respect of its self-investment management activities.

The primary distinction between the difference between investment management business (*toshi un'yo gyo*) provided by the Japan Asset Manager to TK Operator (GK1) and TK Operator (GK2) and investment advisory business (*toshi jogen gyomu*) provided by the Japan Asset Manager to DH TMK is whether the adviser is given the discretion and authority to make "investment decisions" on behalf of the entity to whom such services are provided. In practice, however, even if the Japan Asset Manager is only engaged to provide investment advisory business (*toshi jogen gyomu*) to a special purpose vehicle that holds TBIs, given that such a special purpose vehicle typically does not have staff, it will not necessarily have the substantive capacity to make investment decisions independently and thus the difference between investment management business (*toshi un'yo gyo*) and investment advisory business (*toshi jogen gyomu*) is not usually clear. Whether the Japan Asset Manager is deemed to have provided investment management business (*toshi un'yo gyo*) or investment advisory business (*toshi jogen gyomu*) depends on the operation of the laws and regulations, such as the FIEA, in Japan.

Protection of Cultural Properties Act

Under the Protection of Cultural Properties Act, if properties under development are found to be in sites categorised as buried cultural properties under this Act, notice has to be given to the City Board of Education prior to the implementation of such development.

REGULATION OF FOREIGN INVESTMENT IN REAL PROPERTIES

There are no legal restrictions on the direct acquisition of real properties in Japan by non-residents of Japan, except that those buyers are required to make a post-transaction filing pursuant to the Foreign Exchange and Foreign Trade Act. Also, non-residents of Japan can own real properties indirectly through holding TMK interests by a TMK structure or TK interests by a TK-GK structure without any restriction, except that holders of TMK interests are required to make a post-transaction filing pursuant to this Act.

PROTECTION OF PERSONAL INFORMATION

The Protection of Personal Information Act limits the use of personal information to the stated purposes and to properly manage the personal information in their possession, and forbids from providing personal information to third parties without consent. Also, pursuant to the Use of Personal Identification Numbers in the Administration of Government Affairs Act, the Japanese government has adopted a Social Security and Tax Number System, under which a 12-digit unique number is assigned to each resident of Japan to identify and manage information relating to the resident for government service and tax purposes. Under this Act, Measures are taken to ensure that such number will be protected from inappropriate disclosure and other unauthorised use.

TRADEMARKS

Trademarks such as "DPL" are registered trademarks of Daiwa House Industry Co., Ltd., and DHLT cannot use these trademarks without the trademark holder's consent. DHLT has a licence from Daiwa House Industry Co., Ltd. to use the trademark, "DPL".

TAXATION

The following summary of certain tax consequences in Singapore and Japan of the purchase, ownership and disposition of the Units is based upon laws, regulations, rulings and decisions now in effect, all of which are subject to change (possibly with retroactive effect) and is based on the transaction structure for the IPO Portfolio.

Where Singapore and Japan tax laws are discussed, these are merely a general outline of the implications of such laws on the investments by DHLT (directly or indirectly) and the taxes payable by the entities in which such investments are proposed to be made.

The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units and does not purport to apply to all categories of investors, some of which may be subject to special rules either in Singapore or in the tax jurisdictions where they are resident.

This summary does not constitute tax advice. Prospective investors should consult their own tax advisers concerning the application of Singapore and Japan tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Units arising under the laws of any other tax jurisdictions.

SINGAPORE TAXATION

Income Tax

Taxation of DHLT

DHLT is liable to Singapore income tax, currently at the rate of 17.0%, on:

(a) income accruing in or derived from Singapore; and

(b) income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law,

unless such income is exempt from tax under Singapore income tax law.

DHLT's income or receipts may include:

(a) dividend income from SG SPC 1 and SG SPC 2; and

(b) proceeds from repayment of shareholder's loans by SG SPC 1 and SG SPC 2.

Dividend Income from SG SPC 1 and SG SPC 2

Provided that SG SPC 1 and SG SPC 2 are tax residents of Singapore, dividend income received from SG SPC 1 and SG SPC 2 will be exempt from Singapore income tax in the hands of the Trustee under Section 13(1)(za) of the Income Tax Act.

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore.

Proceeds from Repayment of Shareholder's Loans by SG SPC 1 and SG SPC 2

Any proceeds received by DHLT from the repayment of the principal amount of shareholder's loans are capital receipts and hence not taxable on the Trustee.

Taxation of SG SPC 1 and SG SPC 2

Singapore tax resident companies are subject to Singapore income tax on income accruing in or derived from Singapore and on income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law unless such income is exempt from tax under Singapore income tax law.

The corporate income tax rate in Singapore is currently 17.0%, with the following partial exemption granted for the first S$200,000 of normal chargeable income:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$190,000 of chargeable income.

The income of SG SPC 1 is expected to comprise dividends from DH TMK. As for SG SPC 2, its income is expected to comprise TK profit distributions from TK Operator (GK1).

Any returns of capital received by SG SPC 1 and SG SPC 2 should be capital in nature and hence not taxable in the hands of SG SPC 1 and SG SPC 2 (as the case may be).

Taxation of Dividends from DH TMK to SG SPC 1

On the basis that DH TMK is not a tax resident of Singapore, the dividends from DH TMK to SG SPC 1 should be considered foreign sourced for Singapore taxation purposes.

Provided that SG SPC 1 is a tax resident of Singapore, the dividends from DH TMK received in Singapore (from Japan) by SG SPC 1 will be exempt from Singapore corporate income tax under Section 13(8) of the Income Tax Act provided that the following conditions are met:

(a) in the year the dividend is received in Singapore, the headline corporate tax rate in Japan is at least 15.0%;

(b) the dividend has been subjected to tax of a similar character to income tax (including the tax paid on the dividend) in Japan; and

(c) the Singapore Comptroller of Income Tax ("**CIT Comptroller**") is satisfied that the tax exemption would be beneficial to SG SPC 1.

Based on the current tax laws in Japan, the dividends from DH TMK received by SG SPC 1 in Singapore from Japan should qualify for this tax exemption.

Taxation of TK Profit Distributions from TK Operator (GK1) to SG SPC 2

The TK profit distributions from TK Operator (GK1) to SG SPC 2 should be considered foreign sourced for Singapore taxation purposes. Such TK profit distributions, net of any deductible expenses, should therefore be subject to Singapore corporate income tax at the prevailing tax rate of 17.0% in the hands of SG SPC 2 when the income is received or deemed received in Singapore.

Provided that SG SPC 2 is a tax resident of Singapore, it should be able to claim a foreign tax credit for the Japanese withholding tax imposed on the TK profit distributions. The foreign tax credit, if applicable, will be limited to the lower of the actual amount of Japanese withholding tax paid or the Singapore tax payable on the TK profit distributions.

The Japanese withholding tax rate on the TK profit distributions is currently higher than the corporate income tax rate of 17.0% that such distributions will be subject to in Singapore. As such, provided that SG SPC 2 is entitled to claim the foreign tax credit as expected, the credit should be capped at the amount of Singapore tax otherwise payable on the TK profit distributions (i.e. there should not be incremental Singapore tax payable on the TK profit distributions).

Taxation of Gains from Disposal of Investments

Singapore does not impose tax on capital gains. The determination of whether gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case.

To provide greater upfront certainty of the tax treatment, Section 13Z of the Income Tax Act exempts from tax the gains derived by a company from the disposal of ordinary shares in another company during the period from 1 June 2012 to 31 December 2027 (both dates inclusive) if certain conditions are met, including that the divesting company has, at all times during a continuous period of at least 24 months ending on the date immediately prior to the date of disposal of such shares, legally and beneficially owned at least 20.0% of the ordinary shares in the investee company. There are certain exclusions to which the tax exemption under Section 13Z does not apply, such as a disposal of unlisted shares (on or after 1 June 2022) in an investee company that is in the business of trading immovable properties situated whether in Singapore or elsewhere or principally carries on the activity of holding immovable properties situated whether in Singapore or elsewhere or in the case where the divesting entity is a unit trust (other than a registered business trust).

In the event of any disposal of investments (e.g. shares, units or immovable properties), gains arising from such disposal will not be liable to Singapore income tax unless the gains are considered income of a trade or business carried on in Singapore by the seller. Such gains may also be liable to Singapore income tax if the investments were acquired with the intent or purpose of making a profit from sale and not intended for long-term investment purposes. However, if the gains qualify for tax exemption under Section 13Z of the Income Tax Act, they will not be liable to Singapore income tax.

Taxation of Unitholders

Distributions from DHLT

Distributions made by DHLT in respect of the IPO Portfolio may comprise all, or a combination, of the following types of distribution:

(a) tax-exempt income distribution;

(b) after-tax income distribution; and

(c) capital distribution.

<u>Tax-exempt income distribution</u>

Unitholders will be exempt from Singapore income tax on distributions made by DHLT out of its tax-exempt income such as one-tier tax exempt dividends from SG SPC 1 and SG SPC 2. No tax will be deducted at source or withheld on such distributions.

After-tax income distribution

Distributions made out of income of DHLT that has been assessed to tax in the hands of the Trustee are treated as capital in nature and will not be subject to Singapore income tax in the hands of Unitholders. Unitholders are also not entitled to tax credits for any taxes paid or payable by the Trustee on income subject to tax on the Trustee.

Capital distribution

Capital distributions (broadly, distributions in excess of revenue cash flows of DHLT) will be regarded as a return of capital in the hands of Unitholders. The amount of such distribution will be applied to reduce the cost base of the Units held by Unitholders. For Unitholders who are liable to Singapore income tax on gains arising from the disposal of the Units, the reduced cost base of the Units will be used to calculate the amount of taxable gains when the Units are subsequently disposed of. If the amount of return of capital exceeds the cost base or reduced cost base of the Units, the excess will be subject to tax as trading income of such Unitholders.

Gain on Disposal of the Units

Singapore currently does not impose tax on capital gains. Therefore, gains on disposal of the Units that are capital in nature will not be subject to Singapore income tax. However, such gains may be considered income in nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if the intention of the Unitholders was not to hold the Units as long-term investments.

As the precise tax status of one Unitholder will vary from another, Unitholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

Unitholders who have adopted or are required to adopt Financial Reporting Standard 39 – Financial Instruments, Recognition and Measurement ("**FRS 39**"), Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or the equivalent under the Singapore Financial Reporting Standard (International) ("**SFRS(I)**") for financial reporting purposes may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Units, irrespective of disposal. Unitholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Units arising from the adoption of FRS 39, FRS 109 or the equivalent under SFRS(I).

GST

GST is a broad-based consumption tax levied on the import of goods, as well as nearly all supplies of goods and services made in Singapore.

The prevailing standard rate of GST in Singapore is 7.0%. As announced in the 2018 Singapore Budget, the Singapore Government plans to raise the standard rate of GST from 7.0% to 9.0%, sometime in the period from 2021 to 2025. The GST rate remains at 7.0% for 2021 (as announced in the 2020 Singapore Budget).

GST on imported services has also been implemented with effect from 1 January 2020 via a reverse charge mechanism for business to business supplies of imported services. Under the reverse charge mechanism, a GST registered business which is not entitled to full input tax credit would be required to account for GST on the value of its imported services that fall within the scope of reverse charge as if it is the supplier. The GST registered business would be allowed to claim the corresponding GST as its input tax, subject to the normal input tax recovery rules. A non-GST registered business (which DHLT, SG SPC 1 and SG SPC 2 will likely be) which procures imported services may also be liable for GST registration under the reverse charge registration rules and be required to perform reverse charge accounting on the imported services if certain conditions are satisfied.

DHLT, SG SPC 1 and SG SPC 2

Recovery of GST Incurred

Pursuant to a GST remission granted by the Minister for Finance, DHLT (as a Singapore-listed REIT) is allowed to claim:

(a) GST on its business expenses, irrespective of whether it holds underlying non-residential properties directly or indirectly through its SPVs (including SG SPC 1 and SG SPC 2); and

(b) the GST incurred on the setting up of the SPVs or the GST incurred by its SPVs (including SG SPC 1 and SG SPC 2) on the acquisition and holding of the non-residential properties.

The above GST claims are allowable even if DHLT is not GST-registered or not eligible for GST registration. However, the GST claims are subject to conditions governing the GST remission and the general input tax claims conditions prescribed under the GST legislation. These conditions include, among others, the following:

(a) DHLT is listed or to be listed on the SGX-ST;

(b) DHLT has veto rights over key operational issues of its SPVs holding the underlying non-residential properties located outside Singapore; and

(c) the underlying non-residential properties located outside Singapore of DHLT make taxable supplies or out-of-scope supplies which would have been taxable supplies if made in Singapore (e.g. lease of non-residential properties located outside Singapore).

The aforementioned GST remission is currently applicable for expenses incurred up to and including 31 December 2025. If this remission is not subsequently extended beyond 31 December 2025, DHLT and its SPVs (including SG SPC 1 and SG SPC 2) will not be able to claim the GST incurred on their expenses after 31 December 2025 if they are not GST-registered.

Unitholders

Purchase and Sale of the Units

The sale of the Units by an investor belonging in Singapore through an SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (e.g. GST on brokerage) incurred by such investor in making such an exempt supply is generally not recoverable and will become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or satisfies certain GST concessions.

Where the Units are supplied by a GST-registered investor to a person who belongs outside Singapore (and who is outside Singapore at the time of supply), the sale is a taxable supply subject to GST at zero-rate (i.e. 0%). Any input GST (e.g. GST on brokerage) incurred by the GST-registered investor in making this zero-rated supply for the purpose of his business may, subject to the provisions of the GST legislation, be recoverable from the Singapore Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and disposition of the Units.

Services such as arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of the Units rendered by a GST-registered person to an investor will generally be subject to GST at the prevailing standard rate, currently 7.0%, unless the services satisfy the conditions to qualify for zero-rating (i.e. GST at 0%).

Stamp Duty

Stamp duty should not be payable on the transfers of the Units through CDP without any written instrument or agreement of transfer. In the event of a change of trustee for DHLT, stamp duty should not be payable on any document effecting the appointment of a new trustee and the transfer of the Deposited Property from the incumbent trustee to the new trustee, if there is no beneficial interest in the Deposited Property transferred to the new trustee.

JAPAN TAX OVERVIEW

Corporate Income Tax

Corporate Income Tax in General

Japanese domestic corporations are subject to tax on their worldwide income while foreign corporations are taxed only on certain Japan-sourced income.

The rate of national corporate income tax (*houjin zei*) of 23.2% (prevailing rate) applies to corporations with paid-in capital exceeding JPY 100 million at the end of each fiscal year. In addition, corporate taxpayers are required to file and pay the national local corporate income tax at a fixed rate of 10.3% (prevailing rate) on their corporate tax liabilities. This results in an overall corporate income tax rate of approximately 25.59%.

Corporations with paid-in capital of JPY 100 million or less at the end of each fiscal year (provided they are not wholly owned by another company with paid-in capital of JPY 500 million or more) are subject to a lower national corporate income tax rate of 15.0% (prevailing rate) for the first JPY 8 million of taxable income. After adding on the national local corporate income tax of 10.3% (prevailing rate), the overall corporate income tax rate for such corporations will be approximately 16.55% for the first JPY 8 million of taxable income.

Additionally, Japanese domestic corporations and foreign corporations with a permanent establishment in Japan are subject to local inhabitant tax (*houjin jumin zei*), the rate of which varies with the location and size of the corporation. Such corporations are also subject to local enterprise tax (*jigyou zei*) imposed by the prefectures. Instead of the above general enterprise tax, corporations with paid-in capital of more than JPY 100 million are subject to business scale taxation (*gaikei hyojun kazei*) which is levied on the basis of value added, capital amount and income. Business scale taxation does not apply to a TMK.

The effective tax rate (inclusive of the local inhabitant and local enterprise taxes) is approximately 30.62% (prevailing rate) for corporations with paid-in capital of more than JPY 100 million or 34.59% (prevailing rate) for companies with paid-in capital of JPY 100 million or less.

DH TMK

Special Tax Treatment of a TMK

A TMK is a special purpose corporation specifically designed for the purpose of issuing asset-backed securities under the Asset Liquidation Act. While a TMK is subject to corporate income tax in the same manner as other Japanese domestic corporations, it is entitled to, in calculating its taxable income, deduct dividend distributions made to its shareholders provided that it satisfies certain conditions set forth under the Special Taxation Measures Law of Japan. These conditions comprise certain permanent requirements (i.e. to be satisfied upon set-up of the TMK) as well as ongoing requirements (i.e. to be met on an ongoing basis for each fiscal year or period):

(1) Permanent requirements

(a) the TMK should be duly listed on a TMK register stipulated under Article 8(1) of the Asset Liquidation Act by filing its asset liquidation plan;

(b) the TMK must meet one of the following conditions:

(i) total issue price of the specified bonds issued by the TMK under public offering must be JPY 100 million or more;

(ii) all specified bonds issued by the TMK are expected to be held by a tax qualified institutional investor ("**Tax QII**"), which is defined under Article 67 – 14(1)(1) of the Special Taxation Measures Law of Japan (note: for the avoidance of doubt, not all Qualified Institutional Investors are Tax QIIs), or a Specified Claims Liquidation TMK, which is defined under Article 39-32-2(2) of the Special Tax Measures Law Enforcement Order;

(iii) preferred investments issued by the TMK are subscribed to by fifty or more investors; or

(iv) all preferred investments issued by the TMK are subscribed to only by a Tax QII;

(c) more than 50.0% of the total issued specified investments (except for the specified investments with respect to which the TMK's asset liquidation plan provides that its subscribers waive the rights to receive dividends and residual asset distribution upon liquidation) and more than 50.0% of the total issued preferred investments (per each class if two or more classes are issued) must be offered within Japan. This must be expressly prescribed in the TMK's asset liquidation plan; and

(d) the fiscal year or period of the TMK does not exceed one year.

(2) Ongoing requirements

(a) the TMK conducts business in relation to the liquidation of assets prescribed under the Asset Liquidation Act according to its asset liquidation plan;

(b) the TMK does not conduct any business other than the business in relation to liquidation of assets and incidental activities;

(c) the TMK entrusts management and disposal of the specified assets to another person or places the specified assets into a trust;

(d) the TMK is not a family corporation as defined under Article 39-32-2(5) of the Special Tax Measures Law Enforcement Order unless certain other requirements are met;

(e) the TMK distributes more than 90.0% of its distributable income for the fiscal year or period;

(f) the TMK is not a member with unlimited liability of a general partnership company or a limited partnership company;

(g) the TMK does not own assets other than the specified assets, assets necessary for activities relating to the liquidation of the specified assets and excess funds invested in accordance with the Asset Liquidation Act; and

(h) if the TMK has specified borrowing, such borrowing is provided by a Tax QII or a Specified Claims Liquidation TMK which is not the holder of the specified shares of the TMK.

If the above conditions (i.e. both the permanent and ongoing requirements) are met and DH TMK is able to distribute 100.0% of its taxable income, minimal Japanese corporate income tax, if any, should be payable by DH TMK. Otherwise, DH TMK will be subject to Japanese corporate income tax at the prevailing rate (approximately 34.59%) on (i) the amount of undistributed taxable income (if all the above conditions are met but DH TMK does not distribute 100.0% of its taxable income) or (ii) the full amount of its taxable income (if the above conditions are not met), as the case may be.

Gains on Disposal of TBI or TK Interests owned by a TMK

For Japanese corporate income tax purposes, capital gains are not taxed separately. Such gains are included in the taxable income of a corporation to which normal tax rates apply.

In the event that DH TMK disposes of its TBI or TK interests in TK Operator (GK2), such gains would be included in the taxable income of DH TMK. If the conditions set forth under the Special Taxation Measures Law of Japan are met and DH TMK distributes 100.0% of its taxable income, minimal Japanese corporate income tax, if any, should be payable by DH TMK.

In addition to normal corporate income tax and subject to separate provisions, there is a special surplus tax at 5.0% or 10.0% (depending on the holding period) that is imposed on capital gains from the disposition of land located in Japan. However, this tax is currently suspended (as of the date of this Prospectus).

TK Operator (GK1) and TK Operator (GK2)

Tax Treatment of a TK Agreement

A TK agreement is a contract under the Commercial Code of Japan by which a party (the TK Investor) invests in the TK business performed by the other party (the TK Operator) in exchange for a share of profits or losses arising from such business. In concept, a TK Investor is a silent partner and cannot participate in the management of the TK business.

TK Operator (GK1) and TK Operator (GK2) are treated as normal corporations for Japanese corporate tax purposes and therefore will be subject to corporate income tax (inclusive of the local inhabitant and local enterprise taxes) at the prevailing effective rate of approximately 30.62% or 34.59% (as the case may be).

However, provided that the TK agreement is a valid agreement and not recharacterised, the profits or losses allocable to the TK Investor will be deducted from or added to (as the case may be) the taxable income of the TK Operator. In other words, the portion of the taxable income of the TK Operator that is allocable to the TK Investor will not be subject to corporate income tax if the TK agreement is a valid agreement and not recharacterised.

Gains on Disposal of TBI or Shares in a TMK

For Japanese corporate income tax purposes, capital gains are not taxed separately. Such gains are included in the taxable income of a corporation to which normal tax rates apply.

In the event that TK Operator (GK1) disposes of its shares in DH TMK or TK Operator (GK2) disposes of its TBI, the gains derived therefrom will normally be subject to corporate income tax (inclusive of the local inhabitant and local enterprise taxes) in the hands of the respective entity at the prevailing effective rate of approximately 30.62% or 34.59% (as the case may be). However, the profits allocable to the respective TK Investor may be deducted from the taxable income of the respective entity provided that the respective TK agreement is a valid agreement and not recharacterised.

In addition to normal corporate income tax and subject to separate provisions, there is a special surplus tax at 5.0% or 10.0% (depending on the holding period) that is imposed on capital gains from the disposition of land located in Japan. However, this tax is currently suspended (as of the date of this Prospectus).

Permanent Establishment Exposure

If DHLT or SG SPC 2 are to be regarded as having a permanent establishment in Japan, the Japanese tax implications could be markedly different to the Japanese tax implications under a valid TK agreement.

For example, if SG SPC 2 is viewed as actively participating in the TK business carried on by TK Operator (GK1), the TK agreement with TK Operator (GK1) could be recharacterised by the Japanese tax authorities as either a Japanese partnership (*nin-i kumiai*) or as an agency relationship. In such case, SG SPC 2 would be required to file a Japanese tax return and its allocable portion of the profits of the TK business would be subject to full Japanese corporate income tax at the regular rate. Any withholding tax previously paid on such TK profit allocations should be creditable against that corporate income tax.

SG SPC 1

Redemption of Shares in a TMK

Any redemption proceeds in excess of the share capital of a TMK is treated as a deemed dividend and subject to Japanese withholding tax as described below under the section “Withholding tax”, and the balance is treated as a return of capital. Where DH TMK distributes all of its distributable income to the extent possible, a deemed dividend by redemption of shares should rarely arise.

Disposal of Shares in a TMK

In the event that SG SPC 1 disposes of its shares in DH TMK, the gains derived by SG SPC 1 therefrom should be subject to Japanese corporate income tax at the rate of approximately 25.59% (prevailing) provided that SG SPC 1 does not have a permanent establishment in Japan.

SG SPC 2

Distributions in Excess of TK Profits

Distributions made to SG SPC 2 in excess of SG SPC 2's allocable portion of the profits of the TK business should generally be considered a return of SG SPC 2's tax basis in the TK business (up to such amount) and accordingly not be subject to Japanese withholding tax.

Disposal of TK Interests

In the event that SG SPC 2 disposes of its TK interests in TK Operator (GK1), the gains derived by SG SPC 2 therefrom should not be subject to Japanese corporate income tax.

Withholding Tax

Dividend distributions by a Japanese domestic corporation are generally subject to 20.0% withholding tax. From 1 January 2013, for a period of 25 years, a 2.1% surtax is imposed and this will increase the withholding tax rate to 20.42%.

Provided that the TK agreement is valid and not recharacterised, TK profit repatriations are subject to a final withholding tax at the rate of 20.42%.

The above withholding tax rates may be reduced under an applicable tax treaty.

Under the Singapore-Japan DTA, the withholding tax rates on Japan-sourced dividends payable to a resident of Singapore may be reduced in certain circumstances. Provided that the Singapore income recipient (i) qualifies as a tax resident of Singapore, (ii) does not have a permanent establishment or fixed base in Japan with which the dividends are effectively connected, (iii) is the beneficial owner of the Japan-sourced dividend income, (iv) is conducting actual activities through a physical existence in Singapore, and (v) does not fail the principal purpose test, it should be eligible to the reduced dividend withholding tax rates pursuant to the Singapore-Japan DTA in respect of the amount of dividend income remitted to or received in Singapore. Pursuant to the principal purpose test, a benefit under the Singapore-Japan DTA shall not be granted in respect of an item of income (or capital) if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the Singapore-Japan DTA.

The Singapore-Japan DTA does not provide for any reduction of the withholding tax rate for TK profit repatriations.

Dividends from DH TMK

Provided that SG SPC 1 meets the above conditions and holds at least 25.0% of the voting shares of DH TMK during the period of six months immediately before the end of the fiscal period for which the distribution of profits takes place, the dividends that SG SPC 1 receives from DH TMK should be eligible for the reduced withholding tax rate of 5.0% as prescribed under the Singapore-Japan DTA. The reduced withholding tax rate shall apply only to so much of the dividend income as is remitted to or received in Singapore.

As for TK Operator (GK1), the dividends it receives from DH TMK will be subject to an on-account withholding tax of 20.42%. This on-account withholding tax is creditable against its Japanese corporate income tax payable. In the event the on-account withholding tax deducted is more than the Japanese corporate income tax payable by TK Operator (GK1), the excess is refundable to TK Operator (GK1).

Profit Distributions from TK Operator (GK1) and TK Operator (GK2)

The TK profit distributions paid to SG SPC 2 from TK Operator (GK1) will be subject to Japanese withholding tax at a rate of 20.42% on the gross amount of the profit distributions (including the 2.1% surtax applying till 31 December 2037).

As for the TK profit distributions paid to DH TMK from TK Operator (GK2), such distributions will be subject to an on-account withholding tax of 20.42%. This on-account withholding tax is creditable against the Japanese corporate income tax payable of DH TMK. In the event the on-account withholding tax deducted is more than the Japanese corporate income tax payable by DH TMK, the excess is refundable to DH TMK.

Consumption Tax

Rental income from real property, except for land or residential properties, is subject to consumption tax at the prevailing rate of 10.0%.

Acquisition of assets, except for land, is subject to consumption tax at the prevailing rate of 10.0%.

A taxable entity for consumption tax purposes is generally able to claim a credit for consumption tax paid, depending on its taxable sales ratio (as defined for consumption tax purposes, broadly the ratio of taxable and exempt sales to taxable, exempt and non-taxable sales).

Real Property Transaction and Holding Taxes

Registration and Licence Tax and Real Estate Acquisition Tax

Rates in General

Acquisition of Japanese real estate, including land and buildings, is subject to registration and licence tax (*toroku menkyo zei*) of 2.0% (a concessionary rate of 1.5% for land has been granted until 31 March 2023) and real estate acquisition tax (*fudosan shutoku zei*) of 4.0% (a concessionary rate of 3.0% for land and residential buildings has been granted until 31 March 2024). The taxable base for these real estate transaction taxes is normally the price of the fixed assets registered on the fixed asset tax ledger.

The acquisition of TBI, representing real estate as entrusted assets, is not subject to real estate acquisition tax. A change to the beneficiary of TBI is subject to registration and licence tax of JPY 1,000 for each real estate.

Special Tax Treatment of a TMK

Until 31 March 2023, the registration and licence tax is reduced to 1.3%, subject to special provisions, for the acquisition of real properties by a TMK that satisfies certain conditions.

Subject to special provisions, the tax base for real estate acquisition tax is reduced by three-fifths until 31 March 2023 for the acquisition of real properties by a TMK that satisfies certain conditions.

Real Estate Holding Tax

Real property owners are generally subject to fixed asset tax (*kotei shisan zei*) of 1.4% and city planning tax (*toshi keikaku zei*) of 0.3% on the amount of taxable basis of the real property. The amount of taxable basis is the price of the fixed assets registered in the fixed asset tax ledger subject to adjustment for special reduction where applicable. The enforcement of special land holding tax (*tokubetsu tochi hoyu zei*) and land value tax (*chika zei*), is currently suspended (as of the date of this Prospectus). Depreciable assets other than buildings are subject to depreciable asset tax (*shokyaku shisan zei*) at a rate of 1.4% on the amount of taxable basis.

Stamp Duty

The stamp duty payable on a sale and purchase agreement relating to a transfer of TBI is JPY 200.

The stamp duty payable on a sale and purchase agreement relating to a transfer of real estate (i.e. hard assets) is between JPY 200 and JPY 480,000 until 31 March 2022 (JPY 600,000 after 31 March 2022) depending on the transaction amount as set out in the agreement.

The stamp duty payable on a loan agreement is between JPY 200 and JPY 600,000 depending on the transaction amount as set out in the agreement.

Stamp duty is payable on the agreement(s) between the seller(s) and DH TMK and/or TK Operator (GK2).

PLAN OF DISTRIBUTION

The Manager is making an offering of 244,438,000 Units (representing 36.2% of the total number of Units in issue after the Offering) for subscription at the Offering Price under the Placement Tranche and the Public Offer. 219,438,000 Units will be offered under the Placement Tranche and 25,000,000 Units will be offered under the Public Offer.

Units may be re-allocated between the Placement Tranche and the Public Offer at the sole discretion of the Joint Global Co-ordinators (in consultation with the Manager, subject to the minimum holding and distribution requirements of the SGX-ST) in the event of an excess of applications in one and a deficit in the other.

The Public Offer is open to members of the public in Singapore. Under the Placement Tranche, the Manager intends to offer the Units by way of an international placement through the Joint Bookrunners to investors, including institutional investors and other investors in Singapore and elsewhere, in reliance on Regulation S. For the avoidance of doubt, Mizuho Securities (Singapore) Pte. Ltd. and SMBC Nikko Capital Markets Limited are Joint Bookrunners and Underwriters in connection with the Placement Tranche only and are not Joint Bookrunners or Underwriters in connection with the Public Offer. SMBC Nikko Capital Markets Limited and its affiliates have not engaged and will not engage in any marketing and/or offering of any Offering Units in DHLT (including procuring subscribers for any of the Offering Units) to any investor in Singapore.

Subject to the terms and conditions set forth in the Underwriting Agreement, the Manager will effect for the account of DHLT the issue of, and the Joint Bookrunners (or their affiliates, if appropriate) will severally (and not jointly or jointly and severally) procure subscribers, and failing which to subscribe, for 580,500,000 Units (being the Units to be issued pursuant to the Offering and the Cornerstone Units), in the proportions set forth opposite their respective names below.

Joint Bookrunners	**Number of Units**
DBS Bank Ltd.	227,185,540
Nomura Singapore Limited	116,505,405
Citigroup Global Markets Singapore Pte. Ltd.	75,728,514
Credit Suisse (Singapore) Limited	75,728,514
Daiwa Capital Markets Singapore Limited	26,213,716
Mizuho Securities (Singapore) Pte. Ltd.	16,665,000
Morgan Stanley Asia (Singapore) Pte.	17,475,811
SMBC Nikko Capital Markets Limited	24,997,500
Total	**580,500,000**

The Units will initially be offered at the Offering Price. The Offering Price per Unit in the Placement Tranche and the Public Offer will be identical. The Joint Bookrunners have agreed to procure the subscription, and failing which to subscribe, for 580,500,000 Units at the Offering Price, less the Underwriting, Selling and Management Commission to be borne by DHLT.

The Manager and the Sponsor have agreed in the Underwriting Agreement to indemnify, among others, the Joint Bookrunners against certain liabilities. The indemnity in the Underwriting Agreement contains a contribution clause which provides that where the indemnification to the Joint Bookrunners is unavailable or insufficient to hold harmless the Joint Bookrunners, the Manager and/or the Sponsor shall contribute to the amount paid or payable by such Joint Bookrunner as a result of any losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Manager or the

Sponsor on the one hand and the Joint Bookrunners on the other from the offering of the Units. If, however, such allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Manager and/or the Sponsor shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Manager and/or the Sponsor on the one hand and the relevant Joint Bookrunner on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Manager and/or the Sponsor on the one hand and the Joint Bookrunners on the other shall be deemed to be in the same proportion as the total net proceeds from the Offering Units and Cornerstone Units subscribed for or purchased under the Underwriting Agreement (before deducting expenses) bear to the total underwriting fees and commissions received by the Joint Bookrunners with respect to the Offering Units and the Cornerstone Units subscribed for or purchased under the Underwriting Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Manager and the Sponsor on the one hand or the Joint Bookrunners on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. No Joint Bookrunner shall be required to contribute any amount in excess of the amount by which the total underwriting fees and commissions received by such Joint Bookrunner with respect to the Offering Units and the Cornerstone Units exceeds the amount of any damages which such Joint Bookrunner has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The Underwriting Agreement also provides that the obligations of the Joint Bookrunners to subscribe, or procure subscribers for, the Units in the Offering are subject to certain conditions contained in the Underwriting Agreement.

The Underwriting Agreement may be terminated by the Joint Bookrunners at any time prior to the issue and delivery of the Units upon the occurrence of certain events including, among others, certain force majeure events pursuant to the terms of the Underwriting Agreement.

Subscribers of the Units may be required to pay brokerage (and if so required, such brokerage will be up to 1.0% of the Offering Price) and applicable stamp duties, taxes and other similar charges (if any) in accordance with the laws and practices of the country of subscription, in addition to the Offering Price.

Each of the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators, the Joint Bookrunners and their respective associates may engage in transactions with, and perform services for, DHLT, the Manager, the Trustee and the Sponsor in the ordinary course of business and have engaged, and may in the future engage, in commercial banking or investment banking transactions and/or other commercial transactions with DHLT, the Manager, the Trustee and the Sponsor, for which they have received or made payment of, or may in the future receive or make payment of, customary fees.

Without prejudice to the generality of the foregoing, and in addition to their role as Joint Bookrunners pursuant to the Underwriting Agreement, and the role of DBS Bank Ltd. as Sole Financial Adviser, Joint Issue Manager, Joint Global Co-ordinator and Stabilising Manager, and the role of Nomura Singapore Limited as Joint Issue Manager and Joint Global Co-ordinator, and the roles of Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited as the Joint Global Co-ordinators, the Joint Bookrunners intend to pre-fund part of the proceeds raised from the Offering and the Cornerstone Units, which together with the proceeds from the issuance of the Sponsor's Subscription Units, will be used by DHLT to partially finance the acquisition of the IPO Properties. DHLT intends to use part of the proceeds from the Offering and the issuance of Cornerstone Units to repay the Joint Bookrunners for such pre-funded amounts. See "Use of Proceeds" for further details. In addition, Sumitomo Mitsui Banking Corporation, which is an affiliate of SMBC Nikko Capital Markets Limited, and Mizuho Bank, Ltd., which is an affiliate of Mizuho Securities (Singapore) Pte. Ltd., and MUFG Bank, Ltd., which is a substantial shareholder of Morgan Stanley, the parent company of Morgan Stanley Asia (Singapore) Pte., being one of the Joint Bookrunners and Underwriters, will be part of the lending syndicate extendingthe Acquisition Loan Facilities to DHLT, through DH TMK. See ″Capitalisation and Indebtedness″ for further details.

Each of the Joint Bookrunners and their respective associates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers in the ordinary course of business, and such investment and securities activities may involve securities and instruments, including Units.

Nomura Singapore Limited is a wholly-owned subsidiary of Nomura Holdings, Inc. ("**NHI**"). Another wholly-owned subsidiary of NHI, Nomura Asset Management Co., Ltd. ("**NAM**") is an asset manager which held as at the Latest Practicable Date 6.4% of issued shares of DHI as part of its discretionary assets under management. None of NHI, NAM and Nomura Singapore Limited has any economic interest in the shares of DHI held by NAM for its clients, other than management fees which NAM derives from its asset management services which are immaterial to the NHI group. The Joint Bookrunners and their respective associates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to their clients that they acquire, long and/or short positions in such securities and instruments.

SMBC Nikko Capital Markets Limited is a subsidiary of Sumitomo Mitsui Banking Corporation, which, as at the Latest Practicable Date held 2.42% of the issued shares of DHI.

Mizuho Securities (Singapore) Pte. Ltd. is a subsidiary of Mizuho Securities Co., Ltd., which, as at the Latest Practicable Date held 0.18% of the issued shares of DHI.

OVER-ALLOTMENT AND STABILISATION

The Unit Lender has granted the Over-Allotment Option to the Joint Bookrunners for the purchase of up to an aggregate of 27,000,000 Units at the Offering Price. The number of Units subject to the Over-Allotment Option represents approximately 11.0% of the total number of Units in the Offering. The Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), in consultation with the other Joint Global Co-ordinators, may exercise the Over-Allotment Option in full or in part, on one or more occasions, only from the Listing Date but no later than the earlier of (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 27,000,000 Units, representing approximately 11.0% of the total number of Units in the Offering, in undertaking stabilising actions to purchase up to an aggregate of 27,000,000 Units (representing approximately 11.0% of the total number of Units in the Offering). In connection with the Over-Allotment Option, the Stabilising Manager and the Unit Lender have entered into a unit lending agreement (the "**Unit Lending Agreement**") dated 19 November 2021 pursuant to which the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may borrow up to an aggregate of 27,000,000 Units from the Unit Lender for the purpose of facilitating settlement of the over-allotment of Units in connection with the Offering. The Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will re-deliver to the Unit Lender such number of Units which have not been purchased pursuant to the exercise of the Over-Allotment Option.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Global Co-ordinators and at its discretion, effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the SFA and any regulations hereunder. Any profit after expenses derived, or any loss sustained as a consequence of the exercise of the Over-Allotment Option or the undertaking of any stabilising activities shall be for the account of the Joint Bookrunners.

None of the Manager, the Sponsor, the Unit Lender, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators, the Joint Bookrunners or the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) makes any representation or prediction as to the magnitude of any effect that the transactions described above may have on the price of the Units. In addition, none of the Manager, the Sponsor, the Unit Lender, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators, the Joint Bookrunners or the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) makes any representation that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice (unless such notice is required by law). The Stabilising Manager will be required to make a public announcement via SGXNET in relation to the total number of Units purchased by the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), not later than 12.00 noon on the next trading day of the SGX-ST after the transactions are effected. The Stabilising Manager will also be required to make a public announcement through the SGX-ST in relation to the cessation of stabilising action and the number of Units in respect of which the Over-Allotment Option has been exercised not later than 8.30 a.m. on the next trading day of the SGX-ST after the cessation of stabilising action.

LOCK-UP ARRANGEMENTS

The Sponsor

Subject to the exceptions described below, the Sponsor has agreed with the Joint Bookrunners that it will not, without the prior written consent of each Joint Bookrunner (such consent not to be unreasonably withheld or delayed), during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell or contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, hypothecate, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any or all of its direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect which carry rights to subscribe for or purchase any such Lock-up Units or part thereof);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Units (including any securities convertible into or exercisable or exchangeable for any Lock-up Units or which carry rights to subscribe for or purchase any such Lock-up Units);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any or all of its direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (a) to (e) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period), and the same restrictions will apply in respect of its effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit the Sponsor from being able to:

(i) create a charge over the Lock-up Units or otherwise grant security over or create any encumbrance over the Lock-up Units, provided that such charge, security or encumbrance can only be enforced after the expiry of the First Lock-up Period and only in respect of not more than its effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period, or (as the case may be) in respect of all of the Lock-up Units after the Second Lock-up Period;

(ii) enter into any unit lending arrangement with the Joint Bookrunners or any sale or transfer of any of the Lock-up Units by the Sponsor pursuant to the exercise of an over-allotment option granted by the Unit Lender to the Joint Bookrunners; and

(iii) transfer any Lock-up Units to and between wholly-owned subsidiaries of the Sponsor or any declaration of trust by the Sponsor in respect of such Lock-up Units where the sole beneficiary of such trust is the Sponsor or its wholly-owned subsidiary, provided that such wholly-owned subsidiary or the Sponsor (as the case may be) have executed and delivered to the Joint Bookrunners an undertaking to the effect that such wholly-owned subsidiary will undertake to comply with the foregoing restrictions in the preceding paragraph to remain in effect for the unexpired period of the First Lock-up Period (as the case may be) and the Second Lock-up Period in relation to its effective interest in 50.0% of the Lock-up Units.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to the Unit Lender pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above as if they were Lock-up Units.

The Manager

Subject to the exceptions described below, the Manager has agreed with the Joint Bookrunners that they will not during the First Lock-up Period, directly or indirectly:

(a) offer, pledge, sell or contract to sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any Units (or any securities convertible into or exchangeable for Units or part thereof or which carry rights to subscribe for or purchase any Units or part thereof);

(b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Units or any other securities of DHLT or any of its subsidiaries or any interest in any of the foregoing (including any securities convertible into or exercisable or exchangeable for any Units or which carry rights to subscribe for or purchase Units or any other securities of DHLT or any of its subsidiaries);

(c) enter into any transaction (including a derivative transaction) or other arrangement with a similar economic effect to the foregoing sub-paragraph (a) or (b);

(d) deposit any Units (or any securities convertible into or exchangeable for Units or part thereof or which carry rights to subscribe for or purchase any Units or part thereof) in any depository receipt facility;

(e) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(f) publicly announce any intention to do any of the above.

The restrictions described in the preceding paragraph do not apply to the issuance of (i) Units to be offered under the Offering, (ii) the Lock-up Units, (iii) the Sponsor's Subscription Units, (iv) the Cornerstone Units and (v) the Units to the Manager in payment of any fees payable to the Manager under the Trust Deed.

If, for any reason, the Listing Date does not take place within six months of the date of this Prospectus, the lock-up arrangements described above will be terminated.

SGX-ST LISTING

DHLT has received a letter of eligibility from the SGX-ST for the listing and quotation of the Units on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, DHLT, the Manager, the Trustee or the Units. It is expected that the Units will commence trading on the SGX-ST on a "ready" basis on or about 26 November 2021.

Prior to this Offering, there has been no trading market for the Units. There can be no assurance that an active trading market will develop for the Units, or that the Units will trade in the public market subsequent to this Offering at or above the Offering Price (see "Risk Factors – Risks Relating to an Investment in the Units – The Units have never been publicly traded and the listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units" for further details)

ISSUE EXPENSES

The Manager estimates that expenses payable in connection with the Offering and the issuance of the Sponsor's Subscription Units and the Cornerstone Units and the application for listing, including the Underwriting, Selling and Management Commission, professional fees and all other incidental expenses relating to the Offering and the issuance of the Sponsor's Subscription Units and the Cornerstone Units will be approximately JPY 2,217.6 million (S$26.2 million) based on the Offering Price, which will be borne by DHLT.

A breakdown of these estimated expenses is as follows:

	(S$'000)
Underwriting, Selling and Management Commission	14,472
Professional and other fees[(1)]	1,954
Other expenses[(2)]	9,803
Total estimated expenses	26,229

Notes:

(1) Includes solicitors' fees and fees for the Reporting Auditor, the Independent Tax Adviser (as defined herein), the Independent Valuers and other professionals' fees and other expenses.

(2) Includes cost of prospectus production, road show expenses and certain other expenses incurred or to be incurred in connection with the Offering.

DISTRIBUTION AND SELLING RESTRICTIONS

None of the Manager, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators or the Joint Bookrunners have taken any action, or will take any action, in any jurisdiction other than Singapore that would permit a public offering of Units, or the possession, circulation or distribution of this Prospectus or any other material relating to the Offering in any jurisdiction other than Singapore where action for that purpose is required.

Accordingly, each purchaser of the Units may not offer or sell, directly or indirectly, any Units and may not distribute or publish this Prospectus or any other offering material or advertisements in connection with the Units in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Each purchaser of the Units is deemed to have represented and agreed that it will comply with the selling restrictions set out below for each of the following jurisdictions:

Selling Restrictions

Hong Kong

WARNING: The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice. This Prospectus has not been authorised by the Securities and Futures Commission in Hong Kong.

Accordingly, no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Units, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Units which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO.

Canada

The Units may only be offered or sold, directly or indirectly, in the provinces of British Columbia, Alberta, Ontario and Quebec, or to residents thereof and not in, or to the residents of, any other province or territory of Canada. Such offers or sales will be made pursuant to an exemption from the requirement to file a prospectus with the regulatory authorities in the provinces of British Columbia, Alberta, Ontario and Quebec and will be made only by a dealer duly registered under the applicable securities laws of the province of British Columbia, Alberta, Ontario or Quebec, as the case may be, or in accordance with an exemption from the applicable registered dealer requirements.

The Units may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are both accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions ("**NI-45-106**") or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Units must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

The Joint Bookrunners intend to pre-fund part of the proceeds raised from the Offering and the Cornerstone Units, which will be used by DHLT to partially finance payment to the Sponsor for the purchase price of the IPO Portfolio. DHLT intends to use part of the proceeds from the Offering and the issuance of Cornerstone Units to repay the Joint Bookrunners for such pre-funded amounts. In addition (i) certain of the Joint Bookrunners or their affiliates may be party of the syndicate of lenders providing the TMK Debt Facilities which DHLT will have in place as at the Listing Date, and (ii) one of the Joint Bookrunners will be subscribing for Units, both (a) on behalf of itself through its treasury investments, and (b) on behalf of certain of its private banking clients, as Cornerstone Investors, and (iii) two others Joint Bookrunners (either by itself or through their affiliates) will be subscribing for Units on behalf of certain of their private banking clients, as Cornerstone Investors. Canadian investors should review the sections entitled "Plan of Distributions", "Use of Proceeds", "Ownership of the Units – Subscription by the Cornerstone Investors" and "Capitalisation and Indebtedness" for further details if they require further information.

Upon receipt of the Prospectus, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

Switzerland

DHLT has not been licensed for offering to non-qualified investors in or from Switzerland with the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") as a foreign collective investment scheme pursuant to article 120 para. 1 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("**CISA**") and no representative and/or paying agent in Switzerland has been appointed pursuant to article 120 para. 2 and/or article 120 para. 4 CISA. Accordingly, the Units may only be offered (within the meaning of article 3 lit. g of the Swiss Federal Act on Financial Services of 15 June 2018, as amended ("**FinSA**") and article 3 para. 5 of the Swiss Federal Ordinance on Financial Market Services of 6 November 2019, as amended) and/or marketed (within the meaning of article 127a of the Swiss Collective Investment Schemes Ordinance of 22 November 2006, as amended), directly or indirectly, in or from Switzerland (i) to professional clients as defined in article 4 para. 3 FinSA and/or (ii) to private clients within the meaning of article 4 para. 2 FinSA, for whom a financial intermediary in accordance with article 4 para. 3 lit. a FinSA or a foreign financial intermediary that is subject to an equivalent prudential supervision as provided by FINMA, provides portfolio management or investment advice in accordance with article 3 lit. c item 3 and 4 FinSA within the scope of a permanent portfolio management or investment advice relationship in accordance with article 10 para. 3^{ter} CISA and who did not declare that they shall not be treated as qualified investors. Consequently, this Prospectus and/or any other offering documents and/or any marketing materials relating to DHLT may only be made available in or from Switzerland (i) to professional clients as defined in article 4 para. 3 FinSA and/or (ii) to private clients within the meaning of article 4 para. 2 FinSA, for whom a financial intermediary in accordance with article 4 para. 3 lit. a FinSA or a foreign financial intermediary that is subject to an equivalent prudential supervision as provided by FINMA, provides portfolio management or investment advice in accordance with article 3 lit. c item 3 and 4 FinSA within the scope of a permanent portfolio management or investment advice relationship in accordance with article 10 para. 3^{ter} CISA and who did not declare that they shall not be treated as qualified investors. **Investors in the Units do not benefit from the specific investor protection provided by CISA and the supervision by FINMA in connection with the licensing for offering or the appointment of a representative and a paying agent in Switzerland.**

Thailand

No action has been, or will be taken by the Manager in relation to DHLT to comply with the Thailand Securities and Exchange Act B.E. 2535 (1992), as amended and any implementing rules and regulations thereof, or pursuant to any other relevant laws. This document does not, and is not intend to, constitute an offer or sale of Units to the public in the Kingdom of Thailand. Accordingly this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Units in DHLT, may not be issued, circulated or distributed, nor may the Units be offered or sold, or be made the subjects of an invitation for subscription or purchase, whether directly or indirectly, to persons in Thailand, except pursuant to and in accordance with exemptions available in the relevant Thai rules and regulations. Any offer made outside Thailand in compliance with applicable laws is not made to any investor with a view to the Units will be subsequently offered for sale to investors in Thailand. Accordingly, no subscriber of the Units may resell their Units to investors in Thailand in any manner which will impose an obligation on the Manager to make any form of filing or registration with any authority of Thailand, except pursuant to and in accordance with available exemptions from such requirements.

Malaysia

Nothing in this Prospectus constitutes the making available, or offer for subscription or purchase, or invitation to subscribe for or purchase, or sale, of Units ("**Securities**") in Malaysia. No approval of, or recognition by, the Securities Commission of Malaysia has been or will be obtained for the making available, offer for subscription or purchase, or invitation to subscribe for or purchase, or sale, of Securities to any persons in Malaysia. Accordingly, the Securities will only be made available or offered or sold exclusively to persons outside Malaysia. Neither this Prospectus nor any disclosure document has been or will be registered or deposited with the Securities Commission of Malaysia, on the basis that the Securities will not be made available, offered or sold in Malaysia. This Prospectus may not be circulated or distributed in Malaysia, whether directly or indirectly, for the purpose of making available, or offer for subscription or purchase, or invitation to subscribe for or purchase, or sale, of Securities in Malaysia.

United Kingdom

DHLT is an unregulated collective investment scheme for the purposes of the UK Financial Services and Markets Act 2020 ("**FSMA**"). The Trust has not been recognised or authorised by the UK Financial Conduct Authority. This Prospectus is not being distributed, nor has it been approved for the purposes of Section 21 of the FSMA by an authorised person within the meaning of the FSMA.

The issue or distribution of this Prospectus in the UK is being made only to, or directed only at, persons falling within one or more of the following exemptions from the financial promotion regime in Section 21 of FSMA:

(i) authorised firms under the FSMA and certain other investment professionals falling within Article 19 of the FSMA (Financial Promotion) Order 2005 (the "**FPO**") and directors, officers and employees acting for such entities in relation to investment;

(ii) high value entities falling within Article 49 of the FPO and directors, officers and employees acting for such entities in relation to investment; or

(iii) persons who receive this Prospectus outside the UK,

(all such persons in (i) to (iii) together being referred to as "relevant persons").

This Prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the UK. The distribution of this Prospectus to any person other than a relevant person may contravene the provisions of the FSMA. Any person in the UK that is not a relevant person should not treat this Prospectus as constituting a promotion to them or act or rely on this document or any of its contents for any purposes whatsoever. If a relevant person is in doubt about investing in the Units he should consult a person authorised under the FSMA who specialises in advising on such investments. This Prospectus should not be considered as a recommendation that any person should subscribe for or purchase any of the Units.

No prospectus is required under Section 85 of the FSMA and any offer which may be made of Units will be: (i) made to or directed at qualified investors only; (ii) made to or directed at fewer than 150 persons, other than qualified investors, in the UK; (iii) made on the basis that the minimum consideration payable by an investor in the Trust will not be less than €100,000 (or the equivalent amount); or (iv) made in any other circumstances which do not require the publication of a prospectus pursuant to Section 86(1) of the FSMA or as otherwise permitted by applicable law.

United States

The Units have not been and will not be registered under the Securities Act and, may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. The Units are being offered and sold in offshore transactions as defined in and in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

General

Each applicant for Units in the Offering will be deemed to have represented and agreed that it is relying on this Prospectus and not on any other information or representation not contained in this Prospectus and none of DHLT, the Manager, the Trustee, the Sponsor, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators, the Joint Bookrunners or any other person responsible for this Prospectus or any part of it will have any liability for any such other information or representation.

CLEARANCE AND SETTLEMENT

INTRODUCTION

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of the Units. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 100 Units.

Upon listing and quotation on the SGX-ST, the Units will be traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the Securities Accounts maintained by such account holders with CDP.

It is expected that the Units will be credited into the Securities Accounts of applicants for the Units within four Market Days after the closing date for applications for the Units.

CLEARANCE AND SETTLEMENT UNDER THE DEPOSITORY SYSTEM

The Units will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP, will be treated as Unitholders in respect of the number of Units credited to their respective Securities Accounts.

Transactions in the Units under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Units sold and the buyer's Securities Account being credited with the number of Units acquired. No transfer stamp duty is currently payable for the transfer of the Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and the applicable fee payable to CDP. All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Account, prior to trading in such Units, since no assurance can be given that the Units can be credited into the Securities Account in time for settlement following a dealing. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

CLEARING FEES

A clearing fee for the trading of the Units on the SGX-ST are payable at the rate of 0.0325% of the transaction value respectively. The clearing fee, the deposit fee and the unit withdrawal fee that CDP may charge may be subject to the prevailing GST.

DEALING IN UNITS

Dealings in the Units will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the second Market Day following the transaction date. CDP holds Units on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

EXPERTS

Ernst & Young LLP, the Reporting Auditor, was responsible for preparing the Reporting Auditor's Report on the Profit Forecast and Profit Projection and the Reporting Auditor's Report on the Unaudited Pro Forma Consolidated Financial Information found in **Appendix A** and **Appendix B** of this Prospectus, respectively.

Savills Japan Co., Ltd. and CBRE K. K., together the Independent Valuers, were responsible for preparing the Independent Property Valuation Summary Reports in **Appendix E** of this Prospectus.

CBRE K.K. and Savills Valuation and Professional Services (S) Pte Ltd, the Independent Market Research Consultants, are responsible for preparing respectively the Independent Japan Logistics Market Study Report and Independent Review of Selected Industrial and Logistics Markets in ASEAN in **Appendix F** of this Prospectus.

EY Corporate Advisors Pte. Ltd., the Independent Tax Adviser, was responsible for preparing the Independent Taxation Report found in **Appendix D** of this Prospectus.

The Reporting Auditor, the Independent Valuers, the Independent Market Research Consultants, and the Independent Tax Adviser have each given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their respective write-ups and reports and all references thereto in the form and context in which they respectively appear in this Prospectus, and to act in such capacity in relation to this Prospectus.

Save as disclosed below in relation to Mori Hamada & Matsumoto, none of Allen & Gledhill LLP, Allen & Overy LLP, Dentons Rodyk & Davidson LLP or Mori Hamada & Matsumoto makes, or purports to make, any statement in this Prospectus and none of them is aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

Mori Hamada & Matsumoto, the Japanese Counsel, was responsible for the statements attributed to it in the sections "Overview – Overview of the Structure of DHLT – The Property Manager: Daiwa House Property Management Co., Ltd.", "Overview – Overview of the Structure of DHLT – The Property Trustee: Sumitomo Mitsui Trust Bank, Limited", "Risk Factors – Risks Relating to Investing in Real Estate – Some lands of the IPO Portfolio and future properties to be acquired by DHLT or its subsidiaries may be agricultural lands and there may be restrictions when such agricultural lands are transferred or leased", "Risk Factors – Risks Relating to Investing in Real Estate – There are special risks associated with the underlying land of DHLT Properties held in the form of a leasehold interest or surface rights", "Risk Factors – Risks Relating to Investing in Real Estate – Ownership rights in some properties may be declared invalid, limited or may have defects that cannot be ascertained at the time of acquisition", "Business and Properties – Leasehold Interests" and "Overview of the Acquisition of the IPO Properties – Acquisition Structure of the IPO Properties – TK Operator (GK2)" which were prepared for the purpose of advising the Manager in respect of the matters referred to in the statements.

REPORTING AUDITOR

Ernst & Young LLP, the Reporting Auditor, has given and has not withdrawn their consent to the issue of this Prospectus for the inclusion herein of:

- their name;
- the Reporting Auditor's Report on the Profit Forecast and Profit Projection; and
- the Reporting Auditor's Report on the Unaudited Pro Forma Consolidated Financial Information,

in the form and context in which they appear in this Prospectus, and references to its name and such reports in the form and context which they appear in this Prospectus and to act in such capacity in relation to this Prospectus.

GENERAL INFORMATION

RESPONSIBILITY STATEMENT BY THE DIRECTORS

(1) The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offering, the DHLT Group, and the Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading, and the Directors are satisfied that the Profit Forecast and Profit Projection has been stated after due and careful inquiry. Where information in the Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

MATERIAL BACKGROUND INFORMATION

(2) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against the Manager the outcome of which, in the opinion of the Manager, as the case may be, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position of the Manager.

(3) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against DHLT the outcome of which, in the opinion of the Directors, as the case may be, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position (on a pro forma basis) of DHLT.

(4) The name, age and address of each of the Directors are set out in "The Manager and Corporate Governance – The Manager of DHLT – Board of Directors of the Manager". A list of the present and past directorships of each director and executive officer of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H – "List of Present and Past Principal Directorships of Directors and Executive Officers".

(5) There is no family relationship among the directors and executive officers of the Manager.

(6) Save as disclosed below, none of the directors, executive officers or controlling shareholders of the Manager is or was involved in any of the following events:

  (a) at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;

  (b) at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding-up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency, saved as disclosed in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers";

  (c) any unsatisfied judgment against him;

(d) a conviction of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;

(e) a conviction of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;

(f) at any time during the last 10 years, judgment been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;

(g) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;

(h) disqualification from acting as a director or an equivalent person of any entity (including the trustee of a business trust) in any jurisdiction, or from taking part directly or indirectly in the management of any entity or business trust in any jurisdiction;

(i) any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

(j) to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:

    (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;

    (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;

    (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or

    (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

    in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

(k) the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the MAS or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Daiwa House Industry Co., Ltd.

In relation to question 6(k), DHI was found to be in breach of building regulation relating to its construction business as follows:

1. in June 2019, there was a report that pillars and foundations in some buildings built by DHI did not conform to specifications approved by the Minister of the Ministry of Land, Infrastructure, Transport and Tourism ("**MLIT**"). No administrative disposition was warranted;

2. in October 2016, there was a report that some boundary wall panels installed in the attic space, etc. of rental housing built by DHI did not conform to specifications approved by the Minister of the MLIT and fire performance of the building was insufficient. No administrative disposition was warranted;

3. in October 2015, there was a report that part of the attachment method for fireproof doors and window sashes for detached housing and rental housing produced at a DHI plant did not conform with specifications approved by the Minister of the MLIT. No administrative disposition was warranted;

4. in December 2014, part of the attachment method for fireproof rain shutters at buildings built by DHI did not conform with specifications approved by the MLIT. No administrative disposition was warranted; and

5. in June 2008, a correction recommendation was issued by the Tokushima Municipality to an owner of a rental housing noting certain durability issues, including insufficient thickness of concrete structure around the pillars of the external stairs. As such, DHI, as the authorised construction business operator which built the rental housings in 1994, received a business suspension order from the Kinki Regional Development Bureau, MLIT for seven days from 20 April to 26 April 2012 to suspend DHI's building construction business in the private sector in Tokushima Prefecture.

All of the above incidents have been concluded.

In relation to question 6(k), DHI was under investigation by MLIT relating to certain employees who took and passed the operation and management engineer skills qualification exams in December 2019 without satisfying the required work experience criteria due to misunderstanding on the part of individual employees in relation to the exam requirements. Some of these employees were assigned as chief engineers and managing engineers in some construction sites but had their qualifications subsequently invalidated, and as such, DHI was deemed to have not complied with its obligation to place qualified persons in certain construction sites. DHI has since taken measures to remedy the incident, such as conducting prompt investigations on the relevant buildings and reporting the results to MLIT, conducting investigations on retired engineers and explaining the issues to the owners of the buildings carefully. Disciplinary proceedings have been completed and MLIT has on 17 November 2021 issued an order to suspend DHI's construction business as to electric work and plumbing work for 22 days commencing from 2 December 2021. The order is unlikely to have an impact on DHLT or the IPO Properties as the incidents do not involve any of the IPO Properties nor does the Manager expect the disciplinary proceedings to have any material impact on the Sponsor's operations and/or financials. The order is also not expected to impact on DHI's capability and competency to act as sponsor of DHLT, because the construction business of DHI is a different field of business and not directly related to the REIT management.

In relation to question 6(k), DHI was subject to a cease-and-desist order issued by the Governor of Osaka in August 2019, in relation to a warm water bathing facility owned by DHI and operated by a third party, after said third party was found to have made misleading representations on the effect and components of the bath water. The misleading representations have since been removed or corrected by the third party and DHI has also completed payment of an administrative monetary penalty on 24 December 2020. DHI no longer owns the warm bathing facility business and simply leases the property to the business operator. The business is now owned and operated by the third party operator. DHI has also withdrawn from the warm bathing facility business.

In relation to question 6(k), DHI was found by the Tenma Labour Standards Inspection Office to have failed to pay augmented wages (overtime pay) to employees as required by the Labour Standards Act in April 2011, and was instructed to pay the shortfall in augmented wages backdated for a two-year period. An investigation was conducted by DHI and companies of the Daiwa House Group and it was found that there were unpaid overtime wages of approximately JPY 3.2 billion across all offices of DHI and the Daiwa House Group. The unpaid wages were repaid by DHI and relevant companies of the Daiwa House Group to the employees in April 2011.

None of the IPO Properties nor the Sponsor Group entities involved in DHLT's listing were involved in the foregoing incidents.

EXCHANGE CONTROLS

(7) Other than as described in the "Exchange Rate Information and Exchange Controls" section of this Prospectus, as at the date of this Prospectus, there is no governmental law, decree or regulatory requirement which may affect the repatriation of capital and the remittance of profits by or to the Manager.

MATERIAL CONTRACTS

(8) The dates of, parties to, and general nature of every material contract the DHLT Group has entered into within the two years preceding the date of this Prospectus (not being contracts entered into in the ordinary course of the business of DHLT) are as follows:

(a) the Trust Deed;

(b) the Articles of Incorporation of DH TMK;

(c) the TK GK1 Agreement;

(d) the TK GK2 Agreement;

(e) the ROFR Agreement;

(f) the Share Purchase Agreements;

(g) the PSAs;

(h) the Master Lease Agreements;

(i) the Asset Management Agreements;

(j) the Property Management Agreements;

(k) the Land Lease Agreements;

(l) the Group Brands Agreements; and

(m) the Solar Power Facilities Installation Agreements.

DOCUMENTS FOR INSPECTION

(9) Copies of the following documents are available for inspection at the registered office of the Manager at 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960 for a period of six months from the date of this Prospectus:

(a) the material contracts referred to in paragraph 8 above, save for the Trust Deed (which will be available for inspection for so long as DHLT is in existence);

(b) the Underwriting Agreement;

(c) the Reporting Auditor's Report on the Profit Forecast and Profit Projection as set out in Appendix A of this Prospectus;

(d) the Reporting Auditor's Report on the Unaudited Pro Forma Consolidated Financial Information as set out in Appendix B of this Prospectus;

(e) the Independent Property Valuation Summary Reports as set out in Appendix E of this Prospectus as well as the full valuation reports for each of the IPO Properties;

(f) the Independent Property Market Research Reports as set out in Appendix F of this Prospectus;

(g) the Independent Taxation Report as set out in Appendix D of this Prospectus;

(h) the written consents of the Reporting Auditor, the Independent Valuers, the Independent Market Research Consultants and the Independent Tax Adviser (see "Experts" and "Reporting Auditor" for further details);

(i) the Sponsor's Subscription Agreement;

(j) the separate subscription agreements entered into between the Manager and the Cornerstone Investors to subscribe for the Cornerstone Units (the "**Cornerstone Subscription Agreements**");

(k) the Perpetual Securities Subscription Agreement; and

(l) the Depository Terms and Conditions.

CONSENTS OF THE SOLE FINANCIAL ADVISER, THE JOINT ISSUE MANAGERS, THE JOINT GLOBAL CO-ORDINATORS AND THE JOINT BOOKRUNNERS

(10) DBS Bank Ltd. has given and has not withdrawn its written consent to being named in this Prospectus as the Sole Financial Adviser to the Offering.

(11) DBS Bank Ltd. and Nomura Singapore Limited have each given and have not withdrawn their written consent to being named in this Prospectus as the Joint Issue Managers to the Offering.

(12) DBS Bank Ltd., Nomura Singapore Limited, Citigroup Global Markets Singapore Pte. Ltd. and Credit Suisse (Singapore) Limited have each given and not withdrawn their written consent to be named in this Prospectus as the Joint Global Coordinators to the Offering.

(13) DBS Bank Ltd., Nomura Singapore Limited, Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited, Daiwa Capital Markets Singapore Limited and Morgan Stanley Asia (Singapore) Pte. have each given and have not withdrawn their written consent to being named in this Prospectus as the Joint Bookrunners and Underwriters to the Offering.

(14) Mizuho Securities (Singapore) Pte. Ltd. and SMBC Nikko Capital Markets Limited have each given and have not withdrawn their written consent to be named in this Prospectus as the Joint Bookrunners and Underwriters to the Offering. For the avoidance of doubt, Mizuho Securities (Singapore) Pte. Ltd. and SMBC Nikko Capital Markets Limited are Joint Bookrunners and Underwriters in connection with the Placement Tranche only and are not Joint Bookrunners or Underwriters in connection with the Public Offer. SMBC Nikko Capital Markets Limited and its affiliates have not engaged and will not engage in any marketing and/or offering of any Offering Units in DHLT (including procuring subscribers for any of the Offering Units) to any investor in Singapore.

WAIVERS FROM THE SGX-ST

(15) The Manager has obtained from the SGX a waiver from compliance with the following listing rules under the Listing Manual:

(a) Rule 404(3)(a), which requires a REIT to limit its investments in companies which are related to its substantial shareholders, investment managers or management companies, to a maximum of 10.0% of gross assets and Rule 404(3)(c) which requires the REIT to restrict investments in unlisted securities to 30.0% of gross assets, subject to compliance with (i) the requirements under Chapter 9 of the Listing Manual and (ii) the CIS Code;

(b) Rule 404(5), which requires the management company (if there is no management company, the sponsor or trustee) to be reputable and have an established track record in managing investments, subject to the management team in the Manager having the relevant experience as required under Rule 404(6) of the Listing Manual;

(c) Rule 407(4), which requires the submission of the financial track record of the investment manager, the investment adviser and persons employed by them in the application to SGX-ST for the listing of DHLT, subject to the management team of the Manager having the relevant experience as required under Rule 404(6) of the Listing Manual;

(d) Rule 705(1), which requires DHLT to announce its financial statements for the full financial year immediately after the figures are available, but in any event not later than 60 days after the relevant financial period, and for DHLT's first financial year of the REIT to be from the Listing Date to 31 December 2022 and the first reporting period of DHLT to be from the Listing Date to 30 June 2022. DHLT is required to announce its first half financial statements for the period from the Listing Date to 31 December 2022, no later than 45 days after the relevant financial period in compliance with Rule 705(3)(b); and

(e) Rule 707(1), which requires that the time between the end of an issuer's financial year end and the date of its annual general meeting (if any) must not exceed four months and for DHLT's first annual report to be for the period from the Listing Date to 31 December 2022, with DHLT's first annual general meeting to be held by 30 April 2023.

WAIVERS FROM THE MAS

(16) The Manager has obtained from the MAS a waiver from compliance with the following rules under the Property Funds Appendix:

(a) Paragraph 4.3 for financial statements of DHLT to be prepared in accordance with Chapter 5.1.1 of the CIS Code, given that the financial statements of DHLT shall be prepared in accordance with International Financial Reporting Standards; and

(b) Paragraph 11.1(c)(ii) for DHLT to disclose in its annual reports, DHLT's top 10 tenants and the percentage of the total gross rental income attributable to each of these top 10 tenants.

MISCELLANEOUS

(17) The financial year-end of DHLT is 31 December. The annual audited consolidated financial statements of DHLT will be prepared and sent to the Unitholders within the timeframe as set out in applicable laws and regulations and not less than 14 days before the date of the annual general meeting of the Unitholders. The first annual report by DHLT will be in respect of the period from the Listing Date to 31 December 2022.

(18) It is intended that Ernst & Young LLP be appointed as auditor in respect of DHLT's first financial reporting period commencing on the Listing Date.

(19) While DHLT is Listed, investors may check the SGX-ST website http://www.sgx.com for the prices at which the Units are being traded on the SGX-ST. Investors may also check one or more major Singapore newspapers such as The Straits Times, The Business Times and Lianhe Zaobao for the price range within which the Units were traded on the SGX-ST on the preceding day.

(20) A full valuation of each of the real estate assets held by DHLT will be carried out at least once a year in accordance with the Property Funds Appendix. Generally, where DHLT proposes to issue new Units or to redeem existing Units, and the assets held by DHLT were valued more than six months ago, the Manager should exercise discretion in deciding whether to conduct a desktop valuation of the real estate assets held by DHLT, especially when market conditions indicate that real estate values have changed materially. The Manager or the Trustee may at any other time arrange for the valuation of any of the real estate assets held by DHLT if it is of the opinion that it is in the best interest of Unitholders to do so.

(21) The Manager does not intend to receive soft dollars (as defined in the CIS Code) in respect of DHLT. Save as disclosed in this Prospectus, unless otherwise permitted under the Listing Manual, neither the Manager nor any of its associates (as defined in the Listing Manual) will be entitled to receive any part of any brokerage charged to DHLT, or any part of any fees, allowances or benefits received on purchases charged to DHLT.

(22) There is no benchmark applicable to DHLT as it is a real estate investment trust to be listed on the SGX-ST.

GLOSSARY

Glossary of Defined Terms

Accounting Period End Date	End of June and December of each year
Acquisition Fee	Pursuant to Clause 15.2.1 of the Trust Deed, 1.0% (or such other lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): (i) the purchase consideration of any real estate purchased, whether directly or indirectly through one or more SPVs, by DHLT (plus any other payments[1] in addition to the purchase consideration made by DHLT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion DHLT's interest); (ii) the underlying value[2] of any real estate which is taken into account when computing the purchase consideration payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by DHLT, whether directly or indirectly through one or more SPVs (plus any additional payments made by DHLT or its SPVs to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of DHLT's interest); or (iii) the purchase consideration of any investment purchased by DHLT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.
Acquisition Loan Facilities	JPY 29.0 billion loan facilities arranged by Sumitomo Mitsui Trust Bank Limited
Additionally Acquired Trust Beneficial Interests	The acquisition of all or part of the trust beneficial interests other than the Initially Acquired Trust Beneficial Interests acquired by DH TMK after listing

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[1] "Other payments" refer to additional payments to the vendor of the asset, for example, where the vendor has already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the purchase consideration as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

[2] For example, if DHLT acquires an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by DHLT as the purchase price and any debt of the SPV.

Adjusted Interest Coverage Ratio	means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities
Adjustments	(a) Adjustments (as deemed appropriate by the Manager) to eliminate certain items which are charged or credited to the consolidated audited profit and loss account of DHLT (which includes the net profits of the SPVS held by DHLT for the financial year, to be pro-rated where applicable to the portion of DHLT's interest in the relevant SPV) for the relevant financial year or the relevant distribution period (as the case may be), including but not limited to (i) unrealised gains or losses, including property revaluation gains or losses, financial instruments or derivatives gains or losses, exchange gains or losses and impairment provisions or reversals of impairment provisions; (ii) deferred tax charges or credits, (iii) negative goodwill; (iv) realised gains or losses on the disposal of properties and disposal or settlement of financial instruments; (v) the portion of the Management Fee, the Acquisition Fee, Divestment Fee, the Lease Commissions, the Administrative Fee, the Development Management Fee, the Lease Contract Administration Fee and the fees payable to the property manager(s), asset manager(s), facility manager(s) and/or investment manager(s) in respect of the real estate held by DHLT (where applicable) that are paid or payable, directly or indirectly, in the form of Units; (vi) costs of any public or other offering of Units or convertible instruments that are expensed but are funded by proceeds from the issuance of such Units or convertible instruments; (vii) depreciation and amortisation in respect of the real estate held by DHLT and their ancillary machines, equipment and other fixed assets; (viii) adjustment for amortisation of leasing incentives and/or straight lining of rental increases; and (ix) other non-cash or timing differences relating to income or expenses; and (b) any other adjustments as deemed appropriate by the Manager (in consultation with the Auditors and/or tax advisers).
Aggregate Leverage	The ratio of DHLT's total borrowings (including deferred payments for assets whether to be settled in cash or in Units) to the value of the Deposited Property

AM Acquisition Fee	The acquisition fee in relation to post-IPO acquisitions payable to the Japan Asset Manager of: (i) 0.3% of the purchase consideration of the properties to be acquired by DH TMK under the TMK Asset Management Agreement and (ii) up to 0.3% of the purchase consideration of the properties to be acquired by the prospective GK that may be incorporated by DHLT from time to time under the Individual Asset Management Agreements entered into from time to time pursuant to the Master Asset Management Agreement, as consideration for the Japan Asset Manager's administrative services provided in connection with the identification of acquisition opportunities for and to give effect to decisions of DH TMK, and such respective GK that may be incorporated by DHLT from time to time to acquire the properties post-IPO, such as the preparation of investment analysis supports, the review of documents, the opening of bank account(s), the setting up SPCs, liaison with third party professionals such as accountants and the trust bank (acting as property trustee in respect of the newly-acquired properties), negotiation with banks, asset management system configuration and data input, the documentation of contracts, and the provision of support for transaction closing and settlement, pursuant to the TMK Asset Management Agreement and the Individual Asset Management Agreements entered into from time to time pursuant to the Master Asset Management Agreement
AM Divestment Fee	The divestment fee payable to the Japan Asset Manager of: (i) 0.3% of the purchase consideration of the properties to be disposed of by DH TMK under the TMK Asset Management Agreement, (ii) 0.3% of the purchase consideration of the properties to be disposed of by TK Operator (GK2) under the Individual Asset Management Agreement (GK2) and (iii) up to 0.3% of the purchase consideration of the properties to be disposed of by prospective GK that may be incorporated by DH TMK from time to time under the Individual Asset Management Agreements entered into from time to time pursuant to the Master Asset Management Agreement, as consideration for the Japan Asset Manager's provision of administrative services provided in connection with the identification of divestment opportunities for and to give effect to decisions of DH TMK, TK Operator (GK2) and such respective GK to dispose of the properties, such as the review of documents, liaison with third party professionals such as accountants and the trust bank (acting as property trustee), negotiation with banks, asset management system configuration and data input, the documentation of contracts, and support for transaction closing and settlement, pursuant to the TMK Asset Management Agreement, Individual Asset Management Agreement (GK2) and the Individual Asset Management Agreements entered into from time to time pursuant to the Master Asset Management Agreement

Annual Distributable Income	The amount calculated by the Manager (based on the audited financial statements of DHLT for that financial year) as representing the consolidated audited net profit after tax of DHLT (which includes the net profits of the SPVs held by DHLT for that financial year, to be pro-rated where applicable to the portion of DHLT's interest in the relevant SPV) for that financial year, as adjusted to take into account the effects of Adjustments. After taking into account the effects of these Adjustments, the Annual Distributable Income may be different from the net profit recorded for the relevant financial year
Application Forms	The printed application forms to be used for the purpose of the Offering and which form part of this Prospectus
Application List	The list of applicants subscribing for the Units which are the subject of the Public Offer
Appraised Value	The average of the two independent valuations of each of the IPO Properties conducted by the Independent Valuers
Asset Liquidation Act	Asset Liquidation Act (Act No. 105 of 1998, as amended)
Associate	Has the meaning ascribed to it in the Listing Manual
ATM	Automated teller machine
AUM	Assets under management
Audit and Risk Committee or **ARC**	The audit and risk committee of the Manager
Authorised Investments	Subject to the CIS Code: (i) real estate; (ii) any improvement or extension of or addition to or reconstruction, refurbishment, retrofitting, renovation or other development of any Real Estate or any building thereon; (iii) real estate related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded; (iv) listed or unlisted debt securities and listed shares or stock and (if permitted by the MAS) unlisted shares or stock of or issued by local or foreign non-property companies or corporations; (v) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board;

(vi) cash and cash equivalent items;

(vii) financial derivatives only for the purposes of (a) hedging existing positions in DHLT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management by DHLT, provided that such derivatives are not used to gear the overall portfolio of DHLT or intended to be borrowings of DHLT; and

(viii) any other investment not covered by paragraph (i) to (vii) of this definition specified as a permissible investment in the Property Funds Appendix or otherwise permitted by the MAS and selected by the Manager for investment by DHLT and approved by the Trustee in writing

Authority or **MAS**	Monetary Authority of Singapore
Base Fee	Base fee paid to the Manager in the relevant financial period or year
Board	The board of directors of the Manager
Borrower Related Parties	DH TMK, its specified member or preferred shareholders, TK Operator (GK2) or the Japan Asset Manager
Business Day	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
BTS	Built-to-suit
CDP	The Central Depository (Pte) Limited
Chief Executive Officer	The Chief Executive Officer of the Manager
Chief Financial Officer	The Chief Financial Officer of the Manager
Chief Risk Officer	The Chief Risk Officer of the Manager
CIS Code	The Code on Collective Investment Schemes issued by the MAS, as the same may be modified, amended, supplemented, revised or replaced from time to time
Civil Code	Civil Code of Japan (Act No. 89 of 1896, as amended)
Closing Date	26 November 2021, being the closing date of each of the PSAs, being also the Listing Date
CMS Licence	Capital markets services licence for REIT management

Commercial Code of Japan	Commercial Code of Japan (Act No. 48 of 1899, as amended)
Companies Act	Companies Act, Chapter 50 of Singapore
Companies Act of Japan	Companies Act of Japan (Act No. 86 of 2005, as amended)
Company Secretary	The company secretary of the Manager
Construction Management Fee	The construction management fee payable to the Property Manager appointed as the construction manager under the Property Management Agreement
Consumption Tax Loan	JPY 5.6 billion consumption tax loan by Sumitomo Mitsui Trust Bank Limited and Sumitomo Mitsui Banking Corporation with a maturity period of one year
Controlling Shareholder	Has the meaning ascribed to it in the Listing Manual
Controlling Unitholder	Has the meaning ascribed to it in the Listing Manual
Cornerstone Investors	Bangkok Life Assurance Public Co. Ltd, Credit Suisse AG, Singapore Branch and Credit Suisse AG, Hong Kong Branch (on behalf of certain of their private banking clients), DBS Bank Ltd., DBS Bank Ltd. (on behalf of certain wealth management clients), DBS Bank (Hong Kong) Ltd. (on behalf of certain wealth management clients), DWS Investments Australia Limited, Kuang Ming Investments Pte Limited, Nomura Singapore Limited (on behalf of certain wealth management clients), Hazelview Securities Inc., Metro ARC Investments Pte. Ltd.
COVID-19	Coronavirus disease 2019
Cornerstone Subscription Agreements	The subscription agreements entered into between the Manager and the Cornerstone Investors to subscribe for the Cornerstone Units
Cornerstone Units	The 336,062,000 Units subscribed for by the Cornerstone Investors pursuant to the Cornerstone Subscription Agreements
Current Property Holder	Each of the current title holders of D Project Maebashi S, DPL Kawasaki Yako, D Project Nagano Suzaka S and D Project Kakegawa S
Daiwa Energy	Daiwa Energy Co., Ltd., a wholly-owned subsidiary of the Sponsor

Deposited Property	The gross assets of DHLT, 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 but including all the Authorised Investments of DHLT for the time being held or deemed to be held by DHLT under the Trust Deed
Depository Services Terms and Conditions	CDP's depository services terms and conditions in relation to the deposit of the Units in CDP
Development Management Fee	The development management fee payable to the Manager, equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Manager on behalf of DHLT
Development Project	A project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by DHLT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations
DHLT Group	DHLT and its subsidiaries
DHLT Properties	Properties to be held directly or indirectly by DHLT from time to time
DHREIM	Daiwa House Real Estate investment Management Co., Ltd.
DH TMK	DH-CRUX Japan TMK
Directors	The directors of the Manager
Divestment Fee	Pursuant to Clause 15.2.1 of the Trust Deed, 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): 8. the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by DHLT (plus any other payment[1] in addition to the sale price received by DHLT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of DHLT's interest);

[1] "Other payments" refer to additional payments to DHLT or its SPVs for the sale of the asset, for example, where DHLT or its SPVs have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

9. the underlying value[1] of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more SPVs, by DHLT (plus any additional payments received by DHLT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of DHLT's interest); or

10. the sale price of any investment sold or divested by DHLT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate

DPU	Distributions per Unit
Events of Default	Events of default under the TMK Debt Facilities
Excess Units	Units held directly or indirectly by any person in excess of the Unit Ownership Limit
Experts	The Reporting Auditor, the Independent Valuers, the Independent Market Research Consultants and the Independent Tax Adviser
Extraordinary Resolution	A resolution proposed and passed as such by a super-majority consisting of more than 75.0% of the total number of votes cast for and against such resolution at a meeting of the Unitholders duly convened and held
Facilities Lenders	The syndicate of lenders that provided the Acquisition Loan Facilities
FIEA	The Financial Instruments and Exchange Act of Japan
Financial Covenants	The portfolio loan-to-value ratio of less than 55% and the portfolio synthetic debt service coverage ratio of no less than the standard value of 1.2 that DH TMK is required to maintain
Financial Covenants Breach	The event that DH TMK fails to satisfy either or both of the Financial Covenants on an Accounting Period End Date
Financial Covenants Breach Period	The period from the time of a Financial Covenants Breach until the satisfaction of all Financial Covenants on a subsequent Accounting Period End Date

[1] For example, if DHLT sells or divests an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid to DHLT as the sale price and any debt of the SPV.

First Lock-up Period	The period commencing from the Listing Date until the date falling six months after the Listing Date (both dates inclusive)
Forecast Period 2021	The period from 1 October 2021 to 31 December 2021
FY or Financial Year	Financial year
FY2018	Financial year ended 31 December 2018
FY2019	Financial year ended 31 December 2019
FY2020	Financial year ended 31 December 2020
GFA	Gross floor area
GFC	Global financial crisis
GK or **Godo Kaisha**	A Japanese limited liability company under the Companies Act of Japan
Gross Revenue	The gross revenue of an IPO Property comprising the gross rental income under the respective tenancy documents and recoverable outgoings
GST	Goods and services tax
H1N1	Influenza A
Head of Asset Management	The head of asset management of the Manager
Head of Investment	The head of investment of the Manager
Head of Planning	The head of planning of the Manager
HC Capital Community	Mitsubishi HC Capital Community Corporation
Income Tax Act	Income Tax Act, Chapter 134 of Singapore
Independent Directors	The independent directors of the Manager
Independent Property Market Research Reports	The Independent Japan Logistics Market Study Report prepared by CBRE K.K. and the Independent Review of Selected Industrial and Logistics Markets in ASEAN prepared by Savills Valuation and Professional Services (S) Pte Ltd as set out in Appendix F of this Prospectus
Independent Market Research Consultants	CBRE K.K. and Savills Valuation and Professional Services (S) Pte Ltd

Independent Officer	Director or statutory auditor of DH TMK who is a certified public accountant, tax accountant or other qualified professional in Japan who is independent from the Japan Asset Manager, SG SPC 1, and the sellers of the TBIs
Independent Tax Adviser	EY Corporate Advisors Pte. Ltd.
Independent Valuers	Savills Japan Co., Ltd. and CBRE K. K.
Initially Acquired Trust Beneficial Interests	The acquisition of all or part of the trust beneficial interests acquired by DH TMK on the Acquisition Date
Initial Units	The 2,000 Units issued to DH Group in connection with the constitution of DHLT
Instruments	Offers, agreements or options
Interest Coverage Ratio	A ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees
Interested Party	Has the meaning ascribed to it in the Property Funds Appendix
Interested Party Transaction	Has the meaning ascribed to it in the Property Funds Appendix
Interested Person	Has the meaning ascribed to it in the Listing Manual
Interested Person Transaction	Has the meaning ascribed to it in the Listing Manual
IPO	The offer of Units by way of an initial public offering in Singapore
IPO Portfolio	The initial portfolio of DHLT as at the Listing Date
IPO Properties	The properties comprising the IPO Portfolio
IRAS	Inland Revenue Authority of Singapore
ISH or Ippan Shadan Hojin	A Japanese general incorporated association under the Act on General Incorporated Associations and General Incorporated Foundations (Act No. 48 of 2006, as amended)
ISH (GK)	DH-CRUX Japan2 ISH
ISH (TMK)	DH-CRUX Japan ISH

Japan Asset Manager	Daiwa House Real Estate Investment Management Co., Ltd. or DHREIM
Joint Bookrunners and Underwriters or **Joint Bookrunners**	DBS Bank Ltd., Nomura Singapore Limited, Citigroup Global Markets Singapore Pte. Ltd., Credit Suisse (Singapore) Limited, Daiwa Capital Markets Singapore Limited, Mizuho Securities (Singapore) Pte. Ltd., Morgan Stanley Asia (Singapore) Pte., and SMBC Nikko Capital Markets Limited, as the joint bookrunners and underwriters for the Offering. For the avoidance of doubt, Mizuho Securities (Singapore) Pte. Ltd. and SMBC Nikko Capital Markets Limited are Joint Bookrunners and Underwriters in connection with the Placement Tranche only and are not Joint Bookrunners or Underwriters in connection with the Public Offer. SMBC Nikko Capital Markets Limited and its affiliates have not engaged and will not engage in any marketing and/or offering of any Offering Units in DHLT (including procuring subscribers for any of the Offering Units) to any investor in Singapore.
Joint Global Co-ordinators	DBS Bank Ltd., Nomura Singapore Limited, Citigroup Global Markets Singapore Pte. Ltd. and Credit Suisse (Singapore) Limited as the joint global co-ordinators for the Offering
Joint Issue Managers	DBS Bank Ltd. and Nomura Singapore Limited as the joint issue managers for the Offering
JPY	Japanese yen
Latest Practicable Date	1 November 2021, being the latest practicable date prior to the lodgement of this Prospectus with the MAS
Lease Contract Administration Fee	The fees payable to the Property Manager for lease commission and administrative services as described in "Overview – Certain Fees and Charges"
Listed	The admission of DHLT to the Official List of the SGX-ST and/or any other Recognised Stock Exchange(s)
Listing Date	The date of admission of the Units to the Official List of the SGX-ST
Listing Manual	The Listing Manual of the SGX-ST
Loan Facilities	The Acquisition Loan Facilities and Consumption Tax Loan
Lock-up Units	Units which are subject to the lock-up arrangement
Management Fee	Base Fee and Performance Fee payable to the Manager
Manager	Daiwa House Asset Management Asia Pte. Ltd., in its capacity as manager of DHLT

Market Day	A day on which the SGX-ST is open for trading in securities
Market Price	(i) The volume weighted average price per Unit (if applicable, of the same class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which DHLT is listed, in the ordinary course of trading, for the period of 10 Business Days (or such other period as prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding the relevant Business Day, or (ii) where the Manager believe that such market price is not a fair reflection of the market price of a Unit (which may include, among others, instances where there is disorderly trading activity in the Units), such amount as determined by the Manager and approved by the Trustee, as being the fair market price of a Unit, provided that the basis for determining the Issue Price is duly disclosed to the Unitholders.
MAS	The Monetary Authority of Singapore
MERS-CoV	Middle East respiratory syndrome coronavirus
Mitsubishi	Mitsubishi HC Capital Inc.
NAV	Net asset value
Net Property Income or **NPI**	Consists of Gross Revenue less property operating expenses
New Tenant's Rent	Where new tenants are sought by third parties (including the Sponsor and its subsidiaries and affiliates) for DHLT Properties, the new tenant's monthly rent
NLA	Net lettable area
NTA	Net tangible assets
Offering	The initial public offering of 244,438,000 Units by the Manager for subscription at the Offering Price under the Placement Tranche and the Public Offer
Offering Price	The subscription price of each Unit under the Offering to be determined, currently expected to be S$0.80
Offering Units	The 244,438,000 Units for subscription at the Offering Price

One-off Set Up Fee	The one-off set up fee of (i) 0.3% of the purchase consideration of the IPO Portfolio acquired by DH TMK under the TMK Asset Management Agreement and (ii) 0.3% of the purchase consideration of the IPO Portfolio acquired by TK Operator (GK2) under the Individual Asset Management Agreement (GK2) to be paid upfront in consideration for the Japan Asset Manager's administrative services provided in connection with the identification of acquisition opportunities and to give effect to the acquisition of the IPO Portfolio by DH TMK and TK Operator (GK2), such as investment analysis support, review of documents, opening of bank account, setting up SPCs, liaison with third party professionals such as accountants and the trust bank (acting as property trustee), negotiation with banks, asset management system configuration and data input, contracts documentation, and support for transaction closing and settlement
Ordinary Resolution	A resolution proposed and passed as such by a majority consisting of more than 50.0% of the total number of votes cast for and against such resolution at a meeting of the Unitholders duly convened and held
Over-Allotment Option	An option granted by the Unit Lender to the Stabilising Manager to acquire from the Unit Lender up to an aggregate of 27,000,000 Units at the Offering Price, solely to cover the over-allotment of Units (if any)
Participating Banks	DBS Bank Ltd., Oversea-Chinese Banking Corporation Limited and United Overseas Bank Limited
PDPA	Personal Data Protection Act 2012, Act 26 of 2012 of Singapore
Performance Fee	Performance fee paid to the Manager in the relevant financial period or year
Placement Tranche	The international placement of 219,438,000 Units to investors, including institutional and other investors in Singapore pursuant to the Offering
Profit Forecast and Profit Projection	The forecast and projected results of DHLT for Forecast Period 2021 and Projection Year 2022, respectively
Projection Year 2022	The full financial year from 1 January 2022 to 31 December 2022
Property Funds Appendix	Appendix 6 to the CIS Code issued by the Authority in relation to REITs
Property Manager	Daiwa House Property Management Co., Ltd.
Property Trustee	Sumitomo Mitsui Trust Bank, Limited

PSA	Each of the Trust Beneficial Interest Sale and Purchase Agreement dated 9 November 2021 entered into between each Vendor and DH TMK or TK Operator (GK2) in relation to the acquisition of the TBIs for the Properties
Public Offer	The offering of 25,000,000 Units at the Offering Price to the public in Singapore pursuant to the Offering
purchase consideration	Means (i) in relation to a IPO Property which is a freehold property, the purchase consideration payable by DHLT to the vendor for the acquisition of the property and (ii) in relation to a IPO Property which is a leasehold property, means the purchase consideration payable by DHLT to the vendor for the acquisition of the TBI in respect of the building and the title to the underlying leasehold interest in the land comprising the property, and in either case, as set out in the last column of the section "Overview – Certain Information on the IPO Properties")
Recognised Stock Exchange	Any stock exchange of repute in any part of the world
Regulation S	Regulation S under the Securities Act
REIT	Real estate investment trust
Related Party	Refers to an Interested Person and/or, as the case may be, Interested Party
Related Party Transactions	Refers to an Interested Person Transaction and/or, as the case may be, Interested Party Transaction
Relevant Entity	An entity appointed by the Manager, the Trustee or any entity which is held by DHLT (whether wholly or partially) at the recommendation of the Manager, to provide asset management or investment management services in respect of any asset of DHLT
Relevant Fee	The fee entitled to be received by the Relevant Entity out of the Deposited Property for its services and to be paid either directly (by the Trustee) or indirectly (by the entity which is held by DHLT)
Reporting Auditor	Ernst & Young LLP
Qualified Institutional Investors	Qualified institutional investors as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definitions Provided in Article 2 of the FIEA
ROFR	Right of first refusal
SARS	Severe acute respiratory syndrome

Second Lock-up Period	The period commencing from the day immediately following the end of the First Lock-up Period until the date falling six months after the First Lock-up Period (both dates inclusive)
Securities Account	Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP
Securities Act	U.S. Securities Act of 1933, as amended
Settlement Date	The date and time on which the Units are issued as settlement under the Offering
SFA or **Securities and Futures Act**	Securities and Futures Act, Chapter 289 of Singapore
SG SPC 1	DH-CRUX Pte. Ltd.
SG SPC 2	DH-CRUX2 Pte. Ltd.
SGX-ST	Singapore Exchange Securities Trading Limited
Sole Financial Adviser	DBS Bank Ltd. as the sole financial adviser for the Offering
Specified Bonds	JPY 1.0 billion specified bonds issued to Sumitomo Mitsui Trust Bank Limited with a maturity period of five years
Sponsor or **DHI**	Daiwa House Industry Co., Ltd.
Sponsor's Subscription Agreement	The subscription agreement whereby the Sponsor is to subscribe for an aggregate of 94,498,000 Units
Sponsor's Subscription Units	The 94,498,000 Units subscribed by the Sponsor pursuant to the Sponsor's Subscription Agreement
Sponsor Group or **Daiwa House Group**	Sponsor and its subsidiaries
Sponsor Group Company	Companies in the Sponsor Group or companies in which the Sponsor Group has a stake
Sponsor Group Funds	Private real estate funds managed by the Sponsor Group
Sponsor ROFR	The right of first refusal granted by the Sponsor to the Trustee
SPV	Special purpose company, vehicle or entity
Sq ft	Square feet
Sq m	Square metres

Stabilising Manager	DBS Bank Ltd.
Subsidiary	Has the meaning ascribed thereto in the Companies Act
Substantial Unitholders	Any holder of Units with an interest in one or more Units constituting not less than 5.0% of all Units in issue
Substantial Shareholder	Any shareholder with an interest in not less than 5.0% of the shares in issue
Take-over Code	The Singapore Code on Take-overs and Mergers
Take-over Exception	A situation where a general offer for Units in accordance with Rule 14 or Rule 15, as the case may be, of the Take-over Code becomes or is declared unconditional in all respects or a scheme of arrangement or trust scheme in relation to Units in accordance with the Take-over Code that becomes effective in accordance with its terms whereby the Forfeiture Mechanism would not apply. For the avoidance of doubt, without prejudice to the other provisions in the Trust Deed (including for example the foregoing application of the Take-Over Exception and the application of the Unit Ownership Limit), separate on and off-market acquisitions of the Units by the offeror during the offer period do not fall within the exemption and will be subject to the Forfeiture Mechanism.
Tax QII	Tax qualified institutional investor
TBI	Trust Beneficial Interest
TK or **Tokumei Kumiai**	A silent partnership under Japanese law formed pursuant to a TK agreement
TK arrangement	A Tokumei Kumiai arrangement
TK agreement	A contract under the Commercial Code of Japan by which the TK Investor invests in the TK business performed by the TK Operator in exchange for a share of profits or losses arising from such business
TK Investor	The silent partner in a TK arrangement
TK Operator	The operator of the TK business in a TK arrangement
TK Operator (GK1)	DH-CRUX Japan Intermediate GK
TK Operator (GK2)	DH-MIMOSA GK
TMK or **Tokutei Mokuteki Kaisha**	A special purpose securitisation corporation established under the Asset Liquidation Act
TMK Debt Facilities	The Specified Bonds and the Loan Facilities

Total Issue Proceeds	The total proceeds from the Offering, the Sponsor's Subscription Units and the Cornerstone Units, as well as the amount drawn down from the Loan Facilities
Total Project Costs	The sum of the following (where applicable): (i) construction cost based on the project final account prepared by the project quantity surveyor; (ii) principal consultants fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager; (iii) the cost of obtaining all approvals for the project; (iv) site staff costs; (v) interest costs on borrowings used to finance project cash flows (excluding equity capital) that are capitalised to the project in line with International Financial Reporting Standards; and (vi) any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with International Financial Reporting Standards, but for the avoidance of doubt, shall not include land costs (including but not limited to the purchase consideration or underlying value of such land)
Trust Companies Act	Trust Companies Act, Chapter 336 of Singapore
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, in its capacity as trustee of DHLT
Trustee's Fee	Trustee's fee paid to the Trustee in the relevant financial period or year
Unaudited Pro Forma Consolidated Financial Information	The unaudited pro forma consolidated financial information of DHLT
Underwriting Agreement	The underwriting agreement entered into between the Joint Bookrunners, the Manager and the Sponsor on 19 November 2021

Underwriting, Selling and Management Commission	An underwriting, selling and management commission of approximately S$14.5 million excluding GST based on the Offering Price of S$0.80 per Unit. An incentive fee may also be payable at the discretion of the Manager
Unit(s)	An undivided interest in DHLT as provided for in the Trust Deed
Unitholders	Holder of Units
Unit Issue Mandate	The general mandate for the Manager to issue Units within certain limits until (i) the conclusion of the first annual general meeting of DHLT or (ii) the date by which first annual general meeting of DHLT is required by applicable regulations to be held, whichever is earlier
Unit Lending Agreement	The unit lending agreement entered into between the Stabilising Manager and the Unit Lender dated 19 November 2021 in connection with the Over-Allotment Option
Unit Lender	Daiwa House Industry Co., Ltd.
US or **United States**	United States of America
Vendors	The vendors of the IPO Properties being Daiwa House Industry Co., Ltd., Mitsubishi HC Capital Inc. and Mitsubishi HC Capital Community Corporation
WALE	Weighted average lease expiry
S$ or **Singapore dollars and cents**	Singapore dollars and cents, the lawful currency of the Republic of Singapore

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REPORTING AUDITOR'S REPORT ON THE PROFIT FORECAST AND PROFIT PROJECTION

19 November 2021

The Board of Directors
Daiwa House Asset Management Asia Pte. Ltd.
as Manager of Daiwa House Logistics Trust
8 Marina View
#14-09 Asia Square Tower 1
Singapore 018960

HSBC Institutional Trust Services (Singapore) Limited
as Trustee of Daiwa House Logistics Trust (the "**Trustee**")
10 Marina Boulevard
#48-01 Marina Bay Financial Centre Tower 2
Singapore 018983

Dear Sirs,

Letter from the Reporting Auditor on the Profit Forecast for the financial period from 1 October 2021 to 31 December 2021 and the Profit Projection for the financial year ending 31 December 2022

This letter has been prepared for inclusion in the prospectus dated 19 November 2021 (the "**Prospectus**") to be issued in connection with the offering of 244,438,000 units in Daiwa House Logistics Trust at the offering price of S$0.80 per unit (the "**Offering**").

The directors of the Manager (the "**Directors**") are responsible for the preparation and presentation of the forecast and projected consolidated statements of comprehensive income of Daiwa House Logistics Trust for the financial period from 1 October 2021 to 31 December 2021 (the "**Profit Forecast**") and for the financial year ending 31 December 2022 (the "**Profit Projection**"), as set out on page 183 of the Prospectus, which have been prepared on the basis of the assumptions as set out on pages 184 to 194 of the Prospectus.

We have examined the Profit Forecast and Profit Projection as set out on page 183 of the Prospectus, which have been prepared on the basis of the assumptions as set out on pages 184 to 194 of the Prospectus, in accordance with International Standard on Assurance Engagements ("**ISAE**") 3400, *The Examination of Prospective Financial Information*. The Directors are solely responsible for the Profit Forecast and Profit Projection, including the assumptions set out on pages 184 to 194 of the Prospectus on which they are based.

Profit Forecast

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion, the Profit Forecast is properly prepared on the basis of the assumptions set out on pages 184 to 194 of the Prospectus, is consistent with the accounting policies as set out on pages C-11 to C-21 of the Prospectus, and is presented in accordance with the relevant presentation principles of International Financial Reporting Standards (but not all the required disclosures) as issued by the International Accounting Standards Board ("**IASB**"), which is the framework to be adopted by Daiwa House Logistics Trust in the preparation of its financial statements.

Profit Projection

The Profit Projection is intended to show a possible outcome based on the stated assumptions. As the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which include hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for the Profit Forecast. The Profit Projection does not therefore constitute a profit forecast.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection. Further, in our opinion, the Profit Projection is properly prepared on the basis of the assumptions as set out on pages 184 to 194 of the Prospectus, is consistent with the accounting policies as set out on pages C-11 to C-21 of the Prospectus, and is presented in accordance with the relevant presentation principles of International Financial Reporting Standards (but not all the required disclosures) as issued by the IASB, which is the framework to be adopted by Daiwa House Logistics Trust in the preparation of its financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions described in the Prospectus occur, actual results are still likely to be different from the Profit Forecast and Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted and projected. For these reasons, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Attention is drawn, in particular, to the risk factors set out on pages 92 to 136 of the Prospectus which describe the principal risks associated with the Offering to which the Profit Forecast and Profit Projection relate and the sensitivity analysis of the Profit Forecast and Profit Projection as set out on pages 195 to 196 of the Prospectus.

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Nelson Chen

REPORTING AUDITOR'S REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

19 November 2021

The Board of Directors
Daiwa House Asset Management Asia Pte. Ltd.
as Manager of Daiwa House Logistics Trust
8 Marina View
#14-09 Asia Square Tower 1
Singapore 018960

HSBC Institutional Trust Services (Singapore) Limited
as Trustee of Daiwa House Logistics Trust (the "**Trustee**")
10 Marina Boulevard
#48-01 Marina Bay Financial Centre Tower 2
Singapore 018983

Dear Sirs,

Report on the Compilation of Unaudited Pro Forma Consolidated Financial Information of Daiwa House Logistics Trust

We have completed our assurance engagement to report on the compilation of Unaudited Pro Forma Consolidated Financial Information of Daiwa House Logistics Trust by Daiwa House Asset Management Asia Pte. Ltd. (the "**Manager**"). The Unaudited Pro Forma Consolidated Financial Information of Daiwa House Logistics Trust comprises the unaudited pro forma consolidated statement of financial position as at 31 December 2020 and 30 June 2021; the unaudited pro forma consolidated statements of comprehensive income for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020, and the financial periods ended 30 June 2020 and 30 June 2021; the unaudited pro forma consolidated statement of cash flow for the financial year ended 31 December 2020 and the financial period ended 30 June 2021; and related notes (collectively, the "**Unaudited Pro Forma Consolidated Financial Information**") as set out on pages C-1 to C-35 of the prospectus dated 19 November 2021 (the "**Prospectus**") to be issued in connection with the offering of 244,438,000 units in Daiwa House Logistics Trust (the "**Offering**"). The Unaudited Pro Forma Consolidated Financial Information of Daiwa House Logistics Trust has been prepared for illustrative purpose only and are based on certain assumptions, after making certain adjustments. The applicable criteria (the "**Criteria**") on the basis of which the Manager has compiled the Unaudited Pro Forma Consolidated Financial Information is described in Appendix C to the Prospectus.

With reference to the basis of preparation as stated in Appendix C to the Prospectus, the Unaudited Pro Forma Consolidated Financial Information of Daiwa House Logistics Trust has been compiled by the Manager to illustrate the impact of:

(a) the comprehensive income of Daiwa House Logistics Trust if it had acquired the properties comprising the DPL Sapporo Higashi Kariki, DPL Sendai Port, DPL Koriyama, D Project Maebashi S, D Project Kuki S, D Project Misato S, D Project Iruma S, DPL Kawasaki Yako, D Project Nagano Suzaka S, DPL Shinfuji, D Project Kakegawa S, DPL Okayama Hayashima, DPL Okayama Hayashima 2 and D Project Fukuoka Tobara S (collectively, the "**Properties**") on the respective dates stated in Appendix C, under the same terms set out in the Prospectus;

(b) the cash flows of Daiwa House Logistics Trust if it had acquired the Properties on 1 January 2020, under the same terms set out in the Prospectus; and

(c) the financial position of Daiwa House Logistics Trust if it had acquired the Properties on 31 December 2020 and 30 June 2021 respectively, under the same terms set out in the Prospectus.

The dates on which the transactions described in Appendix C to the Prospectus are assumed to have been undertaken are hereinafter collectively referred to as the "Relevant Dates".

As part of this process, information about Daiwa House Logistics Trust's financial position, comprehensive income and cash flows has been compiled by the Manager from the audited financial statements of the respective properties for the financial years ended 31 December 2018, 31 December 2019, 31 December 2020 and the financial period ended 30 June 2021. The aforementioned financial statements are hereinafter collectively referred to as "the Relevant Financial Statements".

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The Manager's Responsibility for the Unaudited Pro Forma Consolidated Financial

Information

The Manager is responsible for compiling the Unaudited Pro Forma Consolidated Financial

Information on the basis of the Criteria.

Reporting Auditor's Responsibilities

Our responsibility is to express an opinion about whether the Unaudited Pro Forma Consolidated Financial Information of Daiwa House Logistics Trust has been compiled, in all material respects, by the Manager on the basis of the Criteria.

We conducted our engagement in accordance with International Standard on Assurance Engagements ("**ISAE**") 3420, Assurance Engagements to Report on the Compilation of Pro Forma Consolidated Financial Information Included in a Prospectus, issued by International Auditing and Assurance Standards Board ("**IAASB**"). This standard requires that the Reporting Auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Manager has compiled, in all material respects, the Unaudited Pro Forma Consolidated Financial Information on the basis of the Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Consolidated Financial Information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at each of the Relevant Dates would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Consolidated Financial Information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the applicable criteria used by the Manager in the compilation of the Unaudited Pro Forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

(a) the related pro forma adjustments give appropriate effect to those Criteria; and

(b) the Unaudited Pro Forma Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the Reporting Auditor's judgement, having regard to the Reporting Auditor's understanding of the nature of the event or transaction in respect of which the Unaudited Pro Forma Consolidated Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma

Consolidated Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Consolidated Financial Information has been:

    (i) compiled from the information in the Relevant Financial Statements (which were prepared based on International Financial Reporting Standards) and is presented in accordance with the relevant presentation principles of International Financial Reporting Standards as issued by the International Accounting Standards Board;

(ii) properly prepared in a manner consistent with the format and accounting policies to be adopted by Daiwa House Logistics Trust; and

(iii) prepared on the basis of the Criteria stated in Appendix C of the Prospectus; and

(b) each material adjustment made to the information used in the preparation of the Unaudited Pro Forma Consolidated Financial Information is appropriate for the purpose of preparing such unaudited financial information.

Restriction of Use and Distribution

This report has been prepared for inclusion in the Prospectus of Daiwa House Logistics Trust to be issued in connection with the Offering and should not be used for any other purpose.

Yours faithfully,

ERNST & YOUNG LLP
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge: Nelson Chen

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

A. INTRODUCTION

The Unaudited Pro Forma Consolidated Financial Information has been prepared for inclusion in the prospectus (the "**Prospectus**") to be issued in connection with the proposed listing of Daiwa House Logistics Trust ("**DHLT**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

DHLT is a Singapore REIT constituted pursuant to a Trust Deed dated 2 November 2021 made between Daiwa House Asset Management Asia Pte. Ltd. (the "**Manager**") and HSBC Institutional Trust Services (Singapore) Limited (the "**Trustee**"). DHLT is established with the investment strategy principally to invest, directly or indirectly, in a portfolio of stabilised income-producing logistics and industrial assets, and real estate-related assets, and real estate-related assets, in Asia.

The Manager's key financial objectives are to provide unitholders of DHLT ("**Unitholders**") with attractive total returns primarily driven by regular and stable distributions, while maintaining an appropriate capital structure and striving for sustainable growth in DPU and net asset value per Unit.

Prior to DHLT's admission to the Official List of the SGX-ST, it will acquire a portfolio of 14 logistic properties located in Japan with an aggregate net lettable area of over 423,920 rentable square meters. See "Business and Properties" section of the Prospectus for further details of the Properties. The acquisitions as described above are collectively referred to as the "**Acquisitions**".

DPL Sapporo Higashi Kariki, DPL Sendai Port, DPL Koriyama, D Project Maebashi S, D Project Kuki S, D Project Misato S, D Project Iruma S, DPL Kawasaki Yako, D Project Nagano Suzaka S, DPL Shinfuji, D Project Kakegawa S, DPL Okayama Hayashima, DPL Okayama Hayashima 2, D Project Fukuoka Tobara S (each, the "**Property**"), which will be held through DHLT, a real estate investment trust, incorporated in Singapore, and intermediate holding companies in Japan and Singapore, are hereinafter collectively referred to as the "**Properties**".

In connection with the Acquisitions, DHLT proposes to issue approximately 244 million new Units (the "**Offering**") at an offering price of S$0.80 per Unit (the "**Offering Price**"). The Offering consists of (i) an international placement of approximately 219.4 million Units to investors, outside the United States of America and (ii) an offering of approximately 25.0 million Units to the public in Singapore.

The sponsor of DHLT will be Daiwa House Industry Co., Ltd. (the "**Sponsor**"). Separate from the Offering, the Sponsor has entered into a subscription agreement to subscribe for an aggregate of approximately 94.5 million Units at the Offering Price.

Details on the Management Fee, the Trustee's Fee and the Property Management Fee are set out in Section E.

B. BASIS OF PREPARATION OF PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The Unaudited Pro Forma Consolidated Financial Information set out in this report has been prepared for illustrative purposes only and based on certain assumptions, after making certain adjustments, and shows the Unaudited Pro Forma Consolidated Statement of Financial Position of DHLT and its subsidiaries (the "**DHLT Group**") as of 31 December 2020 and 30 June 2021, the Unaudited Pro Forma Consolidated Statements of Comprehensive Income of the DHLT Group for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and for the six-month periods from 1 January 2020 to 30 June 2020 and from 1 January 2021 to 30 June 2021 and the Unaudited Pro Forma Consolidated Statement of Cash Flows of the DHLT Group for the year ended 31 December 2020 and for the six-month period from 1 January 2021 to 30 June 2021.

The Unaudited Pro Forma Consolidated Statement of Financial Position, Unaudited Pro Forma Consolidated Statements of Comprehensive Income and Unaudited Pro Forma Consolidated Statement of Cash Flows (collectively, the "**Unaudited Pro Forma Consolidated Financial Information**") have been prepared on the basis of the accounting policies set out in Section D and is to be read in conjunction with Section E.

The objective of the Unaudited Pro Forma Consolidated Financial Information is to show what the financial position, financial performance and cash flows might have been, had the DHLT Group as described above existed at an earlier date. However, the Unaudited Pro Forma Consolidated Financial Information is not necessarily indicative of the financial position, financial performance and cash flows that would have been attained had the DHLT Group actually existed earlier. The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the DHLT Group's actual financial position, financial performance or cash flows.

The audited financial statements of the Properties for the years ended 31 December 2018, 31 December 2019 and 31 December 2020 and for the six-month periods from 1 January 2020 to 30 June 2020 and from 1 January 2021 to 30 June 2021 were prepared in accordance with International Financial Reporting Standards ("**IFRS**") and were audited by Ernst & Young LLP, located in Singapore in accordance with the International Auditing Standards. The auditor's reports on these financial statements were not subjected to any qualifications, modifications or disclaimers.

Unaudited Pro Forma Consolidated Statement of Financial Position

The Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2020 and 30 June 2021 has been prepared to reflect the financial position of the DHLT Group had it been in place and had the Acquisitions been completed on 31 December 2020 and 30 June 2021, pursuant to the terms set out in the Prospectus.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income have been prepared to reflect the financial performance of the DHLT Group had it been in place and had the Acquisitions been completed on 1 January 2018, or date of completion of the construction of the buildings, if later, pursuant to the terms set out in the Prospectus.

Unaudited Pro Forma Consolidated Statement of Cash Flows

The Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2020 and for the six-month period from 1 January 2021 to 30 June 2021 has been prepared to reflect the cash flows of the DHLT Group had it been in place and had the Acquisitions been completed on 1 January 2020 pursuant to the terms set out in the Prospectus.

C. UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Unaudited Pro Forma Consolidated Statement of Financial Position

The Unaudited Pro Forma Consolidated Statements of Financial Position as at 31 December 2020 and 30 June 2021 have been prepared for inclusion in the Prospectus and is presented below. Details of the pro forma assumptions made are set out in the Financial Information in Section B of the Prospectus.

	Note	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
Current assets:			
Cash and cash equivalents	3	15,389	15,389
Restricted cash	4	51,610	51,610
Prepaid expenses and other assets	5	77,351	77,351
Total current assets		**144,350**	**144,350**
Non-current assets:			
Investment properties	6	1,070,554	1,069,025
Total non-current assets		**1,070,554**	**1,069,025**
Total assets		**1,214,904**	**1,213,375**
Current liabilities:			
Loans and borrowings	7	66,233	66,233
Lease liability[(1)]	8	3,449	3,486
Total current liabilities		**69,682**	**69,719**
Non-current liabilities:			
Loans and borrowings	7	345,618	345,618
Lease liability[(1)]	8	200,345	198,592
End-tenants' security deposits	9	32,520	32,520
Other liabilities		17,486	17,673
Total non-current liabilities		**595,969**	**594,403**
Total liabilities		**665,651**	**664,122**
Net assets		**549,253**	**549,253**
Represented by:			
Unitholder funds	10	**513,771**	**513,771**
Perpetual securities		**35,482**	**35,482**
		549,253	**549,253**
Units in issue ('000)		**675,000**	**675,000**
Net asset value per Unit (S$)		**0.76**	**0.76**

Note:

(1) Lease liability is incurred monthly and accounted as a finance cost and as fair value change in investments in accordance with IFRS. In accordance with IFRS, the discounted present value of the total lease in the whole lease period is recorded in the Unaudited Pro Forma Consolidated Statement of Financial Position.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income of the DHLT Group for the years ended 31 December 2018, 31 December 2019, and 31 December 2020 have been prepared for inclusion in the Prospectus and are presented below. Details of the pro forma adjustments and assumptions made are set out in the Basis of Preparation of Pro Forma Consolidated Financial Information in Section B.

		Local GAAP S$'000	International GAAP Adjustments S$'000		Unaudited Consolidated Statement of Comprehensive Income S$'000	Pro Forma Adjustments S$'000		Unaudited Pro Forma Consolidated Statement of Comprehensive Income S$'000
Year Ended 31 December 2018			(a)					
Revenue:								
Gross rental income	11	32,883	2,472		35,355	338	(b)	35,693
Recoverable income	11	2,048	2,575		4,623	(5)		4,618
Other income	11	932	2		934	(603)		331
Gross Revenue		35,863	5,049		40,912	(270)		40,642
Expenses:								
Property taxes	12	(4,586)	(19)		(4,605)	107	(c)	(4,498)
Utilities expenses	12	(435)	(2,549)		(2,984)	4		(2,980)
Property management fees and expenses	12	(299)	–		(299)	(500)	(c)	(799)
Building management expenses	12	(1,511)	–		(1,511)	(381)	(c)	(1,892)
Ground lease rent		(7,203)	7,203		–	–	(h)	–
Other operating expenses	12	(1,100)	–		(1,100)	(62)	(c)	(1,162)
Property operating expenses		(15,134)	4,635		(10,499)	(832)		(11,331)
Net Property Income		20,729	9,684		30,413	(1,102)		29,311
Manager's Management Fee		–	–		–	–		–
Japan Asset Management Fees		–	–		–	(1,025)	(d)	(1,025)
Trustee's Fee		–	–		–	(255)	(d)	(255)
Trust expenses	13	–	–		–	(2,320)	(d)	(2,320)
Depreciation and amortisation		(22,587)	22,587		–	–		–
Finance expenses	14	(195)	(4,340)	(h)	(4,535)	(5,257)	(e)	(9,792)
Net income before tax and fair value change in investment properties		(2,053)	27,931		25,878	(9,959)		15,919
Fair value change in investment properties		–	(2,717)	(h)	(2,717)	(4,171)	(f)	(6,888)
Tax expense	15	–	–		–	(1,365)	(g)	(1,365)
Total returns		**(2,053)**	**25,214**		**23,161**	**(15,495)**		**7,666**

Notes:

(a) Adjustments made to convert local GAAP to IFRS.

(b) Adjustments to reflect the recognition of straight-line rent beginning on the pro forma acquisition date of 1 January 2018.

(c) Adjustments to reflect the property management fees and expenses arrangements as detailed under Section E, building management fees, property taxes and other property operating expenses beginning on the pro forma acquisition date of 1 January 2018.

(d) Adjustments to reflect the recognition of the Manager's asset management fee, the Japan asset management fee, the Trustee's Fee, and other corporate-level expenses.

(e) Adjustments to reflect the interest expenses and amortisation of upfront debt-related transaction costs on the new borrowings by the DHLT Group.

(f) Adjustment to (i) recognise a fair value change related to lease commission fees and (ii) recognise a fair value change for the current period's effects of straight-line rent.

(g) Adjustments to recognise deferred tax expense on temporary differences on investment properties and other tax.

(h) Adjustments to account for recognition of fair value changes relating to asset retirement obligation and right-of-use asset in accordance with the adoption of IFRS 16 Leases from 1 January 2019.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income (cont'd)

		Local GAAP S$'000	International GAAP Adjustments S$'000		Unaudited Consolidated Statement of Comprehensive Income S$'000	Pro Forma Adjustments S$'000		Unaudited Pro Forma Consolidated Statement of Comprehensive Income S$'000
Year Ended 31 December 2019			(a)					
Revenue:								
Gross rental income	11	49,825	2,808		52,633	41	(b)	52,674
Recoverable income	11	2,763	2,737		5,500	(2)		5,498
Other income	11	1,133	–		1,133	(610)		523
Gross Revenue		53,721	5,545		59,266	(571)		58,695
Expenses:								
Property taxes	12	(6,116)	(27)		(6,143)	92	(c)	(6,051)
Utilities expenses	12	(555)	(2,735)		(3,290)	4		(3,286)
Property management fees and expenses	12	(510)	–		(510)	(778)	(c)	(1,288)
Building management expenses	12	(2,023)	–		(2,023)	(283)	(c)	(2,306)
Ground lease rent		(7,491)	7,491		–	–	(h)	–
Other operating expenses	12	(1,315)	–		(1,315)	(32)	(c)	(1,347)
Property operating expenses		(18,010)	4,729		(13,281)	(997)		(14,278)
Net Property Income		35,711	10,274		45,985	(1,568)		44,417
Manager's Management Fee		–	–		–	(1,290)	(d)	(1,290)
Japan Asset Management Fees		–	–		–	(1,251)	(d)	(1,251)
Trustee's Fee		–	–		–	(287)	(d)	(287)
Trust expenses	13	–	–		–	(2,019)	(d)	(2,019)
Depreciation and amortisation		(31,004)	30,952		(52)	52		–
Finance expenses	14	(217)	(4,423)	(h)	(4,640)	(5,055)	(e)	(9,695)
Net income before tax and fair value change in investment properties		4,490	36,803		41,293	(11,418)		29,875
Fair value change in investment properties		–	(2,851)	(h)	(2,851)	(4,096)	(f)	(6,947)
Tax expense	15	–	–		–	(3,335)	(g)	(3,335)
Total returns		**4,490**	**33,952**		**38,442**	**(18,849)**		**19,593**

Notes:

(a) Adjustments made to convert local GAAP to IFRS.

(b) Adjustments to reflect the recognition of straight-line rent beginning on the pro forma acquisition date of 1 January 2018.

(c) Adjustments to reflect the property management fees and expenses arrangements as detailed under Section E, building management fees, property taxes and other property operating expenses beginning on the pro forma acquisition date of 1 January 2018.

(d) Adjustments to reflect the recognition of the Manager's asset management fee, the Japan asset management fee, the Trustee's Fee, and other corporate-level expenses.

(e) Adjustments to reflect the interest expenses and amortisation of upfront debt-related transaction costs on the new borrowings by the DHLT Group.

(f) Adjustment to (i) recognise a fair value change related to lease commission fees and (ii) recognise a fair value change for the current period's effects of straight-line rent.

(g) Adjustments to recognise deferred tax expense on temporary differences on investment properties and other tax.

(h) Adjustments to account for recognition of fair value changes relating to asset retirement obligation and right-of-use asset in accordance with the adoption of IFRS 16 Leases from 1 January 2019.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income (cont'd)

		Local GAAP S$'000	International GAAP Adjustments S$'000		Unaudited Consolidated Statement of Comprehensive Income S$'000	Pro Forma Adjustments S$'000		Unaudited Pro Forma Consolidated Statement of Comprehensive Income S$'000
Year Ended 31 December 2020			(a)					
Revenue:								
Gross rental income	11	63,115	1,046		64,161	37	(b)	64,198
Recoverable income	11	3,358	2,848		6,206	1		6,207
Other income	11	1,242	(2)		1,240	(626)		614
Gross Revenue		67,715	3,892		71,607	(588)		71,019
Expenses:								
Property taxes	12	(7,213)	–		(7,213)	83	(c)	(7,130)
Utilities expenses	12	(520)	(2,850)		(3,370)	7		(3,363)
Property management fees and expenses	12	(613)	–		(613)	(1,158)	(c)	(1,771)
Building management expenses	12	(2,434)	–		(2,434)	(133)	(c)	(2,567)
Ground lease rent		(7,755)	7,755		–	–	(h)	–
Other operating expenses	12	(1,487)	–		(1,487)	80	(c)	(1,407)
Property operating expenses		(20,022)	4,905		(15,117)	(1,121)		(16,238)
Net Property Income		47,693	8,797		56,490	(1,709)		54,781
Manager's management Fee		–	–		–	(5,135)	(d)	(5,135)
Japan Asset Management Fees		–	–		–	(1,380)	(d)	(1,380)
Trustee's Fee		–	–		–	(307)	(d)	(307)
Trust expenses	13	–	–		–	(2,147)	(d)	(2,147)
Depreciation and amortisation		(33,926)	33,872		(54)	54		–
Finance expenses	14	(227)	(4,510)	(h)	(4,737)	(4,894)	(e)	(9,631)
Net income before tax and fair value change in investment properties		13,540	38,159		51,699	(15,518)		36,181
Fair value change in investment properties		–	(3,018)	(h)	(3,018)	(1,052)	(f)	(4,070)
Tax expense	15	–	–		–	(5,013)	(g)	(5,013)
Total returns		**13,540**	**35,141**		**48,681**	**(21,583)**		**27,098**

Notes:

(a) Adjustments made to convert local GAAP to IFRS.

(b) Adjustments to reflect the recognition of straight-line rent beginning on the pro forma acquisition date of 1 January 2018.

(c) Adjustments to reflect the property management fees and expenses arrangements as detailed under Section E, building management fees, property taxes and other property operating expenses beginning on the pro forma acquisition date of 1 January 2018.

(d) Adjustments to reflect the recognition of the Manager's asset management fee, the Japan asset management fee, the Trustee's Fee, and other corporate-level expenses.

(e) Adjustments to reflect the interest expenses and amortisation of upfront debt-related transaction costs on the new borrowings by the DHLT Group.

(f) Adjustment to (i) recognise a fair value change related to lease commission fees and (ii) recognise a fair value change for the current period's effects of straight-line rent.

(g) Adjustments to recognise deferred tax expense on temporary differences on investment properties and other tax.

(h) Adjustments to account for recognition of fair value changes relating to asset retirement obligation and right-of-use asset in accordance with the adoption of IFRS 16 Leases from 1 January 2019.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income (cont'd)

		Local GAAP S$'000	International GAAP Adjustments S$'000		Unaudited Consolidated Statement of Comprehensive Income S$'000	Pro Forma Adjustments S$'000		Unaudited Pro Forma Consolidated Statement of Comprehensive Income S$'000
1 January 2020 to 30 June 2020			(a)					
Revenue:								
Gross rental income	11	31,143	549		31,692	19	(b)	31,711
Recoverable income	11	1,649	1,417		3,066	5		3,071
Other income	11	619	(1)		618	(313)		305
Gross Revenue		33,411	1,965		35,376	(289)		35,087
Expenses:								
Property taxes	12	(3,618)	–		(3,618)	42	(c)	(3,576)
Utilities expenses	12	(284)	(1,422)		(1,706)	3		(1,703)
Property management fees and expenses	12	(298)	–		(298)	(553)	(c)	(851)
Building management expenses	12	(1,219)	–		(1,219)	(68)	(c)	(1,287)
Ground lease rent		(3,886)	3,886		–	–	(h)	–
Other operating expenses	12	(810)	–		(810)	101	(c)	(709)
Property operating expenses		(10,115)	2,464		(7,651)	(475)		(8,126)
Net Property Income		23,296	4,429		27,725	(764)		26,961
Manager's Management Fee		–	–		–	(2,528)	(d)	(2,528)
Japan Asset Management Fee		–	–		–	(684)	(d)	(684)
Trustee's Fee		–	–		–	(153)	(d)	(153)
Trust expenses	13	–	–		–	(1,077)	(d)	(1,077)
Depreciation and amortisation		(17,036)	17,009		(27)	27		–
Finance expenses	14	(114)	(2,269)	(h)	(2,383)	(2,476)	(e)	(4,859)
Net income before tax and fair value change in investment properties		6,146	19,169		25,315	(7,655)		17,660
Fair value change in investment properties		–	(1,504)	(h)	(1,504)	(540)	(f)	(2,044)
Tax expense	15	–	–		–	(2,446)	(g)	(2,446)
Total returns		**6,146**	**17,665**		**23,811**	**(10,641)**		**13,170**

Notes:

(a) Adjustments made to convert local GAAP to IFRS.

(b) Adjustments to reflect the recognition of straight-line rent beginning on the pro forma acquisition date of 1 January 2018.

(c) Adjustments to reflect the property management fees and expenses arrangements as detailed under Section E, building management fees, property taxes and other property operating expenses beginning on the pro forma acquisition date of 1 January 2018.

(d) Adjustments to reflect the recognition of the Manager's asset management fee, the Japan asset management fee, the Trustee's Fee, and other corporate-level expenses.

(e) Adjustments to reflect the interest expenses and amortisation of upfront debt-related transaction costs on the new borrowings by the DHLT Group.

(f) Adjustment to (i) recognise a fair value change related to lease commission fees and (ii) recognise a fair value change for the current period's effects of straight-line rent.

(g) Adjustments to recognise deferred tax expense on temporary differences on investment properties and other tax.

(h) Adjustments to account for recognition of fair value changes relating to asset retirement obligation and right-of-use asset in accordance with the adoption of IFRS 16 Leases from 1 January 2019.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income (cont'd)

		Local GAAP S$'000	International GAAP Adjustments S$'000		Unaudited Consolidated Statement of Comprehensive Income S$'000	Pro Forma Adjustments S$'000		Unaudited Pro Forma Consolidated Statement of Comprehensive Income S$'000
1 January 2021 to 30 June 2021			(a)					
Revenue:								
Gross rental income	11	31,824	(793)		31,031	79	(b)	31,110
Recoverable income	11	1,635	1,339		2,974	(36)		2,938
Other income	11	601	–		601	(298)		303
Gross Revenue		34,060	546		34,606	(255)		34,351
Expenses:								
Property taxes	12	(3,376)	–		(3,376)	36	(c)	(3,340)
Utilities expenses	12	(250)	(1,326)		(1,576)	25		(1,551)
Property management fees and expenses	12	(312)	–		(312)	(559)	(c)	(871)
Building management expenses	12	(1,155)	–		(1,155)	(62)	(c)	(1,217)
Ground lease rent		(3,676)	3,676		–	–	(h)	–
Other operating expenses	12	(701)	–		(701)	83	(c)	(618)
Property operating expenses		(9,470)	2,350		(7,120)	(477)		(7,597)
Net Property Income		24,590	2,896		27,486	(732)		26,754
Manager's Management Fee		–	–		–	(1,967)	(d)	(1,967)
Japan Asset Management Fee		–	–		–	(647)	(d)	(647)
Trustee's Fee		–	–		–	(145)	(d)	(145)
Trust expenses	13	–	–		–	(1,017)	(d)	(1,017)
Depreciation and amortisation		(16,042)	16,016		(26)	26		–
Finance expenses	14	(108)	(2,114)	(h)	(2,222)	(2,300)	(e)	(4,522)
Net income before tax and fair value change in investment properties		8,440	16,798		25,238	(6,782)		18,456
Finance income		–	–		–	–		–
Fair value change in investment properties		–	(1,455)	(h)	(1,455)	658	(f)	(797)
Tax expense	15	–	–		–	(2,627)	(g)	(2,627)
Total returns		**8,440**	**15,343**		**23,783**	**(8,751)**		**15,032**

Notes:

(a) Adjustments made to convert local GAAP to IFRS.

(b) Adjustments to reflect the recognition of straight-line rent beginning on the pro forma acquisition date of 1 January 2018.

(c) Adjustments to reflect the property management fees and expenses arrangements as detailed under Section E, building management fees, property taxes and other property operating expenses beginning on the pro forma acquisition date of 1 January 2018.

(d) Adjustments to reflect the recognition of the Manager's asset management fee, the Japan asset management fee, the Trustee's Fee, and other corporate-level expenses.

(e) Adjustments to reflect the interest expenses and amortisation of upfront debt-related transaction costs on the new borrowings by the DHLT Group.

(f) Adjustment to (i) recognise a fair value change related to lease commission fees and (ii) recognise a fair value change for the current period's effects of straight-line rent.

(g) Adjustments to recognise deferred tax expense on temporary differences on investment properties and other tax.

(h) Adjustments to account for recognition of fair value changes relating to asset retirement obligation and right-of-use asset in accordance with the adoption of IFRS 16 Leases from 1 January 2019.

Unaudited Pro Forma Consolidated Statement of Cash Flows

The Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2020 and for 6 months from 1 January 2021 to 30 June 2021 has been prepared for inclusion in the Prospectus and are presented below. Details of the pro forma adjustments and assumptions made are set out in the Basis of Preparation of Pro Forma Consolidated Financial Information set out in Section B.

	1 January 2020 to 31 December 2020	**1 January 2021 to 30 June 2021**
	FY2020	**1H2021**
	S$'000	**S$'000**
Cash flows from operating activities:		
Net income before tax	38,718	18,637
Adjustments for:		
Manager's fee paid/payable in Units	916	605
Finance expenses	402	193
Amortisation of deferred financing costs	2,168	887
Amortisation of prepaid expenses	411	195
Fair value change in investment properties	(1,594)	390
Subtotal of net income before working capital changes	41,021	20,907
Changes in working capital:		
Prepaid expenses and other assets	(72,707)	–
Net cash flows (used in)/generated from operating activities	**(31,686)**	**20,907**
Cash flows from investing activities:		
Acquisition of investment properties and related assets and liabilities	(852,327)	–
Acquisition costs	(9,134)	–
Cash flow used in investing activities	**(861,461)**	**–**
Cash flows from financing activities:		
Repayments of lease liability	(3,696)	(1,781)
Proceeds from issuance of units	540,000	–
Payment of IPO fees	(26,229)	–
Proceeds from perpetual securities	37,147	–
Proceeds from debt financings	440,812	–
Payments of deferred financing costs	(9,633)	–
Distribution to unit holders	(17,418)	(13,255)
Withholding taxes	(2,302)	(1,590)
Payments of perpetual securities interest	(1,146)	(543)
Restricted cash for financing activities	(57,850)	–
Cash flow generated from/(used in) financing activities	**899,685**	**(17,169)**
Net increase in cash and cash equivalents	**6,538**	**3,738**
Cash and cash equivalents at beginning of the year	–	6,251
Effect of exchange rate changes on cash and cash equivalents	(287)	(332)
Cash and cash equivalents at end of the year	**6,251**	**9,657**

Note to the Unaudited Pro Forma Consolidated Statement of Cash Flows

The effects of acquisition of the Properties and related assets and liabilities on the DHLT Group's Unaudited Pro Forma Consolidated Statement of Cash Flows for the year ended 31 December 2020 is set out below:

	S$'000
Investment properties (excluding acquisition costs)	879,996
Prepaid expenses	1,827
Security deposits payable by the Property Trustee to its Superior Landlords (asset)	4,550
Security deposits from end-tenants to the Property Trustee	(34,046)
Cash payments for acquisition	852,327
Acquisition cost	9,134
	861,461

Significant Non-Cash Transaction

During the year ended 31 December 2020 and for the six-month period from 1 January 2021 to 30 June 2021, approximately 3,209,077 Units at S$0.80 per Unit (equivalent to S$2.6 million) and 1,229,381 Units at S$0.80 per Unit (equivalent to S$1.0 million) respectively, were or would be issued as payment for the Manager's Base Fee and Manager's Performance Fee.

See Section E for the relevant fee structure.

D. NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

(a) Statement of compliance

The Unaudited Pro Forma Consolidated Financial Information is prepared in accordance with the basis set out in Section B and presented in accordance with International Financial Reporting Standards and the applicable requirements of the Code of Collective Investment Schemes ("**CIS Code**") issued by the Monetary Authority of Singapore ("**MAS**") and the provisions of the DHLT's Trust Deed.

The financial statements of the DHLT Group comprise DHLT and its subsidiaries.

(b) Basis of measurement

The Unaudited Pro Forma Consolidated Financial Information is prepared on the historical cost basis except as disclosed in the accounting policies below.

(c) Functional and presentation currency

The financial information is presented in Singapore dollars ("**S$**") which is DHLT's functional currency. All financial information presented in S$ has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial information 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 in the period in which the estimates are revised and any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial information is included in:

- Note 6 – Investment properties

Valuation of investment properties

DHLT carries its investment properties at purchased price which is at a discount to fair values. The fair values of investment properties are determined by independent real estate valuation experts using recognised valuation techniques. These techniques comprise the income approach, which includes the Discounted Cash Flow Method ("**DCF**") and the Direct Capitalisation Method ("**DCM**"). The key assumptions used to determine the fair value of these investment properties are provided in Note 6.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently throughout the years presented in this financial information, and have been applied consistently by the DHLT Group.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the DHLT Group.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the DHLT Group incurs in connection with a business combination are expensed as a fair value adjustment to investment properties as incurred.

When the acquisition of an investment property does not represent a business, 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. Acquisition-related costs are capitalised to the investment property at the time the acquisition is completed.

(ii) Subsidiaries/partnerships

Subsidiaries/partnerships are entities controlled by the DHLT Group. The DHLT 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/partnerships have been changed where necessary to align them with the policies adopted by the DHLT.

(iii) Loss of control

When a change in the DHLT Group's ownership interest in a subsidiary/partnership results in a loss of control over the subsidiary/partnership, the assets and liabilities of the subsidiary/partnership, are derecognised. Amounts previously recognised in other comprehensive income or loss ("OCI") in respect of that entity are also reclassified to profit or loss or transferred to retained earnings.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date control is lost and its fair value is recognised in profit or loss.

(iv) Transactions eliminated on consolidation

Intra-group balances and any income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial information.

(b) Foreign currencies

The DHLT Group's consolidated financial statements are presented in Singapore Dollar, which is also the parent company's functional currency. The DHLT Group determines the functional currency and items included in the financial statements of each entity to be measured using that functional currency. The DHLT Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(i) Transactions and balances

Transactions in foreign currencies are initially recorded by the DHLT Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss, with the exception of monetary items that are designated as part of the hedge of the DHLT Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, liability, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the DHLT Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the DHLT Group determines the transaction date for each payment or receipt of advance consideration.

(ii) Foreign operations

The assets and liabilities of foreign operations, including fair value adjustments arising from the acquisition, are translated to functional currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to functional currency at exchange rates at the dates of the transactions.

On consolidation, the assets and liabilities of foreign operations are translated into Singapore Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

(c) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation, or both. They are not for sale in the ordinary course of business or used in the production or supply of goods or services, or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Initial cost includes expenditures that are 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 its carrying amount) is recognised in profit or loss when control is transferred to the buyer.

(d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Non-derivative financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition, and subsequently measured at amortised cost, fair value through OCI, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the DHLT Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the DHLT Group has applied the practical expedient, the DHLT Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The DHLT Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement

For purposes of subsequent measurement, the DHLT Group's financial assets are classified in two categories:

- Financial assets at fair value through profit or loss (derivative financial instruments)
- Financial assets at amortised cost (rent and other trade receivables, contract assets and cash and short-term deposits)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Financial assets at amortised cost

For purposes of subsequent measurement, the DHLT Group measures financial assets at amortised cost if both of the following conditions are met:

➢ The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

➢ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Since the DHLT Group's financial assets (rent and other trade receivables, contract assets, cash and short-term deposits) meet these conditions, they are subsequently measured at amortised cost.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the DHLT Group's consolidated statement of financial position) when:

➢ The rights to receive cash flows from the asset have expired

Or

➢ The DHLT Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the DHLT Group has transferred substantially all the risks and rewards of the asset, or (b) the DHLT Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the DHLT Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the DHLT Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the DHLT Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the DHLT Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the DHLT Group could be required to repay.

Impairment

Further disclosures relating to impairment of financial assets are also provided in the following note:

➢ Financial risk management Note 17

The DHLT Group recognises an allowance for expected credit losses (ECLs) for all debt instrument except those held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the DHLT 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.

For rent and other trade receivables and contract assets, the DHLT Group applies a simplified approach in calculating ECLs. Therefore, the DHLT Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date (i.e., a loss allowance for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default). The DHLT 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.

The DHLT Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the DHLT Group may also consider a financial asset to be in default when internal or external information indicates that the DHLT Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the DHLT Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets comprise of cash and cash equivalents, restricted cash and other assets. Cash and cash equivalents comprise of cash at bank.

(ii) Non-derivative financial liabilities

Initial recognition and measurement

The DHLT Group's financial liabilities comprise loans and borrowings, lease liabilities, derivative financial instruments and trade and other payables.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Refer to the accounting policy on leases for the initial recognition and measurement of lease liabilities, as this is not in the scope of IFRS 9.

All financial liabilities are recognised initially at fair value and, with the exception of derivative financial instruments, net of directly attributable transaction costs.

Subsequent measurement

For the purposes of subsequent measurement, all financial liabilities, except derivative financial instruments, are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derivative financial instruments are classified as financial liabilities at fair value through profit or loss and are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. Refer also to the accounting policy in Note 2(d)(iii).

Refer to the accounting policy on lease for the subsequent measurement of finance lease liabilities, as this is not in the scope of IFRS 9.

For more information on the loans and borrowings, refer to Note 7.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Other financial liabilities comprise other payables, security deposits from the end-tenants and loans and borrowings.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(iii) Derivative financial instruments

The DHLT Group may hold derivative financial instruments to hedge its interest rate risk exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, and changes therein are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Unitholders funds

Unitholders funds are classified as equity.

Issuance costs relate to expenses incurred in connection with the issue of Units. The expenses are deducted directly against net assets attributable to Unitholders.

(e) Leases

When the DHLT Group is the lessor of an operating lease

Leases where the DHLT Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases.

(f) Levies

A provision for levies is recognised when the activity that triggers the payment of the levy as specified in the relevant legislation occurs. A levy obligation is accrued ratably over the reporting period if the activity that triggers payment occurs over the period in accordance with relevant legislation. If a levy obligation is subject to a minimum activity threshold, then a provision is recognised when that minimum activity threshold is reached.

(g) Revenue recognition

Rental income

The DHLT Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all of the risks and rewards incidental to ownership of an investment property. In addition, the DHLT Group subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. All the DHLT Group's subleases are classified as operating leases.

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 DHLT 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.

(h) 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.

(i) 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 OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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 DHLT Group is able to control the timing of the reversal of the temporary difference 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 DHLT Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. The carrying amount of the investment properties will be recovered through sale or use. 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.

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.

A deferred tax asset is 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. 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 DHLT Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The DHLT 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

DHLT 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.

(j) Segment reporting

An operating segment is a component of the DHLT 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 DHLT Group's other components. The DHLT Group's investment properties are primarily logistics and industrial properties located in Japan. Therefore, the directors consider that the DHLT Group operates within a single business segment and within a single geographical segment in Japan. Accordingly, no segment information has been presented in this financial information.

(k) New Standards issued but not yet effective

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Manager is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

The amendments are not expected to have a material impact on the financial statements.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Manager will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

The amendments are not expected to have a material impact on the financial statements.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Manager will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendments are not expected to have a material impact on the financial statements.

3. CASH AND CASH EQUIVALENTS

	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
Cash at bank	15,389	15,389

4. 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.

5. PREPAID EXPENSES AND OTHER ASSETS

	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
Prepaid insurance premium	1,812	1,812
Prepaid property tax	1,745	1,745
Security deposit payable by the Property Trustee to its Superior Landlords	4,346	4,346
Refundable consumption tax	67,948	67,948
GST refundable	1,500	1,500
	77,351	77,351

6. INVESTMENT PROPERTIES

	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
Investment properties	1,070,554	1,069,025

(a) Investment properties comprise logistic spaces which are leased to external customers. A right-of-use asset relating to the ground lease for leasehold properties of S$203.8 million and S$202.1 million have been included as part of the investment properties as at 31 December 2020 and 30 June 2021 respectively upon the adoption of IFRS 16 *Leases*. The remaining lease terms range from less than 13 years to 50 years at 2021. In addition, an asset corresponding to asset-retirement-obligation of S$17.5 million and S$17.7 million have been included at fair value as at 31 December 2020 and 30 June 2021 respectively.

(b) Reconciliation of carrying amount

	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
Purchase consideration	840,549	840,549
Add: Acquisition cost	8,725	8,725
Add: Right-of-use assets and assets corresponding to asset-retirement-obligation	221,280	219,751
Investment properties	1,070,554	1,069,025

(c) The acquisition value of the investment properties have been determined after taking into consideration independent valuations of the investment properties performed as of 30 June 2021.

(d) The purchase consideration of the investment properties are set out below:

Property	Description and Location	Date of Construction	Tenure of Land	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
DPL Sapporo Higashi Kariki	13 Jo, Higashikariki, Sapporo Hokkaido, Japan	1 February 2018	Freehold	124,423	124,423
DPL Sendai Port	Minato, Miyagino, Sendai, Miyagi	10 March 2017	Freehold	136,960	136,960
DPL Koriyama	Sotogawara, Koriyama Fukushima, Japan	6 September 2019	Freehold	63,276	63,276
D Project Maebashi S	1-10-1 Owatari machi, Maebashi Gunma, Japan	5 November 2018	Freehold	37,493	37,493
D Project Kuki S	6201-3 Shobumachi Sanga, Kuki Saitama, Japan	1 August 2014	Leasehold	15,924	15,924
D Project Misato S	Misato Saitama, Japan	15 February 2015	Leasehold	19,733	19,733
D Project Iruma S	Iruma Saitama, Japan	18 December 2017	Leasehold	28,740	28,740
DPL Kawasaki Yako	Yako, Kawasaki Kanagawa, Japan	1 June 2017	Leasehold	221,999	221,999
D Project Nagano Suzaka S	34, Gokan machi, Suzaka, Nagano, Japan	25 September 2018	Freehold	28,385	28,385
DPL Shinfuji	Komino Atsuhara, Fuji Shizuoka, Japan	20 September 2017	Leasehold	37,773	37,773
D Project Kakegawa S	1374 – 1, Minamisaigo, Kakegawa, Shizuoka, Japan	1 May 2019	Freehold	47,073	47,073
DPL Okayama Hayashima	3500, Hayashima Okayama, Japan	19 September 2017	Leasehold	43,170	43,170
DPL Okayama Hayashima 2	4358-14 Hayashima Okayama, Japan	30 October 2017	Leasehold	20,698	20,698
D Project Fukuoka Tobara S	Tobara, Kasuya Fukuoka, Japan	21 February 2019	Leasehold	14,902	14,902
				840,549	840,549

(i) Valuation of investment properties

The independent appraisers 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 DCF and the 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.

When measuring the fair value of an asset or a liability, the DHLT 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 price 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 DHLT 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 DHLT Group's own data).

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

(ii) Level 3 fair value

The following table shows the range of key unobservable inputs used within the valuation reports:

Valuation technique	**Key unobservable inputs**	**Relationship between key unobservable inputs and fair value measurement**
Discounted cash flow approach	Discount rate of 3.7% – 4.8% Terminal capitalisation rate of 3.9% – 5.0%	Higher discount rate or terminal capitalisation rate would result in a lower fair value, while lower rates would result in a higher fair value.
Direct capitalisation method	Capitalisation rate of 3.7% – 5.0%	Higher capitalisation rate would result in a lower fair value, while lower rate would result in a higher fair value.

Key unobservable inputs

Key unobservable inputs correspond to:

- Discount rate, which reflects the risk-free rate, adjusted for a risk premium to reflect the increased risk of investing in the asset class.
- Terminal capitalisation rate, which reflects the uncertainty, functional/economic obsolescence and the risk associated with a future assumed sale of the investment properties.
- Capitalisation rate, which reflects the ratio of the property's net property income to its fair value.

7. LOANS AND BORROWINGS

	As at 31 December 2020 S$'000	**As at 30 June 2021 S$'000**
Interest bearing bank borrowings	421,053	421,053
Less: Debt-related transaction costs	(9,202)	(9,202)
	411,851	411,851

As of the date of listing of DHLT, DHLT is expected to have gross borrowings of JPY 35.6 billion or S$421.1 million (Based on an exchange rate of S$1= JPY 84.55) drawn down from the Loan Facilities. (See the "Capitalisation and Indebtedness" section of the Prospectus for further details.)

8. LEASE LIABILITIES

	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
Amount due for settlement within 12 months	3,449	3,486
Amount due for settlement after 12 months	200,345	198,592
	203,794	202,078

The Group has lease contracts for land. The Group's obligations under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the lease assets.

9. SECURITY DEPOSITS FROM END-TENANTS

	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
Security deposits	32,520	32,520

As at 31 December 2020 and 30 June 2021, security deposits payable by the end-tenants to the Property Trustee amounted to S$32.5 million and S$32.5 million respectively.

10. UNITHOLDERS FUNDS

	As at 31 December 2020 S$'000	As at 30 June 2021 S$'000
Units in issue	540,000	540,000
Issuance costs	(26,229)	(26,229)
	513,771	513,771

The following represents the units in issue as at 31 December 2020:

	Number of units '000	S$'000
Creation of new DHLT Units arising from:		
– Constitution	2	2
– Sponsor Subscription Units	94,498	75,598
– Cornerstone Units	336,062	268,850
– The Offering	244,438	195,550
	675,000	540,000

11. GROSS REVENUE

	1 January to 31 December			1 January to 30 June	
	FY2018 S$'000	FY2019 S$'000	FY2020 S$'000	1H2020 S$'000	1H2021 S$'000
Gross Rental Income	35,693	52,674	64,198	31,711	31,110
Recoverable Income	4,618	5,498	6,207	3,071	2,938
Other Income	331	523	614	305	303
Gross Revenue	**40,642**	**58,695**	**71,019**	**35,087**	**34,351**

12. PROPERTY OPERATING EXPENSES

	1 January to 31 December			1 January to 30 June	
	FY2018 S$'000	FY2019 S$'000	FY2020 S$'000	1H2020 S$'000	1H2021 S$'000
Property taxes	4,498	6,051	7,130	3,576	3,340
Utilities expenses	2,980	3,286	3,363	1,703	1,551
Property management fees and expenses	799	1,288	1,771	851	871
Building management expenses	1,892	2,306	2,567	1,287	1,217
Other operating expenses	1,162	1,347	1,407	709	618
Property Operating Expenses	**11,331**	**14,278**	**16,238**	**8,126**	**7,597**

13. TRUST EXPENSES

Included in trust expenses are the following:

	1 January to 31 December			1 January to 30 June	
	FY2018 S$'000	FY2019 S$'000	FY2020 S$'000	1H2020 S$'000	1H2021 S$'000
Audit fees	263	269	278	140	132
Legal fees	12	12	13	6	6
REIT group operating expenses	1,161	1,359	1,464	734	694

14. FINANCE EXPENSES

	1 January to 31 December			1 January to 30 June	
	FY2018 S$'000	FY2019 S$'000	FY2020 S$'000	1H2020 S$'000	1H2021 S$'000
Interest expense on borrowings and commitment fees	2,682	2,500	2,364	1,201	1,105
Amortisation of debt related	2,049	1,996	1,952	985	921
Interest expense on lease liabilities and other liabilities	5,061	5,199	5,315	2,673	2,496
	9,792	9,695	9,631	4,859	4,522

15. TAX EXPENSE

	1 January to 31 December			1 January to 30 June	
	FY2018 S$'000	FY2019 S$'000	FY2020 S$'000	1H2020 S$'000	1H2021 S$'000
Deferred tax					
Origination of temporary differences	1,365	3,335	5,013	2,446	2,627
	1,365	3,335	5,013	2,446	2,627
Reconciliation of effective tax rate					
Net income before tax	9,031	22,928	32,111	15,616	17,659
Income tax at 17%	1,535	3,898	5,459	2,655	3,002
Non-deductible expenses	307	572	1,253	588	547
Effect of different tax rates arising from foreign jurisdiction	(477)	(1,135)	(1,699)	(797)	(922)
	1,365	3,335	5,013	2,446	2,627

DHLT recorded tax expense based on the effective tax rate of 12.73%.

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purposes of the pro forma financial information, parties are considered to be related to the DHLT Group if the DHLT Group has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the DHLT Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The following significant related party transactions were carried out in the normal course of business on terms agreed between the parties:

	1 January to 31 December			1 January to 30 June	
	FY2018	**FY2019**	**FY2020**	**1H2020**	**1H2021**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Manager's Base Fee	–	1,290	2,471	1,193	1,373
Manager's Performance Fee	–	–	2,664	1,335	594
Trustee's Fee	255	287	307	153	145
Property Management Fee	548	799	952	471	470
Acquisition of investment properties from a related party	401,324	74,829	–	–	–
Perpetual Securities	35,482	–	–	–	–
Japan Asset Manager's fees	1,025	1,251	1,380	684	647

17. FINANCIAL RISK MANAGEMENT

The DHLT Group's activities expose it to credit risk, liquidity risk, market risk (including interest rate risk and currency risk) in the normal course of its business. The DHLT Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on DHLT Group's financial performance.

The Board of Directors ("**BOD**") of the Manager is responsible for setting the objectives and underlying principles of financial risk management for the DHLT 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.

Credit risk

Credit risk is the potential risk of financial loss to the DHLT Group if a customer or counterparty fails to meet its financial and contractual obligations. 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 DHLT Group mitigates credit risk through staggered lease maturities, diversification of revenue sources by ensuring no individual tenant contributes a significant percentage of DHLT Group's gross revenue and obtaining security deposits from the tenants.

Derivatives are only entered into with banks and financial counterparties with sound credit ratings, and cash deposited with financial institutions which are regulated and with sound credit ratings.

As at the Unaudited Consolidated Pro Forma Balance Sheet date, the investment properties of the DHLT Group are leased to tenants with good credit standing, based on historical payment behaviours and security deposits held. The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the consolidated statement of financial position.

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 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 following are the contractual maturities of financial liabilities including interest payments:

	Carrying amount S$'000		Contractual Cash Flow S$'000		Within 1 year S$'000		Between 1 to 5 S$'000		More than 5 years S$'000	
	As at 31 December 2020	As at 30 June 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2020	As at 30 June 2021	As at 31 December 2020	As at 30 June 2021
Loans and borrowings	411,851	411,851	432,105	432,337	68,770	69,002	363,335	363,335	–	–
Lease liabilities	203,794	202,078	312,022	308,088	7,867	7,867	31,468	31,468	272,687	268,753
Security deposits payable by the end-tenants to the Property Trustee	32,520	32,520	32,520	32,520	969	2,964	8,785	6,993	22,766	22,563
	648,165	646,449	776,647	772,945	77,606	79,833	403,588	401,796	295,453	291,316

Accounting classifications

The carrying amounts of financial assets and financial liabilities are as follows:

	Financial assets measured at amortised cost S$'000		Financial liabilities measured at amortised cost S$'000		Total S$'000	
	As at 31 December 2020	**As at 30 June 2021**	**As at 31 December 2020**	**As at 30 June 2021**	**As at 31 December 2020**	**As at 30 June 2021**
Cash and cash equivalents	15,389	15,389	–	–	15,389	15,389
Loans and borrowings	–	–	(411,851)	(411,851)	(411,851)	(411,851)
Security deposits payable by the end-tenants to the Property Trustee	–	–	(32,520)	(32,520)	(32,520)	(32,520)
	15,389	15,389	(444,371)	(444,371)	(428,982)	(428,982)

Currency risk

Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group's business is exposed to currency risk. Current portfolio of properties are located in Japan and the cash flows from the operations of the properties are in Japanese Yen. The functional currency is S$ and the distribution to Unitholders is in S$. The DHLT Group borrows in the same currency as the assets in order to manage the foreign currency risk. DHLT will receive S$ distributions from the investment properties which will be passed to the Unitholders, either in S$ or converted to SGD.

DHLT's foreign currency risk relates mainly to income from its overseas assets and borrowings. The REIT manager monitors DHLT's foreign currency exposure on an on-going basis and limits its exposure to adverse movements in foreign currency exchange rates by using derivative financial instruments or other suitable financial products.

The REIT Manager's policy is to hedge DHLT's anticipated foreign currency exposure in respect of distribution income from its overseas assets on a rolling one-year forward by using foreign currency forward exchange contracts and other foreign currency derivative instruments.

Interest rate risk

DHLT Group's exposure to changes in interest rates relates primarily to interest bearing financial liabilities. The Manager will actively monitor and manage the DHLT Group's net exposure to interest rate risk through the use of interest rate hedging instruments and/or fixed rate borrowings, where applicable.

Given the current interest rate environment, all of DHLT bank borrowings are at fixed interest rates for the whole tenure of the bank borrowings.

Capital management

The Manager's objective when managing capital is to optimize DHLT's capital structure within the borrowing limits set out in the CIS Code by the Monetary Authority of Singapore to fund future acquisitions and asset enhancement projects at DHLT Properties. To maintain or achieve an optimal capital structure, the Manager may issue new units or source additional borrowing from both financial institutions and capital markets.

DHLT 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, on the properties acquired. The Manager also monitors the level of distributions made to Unitholders.

DHLT 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.

DHLT is subject to the aggregate leverage limit as defined in the Property Funds Appendix. The Property Funds Appendix stipulates that the total borrowings and deferred payments (collectively, the "**Aggregate Leverage**") of a property fund should not exceed 50.0% of the fund's Deposited Property, provided the Interest Coverage Ratio is at least 2.5 times.

The Manager actively monitors the term 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.

The aggregate leverage ratio is calculated as total borrowings divided by Deposited Property. The aggregate leverage ratio is approximately 43.8% as at 31 December 2020 and 30 June 2021. Total borrowings divided by the valuations of Investment Properties is approximately 44.2%.

E. MANAGER'S MANAGEMENT FEE, TRUSTEE'S FEE AND PROPERTY MANAGEMENT FEES

Unless defined in this report, abbreviations below shall have the meanings set out in the Glossary to the Prospectus.

(a) Manager's Management Fees

The Manager is entitled under the Trust Deed to Management Fee comprising the Base Fee and Performance Fee as follows:

(i) Base Fee of 10.0% per annum of the Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee); and

(ii) Performance Fee of 25.0% per annum 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 (subject to adjustments in certain cases under the Trust Deed).

The Manager's Base and Performance Fee are payable in the form of cash and/or Units (as the Manager may elect). Such fees are accrued and paid monthly based on the computed Distributable Income for the period.

The Manager has elected to receive 50.0% of the Base and Performance Fee in the form of Units for the pro forma periods. Where the management fees are payable in Units, the Manager has assumed that such Units are issued at the Offering Price for the pro forma years.

(b) Trustee Fees payable to Trustee and Property Trustee

1. Trustee's Fee

Under the Trust Deed, the Trustee's Fee shall not exceed 0.10% per annum of the value of the Deposited Property, subject to a minimum amount of S$12,000 per month, excluding out-of-pocket expenses and GST. 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.

2. Trust fees payable to the Property Trustee

The Property Trustee for the Japan Asset Management Companies shall charge an initial trust fee of JPY 700,000 in relation to the acquisition of each IPO Property at the time of acquisition and a base fee of JPY 700,000 per annum for each IPO Property.

(c) Property management fee

Under the Property Management Agreement in respect of each of the properties, the Property Manager will provide property management services, construction supervision services and lease management services. The Property Manager is a wholly owned subsidiary of the Sponsor. 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 IPO Portfolio is charged based on 1.2% of gross revenue income, subject to minimum of JPY 3.6 million (exclusive of consumption tax), 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 specific percentages of the Property Management Fee are set out in each of the property management agreements.

Project Management Fees

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 3.0% 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.

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INDEPENDENT TAXATION REPORT

The Board of Directors
Daiwa House Asset Management Asia Pte. Ltd.
as Manager of Daiwa House Logistics Trust
8 Marina View
#14-09 Asia Square Tower 1
Singapore 018960

HSBC Institutional Trust Services (Singapore) Limited
as Trustee of Daiwa House Logistics Trust (the "**Trustee**")
10 Marina Boulevard
#48-01 Marina Bay Financial Centre Tower 2
Singapore 018983

19 November 2021

Dear Sirs:

Independent Taxation Report

This letter has been prepared at the request of Daiwa House Asset Management Asia Pte. Ltd. (the "**Manager**") in its capacity as the manager of Daiwa House Logistics Trust ("**DHLT**") for inclusion in the Prospectus to be issued in relation to the initial public offering of the units in DHLT (the "**Units**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The purpose of this letter is to provide prospective purchasers of the Units with an overview of the Singapore tax consequences of the purchase, ownership and disposition of the Units on the basis of the transaction structure for the IPO Portfolio. This letter principally addresses investors who hold the Units as investment assets. Investors who hold or acquire the Units for dealing purposes should consult their own tax advisers concerning the tax consequences based on their particular circumstances.

This letter also provides an overview of certain Singapore and Japan tax consequences that may be applicable to DHLT from investing in the IPO Portfolio.

This letter is not a tax advice and does not attempt to describe comprehensively all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units. It also does not provide an overview of the taxation of unitholders of DHLT ("**Unitholders**"), and any subsequent purchaser or acquirer of the Units from any person, in any country outside Singapore.

Prospective investors of the Units should consult their own tax advisers to take into account the tax law applicable to their particular circumstances. In particular, prospective investors who are not Singapore tax residents are advised to consult their own tax advisers to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their countries of residence may have with Singapore.

This letter is based on the tax laws in Singapore and Japan and the relevant interpretations thereof current as at the date of this letter, all of which are subject to change, possibly with retroactive effect.

Words and expressions in this letter have the same meaning as defined in the Prospectus. In addition, unless the context requires otherwise, words in the singular include the plural and the other way around and words of one gender include any gender.

A. SINGAPORE TAXATION

I. INCOME TAX

Taxation of trusts in general

Under current Singapore income tax law, the taxable income of a trust comprises:

(a) income accruing in or derived from Singapore; and

(b) income derived from outside Singapore (i.e. foreign sourced income) which is received in Singapore or deemed to have been received in Singapore by the operation of law,

unless such income is exempt from tax under Singapore income tax law.

The taxable income of a trust is ascertained in accordance with the provisions of the Singapore income tax law, after deduction of all allowable expenses and any other allowances permitted under the law.

Where the taxable income of a trust is not derived from any trade or business carried on by the trustee, beneficiaries of that trust who are resident in Singapore for Singapore income tax purposes may be assessed to tax directly on their share of such income provided they are entitled to the income of that trust.

Otherwise (i.e. under the following circumstances), the tax on the taxable income of a trust (or part thereof) is assessed on the trustee of the trust at the prevailing rate of income tax (currently 17.0%):

(a) where the income is derived from any trade or business carried on by the trustee, in its capacity as the trustee of the trust;

(b) where the beneficiaries of the trust are not resident in Singapore for Singapore income tax purposes; or

(c) where the beneficiaries are not entitled to the income of the trust.

Any distribution made out of such income which has been assessed to tax on the trustee is capital in nature and therefore will not be subject to any further Singapore tax in the hands of the beneficiaries. The tax paid by the trustee on such income is not imputed as a credit to the beneficiaries for Singapore income tax purposes.

Non-taxable income/receipts do not form part of the statutory income of the trustee and distributions by the trustee out of such non-taxable income/receipts are not taxable in the hands of the beneficiaries.

Taxation of real estate investment trusts in general

For a real estate investment trust, which is defined in the Income Tax Act, Chapter 134 of Singapore (the "**Income Tax Act**") to mean "a trust that is constituted as a collective investment scheme authorised under Section 286 of the Securities and Futures Act (Cap. 289) and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets" (referred hereinafter as a "**REIT**"), the trustee may be charged at a lower rate or not charged with any tax, as the Singapore Comptroller of Income Tax ("**CIT Comptroller**") shall determine and subject to the satisfaction of the CIT Comptroller. This treatment (known as "**tax transparency treatment**"), if granted, will apply to only certain income of a REIT, including rental income or income from the management or holding of immovable property but not including gains from the disposal of immovable property ("**tax-transparent income**"). Beneficiaries of the REIT are instead assessed to tax on the share of such tax-transparent income to which each of them is beneficially entitled. The tax may be assessed directly on the beneficiaries or deducted by the trustee from the amount of distribution made to the beneficiaries, depending on their own particular circumstances.

The income of a REIT that is assessed to tax directly in the hands of its beneficiaries does not include income from any trade or business carried on by the trustee that is not tax-transparent income. Tax on such non tax-transparent income is assessed on the trustee of the REIT. Beneficiaries of the REIT are not subject to further tax on distributions made out of such non tax-transparent income. The tax paid by the trustee on such non tax-transparent income is not imputed as a credit to the beneficiaries for Singapore income tax purposes.

Where the REIT derives tax-exempt income, such income is exempt from tax in the hands of the trustee. Beneficiaries of the REIT will also be exempt from tax on the share of such tax-exempt income to which each of them is beneficially entitled.

There is no capital gains tax in Singapore. However, gains from the sale of investments (e.g. shares, units or immovable properties) are generally chargeable to tax if such gains arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains, even if they do not arise from an activity in the ordinary course of trade or business or from an ordinary incident of some other business activity, may also be considered gains or profits of an income nature if the investments were acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.

The distributions made by a REIT out of non-income cash flows, such as amounts received in the form of a repayment of shareholder's loan from its subsidiary, will be treated as a return of capital for Singapore income tax purposes and the amount of such distributions will be applied to reduce the cost of the units in the REIT. For unitholders who hold the units as trading or business assets and are liable to Singapore income tax on gains arising from disposal of the units, the reduced cost of the units will be used to calculate the amount of taxable gains when the units are subsequently disposed of. If the amount of return of capital exceeds the cost or reduced cost of the units, the excess will be subject to tax as trading income of such unitholders.

Taxation of DHLT

DHLT is liable to Singapore income tax, currently at the rate of 17.0%, on:

(a) income accruing in or derived from Singapore; and

(b) income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law,

unless such income is exempt from tax under Singapore income tax law.

DHLT's income or receipts may include:

(a) dividend income from DH-CRUX Pte. Ltd. ("**SG SPC 1**") and DH-CRUX2 Pte. Ltd. ("**SG SPC 2**"); and

(b) proceeds from repayment of shareholder's loans by SG SPC 1 and SG SPC 2.

Dividend income from SG SPC 1 and SG SPC 2

Provided that SG SPC 1 and SG SPC 2 are tax residents of Singapore, dividend income received from SG SPC 1 and SG SPC 2 will be exempt from Singapore income tax in the hands of the Trustee under Section 13(1)(za) of the Income Tax Act.

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore.

Proceeds from repayment of shareholder's loans by SG SPC 1 and SG SPC 2

Any proceeds received by DHLT from the repayment of the principal amount of shareholder's loans are capital receipts and hence not taxable on the Trustee.

Taxation of SG SPC 1 and SG SPC 2

Singapore tax resident companies are subject to Singapore income tax on income accruing in or derived from Singapore and on income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law unless such income is exempt from tax under Singapore income tax law.

The corporate income tax rate in Singapore is currently 17.0%, with the following partial exemption granted for the first S$200,000 of normal chargeable income:

(a) 75.0% of up to the first S$10,000 of chargeable income; and

(b) 50.0% of up to the next S$190,000 of chargeable income.

The income of SG SPC 1 is expected to comprise dividends from DH-CRUX Japan TMK ("**DH TMK**"). As for SG SPC 2, its income is expected to comprise TK profit distributions from DH-CRUX Japan Intermediate GK ("**TK Operator (GK1)**").

Any returns of capital received by SG SPC 1 and SG SPC 2 should be capital in nature and hence not taxable in the hands of SG SPC 1 and SG SPC 2 (as the case may be).

Taxation of dividends from DH TMK to SG SPC 1

On the basis that DH TMK is not a tax resident of Singapore, the dividends from DH TMK to SG SPC 1 should be considered foreign sourced for Singapore taxation purposes.

Provided that SG SPC 1 is a tax resident of Singapore, the dividends from DH TMK received in Singapore (from Japan) by SG SPC 1 will be exempt from Singapore corporate income tax under Section 13(8) of the Income Tax Act provided that the following conditions are met:

(a) in the year the dividend is received in Singapore, the headline corporate tax rate in Japan is at least 15.0%;

(b) the dividend has been subjected to tax of a similar character to income tax (including the tax paid on the dividend) in Japan; and

(c) the CIT Comptroller is satisfied that the tax exemption would be beneficial to SG SPC 1.

Based on the current tax laws in Japan, the dividends from DH TMK received by SG SPC 1 in Singapore from Japan should qualify for this tax exemption.

Taxation of TK profit distributions from TK Operator (GK1) to SG SPC 2

The TK profit distributions from TK Operator (GK1) to SG SPC 2 should be considered foreign sourced for Singapore taxation purposes. Such TK profit distributions, net of any deductible expenses, should therefore be subject to Singapore corporate income tax at the prevailing tax rate of 17.0% in the hands of SG SPC 2 when the income is received or deemed received in Singapore.

Provided that SG SPC 2 is a tax resident of Singapore, it should be able to claim a foreign tax credit for the Japanese withholding tax imposed on the TK profit distributions. The foreign tax credit, if applicable, will be limited to the lower of the actual amount of Japanese withholding tax paid or the Singapore tax payable on the TK profit distributions.

The Japanese withholding tax rate on the TK profit distributions is currently higher than the corporate income tax rate of 17.0% that such distributions will be subject to in Singapore. As such, provided that SG SPC 2 is entitled to claim the foreign tax credit as expected, the credit should be capped at the amount of Singapore tax otherwise payable on the TK profit distributions (i.e. there should not be incremental Singapore tax payable on the TK profit distributions).

Taxation of gains from disposal of investments

Singapore does not impose tax on capital gains. The determination of whether gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case.

To provide greater upfront certainty of the tax treatment, Section 13Z of the Income Tax Act exempts from tax the gains derived by a company from the disposal of ordinary shares in another company during the period from 1 June 2012 to 31 December 2027 (both dates inclusive) if certain conditions are met, including that the divesting company has, at all times during a continuous period of at least 24 months ending on the date immediately prior to the date of disposal of such shares, legally and beneficially owned at least 20.0% of the ordinary shares in the investee company. There are certain exclusions to which the tax exemption under Section 13Z does not apply, such as a disposal of unlisted shares (on or after 1 June 2022) in an investee company that is in the business of trading immovable properties situated whether in Singapore or elsewhere or principally carries on the activity of holding immovable properties situated whether in Singapore or elsewhere or in the case where the divesting entity is a unit trust (other than a registered business trust).

In the event of any disposal of investments (e.g. shares, units or immovable properties), gains arising from such disposal will not be liable to Singapore income tax unless the gains are considered income of a trade or business carried on in Singapore by the seller. Such gains may also be liable to Singapore income tax if the investments were acquired with the intent or purpose of making a profit from sale and not intended for long-term investment purposes. However, if the gains qualify for tax exemption under Section 13Z of the Income Tax Act, they will not be liable to Singapore income tax.

Taxation of Unitholders

Distributions from DHLT

Distributions made by DHLT in respect of the IPO Portfolio may comprise all, or a combination, of the following types of distribution:

(a) tax-exempt income distribution;

(b) after-tax income distribution; and

(c) capital distribution.

<u>Tax-exempt income distribution</u>

Unitholders will be exempt from Singapore income tax on distributions made by DHLT out of its tax-exempt income such as one-tier tax exempt dividends from SG SPC 1 and SG SPC 2. No tax will be deducted at source or withheld on such distributions.

<u>After-tax income distribution</u>

Distributions made out of income of DHLT that has been assessed to tax in the hands of the Trustee are treated as capital in nature and will not be subject to Singapore income tax in the hands of Unitholders. Unitholders are also not entitled to tax credits for any taxes paid or payable by the Trustee on income subject to tax on the Trustee.

<u>Capital distribution</u>

Capital distributions (broadly, distributions in excess of revenue cash flows of DHLT) will be regarded as a return of capital in the hands of Unitholders. The amount of such distribution will be applied to reduce the cost base of the Units held by Unitholders. For Unitholders who are liable to Singapore income tax on gains arising from the disposal of the Units, the reduced cost base of the Units will be used to calculate the amount of taxable gains when the Units are subsequently disposed of. If the amount of return of capital exceeds the cost base or reduced cost base of the Units, the excess will be subject to tax as trading income of such Unitholders.

Gain on disposal of the Units

Singapore currently does not impose tax on capital gains. Therefore, gains on disposal of the Units that are capital in nature will not be subject to Singapore income tax. However, such gains may be considered income in nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if the intention of the Unitholders was not to hold the Units as long-term investments.

As the precise tax status of one Unitholder will vary from another, Unitholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

Unitholders who have adopted or are required to adopt Financial Reporting Standard 39 – Financial Instruments, Recognition and Measurement ("**FRS 39**"), Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or the equivalent under the Singapore

Financial Reporting Standard (International) ("**SFRS(I)**") for financial reporting purposes may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Units, irrespective of disposal. Unitholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Units arising from the adoption of FRS 39, FRS 109 or the equivalent under SFRS(I).

II. GOODS AND SERVICES TAX ("GST")

GST is a broad-based consumption tax levied on the import of goods, as well as nearly all supplies of goods and services made in Singapore.

The prevailing standard rate of GST in Singapore is 7.0%. As announced in the 2018 Singapore Budget, the Singapore Government plans to raise the standard rate of GST from 7.0% to 9.0%, sometime in the period from 2021 to 2025. The GST rate remains at 7.0% for 2021 (as announced in the 2020 Singapore Budget).

GST on imported services has also been implemented with effect from 1 January 2020 via a reverse charge mechanism for business to business supplies of imported services. Under the reverse charge mechanism, a GST registered business which is not entitled to full input tax credit would be required to account for GST on the value of its imported services that fall within the scope of reverse charge as if it is the supplier. The GST registered business would be allowed to claim the corresponding GST as its input tax, subject to the normal input tax recovery rules. A non-GST registered business (which DHLT, SG SPC 1 and SG SPC 2 will likely be) which procures imported services may also be liable for GST registration under the reverse charge registration rules and be required to perform reverse charge accounting on the imported services if certain conditions are satisfied.

DHLT, SG SPC 1 and SG SPC 2

Recovery of GST incurred

Pursuant to a GST remission granted by the Minister for Finance, DHLT (as a Singapore-listed REIT) is allowed to claim:

(a) GST on its business expenses, irrespective of whether it holds underlying non-residential properties directly or indirectly through its special purpose vehicles ("**SPVs**") (including SG SPC 1 and SG SPC 2); and

(b) the GST incurred on the setting up of the SPVs or the GST incurred by its SPVs (including SG SPC 1 and SG SPC 2) on the acquisition and holding of the non-residential properties.

The above GST claims are allowable even if DHLT is not GST-registered or not eligible for GST registration. However, the GST claims are subject to conditions governing the GST remission and the general input tax claims conditions prescribed under the GST legislation. These conditions include, among others, the following:

(a) DHLT is listed or to be listed on the SGX-ST;

(b) DHLT has veto rights over key operational issues of its SPVs holding the underlying non-residential properties located outside Singapore; and

(c) the underlying non-residential properties located outside Singapore of DHLT make taxable supplies or out-of-scope supplies which would have been taxable supplies if made in Singapore (e.g. lease of non-residential properties located outside Singapore).

The aforementioned GST remission is currently applicable for expenses incurred up to and including 31 December 2025. If this remission is not subsequently extended beyond 31 December 2025, DHLT and its SPVs (including SG SPC 1 and SG SPC 2) will not be able to claim the GST incurred on their expenses after 31 December 2025 if they are not GST-registered.

Unitholders

Purchase and sale of the Units

The sale of the Units by an investor belonging in Singapore through an SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (e.g. GST on brokerage) incurred by such investor in making such an exempt supply is generally not recoverable and will become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or satisfies certain GST concessions.

Where the Units are supplied by a GST-registered investor to a person who belongs outside Singapore (and who is outside Singapore at the time of supply), the sale is a taxable supply subject to GST at zero-rate (i.e. 0%). Any input GST (e.g. GST on brokerage) incurred by the GST-registered investor in making this zero-rated supply for the purpose of his business may, subject to the provisions of the GST legislation, be recoverable from the Singapore Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and disposition of the Units.

Services such as arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of the Units rendered by a GST-registered person to an investor will generally be subject to GST at the prevailing standard rate, currently 7.0%, unless the services satisfy the conditions to qualify for zero-rating (i.e. GST at 0%).

III. STAMP DUTY

Stamp duty should not be payable on the transfers of the Units through The Central Depository (Pte) Limited without any written instrument or agreement of transfer. In the event of a change of trustee for DHLT, stamp duty should not be payable on any document effecting the appointment of a new trustee and the transfer of the Deposited Property from the incumbent trustee to the new trustee, if there is no beneficial interest in the Deposited Property transferred to the new trustee.

B. JAPAN TAX OVERVIEW

I. CORPORATE INCOME TAX

Corporate income tax in general

Japanese domestic corporations are subject to tax on their worldwide income while foreign corporations are taxed only on certain Japan-sourced income.

The rate of national corporate income tax (*houjin zei*) of 23.2% (prevailing rate) applies to corporations with paid-in capital exceeding JPY 100 million at the end of each fiscal year. In addition, corporate taxpayers are required to file and pay the national local corporate income tax at a fixed rate of 10.3% (prevailing rate) on their corporate tax liabilities. This results in an overall corporate income tax rate of approximately 25.59%.

Corporations with paid-in capital of JPY 100 million or less at the end of each fiscal year (provided they are not wholly owned by another company with paid-in capital of JPY 500 million or more) are subject to a lower national corporate income tax rate of 15.0% (prevailing rate) for the first JPY 8 million of taxable income. After adding on the national local corporate income tax of 10.3% (prevailing rate), the overall corporate income tax rate for such corporations will be approximately 16.55% for the first JPY 8 million of taxable income.

Additionally, Japanese domestic corporations and foreign corporations with a permanent establishment in Japan are subject to local inhabitant tax (*houjin jumin zei*), the rate of which varies with the location and size of the corporation. Such corporations are also subject to local enterprise tax (*jigyou zei*) imposed by the prefectures. Instead of the above general enterprise tax, corporations with paid-in capital of more than JPY 100 million are subject to business scale taxation (*gaikei hyojun kazei*) which is levied on the basis of value added, capital amount and income. Business scale taxation does not apply to a *tokutei mokuteki kaisha* ("**TMK**").

The effective tax rate (inclusive of the local inhabitant and local enterprise taxes) is approximately 30.62% (prevailing rate) for corporations with paid-in capital of more than JPY 100 million or 34.59% (prevailing rate) for companies with paid-in capital of JPY 100 million or less.

DH TMK

Special tax treatment of a TMK

A TMK is a special purpose corporation specifically designed for the purpose of issuing asset-backed securities under the Asset Liquidation Act. While a TMK is subject to corporate income tax in the same manner as other Japanese domestic corporations, it is entitled to, in calculating its taxable income, deduct dividend distributions made to its shareholders provided that it satisfies certain conditions set forth under the Special Taxation Measures Law of Japan. These conditions comprise certain permanent requirements (i.e. to be satisfied upon set-up of the TMK) as well as ongoing requirements (i.e. to be met on an ongoing basis for each fiscal year or period).

(1) Permanent requirements

(a) the TMK should be duly listed on a TMK register stipulated under Article 8(1) of the Asset Liquidation Act by filing its asset liquidation plan;

(b) the TMK must meet one of the following conditions:

(i) total issue price of the specified bonds issued by the TMK under public offering must be JPY 100 million or more;

(ii) all specified bonds issued by the TMK are expected to be held by a tax qualified institutional investor ("**Tax QII**"), which is defined under Article 67 – 14(1)(1) of the Special Taxation Measures Law of Japan, or a Specified Claims Liquidation TMK, which is defined under Article 39-32-2(2) of the Special Tax Measures Law Enforcement Order;

(iii) preferred investments issued by the TMK are subscribed to by fifty or more investors; or

(iv) all preferred investments issued by the TMK are subscribed to only by a Tax QII;

(c) more than 50.0% of the total issued specified investments (except for the specified investments with respect to which the TMK's asset liquidation plan provides that its subscribers waive the rights to receive dividends and residual asset distribution upon liquidation) and more than 50.0% of the total issued preferred investments (per each class if two or more classes are issued) must be offered within Japan. This must be expressly prescribed in the TMK's asset liquidation plan; and

(d) the fiscal year or period of the TMK does not exceed one year.

(2) Ongoing requirements

(a) the TMK conducts business in relation to the liquidation of assets prescribed under the Asset Liquidation Act according to its asset liquidation plan;

(b) the TMK does not conduct any business other than the business in relation to liquidation of assets and incidental activities;

(c) the TMK entrusts management and disposal of the specified assets to another person or places the specified assets into a trust;

(d) the TMK is not a family corporation as defined under Article 39-32-2(5) of the Special Tax Measures Law Enforcement Order unless certain other requirements are met;

(e) the TMK distributes more than 90.0% of its distributable income for the fiscal year or period;

(f) the TMK is not a member with unlimited liability of a general partnership company or a limited partnership company;

(g) the TMK does not own assets other than the specified assets, assets necessary for activities relating to the liquidation of the specified assets and excess funds invested in accordance with the Asset Liquidation Act; and

(h) if the TMK has specified borrowing, such borrowing is provided by a Tax QII or a Specified Claims Liquidation TMK which is not the holder of the specified shares of the TMK.

If the above conditions (i.e. both the permanent and ongoing requirements) are met and DH TMK is able to distribute 100.0% of its taxable income, minimal Japanese corporate income tax, if any, should be payable by DH TMK. Otherwise, DH TMK will be subject to Japanese corporate income tax at the prevailing rate (approximately 34.59%) on (i) the amount of undistributed taxable income (if all the above conditions are met but DH TMK does not distribute 100.0% of its taxable income) or (ii) the full amount of its taxable income (if the above conditions are not met), as the case may be.

*Gains on disposal of trust beneficial interests ("**TBI**") or tokumei kumiai ("**TK**") interests owned by a TMK*

For Japanese corporate income tax purposes, capital gains are not taxed separately. Such gains are included in the taxable income of a corporation to which normal tax rates apply.

In the event that DH TMK disposes of its TBI or TK interests in DH-MIMOSA GK ("**TK Operator (GK2)**"), such gains would be included in the taxable income of DH TMK. If the conditions set forth under the Special Taxation Measures Law of Japan are met and DH TMK distributes 100.0% of its taxable income, minimal Japanese corporate income tax, if any, should be payable by DH TMK.

In addition to normal corporate income tax and subject to separate provisions, there is a special surplus tax at 5.0% or 10.0% (depending on the holding period) that is imposed on capital gains from the disposition of land located in Japan. However, this tax is currently suspended (as of the date of this Prospectus).

TK Operator (GK1) and TK Operator (GK2)

Tax treatment of a TK agreement

A TK agreement is a contract under the Commercial Code of Japan by which a party (the TK Investor) invests in the TK business performed by the other party (the TK Operator) in exchange for a share of profits or losses arising from such business. In concept, a TK Investor is a silent partner and cannot participate in the management of the TK business.

TK Operator (GK1) and TK Operator (GK2) are treated as normal corporations for Japanese corporate tax purposes and therefore will be subject to corporate income tax (inclusive of the local inhabitant and local enterprise taxes) at the prevailing effective rate of approximately 30.62% or 34.59% (as the case may be).

However, provided that the TK agreement is a valid agreement and not recharacterised, the profits or losses allocable to the TK Investor will be deducted from or added to (as the case may be) the taxable income of the TK Operator. In other words, the portion of the taxable income of the TK Operator that is allocable to the TK Investor will not be subject to corporate income tax if the TK agreement is a valid agreement and not recharacterised.

Gains on disposal of TBI or shares in a TMK

For Japanese corporate income tax purposes, capital gains are not taxed separately. Such gains are included in the taxable income of a corporation to which normal tax rates apply.

In the event that TK Operator (GK1) disposes of its shares in DH TMK or TK Operator (GK2) disposes of its TBI, the gains derived therefrom will normally be subject to corporate income tax (inclusive of the local inhabitant and local enterprise taxes) in the hands of the respective entity at the prevailing effective rate of approximately 30.62% or 34.59% (as the case may be). However, the profits allocable to the respective TK Investor may be deducted from the taxable income of the respective entity provided that the respective TK agreement is a valid agreement and not recharacterised.

In addition to normal corporate income tax and subject to separate provisions, there is a special surplus tax at 5.0% or 10.0% (depending on the holding period) that is imposed on capital gains from the disposition of land located in Japan. However, this tax is currently suspended (as of the date of this Prospectus).

Permanent establishment exposure

If DHLT or SG SPC 2 are to be regarded as having a permanent establishment in Japan, the Japanese tax implications could be markedly different to the Japanese tax implications under a valid TK agreement.

For example, if SG SPC 2 is viewed as actively participating in the TK business carried on by TK Operator (GK1), the TK agreement with TK Operator (GK1) could be recharacterised by the Japanese tax authorities as either a Japanese partnership (*nin-i kumiai*) or as an agency relationship. In such case, SG SPC 2 would be required to file a Japanese tax return and its allocable portion of the profits of the TK business would be subject to full Japanese corporate income tax at the regular rate. Any withholding tax previously paid on such TK profit allocations should be creditable against that corporate income tax.

SG SPC 1

Redemption of shares in a TMK

Any redemption proceeds in excess of the share capital of a TMK is treated as a deemed dividend and subject to Japanese withholding tax as described below under the section "Withholding tax", and the balance is treated as a return of capital. Where DH TMK distributes all of its distributable income to the extent possible, a deemed dividend by redemption of shares should rarely arise.

Disposal of shares in a TMK

In the event that SG SPC 1 disposes of its shares in DH TMK, the gains derived by SG SPC 1 therefrom should be subject to Japanese corporate income tax at the rate of approximately 25.59% (prevailing) provided that SG SPC 1 does not have a permanent establishment in Japan.

SG SPC 2

Distributions in excess of TK profits

Distributions made to SG SPC 2 in excess of SG SPC 2's allocable portion of the profits of the TK business should generally be considered a return of SG SPC 2's tax basis in the TK business (up to such amount) and accordingly not be subject to Japanese withholding tax.

Disposal of TK interests

In the event that SG SPC 2 disposes of its TK interests in TK Operator (GK1), the gains derived by SG SPC 2 therefrom should not be subject to Japanese corporate income tax.

II. WITHHOLDING TAX

Dividend distributions by a Japanese domestic corporation are generally subject to 20.0% withholding tax. From 1 January 2013, for a period of 25 years, a 2.1% surtax is imposed and this will increase the withholding tax rate to 20.42%.

Provided that the TK agreement is valid and not recharacterised, TK profit repatriations are subject to a final withholding tax at the rate of 20.42%.

The above withholding tax rates may be reduced under an applicable tax treaty.

Under the Singapore-Japan Avoidance of Double Taxation Agreement ("**Singapore-Japan DTA**"), the withholding tax rates on Japan-sourced dividends payable to a resident of Singapore may be reduced in certain circumstances. Provided that the Singapore income recipient (i) qualifies as a tax resident of Singapore, (ii) does not have a permanent establishment or fixed base in Japan with which the dividends are effectively connected, (iii) is the beneficial owner of the Japan-sourced dividend income, (iv) is conducting actual activities through a physical existence in Singapore, and (v) does not fail the principal purpose test, it should be eligible to the reduced dividend withholding tax rates pursuant to the Singapore-Japan DTA in respect of the amount of dividend income remitted to or received in Singapore. Pursuant to the principal purpose test, a benefit under the Singapore-Japan DTA shall not be granted in respect of an item of income (or capital) if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the Singapore-Japan DTA.

The Singapore-Japan DTA does not provide for any reduction of the withholding tax rate for TK profit repatriations.

Dividends from DH TMK

Provided that SG SPC 1 meets the above conditions and holds at least 25.0% of the voting shares of DH TMK during the period of six months immediately before the end of the fiscal period for which the distribution of profits takes place, the dividends that SG SPC 1 receives from DH TMK should be eligible for the reduced withholding tax rate of 5.0% as prescribed under the Singapore-Japan DTA. The reduced withholding tax rate shall apply only to so much of the dividend income as is remitted to or received in Singapore.

As for TK Operator (GK1), the dividends it receives from DH TMK will be subject to an on-account withholding tax of 20.42%. This on-account withholding tax is creditable against its Japanese corporate income tax payable. In the event the on-account withholding tax deducted is more than the Japanese corporate income tax payable by TK Operator (GK1), the excess is refundable to TK Operator (GK1).

Profit distributions from TK Operator (GK1) and TK Operator (GK2)

The TK profit distributions paid to SG SPC 2 from TK Operator (GK1) will be subject to Japanese withholding tax at a rate of 20.42% on the gross amount of the profit distributions (including the 2.1% surtax applying till 31 December 2037).

As for the TK profit distributions paid to DH TMK from TK Operator (GK2), such distributions will be subject to an on-account withholding tax of 20.42%. This on-account withholding tax is creditable against the Japanese corporate income tax payable of DH TMK. In the event the on-account withholding tax deducted is more than the Japanese corporate income tax payable by DH TMK, the excess is refundable to DH TMK.

III. CONSUMPTION TAX

Rental income from real property, except for land or residential properties, is subject to consumption tax at the prevailing rate of 10.0%.

Acquisition of assets, except for land, is subject to consumption tax at the prevailing rate of 10.0%.

A taxable entity for consumption tax purposes is generally able to claim a credit for consumption tax paid, depending on its taxable sales ratio (as defined for consumption tax purposes, broadly the ratio of taxable and exempt sales to taxable, exempt and non-taxable sales).

IV. REAL PROPERTY TRANSACTION AND HOLDING TAXES

Registration and licence tax and real estate acquisition tax

Rates in general

Acquisition of Japanese real estate, including land and buildings, is subject to registration and licence tax (*toroku menkyo zei*) of 2.0% (a concessionary rate of 1.5% for land has been granted until 31 March 2023) and real estate acquisition tax (*fudosan shutoku zei*) of 4.0% (a concessionary rate of 3.0% for land and residential buildings has been granted until 31 March 2024). The taxable base for these real estate transaction taxes is normally the price of the fixed assets registered on the fixed asset tax ledger.

The acquisition of TBI, representing real estate as entrusted assets, is not subject to real estate acquisition tax. A change to the beneficiary of TBI is subject to registration and licence tax of JPY 1,000 for each real estate.

Special tax treatment of a TMK

Until 31 March 2023, the registration and licence tax is reduced to 1.3%, subject to special provisions, for the acquisition of real properties by a TMK that satisfies certain conditions.

Subject to special provisions, the tax base for real estate acquisition tax is reduced by three-fifths until 31 March 2023 for the acquisition of real properties by a TMK that satisfies certain conditions.

Real estate holding tax

Real property owners are generally subject to fixed asset tax (*kotei shisan zei*) of 1.4% and city planning tax (*toshi keikaku zei*) of 0.3% on the amount of taxable basis of the real property. The amount of taxable basis is the price of the fixed assets registered in the fixed asset tax ledger subject to adjustment for special reduction where applicable. The enforcement of special land holding tax (*tokubetsu tochi hoyu zei*) and land value tax (*chika zei*), is currently suspended (as of the date of this Prospectus). Depreciable assets other than buildings are subject to depreciable asset tax (*shokyaku shisan zei*) at a rate of 1.4% on the amount of taxable basis.

Stamp duty

The stamp duty payable on a sale and purchase agreement relating to a transfer of TBI is JPY 200.

The stamp duty payable on a sale and purchase agreement relating to a transfer of real estate (i.e. hard assets) is between JPY 200 and JPY 480,000 until 31 March 2022 (JPY 600,000 after 31 March 2022) depending on the transaction amount as set out in the agreement.

The stamp duty payable on a loan agreement is between JPY 200 and JPY 600,000 depending on the transaction amount as set out in the agreement.

Stamp duty is payable on the agreement(s) between the seller(s) and DH TMK and/or TK Operator (GK2).

Signed for and on behalf of
EY Corporate Advisors Pte. Ltd.

Ms Soh Pui Ming
Director
EY Corporate Advisors Pte. Ltd.

This report has been prepared by:

Ms Lim Gek Khim
Authorised Signatory

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INDEPENDENT PROPERTY VALUATION SUMMARY REPORTS

CBRE

30 September 2021

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8 Marina View
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Singapore 018960

HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Daiwa House Logistics Trust) (the "Trustee")
10 Marina Boulevard
#48-01 Marina Bay Financial Centre Tower 2
Singapore 018983

(together, the "Addressees")

Dear Sirs & Madams,

SUMMARY LETTER OF THE VALUATION OF INITIAL PUBLIC OFFERING (“IPO”) PORTFOLIO IN RELATION TO THE PROPOSED LISTING OF DAIWA HOUSE LOGISTICS TRUST ("DHLT") ON THE MAIN BOARD OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE "SGX-ST")

As instructed by the Manager, we, CBRE K.K. ("CBRE"), have issued a valuation report dated 30 September 2021 with material date of valuation as at 30 June 2021 ("Valuation Reports"), outlining the Market Value for each of the 14 properties within the IPO Portfolio, Japan ("Properties") for the purposes of proposed listing of DHLT on the Main Board of the SGX-ST.

For the specific purposes of this prospectus of DHLT (the "Prospectus"), we provide this Letter which is a condensed version of our more extensive Valuation Reports, outlining key factors that have been considered in arriving at our opinions of value. This Letter should be read in conjunction with the said issued Valuation Reports.

We have issued the comprehensive formal full Valuation Reports and this Letter, in accordance with the terms of engagement entered into between CBRE and the addressees, dated 24 June 2021. The terms and conditions set out in the engagement are standard for providing valuation services.

For the purpose of the basis of valuation, the valuation is prepared in accordance with the Japanese Real Estate Appraisal Standards, Market Value is defined as follows:

“Market value refers to the probable value that would be formed for the marketable real estate in a market that satisfies conditions associated with a rational market under actual socio-economic circumstances. A market that satisfies the conditions associated with a rational market under actual socio-economic circumstances refers to a market that satisfies the conditions listed below.”

1) The market participants must be acting on their own free will and be able to enter or leave the market as they wish. Motivated by the desire to maximize their returns while exhibiting wise and prudent behaviour, market participants will satisfy the requirements listed below.
    a. No special motivation causes them to sell off or to initiate buying.
    b. They have only access to ordinary knowledge and information, required to conduct transactions involving the subject property or in the subject property market.
    c. They have expended the labour and costs normally considered necessary to conduct transactions.

d. They premise value on the highest and best use of the subject property.
e. Purchasers have ordinary access to procuring funds (financing).

2) There must be no special curbs on transactions that restrict market participants nor any extraordinary incentives that induce participants to sell off or initiate buying.

3) The subject property must be exposed in the market for an appropriate period of time.

Meanwhile, under the International Valuation Standards 2017 (IVS), Market Value is defined as follows:

"Market value is the estimated amount for which an asset should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

With the above, we are on the opinion that the Market Value defined under the Japanese Real Estate Appraisal Standards is consistent with that of IVS. Moreover, we have adopted the Royal Institution of Chartered Surveyors (RICS) Valuations - Global Standards 2020, incorporating IVSC International Valuations Standards 2020, the definition of Market Value is as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The value conclusion reflects all information known by the valuers of CBRE who worked on the valuation in respect to the Property, market conditions and available data.

Title Investigation

We have been provided with copies of tenancy agreements and have been advised by the Company that no further relevant documents have been produced. However, we have not examined the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. All documents have been used for reference only.

Valuation Assumptions

Our valuations have been made on the assumption that the Properties are sold in the market in their existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the value of the Properties. In addition, no forced sale situation in any manner is assumed in our valuations.

Valuation Considerations

We have inspected the exterior and where possible, the interior of the Properties. Inspection of the Properties was carried out in June and July of 2021 by licensed real estate appraisers who belong to the Japanese Association of Real Estate Appraisers.

During the course of our inspections, we did not note any serious defects. However, no structural surveys have been made nor have any tests been carried out on any of the services provided in the Properties. We are, therefore, unable to report that the Properties are free from rot, infestation or any other structural defects.

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, floor areas, identification of the Properties and other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the floor areas in respect of the Properties but have assumed that the floor areas shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Company and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company and we have relied on the Company's confirmation that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Properties or for any expenses or taxation, which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

Our valuation has been prepared in accordance with the Japanese Real Estate Appraisal Standards" ("Appraisal") under the "Guideline on the Determination of the Objectives and Scope of Work for Real Estate Valuation by Licensed Real Estate Appraisers and the Matters Required to Be Stated in Reports" stipulated by the Ministry of Land, Infrastructure, Transport and Tourism of Japan.

Status of Valuer and Conflict of Interest

We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuations competently and independently. We also confirm that we have undertaken the valuations acting as an External Valuer, qualified for the valuation.

We certify that the valuer(s) who handled this valuation is competent, licensed and authorised to practice as a valuer. The valuer does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Property and is in a position to provide an objective and unbiased valuation.

CBRE is not aware of any conflict of interest which would prevent CBRE from undertaking this valuation engagement.

Reliance on this Letter

For the purposes of this Prospectus, we have prepared this Letter which summarises our Valuation Reports and outlines key factors which have been considered in arriving at our opinion of value. CBRE has provided the addressees with a comprehensive Valuation Report for each Property.

The valuation and market information are not guarantees or predictions and must be read in consideration of the following:

- This Letter alone does not contain all the necessary data and support information in terms of the valuation, which is included within our Valuation Reports. To understand the complexity of the methodology and the many variables involved, reference must be made to the Valuation Reports, copies of which are held by DHLT.
- The conclusions within the Valuation Reports as to the estimated value are based upon the factual information set forth in that Valuation Reports. Whilst CBRE has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by DAIWA HOUSE INDUSTRY CO., LTD.

(primarily the leases and financial information with respect to the Property) or the published information by the Government of Japan (primarily statistical information relating to market conditions).

- The primary methodologies used by CBRE in valuing the Property – the DCF Method and Direct Capitalization Method (Inwood Method for Building on sub-leased land (Fixed-term Land Lease Agreement)) – are based upon estimates of future financial performance and are not predictions. Each methodology begins with a set of assumptions as to income and expenses of the Property and future economic conditions in the local market. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions. The resultant value is considered the best practice estimate but is not to be construed as a prediction or guarantee and is fully dependent upon the accuracy of the assumptions as to income, expenses, and market conditions.
- Each Valuation Report was undertaken based upon information available and provided to us during the valuation process. CBRE accepts no responsibility for subsequent changes in information as to income, expenses, or market conditions, subsequently to the valuation date.
- COVID-19 is continuing to impact market activity in most sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Our valuation is reported as being subject to 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Values may change more rapidly and significantly than during standard market conditions.

No reliance may be placed upon the contents of this Letter by any party for any purpose other than in connection with the Purpose of Valuation and only with reference to the Valuation Reports.

Property Descriptions

There are no pertinent factors and/ or parameters that have a significant impact on the value for all properties.

DPL Sapporo Higashi Kariki

The subject property is located about 2.5 km from "Kariki Interchange" on the Sasson Highway. It secures quick access to other logistics infrastructures such as New Chitose Airport and Tomakomai Port. Also, as it is close to National Route 36, a major arterial road, it is a logistics base with a location advantage.

The subject property is a 2-story, multi-tenant logistics facility with a gross floor area of 19,860 tsubo[1], used by multiple tenants. It is approximately 3 years old. The parking lot provides a waiting area for 14 trucks and 420 spaces for ordinary vehicles. Since the site has two entrances/exits, it facilitates the operation of trucks.

The WALE is 2.3 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 3,000 to 3,400 per tsubo per month). The Security Deposit is equal to 3 months' rent.

DPL Sendai Port

The subject property is located about 3.5 km from "Sendai-ko Kita Interchange" on the Sendai Tobu Expressway (Sanriku Expressway). It is located about 12 km from central Sendai, offering good access to the center of Sendai via National Route 45, an arterial road in the city.

[1] 1 tsubo = 3.305785 sqm

The subject property is a 2-story multi-tenant logistics facility with a gross floor area of 19,454 tsubo, used by multiple tenants. It is approximately 4 years old. The parking lot provides 204 spaces for ordinary vehicles and a solar panel is installed on the roof.

The WALE is 1.8 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 2,900 to 3,400 per tsubo per month). The Security Deposit is equal to 2.9 months' rent.

DPL Koriyama

The subject property is proximate to central Koriyama having good access to "Koriyama Interchange" on the Tohoku Expressway, about 10 km away, which enables the property to handle the entire Tohoku, including central Sendai, as an area to cover.

The subject property is a single-story, multi-tenant logistics facility with a gross floor area of 10,375 tsubo, used by multiple tenants. It is approximately 2 years old. The parking lot provides a waiting area for 16 trucks and 181 spaces for ordinary vehicles.

The WALE is 1.4 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 3,000 to 3,400 per tsubo per month). The Security Deposit is equal to 3.2 months' rent.

D Project Maebashi S

The subject property is located in south-central Gunma prefecture, within 60 km from central Tokyo. Since the location offers good access to the proximate "Maebashi Interchange" on the Kita Kanto Expressway (5pprox.. 3.5 km), it is a location that can cover even the Tokyo area by using the expressway.

The subject property has 2 stories (2nd floor, office only), and the1st floor of which is a logistics facility with a gross floor area of 4,258 tsubo, used by a single tenant. It is approximately 3 years old. The parking lot provides a waiting area for 29 trucks and 120 spaces for ordinary vehicles.

The WALE is 12.3 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 3,000 to 3,500 per tsubo per month). The Security Deposit is equal to 10 months' rent.

D Project Kuki S

The subject property is located about 3.6 km from "Shiraoka Shobu Interchange" on the Ken-O Expressway, which enables the property to cover Saitama and the entire Greater Tokyo, and it can also function as a transit base on the way from the Tohoku area where a number of factories are located.

The subject property is a 3-story, box style logistics facility with a gross floor area of 5,536 tsubo, used by a single tenant. It is approximately 7 years old. The parking lot provides a waiting area for 13 trucks and 63 spaces for ordinary vehicles.

The WALE is 3.1 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 3,000 to 3,500 per tsubo per month). The Security Deposit is equal to 10 months' rent.

D Project Misato S

The subject property is located within about 20 km from central Tokyo, and about 1.7 km from "Misato Interchange" on the Gaikan Expressway, which enables the property to handle the metropolitan area broadly in addition to central Tokyo, by using the expressway.

The subject property is a 3-story, box style logistics facility with a gross floor area of 4,488 tsubo, used by a single tenant. It is approximately 6 years old. The parking lot provides a waiting area for 10 trucks and 31 spaces for ordinary vehicles.

The WALE is 13.6 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 4,300 to 4,800 per tsubo per month). The Security Deposit is equal to 10 months' rent.

D Project Iruma S

The subject property is located in the southwestern part of Saitama, about 50 km from central Tokyo. It is close to "Iruma Interchange" on the Ken-O Expressway, about 0.6 km. Since it is possible to get on the Tohoku Expressway, the Kan-Etsu Expressway, the Chuo Expressway, and the Tomei Expressway from the Ken-O Expressway, it enables the location to be a base that can cover a broad area.

The subject property is a 3-story, box style logistics facility with a gross floor area of 4,637 tsubo, used by a single tenant. It is approximately 3 years old. The parking lot provides 46 spaces for ordinary vehicles.

The WALE is 16.5 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 3,700 to 4,200 per tsubo per month). The Security Deposit is equal to 7 months' rent.

DPL Kawasaki Yako

The subject property provides good access to logistics infrastructure such as Kawasaki Port, Yokohama Port (Honmoku Pier/ Minami Honmoku Pier/ Daikoku Pier), Haneda Airport, and Tokyo Bay. Additionally, it is about 2.5 km from "Hamakawasaki Interchange" on the Metropolitan Expressway K1 Yokohane Route.

The subject property is a 5-story logistics facility with a gross floor area of 28,728 tsubo. Since it has double rampways, vehicles can directly access to each floor's truck berth, making the facility highly convenient for delivery. It is approximately 4 years old. The on-site parking lot provides 367 car parking spaces.

The property is leased to multiple tenants. The WALE is 11.8 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 4,400 to 4,700 per tsubo per month). The Security Deposit is equal to 8.6 months' rent.

D Project Nagano Suzaka S

Since the subject property is located about 3.3 km to "Suzaka Nagano Higashi Interchange" and has good access to a major arterial road, it functions as a distribution transit base located between major cities, and conducts a broad area delivery to the surrounding areas of Nagano Prefecture, in addition to local delivery to Nagano City and its vicinity.

The subject property is a logistics facility consisting of a warehouse on the 1st floor, and office spaces on the 2nd floor with a gross floor area of about 3,000 tsubo. The warehouse is provided with a cold storage which can handle and store products both at a room temperature and a low temperature. It is approximately 3 years old. The site has a parking lot securing spaces for ordinary vehicles and a waiting area for large vehicles.

The property is leased to a single tenant. The WALE is 7.3 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 3,500 to 4,000 per tsubo per month). The Security Deposit is equal to 6 months' rent.

DPL Shinfuji

The subject property is proximate to: "Shin Fuji Interchange" on the Shin-tomei Expressway, about 0.8 km. Due to the traffic convenience of the expressway and the area characteristics of having many factory locations, the area is deemed to function as a distribution base for materials/members between manufacturing bases, or a broad-area delivery base among domestic major cities.

The subject property is a 2-story, low-rise warehouse with a gross floor area of about 8,300 tsubo, providing truck berths on the 1st and 2nd floors. It is designed to utilize the slanted shape of its site, which enables trucks to come in directly from the front road both to the 1st and 2nd floors. It is approximately 4 years old. The property is well provided with a truck yard and a parking lot.

The property is leased to multiple tenants. The WALE is 9.7 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 3,100 to 3,600 per tsubo per month). The Security Deposit is equal to 6 months' rent.

D Project Kakegawa S

The subject property is located about 2.5 km from "Kakegawa Interchange" on the Tomei Expressway and has good access to major arterial roads. It serves as a distribution transit base between the Tokyo metropolitan area and the Kinki area, and local delivery services to Shizuoka City and central Hamamatsu City.

The subject property is a 3-story large-scale logistics facility with a gross floor area of 6,400 tsubo. Its floor size is about 2,000 tsubo, and there is a berth (for 20 vehicles) on the 1st floor and for on-site transport, there are four vertical conveyors. It is approximately 2 years old. The site has a parking lot for 40 vehicles which secures enough space for a truck yard and waiting area for large vehicles, facilitating on-site operation.

The property is leased to a single tenant. The WALE is 12.8 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 2,900 to 3,400 per tsubo per month). The Security Deposit is equal to 6 months' rent.

DPL Okayama Hayashima

The subject property is proximate to "Hayashima Interchange" on the Sanyo Expressway/Seto-chuo Expressway, 1.6 km, offering good access. The area functions as a distribution base to a broad area among cities, and a transit storage base for materials/members between factories.

The subject property is a 2-story logistics facility with a gross floor area of 7,300 tsubo. It consists of an existing building and an extension building, with several truck berths on the 1st floor providing delivery efficiency. It is approximately 3 years old. The site is well provided with a parking lot for ordinary vehicles and a waiting area for large vehicles, making the on-site operation environment good.

The property is leased to multiple tenants. The WALE is 6 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 3,400 to 3,900 per tsubo per month). The Security Deposit is equal to 6 months' rent.

DPL Okayama Hayashima 2

The subject property is proximate to "Hayashima Interchange" on the Sanyo Expressway/Seto-chuo Expressway, 1.9 km, offering good access. The location functions as a distribution base to a broad area among cities, and also as a local delivery base to consumption areas mainly Okayama City.

The subject property is a 2-story logistics facility with a gross floor area of about 4,200 tsubo. Between the two buildings of the 2-story warehouses, a roofed truck yard (effective height: 5.5m and higher) is provided, which enables large vehicles to operate loading work even in the rainy weather. It is approximately 4 years old. The site is well provided with a parking lot for ordinary vehicles and a waiting area for large vehicles, making the on-site operation environment good.

The property is leased to a single tenant. The WALE is 3.5 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 2,900 to 3,400 per tsubo per month). The Security Deposit is equal to 3.3 months' rent.

D Project Fukuoka Tobara S

The location is proximate to the consumption areas of central Fukuoka, offering traffic convenience, about 1 km to "Kasuya Interchange" on the Fukuoka Urban Expressway. In addition to serving as a local base to the urban area, it also functions as a delivery base to a broad area covering the whole prefecture mainly northern Kyushu, by using the Kyushu Expressway.

The subject property is a 2-story logistics facility having 3 temperature zones (dry/chilled/frozen) with a gross floor area of approximately 3,000 tsubo. The 1st floor is provided with a double-sided berth (for 25 vehicles) and the warehouse has two freight elevators and four vertical conveyors. It is approximately 2 years old. The on-site parking lot provides 64 car parking spaces., facilitating on-site operation.

The property is leased to a single tenant. The WALE is 13.1 years. The contract and current gross rent (not disclosed due to confidentiality) is in line with market rates (JPY 2,800 to 3,300 per tsubo per month). The Security Deposit is equal to 6 months' rent.

We note that the top 3 tenants (by NLA) of the IPO Portfolio are Mitsubishi Shokuhin Co., Ltd., Suntory Logistics Ltd., and Nippon Express Co., Ltd.

Property	Land Area (sqm)	Tenure	Remaining Lease Term (years)	Gross Floor Area (sqm)	Net Rentable Area (sqm)	Current Gross Rent Rate (yen/tsubo)	Gross Market Rate (yen/tsubo)	Market Position
DPL Sapporo Higashi Kariki	61,609.75	Freehold	-	65,653.07	60,304.39	Not disclosed	3,000-3,400	At Market
DPL Sendai Port	58,867.01	Freehold	-	64,309.23	63,118.56	Not disclosed	2,900-3,400	At Market
DPL Koriyama	56,305.98	Freehold	-	34,298.96	34,174.19	Not disclosed	3,000-3,400	At Market
D Project Maebashi S	23,224.89	Freehold	-	14,075.40	14,736.42	Not disclosed	3,000-3,500	At Market
D Project Kuki S	14,197.57	Leasehold	13.1	18,302.33	18,257.35	Not disclosed	3,000-3,500	At Market
D Project Misato S	14,239.24	Leasehold	23.6	14,835.40	14,877.00	Not disclosed	4,300-4,800	At Market
D Project Iruma S	11,528.52	Leasehold	27.5	15,328.49	14,581.81	Not disclosed	3,700-4,200	At Market
DPL Kawasaki Yako	47,868.13	Leasehold	45.7	94,968.76	93,158.72	Not disclosed	4,400-4,700	At Market
D Project Nagano Suzaka S	19,178.21	Freehold	-	9,796.91	9,810.12	Not disclosed	3,500-4,000	At Market
DPL Shinfuji	28,207.66	Leasehold	43.8	27,415.87	27,536.94	Not disclosed	3,100-3,600	At Market
D Project Kakegawa S	21,597.38	Freehold	-	21,173.45	22,522.50	Not disclosed	2,900-3,400	At Market
DPL Okayama Hayashima	27,273.95	Leasehold	46	24,172.91	23,541.33	Not disclosed	3,400-3,900	At Market
DPL Okayama Hayashima 2	17,810.75	Leasehold	30	14,000.00	16,750.00	Not disclosed	2,900-3,400	At Market
D Project Fukuoka Tobara S	18,525.03	Leasehold	46.8	10,058.00	10,508.00	Not disclosed	2,800-3,300	At Market

We note that the top 3 tenants (by NLA) of the IPO Portfolio are Mitsubishi Shokuhin Co., Ltd., Suntory Logistics Ltd., and Nippon Express Co., Ltd.

Master Lease and Income Support Details

There is no income support for each of the IPO Properties.

As for DPL Sapporo Higashi Kariki, DPL Sendaikou and DPL Koriyama, master lease agreements have been signed. However, the Properties have pass-through master lease agreements, pursuant to which the amount of payable rent by the tenant(s) will be the same amount that passes through to DHLT. Therefore, there are no impacts on the values.

In addition, similar master lease agreements are scheduled to be signed for DPL Kawasaki Yako, DPL Shinfuji, DPL Okayama Hayashima and DPL Okayama Hayashima 2, which will have no impacts on the values.

Valuation Rationale

In arriving at our opinion of value, we have considered relevant general and economic factors and in particular have investigated recent sales and leasing transactions of comparable properties that have occurred in this sector of the property market.

According to the Japanese Real Estate Appraisal Standards ("Appraisal Standards"), "basically, the final value should be determined based on the value indicated by the income approach (adopt the DCF Method and examine the result with the Direct Capitalization Method) and reconciled with values indicated by the sales comparison approach and cost approach." Accordingly, our valuation process follows this instruction. Please note that due to difficulty in collecting sales comparables that substantially resemble the subject property, the sales comparison approach was not applied for this valuation.

In this valuation, considerable emphasis was placed on the value indicated by the income approach as this approach most effectively reflects the economic value of the subject property, and the value indicated by the cost approach was used as a reference. In the process, the following three factors were comprehensively analyzed and considered.

i) Investor survey
ii) Sales comparables
iii) Interview with market participants

Cost Approach

Value indicated by cost approach is estimated as follows; firstly, estimating the reproduction cost of the subject property as of the date of value, and then the reproduction cost is adjusted with depreciation. The value indicated by the cost approach focuses on the cost of the subject property from a seller's viewpoint. The value is a sum of the land value and building value. The land value was estimated by the sales comparison approach based on the actual transaction data, thus the indicated value is reliable. For the estimation of the building reproduction cost, the time adjustment is made reflecting the standard required period from the acquisition of the land to construction and completion of the building.

Direct Capitalization Method

The Direct Capitalization Method applies a capitalization rate directly to NCF generated over a single period. This method is represented by the following formula.

$$P = \frac{a}{R}$$

P : Subject property value indicated by direct capitalization method
a : NCF for a single period
R : Capitalization rate

The NCF used in the Direct Capitalization Method may in some cases be the subject property's Year 1 NCF, and in other cases the standardized NCF. In this valuation, by paying attention to the current rent and other terms and conditions in the lease agreement, the NCF in Year 11 in the DCF Method is applied as the NCF in this valuation.

The standard capitalization rate estimated in the process of DCF Method is a capitalization rate for the standardized NCF. For the estimation of the capitalization rate of the subject property, the changes in cash flow from Year 1 to the stabilized year must be reflected.

In this valuation, the capitalization rate of the subject property is estimated based on the standard capitalization rate and taking into account the cash flow changes toward the stabilized NCF.

As for Building on sub-leased land (Fixed-term Land Lease Agreement), Inwood Method was applied. This method is represented by the following formula.

$$P = a \times \frac{(1+Y)^n - 1}{Y(1+Y)^n} + \frac{P_{LN} - E}{(1+Y)^N}$$

P: Value by income approach
a: Net cash flow for fixed-term lease period
Y: Discount rate
n: Income producing period
N: Remaining lease period
P_{LN}: Value of leasehold interest in land at the expiration of land lease
E: Demolition cost of building

DCF Method

The DCF Method discounts the NCF generated over several consecutive periods and the reversionary value at the end of the holding period. The NCF is discounted to present value in accordance with the timing of the NCF. The discounted NCF is then added up. This method is represented by the following formula.

$$P = \sum_{k=1}^{n} \frac{a_k}{(1+Y)^k} + \frac{P_R}{(1+Y)^n}$$

P : Subject property value indicated by income capitalization approach
a_k : NCF for each period
Y : Discount rate
n : Holding period
P_R : Reversionary value

The holding period in this estimation is determined as 10 years, comprehensively considering the actual holding period plan and typical holding period that investors usually use for analysis.

In accordance with the Appraisal Standards, the NCF of the subject property was estimated by calculating net operating income (NOI) (deducting operating expenses from operating income) and then adding interest on deposit to and deducting CAPEX from the NOI.

Reversionary value refers to the value of the subject property at the end of the holding period. In this valuation, the potential sales price at the end of the holding period is determined first, and then the required sales expenses are deducted from that price.

The discount rate is estimated taking into account the characteristics and feasibility of estimated cash flow, with particular notice given to the uncertainty not reflected in the estimated cash flow. In this estimation, the relation between the standard capitalization rate and the surveys used during the process was regarded as an important reference.

The terminal capitalization rate was estimated based on the standard capitalization rate and by taking into account attributes of the building such as remaining economic life and future uncertainty.

As for Building on sub-leased land (Fixed-term Land Lease Agreement), the terminal discount rate was applied instead of the terminal capitalization rate.

The adopted capitalization rate, discount rate, terminal capitalization rate and terminal discount rate have been selected based the comparable market evidence and are as follows:

(Freehold Properties and Ordinary Leasehold Property (DPL Okayama Hayashima 2))

Property	Capitalization Rate	Discount Rate	DCF Growth 10yr	Terminal Capitalization Rate
DPL Sapporo Higashi Kariki	4.30%	4.10%	-0.66%	4.40%
DPL Sendai Port	4.30%	4.00%	9.61%	4.30%
DPL Koriyama	4.80%	4.60%	7.13%	4.90%
D Project Maebashi S	4.60%	4.40%	2.51%	4.70%
D Project Nagano Suzaka S	4.70%	4.50%	0.76%	4.80%
D Project Kakegawa S	4.80%	4.60%	3.33%	4.90%
DPL Okayama Hayashima 2	4.70%	4.50%	16.17%	4.80%

(Building on Sub-leased Land (Fixed-term Land Lease Agreement))

Property	Discount Rate for Inwood Method	Discount Rate for DCF Method	DCF Growth 10yr	Terminal Discount Rate
D Project Kuki S	4.00%	4.00%	2.52%	4.10%
D Project Misato S	3.80%	3.80%	2.50%	3.90%
D Project Iruma S	4.00%	4.00%	3.55%	4.10%
DPL Kawasaki Yako	3.70%	3.70%	5.52%	3.80%
DPL Shinfuji	4.80%	4.80%	-2.77%	4.90%
DPL Okayama Hayashima	4.50%	4.50%	-1.56%	4.60%
D Project Fukuoka Tobara S	4.30%	4.30%	11.15%	4.40%

Valuation Methodology Weighting

The following table indicated the individual property values based on the Direct Capitalization Method and the DCF Method.

Property	Capitalized Value	DCF Value	Value Weighting	Adopted Value
DPL Sapporo Higashi Kariki	12,500,000,000	12,400,000,000	Nil/100%	12,400,000,000
DPL Sendai Port	12,800,000,000	12,900,000,000	Nil/100%	12,900,000,000
DPL Koriyama	6,510,000,000	6,770,000,000	Nil/100%	6,770,000,000
D Project Maebashi S	3,490,000,000	3,430,000,000	Nil/100%	3,430,000,000
D Project Kuki S	1,410,000,000	1,380,000,000	Nil/100%	1,380,000,000
D Project Misato S	2,400,000,000	2,350,000,000	Nil/100%	2,350,000,000
D Project Iruma S	2,430,000,000	2,370,000,000	Nil/100%	2,370,000,000
DPL Kawasaki Yako	21,100,000,000	20,500,000,000	Nil/100%	20,500,000,000
D Project Nagano Suzaka S	2,690,000,000	2,650,000,000	Nil/100%	2,650,000,000
DPL Shinfuji	3,620,000,000	3,560,000,000	Nil/100%	3,560,000,000
D Project Kakegawa S	4,310,000,000	4,240,000,000	Nil/100%	4,240,000,000
DPL Okayama Hayashima	4,470,000,000	4,400,000,000	Nil/100%	4,400,000,000
DPL Okayama Hayashima 2	2,520,000,000	2,400,000,000	Nil/100%	2,400,000,000
D Project Fukuoka Tobara S	1,390,000,000	1,340,000,000	Nil/100%	1,340,000,000

The DCF Method clearly specifies each year's NCF and the reversionary value, as well as the timing when they are generated. Accordingly, it is a persuasive method for the estimation of the value indicated by the income approach. In this valuation, NCF changes toward stabilization are appropriately projected with the current lease agreement, current market level, and future market conditions.

The Direct Capitalization Method applies a capitalization rate to the NCF generated over a single period. It reflects long-term stable profitability. The capitalization rate is estimated assuming future changes.

Taking into account the more accurate NCF changes in the DCF Method, the value indicated by the income approach was concluded placing weight on the DCF Method.

Assessment of Value

We are of the opinion that the Market Value of the Properties, subject to the existing tenancies and occupational arrangements, is as follows:

Property	Adopted Value	Property	Adopted Value
DPL Sapporo Higashi Kariki	12,400,000,000	DPL Kawasaki Yako	20,500,000,000
DPL Sendai Port	12,900,000,000	D Project Nagano Suzaka S	2,650,000,000
DPL Koriyama	6,770,000,000	DPL Shinfuji	3,560,000,000
D Project Maebashi S	3,430,000,000	D Project Kakegawa S	4,240,000,000
D Project Kuki S	1,380,000,000	DPL Okayama Hayashima	4,400,000,000
D Project Misato S	2,350,000,000	DPL Okayama Hayashima 2	2,400,000,000
D Project Iruma S	2,370,000,000	D Project Fukuoka Tobara S	1,340,000,000

The Total Market Value of the Portfolio as at 30 June 2021 is JPY 80,690,000,000. (Eighty Billion, Six Hundred and Ninety Million Japanese Yen)

The figure represents the aggregate of the individual values of the properties and should not be regarded as a valuation of the portfolio as a whole in the context of the sale as a single lot.

Assumptions, Disclaimers, Limitations & Qualifications

CBRE have prepared this Letter which appears in this Prospectus and, to the extent permitted by law, specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Prospectus, other than in respect of the information provided within the aforementioned Valuation Reports and this Letter. CBRE does not make any warranty or representation as to the accuracy of the information in any other part of the Prospectus other than as expressly made or given by CBRE in this Letter.

CBRE has relied upon property data supplied by DHLT which we assume to be true and accurate. CBRE takes no responsibility for inaccurate client supplied data and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, unbiased professional analyses, opinions, and conclusions. CBRE and the respective valuers involved in the assignment have no present or prospective interest in the Property and have no personal interest or bias with respect to the parties involved.

The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event (such as a lending proposal or sale negotiation).

We hereby certify that the valuers undertaking these valuations are authorized to practice as valuers and have at least 5 years continuous experience in valuation.

None of the information in this Letter or our Valuation Reports constitutes advice as to the merits of entering into any form of transaction. Furthermore, none of the information in this Letter or our Valuation Reports constitutes financial product advice.

Neither this letter, nor the Valuation Reports purport to contain all the information that any interested party may require. They do not consider individual circumstances, financial situation, investment objectives or requirements. They are intended to be used as guide only and do not constitute advice including without any limitation, investment, tax, legal or any other type of advice. The valuations stated are only best estimates and are not to be construed as a guarantee. The material contained in this Letter and the Valuation Reports should not be relied upon as a statement or representation of fact without confirmation or satisfaction as to its correctness by independent investigation and review of the valuation reports to understand the assumptions and methodologies stated in the valuation.

This Letter and the Valuation Reports are strictly limited to the matters contained within those documents and are not to be read as extending, by implication or otherwise, to any other matter in the Prospectus. To the extent permitted by law, and as provided in the agreement engaging CBRE K.K. to provide their opinion on the Market Value, within the full valuation reports and/or this summary valuation letter, CBRE specifically disclaims any liability in respect of the use of or reliance on this Letter to any person in the event of any omission or false or misleading statement other than to the Manager and the Trustee as the Addressees , together with their respective successors and assigns, and in addition, the underwriters appointed by the Manager and the Trustee in connection with the proposed listing and their respective successors and assigns. CBRE does not give any warranty or representation as to the accuracy of the information in any other part of the Prospectus.

Yours sincerely
CBRE K.K.

Name: Eiji Sakaguchi
Title: Representative Director

Per: **Taku Ozora**
Appraiser's License No. 7570
Senior Director
– Valuation, Advisory & Consulting Services

Per: **Munehito Hashimoto**
Appraiser's License No. 9010
Associate Director
– Valuation, Advisory & Consulting Services

Per: **Emi Yoshida**
Appraiser's License No. 9072
Associate Director
– Valuation, Advisory & Consulting Services

Per: **Masashi Ito**
Appraiser's License No. 10117
Valuer
– Valuation, Advisory & Consulting Services

Per: **Yutaka Watanabe**
Appraiser's License No. 8468
Associate Director
- Valuation, Advisory & Consulting Services

Per: **Masayuki Mizukami**
Appraiser's License No. 8774
Associate Director
- Valuation, Advisory & Consulting Services

Per: **Yuichiro Tanaka**
Appraiser's License No. 10105
Senior Valuer
- Valuation, Advisory & Consulting Services

Encl.: Appendix 1 – Valuation Certificates

Appendix 1

Valuation Certificate

Property Name:	DPL Sapporo Higashi Kariki
Address of property:	1-1, Higashikariki 13-jyo 3-chome, Higashi-ku, Sapporo-shi, Hokkaido
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Fee simple Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Bldg. Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Tenure of property:	Freehold
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Semi-industrial District, Area SCR: 60%, Subject SCR: 70%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 2-story building with steel frame structure, which was built in 2018. It is a logistics property, currently leased to multiple tenants. The building is approximately 3 years old and the maintenance quality is average.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	2.3 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	3.0%

Land Area (sqm):	61,609.75
Gross Floor Area (GFA) (sqm):	65,653.07
Net Lettable Area (NLA) (sqm):	60,304.39
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).
Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

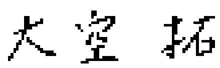
Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	12,400,000,000
Discount Rate (DR):		4.1%
Terminal Cap Rate (TCR):		4.4%
Income Approach - Direct Capitalization Method	**JPY**	12,500,000,000
Cap Rate (CR):		4.3%
Cost Approach	**JPY**	11,400,000,000
Final Value Conclusion	**JPY**	12,400,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	188,872
	JPY per NLA (sqm)	205,624

Assumptions, Disclaimers, Limitations & Qualifications:

The above value fully follows the appraisal guidelines set forth by the Japanese Real Estate Appraisal Standards. Save as provided in the agreement engaging CBRE K.K. to provide their opinion on the Market Value, within the full valuation report and/or this appraisal certificate, this certificate is for the use only of the party to whom it is addressed and for no other purpose. The Manager and the Trustee as addressees of the valuation report and this appraisal certificate will, together with their respective successors and assigns, be entitled to rely on the valuation, and in addition, the underwriters appointed by the Manager and the Trustee in connection with the IPO and their respective successors and assigns will be entitled to rely on the valuation. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

Prepared By:

CBRE K.K.



Taku Ozora
Senior Director
Licensed No.7570
Licensed Real Estate Appraiser

CBRE K.K.

Yuichiro Tanaka
Senior Valuer
Licensed No.10105
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	DPL Sendai Port
Address of property:	15-13, Minato 4-chome, Miyagino-ku, Sendai-shi, Miyagi
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Fee simple Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Bldg. Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Tenure of property:	Freehold
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Exclusive Industrial District, Area SCR: 60%, Subject SCR: 60%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 2-story building with steel frame structure, which was built in 2017. It is a logistics property, currently leased to multiple tenants. The building is approximately 4 years old and the maintenance quality is very good.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	1.8 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	3.0%

Land Area (sqm):	58,867.01
Gross Floor Area (GFA) (sqm):	64,309.23
Net Lettable Area (NLA) (sqm):	63,118.56
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).

Date of Value: 30 June 2021
Date of Valuation: 21 September 2021
Date of Report: 30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	JPY	12,900,000,000
Discount Rate (DR):		4.0%
Terminal Cap Rate (TCR):		4.3%
Income Approach - Direct Capitalization Method	JPY	12,800,000,000
Cap Rate (CR):		4.3%
Cost Approach	JPY	11,200,000,000
Final Value Conclusion	**JPY**	12,900,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	200,593
	JPY per NLA (sqm)	204,377

Assumptions, Disclaimers, Limitations & Qualifications:

The above value fully follows the appraisal guidelines set forth by the Japanese Real Estate Appraisal Standards. Save as provided in the agreement engaging CBRE K.K. to provide their opinion on the Market Value, within the full valuation report and/or this appraisal certificate, this certificate is for the use only of the party to whom it is addressed and for no other purpose. The Manager and the Trustee as addressees of the valuation report and this appraisal certificate will, together with their respective successors and assigns, be entitled to rely on the valuation, and in addition, the underwriters appointed by the Manager and the Trustee in connection with the IPO and their respective successors and assigns will be entitled to rely on the valuation. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

Prepared By:

CBRE K.K.

大空 拓

Taku Ozora
Senior Director
Licensed No.7570
Licensed Real Estate Appraiser

CBRE K.K.

橋本 宗仁

Munehito Hashimoto
Associate Director
Licensed No.9010
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	DPL Koriyama
Address of property:	8-1, Aza-Sotogawara, Koriyama-shi, Fukushima
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Fee simple Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Bldg. Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Tenure of property:	Freehold
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Exclusive Industrial District, Area SCR: 60%, Subject SCR: 70%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a one-story building with steel frame structure, which was built in 2019. It is a logistics property, currently leased to a single tenant. The building is approximately 2 years old and the maintenance quality is very good.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	1.4 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	4.0%

Land Area (sqm):	56,305.98
Gross Floor Area (GFA) (sqm):	34,298.96
Net Lettable Area (NLA) (sqm):	34,174.19
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).

Date of Value: 30 June 2021
Date of Valuation: 21 September 2021
Date of Report: 30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	6,770,000,000
Discount Rate (DR):		4.6%
Terminal Cap Rate (TCR):		4.9%
Income Approach - Direct Capitalization Method	**JPY**	6,510,000,000
Cap Rate (CR):		4.8%
Cost Approach	**JPY**	5,370,000,000
Final Value Conclusion	**JPY**	6,770,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	197,382
	JPY per NLA (sqm)	198,103

Assumptions, Disclaimers, Limitations & Qualifications:

The above value fully follows the appraisal guidelines set forth by the Japanese Real Estate Appraisal Standards. Save as provided in the agreement engaging CBRE K.K. to provide their opinion on the Market Value, within the full valuation report and/or this appraisal certificate, this certificate is for the use only of the party to whom it is addressed and for no other purpose. The Manager and the Trustee as addressees of the valuation report and this appraisal certificate will, together with their respective successors and assigns, be entitled to rely on the valuation, and in addition, the underwriters appointed by the Manager and the Trustee in connection with the IPO and their respective successors and assigns will be entitled to rely on the valuation. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

Prepared By:

CBRE K.K.

大空 拓

Taku Ozora
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Licensed No.7570
Licensed Real Estate Appraiser

CBRE K.K.

橋本 宗仁

Munehito Hashimoto
Associate Director
Licensed No.9010
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	D Project Maebashi S
Address of property:	10-1, Owatari-machi 1chome, Maebashi-shi, Gunma
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Fee simple Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Bldg. Registered Owner:	Hitachi Capital Corporation
Tenure of property:	Freehold
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Exclusive Industrial District, Area SCR: 60%, Subject SCR: 70%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 2-story building with steel frame structure, which was built in 2018. It is a logistics property, currently leased to a single tenant. The building is approximately 3 years old and the maintenance quality is very good.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	12.3 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	0.0%

Land Area (sqm):	23,224.89
Gross Floor Area (GFA) (sqm):	14,075.40
Net Lettable Area (NLA) (sqm):	14,736.42
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).
Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	JPY	3,430,000,000
Discount Rate (DR):		4.4%
Terminal Cap Rate (TCR):		4.7%
Income Approach - Direct Capitalization Method	JPY	3,490,000,000
Cap Rate (CR):		4.6%
Cost Approach	JPY	2,840,000,000
Final Value Conclusion	**JPY**	3,430,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	243,688
	JPY per NLA (sqm)	232,757

Assumptions, Disclaimers, Limitations & Qualifications:

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Prepared By:

CBRE K.K.

大空 拓

Taku Ozora
Senior Director
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CBRE K.K.

吉田 英美

Emi Yoshida
Associate Director
Licensed No.9072
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	D Project Kuki S
Address of property:	6201-3, Shobuchosanga, Kuki shi, Saitama
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Leasehold for a fixed period (for business-use buildings) Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	SAITAMA SUBARU Corporation
Bldg. Registered Owner:	Hitachi Capital Corporation
Tenure of property:	Leasehold Number of years of the leasehold: 20 years Commencement date: 1 August 2014 Remaining lease term as at the date of valuation: 13.1 years
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Exclusive Industrial District, Area SCR: 60%, Subject SCR: 60%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 3-story building with steel frame structure, which was built in 2014. It is a logistics property, currently leased to a single tenant. The building is approximately 7 years old and the maintenance quality is average.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	3.1 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	0.0%

Land Area (sqm):	14,197.57
Gross Floor Area (GFA) (sqm):	18,302.33
Net Lettable Area (NLA) (sqm):	18,257.35
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).
Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	1,380,000,000
Discount Rate (DR):		4.0%
Terminal Discount Rate (TDR):		4.1%
Income Approach - Direct Capitalization Method (Inwood Method)	**JPY**	1,410,000,000
Discount Rate (DR):		4.0%
Cost Approach	**JPY**	1,890,000,000
Final Value Conclusion	**JPY**	1,380,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	75,400
	JPY per NLA (sqm)	75,586

Assumptions, Disclaimers, Limitations & Qualifications:

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Prepared By:

CBRE K.K.

大空 拓

Taku Ozora
Senior Director
Licensed No.7570
Licensed Real Estate Appraiser

CBRE K.K.

吉田 英美

Emi Yoshida
Associate Director
Licensed No.9072
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	D Project Misato S
Address of property:	1-28, Inter-Minami 2-chome, Misato-shi, Saitama
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Leasehold for a fixed period (for business-use buildings) Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	Kentaro Tanaka and others (multiple individuals)
Bldg. Registered Owner:	Hitachi Capital Corporation
Tenure of property:	Leasehold Number of years of the leasehold: 30 years Commencement date: 15 February 2015 Remaining lease term as at the date of valuation: 23.6 years
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Industrial District, Area SCR: 60%, Subject SCR: 80%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 3-story building with steel frame structure, which was built in 2015. It is a logistics property, currently leased to a single tenant. The building is approximately 6 years old and the maintenance quality is average.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	13.6 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	0.0%

Land Area (sqm):	14,239.24
Gross Floor Area (GFA) (sqm):	14,835.40
Net Lettable Area (NLA) (sqm):	14,877.00
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).

Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	2,350,000,000
Discount Rate (DR):		3.8%
Terminal Discount Rate (TDR):		3.9%
Income Approach - Direct Capitalization Method (Inwood Method)	**JPY**	2,400,000,000
Discount Rate (DR):		3.8%
Cost Approach	**JPY**	1,960,000,000
Final Value Conclusion	**JPY**	2,350,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	158,405
	JPY per NLA (sqm)	157,962

Assumptions, Disclaimers, Limitations & Qualifications:

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Prepared By:

CBRE K.K.

大空 拓

Taku Ozora
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Licensed Real Estate Appraiser

CBRE K.K.

渡邊 豊

Yutaka Watanabe
Associate Director
Licensed No.8468
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	D Project Iruma S
Address of property:	224-1, Sayamagahara, Iruma city, Saitama
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Leasehold for a fixed period (for business-use buildings) Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	YUASA TRADING CO., LTD.
Bldg. Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Tenure of property:	Leasehold Number of years of the leasehold: 30 years Commencement date: 1 January 2018 Remaining lease term as at the date of valuation: 27.5 years
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Exclusive Industrial District, Area SCR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 3-story building with steel frame structure, which was built in 2017. It is a logistics property, currently leased to a single tenant. The building is approximately 3 years old and the maintenance quality is average.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	16.5 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	0.0%

Land Area (sqm):	11,528.52
Gross Floor Area (GFA) (sqm):	15,328.49
Net Lettable Area (NLA) (sqm):	14,581.81
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).
Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	JPY	2,370,000,000
Discount Rate (DR):		4.0%
Terminal Discount Rate (TDR):		4.1%
Income Approach - Direct Capitalization Method (Inwood Method)	JPY	2,430,000,000
Discount Rate (DR):		4.0%
Cost Approach	JPY	2,270,000,000
Final Value Conclusion	**JPY**	2,370,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	154,614
	JPY per NLA (sqm)	162,531

Assumptions, Disclaimers, Limitations & Qualifications:

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Prepared By:

CBRE K.K.
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Licensed Real Estate Appraiser

CBRE K.K.
吉田 英美
Emi Yoshida
Associate Director
Licensed No.9072
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	DPL Kawasaki Yako
Address of property:	2-3, 3-chome, Yako, Kawasaki-ku, Kawasaki-shi, Kanagawa
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Sub-leasehold for a fixed period (for business-use buildings) Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	Toyo Glass Co., Ltd.
Bldg. Registered Owner:	Hitachi Capital NBL Corporation (Currently known as Hitachi Capital NBL Corporation)
Tenure of property:	Leasehold Number of years of the leasehold: 50.0 years Commencement date: 31 March 2017 Remaining lease term as at the date of valuation: 45.7 years
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Exclusive Industrial District, Area SCR: 60%, Subject SCR: 60%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 5-story building with steel frame reinforced concrete structure, which was built in 2017. It is a logistics property, currently leased to multiple tenants. The building is approximately 4 years old and the maintenance quality is average.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	11.8 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	2.2%

Land Area (sqm):	47,868.13
Gross Floor Area (GFA) (sqm):	94,968.76
Net Lettable Area (NLA) (sqm):	93,158.72
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).
Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	20,500,000,000
Discount Rate (DR):		3.7%
Terminal Discount Rate (TDR):		3.8%
Income Approach - Direct Capitalization Method (Inwood Method)	**JPY**	21,100,000,000
Discount Rate (DR):		3.7%
Cost Approach	**JPY**	16,700,000,000
Final Value Conclusion	**JPY**	20,500,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	215,860
	JPY per NLA (sqm)	220,055

Assumptions, Disclaimers, Limitations & Qualifications:

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Prepared By:

CBRE K.K.

大空 拓

Taku Ozora
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Licensed Real Estate Appraiser

CBRE K.K.

伊藤 雅司

Masashi Ito
Valuer
Licensed No.10117
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	D Project Nagano Suzaka S
Address of property:	34 Gokan, Suzaka-shi, Nagano
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Fee simple Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Bldg. Registered Owner:	Tokyo Century Corporation
Tenure of property:	Freehold
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Control Area, Use zoning not specified, Area SCR: 60%, Subject SCR: 60%, Area FAR: 100%, Subject FAR: 100%
Brief Description of Subject Property:	The subject property is a 2-story building with steel frame structure, which was built in 2018. It is a logistics property, currently leased to a single tenant. The building is approximately 3 years old and the maintenance quality is average.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	7.3 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	0.0%

Land Area (sqm):	19,178.21
Gross Floor Area (GFA) (sqm):	9,796.91
Net Lettable Area (NLA) (sqm):	9,810.12
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).

Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	2,650,000,000
Discount Rate (DR):		4.5%
Terminal Cap Rate (TCR):		4.8%
Income Approach - Direct Capitalization Method	**JPY**	2,690,000,000
Cap Rate (CR):		4.7%
Cost Approach	**JPY**	1,710,000,000
Final Value Conclusion	**JPY**	2,650,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	270,493
	JPY per NLA (sqm)	270,129

Assumptions, Disclaimers, Limitations & Qualifications:

The above value fully follows the appraisal guidelines set forth by the Japanese Real Estate Appraisal Standards. Save as provided in the agreement engaging CBRE K.K. to provide their opinion on the Market Value, within the full valuation report and/or this appraisal certificate, this certificate is for the use only of the party to whom it is addressed and for no other purpose. The Manager and the Trustee as addressees of the valuation report and this appraisal certificate will, together with their respective successors and assigns, be entitled to rely on the valuation, and in addition, the underwriters appointed by the Manager and the Trustee in connection with the IPO and their respective successors and assigns will be entitled to rely on the valuation. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

Prepared By: CBRE K.K.

大空 拓

Taku Ozora
Senior Director
Licensed No.7570
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	DPL Shinfuji
Address of property:	1652-11, Atsuhara, Fuji-shi, Shizuoka
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Leasehold for a fixed period (for business-use buildings) Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	Tomoko Sano and others
Bldg. Registered Owner:	Hitachi Capital Community Corporation
Tenure of property:	Leasehold Number of years of the leasehold: 47.5 years Commencement date: 20 September 2017 Remaining lease term as at the date of valuation: 43.8 years
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Semi-industrial District, Area SCR: 60%, Subject SCR: 70%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 2-story building with steel frame structure, which was built in 2017. It is a logistics property, currently leased to multiple tenants. The building is approximately 4 years old and the maintenance quality is average.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	9.7 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	3.0%

Land Area (sqm):	28,207.66
Gross Floor Area (GFA) (sqm):	27,415.87
Net Lettable Area (NLA) (sqm):	27,536.94
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).

Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	3,560,000,000
Discount Rate (DR):		4.8%
Terminal Discount Rate (TDR):		4.9%
Income Approach - Direct Capitalization Method (Inwood Method)	**JPY**	3,620,000,000
Discount Rate (DR):		4.8%
Cost Approach	**JPY**	3,260,000,000
Final Value Conclusion	**JPY**	3,560,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	129,852
	JPY per NLA (sqm)	129,281

Assumptions, Disclaimers, Limitations & Qualifications:

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Prepared By:

CBRE K.K.

大空 拓

Taku Ozora
Senior Director
Licensed No.7570
Licensed Real Estate Appraiser

CBRE K.K.

渡邉 豊

Yutaka Watanabe
Associate Director
Licensed No.8468
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	D Project Kakegawa S
Address of property:	1315-2, Minamisaigo, Kakegawa-shi, Shizuoka
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Fee simple Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Bldg. Registered Owner:	Hitachi Capital Corporation
Tenure of property:	Freehold
Town Planning & Main Zoning Restrictions:	City Planning Area (no urbanization policy decided) , Use zoning not specified, Area SCR: 60%, Subject SCR: 60%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 3-story building with steel frame structure, which was built in 2019. It is a logistics property, currently leased to a single tenant. The building is approximately 2 years old and the maintenance quality is average.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	12.8 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	0.0%

Land Area (sqm):	21,597.38
Gross Floor Area (GFA) (sqm):	21,173.45
Net Lettable Area (NLA) (sqm):	22,522.50
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).

Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	4,240,000,000
Discount Rate (DR):		4.6%
Terminal Cap Rate (TCR):		4.9%
Income Approach - Direct Capitalization Method	**JPY**	4,310,000,000
Cap Rate (CR):		4.8%
Cost Approach	**JPY**	3,130,000,000
Final Value Conclusion	**JPY**	4,240,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	200,251
	JPY per NLA (sqm)	188,256

Assumptions, Disclaimers, Limitations & Qualifications:

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Prepared By:

CBRE K.K.

大空 拓

Taku Ozora
Senior Director
Licensed No.7570
Licensed Real Estate Appraiser

CBRE K.K.

渡邊 豊

Yutaka Watanabe
Associate Director
Licensed No.8468
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	DPL Okayama Hayashima
Address of property:	3500, Hayashima, Hayashima-cho, Tsukubo-gun, Okayama
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Leasehold for a fixed period(for business-use buildings) and Fee simple Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD., Hayashimacho, Dunk CO., LTD and 26 individuals
Bldg. Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Tenure of property:	Leasehold Number of years of the leasehold: 46 years Commencement date: Transaction date Remaining lease term as at the date of valuation: 46 years
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Semi-industrial District, Area SCR: 60%, Subject SCR: 60%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 2-story building with steel frame structure, which was built in 2017 and expanded in 2018. It is a logistics property, currently leased to multiple tenants. The building is approximately 3 years old and the maintenance quality is very good.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021(including a new tenant from 1 July 2021).
WALE:	6 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality	
Stabilized Rent:	Not disclosed due to confidentiality	
Current Vacancy:		0.0% (including a new tenant from 1 July 2021)
Stabilized Vacancy:		3.0%

Land Area (sqm):	27,273.95
Gross Floor Area (GFA) (sqm):	24,172.91
Net Lettable Area (NLA) (sqm):	23,541.33
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).

Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	4,400,000,000
Discount Rate (DR):		4.5%
Terminal Discount Rate (TDR):		4.6%
Income Approach - Direct Capitalization Method (Inwood Method)	**JPY**	4,470,000,000
Discount Rate (DR):		4.5%
Cost Approach	**JPY**	3,380,000,000
Final Value Conclusion	**JPY**	4,400,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	182,022
	JPY per NLA (sqm)	186,905

Assumptions, Disclaimers, Limitations & Qualifications:

The above value fully follows the appraisal guidelines set forth by the Japanese Real Estate Appraisal Standards. Save as provided in the agreement engaging CBRE K.K. to provide their opinion on the Market Value, within the full valuation report and/or this appraisal certificate, this certificate is for the use only of the party to whom it is addressed and for no other purpose. The Manager and the Trustee as addressees of the valuation report and this appraisal certificate will, together with their respective successors and assigns, be entitled to rely on the valuation, and in addition, the underwriters appointed by the Manager and the Trustee in connection with the IPO and their respective successors and assigns will be entitled to rely on the valuation. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

Prepared By:

CBRE K.K.

大空 拓

Taku Ozora
Senior Director
Licensed No.7570
Licensed Real Estate Appraiser

CBRE K.K.

水上 政之

Masayuki Mizukami
Associate Director
Licensed No.8774
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	DPL Okayama Hayashima 2
Address of property:	4466-1, Hayashima, Hayashima-cho, Tsukubo-gun, Okayama
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Leasehold interest in land Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Bldg. Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Tenure of property:	Leasehold Number of years of the leasehold: 30 years Commencement date: 2021(planned) Remaining lease term as at the date of valuation: 30 years
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Area, Semi-industrial District, Area SCR: 60%, Subject SCR: 70%, Area FAR: 200%, Subject FAR: 200%
Brief Description of Subject Property:	The subject property is a 2-story building with steel frame structure, which was built in 2017. It is a logistics property, currently leased to a single tenant. The building is approximately 4 years old and the maintenance quality is very good.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	3.5 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	0.0%

Land Area (sqm):	17,810.75
Gross Floor Area (GFA) (sqm):	14,000.00
Net Lettable Area (NLA) (sqm):	16,750.00
Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).

Date of Value: 30 June 2021
Date of Valuation: 21 September 2021
Date of Report: 30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	2,400,000,000
Discount Rate (DR):		4.5%
Terminal Cap Rate (TCR):		4.8%
Income Approach - Direct Capitalization Method	**JPY**	2,520,000,000
Discount Rate (DR):		4.7%
Cost Approach	**JPY**	2,110,000,000
Final Value Conclusion	**JPY**	2,400,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	171,429
	JPY per NLA (sqm)	143,284

Assumptions, Disclaimers, Limitations & Qualifications:

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Prepared By:

CBRE K.K.

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Taku Ozora
Senior Director
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Licensed Real Estate Appraiser

CBRE K.K.

水上 政之

Masayuki Mizukami
Associate Director
Licensed No.8774
Licensed Real Estate Appraiser

Valuation Certificate

Property Name:	D Project Fukuoka Tobara S
Address of property:	602-6, Oaza Tobara, Kasuyacho, Kasuya-gun, Fukuoka
Prepared for:	Daiwa House Asset Management Asia Pte. Ltd., as manager of Daiwa House Logistics Trust ("DHLT", and as manager of DHLT, "the Manager"") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation:	To assess the market value of the subject property (trust beneficiary interest) for purpose of inclusion in the prospectus relating to the proposed initial public offering ("IPO") of DHLT on the Main Board of the Singapore Exchange Securities Trading Limited
Interest to be valued:	Land: Leasehold for a fixed period (for business-use buildings) Building: Fee simple
Basis of valuation:	Market value subject to existing tenancies
Land Registered Owner:	Individuals (partly co-owner)
Bldg. Registered Owner:	DAIWA HOUSE INDUSTRY CO., LTD.
Tenure of property:	Leasehold Number of years of the leasehold: 46.8 years Commencement date: 30 June 2021 Remaining lease term as at the date of valuation: 46.8 years
Town Planning & Main Zoning Restrictions:	City Planning Area, Urbanization Control Area, Use zoning not specified, Area SCR: 60%, Subject SCR: 70%, Area FAR: 100%, Subject FAR: 100%
Brief Description of Subject Property:	The subject property is a 2-story building with steel frame structure, which was built in 2019. It is a logistics property, currently leased to multiple tenants. The building is approximately 2 years old and the maintenance quality is very good.
Tenancy profile:	The occupancy rate of the subject property is 100.0% as of 30 June 2021.
WALE:	13.1 years
Income Support:	There are no income support arrangements in place.

Key Assumptions & Parameters:

In-place Rent:	Not disclosed due to confidentiality
Stabilized Rent:	Not disclosed due to confidentiality
Current Vacancy:	0.0%
Stabilized Vacancy:	0.0%

Land Area (sqm):	18,525.03	(as specified in the register)
Land Area (sqm):	14,438.86	(as specified in the certificate of inspection)
Gross Floor Area (GFA) (sqm):	10,058.00	
Net Lettable Area (NLA) (sqm):	10,508.00	

Valuation Approaches:	The income approach (DCF Method, Direct Capitalization Method) and the cost approach were applied in this valuation. The subject property produces income; therefore, its value is formed mainly from the viewpoint of investment profitability. As such, the final value was determined by the income approach (DCF Method).
Date of Value:	30 June 2021
Date of Valuation:	21 September 2021
Date of Report:	30 September 2021

Valuation Approaches Applied		
Income Approach - Discounted Cash Flow Method	**JPY**	1,340,000,000
Discount Rate (DR):		4.3%
Terminal Discount Rate (TDR):		4.4%
Income Approach - Direct Capitalization Method (Inwood Method)	**JPY**	1,390,000,000
Discount Rate (DR):		4.3%
Cost Approach	**JPY**	1,240,000,000
Final Value Conclusion	**JPY**	1,340,000,000
(The value is exclusive of consumption tax)	**JPY per GFA (sqm)**	133,227
	JPY per NLA (sqm)	127,522

Assumptions, Disclaimers, Limitations & Qualifications:

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Prepared By:

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大空 拓

Taku Ozora
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Licensed No.7570
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CBRE K.K.

伊藤 雅司

Masashi Ito
Valuer
Licensed No.10117
Licensed Real Estate Appraiser

Savills Japan Co., Ltd
Yurakucho ITOCIA 15F
2-7-1 Yurakucho, Chiyoda-ku
Tokyo 100-0006, Japan

4 November 2021

Daiwa House Asset Management Asia Pte. Ltd.
(in its capacity as manager of Daiwa House Logistics Trust)
(the "Manager")
8 Marina View
#14-09 Asia Square Tower 1
Singapore 018960

HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Daiwa House Logistics Trust)
(the "Trustee")
10 Marina Boulevard
#48-01 Marina Bay Financial Centre Tower 2
Singapore 018983

(together, the "Addressees")

Attention: SVP, REITs

Dear Sirs:

Re: Cover Letter of Valuation Certificates for Daiwa House Logistics Trust (the "REIT")

INSTRUCTION

In accordance with the instructions from the Trustee, we have prepared a comprehensive appraisal report for each of the 14 logistics properties (the "Properties") located across Japan, as of 30 June 2021 (the "date of value"). The purpose of this valuation is to estimate the market value condition "as is" with respect to each of the above-referenced properties as of the date of value, for acquisition and for inclusion in the prospectus of the REIT to be issued in connection with the proposed initial public offering of and listing of the units in the REIT on the Main Board of the Singapore Exchange Securities Trading Limited.

The comprehensive appraisal reports have been provided to and are vested with the REIT. The comprehensive appraisal reports will be made openly available for inspection by all potential investors in the REIT. In that document, we have disclosed all matters to our knowledge that we anticipate would be required by the Addressees in order to meet the requirements of the Securities and Futures Act, the Monetary Authority of Singapore and the SGX-ST. This letter forms part of a suite of documents that collectively comprises our comprehensive appraisal report and must be read in conjunction with each other. This letter does not contain all the data and information provided in our comprehensive appraisal report. For further information, reference should be made to the additional documents, which include the individual property appraisal reports.

STATUS OF VALUER AND ANY CONFLICT OF INTEREST

We are authorized under the law of the state or country where the valuation takes place, to practice as a valuer and issue a comprehensive appraisal report. We have the necessary expertise and experience in valuing properties of the type in question and in the relevant area. All of our valuers are persons of good repute and have the necessary experience for the performance of their duties.

We are independent of the REIT, the Manager and its sponsor, including the fact that (a) we are not and will not, upon the listing of the REIT, be a substantial shareholder, subsidiary, related company or affiliate of any of the REIT, the Manager and the sponsor, and (b) there are no common directors, partners, officers or employees between our firm and any of the REIT, the Manager and the sponsor.

We can and will provide our services in the proposed initial public offering and listing of units in the REIT (the "Transaction") without any conflict of interest that (a) may arise from any association or relationship with any of the REIT, the Manager and the sponsor or any material financial, business or commercial links with any of the REIT, the Manager and the sponsor, and (b) may reasonably be expected to influence us such that the provision of our services, recommendations and advice (as applicable) in the Transaction will not be objective and impartial.

BASIS OF VALUATION

Our valuation of each of the Properties to be acquired by the Company is our opinion of the market value which we would define as intended to mean "Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an "arms-length" transaction, after proper marketing, wherein the parties had each acted knowledgeably, prudently, and without compulsion." This definition is consistent with the definition stipulated in International Valuation Standards ("IVS") as of the effective date of 31 January 2020. Our valuation is also prepared taking into consideration the SISV Valuation Standards and Practice Guidelines (2018).

The market value specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to the costs of sale and purchase, and without offset for any associated taxes.

The market value is a reflection of the real estate asset's estimated market value upon standard market transaction practices. It does not guarantee that this value will be realized. The future income/expense is a forecasted amount based on current market conditions. However, it does not guarantee that this will be realized.

The valuation services have been prepared in accordance with our Terms of Engagement letter dated 22 June 2021, signed off by the Trustee.

Our valuation has been carried out in accordance with the Japanese Real Estate Appraisal Standards published by the Ministry of Land, Infrastructure, Transport and Tourism, and subject to the guidelines provided by the Japanese Association of Real Estate Appraisal.

INSPECTION

All of the Properties were inspected internally and externally between 17 June and 9 July 2021. No critical limitations of inspections were identified. We have been advised by the Manager that there have been no material changes to the Properties from the inspection date, to the date of value, in the case such that the inspection date is earlier than the date of value.

DESCRIPTION OF PROPERTIES

The Properties consist of 14 logistics properties located across Japan as described in the table below.

No.	Names of Properties	Land Area (sq m)	Gross Floor Area (sq m)	Net Lettable Area (sq m)	Tenure of Land	Expiry of land lease term	Property interest to be valued
1	DPL Sapporo Higashi Kariki	61,609.75	65,653.07	60,304.39	Freehold	N/A	A
2	DPL Sendai Port	58,864.25	64,309.23	63,118.56	Freehold	N/A	A
3	DPL Koriyama	56,305.98	34,298.96	34,174.19	Freehold	N/A	A
4	D Project Maebashi S	23,224.89	14,075.40	14,736.42	Freehold	N/A	A
5	D Project Kuki S	14,197.57	18,302.33	18,257.35	Fixed-term leasehold	31 July 2034	C

6	D Project Misato S	14,239.24	14,835.40	14,877.00	Fixed-term leasehold	14 February 2045	C
7	D Project Iruma S	11,524.89	15,328.49	14,581.81	Fixed-term leasehold	31 December 2048	C
8	DPL Kawasaki Yako	47,868.13	94,968.76	93,158.72	Fixed-term leasehold	29 March 2067	C
9	D Project Nagano Suzaka S	19,178.21	9,796.91	9,810.12	Freehold	N/A	A
10	DPL Shinfuji	28,216.80	27,415.87	27,536.90	Fixed-term leasehold	31 March 2065	C
11	D Project Kakegawa S	25,633.74	21,173.45	22,522.50	Freehold	N/A	A
12	DPL Okayama Hayashima	27,273.95	24,180.91	23,541.33	Fixed-term leasehold	29 April 2067	C
13	DPL Okayama Hayashima 2	17,810.75	14,000.00	16,750.00	Non-fixed-term leasehold	13 October 2051	B
14	D Project Fukuoka Tobara S	14,438.86	10,058.00	10,507.98	Fixed-term leasehold	30 March 2068	D

<Categories for the property interest to be valued>

A: The ownership interest in a tenant-occupied building and its site
B: The ownership interest in a tenant-occupied building and its non-fixed-term land leasehold interest
C: The ownership interest in a tenant-occupied building and its fixed-term land sub-leasehold interest
D: The ownership interest in a tenant-occupied building and its fixed-term land sub-sub-leasehold interest

<Top 3 tenants>

We note that the top 3 tenants (by NLA) of the IPO Portfolio are Mitsubishi Shokuhin Co., Ltd., Suntory Logistics Ltd., and Nippon Express Co., Ltd.

The outlines of the Properties as well as the lease and income support are summarized below, whereas such information will be found in the relevant sections in each of the valuation certificates attached to this cover letter. Be noted of a unit size: 1 square meter (sq m) = 0.3025 tsubo (tb) = 10.7639 square feet.

No.1 DPL Sapporo Higashi Kariki

Mailing address: 3-1-1, Higashi-kariki 13-jo, Higashi-ku, Sapporo City, Hokkaido
Tenancy profile: Multi-tenanted
1) Occupancy status: 100%
2) WALE: 2.3 years
3) Lease structure: Pass-through master lease agreements to be entered into, pursuant to which the amount of payable rents will be the same amount that passes through to the REIT.

Monthly rent: The monthly rent is not disclosed due to the confidentiality.
No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2018, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.2 DPL Sendai Port

Mailing address: 4-15-13, Minato, Miyagino-ku, Sendai City, Miyagi
Tenancy profile: Multi-tenanted
1) Occupancy status: 95.8%
2) WALE: 1.8 years
3) Lease structure: Pass-through master lease agreements to be entered into, pursuant to which the amount of payable rents will be the same amount that passes through to the REIT.

Monthly rent: The monthly rent is not disclosed due to the confidentiality.
No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2017, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report. In the earthquake that occurred on 13 February 2021, cracks in the walls, deformation of the reinforcing bars, damage to the compartment shutters, and the fall of the protective material of the cable rack were reported. Subsequently, in the earthquake that occurred on 20 March 2021, damage and deformation of the compartment closure shutters and damage to the ventilation duct were reported. According to the facility manager, the seller is in the process of repairing all the damages and related issues at the seller's cost, which would not affect the appraisal value.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.3 DPL Koriyama

Mailing address: 8-1, Aza Sotogawara, Koriyama City, Fukushima
Tenancy profile: Multi-tenanted
1) Occupancy status: 100%
2) WALE: 1.4 years
3) Lease structure: Pass-through master lease agreements to be entered into, pursuant to which the amount of payable rents will be the same amount that passes through to the REIT.

Monthly rent: The monthly rent is not disclosed due to the confidentiality.
No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2019, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.4 D Project Maebashi S

Mailing address: 1-10-11, Owatarimachi, Maebashi City, Gunma
Tenancy profile: Single-tenanted
1) Occupancy status: 100%
2) WALE: 12.3 years
3) Lease structure: Lease agreement between the building owner and the tenant

Monthly rent: The monthly rent is not disclosed due to the confidentiality.
No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2018, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.5 D Project Kuki S

Mailing address: 6201-3, Sanga Aza Kazarimen, Shobu-cho, Kuki City, Saitama
Tenancy profile: Single-tenanted
1) Occupancy status: 100%
2) WALE: 3.1 years
3) Lease structure: Lease agreement between the building owner and the tenant

Monthly rent: The monthly rent is not disclosed due to the confidentiality.

No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2014, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.6 D Project Misato S

Mailing address: 2-1-28, Inter-minami, Misato City, Saitama
Tenancy profile: Single-tenanted
1) Occupancy status: 100%
2) WALE: 13.6 years
3) Lease structure: Lease agreement between the building owner and the tenant

Monthly rent: The monthly rent is not disclosed due to the confidentiality.
No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2015, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.7 D Project Iruma S

Mailing address: 224-1, Sayamagahara, Iruma City, Saitama
Tenancy profile: Single-tenanted
1) Occupancy status: 100%
2) WALE: 16.5 years
3) Lease structure: Lease agreement between the building owner and the tenant

Monthly rent: The monthly rent is not disclosed due to the confidentiality.
No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2017, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.8 DPL Kawasaki Yako

Mailing address: 3-2-3, Yako, Kawasaki-ku, Kawasaki City, Kanagawa
Tenancy profile: Multi-tenanted
1) Occupancy status: 100%
2) WALE: 11.8 years
3) Lease structure: Pass-through master lease agreements to be entered into, pursuant to which the amount of payable rents will be the same amount that passes through to the REIT.

Monthly rent: The monthly rent is not disclosed due to the confidentiality.
No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2017, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.9 D Project Nagano Suzaka S

Mailing address: 34, Gokan, Suzaka City, Nagano
Tenancy profile: Single-tenanted
1) Occupancy status: 100%
2) WALE: 7.3 years
3) Lease structure: Lease agreement between the building owner and the tenant

Monthly rent: The monthly rent is not disclosed due to the confidentiality.
No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2018, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.10 DPL Shinfuji

Mailing address: 1652-11, Atsuhara, Fuji City, Shizuoka
Tenancy profile: Multi-tenanted
1) Occupancy status: 100%
2) WALE: 9.7 years
3) Lease structure: Pass-through master lease agreements to be entered into, pursuant to which the amount of payable rents will be the same amount that passes through to the REIT.

Monthly rent: The monthly rent is not disclosed due to the confidentiality.
No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2017, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.11 D Project Kakegawa S

Mailing address: 1315-2, Minami-saigo, Kakegawa City, Shizuoka
Tenancy profile: Single-tenanted
1) Occupancy status: 100%
2) WALE: 12.8 years
3) Lease structure: Lease agreement between the building owner and the tenant

Monthly rent: The monthly rent is not disclosed due to the confidentiality.
No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2019, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.12 DPL Okayama Hayashima

Mailing address: 3500, Hayashima, Hayashima-cho, Tsukubo-gun, Okayama
Tenancy profile: Multi-tenanted
1) Occupancy status: 100%
2) WALE: 6.0 years
3) Lease structure: Pass-through master lease agreements to be entered into, pursuant to which the amount of payable rents will be the same amount that passes through to the REIT.

Monthly rent: The monthly rent is not disclosed due to the confidentiality. No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2017, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.13 DPL Okayama Hayashima 2

Mailing address: 4466-1, Hayashima, Hayashima-cho, Tsukubo-gun, Okayama
Tenancy profile: Single-tenanted
1) Occupancy status: 100%
2) WALE: 3.5 years
3) Lease structure: Pass-through master lease agreements to be entered into, pursuant to which the amount of payable rents will be the same amount that passes through to the REIT.

Monthly rent: The monthly rent is not disclosed due to the confidentiality. No rental growth projection is included in our DCF analysis.

Property condition: Constructed in 2017, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

No.14 D Project Fukuoka Tobara S

Mailing address: 602-6, Tobara, Kasuya-machi, Kasuya-gun, Fukuoka
Tenancy profile: Single-tenanted
1) Occupancy status: 100%
2) WALE: 13.1 years
3) Lease structure: Lease agreement between the building owner and the tenant

Monthly rent: The monthly rent is not disclosed due to the confidentiality. No rental growth projection is included in our DCF analysis

Property condition: Constructed in 2019, the building is relatively new and appears to be well maintained. No critical issues were found relating to the property and environment by both our site inspection and a third-party engineering report.

Statutory inquiries: No statutory inquiries. According to the third-party engineering report, the subject's building coverage ratio and floor area ratio are both within their maximum legal limits. Inspection and confirmation certificates were also identified. Moreover, no issues were found throughout the property inspection. We assume that the subject property is statutorily compliant.

VALUATION RATIONALE

We have estimated market value through an Income Approach, and Cost Approach. It should be noted that we did not apply the Sales Comparison Approach due to the difficulty of collecting detailed comparable evidence. In conclusion, we have determined the market value solely by the Discounted Cash Flow Method.

The Income Approach estimates the total present value of the net cash flow (”NCF”) that the Property is expected to generate in a future period. Direct Capitalization Method and Discounted Cash Flow Method are applied in this approach. Direct Capitalization Method is to capitalize the stabilized NCF in a single year by the capitalization rate. Discounted Cash Flow Method is to discount the NCF generated over the typical holding period together with the reversionary value at the time it is generated. The Cost Approach estimates the replacement cost of land, building and incidental expenses, and thereon the accrued depreciation.

As part of the valuation rationale, the Cost Approach should be less reliable, because the market participants would weigh income streams from each of the Properties as an income-generating property. In the Income Approach, the estimated market value of the property is based on the analysis of income and expenses generated by operating financial results of each of the Properties.

We determined our value indication solely by the Discounted Cash Flow Method instead of the Direct Capitalization Method due to the fact that the Discounted Cash Flow Method presents a more explicit analysis by reflecting the value of each of the Properties through consideration of its net incomes during the holding period which potentially change year after year. By comparison, the Direct Capitalization Method generates value by the net incomes of a single-year capitalized at a single rate of return. Therefore, we concluded market value for each of the Properties solely by the Discounted Cash Flow Method to consider the changeable cash flows, which is well supported by the Direct Capitalization Method.

In addition, because some of the Properties have a limited tenure of its ownership caused by its fixed-term land leasehold interest, we applied a fixed-term of analytical year for both methods in the Income Approach, where the reversionary value would be null at the end of its tenure.

COVID-19 is thought to continue to impact market conditions in Japan. However, the rise of e-commerce is expected to be a long-term transition, and therefore the sector is somewhat shielded from short-term adjustments. Also, the nature of the current crisis – prompting people to avoid crowded commercial hubs – will likely facilitate e-commerce through changing consumer behavior. Therefore, we considered that the effect of COVID-19 on the rental level of logistics properties would be limited.

All the key assumptions and parameters, as well as how each parameter is derived, is found in the relevant sections of each of the valuation certificates attached to this cover letter, but the key factors adopted in the Discounted Cash Flow Method are summarized in the table below.

Fee simple properties and non-fixed-term land leasehold property

No.	Property name	NCF Cap Rate	Discount Rate	Terminal Cap Rate	CPI growth assumption
1	DPL Sapporo Higashi Kariki	4.50%	4.20%	4.60%	Nil
2	DPL Sendai Port	4.40%	4.10%	4.50%	Nil
3	DPL Koriyama	4.90%	4.60%	5.00%	Nil
4	D Project Maebashi S	4.80%	4.50%	4.90%	Nil
9	D Project Nagano Suzaka S	4.90%	4.60%	5.00%	Nil
11	D Project Kakegawa S	5.00%	4.70%	5.10%	Nil
13	DPL Okayama Hayashima 2	4.80%	4.50%	4.90%	Nil

Fixed-term land leasehold properties

No.	Property name	Discount Rate	Terminal Discount Rate	CPI growth assumption
5	D Project Kuki S	3.90%	4.10%	Nil
6	D Project Misato S	3.70%	3.80%	Nil
7	D Project Iruma S	3.80%	3.90%	Nil
8	DPL Kawasaki Yako	3.50%	3.60%	Nil
10	DPL Shinfuji	4.60%	4.70%	Nil
12	DPL Okayama Hayashima	4.40%	4.50%	Nil
14	D Project Fukuoka Tobara S	4.10%	4.20%	Nil

<Note>

NCF Cap Rate: Rate used in the direct capitalization method where property value is determined from the NCF of a single period.

Discount Rate: Rate used in DCF method to calculate the present value of income to be generated in the future.

Terminal Cap Rate: Rate applied to estimate the reversion or anticipated property value at the end of the holding period in DCF method for a fee simple property or non-fixed-term land leasehold property.

Terminal Discount Rate: Rate applied to estimate the reversion or anticipated property value at the end of the holding period in DCF method for a fixed-term land leasehold property.

VALUATION ASSUMPTION

As a basic assumption, our valuation is based on the property being used in its current form. For each property which required additional valuation assumptions, please refer to the relevant sections of this letter in relation to each of the Properties and valuation certificates as attached below.

Financial statements for the Properties were provided by the Manager. Since these statements were not prepared by us, we do not take responsibility for their accuracy, but have assumed that they are correct. That being said, we have no reason to doubt the truth and accuracy of the information provided by the Manager which is material to our valuation. We have also sought confirmation from the Manager that no material facts have been omitted from the information provided.

No allowance has been made in our valuation for any charges, mortgages, local taxation or amounts owing on the Properties. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect its market value.

Unless otherwise stated, all money amounts stated in our report are in Japanese Yen (JPY).

SUMMARY OF VALUES IN THE PORTFOLIO

No.	Property Name	Value (in JPY)
1	DPL Sapporo Higashi Kariki	12,100,000,000
2	DPL Sendai Port	12,300,000,000
3	DPL Koriyama	6,890,000,000
4	D Project Maebashi S	3,380,000,000
5	D Project Kuki S	1,390,000,000
6	D Project Misato S	2,390,000,000
7	D Project Iruma S	2,440,000,000
8	DPL Kawasaki Yako	21,000,000,000
9	D Project Nagano Suzaka S	2,610,000,000
10	DPL Shinfuji	3,800,000,000
11	D Project Kakegawa S	4,170,000,000
12	DPL Okayama Hayashima	4,520,000,000
13	DPL Okayama Hayashima 2	2,140,000,000
14	D Project Fukuoka Tobara S	1,330,000,000
-	Total of the 14 properties	80,460,000,000

The figure represents the aggregate of the individual values of the Properties and should not be regarded as a valuation of the portfolio as a whole in the context of the sale as a single lot.

DISCLAIMER, LIMITATIONS & QUALIFICATIONS

We assume that all existing defects, if any, are specified in the content of the appraisal report. If further defects are discovered hereon, the appraisal report will not take into account their existence.

We will conduct a standard investigation for asbestos, PCB, and soil contamination. However, if we believe that the investigation conducted by us and information gained from the REIT's engineering report is not sufficient, we will not be responsible for the extent in which such revelations will affect the value of real estate asset.

Our investigation of asbestos usage is limited to the content of materials provided by the Manager. Whether or not spraying of asbestos was conducted, will be judged based on the building completion date and general information. To be certain that asbestos spraying was not used, a thorough investigation by a certified professional institution is recommended. The usage of non-airborne construction materials was not conducted.

The real estate asset's legal conformity is proved by us, based on evidence described in the engineering report provided by the Manager. However, if we believe that the investigation conducted by us and information gained from the engineering report is not sufficient, we will not be responsible for the extent in which such revelations will affect the value of real estate asset.

The market value is a reflection of the real estate asset's estimated market value as at the date of value upon standard market transaction practices. It does not guarantee that this value will be realized. The future income/expense is a forecasted amount based on current market conditions. However, it does not guarantee that this will be realized.

In preparing the appraisal report, we shall, unless otherwise expressly agreed, rely upon information provided by the Manager or the Manager's legal or professional advisers such as tenure, areas, tenancies and other relevant matters. This information is believed to be reliable and we disclaim all responsibility if this should subsequently prove not to be so. We will not be measuring any part of the Property for confirmation. We will not convert any of the measurements localized in Japan to the ones based on the IPMS (International Property Measurement Standard). We take no responsibility for inaccurate data supplied and subsequent conclusions related to such data.

Save as provided in the agreement engaging Savills Japan Co., Ltd to provide our opinion on the Market Value, within the comprehensive appraisal report and/or this cover letter and subject to applicable laws, including the Securities and Futures Act, Chapter 289 of Singapore, our responsibility in relation to this appraisal report is limited to the Manager, the Trustee, and the REIT as addressees of this appraisal report, together with their respective successors and assigns, and in addition, the underwriters appointed by the Manager, the Trustee, and the REIT in connection with the proposed initial public offering and their respective successors and assigns. To the extent permitted by law, maximum compensation amount for damages caused in respect of this appraisal report is limited to the fee we will receive upon completion of this appraisal report, unless due to our negligence or willful default.

Yours faithfully

For and on behalf of
Savills Japan Co., Ltd.

サヴィルズ・ジャパン株式会社
代表取締役 クリスチャン マンシーニ
Name: Christian Mancini
Representative Director, Chief Executive Officer – Japan
of Savills Japan Co., Ltd.

VALUATION CERTIFICATE

No.1

Property name	**DPL Sapporo Higashi Kariki**
Address of property (Mailing address)	3-1-1, Higashi-kariki 13-jo, Higashi-ku, Sapporo City, Hokkaido
Our reference No.	No.3938
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Fee simple Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Daiwa House Industry Co., Ltd. Building: Daiwa House Industry Co., Ltd.
Tenure of property	Freehold
Master plan zoning	City Planning Area, Urbanization Promotion Area, Quasi-industrial District with the allowed building coverage ratio of 60% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 2-story building of steel structure. It is used for warehouse by the building registry, leased to multiple tenants. The building was completed on 1 February 2018 according to the building registry, and the building was well maintained at our site inspection (1 July 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	2.3 years
Income Support	No income support arrangements in place
Land size	61,609.75 sq m (based on the land registry)
Gross floor area (GFA)	65,653.07 sq m (based on the building registry)
Net lettable floor area (NLA)	60,304.39 sq m (based on the property management report, which excludes a staircase room of 42.61 sq m from the contracted floor area of a tenant.)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. 2) The purchaser intends to hold the property through pass-through master lease arrangements, pursuant to which the amount of rent payable by the master lessee to the property trustee (as legal owner of the freehold interest held by the REIT) is equal to the total amount of rent payable by the end tenants. Therefore, we appraise the subject property on the basis of the sub-lease contracts.
Valuation approaches	Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach We determined the market value solely by the Discounted Cash Flow Method.

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Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	1.5%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method		JPY 12,100,000,000
	Discount Rate:	4.20%
	Terminal Cap Rate:	4.60%
Direct Capitalization Method		JPY 12,300,000,000
	Cap Rate:	4.50%
Cost Approach		JPY 10,500,000,000

Market value **JPY 12,100,000,000**

Market value/GFA sq m JPY 184,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 201,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

This valuation certificate is subject to the Valuation Assumption and Disclaimer, Limitations & Qualifications included in the Cover Letter.
Be noted that the value above excludes the consumption tax.

VALUATION CERTIFICATE

No.2

Property name	**DPL Sendai Port**
Address of property (Mailing address)	4-15-13, Minato, Miyagino-ku, Sendai City, Miyagi
Our reference No.	No.3939
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Fee simple Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Daiwa House Industry Co., Ltd. Building: Daiwa House Industry Co., Ltd.
Tenure of property	Freehold
Master plan zoning	City Planning Area, Urbanization Promotion Area, Exclusive Industrial District with the allowed building coverage ratio of 60% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 2-story building of steel structure. It is used for warehouse by the building registry, leased to multiple tenants. The building was completed on 10 March 2017 according to the building registry, and the building was well maintained at our site inspection (23 June 2021).
Tenancy profile	The occupancy rate of the subject property was 95.8% as of 30 June 2021.
WALE	1.8 years
Income Support	No income support arrangements in place
Land size	58,864.25 sq m (based on the land registry)
Gross floor area (GFA)	64,309.23 sq m (based on the building registry)
Net lettable floor area (NLA)	63,118.56 sq m (based on the property management report)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. 2) The purchaser intends to hold the property through pass-through master lease arrangements, pursuant to which the amount of rent payable by the master lessee to the property trustee (as legal owner of the freehold interest held by the REIT) is equal to the total amount of rent payable by the end tenants. Therefore, we appraise the subject property on the basis of the sub-lease contracts. 3) According to the client's instruction, the solar power equipment is not included in this appraisal.

Valuation approaches	Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	4.2%
Stabilized Vacancy Rate	1.5%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method		JPY 12,300,000,000
	Discount Rate:	4.10%
	Terminal Cap Rate:	4.50%
Direct Capitalization Method		JPY 12,500,000,000
	Cap Rate:	4.40%
Cost Approach		JPY 12,600,000,000

Market value **JPY 12,300,000,000**

Market value/GFA sq m JPY 191,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 195,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

This valuation certificate is subject to the Valuation Assumption and Disclaimer, Limitations & Qualifications included in the Cover Letter.
Be noted that the value above excludes the consumption tax.

VALUATION CERTIFICATE

No.3

Property name	**DPL Koriyama**
Address of property (Mailing address)	8-1, Aza Sotogawara, Koriyama City, Fukushima
Our reference No.	No.3940
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Fee simple Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Daiwa House Industry Co., Ltd. Building: Daiwa House Industry Co., Ltd.
Tenure of property	Freehold
Master plan zoning	City Planning Area, Urbanization Promotion Area, Exclusive Industrial District with the allowed building coverage ratio of 70% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 1-story building of steel structure. It is used for warehouse by the building registry, leased to multiple tenants. The building was completed on 6 September 2019 according to the building registry, and the building was well maintained at our site inspection (22 June 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	1.4 years
Income Support	No income support arrangements in place
Land size	56,305.98 sq m (based on the land registry)
Gross floor area (GFA)	34,298.96 sq m (based on the building registry)
Net lettable floor area (NLA)	34,174.19 sq m (based on the property management report)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. 2) The purchaser intends to hold the property through pass-through master lease arrangements, pursuant to which the amount of rent payable by the master lessee to the property trustee (as legal owner of the freehold interest held by the REIT) is equal to the total amount of rent payable by the end tenants. Therefore, we appraise the subject property on the basis of the sub-lease contracts. 3) According to the client's instruction, the solar power equipment is not included in this appraisal.

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Valuation approaches Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach
We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	1.5%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method		JPY 6,890,000,000
	Discount Rate:	4.60%
	Terminal Cap Rate:	5.00%
Direct Capitalization Method		JPY 6,990,000,000
	Cap Rate:	4.90%
Cost Approach		JPY 6,050,000,000

Market value **JPY 6,890,000,000**

Market value/GFA sq m JPY 201,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 202,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

This valuation certificate is subject to the Valuation Assumption and Disclaimer, Limitations & Qualifications included in the Cover Letter.
Be noted that the value above excludes the consumption tax.

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VALUATION CERTIFICATE

No.4

Property name	**D Project Maebashi S**
Address of property (Mailing address)	1-10-11, Owatarimachi, Maebashi City, Gunma
Our reference No.	No.3941
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Fee simple Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Daiwa House Industry Co., Ltd. Building: Hitachi Capital Corporation* * Hitachi Capital Corporation merged with Mitsubishi UFJ Lease & Finance Company Limited, and renamed Mitsubishi HC Capital Inc.
Tenure of property	Freehold
Master plan zoning	City Planning Area, Exclusive Industrial District with the allowed building coverage ratio of 70% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 2-story building of steel structure. It is used for warehouse by the building registry, leased to a single tenant. The building was completed on 5 November 2018 according to the building registry, and the building was well maintained at our site inspection (30 June 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	12.3 years
Income Support	No income support arrangements in place
Land size	23,224.89 sq m (based on the land registry)
Gross floor area (GFA)	14,075.40 sq m (based on the building registry)
Net lettable floor area (NLA)	14,736.42 sq m (based on the property management report)
Premises of subject identification	1) Although the subject land and building are registered by the different owners, we appraised them owned by a single entity since the client intends to acquire them as a single owner. 2) According to the client's instruction, the solar power equipment is not included in this appraisal.

Valuation approaches	Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	0.0%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method		JPY 3,380,000,000
	Discount Rate:	4.50%
	Terminal Cap Rate:	4.90%
Direct Capitalization Method		JPY 3,400,000,000
	Cap Rate:	4.80%
Cost Approach		JPY 3,820,000,000

Market value **JPY 3,380,000,000**

Market value/GFA sq m JPY 240,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 229,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

This valuation certificate is subject to the Valuation Assumption and Disclaimer, Limitations & Qualifications included in the Cover Letter.
Be noted that the value above excludes the consumption tax.

VALUATION CERTIFICATE

No.5

Property name	**D Project Kuki S**
Address of property (Mailing address)	6201-3, Sanga Aza Kazarimen, Shobu-cho, Kuki City, Saitama
Our reference No.	No.3942
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Leasehold for a fixed-term period (for business-use building) Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Saitama Subaru Corporation Building: Hitachi Capital Corporation* * Hitachi Capital Corporation merged with Mitsubishi UFJ Lease & Finance Company Limited, and renamed Mitsubishi HC Capital Inc.
Tenure of property	Land leasehold: Until 31 July 2034 Number of leasehold years: 20 years Commencement date: 1 August 2014 Remaining land lease term as of the date of value: 13.09 years
Master plan zoning	City Planning Area, Urbanization Promotion Area, Exclusive industrial District with the allowed building coverage ratio of 60% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 3-story building of steel structure. It is used for warehouse by the building registry, leased to a single tenant. The building was completed on 1 August 2014 according to the building registry, and the building was well maintained at our site inspection (22 June 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	3.1 years
Income Support	No income support arrangements in place
Land size	14,197.57 sq m (based on the land lease contract)
Gross floor area (GFA)	18,302.33 sq m (based on the building registry)
Net lettable floor area (NLA)	18,257.35 sq m (based on the property management report)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. 2) In the subject property exist master-lease and sub-lease contracts in land. In fact, the subject building stands on the land sub-leasehold interest. Therefore, we appraised the subject property on the basis of the sub-lease contract in land as if the sub-lease contract started on the date of value.

Valuation approaches Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach
We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	0.0%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method	JPY 1,390,000,000
Discount Rate:	3.90%
Terminal Discount Rate:	4.10%
Direct Capitalization Method (Inwood method)	JPY 1,400,000,000
Discount Rate (whole period):	4.00%
Cost Approach	JPY 1,660,000,000

Market value **JPY 1,390,000,000**

Market value/GFA sq m JPY 75,900 (rounded to the first 3 digits)
Market value/NLA sq m JPY 76,100 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

This valuation certificate is subject to the Valuation Assumption and Disclaimer, Limitations & Qualifications included in the Cover Letter.
Be noted that the value above excludes the consumption tax.

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VALUATION CERTIFICATE

No.6

Property name	**D Project Misato S**
Address of property (Mailing address)	2-1-28, Inter-minami, Misato City, Saitama
Our reference No.	No.3943
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value “as is” condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering (“IPO”) of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Leasehold for a fixed-term period (for business-use building) Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Individuals Building: Hitachi Capital Corporation* * Hitachi Capital Corporation merged with Mitsubishi UFJ Lease & Finance Company Limited, and renamed Mitsubishi HC Capital Inc.
Tenure of property	Land leasehold: Until 14 February 2045 Number of leasehold years: 30 years Commencement date: 15 February 2015 Remaining land lease term as of the date of value: 23.63 years
Master plan zoning	City Planning Area, Urbanization Promotion Area, Industrial District with the allowed building coverage ratio of 70% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 3-story building of steel structure. It is used for warehouse by the building registry, leased to a single tenant. The building was completed on 15 February 2015 according to the building registry, and the building was well maintained at our site inspection (25 June 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	13.6 years
Income Support	No income support arrangements in place
Land size	14,239.24 sq m (based on the land lease contract)
Gross floor area (GFA)	14,835.40 sq m (based on the building registry)
Net lettable floor area (NLA)	14,877.00 sq m (based on the lease agreement)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. 2) In the subject property exist master-lease and sub-lease contracts in land. In fact, the subject building stands on the land sub-leasehold interest. Therefore, we appraised the subject property on the basis of the sub-lease contract in land as if the sub-lease contract started on the date of value.

Valuation approaches	Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	0.0%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method	JPY 2,390,000,000
Discount Rate:	3.70%
Terminal Discount Rate:	3.80%
Direct Capitalization Method (Inwood method)	JPY 2,410,000,000
Discount Rate (whole period):	3.80%
Cost Approach	JPY 2,330,000,000

Market value **JPY 2,390,000,000**

Market value/GFA sq m JPY 161,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 161,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

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Be noted that the value above excludes the consumption tax.

VALUATION CERTIFICATE

No.7

Property name	**D Project Iruma S**
Address of property (Mailing address)	224-1, Sayamagahara, Iruma City, Saitama
Our reference No.	No.3944
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Leasehold for a fixed-term period (for business-use building) Building: Fee simple
Basis of value	Market Value
Registered owner	Land: YUASA TRADING CO., LTD. Building: Daiwa House Industry Co., Ltd.
Tenure of property	Land leasehold: Until 31 December 2048 Number of leasehold years: 31 years Commencement date: : 1 January 2018 Remaining land lease term as of the date of value: 27.50 years
Master plan zoning	City Planning Area, Exclusive Industrial District with the allowed building coverage ratio of 70% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 3-story building of steel structure. It is used for warehouse by the building registry, leased to a single tenant. The building was completed on 18 December 2017 according to the building registry, and the building was well maintained at our site inspection (6 July 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	16.5 years
Income Support	No income support arrangements in place
Land size	11,524.89 sq m (based on the land lease contract)
Gross floor area (GFA)	15,328.49 sq m (based on the building registry)
Net lettable floor area (NLA)	14,581.81 sq m (based on the property management report)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. 2) As the subject property has leasehold interest in land, and the current land lease contract is scheduled to be succeeded along with the transaction of the subject building, the appraisal was conducted based on the content of the current land lease contract.

Valuation approaches	Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	0.0%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method	JPY 2,440,000,000
Discount Rate:	3.80%
Terminal Discount Rate:	3.90%
Direct Capitalization Method (Inwood method)	JPY 2,470,000,000
Discount Rate (whole period):	3.90%
Cost Approach	JPY 2,570,000,000

Market value **JPY 2,440,000,000**

Market value/GFA sq m JPY 159,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 167,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

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Be noted that the value above excludes the consumption tax.

VALUATION CERTIFICATE

No.8

Property name	**DPL Kawasaki Yako**
Address of property (Mailing address)	3-2-3, Yako, Kawasaki-ku, Kawasaki City, Kanagawa
Our reference No.	No.3945
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Leasehold for a fixed-term period (for business-use building) Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Toyo Glass Co., Ltd. Building: Hitachi Capital Corporation* * Hitachi Capital Corporation merged with Mitsubishi UFJ Lease & Finance Company Limited, and renamed Mitsubishi HC Capital Inc.
Tenure of property	Land leasehold: Until 29 March 2067 Number of leasehold years: 50 years Commencement date: 31 March 2017 Remaining land lease term as of the date of value: 45.75 years
Master plan zoning	City Planning Area, Urbanization Promotion Area, Exclusive Industrial District with the allowed building coverage ratio of 60% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 5-story building of steel and steel reinforced concrete structure. It is used for warehouse by the building registry, leased to multiple tenants. In addition, there is an ancillary building of steel structure used for a retail. The building was completed on 1 June 2017 according to the building registry, and the building was well maintained at our site inspection (17 June 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	11.8 years
Income Support	No income support arrangements in place
Land size	47,868.13 sq m (based on the land lease contract)
Gross floor area (GFA)	94,968.76 sq m (based on the building registry)
Net lettable floor area (NLA)	93,158.72 sq m (based on the property management report)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. 2) In the subject property exist master-lease and sub-lease contracts in land. In fact, the subject building stands on the land sub-leasehold interest. Therefore, we appraised the subject property on the basis of the sub-lease contract in land as if

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the sub-lease contract started on the date of value.

3) The purchaser intends to hold the property through pass-through master lease arrangements, pursuant to which the amount of rent payable by the master lessee to the property trustee (as legal owner of the sub-leasehold interest in land and the freehold interest in building held by the REIT) is equal to the total amount of rent payable by the end tenants. Therefore, we appraise the subject property on the basis of the sub-lease contracts.
4) According to the client's instruction, the solar power equipment is not included in this appraisal.

Valuation approaches Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach
We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	1.5%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method	JPY 21,000,000,000
Discount Rate:	3.50%
Terminal Discount Rate:	3.60%
Direct Capitalization Method (Inwood method)	JPY 21,200,000,000
Discount Rate (whole period):	3.60%
Cost Approach	JPY 17,500,000,000

Market value **JPY 21,000,000,000**

Market value/GFA sq m JPY 221,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 225,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

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Be noted that the value above excludes the consumption tax.

VALUATION CERTIFICATE

No.9

Property name	**D Project Nagano Suzaka S**
Address of property (Mailing address)	34, Gokan, Suzaka City, Nagano
Our reference No.	No.3946
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Fee simple Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Daiwa House Industry Co., Ltd. Building: Tokyo Century Corporation
Tenure of property	Freehold
Master plan zoning	City Planning Area, Urbanization Control Area with the allowed building coverage ratio of 60% and the allowed floor area ratio of 100%
Brief description of property	The subject property is a 2-story building of steel structure. It is used for warehouse and office by the building registry, leased to a single tenant. The building was completed on 25 September 2018 according to the building registry, and the building was well maintained at our site inspection (24 June 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	7.3 years
Income Support	No income support arrangements in place
Land size	19,178.21 sq m (based on the land registry)
Gross floor area (GFA)	9,796.91 sq m (based on the building registry)
Net lettable floor area (NLA)	9,810.12 sq m (based on the property management report)
Premises of subject identification	1) Although the subject land and building are registered by the different owners, we appraised them owned by a single entity since the client intends to acquire them as a single owner. 2) According to the client's instruction, the solar power equipment is not included in this appraisal.
Valuation approaches	Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	0.0%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method		JPY 2,610,000,000
	Discount Rate:	4.60%
	Terminal Cap Rate:	5.00%
Direct Capitalization Method		JPY 2,620,000,000
	Cap Rate:	4.90%
Cost Approach		JPY 1,650,000,000

Market value **JPY 2,610,000,000**

Market value/GFA sq m JPY 266,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 266,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

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VALUATION CERTIFICATE

No.10

Property name	**DPL Shinfuji**
Address of property (Mailing address)	1652-11, Atsuhara, Fuji City, Shizuoka
Our reference No.	No.3947
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Leasehold for a fixed-term period (for business-use building) Building: Fee simple
Basis of value	Market Value
Registered owner	Land: LLC Maruhato and multiple Individuals Building: Hitachi Capital Community Corporation
Tenure of property	Land leasehold: Until 31 March 2065 Number of leasehold years: 47.53 years Commencement date: 20 September 2017 Remaining land lease term as of the date of value: 43.75 years
Master plan zoning	City Planning Area, Urbanization Promotion Area, Quasi-industrial district with the allowed building coverage ratio of 60% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 2-stories building of steel structure. It is used for warehouse by the building registry, leased to multiple tenants. The building was completed on 20 September 2017 according to the building registry, and the building was well maintained at our site inspection (29 June 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	9.69 years
Income Support	No income support arrangements in place
Land size	28,216.80 sq m (based on the land lease contract)
Gross floor area (GFA)	27,415.87 sq m (based on the building registry)
Net lettable floor area (NLA)	27,536.90 sq m (based on the property management report)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. 2) In the subject property exist master-lease and sub-lease contracts in land. In fact, the subject building stands on the land sub-leasehold interest. Therefore, we appraised the subject property on the basis of the sub-lease contract in land as if the sub-lease contract started on the date of value. 3) The purchaser intends to hold the property through pass-through master lease

arrangements, pursuant to which the amount of rent payable by the master lessee to the property trustee (as legal owner of the sub-leasehold interest in land and the freehold interest in building held by the REIT) is equal to the total amount of rent payable by the end tenants. Therefore, we appraise the subject property on the basis of the sub-lease contracts.

4) According to the client's instruction, the solar power equipment is not included in this appraisal.

Valuation approaches

Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach
We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	1.5%

Date of value

30 June 2021

Value indication by approach

Discounted Cash Flow Method	JPY 3,800,000,000
Discount Rate:	4.60%
Terminal Discount Rate:	4.70%
Direct Capitalization Method (Inwood method)	JPY 3,810,000,000
Discount Rate (whole period):	4.70%
Cost Approach	JPY 3,940,000,000

Market value **JPY 3,800,000,000**

Market value/GFA sq m JPY 139,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 138,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

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Be noted that the value above excludes the consumption tax.

VALUATION CERTIFICATE

No.11

Property name	**D Project Kakegawa S**
Address of property (Mailing address)	1315-2, Minami-saigo, Kakegawa City, Shizuoka
Our reference No.	No.3948
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Fee simple Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Daiwa House Industry Co., Ltd. Building: Hitachi Capital Corporation * * Hitachi Capital Corporation merged with Mitsubishi UFJ Lease & Finance Company Limited, and renamed Mitsubishi HC Capital Inc.
Tenure of property	Freehold
Master plan zoning	Non-designated city planning area with the allowed building coverage ratio of 60% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 3-stories building of steel structure. It is used for warehouse by the building registry, leased to a single tenant. The building was completed on 1 May 2019 according to the building registry, and the building was well maintained at our site inspection (29 June 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	12.8 years
Income Support	No income support arrangements in place
Land size	25,633.74 sq m (based on the land registry)
Gross floor area (GFA)	21,173.45 sq m (based on the building registry)
Net lettable floor area (NLA)	22,522.50 sq m (based on the property management report)
Premises of subject identification	1) Although the subject land and building are registered by the different owners, we have appraised them owned as a single entity since the client intends to acquire them as a single owner. 2) This appraisal is based on the co-ownership share of 24% for the land parcel number of 1315-3, which is actually used as an adjustment reservoir. 3) According to the client's instruction, the solar power equipment is not included in this appraisal.

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Valuation approaches	Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	0.0%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method		JPY 4,170,000,000
	Discount Rate:	4.70%
	Terminal Cap Rate:	5.10%
Direct Capitalization Method		JPY 4,200,000,000
	Cap Rate:	5.00%
Cost Approach		JPY 3,600,000,000

Market value **JPY 4,170,000,000**

Market value/GFA sq m JPY 197,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 185,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

This valuation certificate is subject to the Valuation Assumption and Disclaimer, Limitations & Qualifications included in the Cover Letter.
Be noted that the value above excludes the consumption tax.

VALUATION CERTIFICATE

No.12

Property name	**DPL Okayama Hayashima**
Address of property (Mailing address)	3500, Hayashima, Hayashima-cho, Tsukubo-gun, Okayama
Our reference No.	No.3949
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Leasehold for a fixed-term period (Partly fee simple) Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Daiwa House Industry Co., Ltd.(Fee simple), Indivisuals, Hayashima-cho and Dank Corporation (Leasehold for a fixed-term period) Building: Daiwa House Industry Co., Ltd.
Tenure of property	Land leasehold: Until 29 April 2067 Number of leasehold years: 45.5 years Commencement date: 14 October 2021 Remaining land lease term as of the date of value: 45.83 years
Master plan zoning	City Planning Area, Urbanization Promotion Area, Quasi-industrial District with the allowed building coverage ratio of 60% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 2-story building of steel and reinforced concrete structure. It is used for warehouse and office by the building registry, leased to multiple tenants. In addition, there is an ancillary building of concrete block used as a machine room. The building was completed on 19 September 2017 and extended on 30 November 2018 according to the building registry, and the building was well maintained at our site inspection (25 June 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021. (including the area of new lease contract from 1 July 2021)
WALE	6.0 years
Income Support	No income support arrangements in place
Land size	27,273.95 sq m (based on the land registry)
Gross floor area (GFA)	24,180.91 sq m (based on the building registry)
Net lettable floor area (NLA)	23,541.33 sq m (based on provided by the client)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. 2) In the subject property exist master-lease and sub-lease contracts in land. In fact, the subject building stands on the land sub-leasehold interest. Therefore, we

appraised the subject property on the basis of the sub-lease contract in land as if the sub-lease contract started on the date of value.

3) The purchaser intends to hold the property through pass-through master lease arrangements, pursuant to which the amount of rent payable by the master lessee to the property trustee (as legal owner of the freehold and leasehold interests in land and the freehold interest in building held by the REIT) is equal to the total amount of rent payable by the end tenants. Therefore, we appraise the subject property on the basis of the sub-lease contracts.
4) According to the client's instruction, the solar power equipment is not included in this appraisal.

Valuation approaches

Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach
We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	1.5%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method	JPY 4,520,000,000
Discount Rate:	4.40%
Terminal Discount Rate:	4.50%
Direct Capitalization Method (Inwood method)	JPY 4,580,000,000
Discount Rate (whole period):	4.50%
Cost Approach	JPY 3,820,000,000

Market value **JPY 4,520,000,000**

Market value/GFA sq m JPY 187,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 192,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

This valuation certificate is subject to the Valuation Assumption and Disclaimer, Limitations & Qualifications included in the Cover Letter.
Be noted that the value above excludes the consumption tax.

VALUATION CERTIFICATE

No.13

Property name	**DPL Okayama Hayashima 2**
Address of property (Mailing address)	4466-1, Hayashima, Hayashima-cho, Tsukubo-gun, Okayama
Our reference No.	No.3950
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value "as is" condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering ("IPO") of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: As leasehold Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Daiwa House Industry Co., Ltd. Building: Daiwa House Industry Co., Ltd.
Tenure of property	Land leasehold: Until 13 October 2051 Number of leasehold years: 30 years Commencement date: 14 October 2021 Remaining land lease term as of the date of value: 30.29 years
Master plan zoning	City Planning Area, Urbanization Promotion Area, Quasi-industrial District with the allowed building coverage ratio of 70% and the allowed floor area ratio of 200%
Brief description of property	The subject property is a 2-story building of steel structure. It is used for warehouse by the building registry, leased to a single tenant. The building was completed on 30 October 2017 according to the building registry, and the building was well maintained at our site inspection (25 June 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	3.5 years
Income Support	No income support arrangements in place
Land size	17,810.75 sq m (based on the land registry)
Gross floor area (GFA)	14,000.00 sq m (based on the building registry)
Net lettable floor area (NLA)	16,750.00 sq m (based on the lease agreement)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. (As a building and its leased land) 2) The subject land is planned to be leased, and we value it on this basis. 3) The purchaser intends to hold the property through pass-through master lease arrangements, pursuant to which the amount of rent payable by the master lessee to the property trustee (as legal owner of the leasehold interests in land and the freehold interest in building held by the REIT) is equal to the total amount of rent

payable by the end tenants. Therefore, we appraise the subject property on the basis of the sub-lease contracts.

4) According to the client's instruction, the solar power equipment is not included in this appraisal.

Valuation approaches

Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach
We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	0.0%

Date of value

30 June 2021

Value indication by approach

Discounted Cash Flow Method		JPY 2,140,000,000
	Discount Rate:	4.50%
	Terminal Discount Rate:	4.90%
Direct Capitalization Method		JPY 2,160,000,000
	Cap Rate:	4.80%
Cost Approach		JPY 2,480,000,000

Market value **JPY 2,140,000,000**

Market value/GFA sq m JPY 153,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 128,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

This valuation certificate is subject to the Valuation Assumption and Disclaimer, Limitations & Qualifications included in the Cover Letter.
Be noted that the value above excludes the consumption tax.

VALUATION CERTIFICATE

No.14

Property name	**D Project Fukuoka Tobara S**
Address of property (Mailing address)	602-6, Tobara, Kasuya-machi, Kasuya-gun, Fukuoka
Our reference No.	No.3951
Name of client	HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT (the "Trustee")
Purpose of valuation	To estimate the market value “as is” condition in the above-referenced property as of the date of value, for acquisition and for inclusion in the prospectus of DHLT to be issued in connection with the proposed initial public offering (“IPO”) of and listing of the units in DHLT on the Main Board of the Singapore Exchange Securities Trading Limited.
Real property interest valued	Land: Leasehold for a fixed-term period (for business-use building) Building: Fee simple
Basis of value	Market Value
Registered owner	Land: Individuals Building: Daiwa House Industry Co., Ltd.
Tenure of property	Land leasehold: Until 30 March 2068 Number of leasehold years: 46.5 years Commencement date: 14 October 2021 Remaining land lease term as of the date of value: 46.75 years
Master plan zoning	City Planning Area, Urbanization Control Area with the allowed building coverage ratio of 70% and the allowed floor area ratio of 100%
Brief description of property	The subject property is a 2-story building of steel structure. It is used for warehouse and office by the building registry, leased to a single tenant. The building was completed on 21 February 2019 according to the building registry, and the building was well maintained at our site inspection (9 July 2021).
Tenancy profile	The occupancy rate of the subject property was 100% as of 30 June 2021.
WALE	13.1 years
Income Support	No income support arrangements in place
Land size	14,438.86 sq m (based on the surveyed size in the land lease contract)
Gross floor area (GFA)	10,058.00 sq m (based on the building registry)
Net lettable floor area (NLA)	10,507.98 sq m (based on the property management report)
Premises of subject identification	1) Appraisal is based on the asset being used in its current form. 2) In the subject property exist master-lease, sub-lease and sub-sub-lease contracts in land. In fact, the subject building stands on the land sub-sub-leasehold interest. Therefore, we appraised the subject property on the basis of the sub-sub-lease contract in land as if the sub-sub-lease contract started on the date of value. 3) According to the client's instruction, the solar power equipment is not included in this appraisal.

savills

Valuation approaches	Income Approach including Discounted Cash Flow Method and Direct Capitalization Method, and Cost Approach We determined the market value solely by the Discounted Cash Flow Method.

Key assumptions

Existing Monthly Rent	Not disclosed
Stabilized Monthly Rent	Not disclosed
Current Vacancy Rate	0.0%
Stabilized Vacancy Rate	0.0%

Date of value 30 June 2021

Value indication by approach

Discounted Cash Flow Method	JPY 1,330,000,000
Discount Rate:	4.10%
Terminal Discount Rate:	4.20%
Direct Capitalization Method (Inwood method)	JPY 1,350,000,000
Discount Rate (whole period):	4.20%
Cost Approach	JPY 1,550,000,000

Market value **JPY 1,330,000,000**

Market value/GFA sq m JPY 132,000 (rounded to the first 3 digits)
Market value/NLA sq m JPY 127,000 (rounded to the first 3 digits)

Prepared by Savills Japan Co., Ltd.

This valuation certificate is subject to the Valuation Assumption and Disclaimer, Limitations & Qualifications included in the Cover Letter.
Be noted that the value above excludes the consumption tax.

INDEPENDENT PROPERTY MARKET RESEARCH REPORTS

Prepared for: HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Daiwa House Logistics Trust)
Daiwa House Asset Management Asia Pte. Ltd.

Japan Logistics Market Study

Report Date:
September 2021

CBRE

Table of Contents

CBRE

ASSUMPTIONS

Explanation of Terms

New supply area	Total leasable area of rental logistics facilities completed in each period
New demand area	Change in occupied floor area (area used by tenants) from previous period
Vacancy rate	A numerical value representing the balance between supply and demand (vacant area is only that which can be occupied immediately) Calculation formula ＝(vacant area / leasable area) × 100
Asking rent	Asking rent level (monthly rent per tsubo) for logistics facilities that disclosed their rent and recruited tenants Average asking rent: Sum of the rent per tsubo of each rental logistics facility ÷ number of buildings
Gross floor area	Total floor area of all facilities covered by the survey, regardless of type of use (own use, rental, common area, etc.)
Assumed achievable rent	Rent level considered appropriate if a tenant were attracted and signed a lease at the present time (taking free rent into account) Indicates the rent level assumed by CBRE based on comparables in the surrounding area, the opinions of market experts, etc. Unless otherwise specified, this indicates the rent level for leased areas (tenant sizes) deemed appropriate for the survey target (a note will be included if the assumed tenant is especially small or large)

Segment Definitions

Modern logistics facilities
A rental logistics facility with a gross floor area of at least 5,000 m² owned by a real estate investment company, etc.

Large multi-tenant logistics facility (LMT)
A facility with a gross floor area of at least 10,000 tsubo that, in principle, was planned and designed during the development stage based on the premise of multiple tenants

Published Data

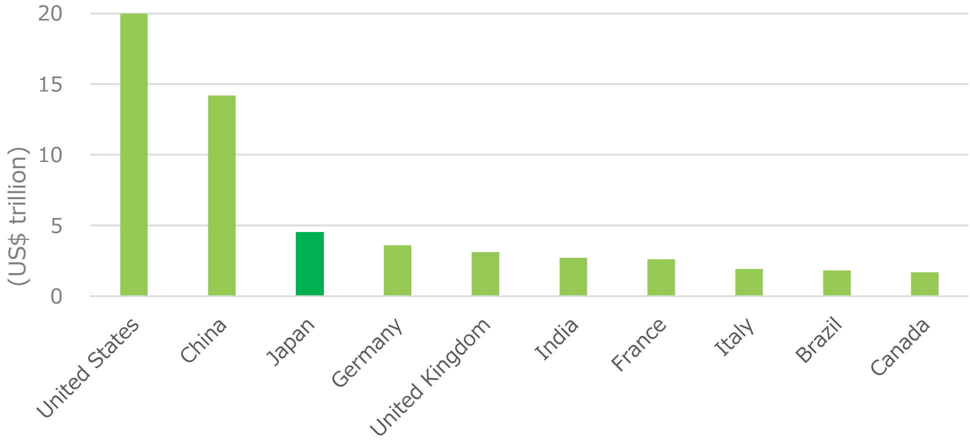
- tsubo＝3.3058sqm
- Published market data may be corrected retroactively due to updated information on aggregated samples.
- Data with no source indicated is based on CBRE's research.

1. Japan macroeconomy and economic outlook

a. Description of economy and breakdown of GDP by sector

Japan's economy remains one of the major economies in the world, boasting the third largest at US$4.5 trillion after US and China (as of 2019).

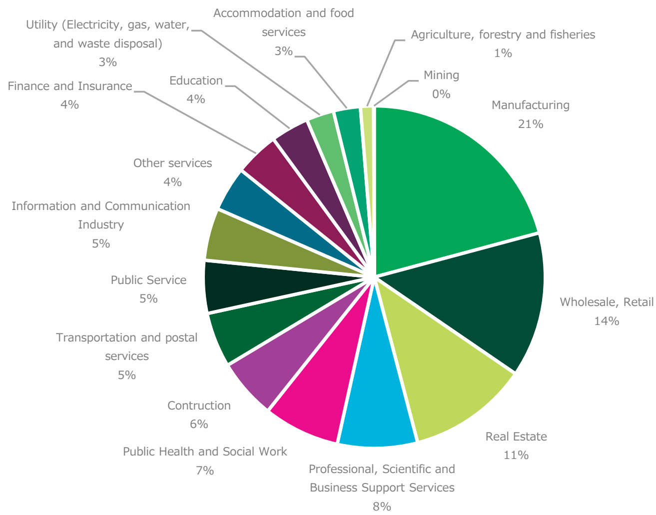
・ Top 10 countries by GDP (as of 2019)



Source: Oxford Economics Global Data Workstation, 2020

By sector, manufacturing accounts for approximately 20% of the economy, followed by wholesale/retail and real estate.

・ Breakdown of GDP by industry (as of 2019)

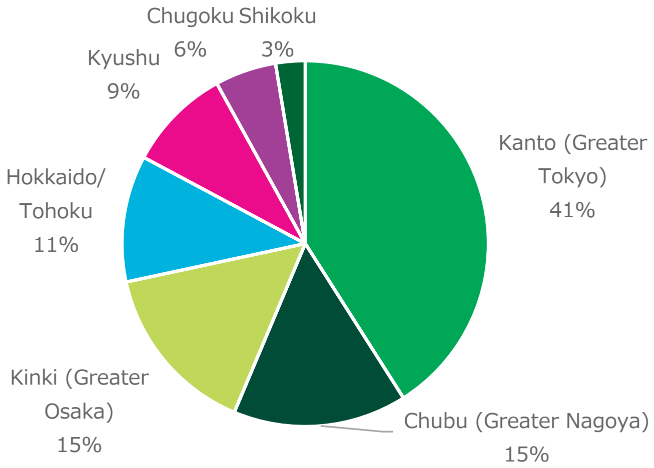


Source: Cabinet Office "Annual Report on National Accounts (2018)"

b. Size of each region's contribution towards Japan's GDP

By region, the Kanto Region (the Greater Tokyo area, including Tokyo, Kanagawa, Chiba, and Saitama) contributes more than 40% of the nation's economy, followed by Chubu = Greater Nagoya, and Kinki (the Greater Osaka area). Tokyo Metropolis accounts for 46% of the GDP in the Kanto Region, or 20% of Japan's total GDP.

・ Breakdown of GDP by region



Source: Cabinet Office "Prefectural Accounts (2017)"

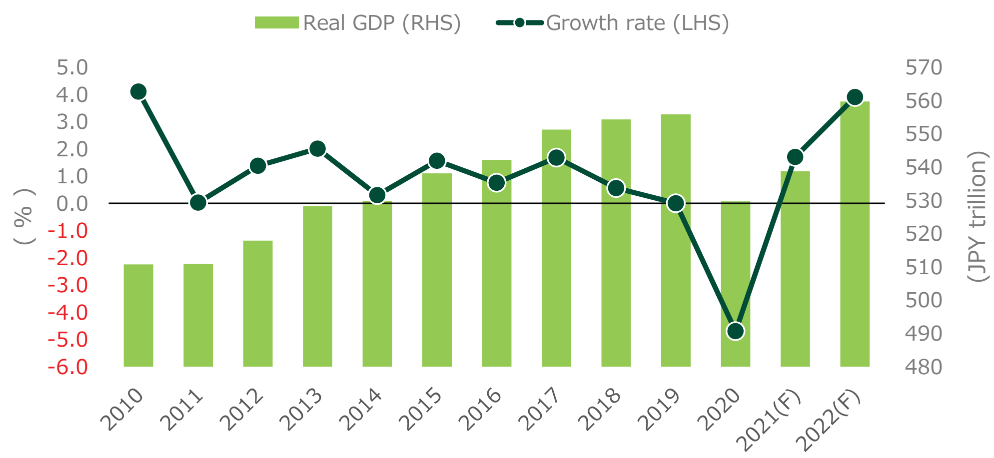
c. Economic indicators

i. GDP per capita, GDP growth

Japanese economy sharply contracted following the onset of the COVID-19 pandemic and the declaration of a nationwide state of emergency during April and May 2020. Real GDP fell by 29% q-o-q on an annualized basis in Q2 2020, the largest decline since current records began in 1955.

After the state of emergency was lifted at the end of May, the economy had begun to recover until another wave of infection started to negatively affect the sentiment from around the beginning of Q4 2020. On 7th January 2021, the government again declared the state of emergency for the four prefectures of Greater Tokyo, followed by another declaration on 13th January for additional seven prefectures, including Osaka, Kyoto, Aichi, and others. As a result of this, GDP for Q1 2021 was down 5.1% q-o-q on an annualised basis, a negative growth after two consecutive quarters of positive growth in Q3 and Q4 2020. For the whole of 2020, the economy has contracted by 4.7%, solely due to the substantial contraction recorded in Q2. For 2021, CBRE expects the GDP to recover by slightly below 2%, in anticipation of COVID-19 vaccine being disseminated during the first quarter of the year, as per the government's current plan.

・ Japan's GDP

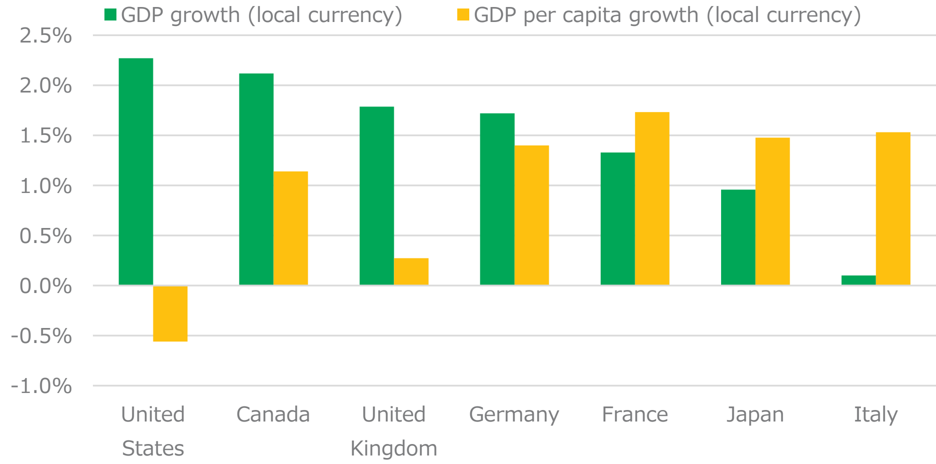


Source: Cabinet Office "Quarterly Estimates of GDP (2020)", Oxford Economics Global Data Workstation (2020), CBRE forecast (2020)

ii. GDP per capita, GDP growth comparison against the top 10 global economies

Among the G7 countries, Japan's average growth in GDP over the last 10 years ranks 6th, only above that of Italy. Of note, however, growth in GDP per capita is the third highest, after France and Italy, implying that for Japan, decline in population is weighing down on the overall growth of the economy.

- Comparison of 2010-2019 CAGR of GDP and GDP per capita for G7 countries

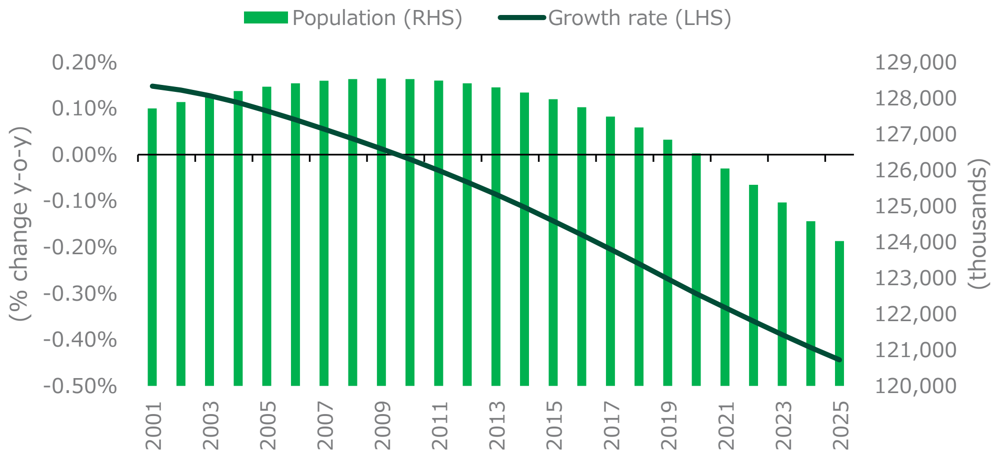


Source: Oxford Economics Global Data Workstation (2020)

iii. Population growth rate

Population in Japan has started to decline since 2010. Given the decline in birth-rate since the mid-70's, this trend is likely to continue, with the pace of decline anticipated to accelerate. While over the last ten years, the annual rate of decline has been around 0.13% on average, the rate is anticipated to accelerate to around 0.4% in the coming years.

- Japan's population and growth rate

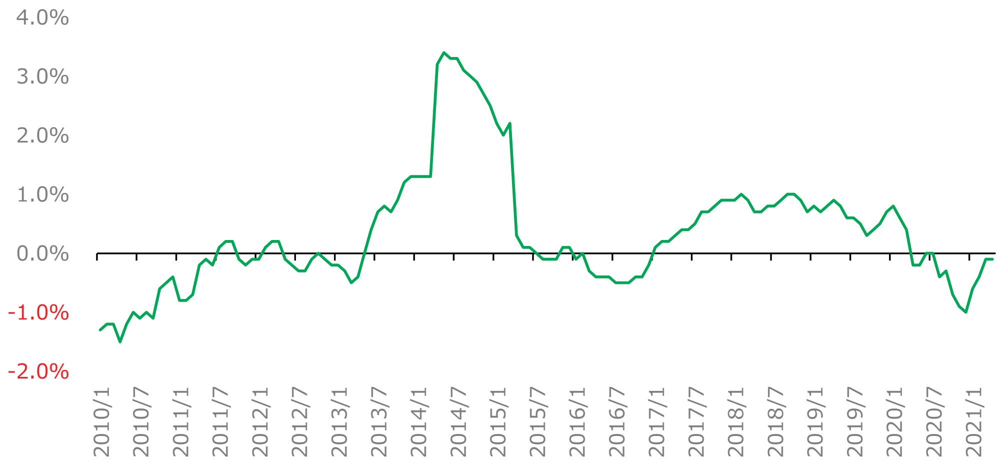


Source: Oxford Economics Global Data Workstation (2020)

iv. Inflation

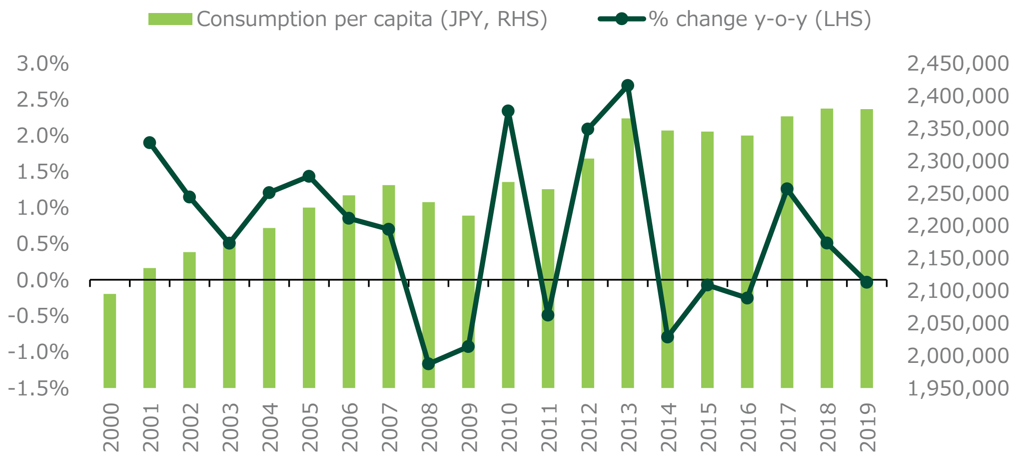
Excluding the 2014-2015 period when the CPI has been largely affected by the consumption tax hike, Japan's inflation has remained much below the Bank of Japan's target inflation rate of 2%. To be sure, the economy had shown an inflationary trend during 2017-2019, mainly led by lodging cost, distribution cost, etc. However, the onset of the COVID-19 pandemic has again brought down the pricing to a negative territory since April 2020. The latest CPI (core, excluding fresh food) as of April 2021 was down 0.1% y-o-y, marking a ninth consecutive month of decline. The pace of decline has eased somewhat in the last three months, but this is mainly as a result of rise in "energy" prices on the back of recovery in oil price. Excluding energy, the figure was down 0.2% y-o-y, which suggests that the underlying price remains deflationary.

- Consumer price index ("Core CPI" excluding fresh food, % change y-o-y)



Source: Ministry of Internal Affairs and Communications (2020)

- Consumer spending per capita

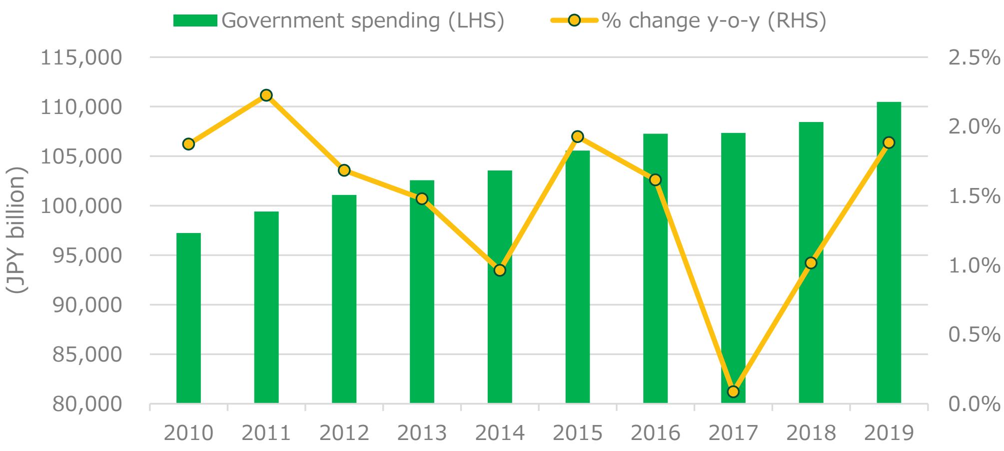


Source: Oxford Economics Global Data Workstation (2020)

v. **Government expenditure and fiscal policy**

Government spending has been one of the primary drivers of the economy, alongside private consumption and corporate capex. It had also been a major part of "Abenomics". In response to COVID-19 pandemic, the Japanese government implemented stimulus packages in April and May 2020, with an aggregate project size of JPY 234 trillion, equivalent to 40% of GDP. In August, authorities also launched the "Go To Campaign," with the objective of stimulating domestic tourism and consumption. The new Suga cabinet, formed in September 2020 following the resignation of Shinzo Abe as prime minister, has also put together additional economic recovery measures, with an estimated project size of JPY 73.6 trillion. The package consists of three major pillars, including the prevention of infection; the restructuring of the pandemic-era economy; and disaster management and reduction measures.

・ Government spending

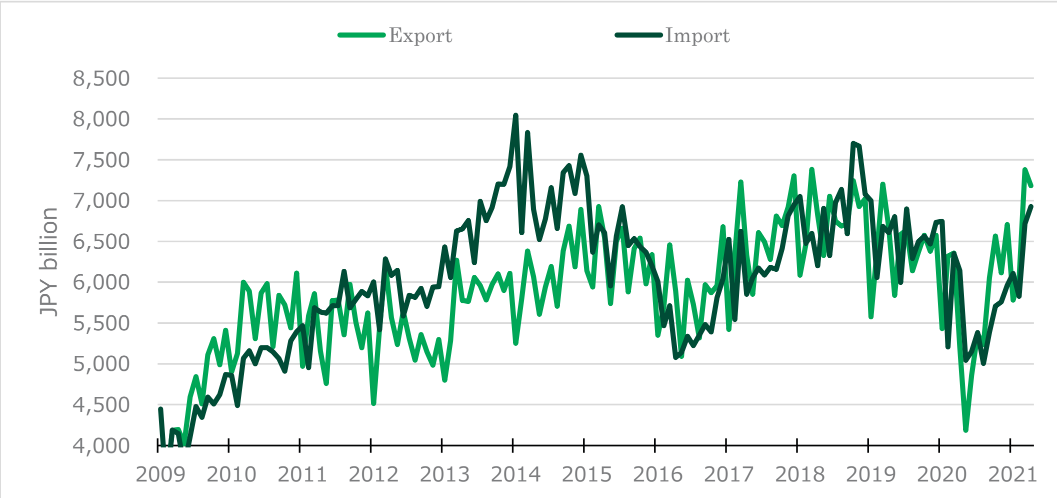


Source: Cabinet Office "Annual Report on National Accounts (2020)"

vi. Import / export volume

Trading slumped quite sharply during the 1H of 2020 due to the pandemic. The decline in both import and export was particularly pronounced from March 2020, after the pandemic has started to affect US and Europe in earnest. However, trading started to recover since June 2020 led mainly by export to Europe, once the lockdowns in the region have been lifted. The recovery trend over the last six months has been mainly led by automobiles and semi-conductors.

- Export and Import



Source: Ministry of Finance (2020)

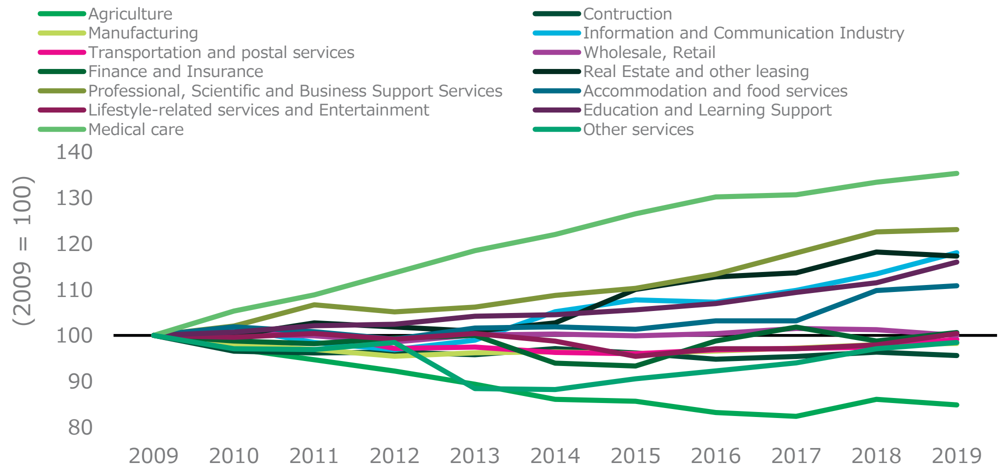
vii. Employment rates, employment rates by sectors

Unemployment rate has been trending just below 2.5% since 2018, after hitting the recent peak at 5.5% during the GFC in 2009. The increase in employment has been driven by medical care, professional business support, real estate, as well as information & communication. In 2020, however, the COVID-19 pandemic has negatively affected the labour market, raising the unemployment rate which reached 3.1% in October. The data has been decline since, however, with the latest figure at 2.6% in March, same level as April 2020..

- Nationwide unemployment rate

Source: Ministry of Internal Affairs and Communications

- Number of employments by sector (indexed)



Source: Ministry of Internal Affairs and Communications

viii. Interest rates

Japanese 10-year government bond yield has been declining since the Global Financial Crisis, as a result of Bank of Japan's Zero Interest Rate policy implemented in 2008, as well as the qualitative and quantitative monetary easing implemented in 2013. Further easing in the form of Negative Interest Rate Policy implemented in 2016 has kept the 10-year government bond yield close to 0% to date. Given that the inflation rate is still far below the Bank of Japan's target of 2%, the easy monetary policy is expected to continue over the next couple of years, which is likely to keep the interest rates low for longer.

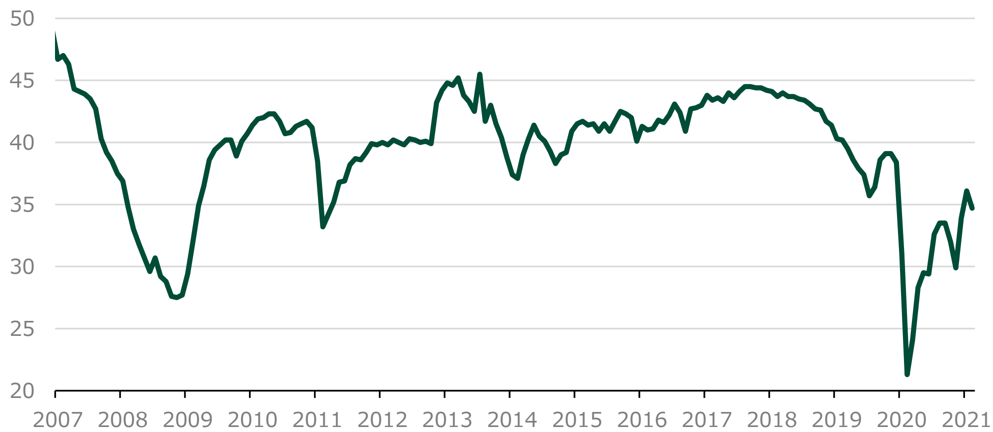
- Japan 10-year government bond yield

Source: Refinitiv Eikon Datastream (2020)

ix. Consumer and business confidence index

Both the consumer sentiment as well as the corporate sentiment had already started to show some weakness towards the end of 2018, as the trade war between US and China had started to affect the economy. However, they were holding up relatively well, until both dropped sharply in Q2 2020, as the COVID-19 pandemic resulted in the government's declaration of state of emergency in April 2020. Since the declaration has been lifted at the end of May, the sentiments had been recovering. However, the resurgence in the number of COVID-19 infection since autumn led to a two consecutive months of decline in consumer confidence index since December. Also, the second and third state of emergency declared in January and April 2021 has led to drop in the sentiment in both months. The sentiment may continue to decline over the next couple of months, given that the third state of emergency, which is in place until 31st May as of the timing of this writing, could be extended further. Meanwhile, the COVID-19 vaccination, which has started in earnest towards the end of May, is expected to improve the sentiment, and to put the economy back on recovery trend in the 2H of 2021.

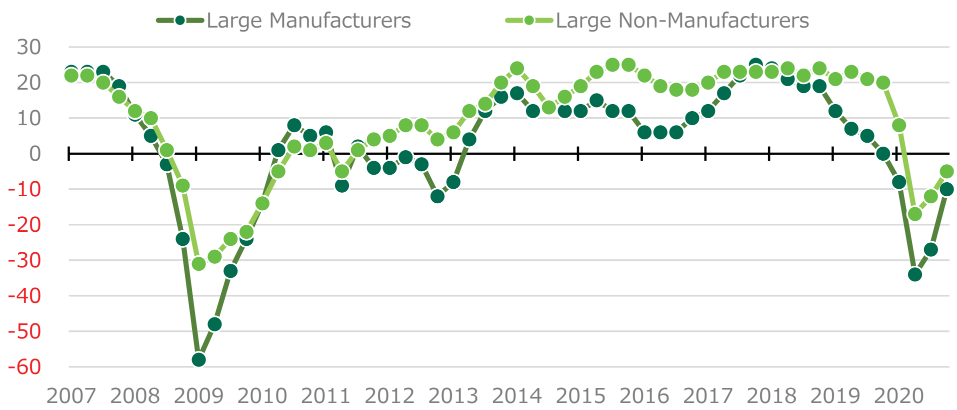
- Consumer Confidence Index



Source: Cabinet Office "Consumer Confidence Survey (2020)"

Note: The index is calculated from the surveyed scoring of four items including: "overall livelihood"; "income growth"; "employment"; and "willingness to buy durable goods".

・ Business Condition Diffusion Index



Source: Bank of Japan "Short-Term Economic Survey of Enterprises in Japan (2020)"

Note: The index is calculated by subtracting the percentage of respondents who have replied the business condition is "bad" from the percentage of those who replied that the business condition is "good".

x. Ease of doing business ranking

According to the latest survey by The World Bank, Japan ranked #29 for ease of doing business. The items which scored particularly low include: "Starting a Business; "Getting Credit" (which may very well be the case for foreign business); "Trading across Borders"; and "Protecting Minority Investors". Meanwhile, the item which is ranked relatively high includes "Resolving insolvency".

・ Ease of Doing Business rankings

Economy	Global Ranking	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Minority Investors	Paying Taxes	Trading across Borders	Enforcing Contracts	Resolving Insolvency
New Zealand	1	1	7	48	2	1	3	9	63	23	36
Singapore	2	4	5	19	21	37	3	7	47	1	27
Hong Kong SAR, China	3	5	1	3	51	37	7	2	29	31	45
Denmark	4	45	4	21	11	48	28	8	1	14	6
Korea, Rep.	5	33	12	2	40	67	25	21	36	2	11
United States	6	55	24	64	39	4	36	25	39	17	2
Georgia	7	2	21	42	5	15	7	14	45	12	64
United Kingdom	8	18	23	8	41	37	7	27	33	34	14
Norway	9	25	22	44	15	94	21	34	22	3	5
Sweden	10	39	31	10	9	80	28	31	18	39	17
Lithuania	11	34	10	15	4	48	37	18	19	7	89
Malaysia	12	126	2	4	33	37	2	80	49	35	40
Mauritius	13	20	8	28	23	67	18	5	72	20	28
Australia	14	7	11	62	42	4	57	28	106	6	20
Taiwan, China	15	21	6	9	20	104	21	39	61	11	23
United Arab Emirates	16	17	3	1	10	48	13	30	92	9	80
North Macedonia	17	78	15	68	48	25	12	37	32	47	30
Estonia	18	14	19	53	6	48	79	12	17	8	54
Latvia	19	26	56	61	25	15	45	16	28	15	55
Finland	20	31	42	24	34	80	61	10	37	45	1
Thailand	21	47	34	6	67	48	3	68	62	37	24
Germany	22	125	30	5	76	48	61	46	42	13	4
Canada	23	3	64	124	36	15	7	19	51	100	13
Ireland	24	23	36	47	60	48	13	4	52	91	19
Kazakhstan	25	22	37	67	24	25	7	64	105	4	42
Iceland	26	64	72	16	16	94	28	42	53	33	12
Austria	27	127	49	29	31	94	37	44	1	10	22
Russian Federation	28	40	26	7	12	25	72	58	99	21	57
Japan	29	106	18	14	43	94	57	51	57	50	3
Spain	30	97	79	55	59	80	28	35	1	26	18

Source: World Bank Group "Doing Business 2020"

xi. Industrial production index

The industrial production has started to drop in March 2020, mainly as the onset of COVID-19 pandemic in China has started to disrupt the supply chain. With the Japanese government's first declaration of state of energy in April 2020, its May figure reached the lowest level since March 2009 (during the Global Financial Crisis). Since the lifting of the declaration at the end of May, however, it has been on a recovery trend, mainly due to the recovery in export-led automobile production.

・ Industrial production index

Source: Ministry of Economy, Trade and Industry

d. Global and national trends and their corresponding impact on the economy

i. Impact of Tokyo Olympics 2020

Tokyo Olympics, which is now planned for July 2021, has never been seen as having a major impact on the Japan economy, in and of itself. It has generally been seen as an event that may further boost the "Japan brand", thereby supporting further growth in inbound tourists in the post-Olympic years. As of this writing at the end of January, it is still uncertain whether the event will go ahead as planned or not, given that the number of infections has not yet come down substantially. The Japanese government, however, appears determined to make it happen. But even if it were to be cancelled, the impact on the economy, particularly on inbound demand in the upcoming years, is likely to be limited. More important question with regards inbound demand would be how soon the pandemic can be contained and the country to be re-opened.

ii. Low interest rate environment

The Bank of Japan has announced on 19th March that it will continue its easy monetary policy, which includes yield curve control (purchasing of government bonds to maintain the 10-year government bond yield at around 0%), as well as asset purchases (purchasing of ETF, J-REITs, commercial paper, and corporate bonds when deemed necessary). Given that the inflation rate is still far below the Bank of Japan's target of 2%, the easy monetary policy is expected to continue over the next couple of years, keeping the interest rates low for longer.

Meanwhile, while the low cost of debt is one of the effective means to combat economic slowdown or contraction, fiscal policy is a crucial factor to actually put the economy back on growth trend. In response to contraction in the economy as a result of measures to counter the COVID-19 pandemic, the government has budgeted for a series of stimulus packages in 2020 and for 2021, totalling JPY307trillion, which equates to approximately 55% of GDP.

iii. Trade war, COVID-19

The trade war between US and China has been the major challenge the Japanese economy has faced in recent years. Impact of drop in global trade has started to be felt towards the end of 2018 and led to full year decline in export in 2019, contributing to the slowdown of GDP growth for the year.

The COVID-19 pandemic and the measures to counter the spread of infection, has exacerbated the economic slowdown, and, as mentioned previously, led to 28.8% q-o-q (annualised) drop in Q2 2020. With the second declaration of state of emergency in January, in response to the resurgence of number of infection from November 2020, it is now generally anticipated that GDP for Q1 2021 is likely to record a negative growth again. However, the approval of vaccines in US and Europe has raised the expectation for normalisation of the economy, and dissemination in Japan is also expected to be initiated during H1 of 2021. As such, while there is a risk of another downturn in the short run, it is generally expected that the economy should start showing a recovery trend from around the middle of 2021.

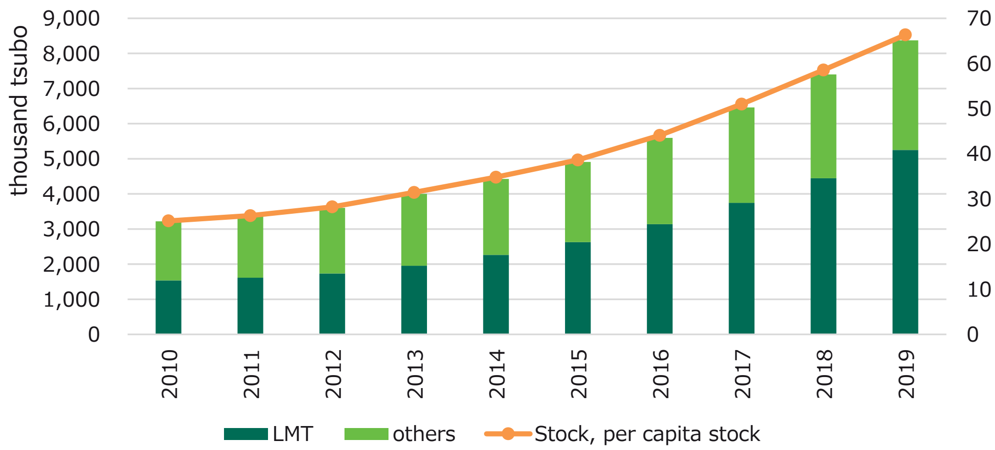
2. Japan Logistics Market Overview

a. Macro trend of logistics market

i. Stock, per capita (nationwide)

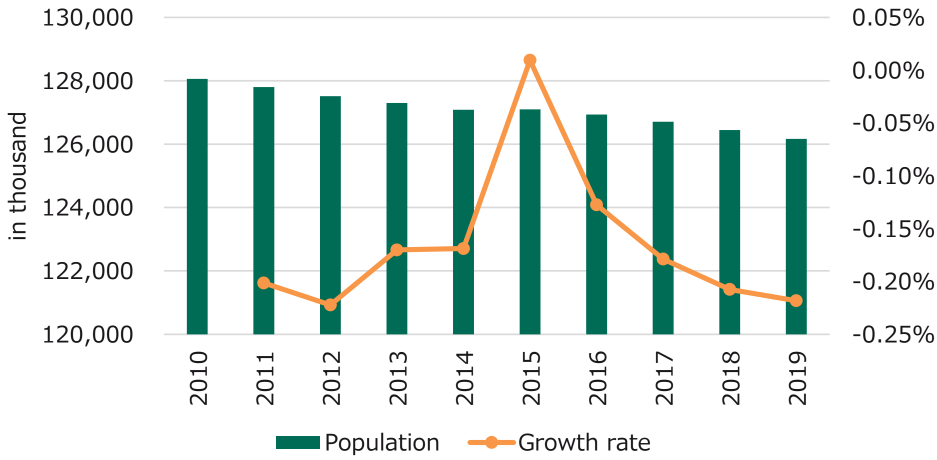
Since the beginning of 2000, logistics development has been progressing mainly in the Greater Tokyo area by foreign-affiliated real estate developers. In 2010, logistics stock amounted to approximately 3 million tsubo and has exceeded 8 million tsubo in the last 10 years, which is about 2.5 times higher than the 2010 level. There have been many new players entering the market in recent years, and the logistics sector has become the preferred asset type among developers; as such, logistics stock has been expanding at an even more rapid pace.

・ Stock, per capita stock (nationwide)



Source: CBRE

・ Population growth rate (nationwide)



Source: Ministry of Internal Affairs and Communications, Estimated Population in Japan (2020)

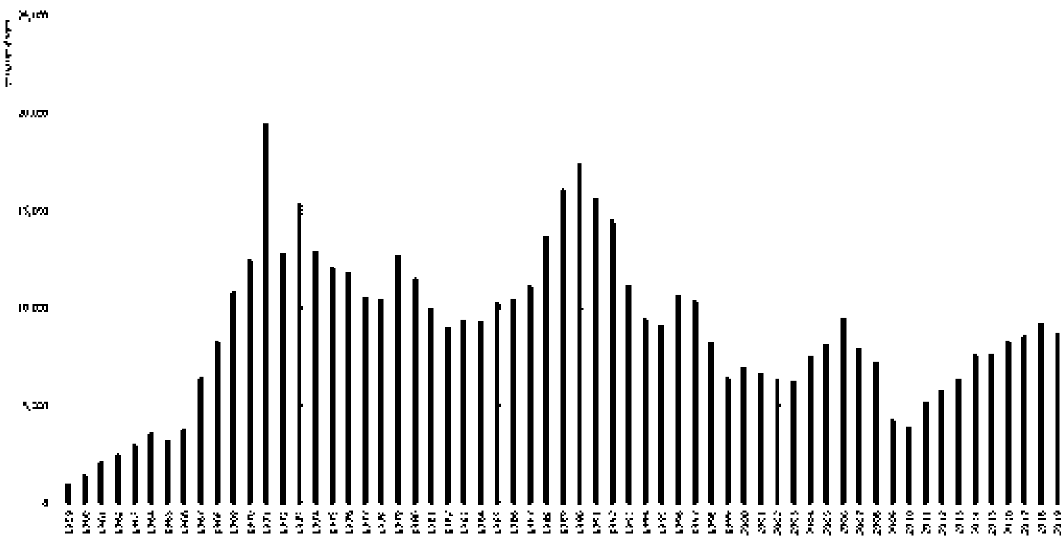
ii. **Trend of stock renewal**

Since the beginning of 2000, modern logistics facilities have been developed mainly in metropolitan areas, and the market has grown rapidly in recent years due to the rapid progress of online shopping. However, the stock ratio of modern logistics facilities nationwide is approx. 3-4%. Even in Greater Tokyo area (Tokyo, Saitama, Kanagawa, Chiba, Ibaraki), LMT logistics facilities consist only 9.7% of total warehouses as of 2019. Looking at the trends in warehouse construction volume nationwide, the first peak of constructions was seen during the latter half of the 1960s and around 1970, which is the period of high economic growth, and the secondary peak was seen around 1990, which was the bubble period. Since 2011, after the Global Financial Crisis, the amount of construction has increased with many real estate development companies entering into the logistics market, but it is not a large amount compared to the previous peak.

The lack of advanced logistics facilities is assumed to be due to such slow progress on rebuilding old facilities that were supplied before the bubble period.

Reconstruction cycle of logistics facilities varies depending on the scale and usage. However, in most cases facilities are reconstructed around 40 to 50 years after the completion. As such, facilities which were constructed in the mass supply period around 1970 will require to be reconstructed. It is highly likely that demand for advanced logistics facilities would become even more apparent as many companies are seeking new place to expand their bases to meet the increased needs for stay-at-home consumption of foods and items etc. in light of the COVID-19 pandemic.

・ Long-term Construction Trend

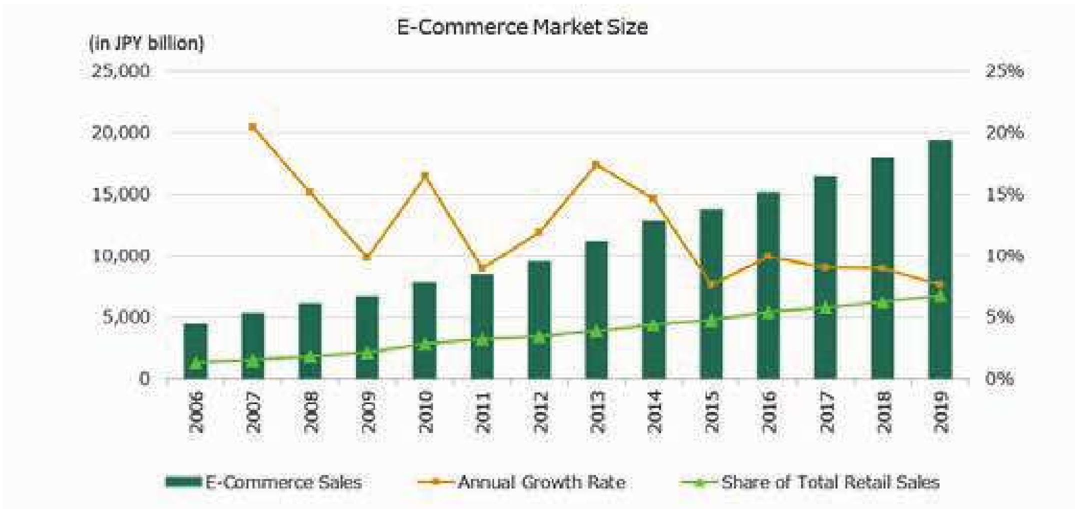


Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts (April 2020)

iii. Trend of e-commerce and 3PLs

Following the rapid growth of e-commerce retail sales, companies are investing in upgraded facilities to meet the surge in demand, and e-commerce companies have become the biggest tenants of large-scale logistics facilities. Retail e-commerce sales have grown fourfold since 2006, and reached nearly JPY 20 trillion in 2019. With aging society and growing working female population, e-commerce demand has steadily been on the rise. In addition, internet usage for buying daily necessities and other goods increased exponentially amid COVID-19 environment, which will further accelerate the growth of e-commerce market.

Speed of delivery is the biggest concern for online shoppers, and therefore, well-functioning logistics facility is one of the key elements for successful e-commerce business. Many e-commerce retailers moved into highly functional logistics facilities developed by real estate companies. Logistics needs are expected to further increase especially for convenient location in densely populated urban cities, where it is easier to secure enough workers, or facilities with efficient transportation functions such as slopes and ramps.

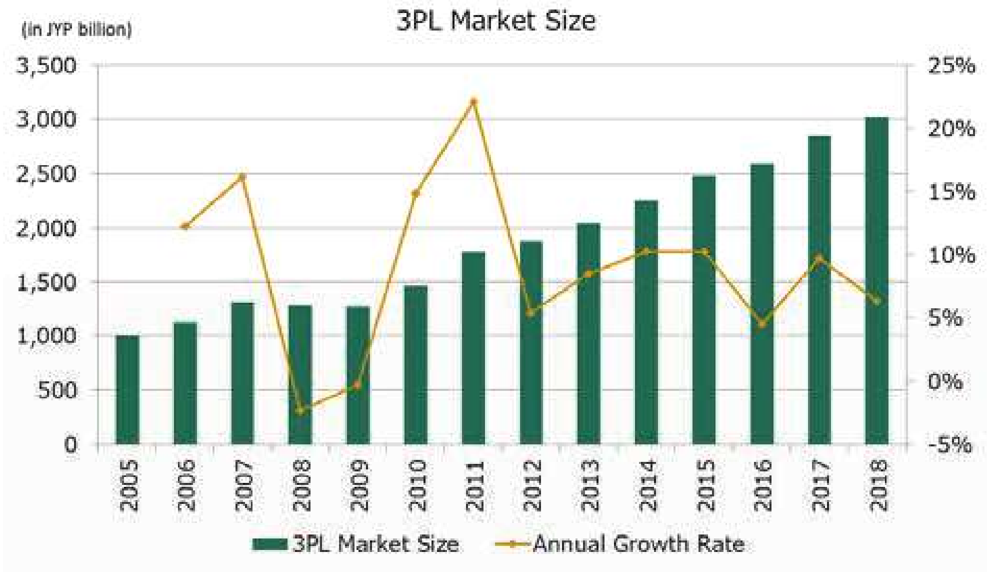


	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
E-Commerce Sales	4,400	5,300	6,100	6,700	7,800	8,500	9,513	11,166	12,797	13,775	15,136	16,505	17,985	19,361
Annual Growth Rate		20.5%	15.1%	9.8%	16.4%	9.0%	11.9%	17.4%	14.6%	7.6%	9.9%	9.0%	9.0%	7.7%
Share of Total Retail Sales	1.3%	1.5%	1.8%	2.1%	2.8%	3.2%	3.4%	3.9%	4.4%	4.8%	5.4%	5.8%	6.2%	6.8%

Source: Ministry of Economy, Trade and Industry, The FY2019 Global Economy Survey for Formulating an Integrated Domestic and External Economic Growth Strategy (E-Commerce Market Survey)

Third-party logistics (3PL) operators has played a major role since the logistics market began to emerge. 3PL market has grown from JPY 1 trillion in 2005 to JPY 3 trillion in 2018.

Many companies have tended to outsource logistics activities to third-party operators, and 3PL market is likely to grow further hereafter. U.S. and European 3PL markets are also expanding. In the past, logistics companies generally handled facilities by themselves, but they now need to focus on the process of better transport integration which includes cargo, transportation, customs and storage of goods, to achieve an efficient and low-cost transport system.



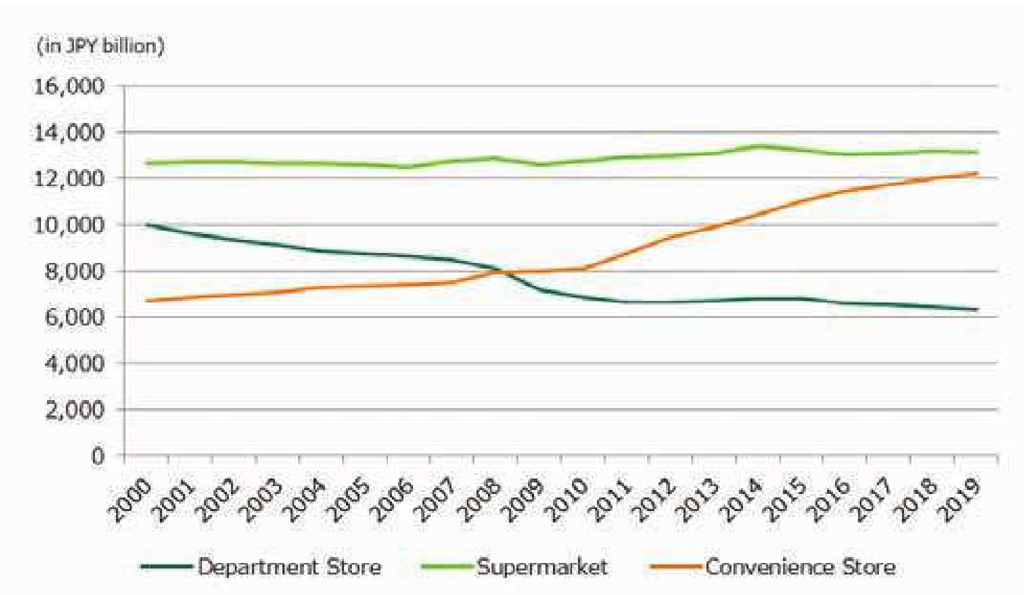
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
3PL Market Size	1,001	1,124	1,306	1,275	1,272	1,461	1,784	1,879	2,039	2,249	2,481	2,593	2,846	3,026
Annual Growth Rate		12.2%	16.2%	-2.3%	-0.3%	14.9%	22.1%	5.3%	8.5%	10.3%	10.3%	4.5%	9.8%	6.3%

Source: Monthly Logistics Business, 3PL Market Size in Japan (September 2019)

Looking at the transition of the retail industry, department stores, which used to be the leading role, has been on the decline, and convenience stores emerged since 2000s. Supermarkets continues to show steady sales overall, but currently tends to change their marketing strategy. Of Japan's top grocery chains, Ito-Yokado closed 40 stores and Aeon renovated all stores in 2015. Many supermarkets started to offer online shopping option, and therefore require distribution centers for deliveries.

Compared to department stores, which have been hit hard by the drastic decrease in foreigners visiting Japan due to the impact of COVID-19 outbreak, sales at convenience stores and supermarkets have grown, which could lead to the reorganization of their logistics locations.

・ Size of Retail Market



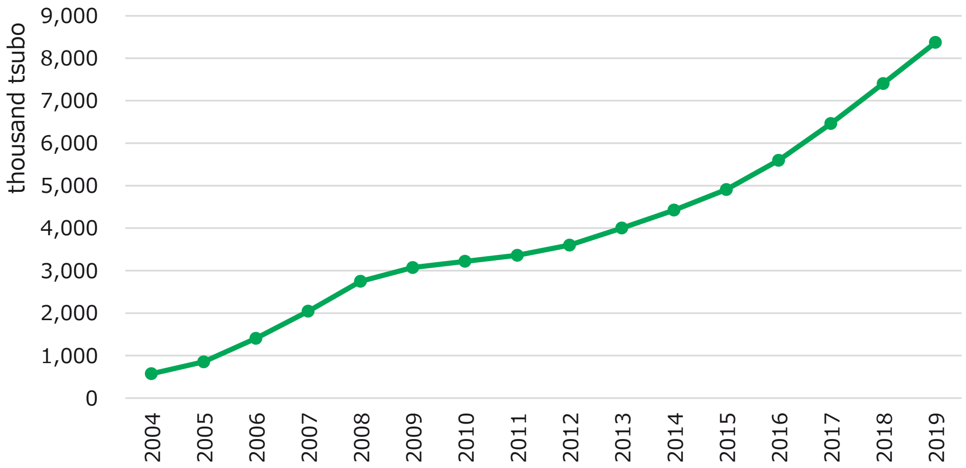
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Department Store	10,011	9,626	9,365	9,107	8,854	8,763	8,644	8,465	8,079	7,177	6,842	6,661	6,639	6,720	6,827	6,826	6,598	6,553	6,443	6,298
Supermarket	12,622	12,715	12,668	12,653	12,614	12,565	12,501	12,734	12,872	12,599	12,737	12,933	12,953	13,058	13,370	13,223	13,000	13,050	13,161	13,098
Convenience Store	6,680	6,846	6,980	7,096	7,289	7,360	7,399	7,490	7,943	7,981	8,114	8,775	9,477	9,872	10,423	10,996	11,446	11,745	11,978	12,184

Source: Ministry of Economy, Trade and Industry, Current Survey of Commerce (June 2020)

iv. History and trend of logistics facilities in Japan

2001	J-REIT market was established.
2002	Prologis completed Japan's first logistics project "Prologis Park Shinkiba".
2003	Completion of “Prologis Park Tokyo” and “Prologis Park Narita”, the first multi-tenant logistics facility in Greater Tokyo Area
2004	Completion of Greater Osaka's first multi-tenant logistics facility
2005	Japan Logistics Fund, Inc. listed on J-REIT as Japan's first REIT specializing in logistics facilities.
	Enforcement of Comprehensive Logistics Efficiency Act
2007	Industrial & Infrastructure Fund Investment Corporation listed on J-REIT.
	Many logistics facilities were newly supplied in Osaka Bay area.
2009	GL Properties was established (currently Japan GLP).
	Greater Tokyo’s vacancy rates remained high due to a vast new supply.
2011	Amazon started same-day delivery.
	Greater Tokyo’s vacancy rate considerably improved due to a surge in logistics demand driven by the Great East Japan Earthquake.
2012	Daiwa House REIT Investment Corporation listed on J-REIT, as a logistics REIT for the first time in 5 years.
2013	Domestic developers, Mitsui Fudosan and Mitsubishi Estate newly entered the logistics market.
	Logistics REIT-holding assets exceeded JPY 1 trillion.
	EC market size exceeded 10 trillion yen.
2015	New route opened between "Kawajima IC" and "Kuki JCT" on Ken-O Expressway.
	Seven & i Holdings started to offer an online supermarket.
2016	Logistics REIT-holding assets exceeded 2 trillion yen.
	Logistics robot has expanded in the market.
2017	Greater Osaka’s development activity got activated in inland area, and supply hit its peak.
2018	New route opened between Misato Minami IC and Takaya JCT on Gaikan Expressway.
	New domestic developers got activated to enter into the market.
2019	Both new supply and demand recorded new high in Greater Tokyo area.
2020	Greater Tokyo’s vacancy rate reached record low due to strong e-commerce demand.

・ Logistics Stock in Japan



Early Period	Downturn Period	Expansion Period
Foreign fund was the primary driver of logistics market, and the development area was expanded to bay areas and around airports.	The 2008 financial crisis and mass supply impacted the supply-demand conditions. Then afterwards, there was a sharp decline in supply.	The logistics market has expanded due to active new players and increased supply.

Source: CBRE

v. Recent activities of large-scale consolidations

・ Large-scale leases in recent years

NO	Property Name	Location	Gross Floor Area (tsubo)	Completion	Tenants	Assumed Rental Area (tsubo)
1	MFLP Kawaguchi I	4-3342-1, Ryoke, Kawaguchi-shi, Saitama	16,578	Oct 2019	Amazon	15,000
2	Nissei Logistics Center Yokohama Machida	1742-7, Shimotsuruma, Yamato-shi, Kanagawa	29,117	Oct 2019	Daiwa Corporation	24,000
3	MFLP Yokohama Kohoku	760-1, Kawawa-cho, Tsuzuki-ku, Yokohama-shi, Kanagawa	15,216	Nov 2019	Rakuten/Seiyu	13,000
4	DPL Sakado	Within the land readjustment project site of Nissai Tobu, Sakado-shi, Saitama	54,413	Mar 2020	Amazon	20,000
5	Landport Narashino	3-7-2, Akanehama, Narashino-shi, Chiba	42,904	Mar 2020	ZOZO	10,000
6	Landport Ome II	2-9-1, Suehiro-cho, Ome-shi, Tokyo	20,300	Mar 2020	Konoike Transport	16,000
7	MCUD Ageo	Aza-maeda, Oaza-Tsutsumisaki, Ageo-shi, Saitama and Aza-Mae, Oaza-Nakaarai, Ageo-shi, Saitama	31,421	May 2020	Amazon	27,000
8	MFLP Yachiyo Katsutadai	1807-3, Aza-Nakano and 1940-3, Aza Sasadate, Kamikoya, Yachiyo-shi, Chiba	22,800	Aug 2020	Hitachi Transport System	21,000
9	ESR Toda Distribution Center	3-17, Niizominami, Toda-shi, Saitama	26,136	Sep 2020	Nakano Shokai	24,000
10	DPL Yokohama Sachiura	2-6-4, Sachiura, Kanazawa-ku, Yokohama-shi, Kanagawa	10,348	Oct 2020	SBS Logicom	10,000
11	Prologis Park Chiba II	210-1, Roppo-cho, Inage-ku, Chiba-shi, Chiba	20,634	Nov 2020	Asahi Logi	8,000

- Large-scale consolidations in recent years

NO	Tenants	Details of Relocation	Year of Relocation
1	Cosmetics Company	Three warehouses in Ota-ku were consolidated into a single new-build warehouse facility in Kawasaki-shi.	2020
2	Medical Company	Two warehouses in Kawasaki and Osaka were consolidated into a single warehouse facility in Ota-ku.	2020
3	Electronics Company	Two warehouses in Shinagawa-ku were consolidated into a single warehouse facility in Shinagawa-ku.	2020
4	Logistics Company	Two warehouses in Shinagawa-ku were consolidated into a single warehouse facility in Shinagawa-ku.	2020
5	Muto (Medical Wholesaler)	Several logistics operations in Saitama prefecture were consolidated into a single new-build warehouse facility, "Logi-front Koshigaya I".	2019
6	Bic Camera (Electronics Retailer Chain)	Due to the merger with Kojima, 18 warehouses have been consolidated into 9 locations. In the Greater Tokyo area, five warehouses located in Higashi-Matsuyama-shi (Saitama prefecture), Urayasu-shi (Chiba prefecture), Itabashi-ku (Tokyo), Utsunomiya-shi (Tochigi prefecture) and Tachikawa city (Tokyo) were consolicated into one new facility in Higashi-Matsuyama-shi and two large-scale facilities in Funabashi-shi (Chiba prefecture) primarily for e-commerce operations.	2017

vi. **Future supply and demand drivers/ logistics market overview**

New supply in the Greater Tokyo area has continuously reached new highs; however, vacancy rate remains at an historic low along with robust demand. Logistics demand has been robust especially for e-commerce business and is expected to further grow as online shopping frequency is increasing due to the ongoing COVID-19 pandemic. On the supply side, new participants have also been increasing year on year. Especially after the pandemic, new developers are considering entering the market; and the number of new suppliers is expected to further increase. The Greater Tokyo area has a growing number of new developments along the Ken-O Expressway; and in the Greater Osaka area, development areas will likely be expanding mainly in inland areas with a new route on the Shin-Meishin Expressway, which is slated to fully open in FY 2023.

Meanwhile, despite the expansion of large-scale developments, there has been potential demand for replacement of old facilities which were built during Japan's high-growth economy period, which is likely to boost the logistics market in medium-run forecasting.

Furthermore, many occupiers are considering investment in automation technologies such as self-driving vehicles for their warehouse operation in the near future and development of regional logistics assets would likely be increased.

b. Impact/affect over logistics sector

i. Low interest rate environment

While the Bank of Japan's monetary easing measures continue, real estate investing in Japan allows investors to take advantage of relatively higher returns in low mortgage rates as compared to other Asian countries. As such, foreign investors have become bullish on Japanese assets as an attractive investment option.

In particular, logistics sector has been recognized as a stable asset type to invest in, and become increasingly popular among investors. Logistics investment market is seeing significant growth.

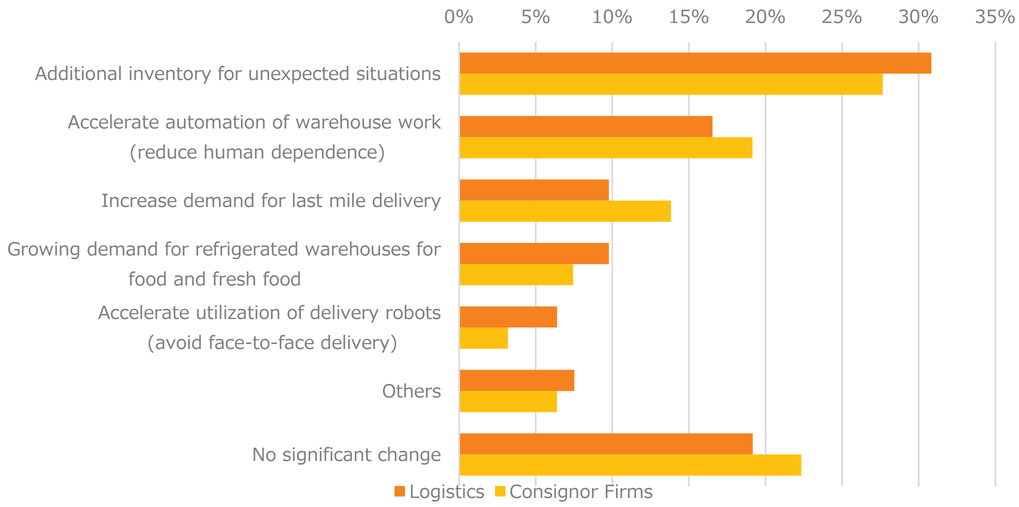
ii. US/China trade war

The China-US trade conflicts have lasted since the end of last year. While it has not yet resulted in a major impact such as U.S. withdrawal from relations with China, since China is Japan's largest trading partner, logistics sector might be affected after the US presidential election. If the U.S. withdrawal from China progresses, it might affect logistics development such as rebuilding supply chains, which includes manufacturing and distribution hubs.

iii. COVID-19

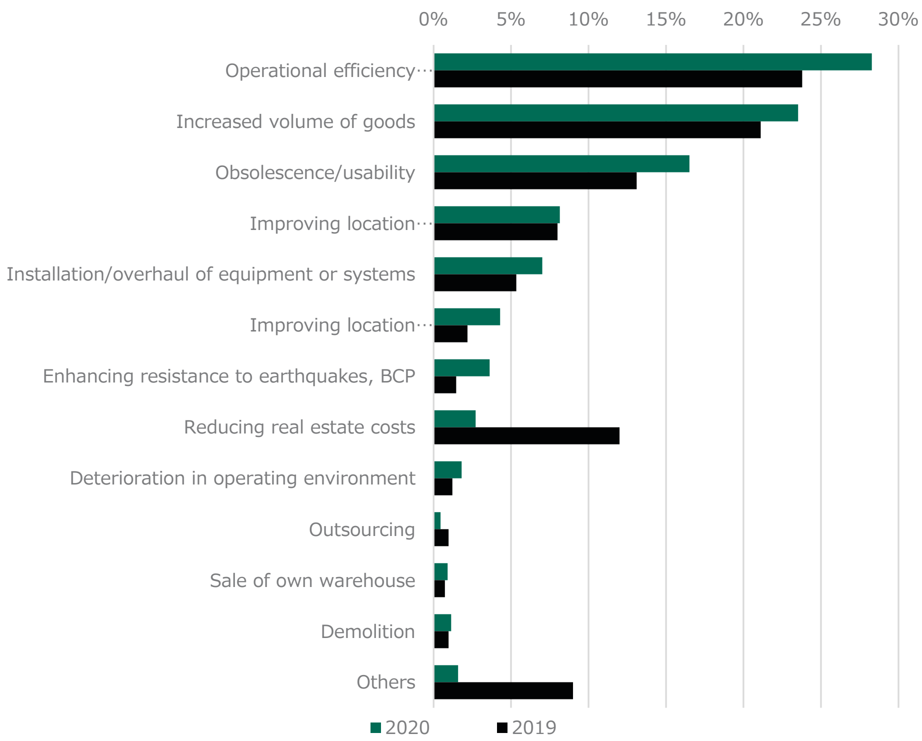
According to our June 2020 survey of the longer-term impact of COVID-19 for occupiers, most commonly chosen answer was "to shore up inventory levels" which accounted for 30% of respondents. The impact of supply-chain disruption due to the outbreak of COVID-19 has resulted in many occupiers considering it is necessary to increase inventory levels in preparation for unforeseen circumstances in the future. The second most common response was “accelerate automation of warehouse work” (17%). In many cases, logistics labor costs have tended to increase parallel to increase in cargo. demand for labor in the wake of the pandemic. Companies are hoping that automation technology will provide efficiency and improve profitability. Occupiers are boosting efforts to maintain business operations while securing employee health and safety with several measures including social distancing in the facilities during the coronavirus outbreak. Automation is likely to be necessary in such circumstances

・ Mid to-long term impact of COVID-19



Source: CBRE, Logistics Occupier Survey (2020)

・ Reasons for relocation and reorganization



Source: CBRE, Logistics Occupier Survey (2020)

c. Other (specific to logistics market)

i. Preference of suppliers and occupiers

Occupier preferences vary depending on their businesses. Third-party logistics providers tend to search for new locations over a wide area where the rent is relatively lower as their clients request to reduce logistics costs. Meanwhile, in an area where the rent is higher such as the Tokyo Bay area, courier companies, import/export companies, precision machinery companies, medical companies, etc., which are able to shoulder expensive rent and prioritize easy-to-access locations to the CBD, tend to be the typical tenants.

Developers are choosing their locations primarily in the Greater Tokyo area, where the investment volume is large; however, each company has a different business strategy. Generally, most developers tend to place emphasis on the proximity to mass-consumption areas or highway interchanges, arterial roads and ports, which are the basic infrastructure necessary for logistics operation. Developers are also searching for convenient locations where it is easy to secure staff in densely populated areas or around train stations as occupiers struggle to secure operating staff.

ii. Market practice of lease contract

- Lease renewal rate

Currently, no termination of lease due to COVID-19 impact is seen, as typically the lease contracts are fixed long term leases. Even for companies recently affected by COVID-19 and dropped its performance, they are still at wait-and-see mode whether to consider for relocation/contraction.

- Downtime

Vacancy rate in the market has remained at a low level, and no facilities has been vacated for a long period. Pre-leasing of uncompleted facilities are progressing well. During April to May period, inquiries for space and relocation considerations declined temporarily due to the impact of State of Emergency Declaration by the government. Although there is concern that business performance for some companies will drop due to the impact of COVID-19 in the future, currently, no significant negative change in downtime has been apparent.

- Rent collection/rent relief requests

Delays in rent payments were reported in urban commercial facilities due to revenue losses caused by COVID-19, however such cases have not been seen with logistics facilities.

- Rent growth in modern logistics facilities

Rents continued to rise reflecting a tight supply-demand balance. In most cases, rent growth is not affected by the COVID-19 but has been solid growth, reflecting a well-balanced supply and demand.

・ Lease lengths

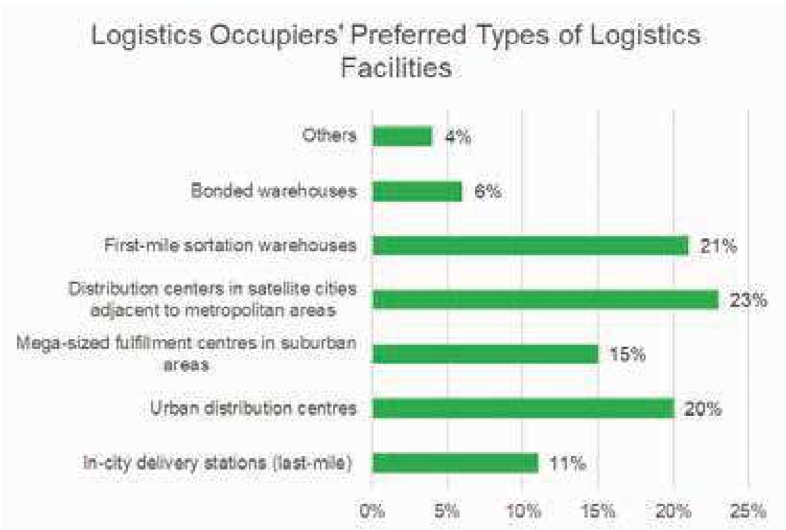
Leasing activity has recovered since State of Emergency Declaration by the government, but there has been no significant change in the lease term, compared to before the COVID-19 outbreak.

iii. Consideration on Occupier Survey

A Logistics Occupier Survey was conducted by CBRE on 239 companies that use logistics facilities in Japan, whether owned or leased, to summarize the future strategies of tenants. The survey was conducted between March 16, 2021 and March 26, 2021.

・ Types of locations preferred by tenants

According to the results of the survey asking what type of area and type of warehouse tenants prefer, the largest number of tenants (23%) prefer "Distribution centers in satellite cities adjacent to metropolitan areas" followed by "First-mile sortation warehouses" and "Urban distribution centres". In addition, 15% of tenants prefer a "Mega-sized fulfillment centres in suburban areas" with wide-area jurisdiction. As for occupier preferences, there are some occupiers who prefer suburban areas where land is easy to secure while basically preferring areas close to consumption areas.



Source: CBRE, Logistics Occupier Survey (2021)

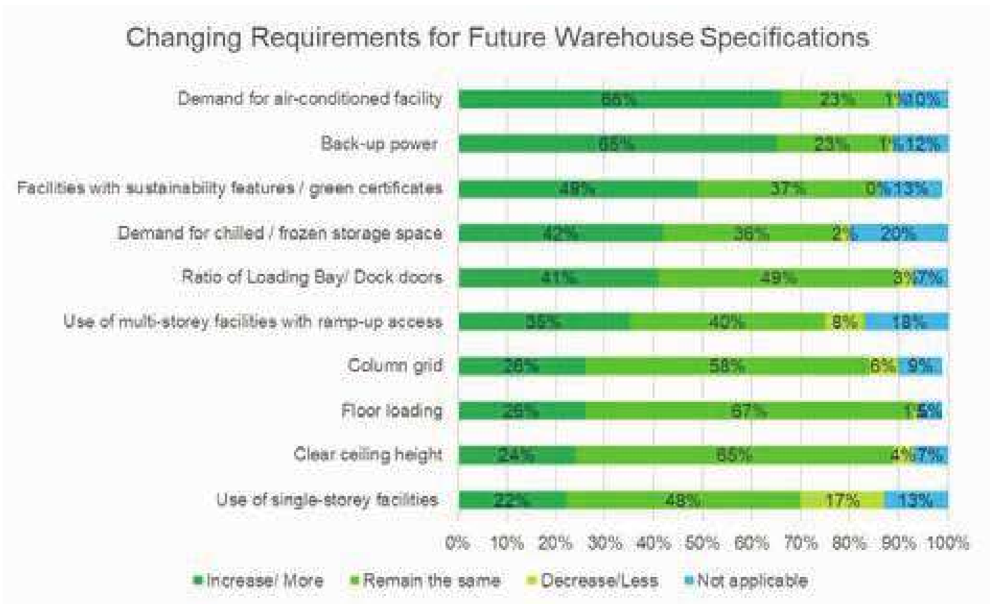
・ Automation of facilities

When asked what measures they will prioritize and emphasize over the next three years, the most common answer, at 64%, was "Introduce mechanized and automated equipment" followed by "Open new distribution centres, expand floor area". This suggests that tenants' business strategy is to expand their floor space in order to meet future increases in demand, while at the same time improving efficiency through mechanization and automation.

Source: CBRE, Logistics Occupier Survey (2021)

・ Occupiers' opinions on ESG and environmental performance, etc.

When asked about future changes in requirements with regard to warehouse specifications, " Demand for air-conditioned facility" was the most common answer for "Increase/ More" in the future, while " Facilities with sustainability features / green certificates" was the third most common at 49%. It can be said that ESG will have to be aware in the future in the context of social demands, and it is expected that facilities that meet the needs of environmental measures will be increasingly demanded in the future.



Source: CBRE, Logistics Occupier Survey (2021)

CBRE

iv. Logistics market players' activities

Logistics has become the preferred asset type among domestic developers over the past few years. While the annual supply volume reached a new high, the vacancy rate remained at a low level, which is reflecting the strong demand; this is the reason this asset type is preferred. After the COVID-19 outbreak, there is uncertainty for investing in offices, hotels, commercial facilities, whereas logistics and residential properties remains attractive. Strong logistics demand is seen especially for online shopping due to the impact of COVID-19. Logistics sector is likely to be the most attractive asset type for investment consideration, as the investment volume of logistics assets is typically higher compared to residential properties. Since the COVID-19 outbreak, some companies are considering for logistics investment, and more new players are likely to enter the market.

<u>New/recent active players</u>

Domestic: Tokyo Tatemono, Sankei Building, Kanden Realty & Development

International: Morgan Stanley, Invesco, CBRE Global Investors

・ Domestic and international developers and investors

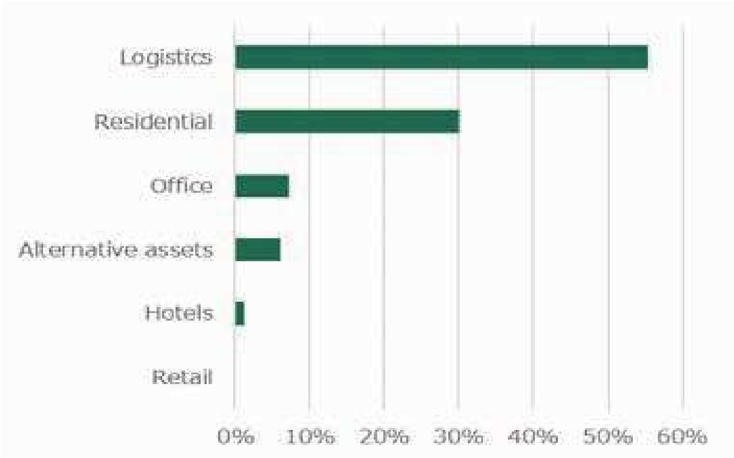
NO	Company Name	J-REIT/Developer	Domestic/International	Total Holding Area (sqm)
1	Nippon Prologis REIT, Inc.	J-REIT	International	3,386,331
2	GLP J-REIT	J-REIT	International	3,133,519
3	Daiwa House Industry Co., Ltd.	Developer	Domestic	3,123,872
4	GLP Japan Inc.	Developer	International	2,520,553
5	Daiwa House REIT Investment Corporation	J-REIT	Domestic	1,707,405
6	ESR	Developer	International	1,668,716
7	LaSalle LOGIPORT REIT	J-REIT	International	1,460,614
8	Japan Logistics Fund, Inc.	J-REIT	Domestic	1,389,758
9	Mitsui Fudosan Logistics Park Inc.	J-REIT	Domestic	1,231,610
10	Goodman Japan Limited.	Developer	International	1,109,368
11	Mitsui Fudosan Co., Ltd.	Developer	Domestic	849,995
12	Industrial & Infrastructure Fund Investment Corporation	J-REIT	Domestic	845,734
13	Nomura Real Estate Master Fund, Inc.	J-REIT	Domestic	815,449
14	Diamond Realty Management	Developer	Domestic	776,976
15	Mitsubishi Estate Logistics REIT Investment Corporation	J-REIT	Domestic	762,237
16	LaSalle Investment Management	Developer	International	667,654
17	SG Realty Co., Ltd.	Developer	Domestic	594,108
18	ORIX Corporation	Developer	Domestic	546,325
19	Nomura Real Estate Development Co., Ltd.	Developer	Domestic	515,698
20	Mitsubishi Estate Co., Ltd.	Developer	Domestic	513,153

Source: Prepared by CBRE based on press releases from each company (June 2020).

v. Preference for logistics sector (Result of investor survey; please see overleaf for graphs)

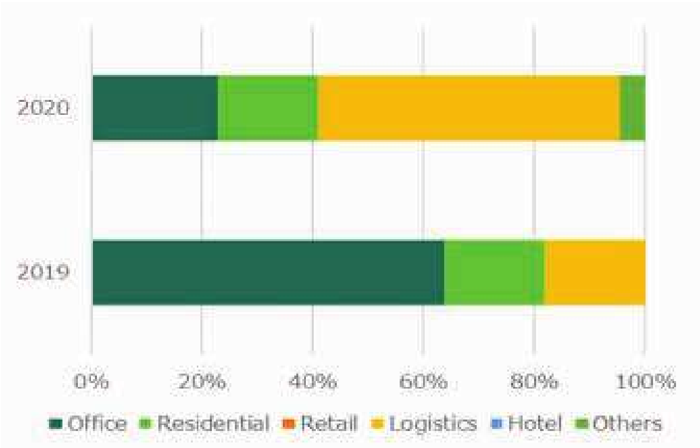
According to CBRE investor survey conducted in June 2020 after the COVID-19 outbreak, the majority of respondents (55%) chose "logistics" as the least negatively affected by the COVID-19, and “residential” followed at 33%. Investors have shown a wait-and-see attitude with respect to office buildings, with COVID-19 forcing the adoption of work from home environment, with companies likely to adopt more flexible workplace policies in the future. The situation is unpredictable especially for hotels and retails due to the dramatic decrease in the number of foreigners visiting Japan due to the COVID-19. When asked to select one attractive asset type for investment in 2020, there was a significant change from the last year’s result. “Logistics” came on top (cited by 55% of respondents), up by a substantial 37 points y-o-y (from 18%). This was followed by “offices” (23%), that has decreased significantly from the last year, and “residential” (18%).

- Less affected asset classes by COVID-19



Source: CBRE, Japan Cap Rate Survey by Quarter (March 2020)

- Most attractive asset classes by lenders



Source: CBRE, Japan Cap Rate Survey by Quarter (March 2020)

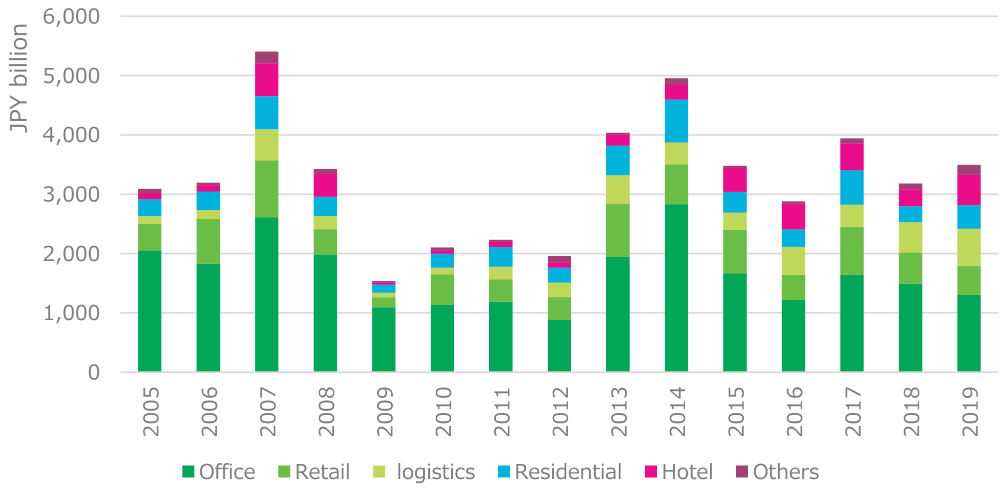
vi. Transaction volume of logistics J-REITs

Looking at acquisition trends on the J-RIET market, office building ha been the primary asset class since the establishment of the market; however, in recent years, investments tend to be across diverse sectors.

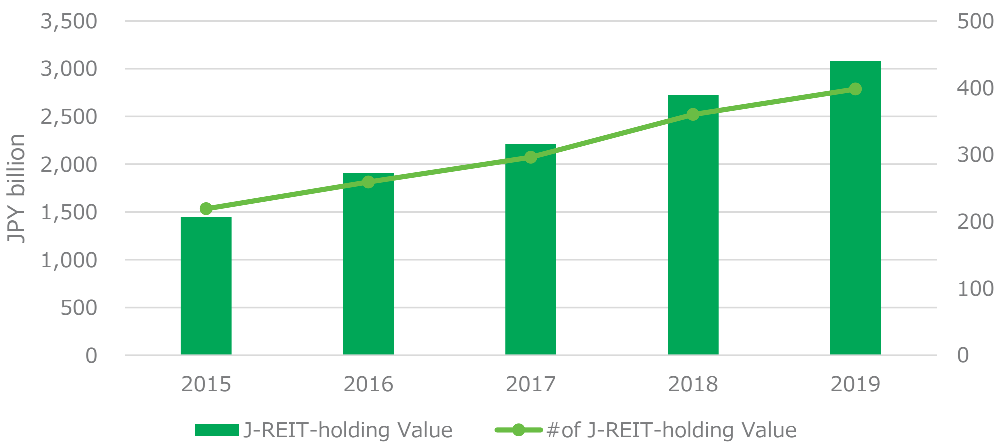
In recent years several new listings of logistics REITs have been seen, and the market share has been expanding.

Logistics REITs had a total gross asset value of approximately JPY 1.5 trillion in 2015, and just five years later in 2019, it had doubled to approximately JPY 3 trillion, illustrating the remarkable growth of the logistics market.

・ J-REIT acquisition prices by asset type



・ Asset value of logistics properties owned by J-REITs



Source: ARES

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3. Individual Market Research

	Area		Property Name	Location	Land area (㎡)	Building Structure	Gross Floor Area (㎡)	NRA(㎡)	Completion Date
3-1	Hokkaido and Tohoku	3-1-1	DPL Sapporo Higashi Kariki	13 Jo, Higashikariki, Sapporo Hokkaido, Japan	61,609.75	Steel 2F	65,653.07	60,347.00	2018-02-01
		3-1-2	DPL Sendai Port	Minato,Miyagino, Sendai, Miyagi	58,864.25	Steel 2F	64,309.23	63,118.56	2017-03-10
		3-1-3	DPL Koriyama	Sotogawara, Koriyama Fukushima, Japan	56,305.98	Steel 1F	34,298.96	34,174.27	2019-09-06
3-2	Greater Tokyo	3-2-1	D Project Maebashi S	1-10-1 Owatari machi, Maebashi Gunma, Japan	23,224.89	Steel 2F	14,075.40	14,736.42	2018-11-05
		3-2-2	D Project Kuki S	6201-3 Shobumachi Sanga, Kuki Saitama, Japan	14,197.57	Steel 3F	18,302.33	18,257.33	2014-08-01
		3-2-3	D Project Misato S	Misato Saitama, Japan	14,239.27	Steel 3F	14,835.40	14,876.97	2015-02-15
		3-2-4	D Project Iruma S	Iruma Saitama, Japan	11,528.52	Steel 3F	15,328.49	14,581.80	2017-12-18
		3-2-5	DPL Kawaki Yako	Yako, Kawasaki Kanagawa, Japan	47,868.13	Steel 5F	94,799.17	93,071.59	2017-06
		3-2-6	D Project Nagano Suzaka S	34, Gokan machi, Suzaka, Nagano, Japan	18,805.10	Steel 2F	9,796.91	9,810.12	2018-09-25
3-3	Greater Nagoya	3-3-1	DPL Shinfuji	Komino Atsuhara, Fuji Shizuoka, Japan	28,216.80	Steel 3F	27,415.87	27,540.45	2017-09-20
		3-3-2	D Project Kakegawa S	1374 - 1, Minamisaigo, Kakegawa, Shizuoka, Japan	20,322.00	Steel 3F	21,173.45	22,522.50	2019-05-01
3-4	Chugoku	3-4-1	DPL Okayama Hayashima	3500, Hayashima Okayama, Japan	26,508.36	Steel / SRC 2F	24,172.91	23,562.54	2017-9-19、2018-11-30
		3-4-2	DPL Okayama Hayashima2	4358-14 Hayashima Okayama, Japan	17,810.75	Steel 2F (2 buildings)	14,000.00	16,750.00	2017-10-30
3-5	Kyushu	3-5-1	D Project Fukuoka Tobara S	Tohara, Kasuya Fukuoka, Japan	14,438.86	Steel 2F	10,058.00	10,507.98	2019-02-21

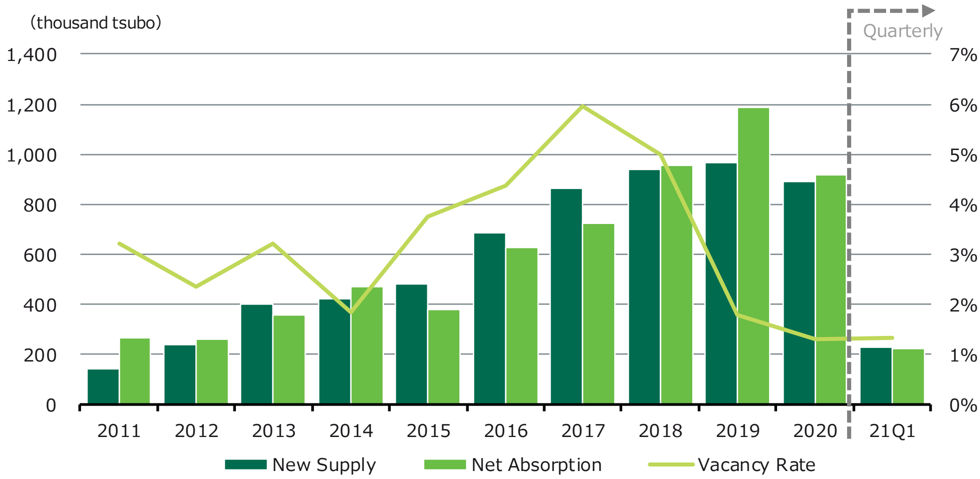
· MAP


Russia
China
North Korea
South Korea
N
DPL Sapporo Higashi Kariki
DPL Sendai Port
DPL Koriyama
D Project Nagano Suzaka S
D Project Maebashi S
D Project Kuki S
D Project Misato S
D Project Iruma S
DPL Kawasaki Yako
DPL Shinfuji
D Project Kakegawa S
DPL Okayama Hayashima
DPL Okayama Hayashima 2
D Project Fukuoka Tobara S
0 100 200km

- Analysis of demand/supply/vacancy rate/rent (nationwide)

Nationwide supply had been on an upward trend from 2011 to 2019 due to an increase in investor participation and favorable capital market cycles along with the listing of several logistics J-REITs. In 2020, nationwide supply was down from the previous year, due to a decrease in supply in the Greater Tokyo. In terms of the supply-demand conditions, the vacancy rate rose to 6% in 2017 due to a vast supply in the Greater Osaka. Then afterwards, the vacancy rate has been on a downward trend thanks to improving supply-demand balance in the Greater Osaka and growing demand despite a high volume of supply in the Greater Tokyo. In recent years, demand has remained strong nationwide, and the vacancy rate has been low and stable.

・ Supply-Demand Balance (nationwide)



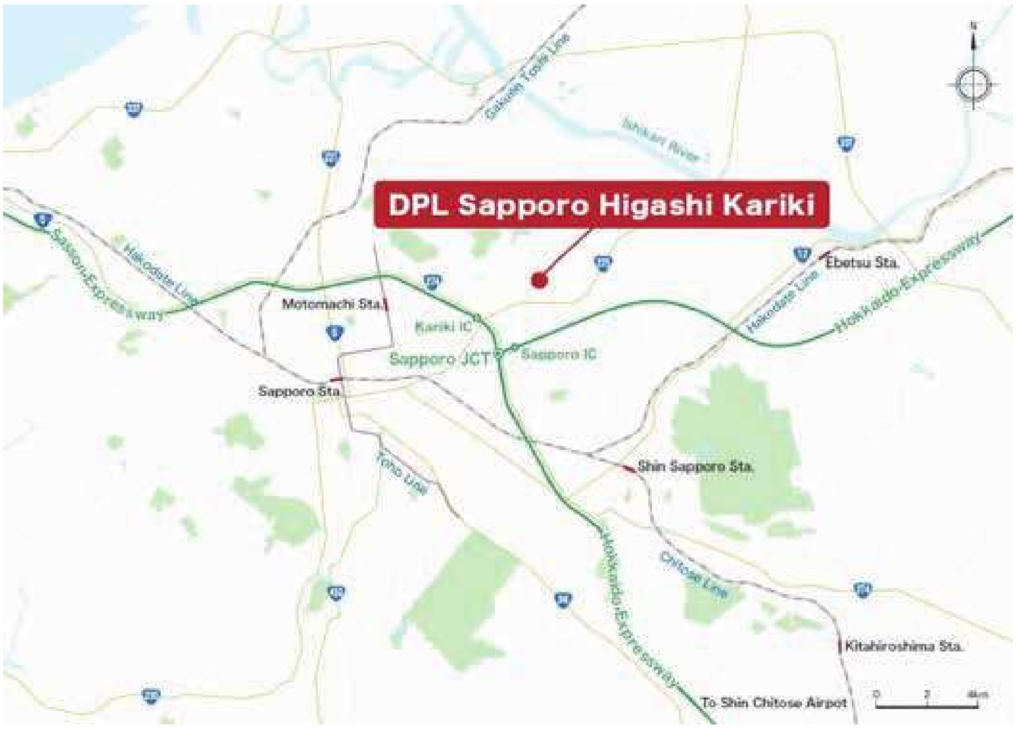
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Supply (tsubo)	142,564	239,325	400,961	422,962	484,666	686,598	865,878	941,965	968,018	890,175
Net Absorption (tsubo)	264,724	262,513	356,592	470,289	381,983	626,269	726,012	956,732	1,189,058	918,885
Vacancy Rate	3.2%	2.4%	3.2%	1.8%	3.8%	4.4%	6.0%	5.0%	1.8%	1.3%

	21Q1
New Supply (tsubo)	229,974
Net Absorption (tsubo)	222,871
Vacancy Rate	1.3%

Source:CBRE

3-1. Hokkaido and Tohoku

	Area		Property Name	Location	Land area (㎡)	Building Structure	Gross Floor Area (㎡)	NRA(㎡)	Completion Date
3-1	Hokkaido and Tohoku	3-1-1	DPL Sapporo Higashi Kariki	13 Jo, Higashikariki, Sapporo Hokkaido, Japan	61,609.75	Steel 2F	65,653.07	60,347.00	2018-02-01
		3-1-2	DPL Sendai Port	Minato,Miyagino, Sendai, Miyagi	58,864.25	Steel 2F	64,309.23	63,118.56	2017-03-10
		3-1-3	DPL Koriyama	Sotogawara, Koriyama Fukushima, Japan	56,305.98	Steel 1F	34,298.96	34,174.27	2019-09-06



- Regional Overview

In Hokkaido, there is a concentration of logistics facilities mainly in Shiroishi and Higashi wards, which are distribution hubs for Sapporo (the largest consumption area in Hokkaido), and also in the Kitahiroshima area, which is adjacent to Sapporo city having good access to Tomakomai Port and Chitose Airport via the Route 36 and the Do-O Expressway (Hokkaido Expressway).

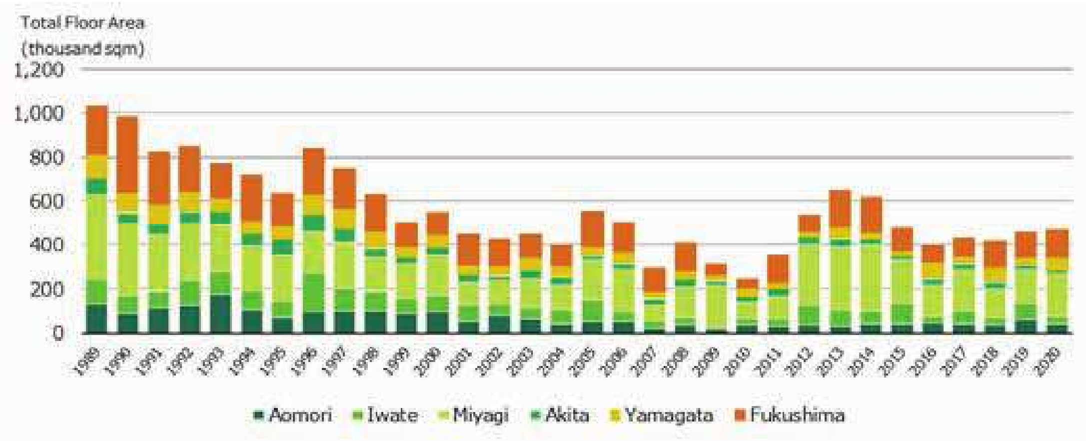
Although large-scale distribution complexes can be seen in these areas, there are currently few rental facilities, and warehouses for investment are also few. While there has been some development of large logistics facilities in recent years, these are mainly BTS-type facilities designed for specific tenants.

In the Tohoku area, there is a concentration of logistics facilities in the Sendai area around Sendai Port, that is the center of consumption in the Greater Tohoku, and around interchanges on the Tohoku Expressway. Warehouses are mostly owner-occupied and there are few rental warehouses on the market. Logistics market is unlikely to be mature enough. Although there have been shortages of versatile warehouses in terms of size and specifications, development of rental warehouses is still limited in the Greater Tohoku area. Logistics facilities are mainly built-to-suit facilities, or owner-occupied facilities around the interchanges in inland areas.

- Construction trend

In the Greater Tohoku area (Aomori, Iwate, Miyagi, Akita, Yamagata and Fukushima prefectures), Miyagi and Fukushima prefectures account for a large share of total warehouse construction area. Miyagi prefecture is Greater Tohoku's largest distribution hub for wholesale and retail markets, and Fukushima prefecture enjoys a central location between Tohoku and Tokyo. From 2012 to 2014, a large increase in new construction in Miyagi prefecture boosted the Greater Tohoku area's overall volume. The construction volume in Miyagi prefecture has fallen since 2015, and the construction volume in Greater Tohoku has also fallen to about 500,000 sqm.

・ Change in Area of Construction Starts for Logistics Facilities (Tohoku)

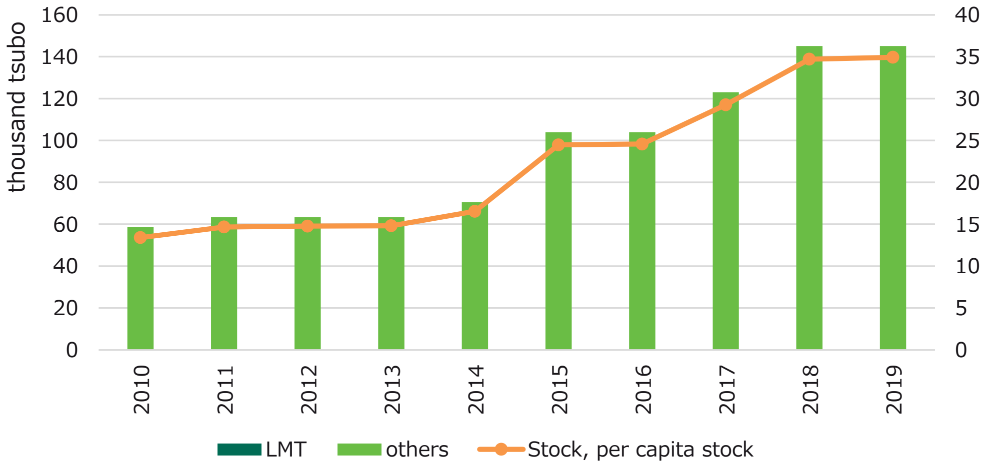


Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts (April 2020)

- Stock, per capita stock

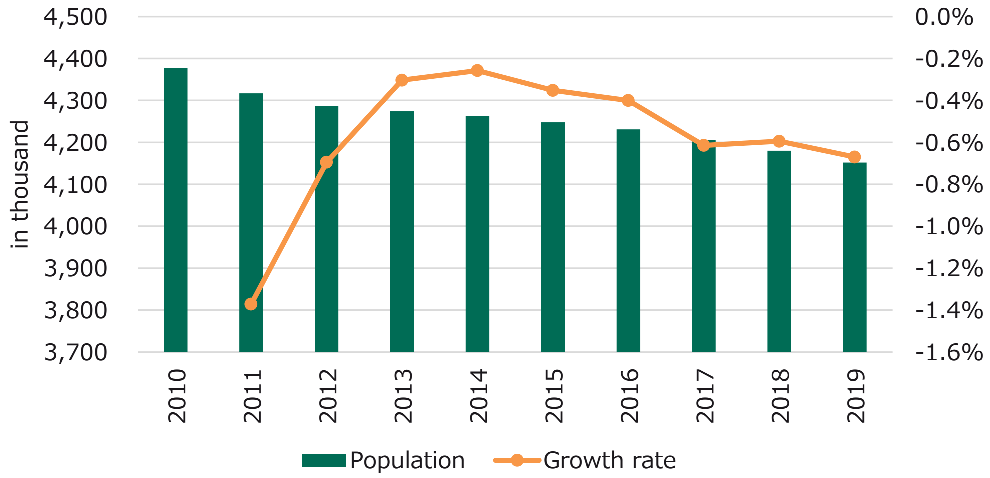
Development activity was stagnant until 2014, but there has been a moderate growth in new supply since 2015. Development in the Tohoku area is mostly built-to-suit facilities designed for specific tenants, and demand for large-scale relocation is limited; as such, most properties are less than 10,000 tsubo in size.

・ Stock, per capita stock (Tohoku)



Source:CBRE

・ Population growth (Tohoku)



Source: Ministry of Internal Affairs and Communications, Estimated Population in Japan (April 2020)

CBRE

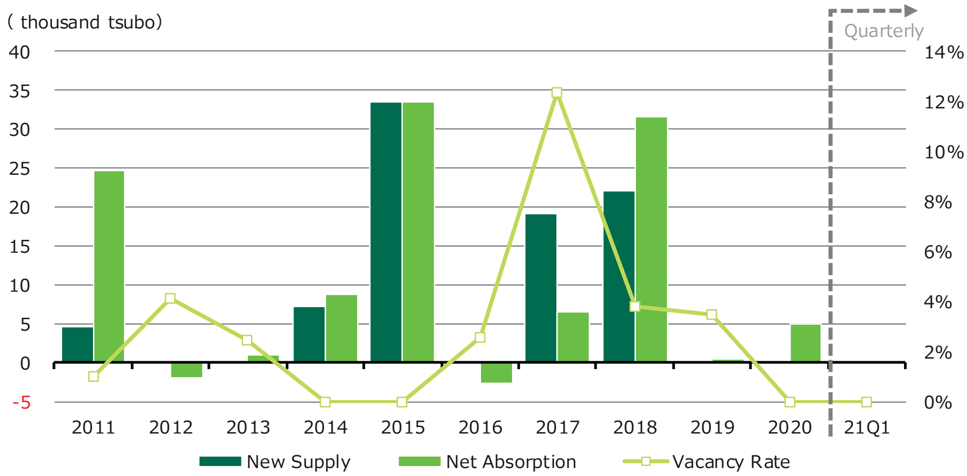
- Analysis of demand/supply/vacancy rate/rent

Development of LMT properties is still limited in the Greater Tohoku area, and logistics facilities are mainly built-to-suit facilities, or small and medium-sized multi-tenant facilities. The vacancy rate for the rental logistics facilities in Greater Tohoku has remained relatively low since 2011, due to limited supply.

In 2012, some spaces became available in "Prologis Park Tagajo", a multi-tenant building; however, these were soon occupied due to an increase in demand for storage space to meet the Business Continuity Plan (BCP) requirement after the earthquake. "DLP Sendaiko" was completed with vacancies in 2017, and the vacancy rate rose temporarily to 12.3%, but gradually improved in 2018, and finally marked 3.8% as of the end of 2018. No new supply was seen in 2019, and the vacancy rate has shown a downward trend at 3.5%. Entering 2020, all existing vacancies, including "DPL Sendaiko", were leased up, and the vacancy rate remains at 0.0%.

We could not collect data for average asking rent in Q3 2020 because there were no vacant properties; however, the upward trend is likely to continue, as there are no large vacancies.

・ Supply-Demand Balance (Tohoku)

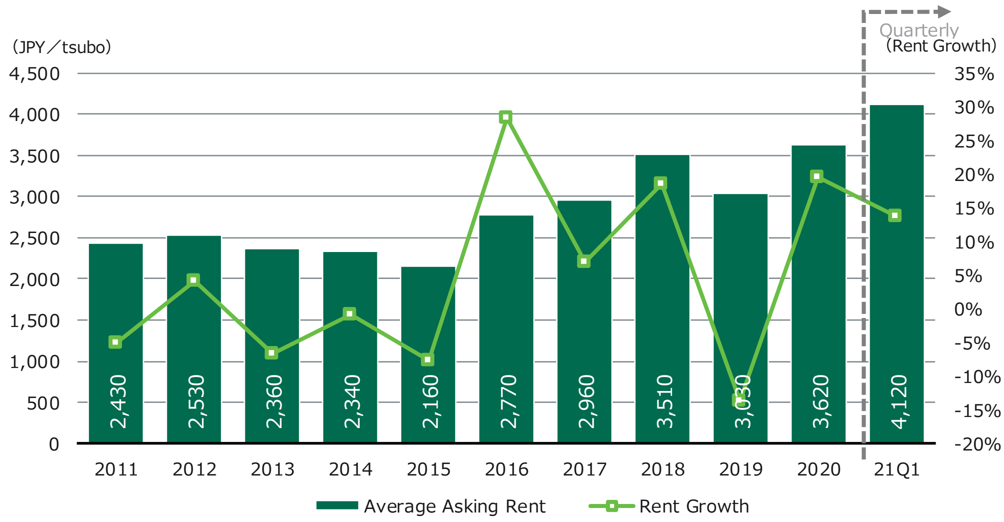


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Supply (tsubo)	4,637	0	0	7,198	33,438	0	19,087	22,019	0	0
Net Absorption (tsubo)	24,752	-1,997	1,063	8,752	33,438	-2,636	6,546	31,684	500	5,012
Vacancy Rate	1.0%	4.1%	2.5%	0.0%	0.0%	2.5%	12.3%	3.8%	3.5%	0.0%

	21Q1
New Supply (tsubo)	0
Net Absorption (tsubo)	0
Vacancy Rate	0.0%

Source:CBRE

・ Average Asking Rent and Rent Growth (Tohoku)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	2,430	2,530	2,360	2,340	2,160	2,770	2,960	3,510	3,030	3,620
Rent Growth	-5.1%	4.1%	-6.7%	-0.8%	-7.7%	28.2%	6.9%	18.6%	-13.7%	19.5%

	21Q1
Average Asking Rent	4,120
Rent Growth	13.8%

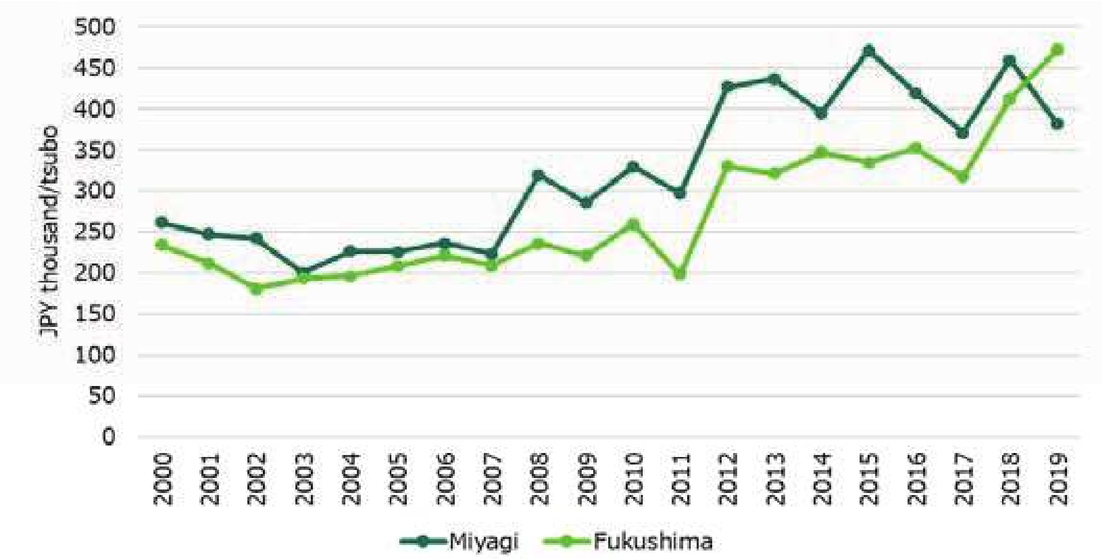
Source:CBRE

CBRE

- Trends in construction cost and land prices

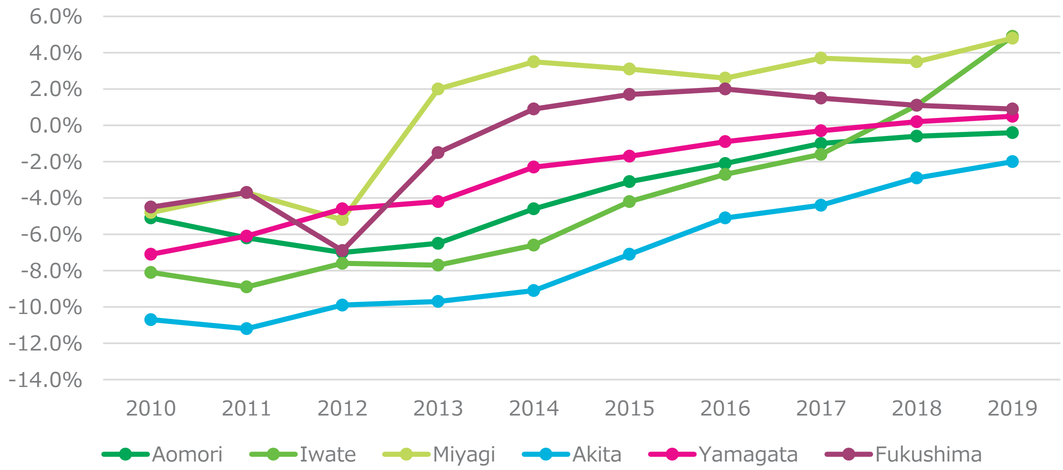
Construction costs rose after the Great East Japan Earthquake in 2011, due to the rapid need for reconstruction of damaged and collapsed buildings and have remained at a high level for the past few years. Land prices for industrial use areas began to increase in Miyagi and Fukushima prefectures in 2013 and 2014, but have continued to decline in other prefectures.

- Trends in construction cost



Source: Construction Research Institute, Warehouse Construction Cost (January 2020)

- Land prices growth



Source: Ministry of Land, Infrastructure, Transport and Tourism, Published Value of Standard Sites (January 2020)

CBRE

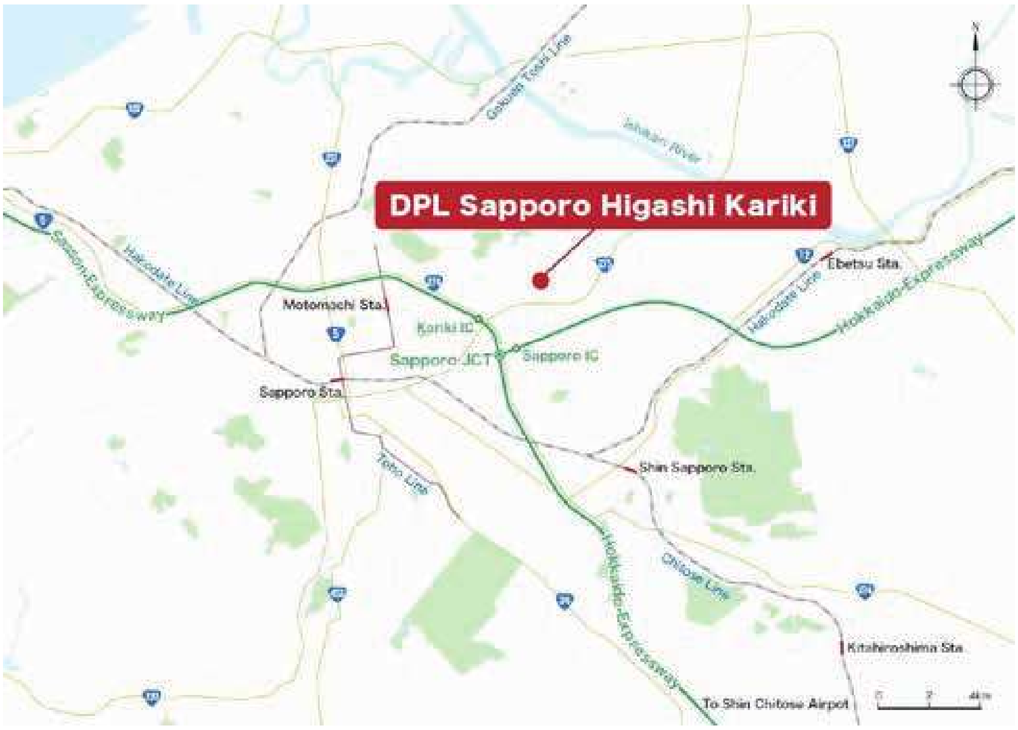
- Infrastructure overview

In the Greater Tohoku area, the Tohoku Expressway connects Tohoku’s major cities, such as Sendai and Koriyama. The Tohoku Expressway connects the Northern Tohoku area and also the Greater Tokyo area with southern regions, and several large-scale factories have been developed around the interchanges.

As a part of Great East Japan Earthquake restoration projects, construction and repair work have been underway on the following two roads: the Sanriku Coastal Road, a government reconstruction project in the coastal area; and the Miyagi-ken Kita Expressway, which runs between the Tohoku Expressway and the National Route 4, aimed at enhancing the east-west road axis that runs throughout the north part of Miyagi prefecture. All work is slated for completion within the targeted time, by the end of FY2020.

3-1-1. DPL Sapporo Higashi Kariki

Property Name	DPL Sapporo Higashi Kariki
Location	13 jo, Higashikariki, Sapporo Hokkaido, Japan
Land area (㎡)	61,609.75
Land area (tsubo)	18,636.95
Building Structure	Steel 2F
Gross Floor Area (㎡)	65,653.07
Gross Floor Area (tsubo)	19,860.05
NRA(㎡)	60,347.00
NRA(tsubo)	18,254.97
Completion Date	2018-02-01



a. Micro analysis (subject property)

i. Location characteristics

Since the subject property is proximate to central Sapporo (approx. within 10 km) where there is strong demand for logistics facilities, it has a good location as a logistics hub for distribution featuring consumer products. Being located about 3.8 km from “Kita Hiroshima Interchange” on the Hokkaido Expressway, and about 2.5 km from “Kariki Interchange”, it secures quick access to other logistics infrastructures such as New Chitose Airport and Tomakomai Port. Also, as it is close to National Route 36, a major arterial road, it is a logistics base with a location advantage. As for the operation environment, since the property is in an area with a cluster of industrial facilities, there is little concern about receiving complaints from neighbors, and in the mid- to long-term, the location would allow 24-hour operation. In terms of securing workforce, since the area is close to Sapporo city which has a huge population, it is under advantageous conditions for recruiting part-time workers.

ii. Building characteristics

The subject property is a 2-story, multi-tenant logistics facility with a gross floor area of 19,860 tsubo, used by multiple tenants. The truck berths are provided on the both sides of the central part. The office spaces are provided in four areas for several tenants. Its basic specifications are: effective ceiling height of each floor, 5.5 m; floor loading capacity of each floor, 1.5t/sqm; column interval of 10.5×9.5m, having a high versatility. As for transport capacity, eight freight elevators are provided and some space is saved for future use. The parking lot provides a waiting area for 14 trucks and 461 spaces for ordinary vehicles. Since the site has two entrances/exits, it facilitates the operation of trucks.

iii. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

As for the rent level for the surrounding area of the subject property, since there are limited number of rental logistics facilities and many cases involve individual matters, the market shows a wide range in rents. The subject property is highly competitive both in location and building specifications, and the achievable rent level is assumed to be JPY 3,000 - 3,400 /tsubo by reffering to the asking rents of leasing comparables.

3-1-2. DPL Sendai Port

Property Name	DPL Sendai Port
Location	Minato,Miyagino, Sendai, Miyagi
Land area (㎡)	58,864.25
Land area (tsubo)	17,806.44
Building Structure	Steel 2F
Gross Floor Area (㎡)	64,309.23
Gross Floor Area (tsubo)	19,453.54
NRA(㎡)	63,118.56
NRA(tsubo)	19,093.36
Completion Date	2017-03-10

a. Macro analysis (Miyagi)

- Construction trend

In 2009, Miyagi prefecture's construction area recovered to the same level as 2006, but remained stagnant until 2011. In 2012, after the Great East Japan Earthquake, the construction volume increased sharply to nearly 300,000 sqm, which was the same level as 1990, during the bubble period, and remained high until 2014. Since 2015, new construction has slowed down with the completion of planned developments.

・ Change in Area of Construction Starts for Logistics Facilities (Miyagi)

Source: Ministry of Land, Infrastructure, Transport and Tourism

- Analysis of demand/supply/vacancy rate/rent

In Miyagi prefecture, rental warehouses were nearly fully occupied after the Great East Japan Earthquake, due to the rapid needs for relocation of damaged and collapsed buildings, or for storing emergency relief items.

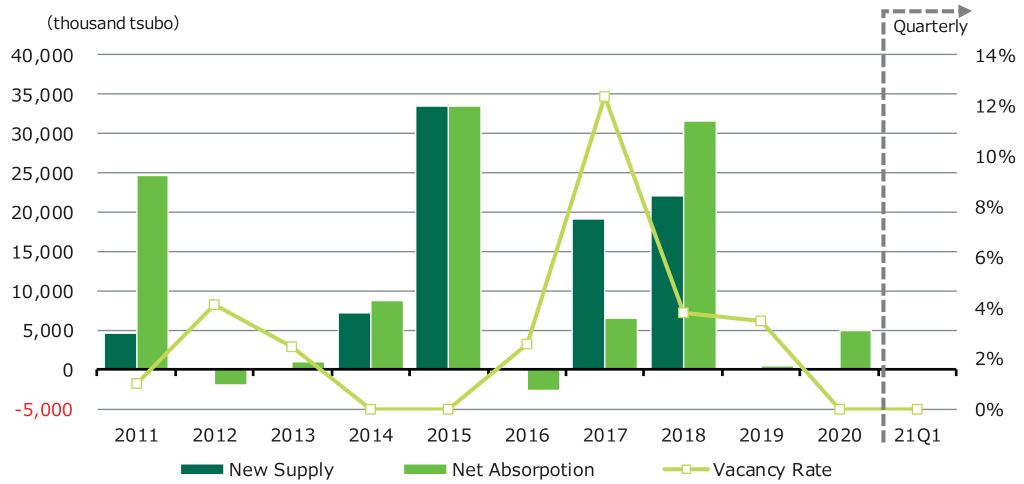
However, in the medium to long-term, the tight supply-demand balance and continued solid demand for reconstruction are likely to ease gradually, and therefore, real estate investment companies remain cautious about development.

New supply increased in 2015, but all supply came from built-to-suit properties; as such, there was no impact on supply-demand balance and the vacancy rate remained low. In Q3 2017, there was a significant increase in the vacancy rate due to the first supply of large-scale multi-tenant facilities since 2009.

The vacancy rate showed an improving trend in 2018, as some supply came from built-to-suit properties, and large-scale vacancies were leased up,

We could not collect data for average asking rent for Q3 2020 because there were no vacant properties; however, it is likely to be trending upward since there are no large vacancies.

- Supply-Demand Balance (Miyagi)

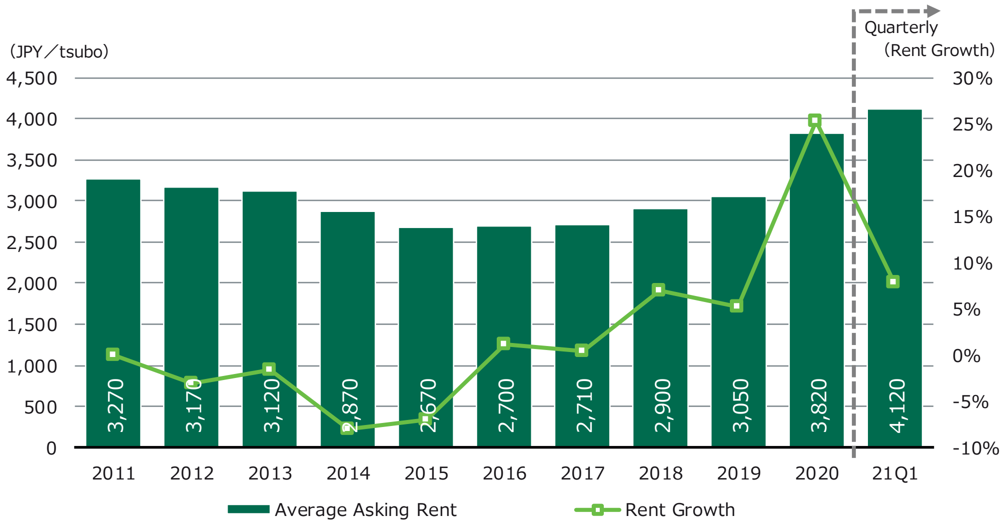


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Supply (tsubo)	4,637	0	0	7,198	33,438	0	19,087	22,019	0	0
Net Absorption (tsubo)	24,752	-1,997	1,063	8,752	33,438	-2,636	6,546	31,684	500	5,012
Vacancy Rate	1.0%	4.1%	2.5%	0.0%	0.0%	2.5%	12.3%	3.8%	3.5%	0.0%

	2021Q1
New Supply (tsubo)	0
Net Absorption (tsubo)	0
Vacancy Rate	0.0%

Source:CBRE

・ Average Asking Rent and Rent Growth (Miyagi)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	3,270	3,170	3,120	2,870	2,670	2,700	2,710	2,900	3,050	3,820
Rent Growth	0.0%	-3.1%	-1.6%	-8.0%	-7.0%	1.1%	0.4%	7.0%	5.2%	25.2%

	2021Q1
Average Asking Rent	4,120
Rent Growth	7.9%

Source:CBRE

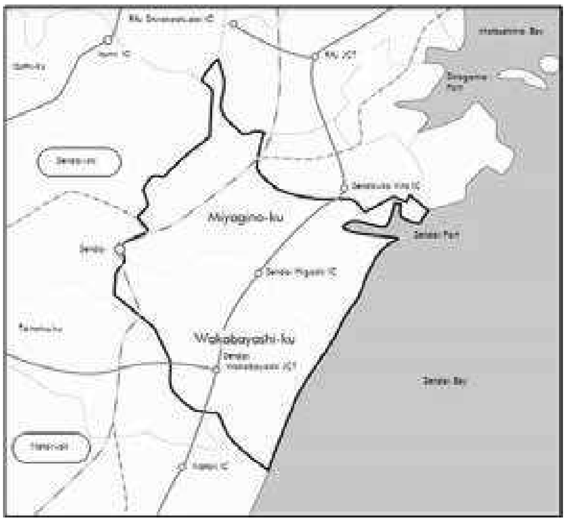
- List of development pipeline with map

NO	Property Name	Developer	Location	Land Area (sqm)	Gross Floor Area (sqm)	Completion
1	DPLMiyagi Rifu	Daiwa House Industry	Rifu-cho, Miyagi	57,458	25,243	2021/9

· Development pipeline map

b.Semi-macro analysis (Sendai City zone)

i. Location characteristics



Area comprising zone:

Miyagino Ward, Sendai City

Wakabayashi Ward, Sendai City

- Regional Overview

The Nigatake IC, an intersection of National Routes, offers convenient access to the central Sendai area, and there have been high concentration of warehouses since many years ago. Warehouses have also been concentrated in bayside areas; however, there are few rental warehouses, with most being owner-occupied.

- Transportation Access

Major Arterial Road: Tohoku Expressway, Sendai Tobu Road, National Route 4（Sendai Bypass）

Train: JR Tohoku Shinkansen, JR Tohoku Main Line, JR Sengoku Line, Sendai City Subway

Port and Airport：Sendai Port, Sendai Airport

- Major Companies

Tohoku Electric Power Co., Inc, The 77 Bank, Ltd, NEC Tokin, Yurtec Co., Inc

ii. Rent and demand trend and occupier characteristics

➢ Supply-Demand Trends

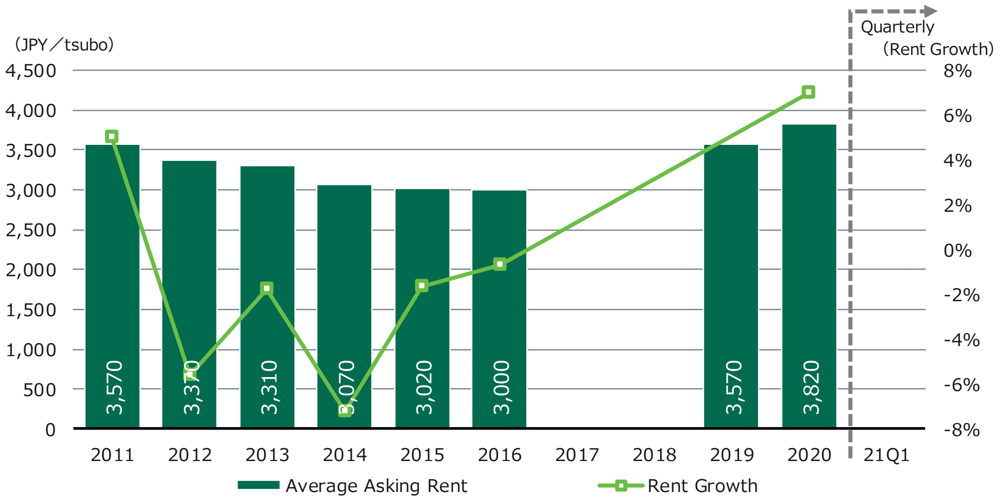
Due to the tight supply and demand after the Great East Japan Earthquake, the rent level has remained stable overall, and there have been few large vacancies. In addition, companies tend to remain cautious on capital spending, and new supply of large-scale properties remains limited. New construction of rental warehouses has been mainly built-to-suit facilities, and versatile high-performance facilities are scarce in the market.

3PL, apparel, food companies, etc. are entering the market; however, the demand for large-scale warehouses is still limited in major metropolitan areas.

➢ Rent Trends

The table below shows the average asking rent for the Eastern Sendai zone over the past 10 years. We could not collect data for average asking rent in Q3 2020 because there were no vacant properties. Meanwhile, the previous quarter's rent rose by 5.1% q-o-q, and rents are on an upward trend.

・ Average Asking Rent and Rent Growth (Sendai City Zone)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	3,570	3,370	3,310	3,070	3,020	3,000	-	-	3,570	3,820
Rent Growth	5.0%	-5.6%	-1.8%	-7.3%	-1.6%	-0.7%	-	-	-	7.0%

	2021Q1
Average Asking Rent	-
Rent Growth	-

Source:CBRE

c. Micro analysis (subject property)

i. Location characteristics

The subject property is located about 12 km from central Sendai, offering good access to the center of Sendai via National Route 45, an arterial road in the city. Additionally, by taking the Sendai Tobu Expressway (Sanriku Expressway), delivery to Sendai Airport is possible, and by connecting to the Tohoku Expressway, the Morioka and Fukusima areas are accessible. Also, the subject property is located about 3.5 km to “Sendai-ko Kita Interchange” on the Sendai Tobu Expressway (Sanriku Expressway), and 1.0 km to Sendai Shiogama Port, a major port in Tohoku. As for the surrounding environment, it is an area with a cluster of industrial facilities, which allows 24-hour operation. In terms of securing workforce, it is under advantageous conditions since recruiting employees is possible from the highly populated Sendai city, and a bus stop is available within a walking distance.

ii. Building characteristics

The subject property is a 2-story multi-tenant logistics facility with a gross floor area of 19,454 tsubo, used by multiple tenants. The truck berths on the 1st floor are provided on the both side of the center. Its basic specifications are: effective ceiling height of each floor, 6.0 m; floor loading capacity of each floor, 1.5t/sqm; column interval of 10.5×9.6m, having a high versatility. As for transport capacity, four freight elevators are provided and some space is saved for future use The parking lot provides 159 spaces for ordinary vehicles and a solar panel is installed on the roof.

iii. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

The subject property is a low-rise facility with a high versatility, being highly competitive in the market. For a recently-built property with a high versatility, it can set a slightly higher rent than the above-mentioned level. As such, the achievable rent of the subject property is assumed to be the upper limit of the said level, JPY 2,900 -3,400/tsubo by reffering to the asking rents of leasing comparables.

3-1-3. DPL Koriyama

Property Name	DPL Koriyama
Location	Sotogawara, Koriyama Fukushima, Japan
Land area （㎡）	56,305.98
Land area （tsubo）	17,032.56
Building Structure	Steel 1F
Gross Floor Area （㎡）	34,298.96
Gross Floor Area （tsubo）	10,375.44
NRA(㎡)	34,174.27
NRA(tsubo)	10,337.72
Completion Date	2019-09-06

a. Micro analysis (subject property)

iv. Location characteristics

The subject property is proximate to central Koriyama having good access to “Koriyama Interchange” on the Tohoku Expressway, about 9.3km away, which enables the property to handle the entire Tohoku, including central Sendai, as an area to cover. The surrounding environment is good, since it is an area with a cluster of industrial facilities including large-scale factories and logistics bases, and the location allows 24-hour operation. In terms of securing workforce, with the proximity to the populated central Koriyama and the availability of a bus stop within a walking distance, it is under advantageous conditions for recruiting employees.

v. Building characteristics

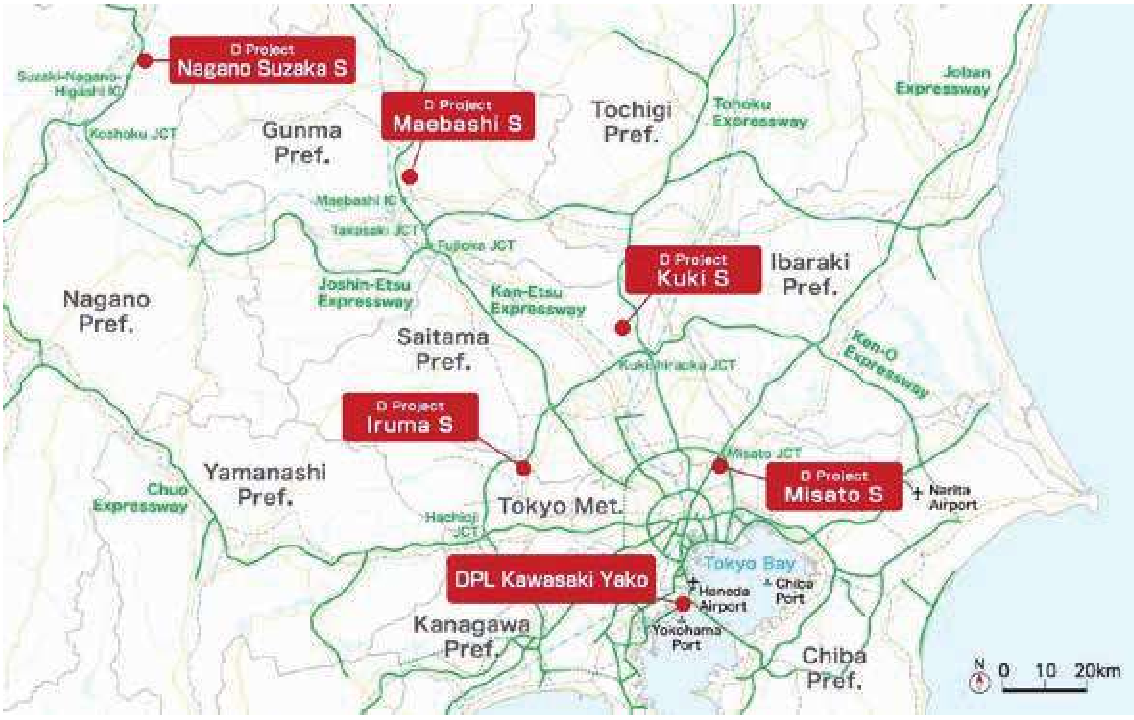
The subject property is a single-story, multi-tenant logistics facility with a gross floor area of 10,375 tsubo, used by multiple tenants. The truck berths are provided on the both sides of the first floor. Its basic specifications are: effective ceiling height of each floor, 6.65 - 9.05m; floor loading capacity of each floor, 1.5t/sqm; column interval of 11.0×10.0m, having a high versatility. The parking lot provides a waiting area for 16 trucks and 181 spaces for ordinary vehicles. Since the site has three entrances/exits, it facilitates the operation of trucks.

vi. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

As for the rent level, it is hard to estimate due to the lack of leasing comparables in the surrounding area. However, since the subject property has a competitive location and the facility competitiveness is high in the area, the assumed achievable rent level will be JPY 3,000 - 3,400/tsubo by reffering to the asking rents of leasing comparables.

3-2. Greater Tokyo

Area		Property Name		Location	Land area (㎡)	Building Structure	Gross Floor Area (㎡)	NRA(㎡)	Completion Date
3-2	Greater Tokyo	3-2-1	D Project Maebashi S	1-10-1 Owatari machi, Maebashi Gunma, Japan	23,224.89	Steel 2F	14,075.40	14,736.42	2018-11-05
		3-2-2	D Project Kuki S	6201-3 Shobumachi Sanga, Kuki Saitama, Japan	14,197.57	Steel 3F	18,302.33	18,257.33	2014-08-01
		3-2-3	D Project Misato S	Misato Saitama, Japan	14,239.27	Steel 3F	14,835.40	14,876.97	2015-02-15
		3-2-4	D Project Iruma S	Iruma Saitama, Japan	11,528.52	Steel 3F	15,328.49	14,581.80	2017-12-18
		3-2-5	DPL Kawaki Yako	Yako, Kawasaki Kanagawa, Japan	47,868.13	Steel 5F	94,799.17	93,071.59	2017-06
		3-2-6	D Project Nagano Suzaka S	34, Gokan machi, Suzaka, Nagano, Japan	18,805.10	Steel 2F	9,796.91	9,810.12	2018-09-25



- Regional Overview

Logistics concentration areas in the Greater Tokyo can be broadly divided into the Tokyo Bay, Gaikando, Route 16, and Ken-O-do areas, based on their proximity to Central Tokyo and the functionality of logistics locations. In the Route 16 area, logistics facilities are especially concentrated in bay areas such as the Kanagawa Bay and Chiba Bay areas, and inland areas around the Atsugi/Sagamihara Interchanges on the Tomei Expressway, the Hachioji Interchange on the Chuo Expressway, the Kawagoe/Tokorozawa Interchange on the Kanetsu Expressway, the Iwatsuki Interchange on the Tohoku Expressway, and the Kashiwa/Nagareyama Interchange on the Joban Expressway. In the Ken-O-do area, logistics facilities are concentrated in key areas along the Kan-Etsu, Tohoku and Joban Expressways.

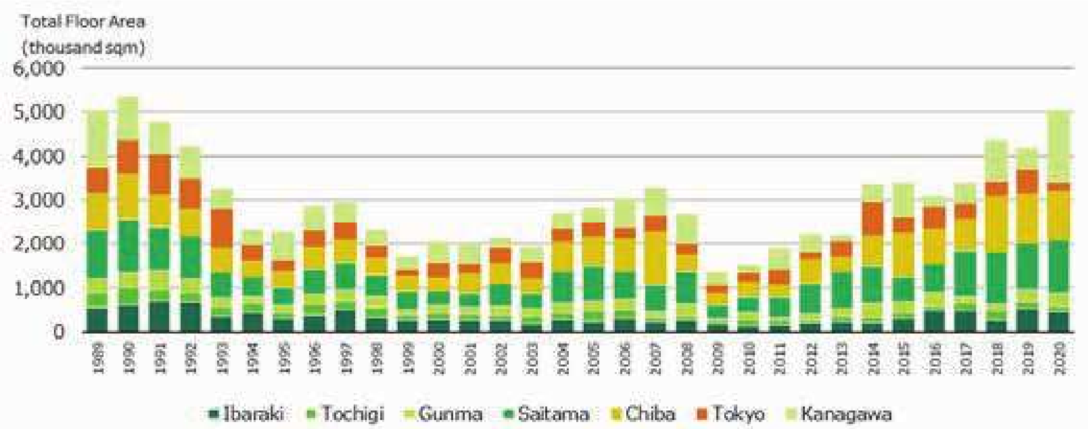
The demand and supply had been mainly seen in the Route 16 area; however, in the past few years, the development area has expanded to the area around the Ken-O Expressway thanks to an improved public transport network after the construction of the Ken-O Expressway, a ring road in the Greater Tokyo area planned to be within a radius of 40 to 60 kilo meters from Central Tokyo. The government sees the improved location potential as new opportunity to attract companies, and has promoted the assistance of industrial activities by easing restrictions and developing new industrial parks.

- Construction trend

Along with the expansion of construction areas in Saitama and Chiba prefectures since 2004, the Greater Tokyo area's construction volume increased to more than 3 million sqm until 2007.

In 2009, the construction volume dropped by almost half as compared to the previous year due to a sharp decline in construction activity right after the Global Financial Crisis; however, it gradually increased, and after 2014, reached more than 3 million sqm. In 2019, the latest year, the construction volume increased even further with a total area of more than 4 million sqm. Greater Tokyo expects similar construction volume as the past years' trend as there has been a growing number of industrial lands acquired by real estate developers.

・ Change in Area of Construction Starts for Logistics Facilities (Greater Tokyo)



Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts (April 2020)

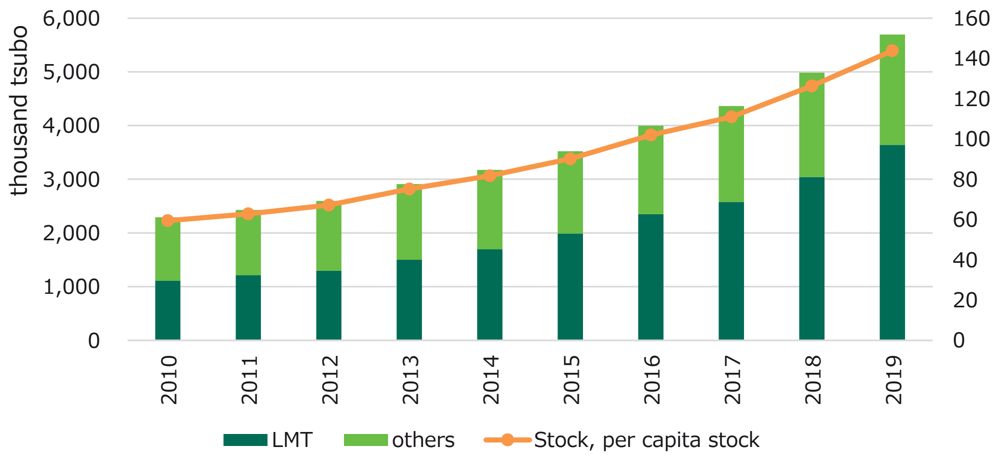
58

- Stock, per capita stock

From the beginning of 2002, logistics properties were concentrated primarily in the bay area and around the airport. Since 2005–2006, the logistics stock increased in inland areas around National Route 16, and development has expanded to other areas since 2016 with the extension of the Ken-O Expressway.

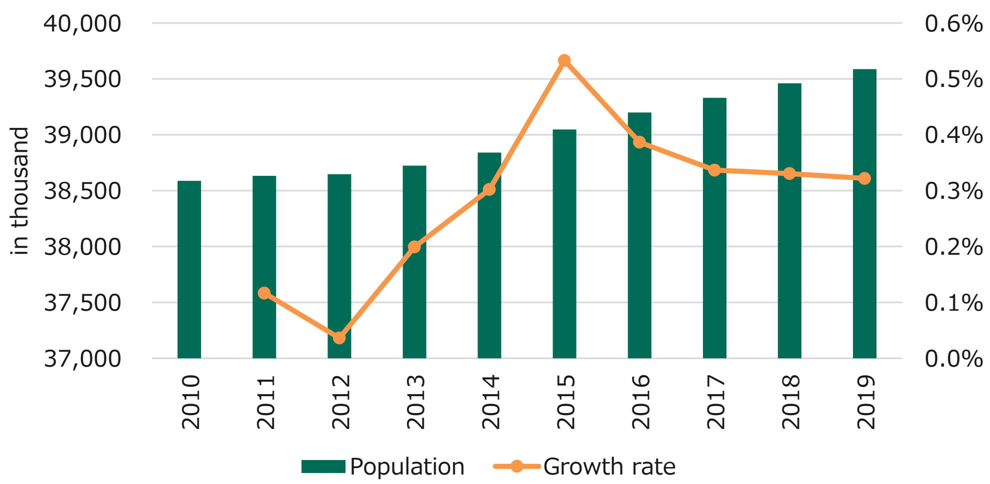
New logistics developments have increased in all areas since 2016, and, with the entrance of new developers, the logistics stock has expanded at an even faster pace.

・ Stock, per capita stock (Greater Tokyo)



Source:CBRE

・ Population growth



Source: Ministry of Internal Affairs and Communications, Estimated Population in Japan」(April 2020)

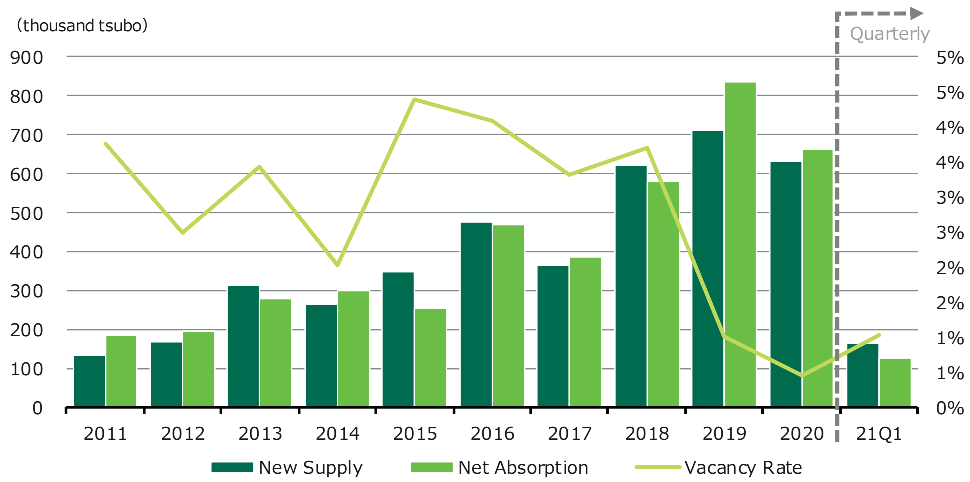
CBRE

- Analysis of demand/supply/vacancy rate/rent

Since 2013, many new players have entered the market, and the number of logistics developments have increased; however, the vacancy rate has been at a low level accompanied by growing e-commerce retail sales which are the recent primary driver for logistics demand. Since 2018, annual supply volume has continuously reached new highs. Meanwhile, the vacancy rate fell to 0.3% in the recent Q3 2020 due to strong logistics demand primarily for e-commerce, and the supply-demand balance has appeared tight. Companies are considering integration/consolidation of their distribution points aiming to maximize efficiency of operations, which has strengthened demand. Additionally, demand for distribution hubs by retailers for e-commerce business has increased, especially in fashion and grocery-store industries, which have started to construct new warehouses or move into larger spaces to expand their online services.

Since 2019, rents have tended to increase due to the tight supply-demand balance. Currently, space options are limited for tenants as large-scale vacancies have become scarce; as such, landlords tend to be in a strong position when negotiating lease conditions.

- Supply-Demand Balance (Greater Tokyo)

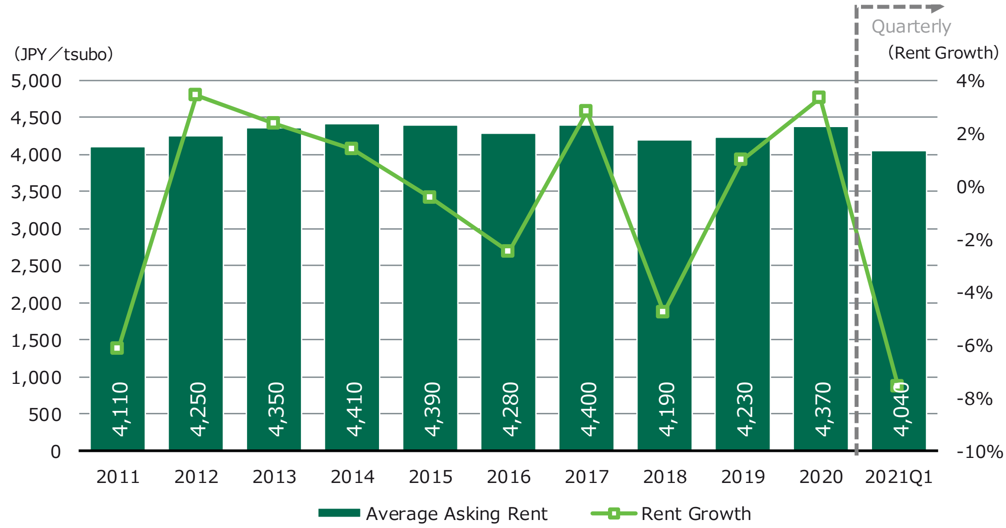


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Supply (tsubo)	134,455	169,354	313,898	263,509	346,448	476,621	366,566	621,718	710,219	632,180
Net Absorption (tsubo)	185,932	195,932	278,894	298,687	256,341	467,914	385,340	581,379	837,385	661,706
Vacancy Rate	3.8%	2.5%	3.4%	2.0%	4.4%	4.1%	3.3%	3.7%	1.0%	0.4%

	21Q1
New Supply (tsubo)	164,491
Net Absorption (tsubo)	125,903
Vacancy Rate	1.0%

Source:CBRE

• Average Asking Rent and Rent Growth (Greater Tokyo)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	4,110	4,250	4,350	4,410	4,390	4,280	4,400	4,190	4,230	4,370
Rent Growth	-6.2%	3.4%	2.4%	1.4%	-0.5%	-2.5%	2.8%	-4.8%	1.0%	3.3%

	21Q1
Average Asking Rent	4,040
Rent Growth	-7.6%

Source:CBRE

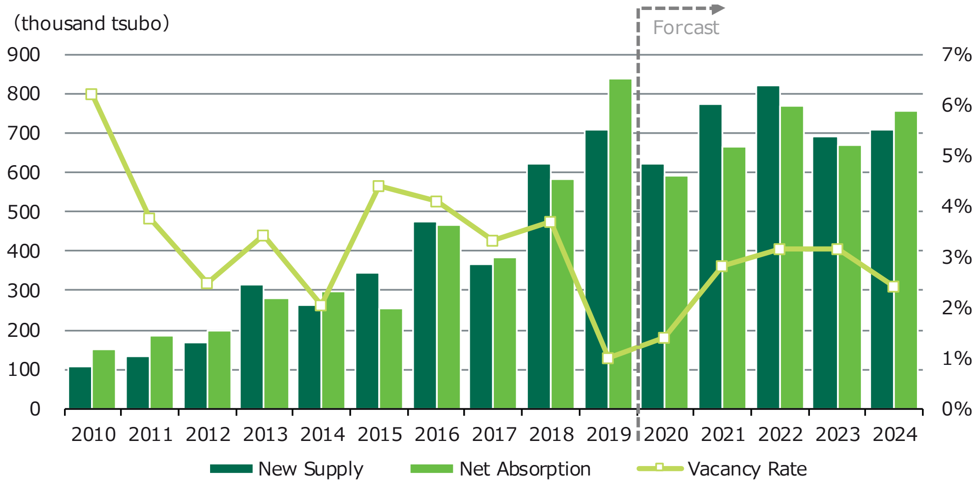
- Outlook of demand/supply/vacancy rate/rent

A supply volume similar to the 2018 level is expected in 2020. Meanwhile, leasing demand for high-performing facilities has increased to meet the current occupiers' needs, such as inventory optimization, or reorganization of distribution bases, along with a growing e-commerce market. Occupancy growth trends have been robust, and demand is expected to keep pace with new supply.

From 2021, local regions, where the economy is generally stable, are likely to push up demand for relocation or extension of the properties; as such, demand is expected to keep up with new supply. New properties scheduled to be completed in 2021 have been pre-let smoothly.

Along with the continuing favorable investment market, development will expand in existing logistics areas and also in new locations, which will be supported by a growing consumption demand in the Greater Tokyo area. Potential demand for the replacement of old facilities is expected in the medium- and long-term.

・ Outlook of demand/supply/vacancy



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
New Supply (tsubo)	107,040	134,455	169,354	313,898	263,509	346,448	476,621	366,566	621,718	710,219
Net Absorption (tsubo)	149,866	185,932	195,932	278,894	298,687	256,341	467,914	385,340	581,379	837,385
Vacancy Rate	6.2%	3.8%	2.5%	3.4%	2.0%	4.4%	4.1%	3.3%	3.7%	1.0%

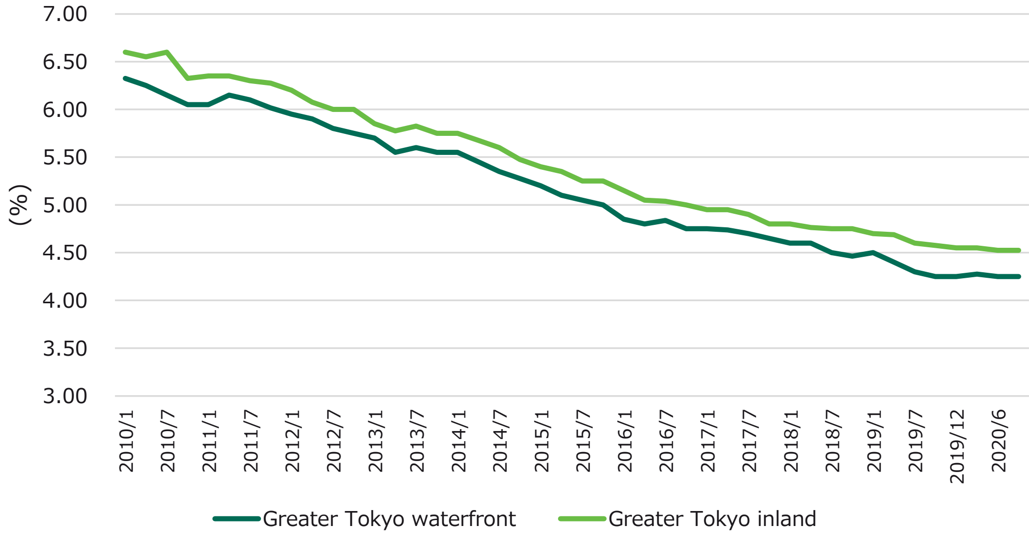
	2020	2021	2022	2023	2024
New Supply (tsubo)	620,971	774,185	818,620	688,914	710,339
Net Absorption (tsubo)	589,758	663,820	767,886	667,439	756,793
Vacancy Rate	1.4%	2.8%	3.2%	3.2%	2.4%

Source:CBRE

- Cap rate trend

 Cap rates have been on a downward trend in all areas due to increasing interest in logistics facilities as an investment asset and the growing number of new players. The actual transacted yields have been less than 4% for high spec facilities in prime locations in the Greater Tokyo area. Bids have indicated a remarkable rise in transaction prices for industrial land for logistics use.

・ Cap rate trend



Source:CBRE

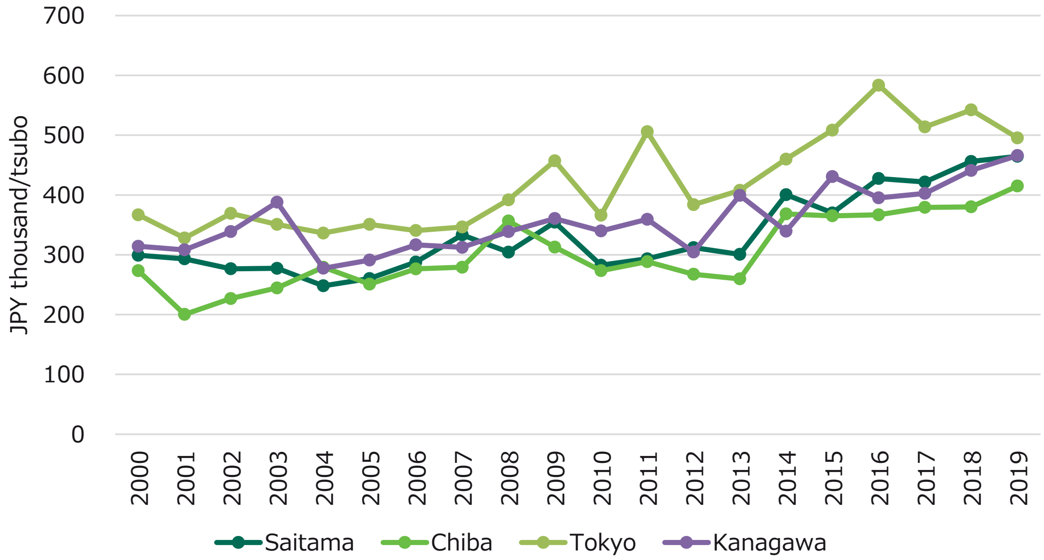
- Trends in construction cost and land prices

Construction costs have risen moderately in all areas since 2000.

After 2015, due to massive construction projects related to the 2020 Tokyo Olympics, construction costs rose considerably, especially in Tokyo. Costruction cost appears to have stopped increasing in the past few years, but still remains at a high level.

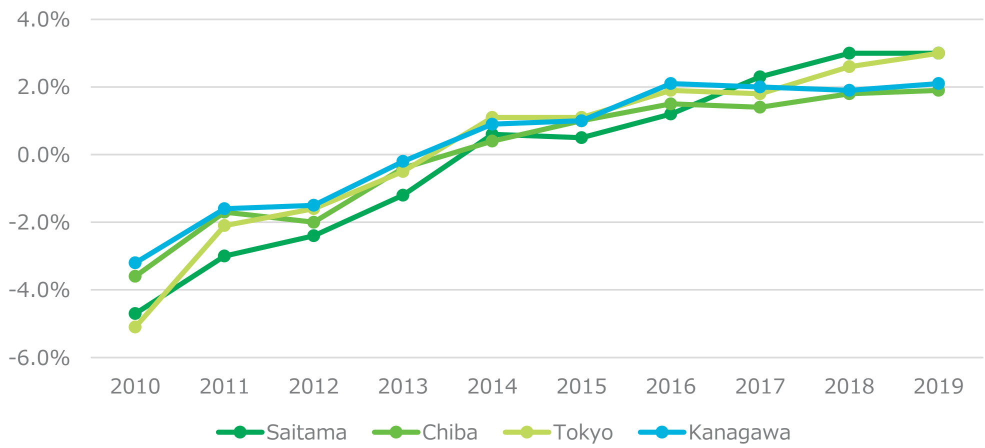
Land prices for industrial uses have also shown a remarkable recovery, and since 2014 land prices have turned positive in all areas. Development costs have remained at a high level in recent years.

・ Trends in construction cost



Source: Construction Research Institute, Warehouse Construction Cost (January 2020)

・ Land prices growth



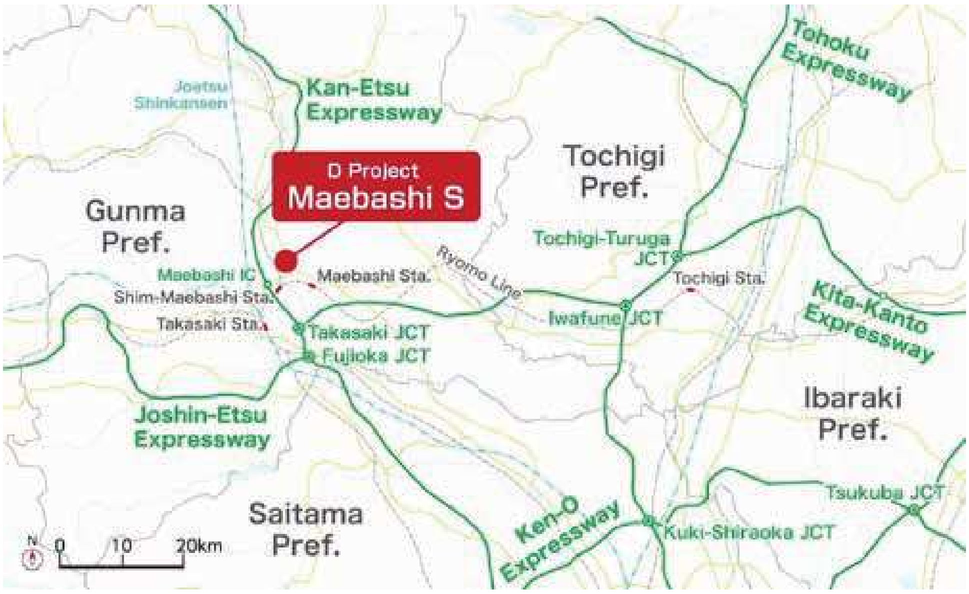
Source: Ministry of Land, Infrastructure, Transport and Tourism, Published Value of Standard Sites (January 2020)

- Infrastructure overview

Looking at logistics stock by area in Greater Tokyo, stock in the Ken-O-do area has substantially increased since 2013 when the market grew rapidly. While fewer industrial lands for large facilities are available in central Tokyo, development area has increased in the outskirts as transport network has improved with new expressways such as Ken-O-do Expressway. Even outside of the Ken-O-do area, which is 60 kilometers away from central Tokyo, lease-up is progressing well. Logistics facilities has been developed mainly in the Ken-O-do area centered in Saitama prefecture, but new development plans in Ibaraki prefecture, further out from central Tokyo, are expected to increase in the future.

3-2-1. D Project Maebashi S

Property Name	D Project Maebashi S
Location	1-10-1 Owatari machi, Maebashi Gunma, Japan
Land area (㎡)	23,224.89
Land area (tsubo)	7,025.53
Building Structure	Steel 2F
Gross Floor Area (㎡)	14,075.40
Gross Floor Area (tsubo)	4,257.81
NRA(㎡)	14,736.42
NRA(tsubo)	4,457.77
Completion Date	2018-11-05



a. Micro analysis (subject property)

ⅰ. Location characteristics

The subject property is located in south-central Gunma prefecture, within 60 km from central Tokyo. The city is home to several industrial parks and has a cluster of large-scale industrial facilities for automobile, food, and beverage etc. By using the Kita Kanto Expressway and arterial roads, National Route 17 and 127, the property can cover Maebashi City and Utsunomiya City which are leading cities of Kita Kanto. Also, since the location offers good access to the proximate “Maebashi Interchange” on the Kita Kanto Expressway (approx. 3.5 km), it is a location that can cover even the Tokyo area by using the expressway. As for the operating environment, the property is within an industrial park concentrated with large-scale distribution centers, there is little chance of receiving complaints from neighbors, therefore, it is a location that allows 24-hour operation. In terms of securing workforce, since a bus stop is available within a walking distance, it would allow to recruit employees from the surrounding areas where residences are concentrated.

ⅱ. Building characteristics

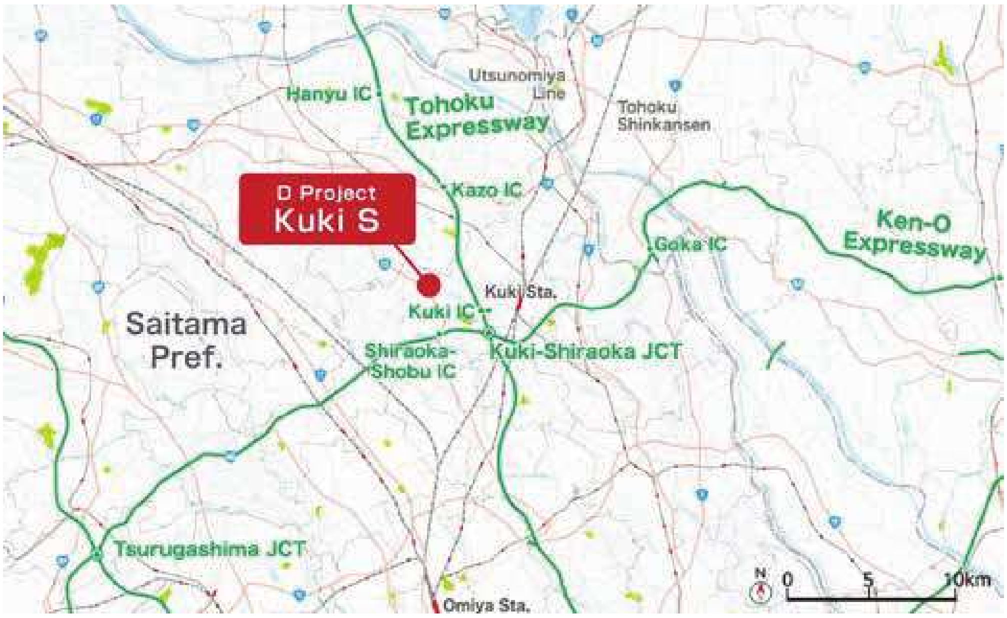
The subject property has 2 stories (2nd floor, office only), and the1st floor of which is a logistics facility with a gross floor area of 4,258 tsubo, used by a single tenant. Inside the facility, some fixed equipment is installed. Its basic specifications are: effective ceiling height of each floor, 6.7 m; floor loading capacity of each floor, 1.5t/sqm; column interval of 10.5×10.8m, having a high versatility. The parking lot provides a waiting area for 29 trucks and 148 spaces for ordinary vehicles. Since the site has two entrances/exits, it facilitates the operation of trucks.

ⅲ. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

The subject property offers good access to an interchange on the expressway and ordinary roads. As for the specifications, being single-storied, the facility provides convenience for delivery, which is highly valued in the area. Additionally, when considering the extremely small figure of the used FAR compared to the surrounding facilities, the building’s price per tsubo can be set higher than the above-mentioned level, and a reasonably achievable rent level is assumed to be JPY 3,000 - 3,500/tsubo (incl. CAM) by reffering to the asking rents of leasing comparables.

3-2-2 D Project Kuki S

Property Name	D Project Kuki S
Location	6201-3 Shobumachi Sanga, Kuki Saitama, Japan
Land area (㎡)	14,197.57
Land area (tsubo)	4,294.76
Building Structure	Steel 3F
Gross Floor Area (㎡)	18,302.33
Gross Floor Area (tsubo)	5,536.45
NRA(㎡)	18,257.33
NRA(tsubo)	5,522.84
Completion Date	2014-08-01



a. Macro analysis (Saitama)

- Construction trend

Saitama prefecture's construction area had continued to increase to more than 60,000 sq m from 2004 to 2007 and reached 750,000 sqm in 2008. In 2009, right after the Global Financial Crisis, the construction volume decreased by approximately 60% from the previous year but increased to more than 700,000 sqm in 2012. In 2015 and 2016, the construction area declined temporarily accompanying the mass supply in 2014 but turned to increase with a total area of more than 1,000,000 sqm after 2017, thanks to the expansion of the Ken-O Expressway.

・ Change in Area of Construction Starts for Logistics Facilities (Saitama)

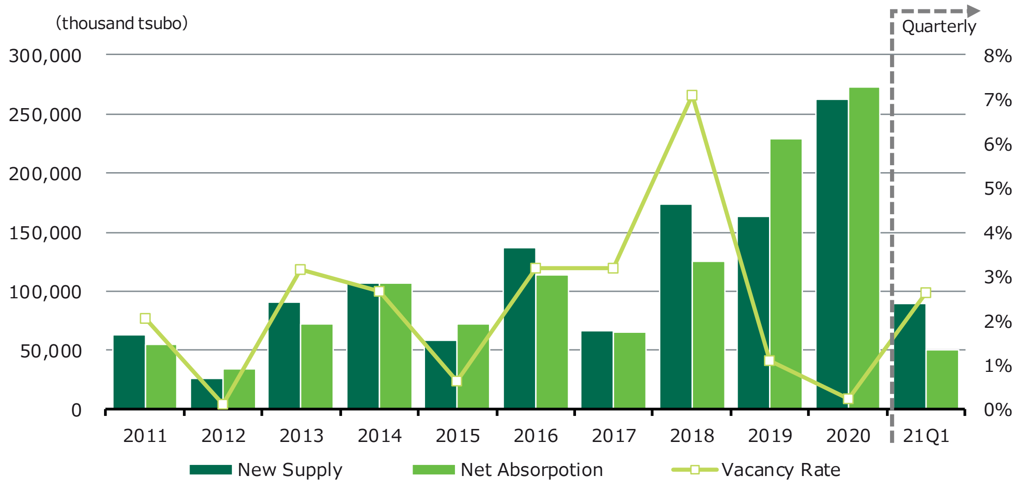
Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts (April 2020)

- Analysis of demand/supply/vacancy rate/rent (Saitama)

Many new large-scale logistics facilities were supplied in Saitama prefecture due to the land readjustment project in the Misato area in 2013. However, such properties were leased up in a very short time; as a result, Saitama prefecture's vacancy rate remained at a slight increase. Along with the expansion of the Ken-O Expressway's traffic network since 2014, the development area has become larger and new supply continues to increase in Saitama prefecture.

In 2018, multiple large facilities were completed; and the vacancy rate was on an upward trend. Then afterwards, the vacancy rate began to decrease with strong demand in 2019; and dropped to 0.2% in Q3 2020, the latest period, which reflects the tight supply-demand balance. The asking rent level as of Q3 2020, the latest quarter, increased by 0.2% year-on-year, and continued to show a positive trend same as the previous quarter. Rents tend to increase due to the limited supply of high spec properties.

・ Supply-Demand Balance for Medium/Large Facilities (Saitama)

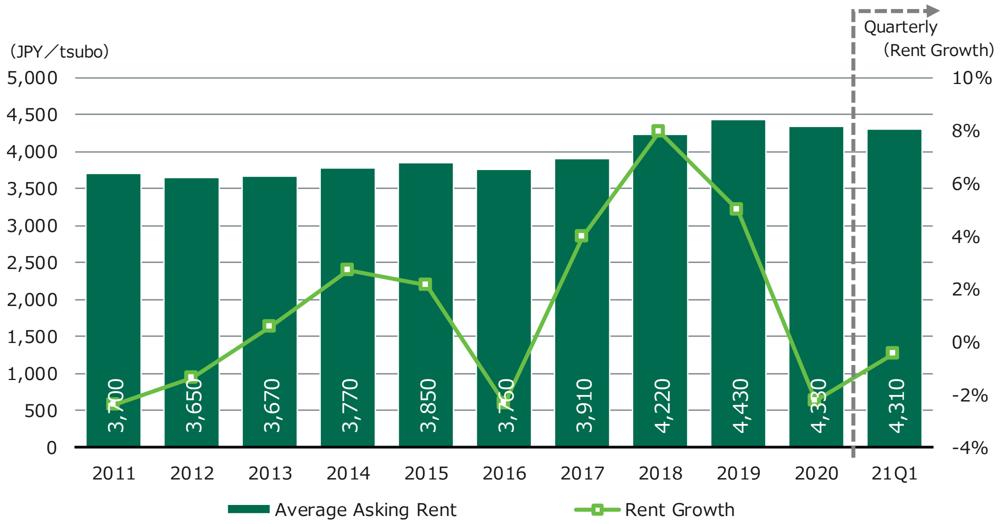


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Supply (tsubo)	62,814	25,804	90,101	107,262	58,325	137,237	66,995	174,186	163,847	262,582
Net Absorption (tsubo)	55,161	34,579	72,544	107,283	71,686	114,053	64,922	125,197	228,839	272,928
Vacancy Rate	2.0%	0.1%	3.2%	2.7%	0.6%	3.2%	3.2%	7.1%	1.1%	0.2%

	2021Q1
New Supply (tsubo)	89,618
Net Absorption (tsubo)	50,517
Vacancy Rate	2.6%

Source:CBRE

・ Average Asking Rent and Rent Growth (Saitama)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	3,700	3,650	3,670	3,770	3,850	3,760	3,910	4,220	4,430	4,330
Rent Growth	-2.4%	-1.4%	0.5%	2.7%	2.1%	-2.3%	4.0%	7.9%	5.0%	-2.3%

	2021Q1
Average Asking Rent	4,310
Rent Growth	-0.5%

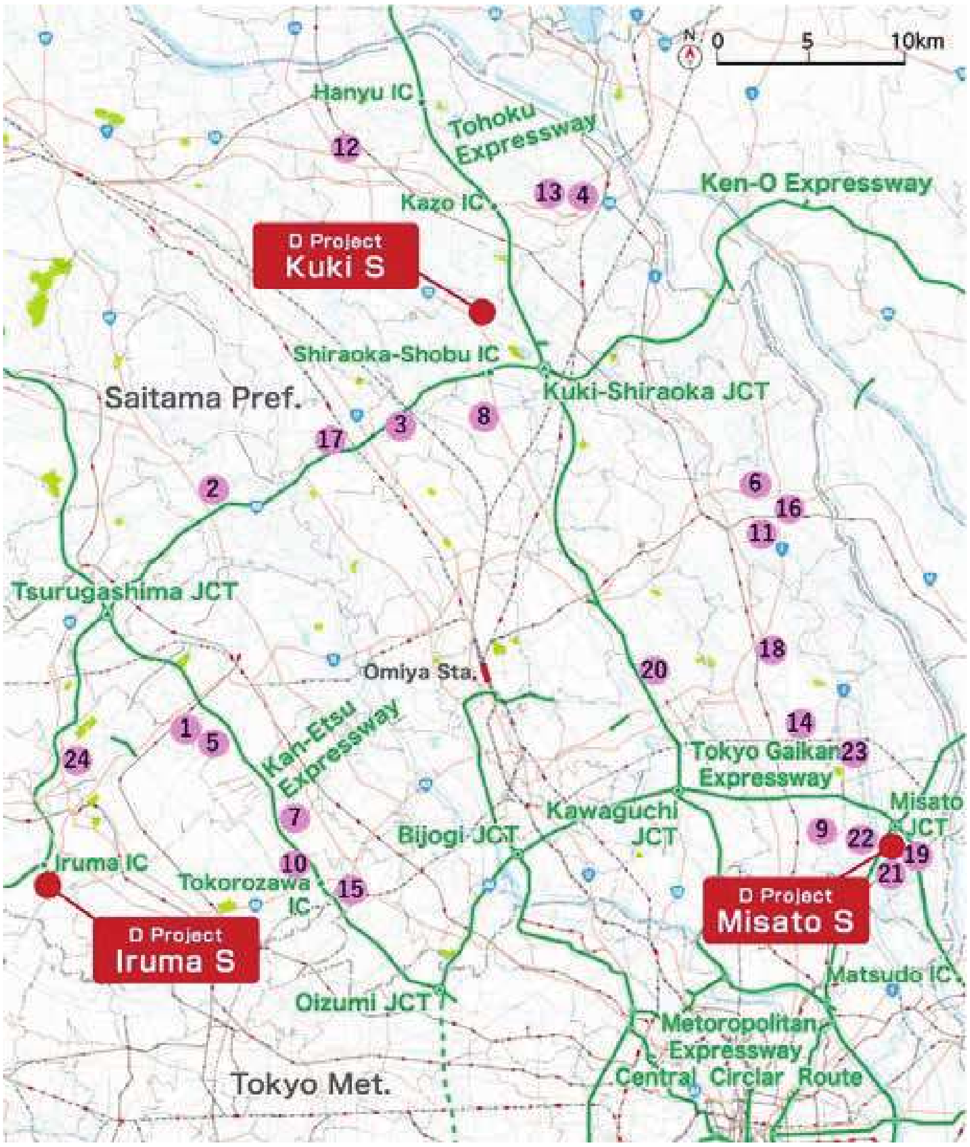
Source:CBRE

- List of development pipeline with map

NO	Property Name	Developer	Location	Land Area (sqm)	Gross Floor Area (sqm)	Completion
1	LOGIBASE Shin-Sayama	Mitsui ＆ Co. Real Estate Ltd.	1-13-3, Shin-Sayama, Sayama-shi, Saitama	5,309	10,790	2020/11
2	S･LOGi Kawajima	Shimizu Corporation	1-2, Kawajima, Kawajima-machi, Hiki-gun, Saitama	17,831	29,425	2020/12
3	DPL Okegawa	Daiwa House Industry	Kanohara, Okegawa-shi, Saitama	41,706	85,732	2020/12
4	LOGILAND Kazo BASE	Logi Land	2000, Makuchi, Kazo-shi, Saitama	16,215	30,152	2021/1
5	LOGIPLACE-D Kawagoe	The Dai-ichi Life Insurance Company, Limited	Kawagoe-shi, Saitama	25,600	32,000	2021/1
6	KIC Kasukabe Distribution Center	KIC Asset Management Inc.	643-1 and others, Aza-Furukawabata, Shimoyanagi, Kasukabe-shi, Saitama	9,914	21,165	2021/2
7	Logi Square Miyoshi II	CRE	Miyoshi-machi, Iruma-gun, Saitama	12,073	18,096	2021/3
8	Logicross Hasuda	Mitsubishi Estate	Hasuda-shi, Saitama	49,600	79,100	2021/3
9	DPL Soka	Daiwa House Industry	5-758, Matsue-shi, Saitama	25,790	51,018	2021/3
10	MFLP Tokorozawa	Mitsui Fudosan	Miyoshi-machi, Iruma-gun, Saitama	10,700	21,300	2021/5
11	Logicross Kasukabe	Mitsubishi Estate	731-1, Naganuma, Kasukabe-shi, Saitama	19,000	38,559	2021/5
12	LOGILAND Hanyu BASE	Logi Land	200-1 and others, Sukage, Hanyu-shi, Saitama	19,856	21,803	2021/5
13	Logiport Kazo	LaSalle Investment Management	1-317-5 and others, Toyonodai, Kazo-shi, Saitama (lot number)	53,017	121,419	2021/5
14	Landport Koshigaya	Nomura Fudosan	2-3-8, Ryutsudanchi, Koshigaya-shi, Saitama	-	31,981	2021/6
15	S･LOGi Niiza E2 building	Shimizu Corporation	Niiza city planning project Owada 2-3 chome district land readjustment project site	10,000	20,037	2021/6
16	LOGILANDKasukabe BASE I	Logi Land	Kasukabe-shi, Saitama	12,070	20,401	2021/7
17	GLP Kitamoto	GLP Japan	6-316-2 and others, Shimo-Ishito, Kitamoto-shi, Saitama	25,000	55,000	2021/8
18	KICKoshigaya Distribution Center	KIC Asset Management Inc.	371-1 and others, Aza-Shimo, Ozato, Koshigaya-shi, Saitama	5,823	11,259	2021/9
19	DPL Misato II	Daiwa House Industry	1-3-5, Inter Minami-Chiku, Misato-shi, Saitama	26,549	67,058	2021/10
20	DPL Urawa Misono	Daiwa House Industry	Saitama-shi, Saitama	37,170	91,803	2021/10

NO	Property	Developer	Location	Land Area (sqm)	Gross Floor Area (sqm)	Completion
21	DPL Misato III	Daiwa House Industry	Midori-ku, Saitama-shi, Saitama	34,473	85,349	2022/5
22	SOSiLA Yashio	Sumitomo Corporation	713, Tsurugasone, Yashio-shi, Saitama	-	35,869	2021/12
23	Prologis Park Soka	Prologis	Kakinoki-cho, Soka-shi, Saitama	68,817	151,000	2021/-
24	LOGI'Q Sayama Hidaka	Tokyu Land Corporation	Kamihirose Nishikubo, Sayama-shi, Saitama, within the land readjustment project site	52,391	113,967	2022/2

・ Development pipeline map



b. Semi-macro analysis (Saitama Ken-O-do zone)

i. Location characteristics

Areas comprising zone:

Sayama Ctiy	Kawajima-machi, Hiki-gun
Iruma City	Miyashiro-machi, Minami-Saitama-gun
Okegawa City	Shiraoka-machi, Minami-Saitama-gun（Shiraoka City）
Kuki City	Shobu-machi, Minami-Saitama-gun（Kuki City）
Kitamoto City	Kurihashi-machi, Kita-Katsushika-gun（Kuki City）
Sakado City	Washimiya-machi, Kita-Katsushika-gun（Kuki City）
Satte City	Sugito-machi, Kita-Katsushika-gun
Tsurugashima City	
Hidaka City	

- Regional Overview

Logistics facilities have been concentrated in industrial parks or distribution parks around Kuki City; however, with the opening the Ken-O Expressway, new supply of large-scale facilities has come on stream in the Kawashima and Sayama areas, which are subject to urbanization controls. Demand in these areas can be expected because the rent level is relatively lower, and it is relatively easier to secure large sites compared to the National Route 16 area closer to the central cities.

- Transportation

Major Arterial Road：Kanetsu Expressway, Tohoku Expressway, Ken-O Expressway, National Route 17, 122, 254

Train：JR Kawagoe and Takasaki Lines, Tobu Tojo and Ogose Lines

Port and Airport：－

- Major Companies

Honda Motor Co., Ltd, LOTTE Co., Ltd, Sumitomo Wiring Systems, Ltd, Zenrakuren, Kibun Food Chemifa Co., Ltd, Koshin Seikosho, Koiwai Dairy Products CO.,LTD, Dai Nippon Printing Co., Ltd, Saginomiya Seisakusho, Inc, Yachiyo Industry Co.,Ltd, Kose Corporation, Irumagawa Rubber Co.,Ltd, Citizen Micro Co.,Ltd, Fuji Baking Group, Poplar Publishing Co., Ltd, NTT Quaris Corporation, Yaskawa Electric Corporation, Yamada-udon Co.,Ltd, Teac, Isami, F-Tech Inc, Sony Manufacturing Systems Corporation, Nippon Chutestukan K.K, Washinomiya Gas Co., Ltd.

ii. Rent and demand trend and occupier characteristics

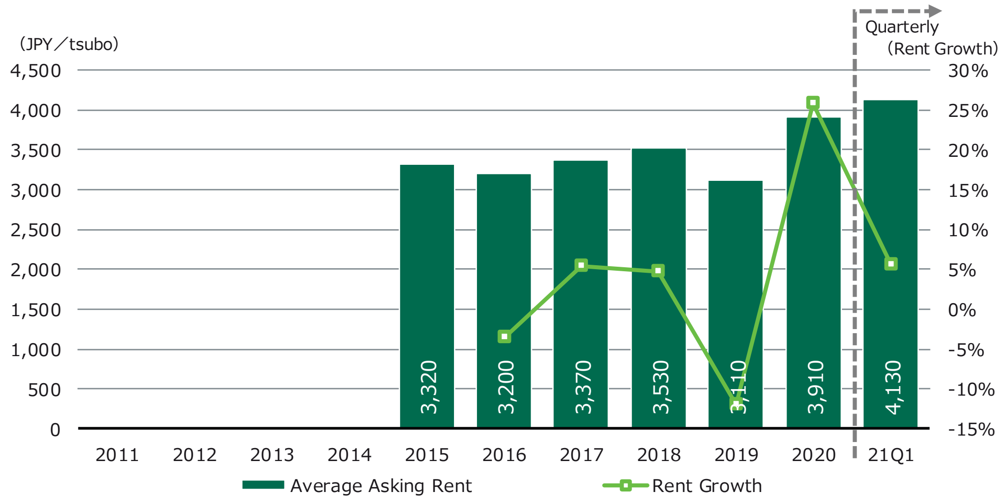
- Supply-Demand Trends

Large-scale supply has increased in the last few years in this zone due to the extension of the Ken-O Expressway. There has been a lot of construction of owner-occupied facilities and low-rise build-to-suit facilities. Meanwhile, improvements in transport infrastructure have strengthened this zone's competitiveness as a logistics location and new facilities tend to be larger. Most tenants are 3PL operators, e-commerce companies and retail companies selling daily necessities that require larger spaces, as rents are relatively inexpensive compared to the National Route 16 area which is closer to the CBD.

- Rent Trends

The table below shows the average asking rent for the Saitama Ken-O Expressway zone over the past five years. Rent has continued to have an upward trend since 2020 and the latest rent was 4,250 yen/tsubo in Q3 2020 (10.7% up year-on-year).

・ Average Asking Rent and Rent Growth (Saitama Ken-O-do zone)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	-	-	-	-	3,320	3,200	3,370	3,530	3,110	3,910
Rent Growth	-	-	-	-	-	-3.6%	5.3%	4.7%	-11.9%	25.7%

	2021Q1
Average Asking Rent	4,130
Rent Growth	5.6%

Source:CBRE

c. Micro analysis (subject property)

ⅰ. Location characteristics

The subject property is located in the northeastern part of Saitama, within 50km from central Tokyo. Although it used to be a flat farming area along the Tone river, it has been turning into a commuter area featuring the development of detached houses in recent years. The surrounding area has an industrial cluster including Shobu and Kiyoku Industrial Parks, concentrated with major manufacturers' factories, and logistics facilities. Since the subject property is proximate to an arterial road, National Route 122, it is possible to cover central Saitama in addition to local delivery. Moreover, it offers good access to expressways, about 6.5 km to "Kuki Interchange" on the Tohoku Expressway, and 3.6km to "Shiraoka Shobu Interchange" on the Ken-O Expressway, which enables the property to cover Saitama and the entire Greater Tokyo, and it can also function as a transit base on the way from the Tohoku area where a number of factories are located. As for the surrounding environment, the area has an industrial cluster. In terms of securing workforce, since a bus stop is available within a walking distance, it would allow to recruit employees from the surrounding areas where residences are concentrated.

ⅱ. Building characteristics

The subject property is a 3-story, box style logistics facility with a gross floor area of 5,536 tsubo, used by a single tenant. Its basic specifications are: effective ceiling height of each floor, 6.0 m; floor loading capacity of each floor, 1.5t/sqm; column interval of 10.5×9.2m, having a high versatility. As for transport capacity, four freight elevators are provided. The parking lot provides a waiting area for 13 trucks and 59 spaces for ordinary vehicles. Since the site has two entrances/exits, it facilitates the operation of trucks.

ⅲ. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

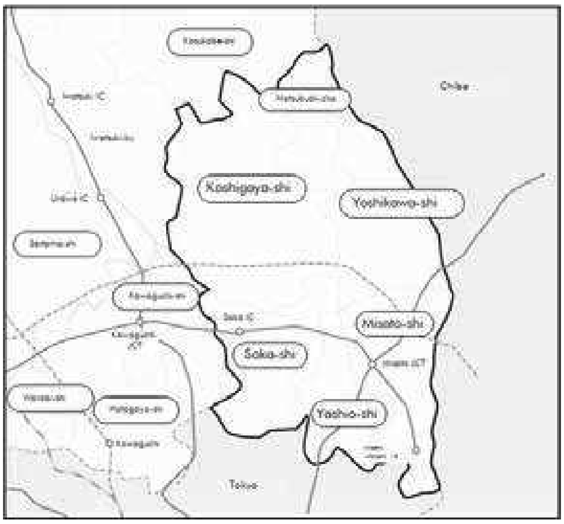
Since the subject property is competitive in the area, with the above level taken into account, the assumed achievable rent will be in the JPY 3,000 - 3,500/tsubo range by reffering to the asking rents of leasing comparables.

3-2-3. D Project Misato S

Property Name	D Project Misato S
Location	Misato Saitama, Japan
Land area （㎡）	14,239.27
Land area （tsubo）	4,307.38
Building Structure	Steel 3F
Gross Floor Area （㎡）	14,835.40
Gross Floor Area （tsubo）	4,487.71
NRA(㎡)	14,876.97
NRA(tsubo)	4,500.28
Completion Date	2015-02-15

a. Semi-macro analysis (Misato/Soka IC zone)

i. Location characteristics



Areas comprising zone:

- Yashio City
- Soka City
- Misato City
- Koshigaya City
- Yoshikawa City

- Regional Overview

Misato/Soka IC zone, including the Soka and Misato interchanges on the Shuto Expressway Route 6 and the Gaikan Expressway, is adjacent to mass-consumption areas in Tokyo, and logistics demand is stable in this zone. Demand is particularly strong in prime locations with high concentration of logistics facilities close to the interchanges such as Yashio, Soka and Koshigaya.

- Transportation Access

Major Arterial Road：Joban Expressway, Tokyo Gaikan Expressway, Shuto Expressway, National Route 4, 298, 463 etc.

Train：Tobu Isezaki Line, JR Musashino Line, Tsukuba Express

Port and Airport：-

- Major Companies

SMC Corporation’s Soka Factory, Kanto Chemical Co., Inc’s Soka Factory and Chuo Laboratory, Chiyoda Integre Co., Ltd, Riken Vitamin Co., Ltd, Horikawa Sangyo Co.,Ltd, Rengo Co., Ltd’s Yashio Factory, Fuji Baking Co., Ltd’s Tokyo Factory, Ricoh Industry Company, Ltd. Canon Finetech Nisca Inc, JFE Bars & Shapes Corporation’s East Japan Region’s Office, Duskin Product East Japan’s Saitama-Chuo Factory, IKEA Shin-Misato, Costco Shin-Misato, LaLaport Shin-Misato, Aeon LakeTown, Polus Group, Maruwa Unyu Kikan Co.,Ltd, Pentel Co., Ltd’s Yoshikawa Factory, Saizeriya Co., Ltd. etc.

ii. Rent and demand trend and occupier characteristics

- Supply-Demand Trends

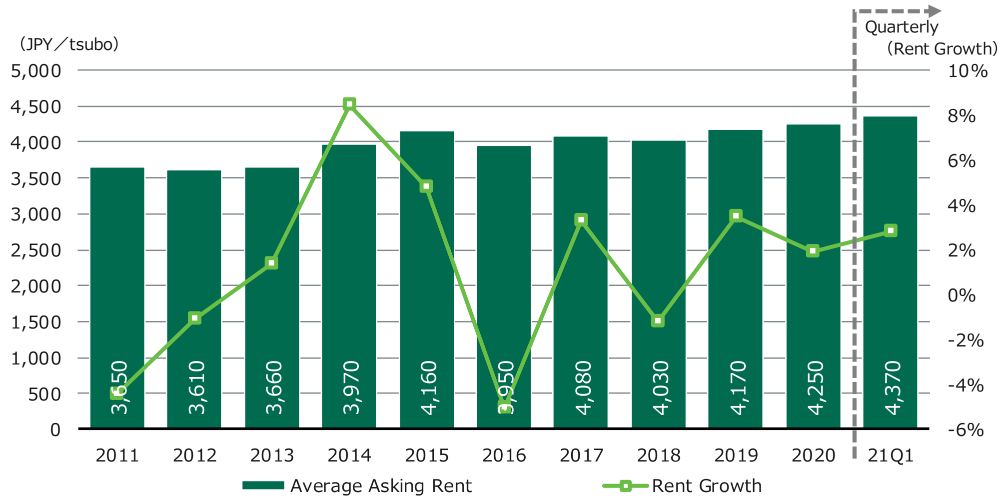
Misato/Soka IC zone has strong demand for a hub delivery point primarily for the mass-consumption area in the north-east part of Tokyo such as Adachi and Kita wards and southern Saitama. In addition, demand for a logistics hub to manage the Greater Tokyo as a whole is seen thanks to the major transportation channels such as the Joban Expressway and the Gaikan Expressway.

With a growing concern among occupiers about optimizing operational efficiency and reducing logistics costs by integration/consolidation of their facilities, demand for large-scale warehouses continues well. Regarding the tenant trends, major 3PL providers that focus on deliveries to central Tokyo, supermarkets and e-commerce companies are being active.

- Rent Trends

The following table shows the average asking rent for the Misato/Soka IC zone over the past 10 years. The asking rent as of Q3 2020 was 4,260 yen/tsubo, 3.6% up from the previous quarter. Due to a limited supply of large vacant spaces in the surrounding area, rents have been on an upward trend.

・ Average Asking Rent and Rent Growth (Misato/Soka IC Zone)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	3,650	3,610	3,660	3,970	4,160	3,950	4,080	4,030	4,170	4,250
Rent Growth	-4.5%	-1.1%	1.4%	8.5%	4.8%	-5.0%	3.3%	-1.2%	3.5%	1.9%

	2021Q1
Average Asking Rent	4,370
Rent Growth	2.8%

Source:CBRE

b. Micro analysis (subject property)

i. Location characteristics

The subject property is located within about 20 km from central Tokyo, and about 1.7 km from “Misato Interchange” on the Gaikan Expressway, which enables the property to handle the metropolitan area broadly in addition to central Tokyo, by using the expressway. Also, the location offers access to consumption areas such as northern Tokyo and southern Saitama by taking National Route 4, and 16. Moreover, in June 2018, along with the opening of the Gaikan Expressway between "Misato Minami Interchange" and "Koya Junction", accessibility to the Chiba area was improved, building up even a better reputation for the surrounding area as a location for logistics facilities. As for the operation environment, it is good since the area forms a cluster of logistics facilities. In terms of securing workforce, the location has high scarcity due to its high advantage with the availability of a bus stop within a walking distance and residential areas spreading behind the area.

ii. Building characteristics

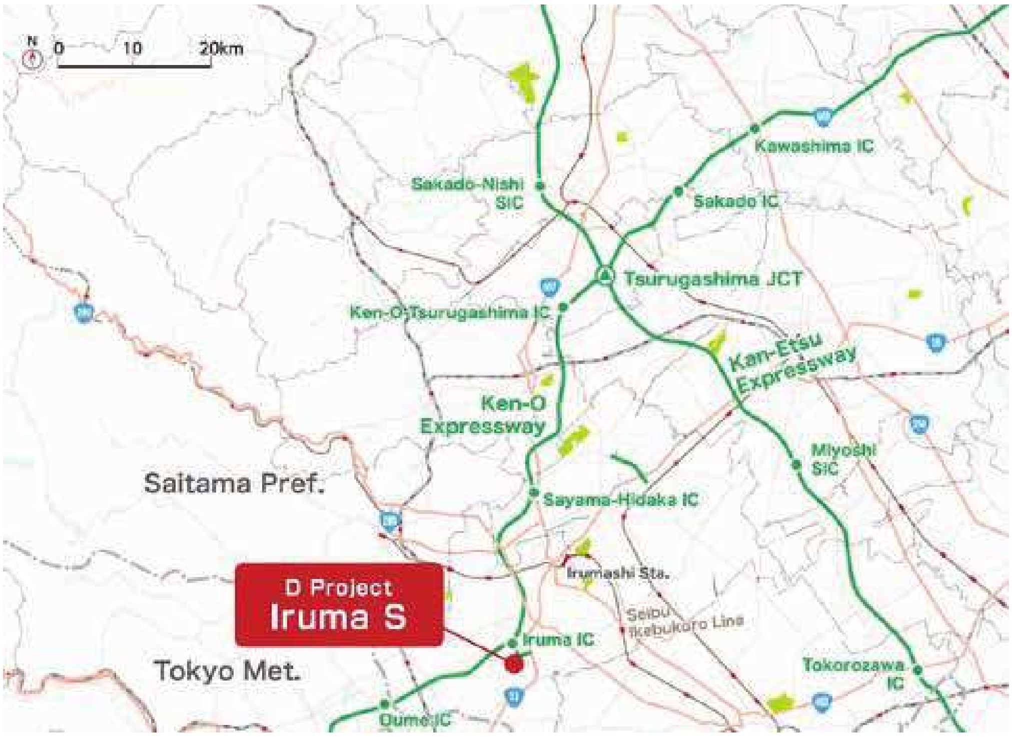
The subject property is a 3-story, box style logistics facility with a gross floor area of 4,488 tsubo, used by a single tenant. Its basic specifications are: effective ceiling height of each floor, 5.5 m; floor loading capacity of each floor, 1.5t/sqm; column interval of 11.0×9.5m, having a high versatility. As for transport capacity, a freight elevator and four vertical conveyors are provided. The parking lot provides a waiting area for 10 trucks and 31 spaces for ordinary vehicles. The site has two entrances/exits, which facilitates the operation of trucks.

iii. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

The subject property offers good access to an arterial road and has highly competitive facility specifications in the area. Regarding the assumed achievable rent of the subject property, with the current tight supply-demand balance taken into account, it is possible to set the price higher than the above- mentioned level. Considering the above, the actual rent of JPY4,300 - 4,800/tsubo (incl. CAM) for the subject property is deemed to be a reasonable level by reffering to the asking rents of leasing comparables.

3-2-4. D Project Iruma S

Property Name	D Project Iruma S
Location	Iruma Saitama, Japan
Land area (㎡)	11,528.52
Land area (tsubo)	3,487.38
Building Structure	Steel 3F
Gross Floor Area (㎡)	15,328.49
Gross Floor Area (tsubo)	4,636.87
NRA(㎡)	14,581.80
NRA(tsubo)	4,410.99
Completion Date	2017-12-18



a. Micro analysis (subject property)

i . Location characteristics

The subject property is located in the southwestern part of Saitama, about 50km from central Tokyo. Since it is a commutable area to central Tokyo, the development of residential areas is progressing as a commuter town to Tokyo. The area is one of the leading industrial cities of the prefecture, surrounded by large-scale industrial parks such as Musashi Industrial Park and Sayamadai Industrial Park serving as a manufacturing base in the suburban Tokyo metropolitan area. The subject property is close to the Iruma Interchange on the Ken-O Expressway, about 0.6km. Since it is possible to get on the Tohoku Expressway, the Kan-Etsu Expressway, the Chuo Expressway, and the Tomei Expressway from the Ken-O Expressway, it enables the location to be a base that can cover a broad area. Moreover, via National Route 16 and 463 near the subject property, central Tokyo is accessible in addition to local delivery to Hachioji in western Tokyo and a broad area of Saitama. Regarding the surrounding environment, since the area is concentrated with industrial facilities, the operating environment is under good conditions. In terms of securing workforce, it is under advantageous conditions for recruiting employees with the availability of a bus stop within a walking distance.

ii . Building characteristics

The subject property is a 3-story, box style logistics facility with a gross floor area of 4,637 tsubo, used by a single tenant. Part of the 1st floor is a freezing/cooling facility, and truck berths are provided on the both sides of the 1st floor, one of which has a dock shelter. Its basic specifications are: effective ceiling height of each floor, 5.5 m; floor loading capacity of each floor, 1.5t/sqm; column interval of 11.0×10.0m, having a high versatility. As for transport capacity, four freight elevators and two vertical conveyors are provided. The parking lot provides 46 spaces for ordinary vehicles. Since the site has four entrances/exits, it facilitates the operation of trucks.

iii . Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

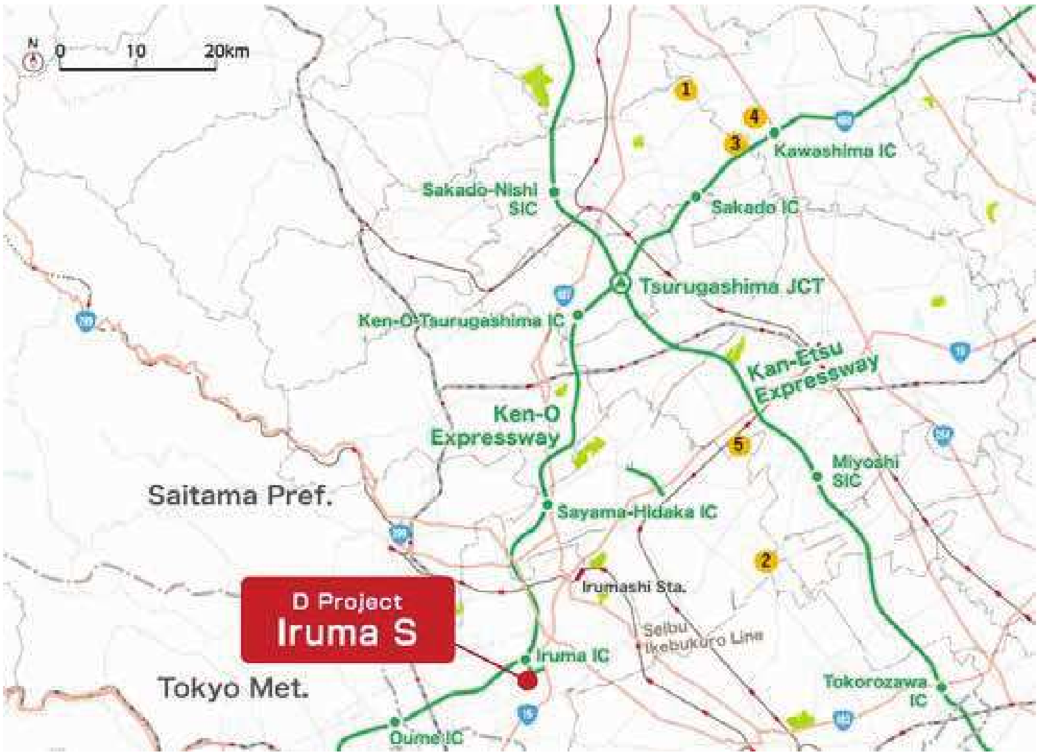
The facility specifications of the subject property are high, making the property competitive in the area. Since the property is partly equipped with a freezing/cooling facility, it is possible to set a higher rent than the above-mentioned level and the assumed achievable rent level is JPY 3,700 - 4,200/tsubo by reffering to the asking rents of leasing comparables.

- Asking Rent Comparables in Area

NO	Location	Structure	Floors	Completion	Total Land Area (tsubo)	Gross Floor Area (tsubo)	Leased Area (tsubo)	Deposit (months)	Rent (incl. CAM) (yen/tsubo)
1	407-1, Tomori, Kawajima-machi, Hiki-gun, Saitama	RC	3	1989	546	941	941	4	3,500
2	496-5, Kamiakasaka, Sayama-shi, Saitama	S	1	2017	1,387	865	865	4	3,800
3	888-1, Oaza-Kamiigusa Mishima, Kawajima-machi, Hiki-gun, Saitama	S	4	2017	8,124	14,792	3,580	-	3,800
4	1-1, Kawajima 2-chome, Kawajima-machi, Hiki-gun, Saitama	S	5	2011	23,241	50,479	1,977	-	3,483
5	9-3, Minamidai 1-chome, Kawagoe-shi, Saitama	S	4	2018	17,772	39,723	1,995	5	4,000-4,500

	Type of Flooring	Building Specification
Comp. 1	BOX	Ceiling Height: 4.0 meters, Floor Loading: 3.0t/sqm
Comp. 2	BOX	Ceiling Height：5.5 meters
Comp. 3	Rampway	Ceiling Height: 5.5 meters, Floor Loading: 1.5t/sqm, Raised-floor
Comp. 4	Rampway	Ceiling Height: 5.5 meters, Floor Loading: 1.5t/sqm, Raised-floor
Comp. 5	Rampway	Ceiling Height: 5.5 meters, Floor Loading: 1.5t/sqm, Raised-floor

・ Map of Asking Rent Comparable Locations



3-2-5. DPL Kawasaki Yako

Property Name	DPL Kawaki Yako
Location	Yako, Kawasaki Kanagawa, Japan
Land area （㎡）	47,868.13
Land area （tsubo）	14,480.11
Building Structure	Steel 5F
Gross Floor Area （㎡）	94,799.17
Gross Floor Area （tsubo）	28,676.75
NRA(㎡)	93,071.59
NRA(tsubo)	28,154.16
Completion Date	2017-06

a. Macro analysis (Kanagawa)

- Construction trend

Kanagawa prefecture's construction area had been at a slightly low level since the bubble period, and then during 2006 and 2008, it exceeded 600,000 sqm for the first time since 1995 as many large-scale logistics facilities were developed by real estate investment companies.The construction volume had suffered a decline in the aftermath of the Global Financial Crisis, but in 2011 and 2012 it recovered to over 400,000 sqm.After declining again in 2013, it reached nearly 800,000 sqm in 2015, exceeding the previous peak in 2008.In 2018, it was approximately 940,000 sqm, that was the third-highest level after 1989 and 1990.In 2019, the latest year, the construction floor area decreased by 50% from the previous year; however, the number of new facilities is on the rise, which means, the number of developments of medium-sized properties has been increasing.

Along with the expansion of construction areas in Saitama and Chiba prefectures since 2004, the Greater Tokyo area's construction volume had increased to more than 2 million sqm until 2007.In 2009, the construction volume dropped by almost half as compared to the previous year due to a sharp decline in construction activity right after the Global Financial Crisis; however, it had gradually increased, and after 2014, reached to more than 2 million sqm. In 2019, the latest year, it increased even further with a total area of 3,200,000 sqm.Greater Tokyo expects similar construction volume to the past years' trend, as there has been a growing number of industrial land plots acquired by real estate developers.

・ Change in Area of Construction Starts for Logistics Facilities (Kanagawa)

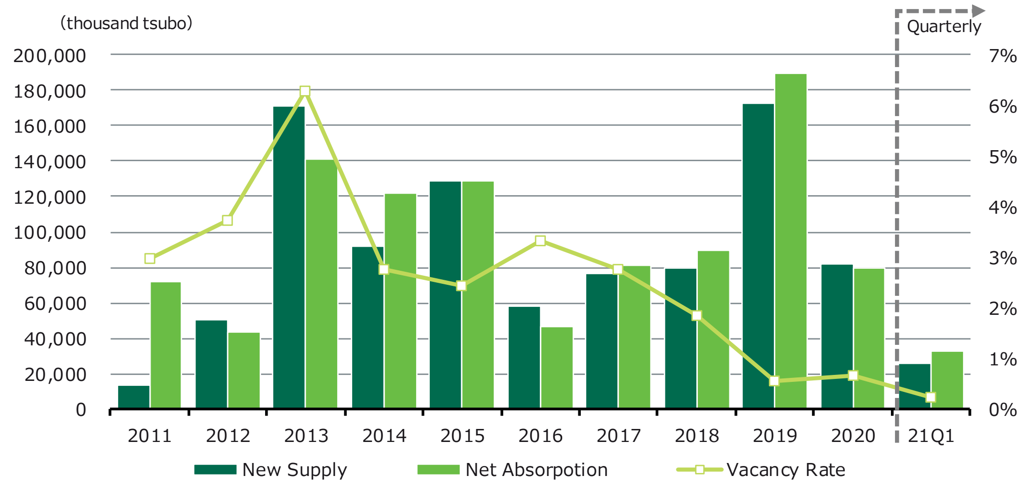
Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts (April 2020)

- Analysis of demand/supply/vacancy rate/rent (Kanagawa)

There are two designated international seaports in Kanagawa prefecture; Yokohama Port and Kawasaki Port, and large-scale industrial parks are located in the Keihin industrial zone and inland area. Distribution hubs are concentrated around Yokohama Port or Kawasaki Port, and inland area around the interchanges on Tomei expressway. In Kanagawa prefecture, there are growing needs among occupiers to integrate/consolidate their distribution points or establish new locations, and demand for both large and small-to-medium scale logistics facilities continues well. Logistics demand has been strong especially for consumer goods such as food/beverages, clothing, daily necessities, and precision equipment.

Along with the expansion of the Ken-O Expressway's traffic network in 2013, new supply continued to increase in Atsugi and Sagamihara cities, the inland area of Kanagawa prefecture; however, the vacancy rate increased only slightly due to the generation of some extent of new demands. Since 2014, despite a certain volume of new supply, demand has remained steady and the vacancy rate has remained at a low level. Demand has continued to exceed supply since 2017, and from the beginning of 2019, the vacancy rate of medium and large facilities has been below 1%. It was 0.3% as of Q3 2020, the latest quarter, reflecting the tight availability of space in the market.

・ Supply-Demand Balance for Medium/Large Facilities (Kanagawa)



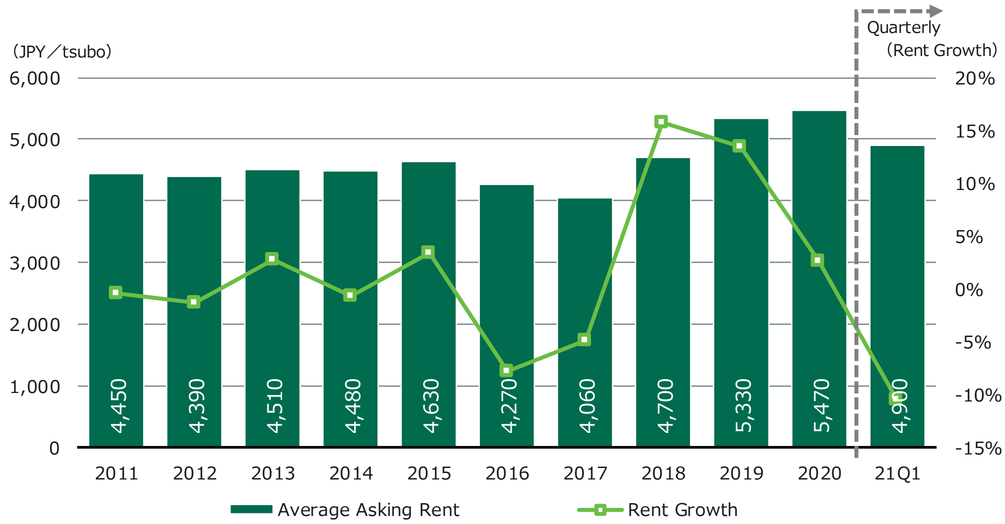
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Supply (tsubo)	13,195	50,099	170,996	91,758	128,943	58,360	76,371	79,573	173,010	82,278
Net Absorption (tsubo)	71,833	43,141	140,998	121,734	128,861	46,470	81,153	89,590	189,539	79,879
Vacancy Rate	3.0%	3.7%	6.3%	2.8%	2.4%	3.3%	2.7%	1.8%	0.6%	0.7%

	2021Q1
New Supply (tsubo)	25,984
Net Absorption (tsubo)	33,010
Vacancy Rate	0.2%

Source:CBRE

CBRE

- Average Asking Rent and Rent Growth (Kanagawa)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	4,450	4,390	4,510	4,480	4,630	4,270	4,060	4,700	5,330	5,470
Rent Growth	-0.4%	-1.3%	2.7%	-0.7%	3.3%	-7.8%	-4.9%	15.8%	13.4%	2.6%

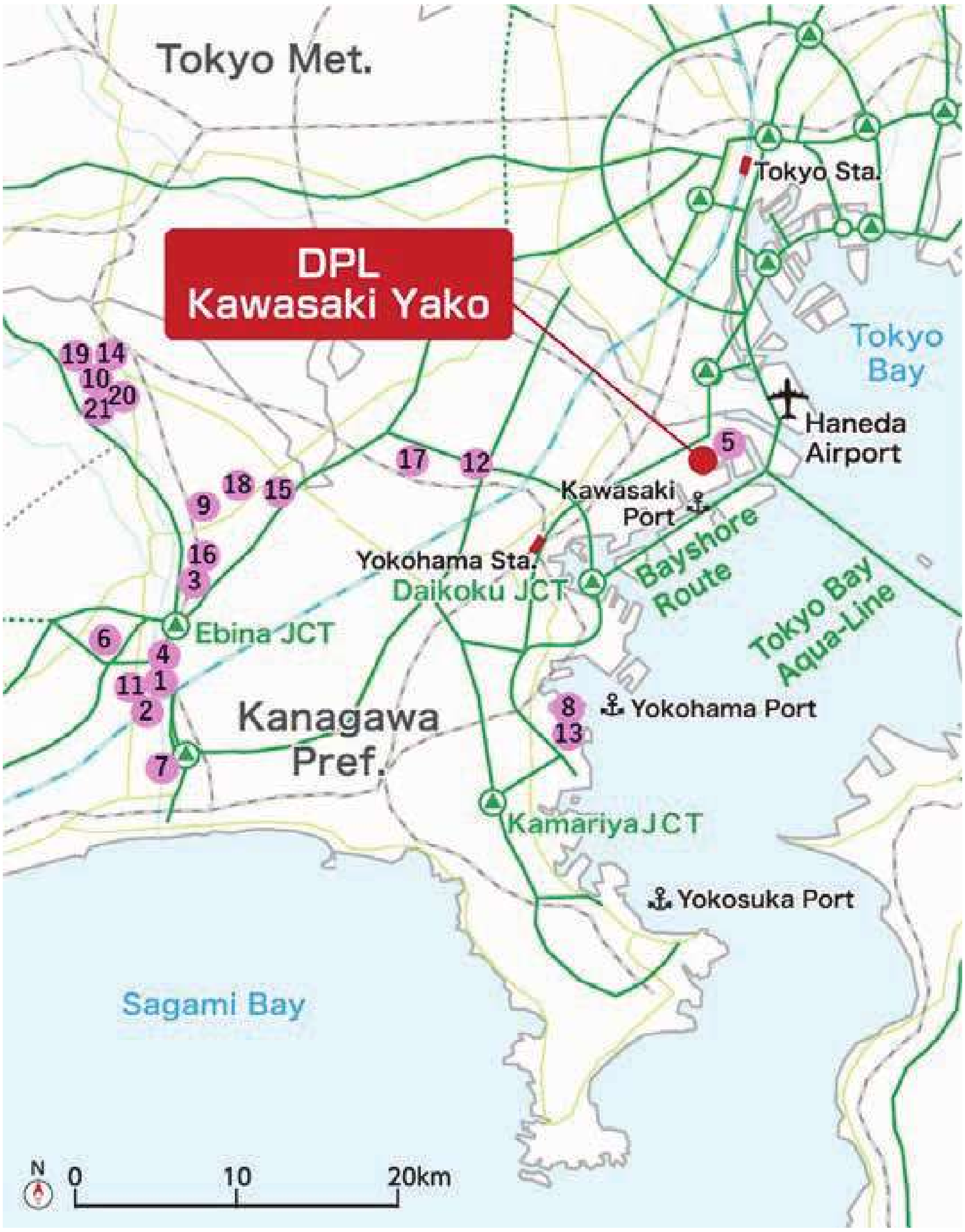
	2021Q1
Average Asking Rent	4,900
Rent Growth	-10.4%

- Source:CBRE

- List of development pipeline with map

NO	Name of Building	Developer	City and Prefecture	Site area (㎡)	Gross Floor Area (㎡)	Date of completion
1	GLP Atsugi Ⅲ	GLP Japan	Twin City Okami District, Hiratsuka-shi, Kanagawa	20,000	42,000	Nov-20
2	GLP Hiratsuka I	GLP Japan	Okami, Hiratsuka-shi, Kanagawa	20,000	42,000	Nov-20
3	Logicross Ebina	Mitsubishi Estate	5-chome, Nakashinden, Ebina-shi, Kanagawa	30,100	62,200	Nov-20
4	D Project Hiratsuka	Daiwa House Industry	Twin City Okami District, Hiratsuka-shi, Kanagawa	31,143	65,484	Mar-21
5	ESR Kawasaki Yako Distribution center	ESR	2-4-1, Yako, Kawasaki-ku, Kawasaki-shi, Kanagawa	36,364	78,118	Apr-21
6	DPL Isehara	Daiwa House Industry	Isehara-shi, Kanagawa	29,716	73,980	May-21
7	ESR Chigasaki Distribution center	ESR	Kaminomae, Chigasaki-shi, Kanagawa	33,870	69,307	Jun-21
8	ESR Yokohama Distribution center 1st term	ESR	1-8-1, Sachiura, Kanazawa-ku, Yokohama-shi, Kanagawa	329,994	-	Jul-21
9	Prologis Park Ebina 2	Prologis	3-250-1, Shimoimaizumi, Ebina-shi, Kanagawa	17,000	38,000	Aug-21
10	GLP ALFALINK Sagamihara I	GLP Japan	Tana, Chuo-ku, Sagamihara-shi, Kanagawa	137,000	306,000	Aug-21
11	DPL Hiratsuka	Daiwa House Industry	City planning business of Twin City Okami District, Hiratsuka-shi, Kanagawa	54,076	122,122	Jan-22
12	DPL Yokohama Kohoku	Daiwa House Industry	Tsuzuki-ku, Yokohama-shi, Kanagawa	40,489	101,131	Jan-22
13	ESR Yokohama Distribution center 2nd term	ESR	1-8-1, Sachiura, Kanazawa-ku, Yokohama-shi, Kanagawa	329,994	-	Jun-22
14	GLP ALFALINK Sagamihara Ⅱ	GLP Japan	Tana, Chuo-ku, Sagamihara-shi, Kanagawa	137,000	158,000	Nov-22
15	SOSiLA Chuorinkan	Sumitomo Corporation	Yamato-shi, Kanagawa	-	-	2022
16	MFLP Ebina	Mitsui Fudosan	Nakashinden, Ebina-shi, Kanagawa	56,700	124,400	Spring 2022
17	Logistics Facility Project in Yokohama Aoba	Tokyo Tatemono	654-1, Aza-Gikoba, Kawawa-cho, Tsuzuki-ku, Yokohama-shi, Kanagawa	8,110	15,500	Spring 2022
18	Logicross Zama	Mitsubishi Estate	Hironodai, Zama-shi, Kanagawa	83,400	183,900	Jun-23
19	GLP ALFALINK Sagamihara Ⅲ	GLP Japan	Tana, Chuo-ku, Sagamihara-shi, Kanagawa	137,000	90,000	Feb-24
20	GLP ALFALINK Sagamihara Ⅳ	GLP Japan	Tana, Chuo-ku, Sagamihara-shi, Kanagawa	137,000	50,000	Feb-24
21	GLP ALFALINK Sagamihara Ⅴ	GLP Japan	Tana, Chuo-ku, Sagamihara-shi, Kanagawa	137,000	50,000	Feb-24

・ Development pipeline map



b. Semi-macro analysis (Kanagawa Bay Zone)

ⅰ. Location characteristics

Areas comprising zone:
Tsurumi ward, Yokohama city
Naka ward, Yokohama city
Kanazawa ward, Yokohama city
Kawasaki ward, Kawasaki city

- Regional Overview

  Kanagawa Bay zone is close to Haneda Airport and there are sufficient or adequate infrastructures for logistics operation such as the Metropolitan expressway Bayshore line and Kawasaki/Yokohama Port. Large-scale logistics facilities are concentrated in coastal area, but most buildings are aged and obsolete.

- Transportation

  Major Arterial Road：Tokyo Bay Aqua-Line, Shuto Expressway, National Route 1, 15, 16, 133, 57 etc.

  Train：JR Tokaido Line, Keihin Tohoku Line, Nanbu Line, Tsurumi Line, Keihin Kyuko Line, Yokohama Municipal Subway, Minato-Mirai Line

  Port and Airport：Yokohama Port, Kawasaki Port

- Major Companies

  JFE Steel Corporation, Nippon Oil Corporation (Kawasaki branch), Tonen General Sekiyu K.K. (Kawasaki factory), Ajinomoto Co., Inc (Kawasaki factory), Kirin Brewery Company, Limited (Yokohama factory), Nissan Motor Co., Ltd, Toshiba Corporation, NHK Spring Co., Ltd. etc.

iv. Rent and demand trend and occupier characteristics

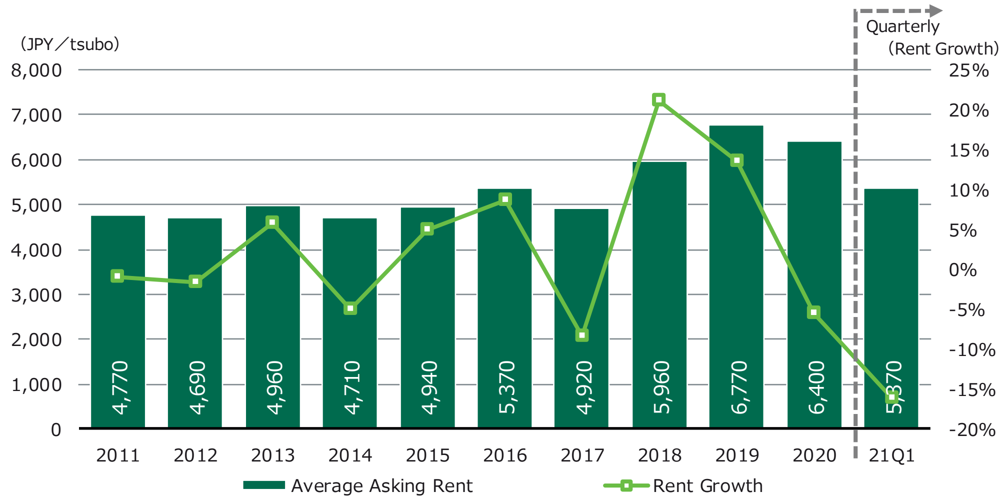
- Supply-Demand Trends

There is high demand for large-scale distribution centers especially in coastal areas. Occupiers are considering integration/consolidation of their distribution points, which has strengthened demand for larger premises. The logistics market had faced a difficult balance of supply and demand, but the situation is currently recovering. Large-scale vacancies have become scarce in high-performing facilities.

- Rent Trends

As vacancies have become even more scarce in recent years, there have been many cases that landlords do not disclose detailed information (subject to negotiation) even though they have spaces available for rental.Therefore, the rent level tends to fluctuate depending on sample propertie; the recent declining trend in rents after 2020 is only due to specific properties, but it does not directly indicate the current stagnating market.

・ Average Asking Rent and Rent Growth (Kanagawa Bay Zone)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	4,770	4,690	4,960	4,710	4,940	5,370	4,920	5,960	6,770	6,400
Rent Growth	-1.0%	-1.7%	5.8%	-5.0%	4.9%	8.7%	-8.4%	21.1%	13.6%	-5.5%

	2021Q1
Average Asking Rent	5,370
Rent Growth	-16.1%

Source:CBRE

c. Micro analysis (subject property)

i. Location characteristics

The subject property provides good access to logistics infrastructure such as Kawasaki Port, Yokohama Port (Honmoku Pier/ Minami Honmoku Pier/ Daikoku Pier), Haneda Airport, and Tokyo Bay. Additionally, it is located about 3.4 km from Daishi Interchange on the Metropolitan Expressway K1 Yokohane Route and since it has good access to an industrial road, about 1.0 km, it can function as a large-scale logistics hub for a broad area covering a major consumption area including Yokohama, Kawasaki, and Tokyo.

As for operation environment, since the surrounding area of the subject property falls under an industrial area concentrated with large-scale factories, there is no concern about receiving complaints from neighbors. In terms of securing workforce, though the subject is not within a walking distance from the nearest station, a bus stop is reachable on foot and there is a concentration of population behind the area; the environment is good to secure employees.

ii. Building characteristics

According to the subject property's plan, it is a 4-story logistics facility with a gross floor area of 28,677 tsubo. Since it has double rampways, vehicles can directly access to each floor's truck berth, making the facility highly convenient for delivery.The building's basic specifications are: effective ceiling height of the 1st floor, 6.3 m, of the 2nd to 4th floors, 5.5 m; floor loading capacity, 1.5t/sqm; column interval of 11.0m×9.5m, offering high versatility. As for its transport facilities, there are four vertical conveyors for future use, and office space is available on both ends, which enables multiple tenants to use the floor. The on-site parking lot provides 170 spaces for ordinary vehicles and a waiting area for 25 trucks.

iii. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

The subject property provides excellent delivery efficiency and is highly competitive in the area. In terms of estimating its achievable rent, the adjacent No.1 would serve as a reference. Considering the above, the achievable rent level is assumed to be JPY 4,400 - 4,800/tsubo by reffering to the asking rents of leasing comparables.

3-2-6. D Project Nagano Suzaka S

Property Name	D Project Nagano Suzaka S
Location	34, Gokan machi, Suzaka, Nagano, Japan
Land area (㎡)	18,805.10
Land area (tsubo)	5,688.54
Building Structure	Steel 2F
Gross Floor Area (㎡)	9,796.91
Gross Floor Area (tsubo)	2,963.57
NRA(㎡)	9,810.12
NRA(tsubo)	2,967.56
Completion Date	2018-09-25

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a. Macro analysis (Nagano)

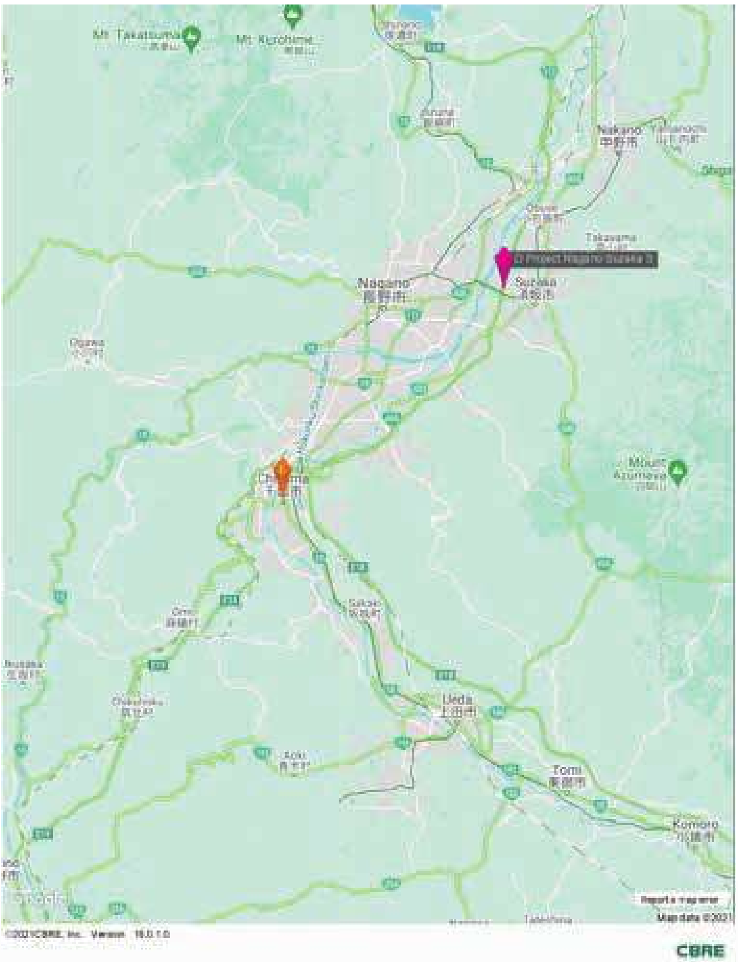
Nagano is an inland prefecture located in the central part of Honshu island, and does not face the sea. As it is surrounded by a large mountainous area, there are few developable lands such as basins. The rental market has not yet been formed in Nagano prefecture, and its main feature is the use of owner-occupied warehouses. Large-scale rental spaces are limited to facilities owned by logistics companies which operate the business locally.

- List of development pipeline with map

New large-scale development plans are limited to specific developers.

NO	Property Name	Developer	Location	Land Area (sqm)	Gross Floor Area (sqm)	Completion
1	DPL Nagano Chikuma	Daiwa House Industry	Chikuma-shi, Nagano	51,995	51,131	2022/11

・ Development pipeline map



b. Micro analysis (subject property)

ⅰ. Location characteristics

Suzaka City, where the subject property is located, is in northeastern Nagano Prefecture. In the Suzaka/Nagano City areas, the Joshin-etsu Expressway runs parallel to a national road and the Hokuriku Shinkansen railway. The expressway connects the Kanto area - northern Nagano - Niigata (the Japan Sea side). Since the subject property is located about 3 .3km to "Suzaka Nagano Higashi Interchange" and has good access to a major arterial road, it functions as a distribution transit base located between major cities, and conducts a broad area delivery to the surrounding areas of Nagano Prefecture, in addition to local delivery to Nagano City and its vicinity. Along the expressway and the arterial road in the surrounding area of the subject property, green land and underutilized land are mainly seen with residential areas spreading in the background, as well as scattered logistics facilities and factories. In terms of securing workforce, though driving to work is common practice in the area, since the site has a large enough parking lot, recruiting people form the surrounding cities is possible. The nearest station "Murayama" station on the Nagano Electric Railway Line is located within a walking distance (approx. 500m).

v. Building characteristics

The subject property is a logistics facility consisting of a warehouse on the 1st floor, and office spaces on the 2nd floor with a gross floor area of about 3,000 tsubo. The warehouse is provided with a cold storage which can handle and store products both at a room temperature and a low temperature. Its basic specifications are: effective ceiling height, 7.2 m and higher; floor loading capacity, 1.5t/sqm; column interval of 11.5m ×10.5m; having high versatility. The site has a parking lot securing spaces for ordinary vehicles and a waiting area for large vehicles.

vi. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

Since there are a limited number of large rental warehouses in the surrounding area of the subject property, lease comparables of medium-sized warehouses in a broader area have been taken into consideration. In the vicinity of the subject property, no investment market is formed and supply of large rental warehouses is limited. Therefore, logistics facilities larger than a certain size are considered to have high scarcity in the subject area. Also, such facilities can expect demand as a transit base connecting cities with the good access to the expressway. The subject warehouse is single-story use which requires a smaller portion of the FAR, having scarcity as a recently-built large rental warehouse. The subject building has a cold storage etc, and the construction cost regarding low temperature storing is assumed to be borne by the owner, which is a factor for a higher rent. Considering the above, the achievable rent level of the subject property is assumed to be around JPY3,500 - 4,000/tsubo by reffering to the asking rents of leasing comparables.

3-3. Greater Nagoya

Area		Property Name		Location	Land area (㎡)	Building Structure	Gross Floor Area (㎡)	NRA(㎡)	Completion Date
3-3	Greater Nagoya	3-3-1	DPL Shinfuji	Komino Atsuhara, Fuji Shizuoka, Japan	28,216.80	Steel 3F	27,415.87	27,540.45	2017-09-20
		3-3-2	D Project Kakegawa S	1374 - 1, Minamisaigo, Kakegawa, Shizuoka, Japan	20,322.00	Steel 3F	21,173.45	22,522.50	2019-05-01

- Regional Overview

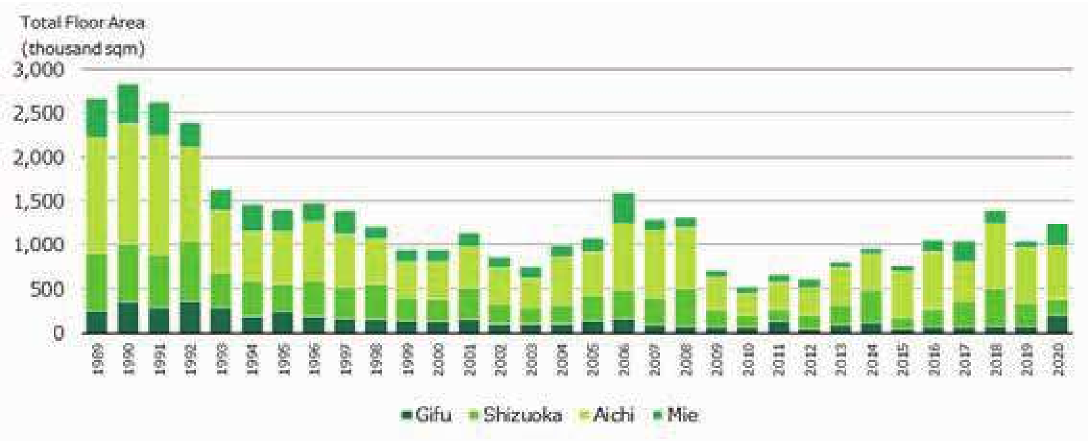
The Greater Nagoya area has the third-largest consumption volume after the Greater Tokyo and the Greater Osaka. Logistics facilities are concentrated in inland areas around Komaki and Kasugai cities, and around Nagoya Port which is close to consumption areas. Development of large rental warehouses has been centered on the Komaki Interchange that covers a broad area of delivery; however, due to the restrictions in the bay area and the area's characteristics with many urbanization control areas, new supply has not grown generally in comparison with the consumption volume. Demand is mainly from automobile, machinery, and other manufacturer companies as well as consumer goods companies. In recent years, large-scale development has been revitalized; however, the existing warehouses have aged and deteriorated as there were few new supply addition. Further development is expected in the future.

- Construction trend

Greater Nagoya's construction volume had been sluggish for 10 years since 1993. After hitting bottom in 2003, it increased to approximately 1,600,000 sqm in 2006. Construction activity had suffered a sharp decline since 2009 in the aftermath of the Global Financial Crisis. Then afterwards, the construction volume had been trending upward since 2013; however, it took some years to completely recover. In recent years, development of large-scale facilities has been expanding again thanks to favorable trends in logistics investment in regional areas.

Aichi prefecture is a major driver of Greater Nagoya's overall construction volume. Many local manufacturers and logistics companies have built their own warehouses; also, constructions by real estate developers and investors have been increasing.

・ Change in Area of Construction Starts for Logistics Facilities (Greater Nagoya)



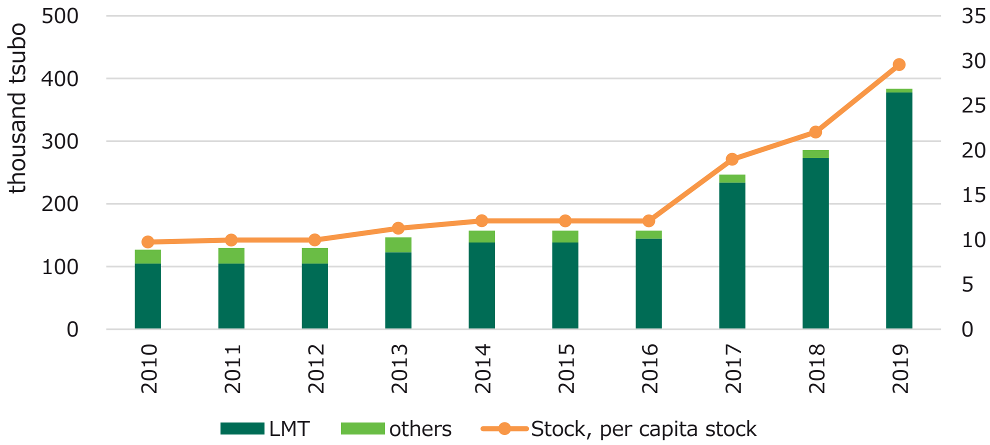
Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts (April 2020)

- Stock, per capita stock

Aichi prefecture has a high concentration of logistics facilities, especially around Komaki city where major expressways cross near suburbs of the central consumption area, and Nagoya Port. Greater Nagoya is one of the largest manufacturing regions with a particularly high concentration of vehicle manufacturing. Warehouses are primarily concentrated around the industrial parks or ports where many factories are located.

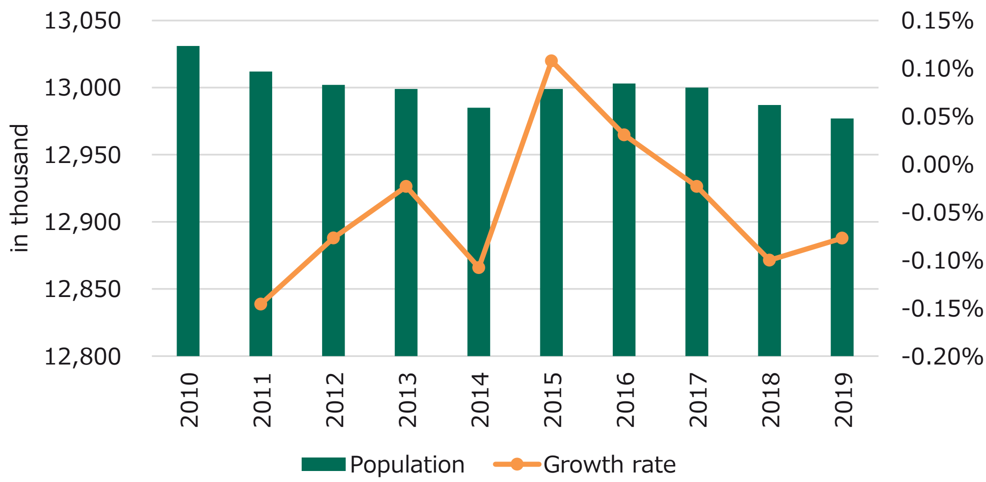
Stock of large-scale rental facilities that are investment properties have been increasing since 2017, mainly in inland areas around Nagoya city. In recent years, the construction area has spread to some areas in Mie, Gifu and Shizuoka prefectures, which have easy access to central Nagoya.

・ Stock, per capita stock (Greater Nagoya)



Source:CBRE

・ Population growth (Greater Nagoya)



Source: Ministry of Internal Affairs and Communications, Estimated Population in Japan (April 2020)

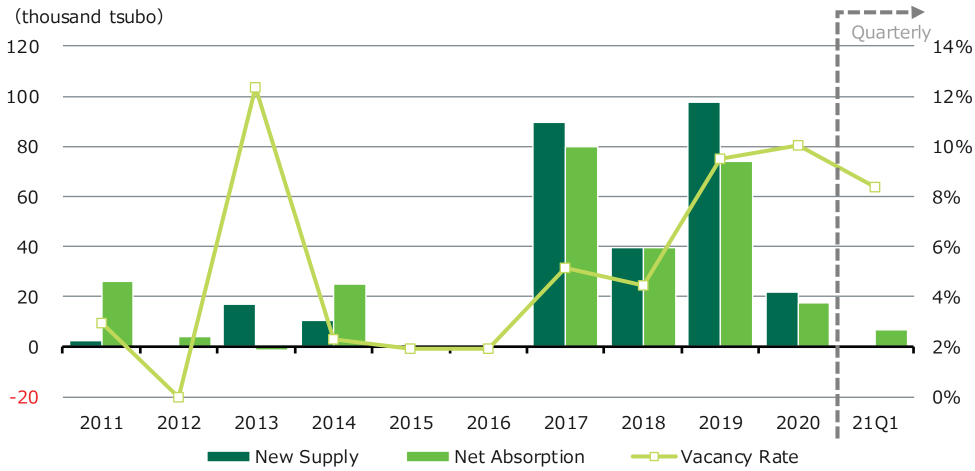
- Analysis of demand/supply/vacancy rate/rent (Greater Nagoya)

The rental market of large-scale logistics facilities in the Greater Nagoya emerged around 2006, mainly in Aichi prefecture. The Global Financial Crisis led to a sharp decline in investment activity during the early stages of forming the market; thereon, the Greater Nagoya logistics market for large-scale facilities slowed down. On the other hand, demand for large-scale facilities gradually became apparent for consolidation/reorganization of existing bases aiming to improve efficiency of logistics operation. Primarily driven by the development of built-to-suit facilities, the Greater Nagoya market grew, but at a slower pace. While demand for high-specification facilities became strong, especially from e-commerce companies and manufacturers, there was not a sufficient supply of logistics sites in close proximity to mass-consumption areas; as such, the supply-demand balance remained tight during mid-2010.

Many LMTs have been completed since 2017; however, reflecting the tight supply-demand situation, excess demand became apparent due to the high volume of supply. Accordingly, the vacancy rate has remained low.

Aichi prefecture's average asking rent is generally on a moderate upward trend. The gap in rent levels is becoming wider between newly built high-specification facilities and existing old warehouses.

・ Supply-Demand Balance (Greater Nagoya)

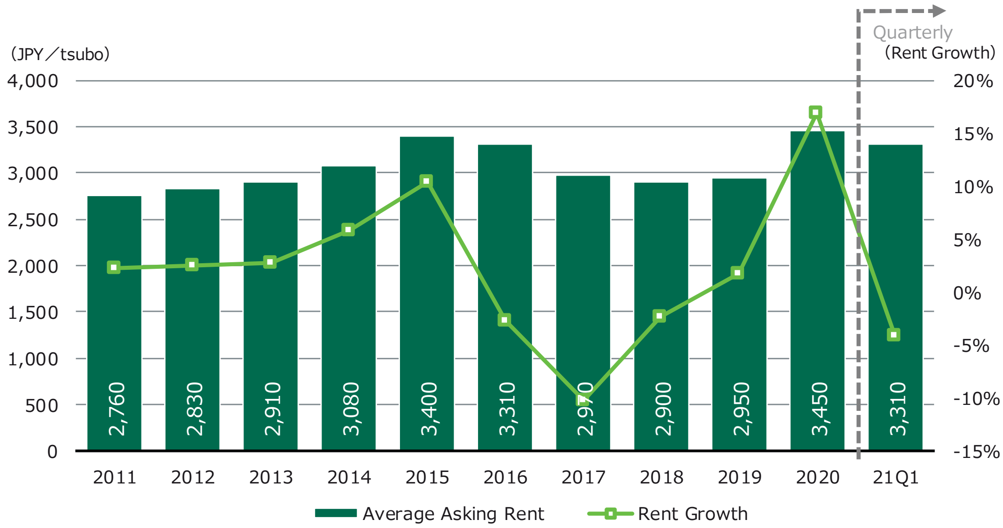


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Supply (tsubo)	2,638	0	16,951	10,705	0	0	89,397	39,384	97,538	21,864
Net Absorption (tsubo)	26,168	3,792	-1,154	25,189	621	0	79,751	39,383	73,779	17,628
Vacancy Rate	2.9%	0.0%	12.4%	2.3%	1.9%	1.9%	5.1%	4.4%	9.5%	10.0%

	21Q1
New Supply (tsubo)	0
Net Absorption (tsubo)	6,767
Vacancy Rate	8.4%

Source:CBRE

• Average Asking Rent and Rent Growth (Greater Nagoya)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	2,760	2,830	2,910	3,080	3,400	3,310	2,970	2,900	2,950	3,450
Rent Growth	2.2%	2.5%	2.8%	5.8%	10.4%	-2.6%	-10.3%	-2.4%	1.7%	16.9%

	21Q1
Average Asking Rent	3,310
Rent Growth	-4.1%

Source:CBRE

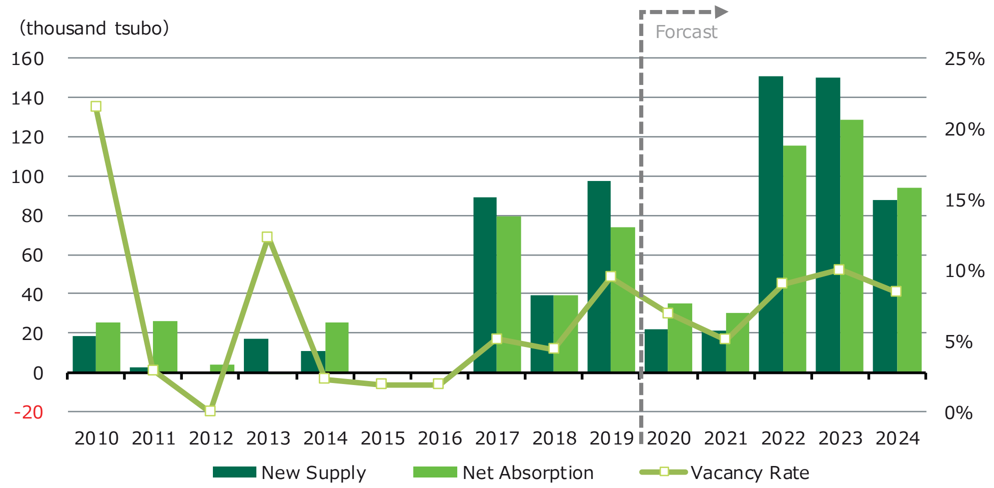
- Outlook of demand/supply/vacancy rate/rent

Currently, logistics development has increased in new markets other than the existing markets, and large-scale investment in logistics facilities in Greater Nagoya is entering a period of expansion. Compared to Greater Tokyo and Osaka areas, there have been fewer high-specification facilities. The Greater Nagoya logistics market is expected to grow further.

In Aichi prefecture, regional industries such as automotive and aircraft companies and also daily necessity manufacturers have shown steady recovery. In recent years, companies have been aggressively expanding their bases or consolidating to improve operational efficiency; as such, there is continued robust demand for large-scale logistics facilities. Additionally, there are some new development plans after 2023, which have not been officially announced.

The assumed achievable rent level is expected to increase slightly, reflecting these market situations.

- Outlook of demand/supply/vacancy



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
New Supply (tsubo)	18,697	2,638	0	16,951	10,705	0	0	89,397	39,384	97,538
Net Absorption (tsubo)	25,623	26,168	3,792	-1,154	25,189	621	0	79,751	39,383	73,779
Vacancy Rate	21.5%	2.9%	0.0%	12.4%	2.3%	1.9%	1.9%	5.1%	4.4%	9.5%

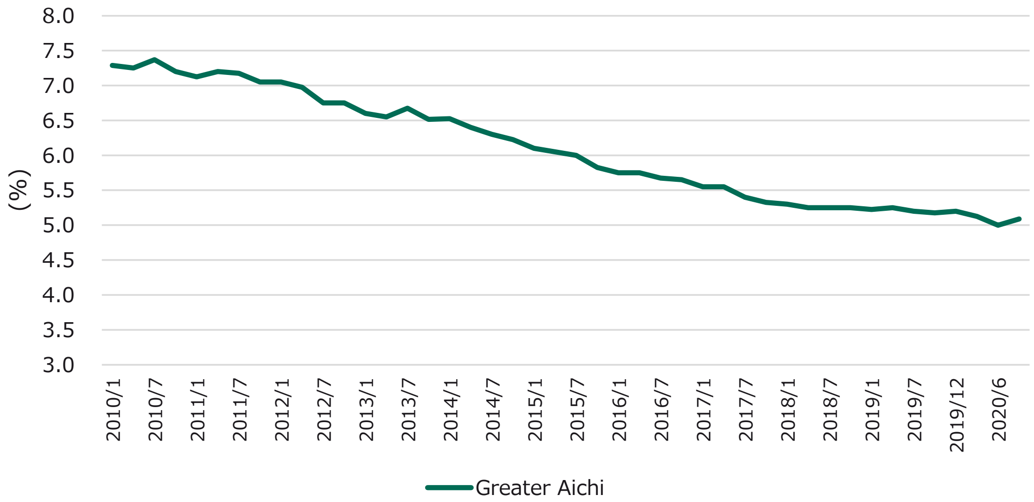
	2020	2021	2022	2023	2024
New Supply (tsubo)	21,756	21,604	150,657	150,000	87,971
Net Absorption (tsubo)	35,385	30,184	115,632	128,279	93,789
Vacancy Rate	7.0%	5.1%	9.1%	10.0%	8.4%

Source:CBRE

- Cap rate trend

According to an investor survey, the expected cap rates have been on a downward trend in the medium to long-term period. Compared to the Greater Tokyo and Osaka areas, the Greater Nagoya's logistics market has grown at a slower pace; however, in recent years, new developments for large-scale facilities are in high peak, and many new players are entering the market. The Greater Nagoya's investment market continues to revitalize.

・ Cap rate trend



Source: CBRE

- Trends in construction cost and land prices

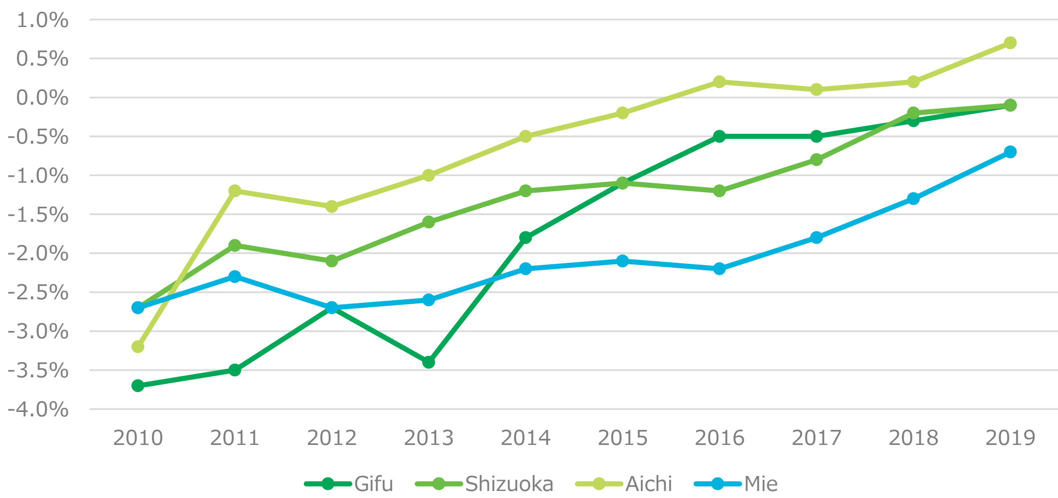
Construction costs have continued to rise in recent years due to rising labor costs, etc.

According to Official Land Prices (Chikakoji), land prices for industrial uses have been on an upward trend reflecting the favorable economic trends up to recent years and the revitalizing logistics investment market.

・ Trends in construction cost

Source: Construction Research Institute, Warehouse Construction Cost (January 2020)

・ Land prices growth



Source: Ministry of Land, Infrastructure, Transport and Tourism, Published Value of Standard Sites (January 2020)

- Infrastructure overview

The Ministry of Land, Infrastructure and Transport plans to develop dedicated distribution bases at three locations along the Shin-Tomei Expressway and Shin-Meishin Expressway (around Toyota JCT in the Greater Nagoya) for putting truck platooning by automatic driving into practical use. The truck platooning is expected to offer cost savings and resolution of truck driver shortage in logistics industries; and demonstration experiments have been conducted on the Shin-Tomei Expressway in Shizuoka prefecture.

3-3-1. DPL Shin-Fuji

Property Name	DPL Shinfuji
Location	Komino Atsuhara, Fuji Shizuoka, Japan
Land area （㎡）	28,216.80
Land area （tsubo）	8,535.58
Building Structure	Steel 3F
Gross Floor Area （㎡）	27,415.87
Gross Floor Area （tsubo）	8,293.30
NRA(㎡)	27,540.45
NRA(tsubo)	8,330.99
Completion Date	2017-09-20

a. Macro analysis (Shizuoka)

- Construction trend

Shizuoka prefecture is located in the middle of the Taiheiyo Belt Zone which connects Tokyo, Aichi and Osaka prefectures. The Tomei Expressway and the Shin Tomei Expressway cross through the prefecture.

Shizuoka prefecture's construction volume was sluggish due to the Global Financial Crisis after its peak in 2008; however, after bottoming out in 2010, it increased significantly in 2014 and 2018. Most of the warehouses have been constructed by logistics companies and manufacturers, and the volume varies from year to year.

・ Change in Area of Construction Starts for Logistics Facilities (Shizuoka)

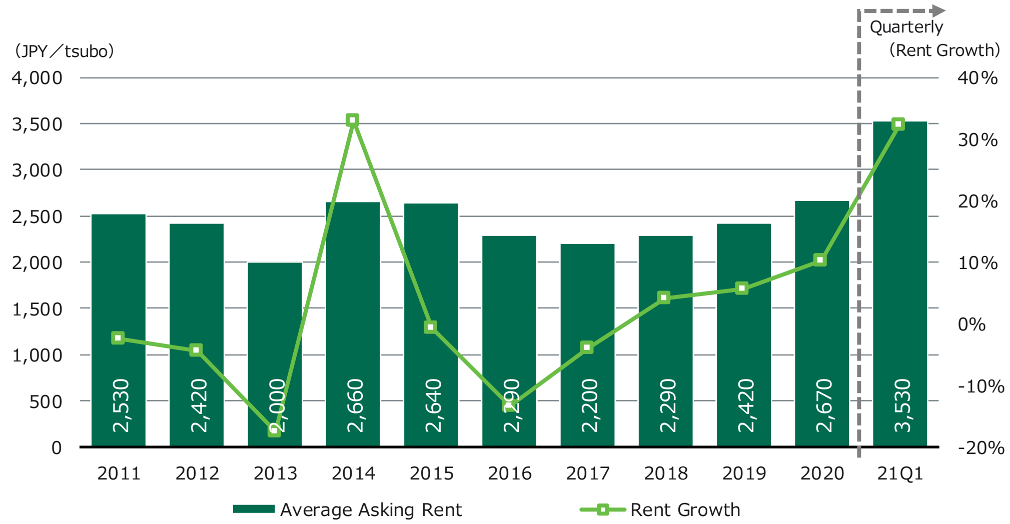
Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts (April 2020)

- Analysis of demand/supply/vacancy rate/rent

Logistics facilities in Shizuoka prefecture are generally owned by logistics companies and manufacturers, and there is still a limited volume of large-scale rental warehouses that could be investment assets. The rental warehouse market in Shizuoka prefecture is still in a growth stage.

Regarding a large-scale warehouse with convenient traffic location, positive demand can be expected for prime hub locations offering excellent access to regional manufacturing and distribution hubs or metropolitan areas. Currently, the average rent level remains low because most of the existing rental warehouses are aged and deteriorated.

・Average Asking Rent and Rent Growth (Shizuoka)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	2,530	2,420	2,000	2,660	2,640	2,290	2,200	2,290	2,420	2,670
Rent Growth	-2.3%	-4.3%	-17.4%	33.0%	-0.8%	-13.3%	-3.9%	4.1%	5.7%	10.3%

	2021Q1
Average Asking Rent	3,530
Rent Growth	32.2%

Source:CBRE

- List of development pipeline with map

Shizuoka prefecture boasts one of the largest concentrations of factories in Japan, and has many manufacturing bases for transportation of machinery, chemicals and other multi-industry companies. Shizuoka prefecture is roughly divided into three areas: western area including Hamamatsu city and Kakegawa city; central area including Shizuoka city; and eastern area including Fuji city and Numazu city. Warehouses are mainly concentrated in the industrial districts and bay areas near the highway interchanges.

However, there is still a limited volume of large-scale rental warehouses that could be investment assets so far, and we have not confirmed any new plans for major large-scale development. Shizuoka prefecture has unique environmental characteristics which have suppressed land development in rural areas, and it may take some years to secure development sites.

・ List of development pipeline

NO	Property Name	Developer	Location	Land Area (sqm)	Gross Floor Area (sqm)	Completion
1	DPL Kakegawa	Daiwa House Industry	1315-1 and others, Minamisaigo, Kakegawa-shi, Shizuoka	44,254	38,615	2021/3
2	DPL Shin-Fuji III	Daiwa House Industry	Atsuhara, Fuji-shi, Shizuoka	-	10,000	2021/7

・ Development pipeline map

b. Micro analysis (subject property)

i. Location characteristics

Fuji City, where the subject property is located, is an area to the south of Mt. Fuji in eastern Shizuoka Prefecture. It is within about 100 km from central Tokyo, and for its accessibility via the Tomei Expressway, manufacturing bases have been moving in. It is an industrial-oriented area in the prefecture with industrial parks dotted in the surrounding area. The subject property is proximate to: “Shin Fuji Interchange” on the Shin-tomei Expressway, about 0.8㎞; “Fuji Interchange” on the Tomei Expressway, about 5km; “Hiromi Interchange” on Nishifuji road, about 2km; offering good traffic accessibility. Due to the traffic convenience of the expressway and the area characteristics of having many factory locations, the area is deemed to function as a distribution base for materials/members between manufacturing bases, or a broad-area delivery base among domestic major cities. Additionally, it serves as a local distribution base for consumption areas mainly eastern Shizuoka and Kanagawa.

As for the operating environment, since the property is in an industrial park with existing businesses, there is little concern about taking measures against the neighborhood, and long-term 24-hour operation is possible. There is no problem for large vehicles to go through the surrounding roads, which offers a good environment for logistics operation, and the impact on the surrounding area is limited. In terms of recruitment environment, though driving to work is assumed, the location offers relatively good access from the surrounding populated cities.

ii. Building characteristics

The subject property is a 2-story, low-rise warehouse with a gross floor area of about 8,200 tsubo, providing truck berths on the 1st and 2nd floors. It is designed to utilize the slanted shape of its site, which enables trucks to come in directly from the front road both to the 1st and 2nd floors. There are no particular problems regarding driving in and out of the site, which contributes to improving delivery efficiency. The property is well provided with a truck yard and a parking lot and its basic specifications have general versatility regarding the floor loading capacity, ceiling height, and column interval etc. It is a facility with efficiency for warehouse operation and distribution.

iii. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

In the surrounding area of the subject property, there are a limited number of large rental warehouses. In the surrounding area, recently-built mid- to large-scale rental facilities are rare. Since the areas’ rental market mainly consists of small and medium-sized warehouses, rentable large-scale facilities have scarcity value because construction ordered by a specific company requires time and cost. The subject property’s achievable rent level is assumed to be around JPY 3,100 - 3,600 (incl. CAM) by reffering to the asking rents of leasing comparables.

3-3-2. D Project Kakegawa S

Property Name	D Project Kakegawa S
Location	1374 - 1, Minamisaigo, Kakegawa, Shizuoka, Japan
Land area (㎡)	20,322.00
Land area (tsubo)	6,147.41
Building Structure	Steel 3F
Gross Floor Area (㎡)	21,173.45
Gross Floor Area (tsubo)	6,404.97
NRA(㎡)	22,522.50
NRA(tsubo)	6,813.06
Completion Date	2019-05-01

a. Micro analysis (subject property)

i . Location characteristics

Kakegawa City, where the subject property is located, is in western Shizuoka Prefecture. It is developing as one of the leading industrial cities in the prefecture, boasting a shipment value of over JPY1 trillion, ranking high in the prefecture, mainly for automobile parts and precision machinery. The subject property is proximate to "Kakegawa Interchange" on the Tomei Expressway, about 2.5 km, and has good access to major arterial roads. As such, it also serves as a distribution transit base between the Tokyo metropolitan area and the Kinki area, in addition to local delivery services to Shizuoka City and central Hamamatsu City. Since it is located in Shobugaike Industrial Park, the operation is under good environment, and the location permits long-term 24-hour operation. In terms of securing workforce, though driving to work is assumed, it is possible to recruit people from the surrounding populated cities since the site provides a parking lot with ample space.

ii . Building characteristics

The subject property is a 3-story large-scale logistics facility with a gross floor area of 6,400 tsubo. Its floor size is about 2,000 tsubo, and there is a berth (for 20 vehicles) on the 1st floor and for on-site transport, there are four vertical conveyors. Its basic specifications are: effective ceiling height of each floor, 6.5m; floor loading capacity of each floor, 1.5t/sqm; standard column interval of 10.5m × 10.0m. The facility has high versatility which can cater to a wide variety of tenants, providing efficiency for storing and operation. Additionally, the site has a parking lot for 40 vehicles which secures enough space for a truck yard and waiting area for large vehicles, facilitating on-site operation.

iii. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

In the surrounding area of the subject property, there are a limited number of large rental warehouses. Since large-scale facilities that are rentable to multiple tenants are rare, the subject property has a high scarcity value. The achievable rent level of the subject property is assumed to be around JPY 2,900 - 3,400/tsubo (incl. CAM) by reffering to the asking rents of leasing comparables.

3-4. Chugoku

	Area		Property Name	Location	Land area (㎡)	Building Structure	Gross Floor Area (㎡)	NRA(㎡)	Completion Date
3-4	Chugoku	3-4-1	DPL Okayama Hayashima	3500, Hayashima Okayama, Japan	26,508.36	Steel / SRC 2F	24,172.91	23,562.54	2017-9-19、2018-11-30
		3-4-2	DPL Okayama Hayashima2	4358-14 Hayashima Okayama, Japan	17,810.75	Steel 2F (2 buildings)	14,000.00	16,750.00	2017-10-30

- Regional Overview

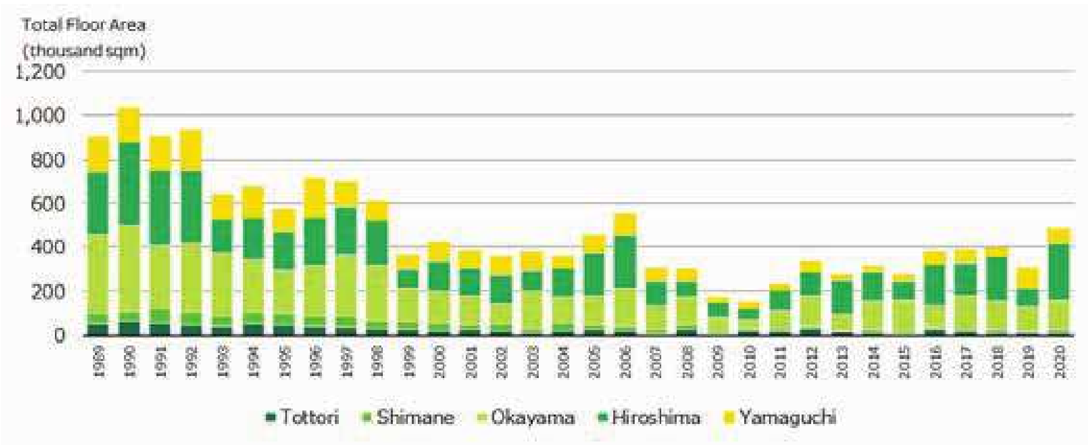
In the Greater Chugoku area, logistics facilities are concentrated in the Hiroshima Bay area near the center of Hiroshima city, a densely populated urban core, and inland areas around the interchanges on the Sanyo Expressway. The development of large-scale rental facilities has been limited, but mostly being small- and medium-scale properties such as BTS-type facilities. In 2013, the first multi-tenant facility in the Greater Chugoku area was developed in Okayama, which had the potential to function as a transit hub connecting the Greater Chugoku and Shikoku areas, but since then, large-scale development has been limited. As the Greater Chugoku has a lot of mountainous terrain and flat land is limited, it is difficult to find developable land for logistics facilities.

- Construction trend

Hiroshima and Okayama prefectures account for the majority of total construction volume in the Greater Chugoku area. The construction volume reached to 550,000 sqm in 2006, but then declined to 300,000 sqm and 150,000 sqm in 2007 and 2010, respectively. After reaching its lowest level in 2010, new construction gradually increased in Okayama and Hiroshima prefectures, and total volume in Greater Chugoku started to rise from a flat trend.

Since 2013, some new large multi-tenant logistics facilities have been supplied in Okayama prefecture. The construction volume in Greater Chugoku increased to 400,000 sqm in 2018. Construction volume is forecast to recover as demand can be expected from local companies, and there have been acquisitions of industrial land by real estate developers.

・ Change in Area of Construction Starts for Logistics Facilities (Chugoku)

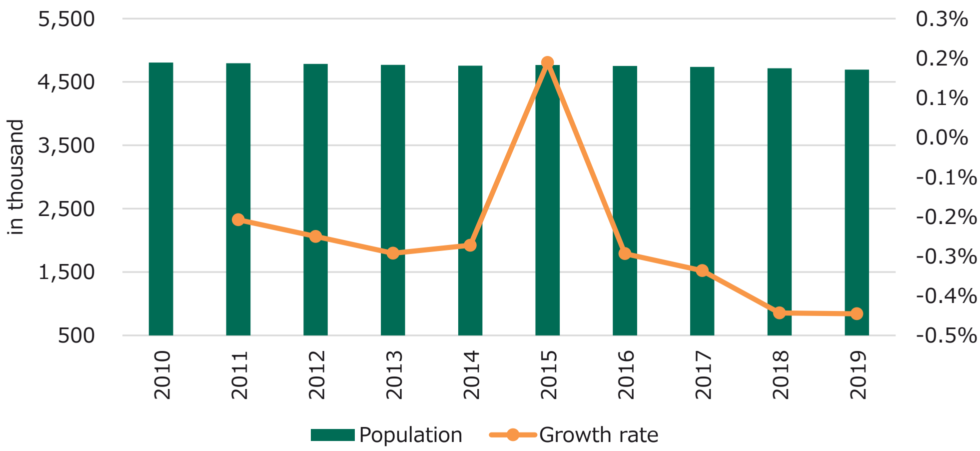


Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts (April 2020)

- Stock, per capita stock

In the Greater Chugoku area, warehouses are concentrated in Hiroshima and Okayama prefectures, which have been the largest contributors to overall consumption and manufacturing. New developments of large-scale warehouses are mostly seen in port areas near central Hiroshima and Okayama, as well as in industrial parks near the interchanges.

・ Population growth (Chugoku)



Source: Ministry of Internal Affairs and Communications, Estimated Population in Japan (April 2020)

- Analysis of demand/supply/vacancy rate/rent

Large-scale investment is still limited in the Greater Chugoku area, and not many developers are investing in logistics properties. As flat land is scarce in Hiroshima prefecture, it is difficult to secure large parcels near the consumption area; as such, warehouse locations are dispersed, and are mainly seen on reclaimed land in port areas, or industrial districts in mountainous areas. New construction of rental warehouses has been mostly built-to-suit facilities, and supply and demand have balanced each other with high occupancy. As there has been few new supply of mid to large-scale high-performance facilities, the supply-demand balance has remained healthy.

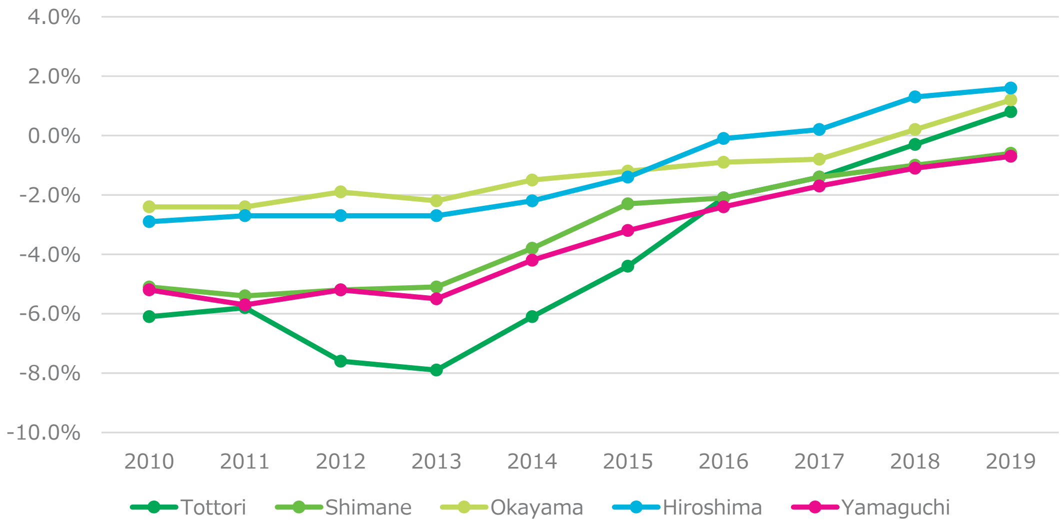
The largest multi-tenant facility in Okayama prefecture, "GLP Okayama Soja I/II", was completed, attracting retailers that sell daily necessities such as food, home appliances/electric appliances and drugs. Supply-demand conditions are stable in recent years.

Meanwhile, new development plans are gradually increasing in the Greater Chugoku area, and we should pay close attention to future development trends.

- Trends in construction cost and land prices

Construction costs have continued to rise in recent years due to rising labor costs etc. According to Official Land Prices (Chikakoji), land prices for industrial use areas have been on an upward trend.

・ Land prices growth



Source: Ministry of Land, Infrastructure, Transport and Tourism, Published Value of Standard Sites」 (January 2020)

- Infrastructure overview

In the Greater Chugoku area, new routes to connect the Sanyo Expressway and Chugoku Expressway that run east to west, and the Chugoku-Odan Expressway that runs between the Sanin region on the Japan Sea side and the Sanyo region along the Seto Inland Sea (the Tottori, Yonago, Matsue, Hamada, Okayama and Onomichi Expressways) have almost been completed. Another new construction currently underway that is expected to be completed earlier than planned is the Sanin Expressway on the Japan Sea side.

3-4-1. DPL Okayama Hayashima

Property Name	DPL Okayama Hayashima
Location	3500, Hayashima Okayama, Japan
Land area （㎡）	26,508.36
Land area （tsubo）	8,018.78
Building Structure	Steel / SRC 2F
Gross Floor Area （㎡）	24,172.91
Gross Floor Area （tsubo）	7,312.31
NRA(㎡)	23,562.54
NRA(tsubo)	7,127.67
Completion Date	2017-9-19、2018-11-30

CBRE

a. Macro analysis (Okayama)

- Construction trend

  The construction of logistics facilities in Okayama prefecture peaked in 2008, and then became sluggish due to the Global Financial Crisis. After bottoming out in 2010, it recovered and increased significantly from 2012 to 2014. Logistics companies or manufacturers own most of the warehouses, but the construction volume varies by year.

・ Change in Area of Construction Starts for Logistics Facilities (Okayama)

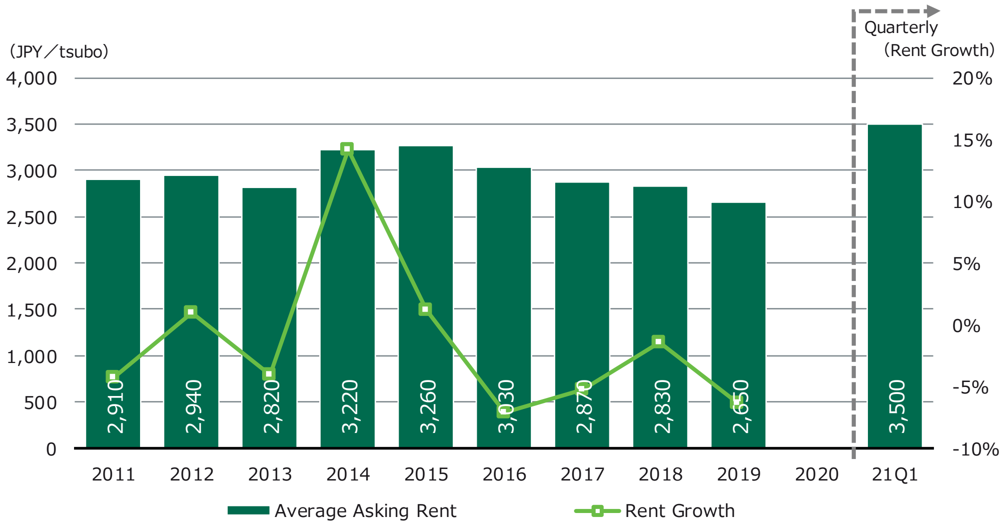
Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts」(April 2020)

- Analysis of demand/supply/vacancy rate/rent

Logistics companies or manufacturers own most of the logistics facilities in Okayama prefecture, and there are few large rental facilities that could be regarded as investment properties. The focus of demand in this zone can primarily expected to be regional delivery to neighboring cities, especially to Okayama city, or wide-area delivery in eastern Japan. Demand can be expected for distribution bases in convenient location close to highway interchanges that enable deliveries covering broad areas.

The table below shows the average asking rents for Okayama prefecture over the past 10 years, but these are listed for reference only, as there have been few cases of leasing logistics facilities in recent years. The average rent level remains low because most existing warehouses are aged and deteriorated.

・ Change in Average Asking Rent and Fluctuation Rate (Okayama)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	2,910	2,940	2,820	3,220	3,260	3,030	2,870	2,830	2,650	-
Rent Growth	-4.3%	1.0%	-4.1%	14.2%	1.2%	-7.1%	-5.3%	-1.4%	-6.4%	-

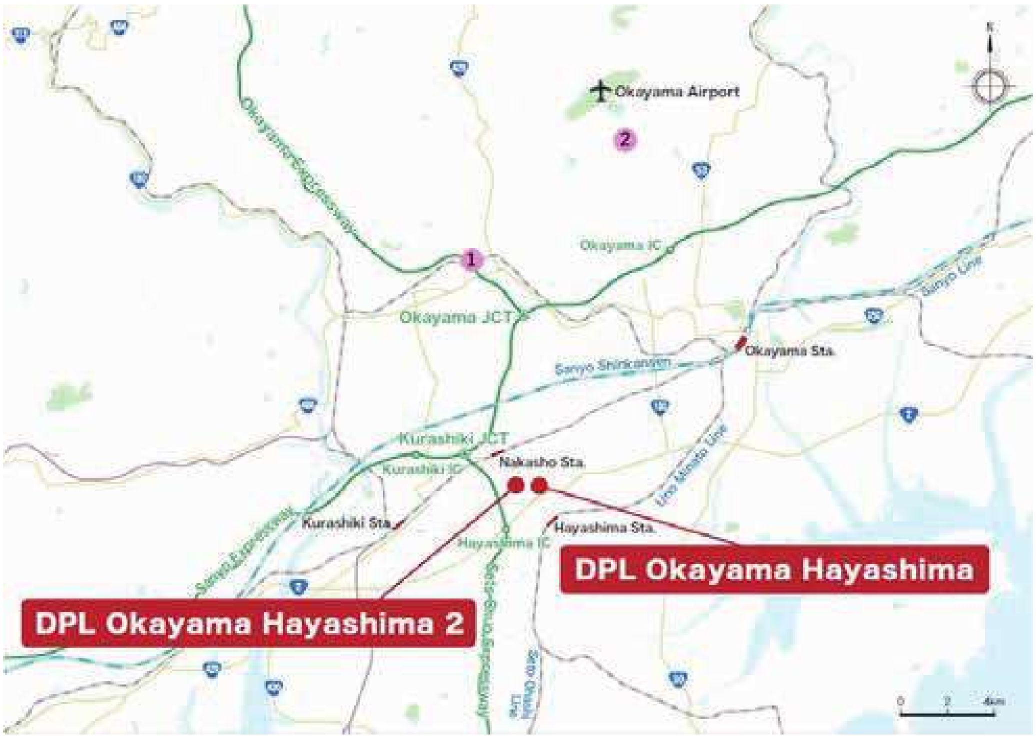
	2021Q1
Average Asking Rent	3,500
Rent Growth	-

Source:CBRE

- List of development pipeline with map

NO	Property Name	Developer	Location	Land Area (sqm)	Gross Floor Area (sqm)	Completion
1	GLP Okayama Soja III	GLP Japan	4-13, Nagara, Soja-shi, Okayama	21,000	32,000	2022/3
2	DPL Okayama Airport South B	Daiwa House Industry	2448-34, Tomiyoshi, Kita-ku, Okayama-shi, Okayama	37,286	14,813	2021/3

- Development pipeline map



b. Micro analysis (subject property)

i. Location characteristics

Okayama City, where the subject property is located, and its surrounding cities are situated between Osaka and Hiroshima, as well as Nagoya and Fukuoka. The Sanyo Expressway crosses the area, and industrial clusters featuring industrial parks are seen in the port and inland areas. Okayama, which is a transportation hub, is deemed as a city of distribution base and some food and logistics businesses choose Okayama as their bases for the Chugoku/Shikoku areas. The subject property is proximate to “Hayashima Interchange” on the Sanyo Expressway/Seto-chuo Expressway, 1.6km, offering good access. The area functions as a distribution base to a broad area among cities, and a transit storage base for materials/members between factories. Additionally, it serves as a local delivery base to consumption areas mainly Okayama City. Since there is a business cluster around “Hayashima Interchange”, there is no concern about the neighborhood, which permits 24-hour operation. As such, the operation of the logistics facility is under good environment. In terms of recruitment environment, though driving to work is assumed, the location offers relatively good access from the surrounding populated cities.

iv. Building characteristics

The subject property is a 2-story logistics facility with a gross floor area of 7,300 tsubo. It consists of an existing building and an extension building, with several truck berths on the 1st floor providing delivery efficiency. Its basic specifications are: effective ceiling height of the 1st floor, 5.5m, of the 2nd floor, 5.0 - 6.0m; floor loading capacity of each floor, 1.5t/sqm; column interval of 10m×10m, having high versatility.. As for on-site transport, there are four freight elevators, and three vertical conveyors. Additionally, the warehouse is partly equipped with HVAC systems allowing it to keep the fixed temperature (20°C). Moreover, the site is well provided with a parking lot for ordinary vehicles and a waiting area for large vehicles, making the on-site operation environment good.

v. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

In the surrounding area of the subject property, there are a limited number of lease comparables of recently-built large facilities. Since the subject property is a low-rise facility and part of it can keep the temperature at a certain point, it is competitive in the area. The subject property’s achievable rent level is assumed to be around JPY 3,400 - 3,900/tsubo (incl. CAM) by reffering to the asking rents of leasing comparables.

3-4-2. DPL Okayama Hayashima 2

Property Name	DPL Okayama Hayashima2
Location	4358-14 Hayashima Okayama, Japan
Land area （㎡）	17,810.75
Land area （tsubo）	5,387.75
Building Structure	Steel 2F (2 buildings)
Gross Floor Area （㎡）	14,000.00
Gross Floor Area （tsubo）	4,235.00
NRA(㎡)	16,750.00
NRA(tsubo)	5,066.88
Completion Date	2017-10-30

a. Micro analysis (subject property)

i. Location characteristics

Okayama City, where the subject property is located, and its surrounding cities are situated between Osaka and Hiroshima, as well as Nagoya and Fukuoka. The Sanyo Expressway crosses the area, and industrial clusters featuring industrial parks are seen in the port and inland areas. Okayama, which is a transportation hub, is deemed as a city of distribution base and some food and logistics businesses have choose Okayama as their bases for the Chugoku/Shikoku areas. The subject property is proximate to “Hayashima Interchange” on the Sanyo Expressway/Seto-chuo Expressway, 1.9km, offering good access. The location functions as a distribution base to a broad area among cities, and also as a local delivery base to consumption areas mainly Okayama City. Since there is a business cluster around “Hayashima Interchange”, there is no concern about the neighborhood, which permits 24-hour operation. As such, the operation of the logistics facility is under good environment. In terms of recruitment environment, though driving to work is assumed, the location offers relatively good access from the surrounding populated cities.

ii. Building characteristics

The subject property is a 2-story logistics facility with a gross floor area of about 5,000 tsubo. Between the two buildings of the 2-storied warehouses, a roofed truck yard (effective height: 5.5m and higher) is provided, which enables large vehicles to operate loading work even in the rainy weather. The facility's basic specifications are: effective ceiling height, 5.5m; floor loading capacity, 1.9t/sqm; column interval of 10m×10m, having high versatility. Each warehouse has a freight elevator and two vertical conveyors. It is a facility with high efficiency for storing and operation. The site is well provided with a parking lot for ordinary vehicles and a waiting area for large vehicles, making the on-site operation environment good.

iii. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

In the surrounding area of the subject property, there are a limited number of lease comparables of recently-built large facilities. The subject property offers a high floor loading capacity and versatility, which can handle a various shipment. Its assumed achievable rent level is, under the assumption of a whole building lease, estimated to be around JPY 2,900 - 3,400/tsubo by reffering to the asking rents of leasing comparables.

3-5. Kyushu

- Regional Overview

In the Greater Kyushu, population is concentrated in the Fukuoka area, and logistics facilities are especially concentrated around the Fukuoka Interchange on the Kyushu Expressway, around Hakozaki Pier facing Hakata Port, and around the Tosu Interchange, which is the crossing point of the Kyushu and the Oita-Nagasaki Expressways. The Fukuoka area is in a central position of the Greater Kyushu area, and trading relationship is strong with East Asian countries, especially with Korea and China. Urban functions and transport options have become more convenient after the opening of Kyushu Shinkansen and the facilities around the terminal stations, as well as the extension of Expressways. Fukuoka area has enjoyed its superior location for trade with Asian countries and gained the competitiveness in the Greater Kyushu.

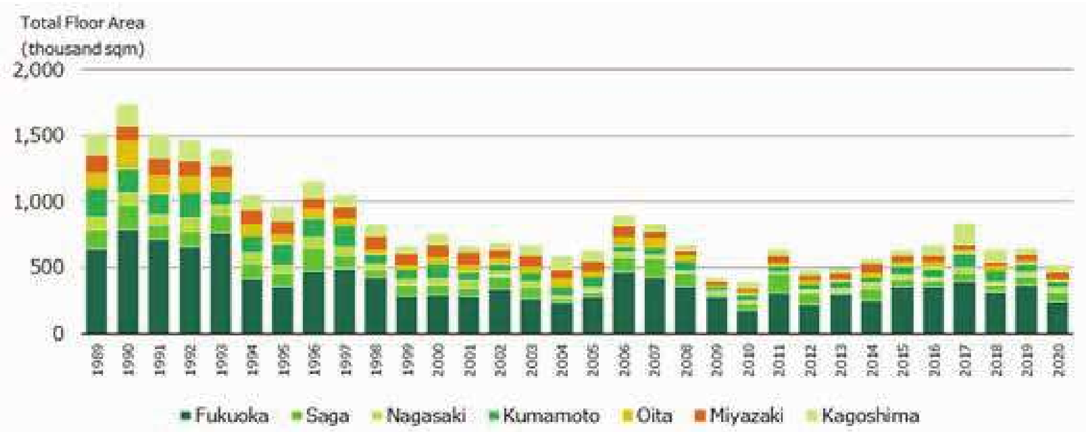
The development of large warehouses has been limited to a few properties over the past several years, and the volume is relatively small as compared to the supply volume in the three major metropolitan areas. Despite some demand, supply of large facilities is limited as occupiers tend to be smaller companies compared to the Greater Tokyo area.

- Construction trend

Fukuoka prefecture has led the growth of logistics development in the Greater Kyushu area and occupies most of the market share. New supply, especially of large-scale construction, increased significantly in 2006-2007 but fell to 400,000 sq. m. level in 2009-2010 right after the Global Financial Crisis. Thereafter, it recovered from 2011 and is increasing in recent years.

Greater Kyushu's construction volume has a similar tendency to that of Fukuoka prefecture, because Fukuoka prefecture contributed nearly half of the total construction area. Fukuoka prefecture plays a huge role in the Greater Kyushu's market. Investment in large-scale facilities is expected to increase, and the construction volume is likely to remain on an upward trend.

- Change in Area of Construction Starts for Logistics Facilities (Kyushu)

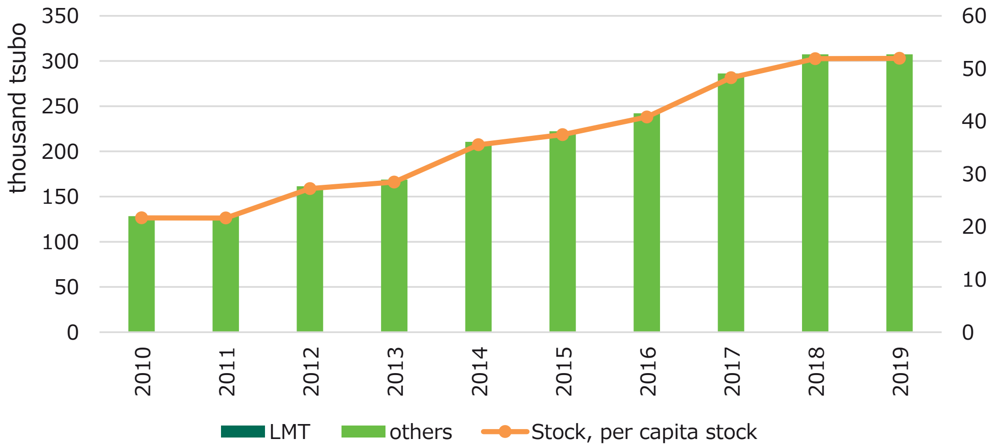


Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts (April 2020)

- Stock, per capita stock

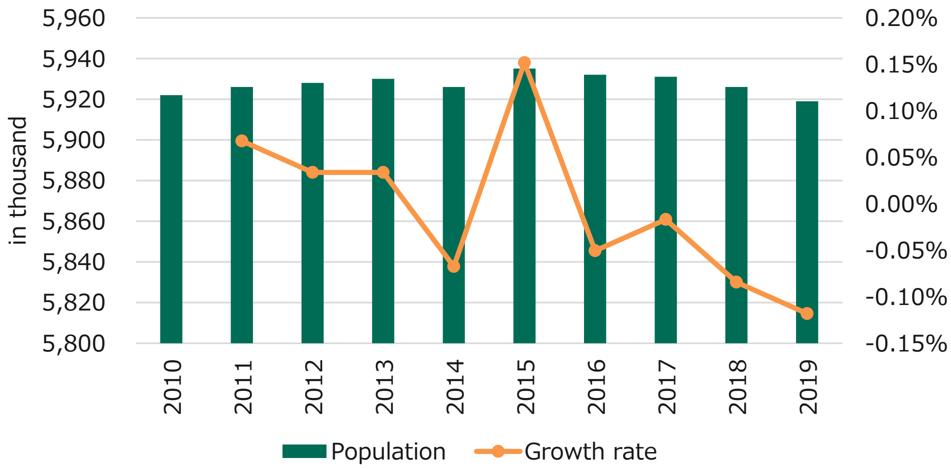
In the Greater Kyushu area, warehouses are concentrated mainly in Fukuoka prefecture, which is the biggest contributor to Greater Kyushu's consumption and economy. Logistics facilities are highly concentrated in the pier area of Hakata Port, Fukuoka IC area in the suburbs of Fukuoka city, Tosu JCT area in which major highways intersect and adjacent to Fukuoka prefecture, and around the Kita-Kyushu Airport. In recent years, the development area for large-scale facilities has expanded to the suburbs of Fukuoka city around the highway interchanges.

・ Stock, per capita stock (Kyushu)



Source:CBRE

・ Population growth (Kyushu)



Source: Ministry of Internal Affairs and Communications, Estimated Population in Japan (April 2020)

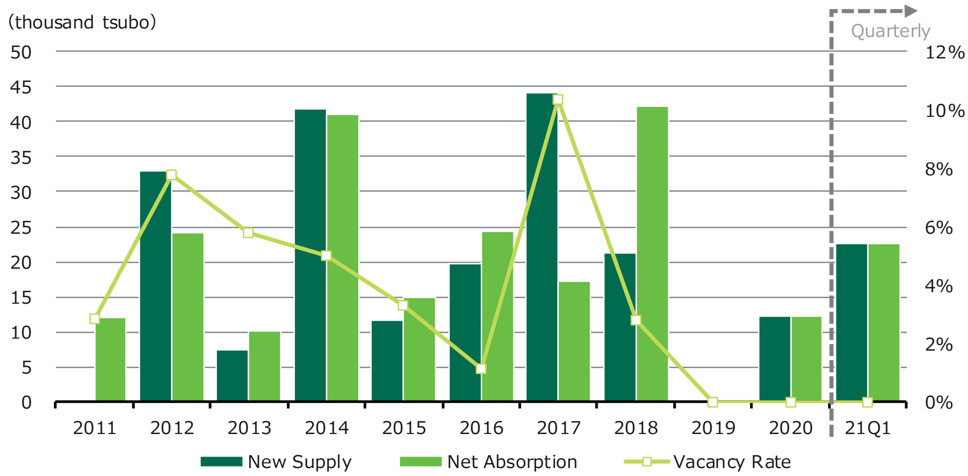
- Analysis of demand/supply/vacancy rate/rent

Since the Greater Kyushu's large-scale logistics market is relatively small compared to the Greater Tokyo and Osaka areas, individual supply tends to have a larger impact by limited investors; as such, supply volume fluctuates every year. In addition, since the market share of large-scale rental facilities is still a small portion of the total logistics facilities in the Greater Kyushu area, new supply tends to induce new demand.

The Greater Kyushu's large-scale logistics market emerged around 2007. Leasing demand became apparent; however, the Global Financial Crisis led to a sharp decline in development activity including large-scale logistics portfolios for some years. While regional businesses have appeared to be performing better since 2012, the vacancy rate has remained low along with the relatively balanced supply-demand situation. Logistics facilities were mostly build-to-suit facilities in the Greater Kyushu area. However, in 2014 and 2017, new supply of multi-tenant facilities increased, that created new demand. Since 2019, the vacancy rate has remained at 0%, reflecting the tight supply-demand balance.

The average asking rent in Fukuoka prefecture has been on an upward trend. New rent for highly competitive large-scale warehouses has tended to increase even further.

- Supply-Demand Balance (Kyushu)

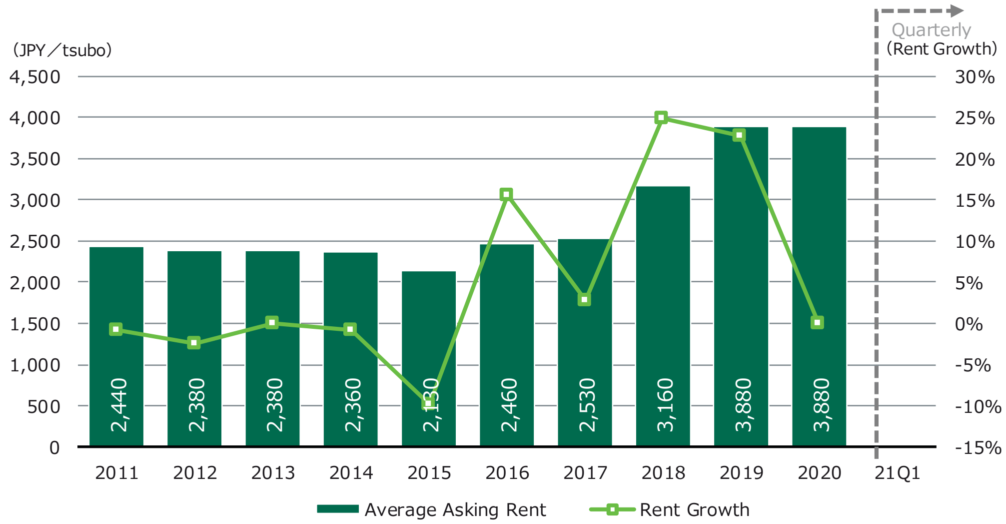


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Supply (tsubo)	0	33,058	7,401	41,776	11,692	19,785	44,081	21,163	0	12,198
Net Absorption (tsubo)	12,074	24,114	10,147	41,043	14,911	24,341	17,251	42,204	0	12,198
Vacancy Rate	2.8%	7.8%	5.8%	5.0%	3.3%	1.1%	10.3%	2.8%	0.0%	0.0%

	21Q1
New Supply (tsubo)	22,694
Net Absorption (tsubo)	22,694
Vacancy Rate	0.0%

Source:CBRE

・ Average Asking Rent and Rent Growth (Kyushu)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	2,440	2,380	2,380	2,360	2,130	2,460	2,530	3,160	3,880	3,880
Rent Growth	-0.8%	-2.5%	0.0%	-0.8%	-9.7%	15.5%	2.8%	24.9%	22.8%	0.0%

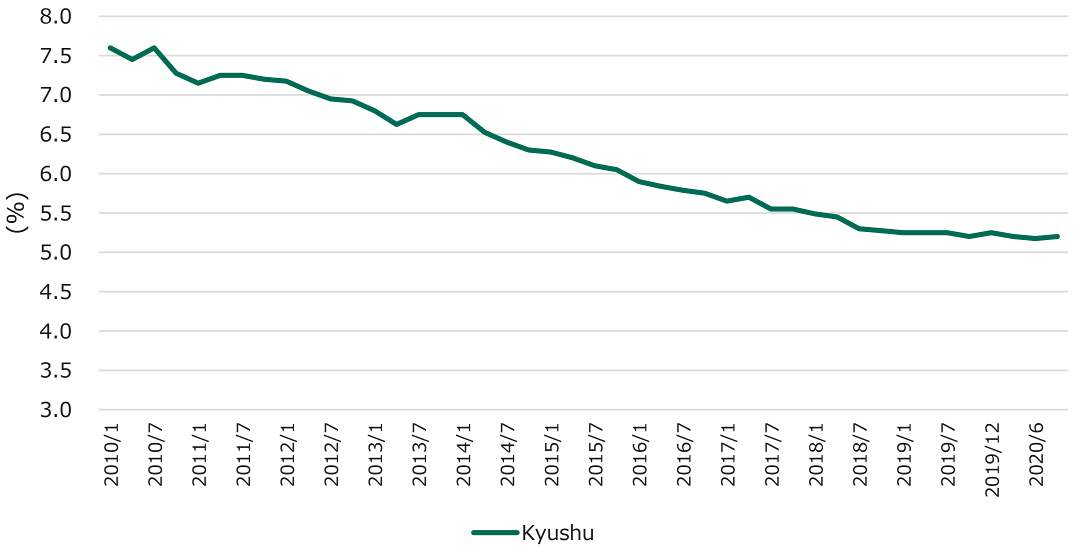
	21Q1
Average Asking Rent	-
Rent Growth	-

Source:CBRE

- Cap rate trend

According to the investor survey, the expected cap rates had stayed at a low level for the medium- to long-term period. Greater Kyushu has shown a slower growth of large-scale warehouse market compared to the Greater Tokyo and Osaka areas. However, in recent years, new developments are in high peak, and many new players are entering the market. The investment market continues to revitalize.

・ Cap rate trend

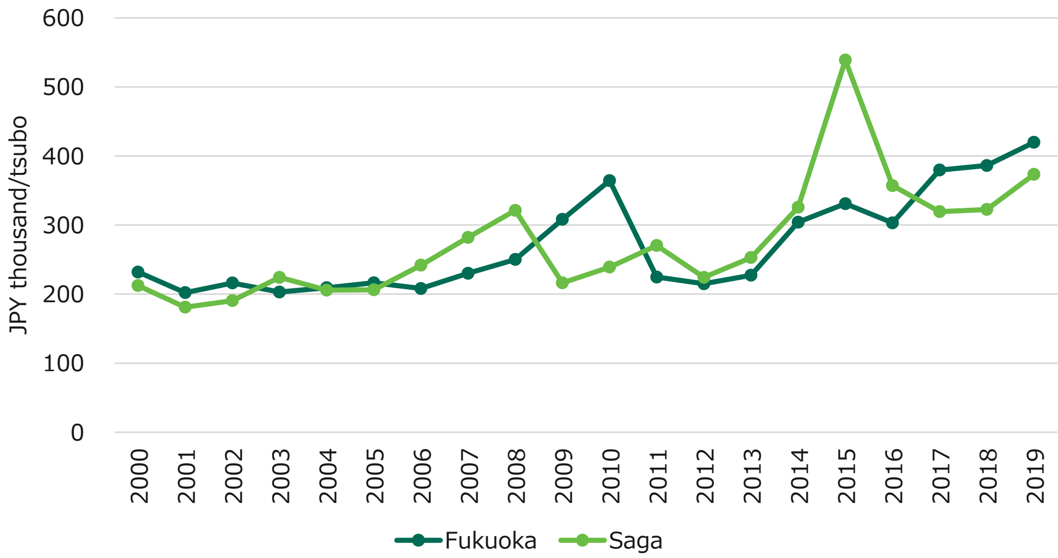


Source:CBRE

- Trends in construction cost and land prices

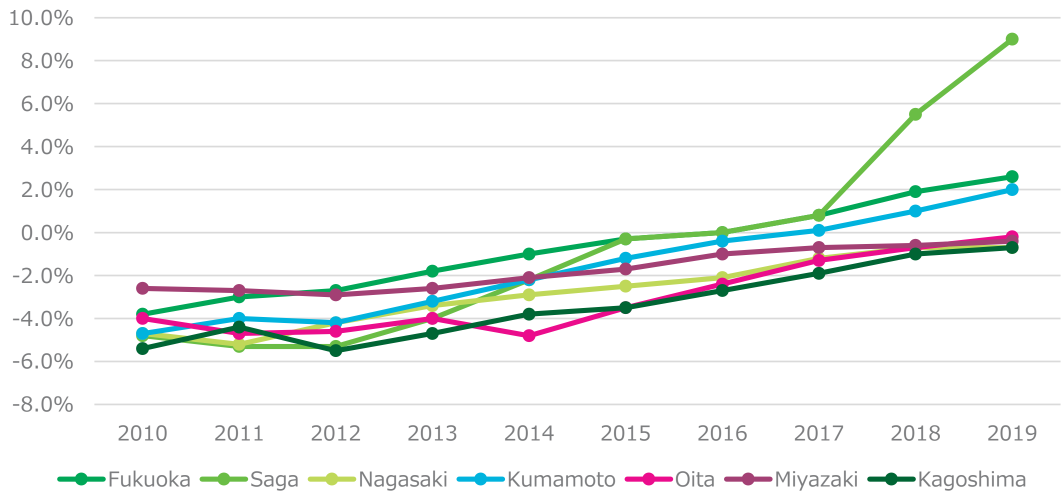
Construction costs have continued to rise in recent years due to rising labor costs, etc. According to Official Land Prices (Chikakoji), land prices for industrial uses have been on an upward trend reflecting the favorable economic trends up to recent years and the revitalizing logistics investment market.

・ Trends in construction cost



Source: Construction Research Institute, Warehouse Construction Cost (January 2020)

・ Land prices growth



Source: Ministry of Land, Infrastructure, Transport and Tourism, Published Value of Standard Sites (January 2020)

CBRE

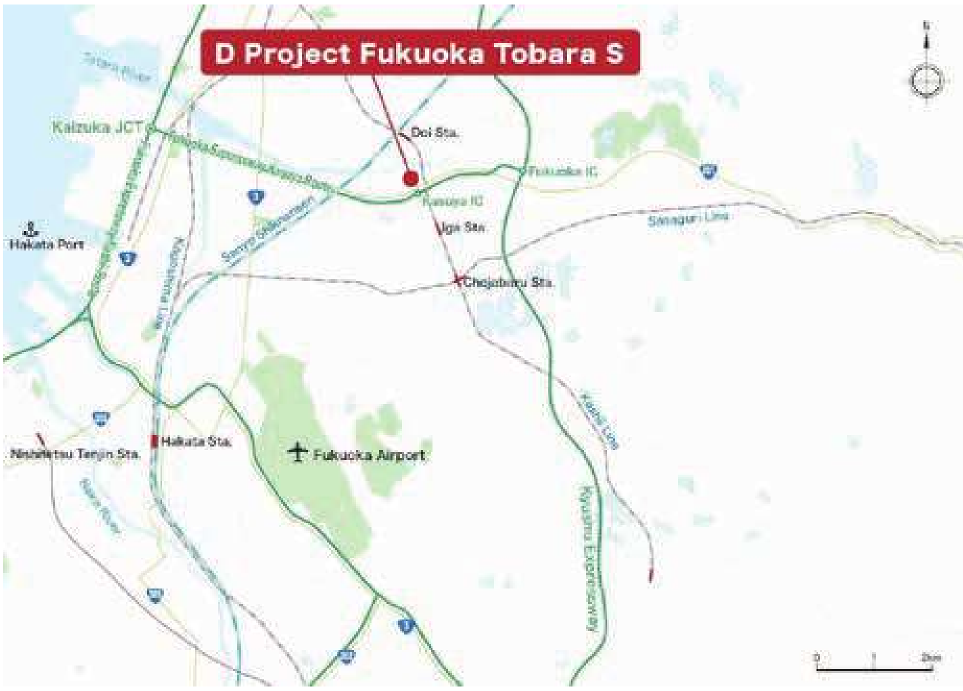
- Infrastructure overview

Fukuoka Airport is close to the central cities and is known as one of the world's most convenient airports, offering excellent access to Fukuoka city center. It takes five minutes (two stops) from Fukuoka Airport station to Hakata station on the Fukuoka Municipal Subway. A second runway, with a total length of 2,500 meters, is currently under construction at Fukuoka Airport, that is scheduled to be completed in 2024.

Meanwhile, redevelopment works are underway at Chuo Wharf and Hakata Wharf at Hakata Port (located in Fukuoka city). Cruise ship visits from Asian countries and the concentration of various MICE facilities have made this zone one of Japan's most popular destinations for both domestic and foreign tourists in recent years.

3-5-1. D Project Fukuoka Tobara S

Property Name	D Project Fukuoka Tobara S
Location	Tohara, Kasuya Fukuoka, Japan
Land area （㎡）	14,438.86
Land area （tsubo）	4,367.76
Building Structure	Steel 2F
Gross Floor Area （㎡）	10,058.00
Gross Floor Area （tsubo）	3,042.55
NRA(㎡)	10,507.98
NRA(tsubo)	3,178.67
Completion Date	2019-02-21



a. Macro analysis (Fukuoka)

- Construction trend

Fukuoka prefecture's construction volume of logistics facilities was in the range of high 200,000 sqm to 300,000 sqm in the first half of the 2000s but showed a significant increase in 2006. Foreign and domestic developers started to invest in rental logistics facilities in Fukuoka prefecture, and a growing number of new large-scale developments pushed up the total construction volume. Construction activity suffered a sharp decline since 2009 in the aftermath of the Global Financial Crisis, and the construction volume fell to under 200,000 sqm, which was the lowest level in the past 20 years.

Afterwards, it has been on a recovery trend and increased to more than 300,000 sqm to nearly 400,000 sqm in the last five years from 2015 to 2019.

・ Change in Area of Construction Starts for Logistics Facilities (Fukuoka)

Source: Ministry of Land, Infrastructure, Transport and Tourism, Survey of Building Starts
(April 2020)

- Analysis of demand/supply/vacancy rate/rent

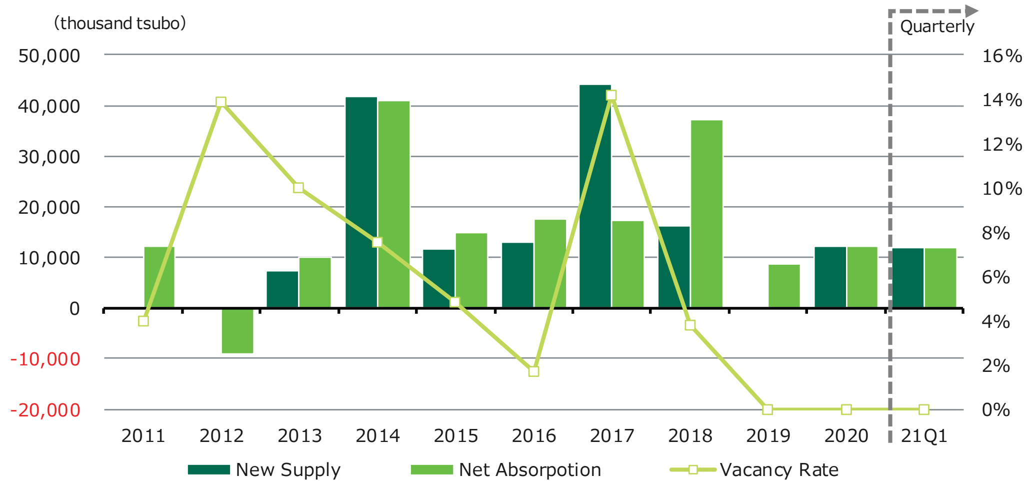
Fukuoka city zone is a favorable area for logistics business because it has an efficient and integrated transportation infrastructure network, with the key transport infrastructures such as port, airport and highways concentrated compactly. Fukuoka city zone is leading the Greater Kyushu's rental logistics market.

Logistics facilities are concentrated around the bay area and major highway interchanges. No new facilities had been supplied since 2010; then afterwards, many new multi-tenant facilities were completed in 2014. However, due to the significant potential demand, the vacancy rate continued to decline.

In 2017, Kyushu's largest multi-tenant facility was completed in a new market in an inland area, and the vacancy rate temporarily increased; however, many vacant units were leased up in 2018. Since 2019, limited new supply pushed the vacancy rate down to 0%. In Q3 2020, the vacancy rate has so far been flat at 0%.

The average asking rent has been on an upward trend as there are no large vacancies in existing facilities and the supply-demand environment has been favorable.

・ Supply-Demand Balance (Fukuoka)

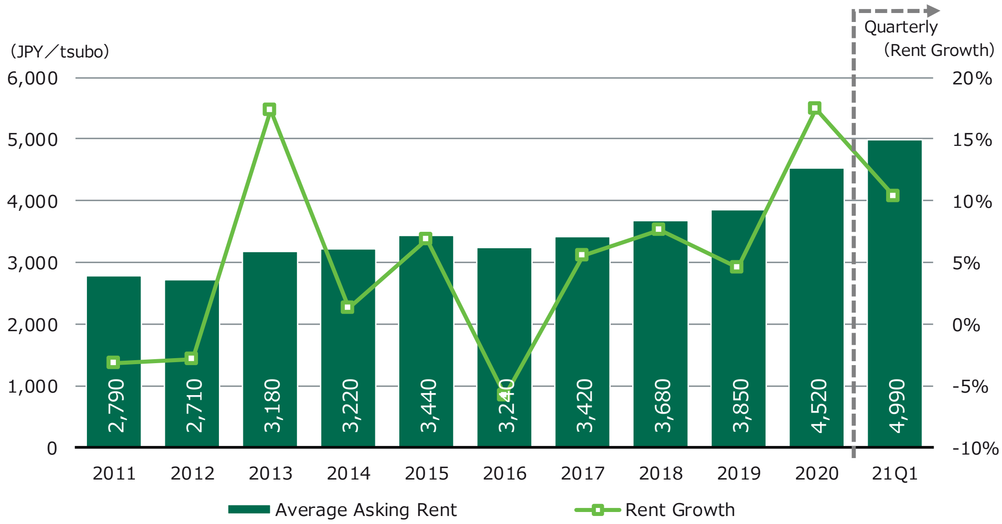


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New Supply (tsubo)	0	0	7,400	41,776	11,692	13,118	44,081	16,163	-1	12,198
Net Absorption (tsubo)	12,074	-8,945	10,147	41,043	14,911	17,674	17,251	37,204	8,564	12,198
Vacancy Rate	4.0%	13.9%	10.0%	7.5%	4.8%	1.7%	14.2%	3.8%	0.0%	0.0%

	2021Q1
New Supply (tsubo)	12,016
Net Absorption (tsubo)	12,016
Vacancy Rate	0.0%

Source:CBRE

- Average Asking Rent and Rent Growth (Fukuoka)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	2,790	2,710	3,180	3,220	3,440	3,240	3,420	3,680	3,850	4,520
Rent Growth	-3.1%	-2.9%	17.3%	1.3%	6.8%	-5.8%	5.6%	7.6%	4.6%	17.4%

	2021Q1
Average Asking Rent	4,990
Rent Growth	10.4%

Source:CBRE

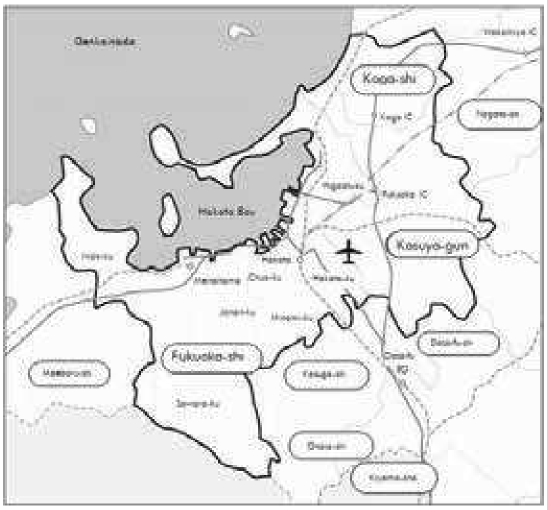
- List of development pipeline with map

NO	Property Name	Developer	Location	Land Area（sqm）	Gross Floor Area（sqm）	Completion
1	Prologis Park Ogori	Prologis	Yamaguma, Ogori-shi, Fukuoka	31,907	29,951	2021
2	MFLP Tosu	Mitsui Fudosan	1060, Harumachi, Tosu-shi, Saga	31,358	-	2021/3
3	DPL Tosu	Daiwa House Industry	1700, Todorokimachi, Tosu-shi, Saga	46,275	47,817	2021/4
4	DPL Fukuoka Airport North	Daiwa House Industry	Kameyama Kogyodanchi, 3-3-1, Befuhigashi, Shime-machi, Kasuya-gun, Fukuoka	18,998	31,172	2021/3
5	(Tentative) GLP Fukuoka	GLP Japan	758, Kamiokuma, Kasuya-machi, Kasuya-gun, Fukuoka	20,526	41,225	Fall 2022
6	Genboen Logistics Development Project	ES-CON JAPAN	1989-7 Mushirouchi, Koga-shi, Fukuoka	47,805	-	2022

・ Development pipeline map

b. Semi-macro analysis (Fukuoka City zone)

i. Location characteristics



Area comprising zone:

Fukuoka City
Koga City
Shingu-machi, Kasuya-gun
Hisayama-machi, Kasuya-gun
Sasaguri-machi, Kasuya-gun
Kasuya-machi, Kasuya-gun
Shime-machi, Kasuya-gun
Sue-machi, Kasuya-gun
Umi-machi, Kasuya-gun

➢ Regional Overview

Many distribution/warehouse hubs are located for the central Fukuoka area, which is the largest consumption area in the Greater Kyushu area. Hakozaki Pier, Kashii Park Port and Fukuoka Island City are located around Hakata Port, and the Enokida area which handles air cargo, Tanotsu area which is a distribution business park occupied by textile-related enterprises, etc, and Fukuoka IC are located around Fukuoka Airport. Many companies are seeking their large-scale logistics bases, especially in convenient locations in close proximity to transportation infrastructures such as port and airport and highway interchanges near consumption areas.

➢ Transportation Access

Major Arterial Road: Kyushu Expressway, Nishi-Kyushu Expressway, Fukuoka Expressway, Fukuoka Gaikan Expressway, National Route 3・201・202・263・385・495

Train: JR Sanyo Shinkansen, Kyushu Shinkansen, Kagoshima Main Line, Chukuhi Line, Sasaguri Line, Kashii Line, Hakata-Minami Line, Nishitetsu Tenjin-Omuta Line, Kaizuka Line, Fukuoka City Subway Airport Line, Hakozaki Line

Port and Airport：Hakata Port, Fukuoka Airport

➢ Major Companies

Kyushu Electric Power Co., Inc, Panasonic System Networks Co., Ltd, Nishi-Nippon Railroad Co., Ltd, Best Denki Co.,ltd, Kyushu Railway Company, Sony Semiconductor Solutions Corporation Kyushu Office, Kyudenko Corporation, Saibugas Co., Ltd, Toppan Communication Products Co., Ltd, Toppan Package Products Co., Ltd, House Foods Corporation, Yamazaki Baking Company, Limited, Seibu Electric & Machinery Co.,Ltd.

ii. Rent and demand trend and occupier characteristics

➢ Supply-Demand Trends

Fukuoka city zone, which offers basic transportation options covering land transport, shipping and air cargo, tends to be selected as a favorable logistics hub that is in close proximity to mass-consumption areas. Logistics facilities are concentrated especially around Hakata Port and Fukuoka IC. Several warehouses have been developed in the vicinity of Fukuoka city with the aim of improving logistics efficiency. Additionally, there has been steady leasing demand from third-party logistics firms (3PLs) focusing on e-commerce, whose consigners are manufacturers, wholesalers and retailers.

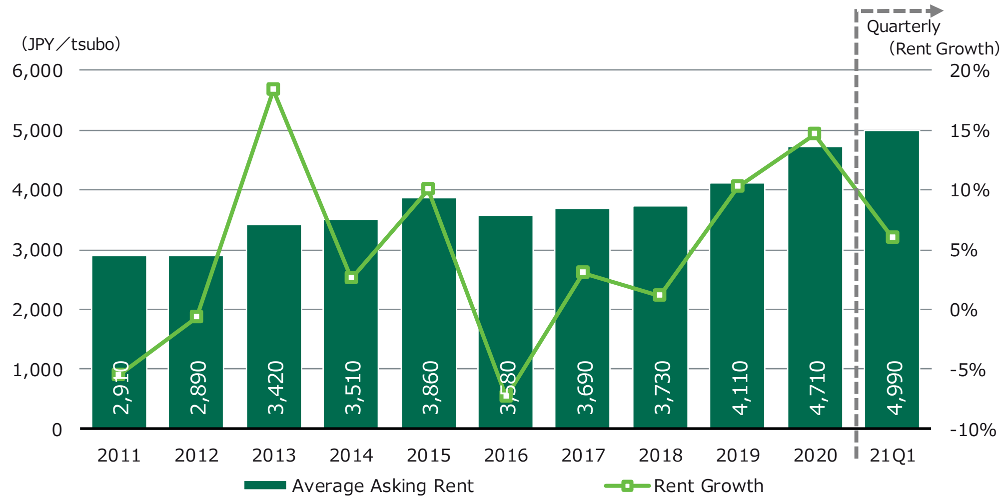
Thanks to favorable demand, existing large-scale properties have enjoyed stable occupancy.

Demand is especially strong for new competitive properties or existing properties in prime locations that have well-functioning logistics systems and can guarantee spaces large enough to enable effective operations. Investment is highly concentrated in the Fukuoka city zone, which is a key distribution base in the Greater Kyushu area.

➢ Rent Trends

The table below shows the average asking rent in the Fukuoka city zone over the past 10 years, with rents having been on an upward trend since 2013. Along with the increasing demand for logistics facilities, vacant units have steadily been leased up and available space has become scarce; as such, the asking rent is increasing.

・ Average Asking Rent and Rent Growth (Fukuoka city Zone)



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Average Asking Rent	2,910	2,890	3,420	3,510	3,860	3,580	3,690	3,730	4,110	4,710
Rent Growth	-5.5%	-0.7%	18.3%	2.6%	10.0%	-7.3%	3.1%	1.1%	10.2%	14.6%

	2021Q1
Average Asking Rent	4,990
Rent Growth	5.9%

Source:CBRE

c. Micro analysis (subject property)

i. Location characteristics

The location is proximate to the consumption areas of central Fukuoka, offering traffic convenience, about 1.0km to “Kasuya Interchange”, and about 2km to “Fukuoka Interchange”, both on the Fukuoka Urban Expressway. In addition to serving as a local base to the urban area, it also functions as a delivery base to a broad area covering the whole prefecture mainly northern Kyushu, by using the Kyushu Expressway. Additionally, the area has good access to the Port of Hakata, and Fukuoka Airport. There has been a cluster of warehouses around “Fukuoka Interchange”, which is a competitive area attracting demand. Since the location is in an industrial area concentrated with logistics facilities and business establishments, it offers good logistics environment permitting 24-hour operation and frequent delivery. In terms of recruitment environment, though driving to work is assumed due to the location, with residential areas of the surrounding cities in the background, there would be no particular difficulties.

ii. Building characteristics

The subject property is a 2-story logistics facility having 3 temperature zones (dry/chilled/frozen) with a gross floor area of 3,000 tsubo. The 1st floor is provided with a double-sided berth (for 25 vehicles) and the warehouse has two freight elevators and four vertical conveyors. Its basic specifications are: effective ceiling height of each floor, 6.5m; floor loading capacity of each floor, 1.5t/sqm; column interval of 10.5m×10 - 11m. It is a facility with storing/operation efficiency, which has high versatility that can cater to a wide variety of tenants. Additionally, the site has a parking lot for 40 ordinary vehicles, and a truck yard and a waiting area for 21 large-vehicles are well secured, facilitating on-site operation.

iii. Analysis of competitor facilities (lease conditions)/ Competitiveness of subject property

Currently, hardly any existing vacancy is seen in large rental warehouses with versatility, and the rent level is on an upward trend. The subject property has high efficiency and scarcity as a facility that features handling dry and chilled/frozen food. Assuming the CAPEX related to the refrigerator and freezer is borne by the tenant, the subject property’s rent achievable level, as a whole building lease, is estimated to be around JPY 2,800 - 3,300/tsubo by reffering to the asking rents of leasing comparables.

CBRE K.K.
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Representative Director
Eiji Sakaguchi

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Japan Logistics Market Study

Project Code: 2021-0235

Independent Review of Selected Industrial and Logistics Markets in ASEAN

Prepared for
HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Daiwa House Logistics Trust)
Daiwa House Asset Management Asia Pte. Ltd.

Prepared by Savills Valuation and Professional Services (S) Pte Ltd

savills

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7 June 2021

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#48-01 Marina Bay Financial Centre Tower 2
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Dear Sir,

Independent Review of Selected Industrial and Logistics Markets in ASEAN

Thank you for commissioning Savills Valuation and Professional Services (S) Pte Ltd to provide an Independent Market Report (IMR) on the industrial and logistics real estate markets in ASEAN, in particular Singapore, Malaysia, Indonesia and Vietnam.

The study includes an overview of key global and national socio-economic trends, analyses of the industrial and logistics real estate dynamics in the respective markets, as well as Savills view on the outlook and key opportunities for these priority ASEAN markets.

It has been a pleasure working with you and your team and we look forward to working with you again in the future.

Yours faithfully,

Alan Cheong
Executive Director, Research & Consultancy

Table of Contents

SUMMARY

1.0 SUMMARY

1.1 Introduction

The information and statistics presented in this market report are independently prepared by Savills Valuation and Professional Services (S) Pte Ltd for use in an Initial Public Offering prospectus of Daiwa House Logistics Trust on the Singapore Exchange Securities Trading Limited (SGX-ST). The report includes an overview of key global and national socio-economic trends, analyses of the industrial and logistics real estate markets, as well as the market outlook and opportunities in Singapore, Malaysia, Indonesia and Vietnam.

Certain information is based on, or derived or extracted from, among other sources, publications of government authorities and internal organisations, market data providers, communications with other independent third-party sources unless otherwise indicated. We believe that the sources of such information and statistics are appropriate and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information and statistics are false or misleading in any material respect or that any fact has been omitted that would render such information and statistics false or misleading. Savills Valuation and Professional Services (S) Pte Ltd confirms that, after taking reasonable care, they are not aware of any adverse change in market information since the date of this prospectus which may qualify, contradict or adversely impact the quality of the information in this report.

The forward statements in this report are based on our expectations and forecasts. These statements should be regarded as our assessment of the future, based on certain assumptions on variables which are subject to changing conditions. Changes in any of these variables may significantly affect our expectations and forecasts.

1.2 Overview of ASEAN

Opportunities in ASEAN

A leading global economic and demographic powerhouse

Despite Japan, China and India helming the "Asia Growth Story" in the 1990s and 2000s, the Association of Southeast Asian Nations[1] (ASEAN) economic bloc has rapidly emerged as a leading powerhouse in Asia Pacific over the past decade. With a Gross Domestic Product (GDP) of US$3.17 trillion[2], this group of nations was the world's fifth largest economy in 2019. Notably, ASEAN's economy grew at an average rate of 4.9% per annum from 2015 to 2019, keeping up with Asia's economic behemoths (China and India) and outpacing the global average.

The region's growth is fuelled by its strategic location[3], its large population base (amounting to 661 million in 2021), a booming middle-class, a significant and increasingly well-educated labour force, a wealth of natural resources, rapid urbanisation and rising infrastructure spending. In addition, the wide participation in Free Trade Agreements (FTAs) and commitments by ASEAN members to strengthen and deepen economic integration, notably through the ASEAN Economic Community initiative and

[1] ASEAN comprises Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.
[2] All socio-economic data in this IMR are sourced from Focus Economics, unless stated otherwise.
[3] According to "ASEAN Matters for America", East-West Center Publication in 2014, given that ASEAN is situated on a confluence of major trade routes, it is estimated that US$5.3 trillion of global trade passes through the region each year.

the ASEAN Comprehensive Investment Agreement, has helped to facilitate the movement of goods, developed the services trade and reduced investment barriers. Today, 99% of the goods traded between ASEAN members are tariff-free[4].

Table 1 provides a snapshot of selected socio-economic and financial indicators for the ASEAN markets in focus. The varying economic profiles reflect the diversity of ASEAN, making it one of the most competitive regions globally as investors find complementarities among the spectrum of markets. For instance, investors can leverage on ASEAN's more developed economies' technologies, Research and Development (R&D) and conducive business platforms, while the rest provide an abundance of natural resources and competitive labour costs.

Table 1: Selected Socio-economic Indicators for Key ASEAN Markets

	Singapore	Malaysia	Indonesia	Vietnam	ASEAN
GDP (2020, US$ bn)	339	338	1,062	271	3,015
Average Annual GDP Growth (2015 to 2019)	3.1%	4.9%	5.0%	6.8%	4.9%
GDP Growth (2020)	-5.4%	-5.6%	-2.1%	2.9%	-3.9%
GDP per Capita (2020, US$)	58,777	10,259	3,929	2,780	4,557
Average Annual Inflation (2015 to 2019)	0.1%	1.9%	4.0%	2.6%	2.4%
Inflation (2020, %)	-0.2%	-1.1%	2.0%	3.2%	1.2%
Population (2020, mn)	5.8	32.9	270.2	97.4	661.5
Average Annual Population Growth (2016 to 2020)	0.9%	1.1%	1.1%	1.2%	1.1%
Size of Labour Force (2020, mn)	2.3	15.7	134.6	55.8	348 (est)
Labour Force Participation Rate (2020)	68.1%	68.4%	67.8%	72.3% (June 2020)	-
Average Unemployment (2015 to 2019)	2.1%	3.4%	5.6%	2.2%	3.7%
Unemployment (2020)	3.0%	4.8%	7.1%	2.3%	5.2%
Urban Population (2020)	100%	77.2%	56.6%	37.3%	-
Urbanisation Rate (2015 to 2020)	1.39%	2.13%	2.27%	2.98%	-
Average Interest Rate; Nominal Benchmark Rate (2015 to 2019)	1.46%	3.10%	5.50%	6.30%	4.00%
Interest Rate; Nominal Benchmark Rate (2020)	0.41%	1.75%	3.75%	4.00%	2.47%
Exchange Rate (2020, per US$)	S$1.38	MYR4.20	IDR14,540	VND23,237	-

Source: CIA World Factbook, Focus Economics, World Bank, Respective Countries' Department of Statistics, June 2021

[4] Enterprise Singapore (2021).

ASEAN's industrial core is driving its industrial and logistics markets

Manufacturing is one of ASEAN's economic pillars, accounting for over 20% of the region's GDP and is a key driver of its growth (Table 2). Trade also contributes significantly to the region's economy, given its exposure to global markets. Singapore, Malaysia and Vietnam stand out in terms of the size of their trade sector, as well as their high share of exports of goods and services, reflecting their reliance on global demand and trade. Conversely, Indonesia depends more heavily on its large domestic market, and this has generally been its bulwark against global recessions. Coupled with the rise in Foreign Direct Investment (FDI) over the past five years, the industrial and logistics markets in ASEAN have grown significantly and diversely, offering a spectrum of real estate investment opportunities for investors and occupiers alike.

Table 2: Business Indicators Relating to Industrial/ Logistics Markets in ASEAN

	Singapore	Malaysia	Indonesia	Vietnam
Average Annual FDI (2014 to 2018, US$ bn)	76.8	9.9	16.7	12.6
Annual FDI (2019, US$ bn)	92.1	7.7	23.4	16.1
FDI Net Inflows (2019, Share of GDP)	28%	2.5%	2.2%	6.2%
Average Annual Fixed Investment Growth (2015 to 2019)	0.9%	2.3%	5.4%	9.3%
Fixed Investment Growth (2020)	-13.7%	-14.5%	4.9%	2.4%
Size of Manufacturing Sector (2019, % of GDP)	19%	21%	20%	16%
Manufacturing Sector's Average Annual Growth (2015 to 2019, %)	2.9%	3.3%	4.2%	8.6%
Manufacturing Sector's Growth (2020, %)	7.5%	-4.4%	-2.9%	4.0%
Manufacturing PMI[5] (April 2021, 50-threshold)	50.9	53.9	54.6	54.7
Ease of Doing Business (2020, Rank out of 190/ Score out of 100)	2nd (86.2)	12th (81.5)	73rd (69.6)	70th 69.8
Size of Trade Sector (2019, Share of GDP)	319%	123%	37%	210%
Exports of Goods and Services (2019, Share of GDP)	174%	65%	18%	107%
Logistics Performance Index (2018, Rank out of 169/ Score out of 5)	7th (4.00)	41st (3.22)	46th (3.15)	39th (3.27)

Source: Focus Economics, World Bank, June 2021

Disruptive forces reshaping the global environment and ASEAN

Major shifts in the global landscape over the past decade include rising geopolitical tensions between the US and China, disruptive technological advancements, as well as the shift in global economic weight to Asia. More recently, the COVID-19 pandemic, which was more severe than initially expected, significantly and systematically impacted the global economy. These trends continue to play out,

[5] Singapore's manufacturing PMI is sourced from the Singapore Institute of Purchasing & Materials Management (SIPMM), while the other markets are based on PMI data from HIS Markit.

reordering and reconfiguring global supply chains. Inevitably, this has greatly influenced ASEAN and its industrial and logistics markets.

ASEAN, a key beneficiary of US-China trade tensions

ASEAN's importance as a global manufacturing hub has steadily grown over the years, as an increasing number of companies have adopted a "China plus one" strategy. This has entailed more companies operating in China wanting to have an additional presence in the region for supply chain and risk diversification. The US-China trade conflict has further catalysed China-based companies to shift their operations to ASEAN to avoid increased tariffs and capitalise on lower operating costs. Notably, ASEAN overtook the US to become China's second-largest trading partner in 2019 with trade valued at US$644 billion. Of the four markets, Vietnam has benefited most from the restructured supply chains, recording the highest GDP, manufacturing and fixed investment growth (on an average annual basis) from 2015 to 2019 (Tables 1 and 2).

Signs of recovery for ASEAN's manufacturing a year since the onset of the pandemic

ASEAN was severely affected by the economic disruption and slew of containment measures resulting from the pandemic, but some markets more so than others. Singapore and Malaysia, as open economies, bore the brunt of the fallout and saw their GDP decline by 5.4% and 5.6% respectively in 2020. Despite its large domestic market, Indonesia's economy also contracted in 2020, albeit less severely (2.1%). Vietnam proved the most resilient, registering GDP growth of 2.9% as it successfully contained the spread of COVID-19. Manufacturing was a key factor in Vietnam's outperformance, with production growing on the back of steady export demand.

Nevertheless, the manufacturing, trade and logistics sectors in ASEAN held up better than other sectors, supported by an upcycle in global electronics and biomedical manufacturing demand. In addition, mobility and social distancing restrictions during the pandemic saw a greater adoption of e-commerce services, as well as rapid digitalisation across businesses, which supported overall demand for manufacturing, logistics and data centre facilities. By April 2021, the manufacturing Purchasing Managers Index (PMI) for the respective countries had already returned to an expansionary mode with readings above 50.0, signifying an improvement in sentiment among manufacturers.

ASEAN's prospects remain up-beat

A return to pre-pandemic growth in sight by end-2021

Notwithstanding its 3.9% contraction in GDP in 2020, ASEAN is set to rebound in 2021, as a revival in consumer and capital spending supports domestic activity and a recovery in foreign demand boosts exports. Focus Economics forecasts the region's GDP to grow by an annual average of 5.0% from 2021 to 2025 (Table 3). The economies of the four selected markets are also expected to return to pre-pandemic growth rates over the period, supported by the fast recovery of their manufacturing sectors and a pick-up in fixed investments. While the turnaround is expected to remain uneven in the short term given the varying degrees of success among the member countries in controlling the community transmission of the virus, ASEAN governments have by and large responded pro-actively by enacting stimulus measures to boost economic and fiscal resilience.

Table 3: Selected Socio-Economic Forecasts for Key ASEAN Markets

	Singapore	Malaysia	Indonesia	Vietnam	ASEAN
Average Annual GDP Growth (2021 to 2025)	3.7%	5.1%	5.1%	6.5%	5.0%
Average Annual Inflation (2021 to 2025)	1.5%	2.1%	2.9%	3.6%	2.6%
Population (2025, mn)	6.1	35.0	282.5	101.8	692.6
Average Annual Population Growth (2021 to 2025)	1.2%	1.2%	0.9%	0.9%	0.9%
Average Unemployment (2021 to 2025)	2.3%	3.6%	5.6%	2.3%	4.0%
Interest Rate; Nominal Benchmark Rate (2025)	1.5%	2.1%	2.9%	3.6%	2.6%
Average Annual Fixed Investment Growth (2021 to 2025, %)	4.9%	5.3%	5.9%	7.4%	6.1%
Manufacturing Sector's Average Annual Growth (2021 to 2025, %)	3.9%	5.3%	4.7%	8.1%	-

Source: CIA World Factbook, Focus Economics, World Bank, Respective Countries' Department of Statistics, June 2021

Strong mid-to-long term growth fundamentals

Despite the many challenges and downside risks, ASEAN continues to stand out as a promising economic region with vast opportunities and continues to be underpinned by strong growth fundamentals. Tables 4 and 5 highlight the major push-pull factors contributing to the region's mid-to-long term prospects, as well as key growth industries going forward.

Given the significant transformation ASEAN's manufacturing and trade sectors are undergoing, there are likely positive spin-off effects for its industrial and logistics markets. The region is already rapidly ramping up to capture demand, with industrial stock in these markets growing by around 2% to 3% per annum on average over the past five years. As an example, Vietnam, a key beneficiary of the pivot to ASEAN, has seen its national supply increase by 6% per annum by project scale, and 8% per annum in terms of the number of industrial park projects.

Table 4: Pivot to ASEAN (Major Push-Pull Factors)

Push Factors	Pull Factors
• **Rising operational costs across major economies**, including China, have led to companies looking for more affordable and reliable supplier bases in ASEAN • **"Plus one" positioning** – Continued trade tensions between the US and China, volatile tariffs and global supply chain disruptions are expected to persist. Coupled with the new norm brought about by the pandemic, this has led to greater manufacturing and trade diversification from China, and this is likely to favour ASEAN over time • **Industry 4.0** – As the global economy embraces new economy sectors and Industry 4.0/ digitalisation practices, ASEAN is well-placed to take advantage of these trends • **Heightened search for investable and yield-accretive assets** – Amid asset price inflation in developed economies, private capital is increasingly sourcing suitable alternatives and industrial and logistics assets in emerging ASEAN are key beneficiaries	• **A leading economic bloc by 2030** – ASEAN's economy is expected to grow by 5.0% per annum from 2021 to 2025, and is projected to become the fourth largest single market in the world by 2030, putting it behind only the US, China and the European Union[6] • **Favourable demographics** – ASEAN's population is projected to increase from today's 662 million to more than 710 million by 2030 when the median age will be a youthful 33 years old. In addition, ASEAN's middle class population is set to double to 334 million by 2030[7], while the number of households in ASEAN earning more than US$7,560 per year is projected to reach 125 million by 2025[8] • **Rapid urbanisation** – Another 90 million people are expected to move to the region's major cities by 2030, and it is estimated that nearly 70% of ASEAN's population will live in urban areas by 2050 • **A booming digital economy** – ASEAN is also the world's fastest-growing internet market with a digital economy to exceed US$240 billion by 2025[9] • **Deepening regional integration,** supported by Free Trade Agreement (FTA) initiatives – Following the AEC in 2010, this includes the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Regional Comprehensive Economic Partnership (RCEP). Another example is the ASEAN-Wide Self Certification scheme, which are expected to further lower local trade barriers

Source: Savills Research & Consultancy, June 2021

[6] Source: "Economic Outlook for Southeast Asia, China and India 2018: Fostering Growth through Digitalisation", OECD, 2018.
[7] Source: "Edges of Southeast Asia", US-ASEAN Business Council, in collaboration with Deloitte and the Singapore Economic Development Board.
[8] Source: HKTDC Survey of 1,000 ASEAN consumers earning more than US$1,000 a month, 2017.
[9] Source: Google, Temasek and Bain & Company.

Table 5: Major Industries and Investment Opportunities in Selected ASEAN Markets

Singapore	Malaysia
• **Existing Capabilities:** Aerospace, Consumer Businesses, Biomedical Sciences, Electronics, Energy & Chemicals, Transport Engineering, Information & Communications Technology (ICT), Logistics, Professional Services, Tourism, Finance and Maritime • **Growth Industries:** Biomedical Sciences, Electronics, Transport Engineering, ICT, FinTech, Urban Solutions and R&D, Digital Innovation, Sustainability and Green Investment, Agrifood Technology	• **Existing Capabilities:** Electrical and Electronics, Petroleum Products and Petrochemicals, Chemicals and Chemical Products, Basic Metal Products, Food, Transport Equipment and Fabricated Metal Products • **Growth Industries:** Chemicals and Chemical Products, Electrical and Electronics, Machinery and Equipment, Aerospace, Medical Devices, Global and Regional Establishments, Medical Tourism, Research and Development, Green Technology, Oil and Gas Services and ICT Services
Indonesia	**Vietnam**
• **Existing Capabilities:** Automotive and Components, Iron and Steel, Food, Paper and Printing, Chemicals and Pharmaceuticals, Textiles and Textile Products, Metal, Machinery and Electronics • **Growth Industries:** Agro-Industry, Downstream Oil and Gas, Downstream Mining, F&B Automotive, Aerospace, Iron and Steel, Petrochemicals, Pharmaceuticals and Medical Goods, Chemicals, Textiles and Apparel	• **Existing Capabilities:** Textile and Garment (Yarn, Fabric, Silk, Exported Clothing, Raw Materials); Leather and Footwear (Exported Footwear, Raw Materials); Processing Agricultural, Forestry, and Aquatic Products; Chemicals (Basic Chemicals, Fertilizers, Petrochemicals, Pharmaceutical Chemistry, and Cosmetic Chemistry), Food Product, Electrical Product, Consumer Goods Manufacturing, Vehicle Manufacturing, Oil and Gas Industry, Oil Refinery Industry, Supporting Industries • **Growth Industries:** Infrastructure Development, Industrial Park Infrastructure Development, High-tech Products, IT, Food Processing, Agro-Forestry Product Processing, Construction Material, Supporting Industries, New Material Industry, Electricity (especially Developing Renewable Energy Sources, New Energy and Clean Energy)

Source: ASEAN Secretariat, June 2021

The following sections examine the industrial and logistics real estate market dynamics in Singapore, Malaysia, Indonesia and Vietnam, as well as the key opportunities and investment hotspots in the respective markets.

1.3 Singapore

A blue-chip darling in ASEAN

1.3.1 Background

Amid global economic headwinds, Singapore remains one of the world’s strongest economies. With political stability, low corruption rates and transparent public institutions, it is the world's most competitive economy based on the IMD World Competitiveness Ranking for 2020 and is also ranked by the World Bank as the second easiest place to do business. It has a well-diversified economy, with a dynamic services sector bolstering its manufacturing core. Over the years, it has developed into a leading global hub for businesses and innovation and is well-recognised as a global leader in high-value manufacturing, as the fourth largest exporter of high-tech products globally. The city-state is also a world-class and highly efficient logistics and supply chain management hub, ranked by the World Bank as Asia’s top logistics hub for 10 years in a row.

Singapore’s diverse business eco-system and global linkages, coupled with its need to stay competitive, ambitious digitalisation plans and inherent challenges as a small island nation, has led to the emergence of a wide range of industrial and logistics space occupiers (Figure 1).

Figure 1: Industrial and Logistics Clusters in Singapore, Q1/2021

Source: Savills Research & Consultancy, 2021

To accommodate a wide diversity of users, Singapore’s industrial and logistics market mainly comprises:

- **Factories** (single-user and multiple user) – Refers to the space used or intended to be used for industrial purposes, comprising buildings used for the manufacturing, altering, repairing, ornamenting, finishing, cleaning, washing, packing, canning, breaking-up or demolition of any article or its parts and the processing and treatment of minerals;

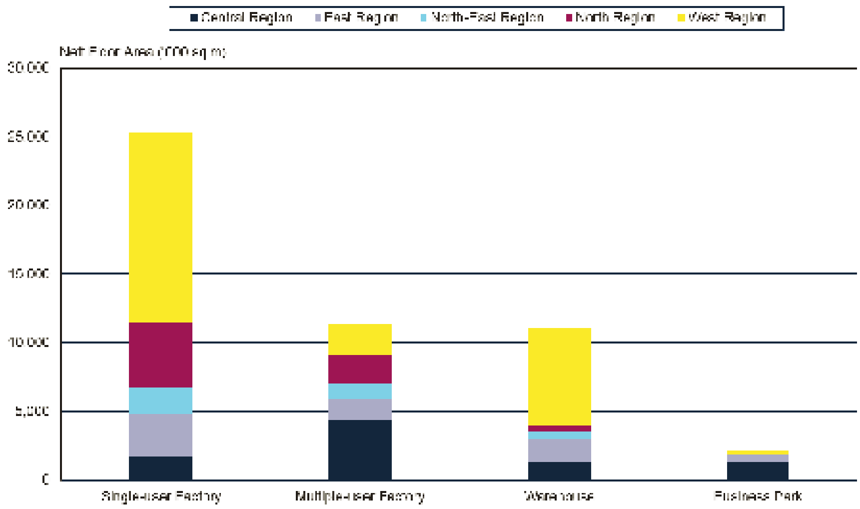
- **Warehouse and logistics facilities** – Refers to covered space used or intended to be used predominantly as storage area for raw materials, semi-finished or finished goods. The statistics exclude space in shophouses used for storage;

- **Business and science parks** – Refers to areas for non-pollutive industries and businesses which engage in high-technology, research and development, high value-added and knowledge-intensive activities; and

- **High-spec industrial space** – Savills defines high-spec industrial space as industrial (factory or warehouse zoned) space with a modern office-like façade, furnishings and environment (air-conditioned units, sufficient floor loading and ceiling height), as well as a higher power capacity to allow both office and advanced manufacturing activity. Some developers regard these spaces as vertical corporate campuses with a higher office content combined with high-specifications mixed-use industrial space.

The overall size of the industrial and logistics market in Singapore amounted to 50.1 million sq m in Q1/2021. A majority (73% or 36.8 million sq m) was factory space, of which 69% (25.4 million sq m) was single-user factories and 31% (11.4 million sq m) multiple-user factories. Meanwhile, there was 11.1 million sq m of warehouse and logistics space, followed by 2.2 million sq m of business and science park space (Figure 2). Close to half (47%) of the industrial stock in Singapore is located in the West Region, which is largely characterised by residential towns and industrial estates.

Figure 2: Industrial Stock, Q1/2021



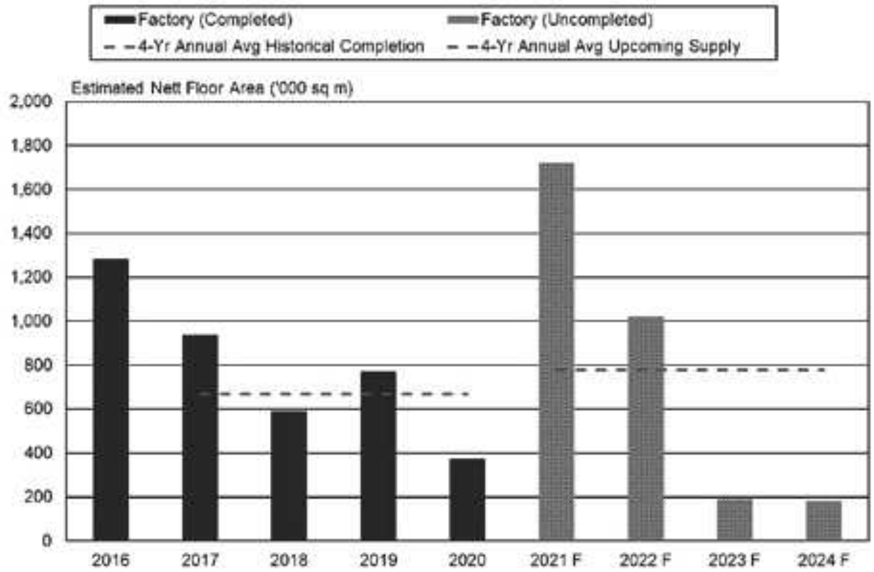
Source: JTC, Savills Research & Consultancy

1.3.2 Factories

Supply

Owing to delays in construction due to the pandemic, it is expected that there will be a spike in the pipeline supply of factory space in 2021. Based on Savills estimates, new factory space expected to come on stream in 2021 (including completions in Q1/2021) surged to nearly 1.6 million sq m Net Lettable Area (NLA), up from the 374,000 sq m NLA completed in 2020 (Figure 3). The supply surge in 2021 is largely due to some large-scale public projects by JTC Corporation (JTC), as well as other private developments such as Tee Yih Jia's food manufacturing facility. Apart from major development plans at JTC Defu Industrial City and Woodlands North Coast precinct, JTC's rejuvenation plans for Sungei Kadut Eco-District to support the transformation of traditional manufacturing industries such as timber, metal and machinery companies are expected to pad onto the pipeline supply.

Figure 3: Historical and Future Supply of Factory Space, 2016 – 2024F



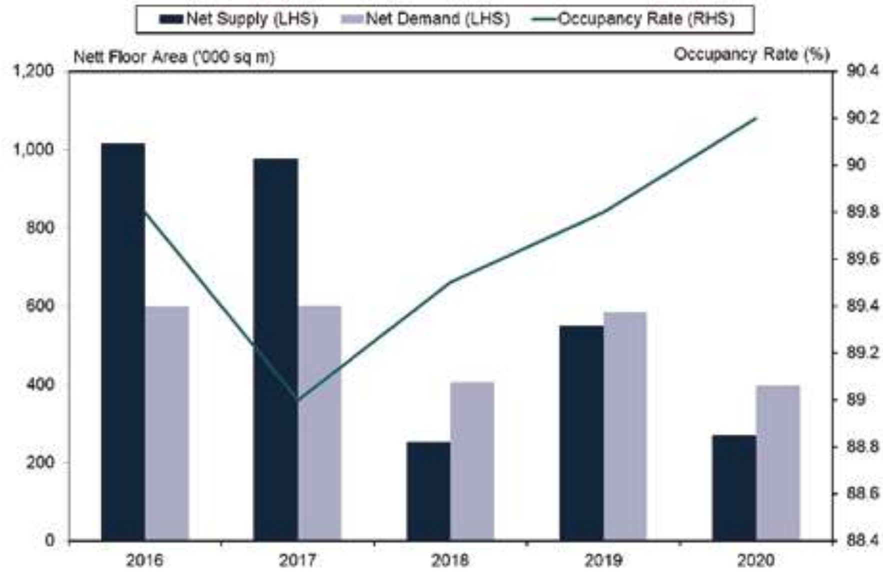
Source: JTC, Savills Research & Consultancy
*Savills estimate, based on an efficiency rate of 85%.

Another wave of supply (1.1 million sq m NLA) is expected in 2022, when new projects such as Facebook's data centre, as well as JTC's Bulim Square (an advanced manufacturing campus in Jurong Innovation District), and JTC's Kranji Green (Singapore's first multi-storey recycling facility), are slated for completion. Pipeline supply is expected to taper off from 2023 onwards. Compared with the annual average of 669,000 sq m NLA completed from 2017 to 2020, the annual average supply for the next four years (2021 to 2024) is likely to reach 784,000 sq m NLA.

Demand and Occupancy

As take-up of factory space did not keep pace with the increase in supply from 2013 to 2017, vacancy for factory space rose from 7.5% in Q4/2013 to a record high of 11.0% in Q4/2017 (Figure 4). Coupled with a stable absorption rate alongside tapered new supply, vacancy gradually eased over the last three years to 9.8% in Q4/2020. This was mainly supported by take-up in the West and North Planning Regions where occupancy levels improved on the back of strong leasing demand. In Q1/2021, the vacancy rate declined further to 9.7%, bolstered by an improvement in occupancy in the North and North-East Planning Regions.

Figure 4: Net Supply, Net Demand and Occupancy of Factory Space, 2016 – 2020



Source: JTC, Savills Research & Consultancy

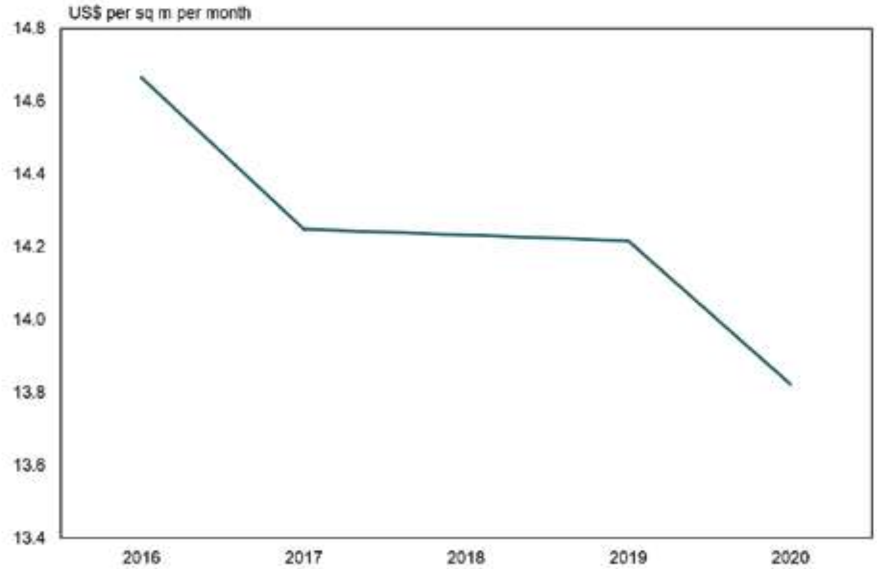
Demand was supported by the influx of companies in high value-add industrial sectors such as advanced manufacturing and data centre services. Consequently, there were new single-user factory completions such as Micron Technology's new manufacturing facility in North Coast Drive and Google's third data centre in Jurong West. There was also an uplift in occupier demand for multiple-user factory space in 2020 and Q1/2021, which reduced vacancy rates to their lowest levels since 2014. In Q1/2021, the vacancy rate of multiple-user factory space continued to decline to 11.0%, its lowest since Q3/2013 when vacancy stood at 9.9%.

Rents

Monthly rents for Savills basket of prime multiple-user factory space[10] have been declining since 2014. In the face of a constant stream of new supply and rising vacancy, rents came under downward pressure from 2014 to 2017, falling at an average rate of 3.6% per year. The prolonged rental decline was due to a mismatch between supply and demand for multiple-user factory space, putting pressure on the rental market as net supply outweighed net demand over the period. Following some signs of bottoming out as the rental decline moderated to its slowest pace of -0.1% YoY in 2018 and 2019, rents for multiple-user factories fell 2.8% YoY in 2020 (Figure 5).

[10] Based on Savills basket of private multiple-user factory properties which range from 93 sq m to 279 sq ft in size, with an average monthly asking rent of at least US$12.20 per sq m.

Figure 5: Monthly Gross Rents of Prime Multiple-User Factory Space, 2016 – 2020



Source: Savills Research & Consultancy

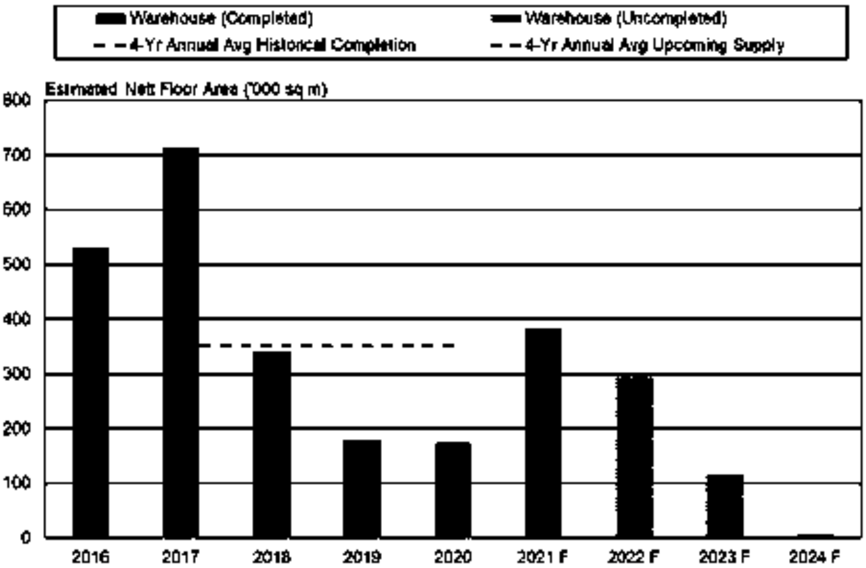
This was largely led by rental falls in the East Planning Region where vacancy surged to a record high due to the addition of major completions such as JTC Bedok Food City. With economic recovery broadening across various fronts, the average monthly rent of prime multiple-user factory space rebounded, increasing by 1.1% quarter-on-quarter (QoQ) to US$13.97 per sq m in Q1/2021.

1.3.3 Warehouses and Logistics

Supply

In the face of construction delays during the circuit breaker implemented to stem the virus outbreak in 2020, the pipeline supply of warehouse space over the next two years (2021 and 2022) is expected to be higher than the previous two years. According to Savills estimates, 394,000 sq m NLA of warehouse space is expected to be completed this year (including completions in Q1/2021), while another 303,000 sq m NLA of supply will be added to the market in 2022 (Figure 6). Nonetheless, the warehouse supply pipeline is projected to taper off significantly after 2022. This will translate to an average of around 201,000 sq m NLA for the next four years (2021 to 2024), compared with four-year annual average historical completions of 351,000 sq m NLA (2017 to 2020). Major warehouse developments include JTC Logistics Hub @ Gul and Cogent Jurong Island Logistics Hub, which are slated to complete in 2021.

Figure 6: Historical and Potential Supply of Warehouse Space, 2016 – 2024F



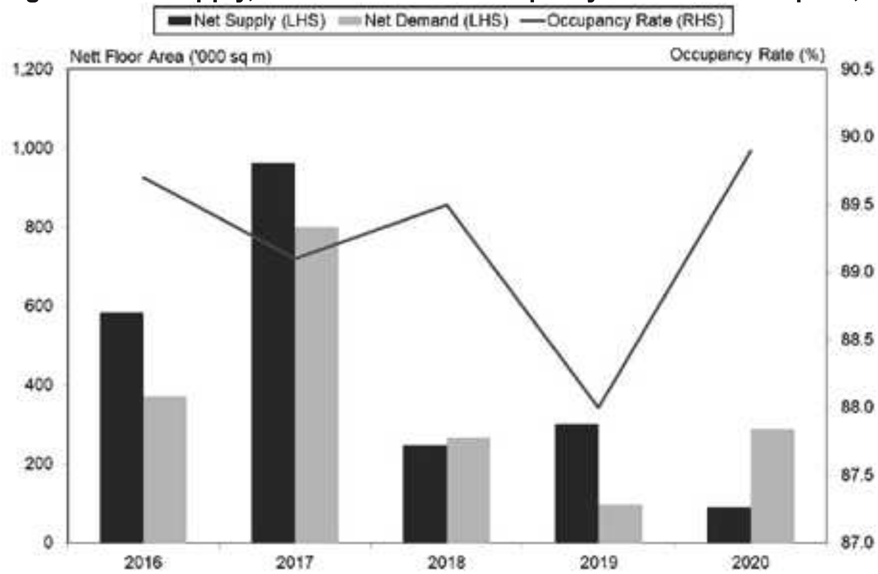
Source: JTC, Savills Research & Consultancy
*Savills estimate, based on an efficiency rate of 85%.

Demand and Occupancy

Since 2015, vacancy rates for warehouse space have been trending up. The large injection of warehouse supply in 2016 and 2017 weighed on occupancy levels as the net absorption of warehouse space lagged the increase in supply. As new supply tapered from 2018, warehouse vacancy eased slightly from 10.9% in Q4/2017 to 10.5% in Q4/2018. However, it subsequently rose to a record high of 12.0% in Q4/2019 due to the low take-up in some areas. Compared with the annual average of 459,000 sq m from 2015 to 2018, island-wide net demand fell to 98,000 sq m in 2019. Notably, vacancy levels in the East and North-East Planning Regions saw a significant increase in Q4/2019 from a year ago.

Nonetheless, in 2020, despite the pandemic, warehouses emerged as one of the most resilient segments across the various industrial uses. This was led by high warehouse demand from the accelerated adoption of ecommerce and the stockpiling of essential goods to mitigate supply chain disruptions due to the pandemic and subsequent lockdowns among trading partners. As a result, annual net demand rose to 288,000 sq m, easing the overall vacancy level to 10.1% in Q4/2020 (Figure 7), the lowest since 2015. Net demand remained positive in Q1/2021, albeit a moderated 59,000 sq m compared to the 93,000 sq m recorded in Q4/2020, resulting in a slight fall in vacancy to 10.2% in Q1/2021.

Figure 7: Net Supply, Net Demand and Occupancy of Warehouse Space, 2016 – 2020



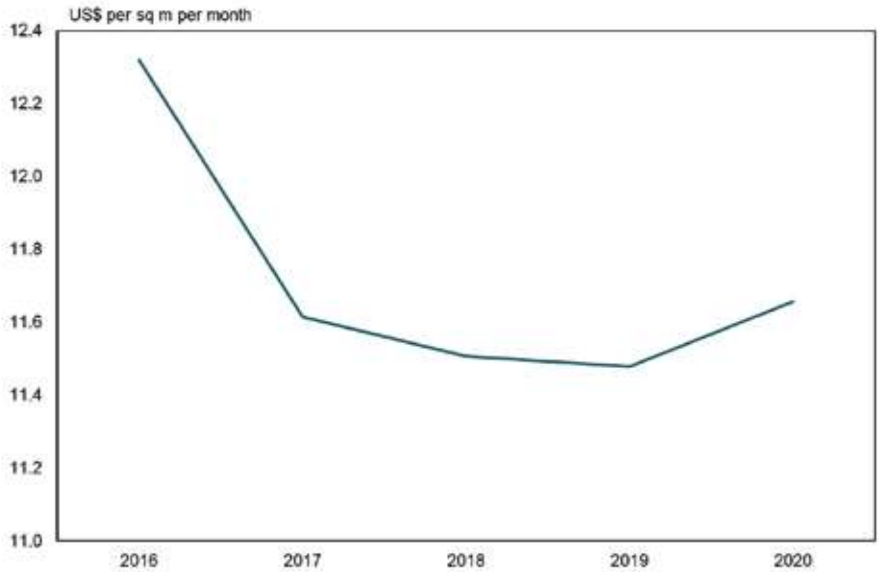
Source: JTC, Savills Research & Consultancy

Rents

According to Savills' basket of prime warehouse and logistics properties[11], monthly rents trended down from their peak in 2013 to 2019. The state of the rental market is due to the influx of new supply over the past few years which put pressure on the occupancy rate and thus rents. Rents showed signs of bottoming out with the rental decline moderating to 0.2% YoY in 2019 and even registering a YoY increase of 1.6% in 2020 (Figure 8). With warehouse and logistics proving to be one of the more resilient segments, monthly gross rents for prime warehouse and logistics facilities grew for a third consecutive quarter by 0.5% QoQ to US$11.72 per sq m in Q1/2021.

[11] Based on Savills basket of private multiple-user warehouse properties which range from 186 sq m to 7,432 sq m in size, with an average monthly asking rent of at least S$11.40 per sq m.

Figure 8: Monthly Gross Rents of Prime Warehouse and Logistics Space, 2016 – 2020



Source: JTC, Savills Research & Consultancy

1.3.4 Business Park and High-Spec Industrial

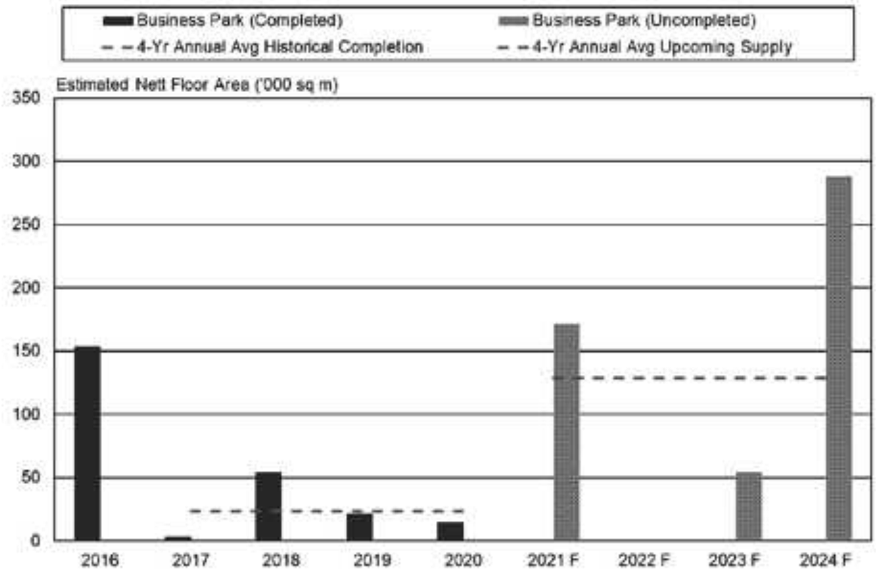
Supply

Business Parks

After four years of a tight supply pipeline, based on Savills estimates, there is at least 507,000 sq m NLA of new business park space to be completed over the next four years (2021 to 2024). This translates to an annual average of nearly 127,000 sq m NLA, which far surpasses the four-year annual average of historical supply of 24,000 sq m (2017 to 2020).

In 2021, a surge in new supply of business park space (161,000 sq m NLA) is expected (including completions in Q1/2021) and this is due to a 'bunching up' effect when in 2021 the pandemic-led delays in construction unwind (Figure 9). Some major projects coming up this year include Cleantech Three, Surbana Jurong Campus and several built-to-suit (BTS) projects such as Grab, Wilmar International and Razer's HQs. As the BTS projects are largely fully pre-committed, they are unlikely to cause material increases in the vacancy rate. Pipeline supply will subsequently taper off significantly in the next two years (2022 and 2023) before another wave of supply (288,000 sq m NLA) arrives in 2024 when a mixed-use cluster comprising commercial and business park space in Punggol Digital District is scheduled for completion.

Figure 9: Historical and Potential Supply of Business Park Space, 2016 – 2024F



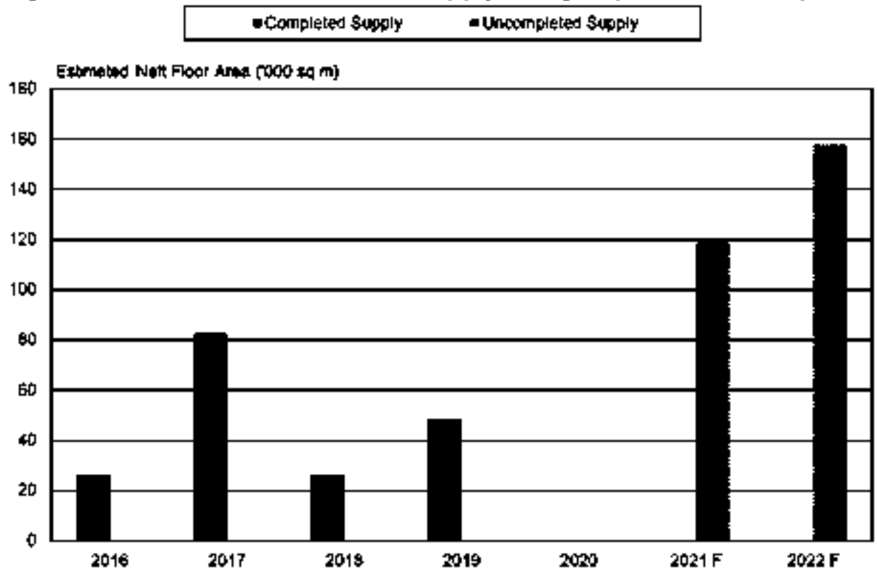
Source: JTC, Savills Research & Consultancy
*Savills estimate, based on an efficiency rate of 85%.

High-Spec Industrial

Based on Savills estimates, pipeline supply is expected to increase over the next two years, with about 98,000 and 158,000 sq m NLA of high-spec industrial space coming on stream in 2021 (including completions in Q1/2021) and 2022 respectively (Figure 10). Including the projects which faced delays last year, projects expected to complete by 2021 includes Neo Group's new high-tech HQ and catering hub at Quality Road and Ubix. As Neo Group will be occupying the new 10-storey building to house the group's central kitchens, offices, warehouses, logistics and storage facilities, the addition of the new facility will not help to ease lack of availability. The other project which is also scheduled to complete by 2021 is Ubix, a redevelopment of two light industrial buildings at 25 and 27 Ubi Road 4. The existing buildings at Ubi Road will be redeveloped and repositioned into a single five-storey high-spec industrial property to maximise the potential of the site. Designed to cater to the information technology, fintech, gaming, healthcare, biopharmaceutical and automotive industries, the development offers unit sizes ranging from 399 sq m to 4,199 sq m for lease, as well as the option for single tenancy.

7000 Ang Mo Kio Avenue 5 (the former Seagate building) and 61 & 63 Alexandra Terrace (former Harbour Link Complex), which are undergoing Asset Enhancement Initiatives (AEI) to become high-spec industrial developments, are also expected to complete in 2021. The AEI works at 7000 Ang Mo Kio Avenue 5 will tap unutilised plot ratio to develop a new eight-storey high-spec building on the site of the existing car park area adjacent to the current production and office block. The new project will be equipped with space suitable for single- or multi-tenanted use. The revamped Harbour Link Complex will comprise two blocks of high-spec industrial space with a five-storey ramp-up building and an eight-storey annex.

Figure 10: Historical and Potential Supply of High-spec Industrial Space, 2016- 2022F



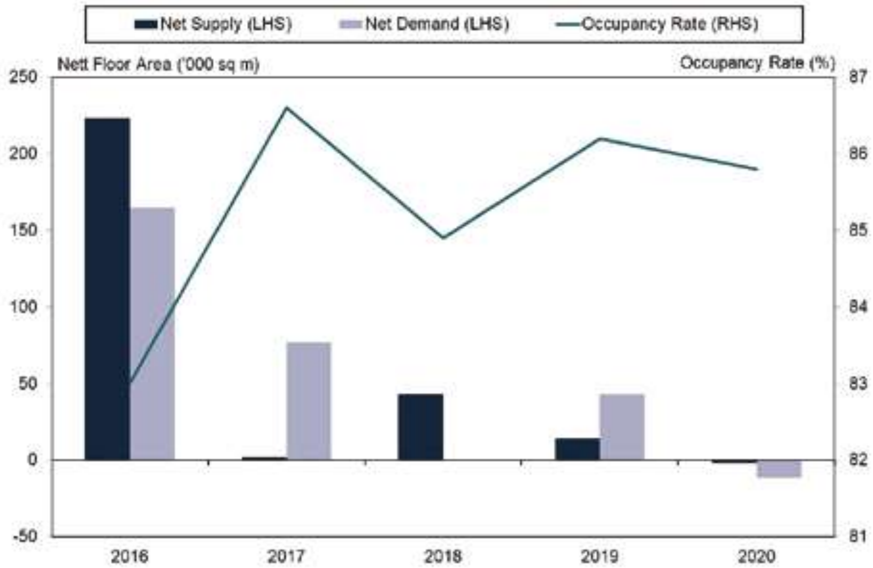
Source: JTC, Savills Research & Consultancy
*Savills estimation, based on an efficiency rate of 85%.

Demand and Occupancy

Business Parks

For the past five years (2016 to 2020), the annual average net demand for business park space has stood at about 55,000 sq m (Figure 11). As this was quite close to the annual average net supply of 56,000 sq m over the same period, vacancy in business park space has been in a slow decline over the last five years. However, the tightening of vacancy levels was not seen across the board. Notably, vacancy levels in ageing business park clusters such as Changi Business Park and International Business Park has been on the rise. On the other hand, occupier demand for well-maintained developments in newer clusters such as Mapletree Business Park and one-north has remained strong, easing the overall vacancy rate from 17.0% in Q4/2016 to 14.2% in Q4/2020. Furthermore, this could have arisen from financial institutions taking up new business park space for their back-end operations while reducing their office requirements in the Central Business District.

Figure 11: Net Supply, Net Demand and Occupancy of Business Park Space, 2016- 2020



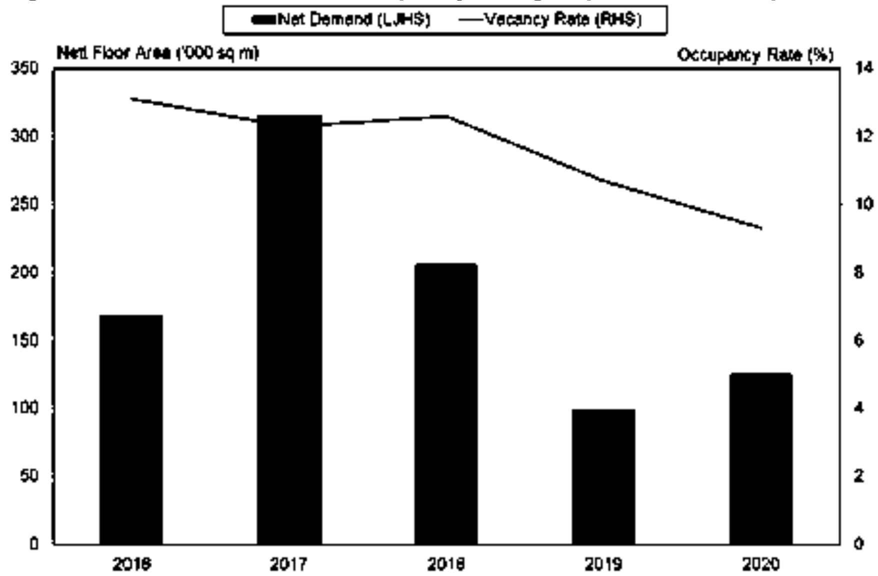
Source: JTC, Savills Research & Consultancy

<u>High-Spec Industrial</u>

As there is no official data for the high-spec industrial segment in Singapore and over 80% of the existing high-spec industrial stock is private multiple-user factory space, JTC's demand and vacancy statistics for private multiple-user factories will be used as a proxy in this report.

Given steady demand and tapering new supply, the island-wide vacancy level has been on a general decline over the last five years, easing from 13.1% in Q4/2016 to 9.3% in Q4/2020 (Figure 12). Notwithstanding the headwinds of 2020, occupancy levels improved on the back of stable net demand of 125,000 sq m, slightly higher than that in the previous year (99,000 sq m in 2019). This demand was supported by office users who relocated or downsized to high-spec industrial space as part of their cost restructuring measures. Especially in prime locations with good accessibility and amenities, vacated premises have been rapidly filled as they are highly sought after. As an example, Google Asia Pacific committed to lease around 344,100 sq ft of space at Alexandra Technopark from Q1/2020, after Microsoft Operations shortened their lease tenure for around 77,800 sq ft of space at the property by two years to January 2020. In Q1/2021, net demand improved from 44,000 sq m in Q4/2020 to 54,000 sq m, resulting in an easing of the vacancy rate for a third consecutive quarter to 9.1%.

Figure 12: Net Demand and Occupancy of High-spec Industrial Space, 2016 – 2020



Source: JTC, Savills Research & Consultancy
*Based on JTC's data for private multiple-user factory space.

Rents

Business Parks

Monthly gross rents for Savills basket of prime business park space[12] largely trended down in 2015 and 2016 before stabilising from 2017 to 2019. On the other hand, monthly gross rents of Savills' basket of standard business park space[13] declined by 1.2% YoY in 2015 and trended up from 2016 to 2019. Nonetheless, the impact of the pandemic dampened business sentiment, affecting rents in 2020. This is especially so for the older business park projects which saw rising vacancies and some landlords began to offer more attractive rental incentives to fill up the space. As such, monthly rents of prime and standard business park space fell by 0.4% and 2.1% YoY respectively in Q4/2020, reversing the four-year rental increase from 2016 for standard business park space (Figure 13). In Q1/2021, monthly rents in Savills basket of prime business park properties registered their first quarterly decline of 0.9% since Q2/2020 to US$$46.84 per sq m while rents of standard business park space fell for a fourth consecutive quarter by a larger 1.2% to US$32.26 per sq m per month.

High-Spec Industrial

In 2015 and 2016, rents for prime high-spec industrial space[14] declined. As rents for multiple-user factory space began to stabilise in 2017, those for high-spec industrial space started to

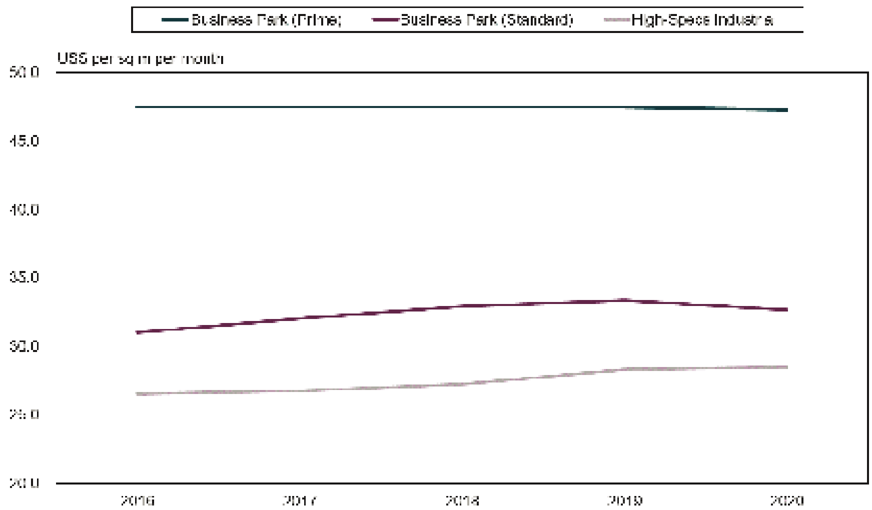
[12] Based on business park-zoned spaces in the newer clusters which range from 93 sq m to 465 sq m, with an average monthly asking gross rent of at least US$44.76 per sq m.
[13] Based on business park-zoned spaces in the older clusters which range from 93 sq m to 465 sq ft, with an average monthly asking gross rent of at least US$28.48 per sq m.
[14] Based on office-like industrial space which range from 186 sq m to 372 sq m, with an average monthly asking gross rent of at least US$24.41 per sq m.

recover. Savills average prime monthly rent for high-spec industrial space[15] inched up from US$26.53 per sq m in Q4/2016 to US$28.28 per sq m per month in Q4/2019 (Figure 13). This could be due to the recovery of office rents which began in 2017. As a result of escalating office rents, firms qualified for industrial space usage were motivated to relocate to high-spec industrial premises.

The ongoing digital transformation towards advanced manufacturing has fueled demand for high-spec industrial space. Even before COVID-19, demand for high-spec industrial space was stronger than that for conventional industrial buildings. Correspondingly, prospects for rental growth were also better. However, prime rents for high-spec industrial space also came under pressure in 2020, alongside the weakened multiple-user factory market.

Although on-going relocation plans by some office users could lend some support to the high-spec industrial market, rents continue to face pressure as prospects are only enticing if savings are significant after factoring in relocation costs. Meanwhile, it is also challenging for landlords to increase rents for renewals as some existing high-spec industrial users are considering relocating to other light industrial spaces which can still project a good corporate image, with office-like specifications and in areas with good connectivity such as Paya Lebar. Nonetheless, high-spec industrial prime rents started to stabilise at the end of 2020, with the average monthly gross rent in the Savills high-spec industrial basket up by 0.7% YoY to US$28.49 per sq m in Q4/2020. In Q1/2021, rents declined marginally by 0.5% QoQ to US$28.35 per sq m as the uncertainties due to the ongoing pandemic continued to weigh on the market.

Figure 13: Monthly Gross Rents of Business Park and High-Spec Industrial, 2016 – 2020



Source: Savills Research & Consultancy

[15] Based on office-like industrial space which range from 2,000 sq ft to 4,000 sq ft, with an average monthly asking rent of at least S$3 per sq ft.

1.3.5 Investment Market

Singapore has an attractive real estate investment market due to several key attributes such as being the most politically stable country in the region, a transparent legal regulatory and pro-business environment. Apart from its positioning as a global-Asia financial and business hub, the city-state possesses stable, yet diverse real estate market dynamics supportive of long-term capital value growth and preservation.

Activity in Singapore's real estate investment market has generally been led by its residential and commercial sectors, accounting for an average of about 39% and 34% of annual investment volume over the past decade. On the other hand, industrial has traditionally been a less popular sector among investors, constituting about 12% of annual investment volume over the same period. However, this dynamic has changed in recent years, amid a slew of property cooling measures targeted at the residential sector in 2017 and 2018, as well as considerable yield compression for commercial assets. Notably, the industrial sector's share of overall real estate investment volume in Singapore rose to about 16% in both 2019 and 2020.

The COVID-19 pandemic also contributed to the shift in investor attention towards the industrial and logistics sectors, with many investment managers with an Asian mandate favouring Singapore as a 'safe haven' compared with other cities in the region due to its stability and comprehensive approach to the outbreak. In particular, there was heightened interest in logistics and data centres in 2020 due to the need for stockpiling and cloud computing power. Notwithstanding, industrial investment sales amounted to only US$1.4 billion in 2020, a drop from the US$3.4 billion in 2019, as the lack of institutional-grade industrial assets with sufficient remaining leasehold tenure stymied transactions.

Some significant deals over recent months have included the purchase of Lucasfilm's Sandcrawler (business park) by BlackRock Group for US$132.9 million (US$5,912 per sq m) Metro Holding's acquisition of a 26% stake in a portfolio of 14 industrial properties in various parts of Singapore for US$92.4 million (based on market value) and the S$89.2 million sale of Big Box (a conversion from a warehouse retail to business park development) to Perennial Real Estate Holdings. For both Metro and Perennial, these acquisitions marked their first venture into the industrial sector in Singapore and provided diversification for their largely commercial portfolios. Some of the industrial investment transactions also involved certain forms of leaseback conditions, such as the sale of BreadTalk IHQ for US$89.2 million (US$3,856 per sq m) by BreadTalk Group to a consortium led by Lian Beng Group, as well as AIMS APAC REIT's purchase of Sime Darby Business Centre for US$77.1 million (US$4,637 per sq m).

Meanwhile, some of the major logistics buys in recent quarters have included DWS's acquisition of 11 Sunview Way for a price said to range from US$56.7 to US$75.6 million (US$1,514 to US$2,019 per sq m), as well as AIMS APAC REIT's acquisition of a ramp-up warehouse at 7 Bulim Street for US$98.0 million (US$1,437 per sq m). Amid the shift of investor interest to industrial and logistics over the recent years, yields in the sector have been gradually compressing. In Q1/2021, industrial and logistics net yields generally ranged from 5.75% to 7.00%.

With the COVID-19 situation largely under control and as vaccination programs are rolled out worldwide, population immunity for advanced economies is anticipated to be achieved in the near term, which is expected to accelerate the route to economic recovery. With improved clarity on the path to economic recovery and better prospects for the real estate market, it is expected that overall investment sales in Singapore, including that in the industrial sector, will see an improvement from 2020.

1.3.6 Outlook

One year into the pandemic, driven by the need to mitigate supply chain disruption, demand for biomedical devices and a global shortage of semiconductors, the industrial market continues to perform better than most other real estate sectors. Demand for the products from the latter two industries has stimulated the chemical industry as well. Broadly speaking, the manufacturing and logistics sectors have two driving forces. One is knowledge intensive, while the other is supply chain in nature. Between these two lie pockets of demand from the food industry and those who try to save rental overheads by moving to lower cost premises.

Notwithstanding the broad vaccination program underway, the pandemic has reared its head again with community cases spiking in late-March 2021. Overseas, the pandemic in some countries has been counted in multiple waves. So long as the threat of a resurgence in infections linger, the demand for industrial space should remain firm. Remote working and the drive to achieve Environment, Social and Governance (ESG) targets will spur demand for new technologies and materials. All these are likely to result in greater manufacturing activity in the semiconductor and chemical sectors as most global companies have set up operations.

Knowledge intensive industries are likely to continue to operate and even expand at the various locations earmarked for such activities e.g., one-north, Singapore Science Park and Mapletree Business City. Local Small and Medium Sized (SME) companies are often not in such industries and their performance will be patchy. However, they are likely to continue to look to set up in more central locations.

Factories and warehouses

The stellar performance of some sub-sectors within the manufacturing sector has dampened rental declines. On the logistics space front, most warehouses here are at capacity and some spill over demand has been seen for traditional factory space. Consequently, activity levels in this real estate sub-market have been vibrant.

Local SMEs have been active in recent quarters and are expected to remain interested in acquiring industrial properties for their own use. Examples of such companies are those involved in the manufacturing of tupperware (mainly for export), processing of frozen food. These local enterprises are taking this opportunity where prices have softened to acquire properties where the remaining lease tenure is often less than 30 years. The shorter-term lease means they can rein in non-production related capital expenditure. Food zoned industrial buildings and central kitchens located in the Central and East Regions are still highly sought after.

Companies involved in e-commerce and last mile transportation services have been actively looking for logistics space. A year ago, the pandemic was viewed with uncertainty and short-term leases for stock piling were popular. However, with the realisation that COVID-19 is not likely to go away anytime soon, these short leases have been extended in many cases from half a year to a year or more. E-commerce firms have been sourcing space in the Central and East Regions, often for less than 10,000 sq m. These are often around Kallang, Bendemeer and Tampines, where easy access to expressways makes it more conducive for last mile delivery. Many would have liked to lease larger areas, but for the fact that most of the warehouse space in the abovementioned regions is smaller than in the West. For the West Region, as these areas have more warehouses offering larger floor plates and higher ceiling heights, they are popular amongst tenants who require general storage facilities such as fashion companies, where there is less of a delivery time requirement.

Coupled with the surge in the factory and warehouse pipeline supply over the coming two years, overall occupancy levels, especially for large-scale public projects, are likely to remain depressed in the near term. While warehouse rents may find some support from ecommerce and storage demand, factory rents are expected to remain flat this year. With that, rental growth for multiple-user factories are projected to range from -3% YoY to 0% YoY, and for warehouse and logistics is likely to remain constant on a YoY basis in 2021.

Business park and high-spec industrial

While the more resilient segments, including business parks and high-spec industrial, could possibly see an improvement in their occupancy and rental levels, the recovery will not be evenly spread across each segment. For tenants of such premises, most would rather pay a premium for better-maintained properties in prime locations with better connectivity, sustaining the positive take-up and rents of prime properties. However, for some of these newer and well-located projects, there has also been some resistance from tenants to expand or locate there. Some technology firms with smaller spatial needs are finding Grade B office space in the CBD to be an attractive proposition. This is because rents for such buildings have fallen significantly since the start of the pandemic and are challenging those charged in more well-located business parks. Older properties in the outskirts are expected to continue to see softer demand and lower rents.

A disparity in the performance between newer and older business park clusters is expected and this could restrain overall rental growth. Well-located business park facilities are likely to continue to command higher rents based on their locational strengths, supporting rents for prime business park space. Prime high-spec industrial rents are also expected to remain stable on sustained demand. On the other hand, rents and occupancy for older business park and high-spec industrial developments in less prime locations are likely to remain under pressure.

1.4 Malaysia

Poised for significant transformation and growth, especially warehouse and logistics

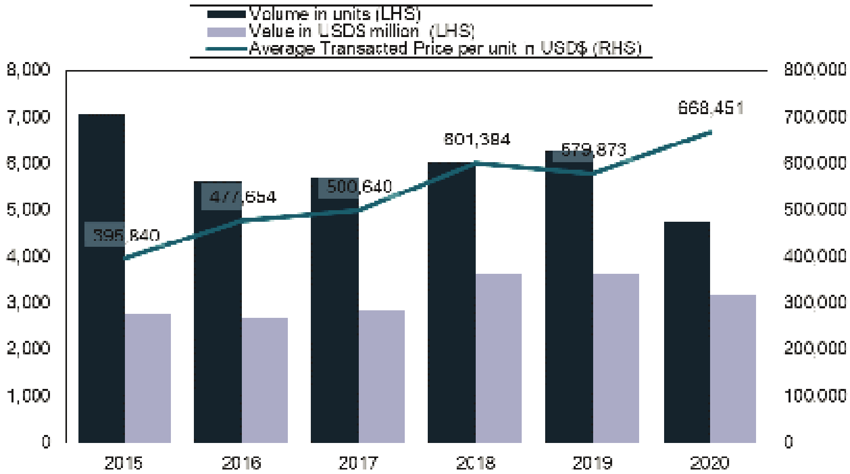
1.4.1 Background

Malaysia is the third largest economy in ASEAN and is one of the biggest producers of electronics and electrical products globally. It is also a leading exporter of palm oil and is one of the region's major oil and gas exporters. As one of the most open economies in the world with a trade to GDP ratio averaging over 130% since 2010, it has successfully diversified its economy from one that was initially agriculture and commodity-based, to one which now plays host to robust manufacturing and service sectors. This has been instrumental in employment creation and income growth, with about 40% of jobs linked to export activities. Malaysia's economy has been on an upward trajectory over the past two decades and is expected to transition from an upper middle-income to a high-income economy by 2024.

1.4.2 Industrial Parks

Activity in Malaysia's industrial market has been improving since 2017 alongside a rise in investment approvals, reflected by the increase in both transaction volume and value. Greater Kuala Lumpur was the largest beneficiary of the significant pick-up in demand for industrial facilities over this period, driven by the expansion of many existing manufacturing companies in Selangor. Many manufacturing and logistics firms were also looking to centralise their operations and improve their business capacities, using Malaysia as an access to the regional and global markets. This trend of strong demand peaked in 2019 when total capital investment approvals (domestic and foreign) hit a 3-year high of US$51.2 billion, with a total of 6,261 units of industrial properties transacted with a total value of US$3.6 billion (Figure 14).

Figure 14: Industrial Sales Transaction



Source: National Property Information Centre of Malaysia (NAPIC), Savills Research & Consultancy

With the COVID-19 pandemic triggering a global economic downturn and delayed investment decisions, total capital investment approvals in Malaysia fell to US$39.7 billion in 2020. Nonetheless, the manufacturing sector demonstrated resilience, with domestic and foreign investments into the sector rising by 23% YoY (from US$6.9 to US$8.4 billion) and 4% YoY (from US$13.2 to US$13.7 billion) respectively in 2020. This was partly driven by the government unveiled a slew of initiatives and tax incentives to accelerate investments in Malaysia, including a special incentive package for high value-added technology projects.

While industrial market activity was dampened in 2020, with the series of lockdowns nationwide resulting sales and overall value to decline by 24% and 12% respectively, average industrial property prices showed an upward trend over the recent years. Notably, average transacted price per unit increased by a Compound Annual Growth Rate (CAGR) of 11.0%, from US$396,000 in 2015 to US$668,000 in 2020.

According to the Malaysia Investment Development Authority (MIDA), there were over 600 industrial parks in Malaysia at the end of 2020 (Table 6).

Table 6: Major Industrial Parks In Malaysia, 2020

Region	State	Location	Industrial Park
Central	Selangor	Banting	Kota Seri Langat (PNDB) Industrial Park
		Port Klang	Port Klang Free Zone
		Pulau Indah	Selangor Bio Bay, Selangor Halal Hub Pulau Indah
		Serendah	UMW High Value Manufacturing Park
South	Negeri Sembilan	Bandar Enstek	Techpark @ Enstek
		Nilai / Labu	Malaysia Vision Valley
		Senawang	Senawang Industrial Estate
	Johor	Gelang Patah	Southern Industrial & Logistics Clusters

Region	State	Location	Industrial Park
		Pasir Gudang	Eco Business Park III
		Senai	Eco Business Park I, i-PARK @ Indahpura
		Port of Tanjung Pelepas	PTP Industrial Area
		Nusajaya	Nusajaya Tech Park
North	Penang	Bayan Lepas	Bayan Lepas Free Industrial Zone
		Batu Kawan	Batu Kawan Industrial Park
		Bukit Mertajam	Bukit Minyak Industrial Park
		Simpang Ampat	Penang Science Park
		Perai	Prai Free Industrial Zone, Seberang Jaya Industrial Park

Source: MIDA, Savills Research & Consultancy

Industrial parks developed by private property developers are highly concentrated in the Central (Selangor) and South (Negeri Sembilan and Johor) Regions. Their development products typically include terraced factory/ warehouse, semi-detached and detached factories/ warehouses in a gated and guarded environment, targeting light to medium industries.

Meanwhile, the average transacted land prices of industrial properties in major industrial parks in Selangor (Central Region) and Penang (North Region) have been rising, recording a CAGR of 6.1% and 9.3% from 2016 to 2020 respectively (Table 7). This has led to many developers focusing on the industrial sector. For example, Sime Darby Property allocated about 1,295 ha of land in Selangor for industrial development. This includes Serenia Industrial Park (Phase 2) in Sepang, which is targeting the Food and Beverages (F&B), Chemicals, Rubber, and Logistics companies to occupy its 302-ha development, while Metal and Machinery, and Logistics-related occupiers are expected set foot in the 824-ha Bandar Bukit Raja Industrial Park. Meanwhile, logistics service providers are expected to occupy close to 30% (162 ha) of the 607-ha Elmina Business Park in Shah Alam, which is currently undergoing construction.

Table 7: Average Transacted Industrial Land Price in Selected Industrial Parks, 2016 - 2020

Central Region	2016	2018	2020
Location	Klang, Shah Alam, Subang Jaya, Sungai Buloh, Telok Panglima Garang		
Average Transacted Price (US$ per sq m)	294	333	373
North Region	**2016**	**2018**	**2020**
Location	Bayan Lepas, Batu Kawan, Bukit Minyak, Bukit Tengah, Prai		
Average Transacted Price (US$ per sq m)	142	173	202

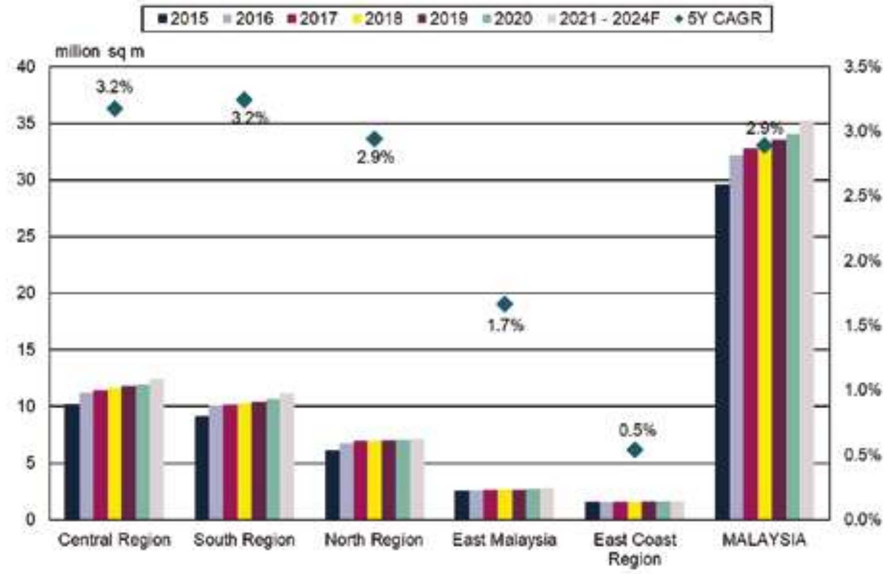
Source: NAPIC, Savills Research & Consultancy

1.4.3 Warehouse and Logistics

Supply

In Malaysia, the total stock of warehouse and logistics facilities stood at an estimated 34.1 million sq m NLA at the end of 2020, registering a CAGR of 2.9% from 2015. As the country's key economic hub, the Central Region (Selangor and Kuala Lumpur) recorded the highest stock level with about 12.0 million sq m (a 5-year CAGR of 3.2%), followed by South Region at 10.7 million sq m (a 5-year CAGR of 3.2%) and North Region at 7.1 million sq m (a 5-year CAGR of 2.9%) (Figure 15).

Figure 15: Stock of Warehouse/ Logistics Facilities, 2015 – 2024F[16]



Source: NAPIC, Savills Research & Consultancy
*NLA is assumed at the national average of the total facility size, ranging from 30% - 50%.

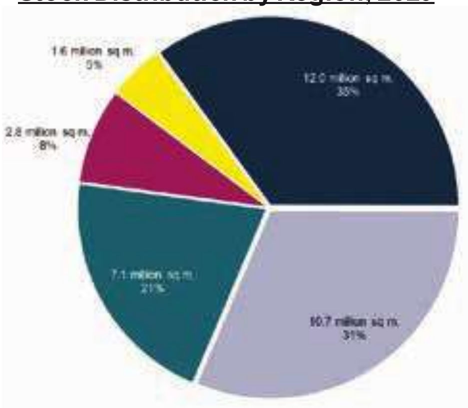
About 87% of existing warehouse and logistics facilities are located along the west coast of Peninsular Malaysia (the Central, South and North Regions). The strong growth of industrial facilities is underpinned by the comprehensive network of transportation infrastructure such as highways and rail facilities connecting the regions. The Central Region has direct access to airports and seaports, allowing it to account for more than one-third (35%) of the existing stock of warehouse and logistics facilities in the country (Figure 16).

New supply remains a key feature of the market in the Central and South Regions of Malaysia. Home to the most developed state, the Central and South Regions will both see a significant supply influx, with an estimated 0.5 million sq m NLA in the pipeline over the next two to three years.

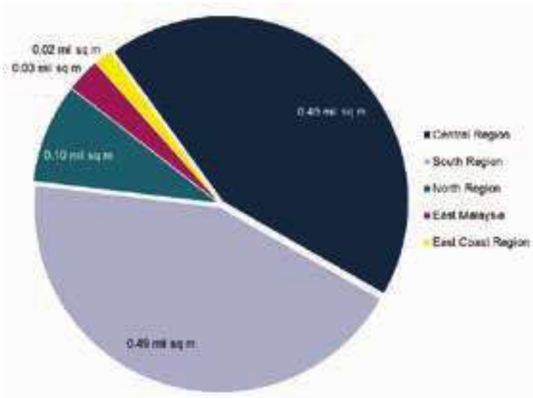
[16] Central Region: Kuala Lumpur, Selangor; South Region: Negeri Sembilan, Malacca, Johor; North Region: Perak, Kedah, Penang, Perlis; East Coast Region: Pahang, Terengganu, Kelantan; East Malaysia: Sarawak, Sabah.

Figure 16: Stock Distribution of Warehouse / Logistics Facilities

Stock Distribution by Region, 2020



New Supply Distribution by Region, 2021-2024F



Source: NAPIC, Savills Research & Consultancy

New completions

Recently completed facilities by various established industrial players are primarily located along the west coast of Peninsular Malaysia, reflecting the momentum of supply growth mentioned earlier (Table 8). A new IKEA Warehouse Distribution Centre, with around 102,000 sq m NLA, is located in the Klang district (Central Region), which services its 12 IKEA stores in ASEAN. Sen Heng Electric, a dealer in electrical appliances, moved into its new warehouse in Bandar Bukit Raja in Q1/2021 while another new chemical warehousing and distribution centre located in Bandar Bukit Raja also started operations in Q1/2021. Mr D.I.Y's Robotic E-Commerce Warehouse, with 6,040 sq m NLA, was newly completed in Seri Kembangan in Q1/2021 and showcases an innovative retail solution to warehousing.

In the North Region, one of the most recent warehouse openings was Kintetsu World Express (Malaysia) in the Free Commercial Zone (FCZ) of Penang Airport in February 2021. The warehouse is about 9,200 sq m in size, offering storage, air import/export loading and unloading, as well as distribution processing.

The South Region welcomed two auto parts distribution centres in 2017 and 2018, respectively. The BMW Regional Parts Distribution Centre (PDC) started operation in early 2017 in Senai while the VW Regional PDC located in the Port of Tanjung Pelepas was completed in 2018.

Table 8: Recent Warehouse and Logistics Completions

Region	Year	Location	No of Properties	NLA (sq m)
Central	2018	Shah Alam	2	25,000
	2019	Ampang Bukit Raja Kuala Selangor	3	300,000
	2020	Bukit Raja Shah Alam Subang	5	117,000
	2021	Seri Kembangan Klang	2	106,000
North	2018	Batu Kawan	1	7,000

Region	Year	Location	No of Properties	NLA (sq m)
	2020	Batu Kawan	1	6,000
	2021	Penang International Airport	1	9,000
South	2018	Port of Tanjung Pelepas	2	128,000
	2019	Port of Tanjung Pelepas Iskandar Malaysia	2	14,000
			Total	**712,000**

Source: Savills Research & Consultancy

Upcoming developments

Going forward, Malaysia will see completion of AXIS's Mega Distribution Centre (Phase 2) in Jenjarom, as part of their industrial portfolio expansion strategy, as well as Daiwa House's plan to build a second logistics centre (16,000 sq m NLA) in Shah Alam, to accommodate e-commerce and other businesses, which also serves as a good indicator of further growth for the domestic market (Table 9).

Table 9: Selected Future Warehouse/ Logistics Facilities, 2021 – 2023

Region	Year	Location	No of Properties	NLA (sq m)
Central	2021	Shah Alam Sepang Klang	3	132,000
	2023	Jenjarom	1	45,000
South	2022	Senai Port of Tanjung Pelepas	2	37,000
			Total	**214,000**

Source: Savills Research & Consultancy

Demand and Occupancy

There has been limited tenant movement within existing warehouse and logistics facilities due to occupiers typically committing to long-lease tenures for single-tenanted projects, occupancy has been healthy for most of the regions. Facilities located in the Central Region are the most popular, achieving an average occupancy of above 95% over recent years, while selected facilities in South Region have enjoyed an average occupancy rate of around 90% (Table 10).

Table 10: Occupancy of Selected Warehouse and Logistics Facilities, 2015 – 2020

Central Region	2015	2016	2017	2018	2019	2020
No of Properties	20	21	21	23	24	25
Location	Klang, Puchong, Shah Alam, Subang, Telok Panglima Garang					
Net Lettable Area (sq m)	444,000	5,428,400	504,000	536,000	744,000	770,000
Average Occupancy	**94%**	**99%**	**95%**	**96%**	**100%**	**100%**

South Region	2015	2016	2017	2018	2019	2020
No of Properties	8	8	9	10	10	11
Location	Pasir Gudang, Senai, Senawang, Port of Tanjung Pelepas					
Net Lettable Area (sq m)	193,000	193,000	208,000	222,000	222,000	242,000
Average Occupancy	**100%**	**100%**	**100%**	**90%**	**100%**	**91%**
North Region	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**
No of Properties	5	5	5	5	6	6
Location	Batu Kawan, Bayan Lepas, Bukit Mertajam, Seberang Prai Tengah, Simpang Ampat					
Net Lettable Area (sq m)	70,000	70,000	70,000	70,000	74,000	74,000
Average Occupancy	**100%**	**100%**	**100%**	**100%**	**83%**	**100%**

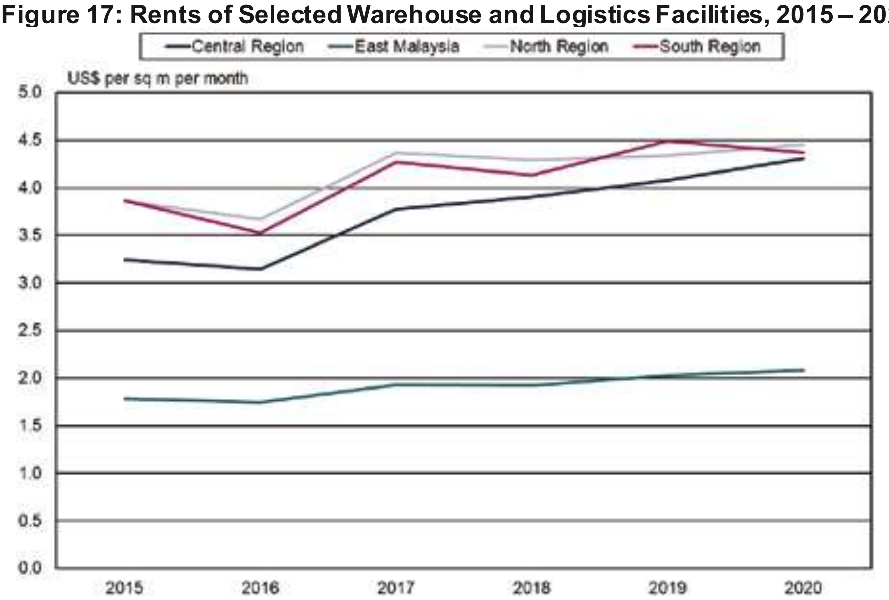
Source: Savills Research & Consultancy

*NLA and occupancy of the selected warehouse/ logistics facilities under review are extracted from the published information and annual reports.

Rents

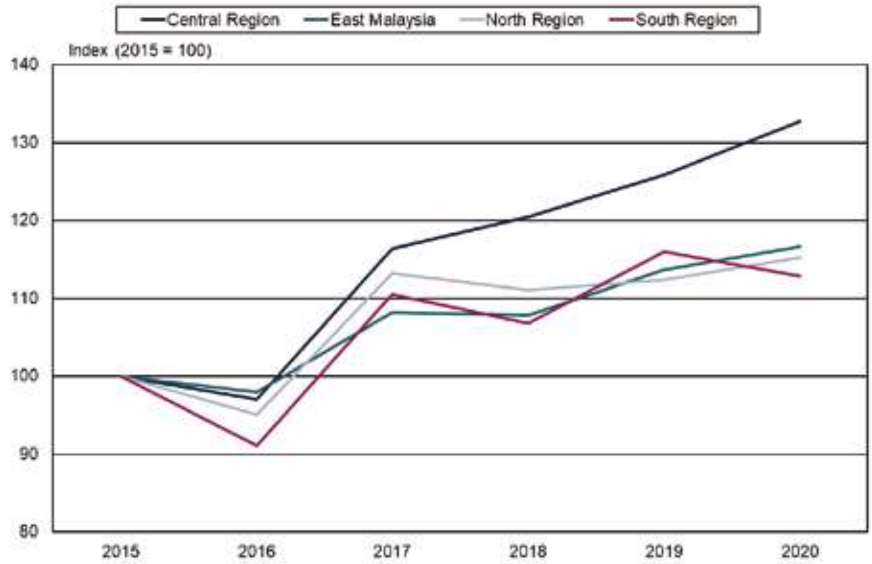
Rents of selected warehouse/logistics facilities have steadily increased from 2015 to 2020. Highly competitive areas in the Central Region saw the highest CAGR of 4.4% since 2015. The Central, North and South Regions recorded an average rent above US$4.30 per sq m per month in 2020 (Figure 17). From 2016 to 2020, the rental index of the warehouse and logistics sector in Central Region witnessed the strongest rate of growth among all regions (Figure 18).

Figure 17: Rents of Selected Warehouse and Logistics Facilities, 2015 – 2020



Source: Savills Research & Consultancy

Figure 18: Rental Index of Selected Warehouse / Logistics Facilities (2015=100 base point), 2015 – 2020



Source: Savills Research & Consultancy
Note: (i)The rental range of the warehouse/ logistics facilities under review is extracted from published information/ annual reports. (ii) The achieved rent is quoted from the net property income (NPI), in US$ per sq m per month. (iii) To ensure uniformity of data, only facilities of more than 10,000 sq m NLA are selected.

1.4.4 Investment Market

As a result of the rising demand for logistics and distribution centres, several foreign entrants have announced plans to set up in Malaysia. Acquisitions of existing facilities and partnerships with local developers are amongst the strategies taken to strengthen their supply chains in the country (Table 11).

Table 11: Selected Warehouse and Logistics Real Estate Deal Announcements

Announcement Year	Facility Location	Market Entrants	Description
2021	To be confirmed	Censuria Capital - China based Destination Express International Pte Ltd (Dex-i)	Fund raising worth US$121.2 million to build warehouses to support Dex-i's business in South-East Asia. The fund will be structured as a logistics real estate investment fund to raise cash for Dex-i's regional expansion over the next five to 10 years. Censuria will co-manage the properties with Dex-i while generating rental income during the tenure.
2021	Sabah, East Malaysia	Tasco Bhd	Acquisition of a Sabah-based cold chain logistics company – Hypercold Logistics Sdn Bhd to become Tasco's first foray into East Malaysia. The acquisition will increase the capacity to approximately 53,000 to 56,000 pallets, and expansion of services to East Malaysia.

Announcement Year	Facility Location	Market Entrants	Description
2021	Shah Alam, Selangor	LOGOS	A joint venture (JV) with local partner Global Vision Logistics Sdn Bhd to develop a US$363.5 million sustainable integrated logistics, warehousing and e-commerce hub on three pieces of land collectively measuring roughly 29 hectares in Section 16, Shah Alam, Selangor.
2021	Shah Alam, Senai, Port of Tanjung Pelepas	Tiong Nam Logistics Holdings Bhd	Tiong Nam plans to allocate about US$48.5 mil in capital expenditure for warehouse expansion during 2021 to 2024. The first phase of the expansion encompasses the ongoing construction of a new warehouse in Senai, Johor, as well as upcoming projects in Pelabuhan Tanjung Pelepas, Johor and Shah Alam, Selangor.
2019	Port Klang, Selangor	PKT Logistics – Daiso Industries Co Ltd Distribution Centre in Malaysia	As part of its business expansion strategy to streamline logistics operations for the South-East Asia region, Daiso decided to locate their Regional Distribution Centre for their popular household products in Malaysia, serving only a few countries initially in 2019 and increasing to more than 15 countries once the new warehouse is completed.

Source: Savills Research & Consultancy

1.4.5 Outlook

GDP is seen returning to growth in 2021, in line with firming domestic and foreign demand. Moreover, higher average prices for oil, one of the country's key exports, should further bolster the external sector. However, possible COVID-19 flare-ups, coupled with the country's still notably low vaccination rate, pose a downside risk. Focus Economics sees the economy growing by 5.8% in 2021 and 5.3% in 2022. Inflation accelerated in Q1/2021, jumping to a near three-year high. Looking ahead, inflation is seen rising further, but is expected to remain highly dependent on commodity and oil price movements.

Malaysia, alongside Singapore, has typically been considered a popular hub for Chinese investment as it provides a suitable platform for growth throughout ASEAN. With further growth expected in the China-ASEAN investment corridor, the industrial and logistics markets are set to benefit from any further potential investment.

In particular, the logistics industry has proven to be the most resilient sector during the pandemic, as logistics and distribution services were deemed essential during the lockdown. The increased adoption of e-commerce during the pandemic also helped bolster the sector, pushing the logistics industry to digitalise its operations to serve the rising demand for last-mile delivery services and cold chain logistics.

Many logistics companies reported increased revenue from operating air and sea freight forwarding businesses on the international front. Although freight volumes have fallen, elevated freight rates have supported business revenues. The major contributors to the business revenue were industrial sectors such as Electronics and Electrical, Semiconductors, Business Equipment, Automotive Parts, Rubber Gloves, Medical Consumables, Furniture, Solar Panels and Consumer Retail. On the domestic business front, the best performing businesses include:

- Cold supply chain due to increased demand for poultry and frozen foods;
- Convenience retail logistics including healthcare and pharmaceutical products; and
- Last-mile delivery services due to the growth of e-commerce.

It is evident that cold storage / temperature-controlled warehouses that form part of the cold supply chain will be in demand, although these more well-specified warehouses will require a greater capital injection. As a result, warehouse and logistics rents in Malaysia are expected to rise in line with these growing logistics business trends.

Location wise, the Central Region will continue to be the most sought-after location for logistics and warehouse facilities development in the near term. The current high demand localities in the Central Region such as Klang, Shah Alam, Subang Jaya and Puchong will continue to gain traction. The expansion of logistics players into other cities and secondary towns such as in the South Region and North Region will accelerate alongside the expected rapid growth of e-commerce in the country. Greater geographical diversification of logistics players will help expand and strengthen their customers' operations, eventually driving up demand for warehouses in these areas.

1.5 Indonesia

With a large domestic market as its bulwark, Indonesia is primed for long-term growth

1.5.1 Background

Indonesia is the world's fourth most populous country and is also ASEAN's largest economy. Prior to the COVID-19 crisis, Indonesia had been able to maintain consistent economic expansion, with GDP growth averaging 5.0% per annum over the past five years. Indonesia has also weathered several past global economic challenges and the associated volatility better than many other countries. This is underpinned by its resilient natural resource industries, large domestic market, as well as substantial commitments from the government to ease the cost of doing business and to accelerate infrastructure development.

With 60% of Indonesia's total GDP driven by household consumption, the distribution of goods and services is an integral part of the economy. This has made the logistics industry in the country as one of the most important, yet challenging sectors given its extensive geography. Over the past decade, the logistics sector enjoyed a period of rising demand in line with increased consumer and industrial activity across the archipelago as a whole, as well as expanding external trade volumes.

While the pandemic brought unprecedented challenges to the country, the government has implemented a slew of emergency fiscal packages equivalent to 3.8% of GDP in 2020 to deal with the impact and provide the necessary conditions to support and expedite recovery. Notwithstanding the economic contraction in 2020 and the lingering ill-effects of the pandemic, there have been signs of improvement, with nationwide investment realisation increasing by 2.1% from US$56.7 billion in 2019 to US$57.8 billion in 2020, fuelled by resilient growth in domestic direct investment and the relocation of companies from China.

Industrial Estate (IE) development in Indonesia has so far been concentrated on Java island, particularly around DKI Jakarta and West Java province (including Banten Province, which was previously part of West Java province) (Figure 19). In addition, a number of developments are distributed in several provinces with major seaports such as East Java, North Sumatra, South Sulawesi and most recently Central Java, following the development of new seaport and transportation infrastructure during the Jokowi administration.

Figure 19: Jakarta, West Java and Banten Province

Source: Savills Research & Consultancy

During the 1970s and 1980s, most factories and manufacturing facilities were located in the capital city particularly around South Jakarta (Cilandak) and East Jakarta (Pulogadung). The first developers of professionally-managed industrial estates were State Owned Enterprises (SOEs). Then beginning in the late 1980s, a number of local conglomerates (some with foreign joint venture partners particularly from Japan) began developing industrial estates in Jakarta's satellite cities (around Bekasi, Bogor and Tangerang) to accommodate their own businesses, as well as to cater to the growing demand from expanding companies in the region.

Over the past four decades, the domestic industrial estate market has experienced several cycles, of which the first market peak took place around the 1990s supported by the economic boom prior to the Asian Financial Crisis (AFC) in 1997/98. The IE market experienced a long journey to recovery during the 2000s, before gradually progressing in the 2010s alongside the country's robust economic growth.

Due to its proximity to Jakarta as the capital city of Indonesia, West Java has continued to develop as a major investment destination for manufacturing and industrial companies (Figure 20). The province has recorded highest FDI over the past three years, surpassing Jakarta as the top investment destination in Indonesia. Accordingly, a lot of international and foreign companies are looking to this region to develop their manufacturing and industrial facilities, as it is supported by better quality infrastructure including roads/toll roads, seaports and airports.

Figure 20: Key Industrial Zones In Jakarta, West Java and Banten Province

Western Corridor	Eastern Corridor	Southern Corridor
Tangerang (Tangerang City, South Tangerang & Tangerang Regency) - Light to heavy industries (mostly garment/textile factories) - Proximity and good access to Jakarta Int'l Airport **Serang-Cilegon** - Mostly heavy industries including steel, chemicals & pharma - Proximity and good access to Merak seaport	**Bekasi City** - Various light to modern industries, strong logistics base - On the outskirts of Jakarta, good toll access to Tanjung Priok Seaport **Bekasi Regency (main industrial zone in the whole region)** - Various modern industries (automotive, consumers, pharma) & logistics - Best infrastructure and toll access to Tanjung Priok & Patimban seaport **Karawang-Purwakarta-Subang** - Medium to heavy industries (mostly auto, textile, pharma) - Good toll access to Patimban seaport	**Depok-Bogor** - Medium industries (mostly consumer, automotive, cement) - Toll access to Tanjung Priok seaport **REBANA Triangle (Future Industrial Zone)** - Newly-launched industrial zone by West Java province - Covering five regencies incl. Cirebon, Subang, Majalengka - Access to Patimban & Cirebon seaport & Kertajati airport

Source: Savills Research & Consultancy

Since early 2010s, the logistics sector has proved to be one of the major demand drivers for the demand of IE land, joining the traditional industry drivers such as Automotive, Fast Moving Consumer Goods (FCMG), Pharmaceuticals and Chemicals. Traditionally, many older logistics facilities were built sporadically in various areas around Greater Jakarta – including around residential and commercial districts. However, with growing demand for more efficient and sophisticated logistics facilities by MNCs and major local companies, as well as new government policies to direct new developments to restricted industrial zones, most modern logistics facilities are now developed in professionally-managed IEs.

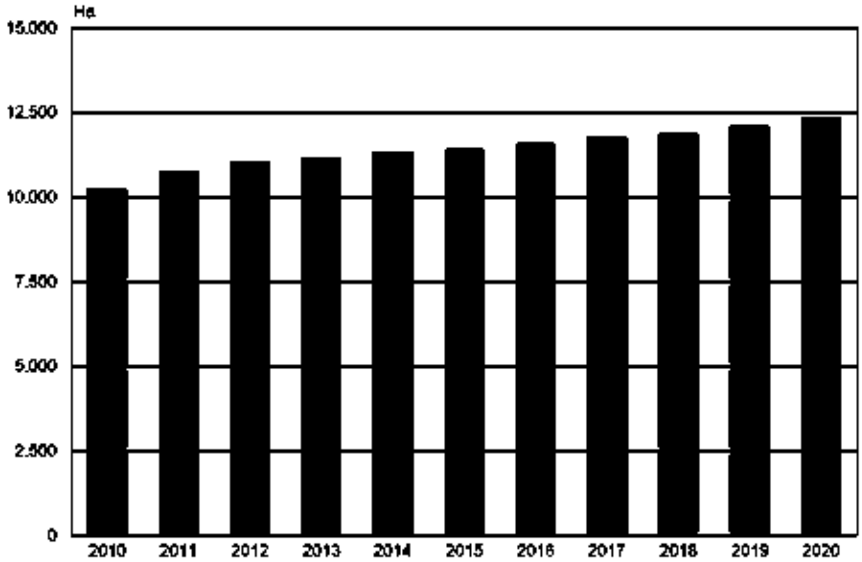
1.5.2 Industrial and Logistics

Stock

As at end 2020, there is approximately 12,400 ha of IE land in the key regions of Jakarta, West Java & Banten provinces. Most existing IEs in Jakarta are owned and operated by SOEs, while majority of IEs outside the capital city are developed by private developers.

Over the past decade, approximately 2,300 ha of new IE land has been added to the market particularly from the eastern corridor. Supply growth of IE land is largely supported by the positive long-term prospects of Indonesia's manufacturing and logistics sectors.

Figure 21: Stock of Industrial Estate Land in Jakarta, West Java & Banten Province, 2010 – 2020



Source: Savills Research & Consultancy

Most stock is located in Bekasi (Bekasi City and Regency) with around 41%, followed by the Karawang-Purwakarta-Subang region with around 28%. Meanwhile, IE land in the Jakarta and Serang-Cilegon regions accounted for around 10% and 12% of total stock respectively. Tangerang (Tangerang City, South Tangerang City and Tangerang Regency) constituted around 8% of total IE land, while the Bogor-Depok region accounted for around 1%.

The eastern corridor between Bekasi and the Karawang-Purwakarta-Subang region is regarded as the most favoured location due to its accessibility, as well as its more advanced infrastructure including toll roads, future Light Rail Transit (LRT) and future high-speed train links, which have succeeded in attracting new developments over the past five years.

Recent completions are primarily located in the eastern corridor. As the expansion of IEs in Bekasi has been limited due to the large-scale residential and commercial projects developing in the area, supply of new IE land shifted further to the east to Karawang, Purwakarta and Subang. Some of these new projects include Karawang New Industrial City (approximately 205 ha) which was launched in 2019 and Phase 1 of Subang Smartpolitan (approximately 250 ha), which was launched in 2018.

Development Pipeline

As the government continues to promote Indonesia as a major investment destination in Asia, particularly for global manufacturers of cars, auto parts, batteries, as well as electronics and home appliances, a number of plans are being made for new IEs. In total, there are around 27 new IE projects under various government initiatives for development between 2020 and 2024 (two in Java and 25 outside Java).

In Jakarta, West Java and Banten province, a number of proposed developments have recently been launched by developers and SOEs. These include Subang Smartpolitan (by Suryacipta group) which recently launched its first phase of 250 ha (total area: approximately 2,700 ha), Subang Industrial Park (by PTPN VIII) with 6,127 ha of IE land and Jatiluhur Industrial Smart City (by JV PGN & PT. MOS) with 1,182 ha of IE land. All of these future developments are located in the far east of the West Java province.

Furthermore, the West Java Governor officially announced the launch of REBANA Triangle in November 2020, which is designated to become a future leading industrial district. The project will cover about 43,913 ha from five regencies (Subang, Majalengka, Cirebon, Sumedang and Indramayu). The proposed development will be anchored by Kertajati International Airport, Patimban Seaport and Cirebon Seaport and will become a logistics and connectivity center.

Meanwhile, further to the east in Central Java province, the government is also developing Batang Integrated Industrial Park (around 4,300 ha). There are ongoing discussions with several MNCs specialising in Electric Vehicles (EVs) and batteries to set up a presence in this IE.

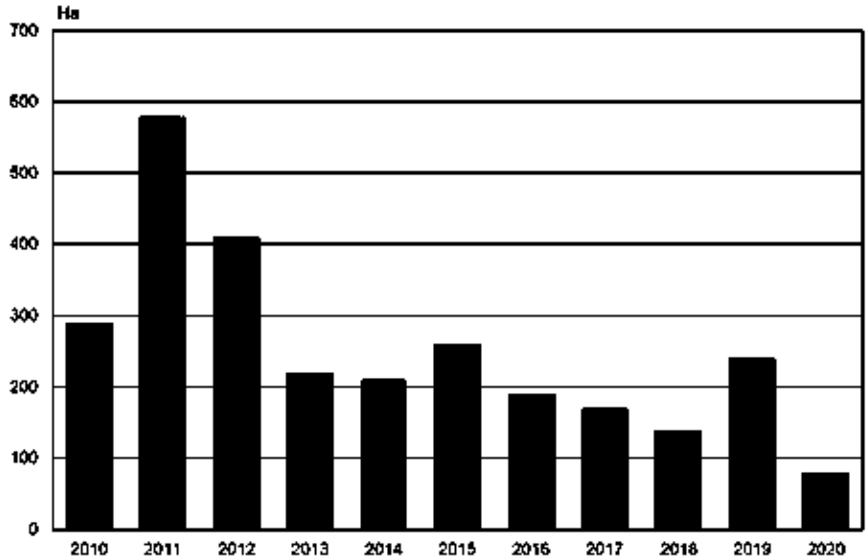
Demand and Occupancy

<u>Net Take-up</u>

Demand for IE land peaked between 2010 and 2012, on the back of strong expansion demand from both foreign and local companies following the success of Indonesia in maintaining positive economic growth post-GFC.

In the period leading up to 2020, the annual net take-up of IE land averaged a steady rate of around 200 ha. Supported by robust corporate expansion from various industries, demand grew strongly by over 70% in 2019 to around 240 ha (Figure 22). In addition, the growth in Indonesia's e-commerce has boosted demand for quality logistics facilities, particularly those located in IEs. Over the past several years, global institutional investors such as GIC and regional logistics developers such as LOGOS, Guidance and ESR have expanded or secured an interest in industrial and logistics facilities in Indonesia. Notwithstanding, the COVID-19 pandemic impacted on the entire sector, with many companies halting their expansion and investments in Indonesia, and this resulted in a decline in net take-up in 2020.

Figure 22: Annual Net Take-up of IE Land in Key Regions, 2010 – 2020



Source: Savills Research & Consultancy

<u>Occupancy</u>

Supported by positive growth in demand over the past 10 years, occupancy in existing IEs continued to increase from around 70% in 2010 to 79% in 2019. With the pandemic curtailing demand for industrial space, occupancy across major IEs slipped in 2020 (Figure 23).

Figure 23: Cumulative Supply, Demand and Occupancy of IEs, 2010 – 2020

Source: Savills Research & Consultancy

Of approximately 12,400 ha of existing IE land, about 78% has been taken-up, leaving 2,800 ha of land available in the key regions of Jakarta, West Java and Banten province. A common issue for IEs across the region is that while there is ample undeveloped land, there remains a limited availability of infrastructure-ready sites that have fully received necessary development permits.

Demand Drivers

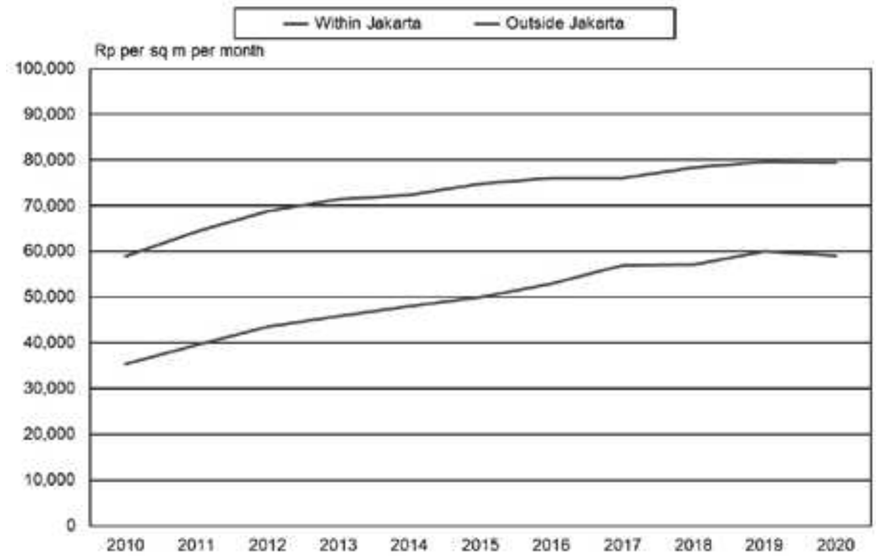
Indonesia's industrial and logistics sectors are driven by robust consumption demand, which accounts for a dominant portion of the country's GDP growth. With its huge population base, growing middle class and rapid urbanisation, Indonesia is a thriving destination for FMCG, Automotive, Pharmaceutical and Chemical companies among many other sectors. Coupled with relatively affordable labour, many foreign manufacturing companies have chosen the country as their expansion base.

While abovementioned 'traditional' sectors generate the bulk of IE demand, the logistics sector has also now become a major demand driver over the past ten years. In addition, the expansion of companies in the data centre business (both domestic and foreign) has contributed to demand for IE land in recent years. Rising e-commerce and relatively robust consumer spending (despite the global pandemic) have continued to help support the market. New infrastructure plans initiated by the Indonesian government has also helped to attract demand from industrialists. With transportation infrastructure across the region (particularly Java) poised to improve over time, IEs are well-positioned to capitalise on the investment opportunities brought about by these enhancements.

Rents

Standard Factory Building (SFB) and logistics space in existing IEs across the key regions are currently leased for around Rp60,000 to 80,000 (US$4.30 to US$5.70) per sq m per month, anecdotally reflecting moderate, single-digit annual growth over the past five years.

Figure 24: Average Rent of SFB and Logistics Space in Key Regions (Rp per sq m per month), 2010 – 2020



Source: Savills Research & Consultancy

1.5.3 Investment Market

Historically, Japanese, Korean and Taiwanese firms have been the major investor-occupiers in IEs. In many cases, they have partnered wih major Indonesian conglomerates to develop IEs in the Greater Jakarta region.

Recently, Singaporean and Chinese investors have also begun to expand into IE development in the country. This includes regional players such as GIC (in a JV with local companies to develop logistics facilities and data centers), SembCorp (JV with Jababeka to develop IE in Central Java), CFLD (developer of KNIC), Guangxi State Farms Group (developer of KITIC) and Samanea from Singapore (JV with CFLD to develop TNIC).

During Jokowi's first term (2014 to 2019), majority of Chinese investment was directed to the transportation, storage and the communications sector. However, there has been increasing Chinese investment in the manufacturing sector in recent years. Chinese FDI in the manufacturing sector escalated especially since 2016, after BKPM (Badan Koordinasi Penanaman Modal or the Indonesia Investment Coordinating Board) established a "China Desk".

Attracted by robust long-term prospects, more international investors have entered the market and participated in new developments. For example, Alpha Investment Partners (a subsidiary of Keppel) in partnered with Manulife Indonesia and MMP (a major local player in the logistics industry) in 2020 to set up a logistics sector fund with an initial investment of around US$200 million. In a recent development, the market saw an influx of new investment into data centres by MNCs. One of the major deals was Amazon, which will develop two data centres in IEs around Karawang with an investment of around Rp1 trillion (US$71 million) in 2019. In the same year, GIC partnered with a local company to develop a data centre in Jakarta.

Due to the exponential growth in IE land prices over the past decade, rental yields for industrial and logistics properties have remained relatively low at around 5%. However, new quality assets in prime locations can achieve yields between 6% and 8%.

1.5.4 Outlook

Indonesia's economy is set to rebound in 2021, following 2020's pandemic-induced slump. From 2021 to 2025, GDP is projected grow by 4.6% to 5.2% per annum, similar to ASEAN's projected growth (4.6% to 5.3%) over the same period. The vaccine rollout in Indonesia has progressed relatively well with the launch of a mass inoculation campaign in January 2021, albeit with some challenges (a temporary halt of the AstraZeneca vaccine in mid-March). Notably, the authorities have allowed the private sector to run their own programmes alongside the government, bolstering the process of rolling out the vaccines. Many companies expect the vaccination campaign to be a game changer for the country's economic outlook and aid a rapid recovery in 2021 to achieve pre-COVID-19 pandemic performance levels.

The establishment of the Indonesia Investment Authority (INA) in November 2020, part of the Omnibus Job Creation Law, is envisaged to be the solution to investment bottlenecks, as well as attract capital to economically viable and strategic sectors of the economy. The fund aims to grow to as much as US$100 billion, with the United Arab Emirates becoming its first external investor (pledging investment commitments of up to US$10 billion). The first investment opportunities include toll roads, airports and seaport terminal developments.

Assuming that the vaccine rollout continues to progress successfully and that the pandemic can be contained effectively, Indonesia's economy is expected to bounce back from 2021. Strong infrastructure spending and pent-up demand alongside loose fiscal and monetary policies should also spur a rebound in investment, which, together with a brighter international backdrop, should boost growth. This will likely trickle down to increase the demand for industrial and logistics space in the country.

Despite the pandemic, the industrial property market in Indonesia still offers plenty of potential for growth. As the largest economy in the ASEAN region with a huge consumer base and an increasingly affluent population, Indonesia's resilience has been reflected in the gradual upturn in GDP growth over the last two quarters. On this basis, demand in the industrial and logistics sector in the country is expected to gradually recover to pre-COVID levels over the next two to three years.

Demand for IE land will continue to be driven by 'traditional' sectors including Automotive, FMCG, Pharmaceuticals and Electronics, and in addition by demand from Logistics and Data Centre companies. Steady expansion of the domestic retail/ consumer and e-commerce sectors will support demand growth which will likely be focused on more modern developments supported by efficient infrastructure.

Meanwhile, slow supply delivery from developers in existing IEs (due to the pandemic) is likely to limit demand growth in the short term. Potential increases in land prices due to the rapid expansion of residential and commercial developments in key regions (particularly Bekasi) will push future development to the east (Subang, Majalengka and Cirebon), as these areas are benefitting from new infrastructure including toll roads, seaports and airports.

IE land prices in the key regions of Jakarta, West Java and Banten province are unlikely to change over the short term, in view of the low level of enquiries during the current pandemic and potential competition from other new regions in other parts of Java as well as other provinces. The government has continued to promote industrial development on other major islands to improve economic distribution as well to redress an anticipate supply shortage in densely populated Java.

1.6 Vietnam

Current top pick amongst industrial and logistics investor-occupiers

1.6.1 Background

Vietnam is the fastest growing economy in ASEAN and has consistently ranked among the top 10 most promising emerging markets. The country has registered record FDI of US$16.1 billion in 2019, well above the average annual FDI from 2014 to 2018 (US$12.6 billion), notably into the manufacturing and logistics sectors.

Notwithstanding the periods of economic instability marked by high inflation and currency fluctuations in 2010, Vietnam has grown into a major manufacturing hub which accounts for 16.5% of its economy. Its openness to foreign businesses, investments and free trade has led to major MNCs establishing a significant manufacturing base in the country.

1.6.2 Industrial and Logistics

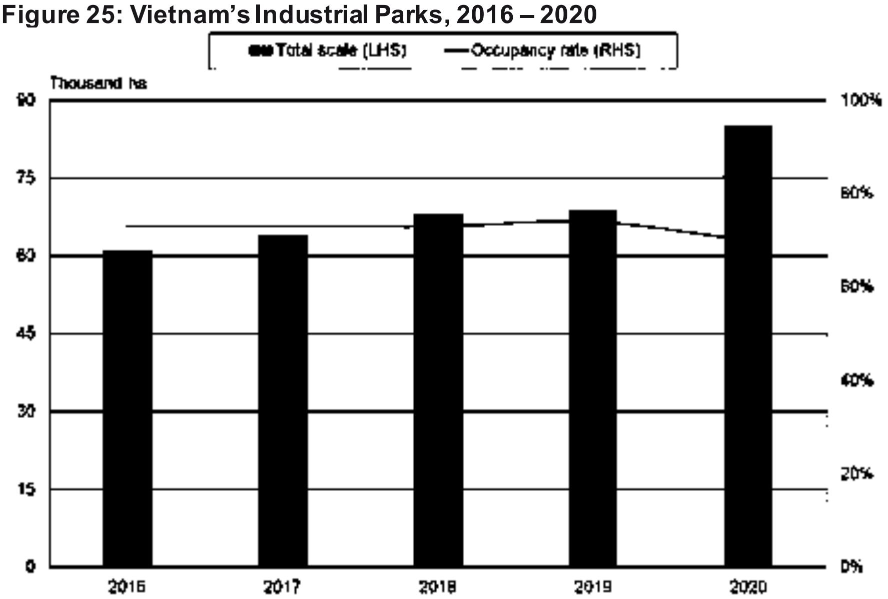
Supply

Industrial Parks

Driven by its rapid rise as a major manufacturing hub in Asia, the Industrial Park (IP) market in Vietnam has been growing at a similar pace. According to the Ministry of Planning and Investment, nationwide stock rose by 6% per annum by project scale and by 8% per annum in terms of the number of IP projects over the last five years. As a key beneficiary of the US-China trade tensions, the growth of the IP market has been more pronounced since 2018.

Vietnam's IPs have created over 3.8 million jobs nationwide and have become a destination for many large-scale manufacturing and logistics projects. The market has become a leading choice for many foreign companies, especially those involved in manufacturing. As at end 2020, Vietnam had 369 planned Industrial Parks (IPs), of which 284 were operational. Collectively, they encompassed a total of 85,000 ha of industrial land, of which 57,100 ha can be considered leasable area (Figure 25). Meanwhile, the 85 projects under construction will provide an additional 29,000 ha of land, with a leasable area of 16,500 ha.

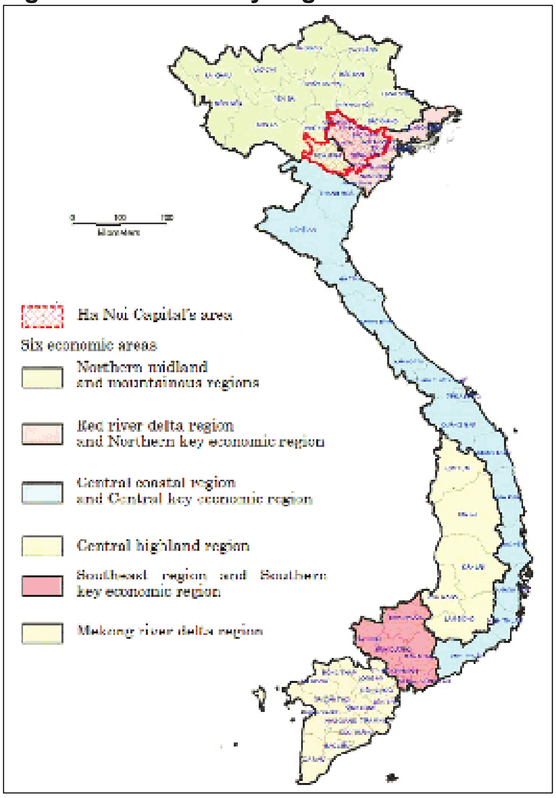
Figure 25: Vietnam's Industrial Parks, 2016 – 2020



Source: Vietnam Ministry of Planning and Investment

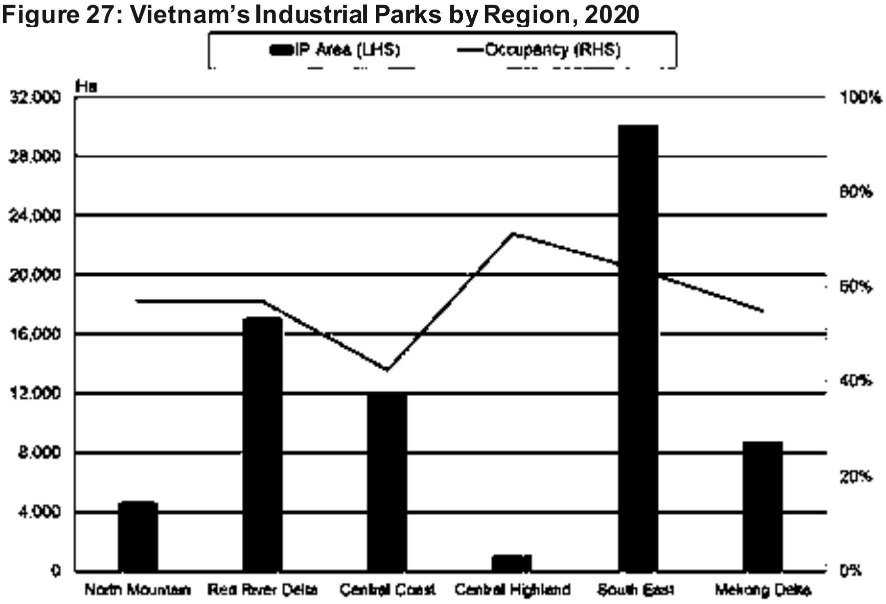
The northern areas have traditionally been favoured for large-scale manufacturing and are home to reputable MNCs such as Samsung and LG (Figures 26 and 27). The southern IPs are more fragmented, although the relatively higher ease of doing business and their closer proximity to nine million consumers, as well as a substantial workforce has made the southern areas an attractive industrial location. However, the rapid development of IPs has also resulted in increasingly negative effects on the environment such as air pollution, water and solid waste treatment issues. Up to 11% of active projects lack wastewater treatment systems. There is also an urgent need to improve infrastructure and logistics networks around IPs.

Figure 26: Vietnam by Region



Source: Savills Research & Consultancy

Figure 27: Vietnam's Industrial Parks by Region, 2020

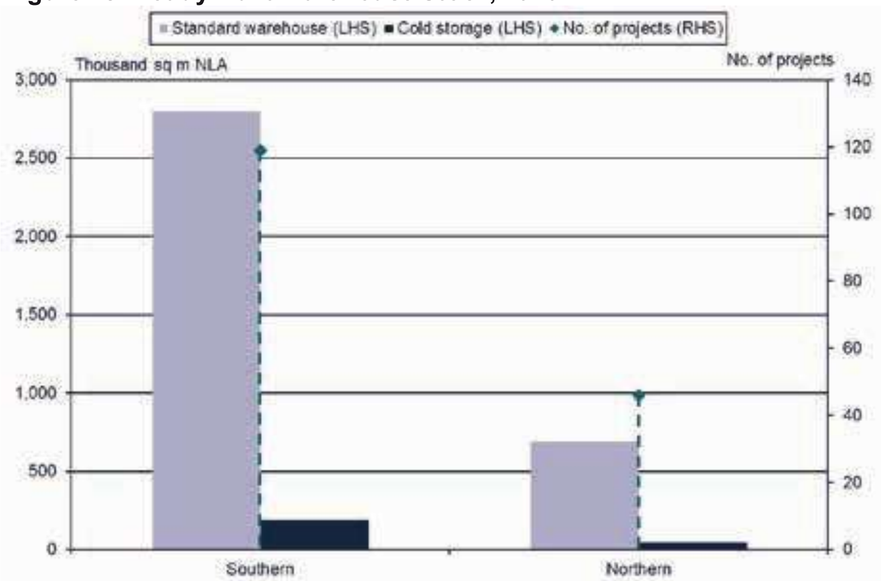


Source: Vietnam Ministry of Planning and Investment

Warehouse and Logistics

The warehouse and logistics market in Vietnam is largely characterised by ready-built warehouses that are speculatively leased to occupiers. It comprises ten provinces/ cities[17] across the northern and southern areas of Vietnam. At the end 2020, the total stock across these ten study areas amounted to over 3.7 million sq m NLA (across 165 projects), of which majority (78%, 3.0 million sq m NLA) was in the southern areas while the remaining 22% (0.7 million sq m NLA) was in the northern areas (Figure 28). Most (94%, 3.5 million sq m) of the warehouses in Vietnam are conventional standard warehouses, while the remaining are cold storage facilities. In addition, the warehouse market is fairly localised, with domestic developers holding 62% of stock.

Figure 28: Ready-Built Warehouse Stock, 2020



Source: Savills Research & Consultancy

Of the southern areas, Binh Duong and Dong Nai accounted for more than half (57%) of total stock at the end of 2020. This was due to their strategic locations - Binh Duong being is adjacent to HCMC and is served by comprehensive transport infrastructure, while Dong Nai is well-connected by national roads and is relatively close to the port. For the northern areas, Bac Ninh and Hai Phong were the two largest warehouse clusters, with approximately 282,500 sq m and 223,800 sq m NLA respectively.

Demand and Occupancy

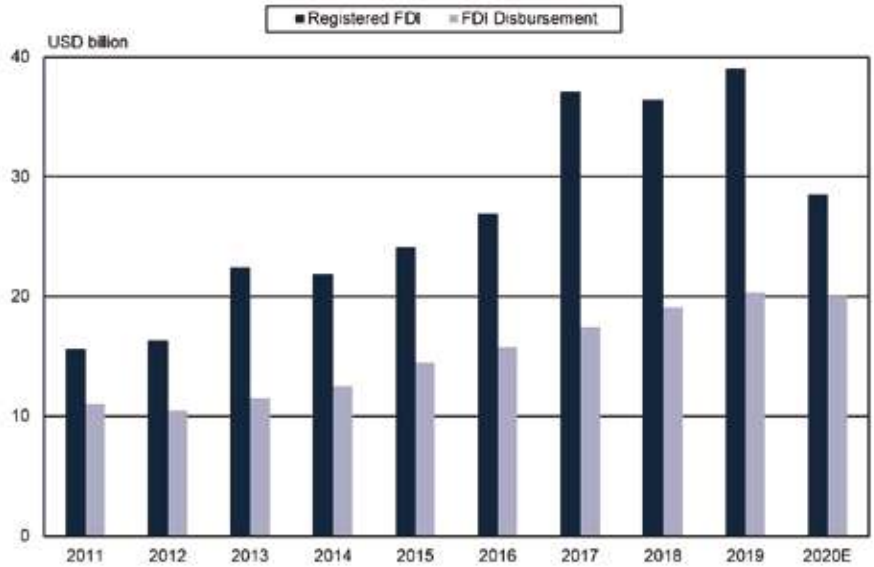
Industrial Parks

Demand for IPs in Vietnam is underpinned by the growth of its manufacturing and real estate sectors, as well as FDI. The growth in registered FDI and FDI disbursement averaged 7% per annum over the past decade (Figure 29). In 2020, national FDI levels moderated slightly due to the pandemic. Nonetheless, investor interest in Vietnam continued to remain firm, augmented

[17] North: Ha Noi, Hai Phong, Hai Duong, Bac Ninh, and Hung Yen.
South: Ho Chi Minh City (HCMC), Dong Nai, Binh Duong, Long An and Ba Ria Vung Tau (BRVT).

by its effective containment of the virus outbreak, alongside the recent ratification of the Euro-Vietnam FTA.

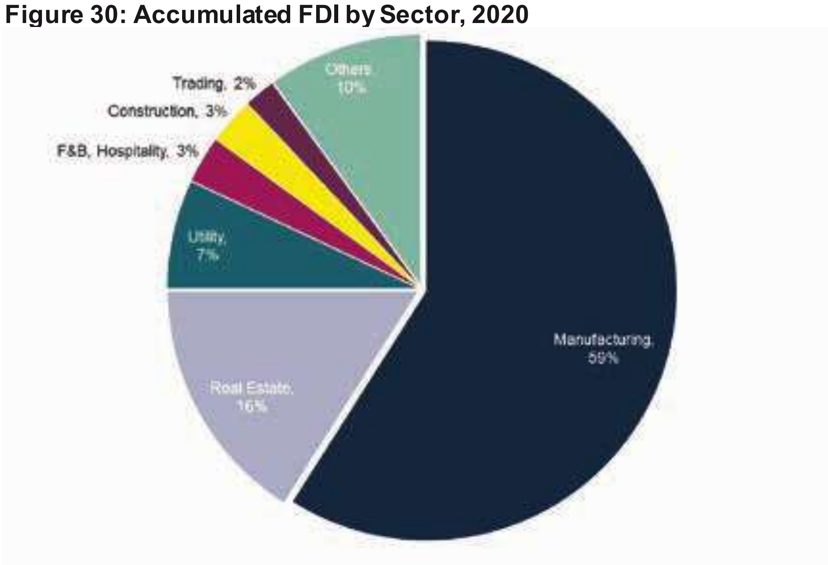
Figure 29: Registered and Disbursed FDI, 2011 - 2020E



Source: Vietnam Statistical Office
Note: Since 2016, Total registered capital include newly and additional registered capital and M&A capital.

A total FDI capital of US$28.5 billion was recorded in 2020, although it was a 25% decline from 2019, while newly registered FDI capital of US$14.6 billion was down by 13% YoY. Despite the moderation, manufacturing accounted for majority (59%) of accumulated FDI, followed by real estate (16%) (Figure 30).

Figure 30: Accumulated FDI by Sector, 2020



Source: Vietnam Planning & Investment Ministry

Occupancy of Vietnam's IPs hovered at around 73% to 74% from 2016 to 2019. Despite the pick-up in demand for IPs by domestic and foreign companies in the past three years, average nationwide occupancy fell to around 70% in 2020. This was largely due to the significant supply of IPs in 2020 as investors and developers geared up aggressively, reflecting their optimism over the prospects of the country's industrial and logistics sectors.

<u>Warehouse and Logistics</u>

The warehouse and logistics market in Vietnam recorded an average nationwide occupancy of 91% at the end of 2020, with the southern areas at 92% and the northern areas at 87%. This was higher compared with that for IPs, bolstered by strong demand from major logistics service providers and e-commerce companies.

In the south, warehouses in Binh Duong were almost fully occupied, with occupancy averaging at 96%, while the Dong Nai and HCMC markets saw occupancy of approximately 93%. Meanwhile, Bac Ninh and Hanoi were the most sought-after warehousing locations in the north, clocking occupancy over 90% in both markets as at end 2020.

Cold storage facilities in Vietnam also fared well, with an average occupancy of around 92% as at end 2020. This was supported by the hike in demand for cold logistics amid global supply chain disruptions for perishables (including food and pharmaceuticals), as well as the relatively limited supply of such facilities in the country.

Rents

<u>Industrial Parks</u>

Vietnam's strong domestic economy, coupled with an increase in foreign investment interest in the country, saw IP rents rising in recent years. Rental growth was more pronounced in HCMC compared to Hanoi, with major international companies preferring the former given its more developed and modernised state of development.

- *Land leases*

  HCMC recorded an average occupancy of 96% in Q1/2021. The occupied area increased by 7% per annum on average from 2017 to 2020, outpacing supply growth of 2% per annum.

  In recent years, increasing demand for well-located IPs has put upward pressure on rents and from 2017, the average primary rent in HCMC increased by 23% per annum to reach US$223 per sq m for the remaining lease term in 2020. Management fees ranged from US$0.40 to US$1.80 per sq m per annum.

  Hanoi's industrial rental growth has averaged 5% per annum **from** 2016, with the average rent reached US$140 per sq m for the remaining lease term in 2020. Market-wide occupancy for IPs in Hanoi stood at 78%, with seven fully absorbed sites and annual take-up over the last five years has averaged 25 ha per annum.

- *Ready built factories*

  HCMC: Ready built factories (RBFs) in HCMC were 70% occupied in 2020 and recorded average primary asking rents of US$5.80 per sq m per month ranging from US$3.50 to

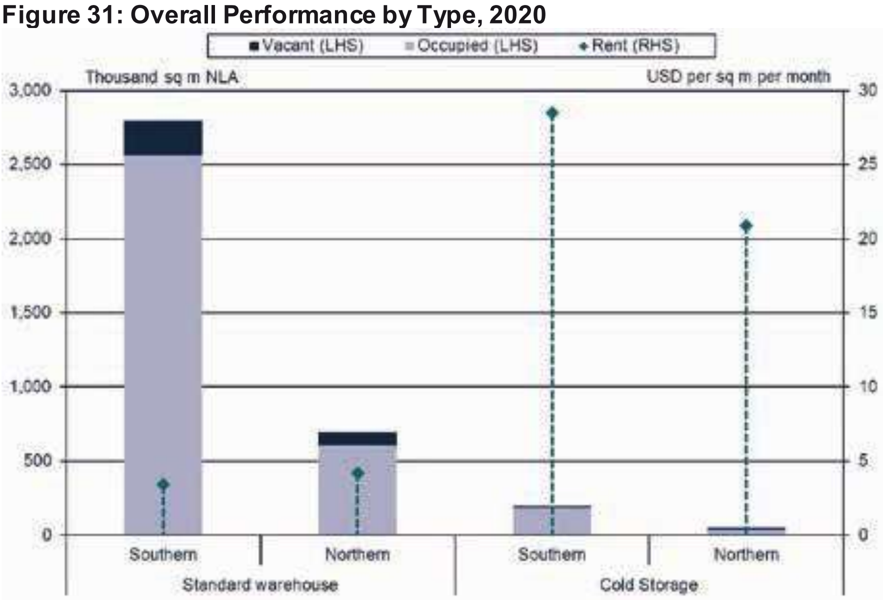
US$6.80 per sq m per month. Asking rents are typically on a gross floor area basis and include management fees, but exclude VAT.

Hanoi: Due to unavailable primary data, Hanoi records only secondary Ready Built Factory (RBF) rents which average US$3.60 per sq m per month. Rents can range from US$3.00 to US$4.70 per sq m per month, depending on the location and scale of the IP.

Warehouse and Logistics

Average monthly rents for standard warehouses in Vietnam were US$3.40 per sq m and US$4.20 per sq m for the southern and northern areas respectively, at the end of 2020 (Figure 31). The growing presence of large-scale logistics service providers such as aLS, DB Schenker, DHL and LogisValley bolstered rental premium of warehouses in the northern areas. Warehouse rent in Bac Ninh were the highest (US$5.50 per sq m per month), followed by HCMC (US$5.20 per sq m per month) and Hanoi (US$4.30 per sq m per month).

Figure 31: Overall Performance by Type, 2020



Source: Savills Research & Consultancy

Given the higher capex and specifications required by cold storage facilities, monthly rents for the asset class ranged from US$20.90 to US$28.50 per sq m as at end 2020. Average rents for cold storage facilities in the southern areas (notably Dong Nai) were higher compared with the northern areas, given the relatively more limited supply.

1.6.3 Investment Market

Amid the shift of investor interest and the influx of capital into ASEAN markets (especially Vietnam), investment activity in Vietnam's industrial and logistics markets have been robust since 2017. Given the stronger transactional sales activity, yields for these assets have compressed considerably (Tables 12 and 13).

Table 12: Key Investment Transactions in the South, Q3/2017 – Q4/2019

Item	Evidence 1	Evidence 2	Evidence 3	Evidence 4	Evidence 5
Location	Thuan An, Binh Duong	Tan Duc IP, Long An	VSIP I, Binh Duong	Binh Duong	Tan Binh IP, CMC
Type*	RBF	RBF	RBW	RBW	RBF
Transaction	Q3/2017	Q4/2017	Q4/2018	Q4/2019	Q4/2019
Price (US$)	1,271,930	1,700,000	31,500,000	20,250,000	7,000,000
Land area (sq m)	N/A	N/A	101,200	52,580	6,486
NLA (approx.) (sq m)	6,000	7,000	66,800	35,640	3,926
Yield	9.9%	11.2%	8.4%	8.3%	5.6%
US$ per sq m (Land Area)	N/A	N/A	310	380	1,080
US$ per sq m (NLA)	210	240	470	570	1,780

Source: Savills Research & Consultancy
* RBF: Ready-built Factory; RBW: Ready-built Warehouse

Table 13: Key Investment Transactions in the North, Q4/2017 - Q1/2021

Item	Evidence 1	Evidence 2	Evidence 3	Evidence 4	Evidence 5
Location	Cam Giang Dist., Hai Duong	Yen Phong IP, Bac Ninh	VSIP Hai Phong, Hai Phong	Pho Noi A IP, Hung Yen	Hoang Mai Dist., Ha Noi
Type*	RBW	RBF	RBW	RBW	RBW
Transaction**	SP Q4/2017	SP Q4/2018	SP Q4/2019	AP Q1/2021	AP Q1/2021
Price (US$)	2,040,000	46,600,000	3,700,000	3,500,000	10,000,000
Land area (sq m)	20,000	63,360	20,000	32,560	28,000
NLA (approx.) (sq m)	8,000	37,960	5,940	12,000	16,000
Yield	9.8%	8.5%	9.3%	8.2%	7.7%
US$ per sq m (Land Area)	102	735	185	107	357
US$ per sq m (NLA)	255	1,228	623	291	625

Source: Savills Research & Consultancy
* RBF: Ready-built Factory; RBW: Ready-built Warehouse
** AP: asking price, SP: transacted price

1.6.4 Outlook

Vietnam's strategic nearshoring location, low labour wages, FTAs, tax incentives and more recently, higher tariffs for Mainland China as a result of the US-China trade tensions, have opened up significant growth opportunities for its IPs.

Vietnam's industrial market has historically had a long development cycle. Contributing features have been the large amounts of allocated land available for industrial development (though lacking adequate infrastructure), low cost and unskilled labour, as well as fluctuating economic performance. Over recent years, this position has changed dramatically, driven by:

- Stable government and a strong economic performance;
- Emerging national developers;
- Changes in its manufacturing and export structure;

- Strengthening domestic consumption;
- Stable FDI sources and an improved international reputation;
- Rapidly maturing logistics markets;
- Restructuring of global supply chains; and
- Enhanced competitive positioning against regional peers.

The cumulative effect of these influences has resulted in Vietnam moving rapidly to a truly competitive global position. Build-to-Suit warehousing previously dominated, but the last three years has seen the emergence of RBFs. Most RBFs have been developed by international developers, either solely or with local joint venture partners. Key players include Becamex/ VSIP, BWID, Logos and Deep C. The market has sufficiently matured to accommodate the growth of RBFs as the occupier spread is larger, demands deeper and the market becoming more dynamic. Major occupiers relocating, particularly from China, are accompanied by downstream users, seeking vertical manufacturing proximity. Downstream occupiers have often favoured RBFs, as they enable rapid and effective relocation.

This demand growth has invigorated capital markets and seen rapid evolution in the sophistication of domestic developers. Overseas entrants with available capital have recognised the clear opportunities and are becoming increasingly active. Expected in the near term are further mergers and acquisitions, debt and equity placements and several IPOs.

The next phase will be the tilt to global occupiers and portfolio consolidation. Globally most nations have three or four major parties which support the same occupiers across industrial portfolios around the world. This has yet to happen in Vietnam, with occupational behaviour being more sporadic, though global players have started contemplating early positioning strategies. However, there are some concerns over future supply, as the government approves large swathes of industrial land. Rapid increase in land values and rents have led to many traditionally popular locations approaching operational unaffordability. Meanwhile, the improving infrastructure network has resulted in distance, or travel time, changes to source and destination markets. These drivers, coupled with increasing land banks, may result in structural change to the IP landscape.

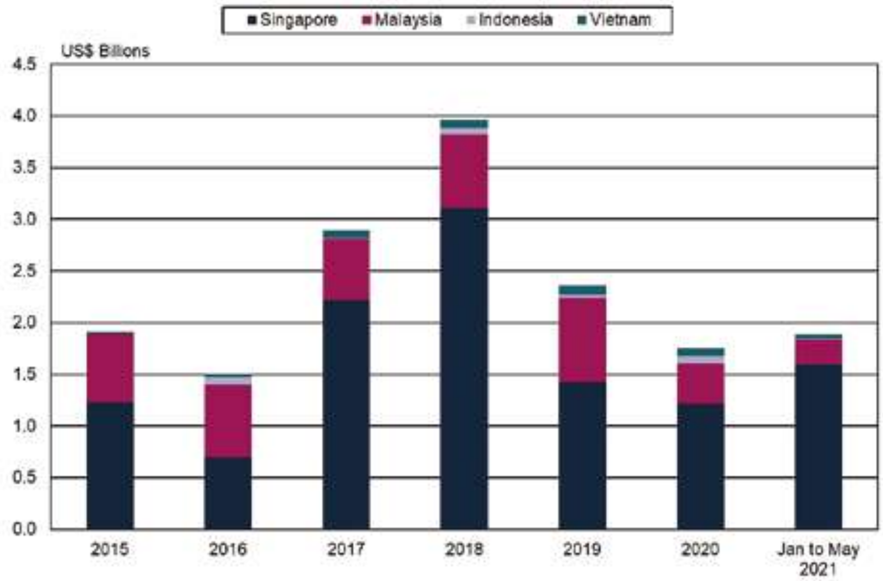
1.7 Key Opportunities in ASEAN's Industrial and Logistics Markets

Burgeoning institutional interest in ASEAN's industrial and logistics markets

1.7.1 Outlook for Rents and Yields

One of ASEAN's key strengths derives from its diversity, as a region of different markets at varying economic development stages. This has created vast and varied business opportunities for investors and occupiers pivoting to the region. In effect, these possibilities have contributed to the wide range of opportunities in the region's industrial and logistics real estate markets. Institutional investors are able to find complementarities in this mix of markets and adopt sustainable investment and risk diversification strategies. Notably, ASEAN's industrial real estate investment market activity has been picking up, amid the ample liquidity of, and continued search for, investable and yield-accretive assets by global investors (Figure 32). Investment into industrial and logistics real estate in the region is set to rebound strongly, given that the investment volume for the first five months of 2021 (US$1.89 billion) has already exceeded that for 2019 (US$1.75 billion). Industrial and logistics properties, especially warehousing, have been at the top of many investors' priorities. The sector is underpinned by key megatrends such as the growth of e-commerce services, and almost every market in the region is undersupplied with modern logistics space.

Figure 32: Annual Industrial Real Estate Investment Transaction Volume in Selected ASEAN Markets, 2015 – May 2021[18]



Source: Real Capital Analytics, June 2021

Upside for warehouse and logistics rents in ASEAN

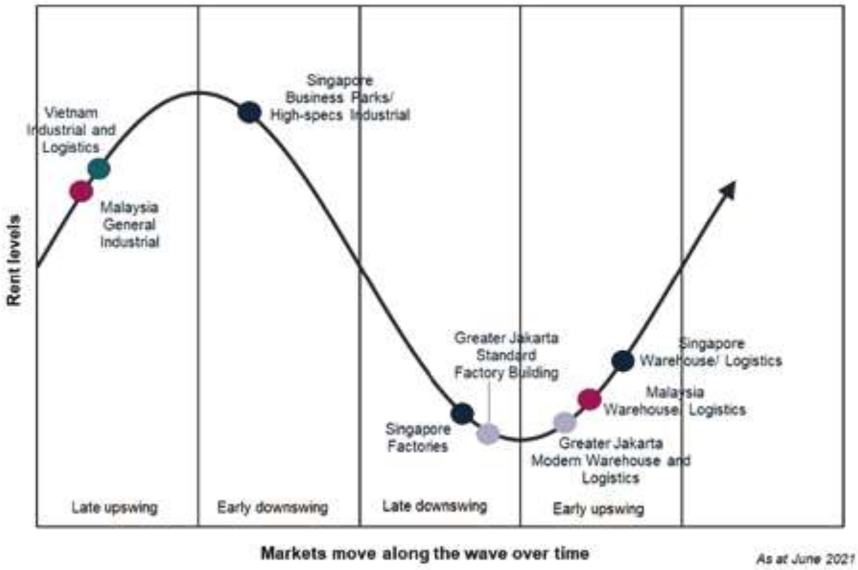
Notwithstanding the impact of the pandemic on ASEAN, industrial and logistics rents in the selected markets have proven to be highly resilient and will remain a key focus in the region. In particular, warehouse and logistics rents in Singapore, Malaysia and Indonesia are in an early upswing (Figure 33). In Singapore, most warehouses are at capacity and some spill over demand has been seen into traditional factory space. This is congruent with the earlier narrative of how the pandemic has accelerated the adoption of e-commerce services including online retail and food delivery, and logistics assets have been a major beneficiary. Meanwhile, rents in Vietnam are in a late upswing due to more strategic pricing by landlords over recent quarters, amid the significant increase in rents and land costs impacting on industrialists' operational viability.

Yield compression observed for most ASEAN markets, given limited investable assets

Despite a rise in industrial and logistics rents, yields have compressed by 25 to 50 bps across most of the selected ASEAN markets over the past year (Figure 34). Asset price inflation has become a major theme in the region, amid the pivot to Asia, capital/fundraising consolidation and intensifying competition among investors for investable logistics and industrial assets which are increasingly limited. There has been a shift in investor composition towards institutional capital and portfolio deals for more developed markets such as Singapore and Malaysia. These capital sources account for a larger slice of the market, attracting price premiums. Major funds and Real Estate Investment Trusts (REITs) are attracted to the sector's long term income streams and there is growing scarcity value for the industrial and logistics class. Savills expects most industrial and logistics assets in the selected ASEAN markets to experience further yield compression in the near term.

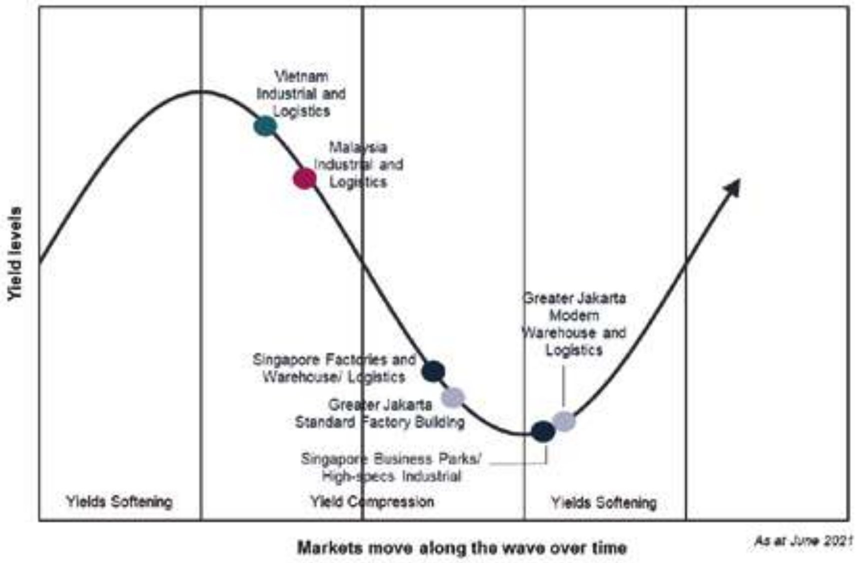
[18] Investment volume from RCA figures differs from that tracked by Savills due to differences in methodology and definition.

Figure 33: Rental Wave (ASEAN Industrial and Logistics), June 2021



Source: Savills Research & Consultancy

Figure 34: Yield Wave (ASEAN Industrial and Logistics), June 2021

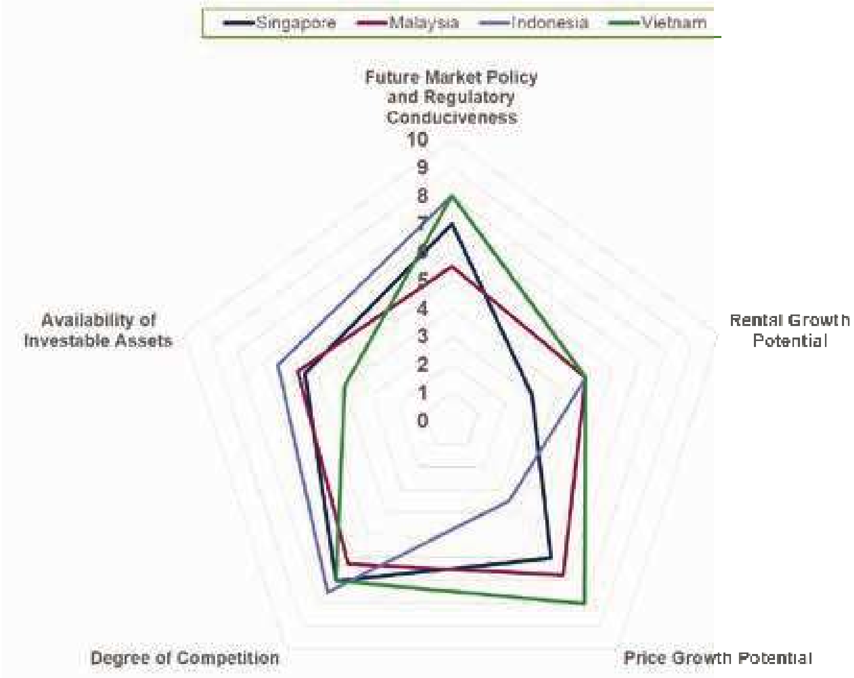


Source: Savills Research & Consultancy

Business and science parks, as well as high-spec industrial space, which are strong alternatives for cost-sensitive office occupiers engaging in knowledge intensive and R&D activities, have fallen out of the spotlight. This is mainly due to the uncertainty companies face regarding their future space strategies, amid an increasing call for work-from-home practices. For Singapore, first generation business parks are generally facing challenges. For some of the newer and well-located projects, there has been some resistance by tenants to expand or locate there. Some technology firms with smaller spatial needs are finding Grade B office space in the CBD to be attractive propositions because rents for such buildings have fallen significantly since the start of the pandemic and are challenging those charged in better located business parks.

1.7.2 Opportunities and Challenges

Figure 35: Qualitative Assessment of Selected ASEAN Market Potential[19], June 2021



Source: Savills Research & Consultancy

<u>Singapore</u>

Investment Hotspots

- Local Small and Medium Sized Enterprises (SME) are expected to remain interested in acquiring industrial properties for their own use and are taking this opportunity as prices have softened to acquire properties where the lease is often less than 30 years. Food zoned industrial buildings and central kitchens located in the Central and Eastern parts of the island are still highly sought after.
- Warehouse and logistics facilities – rental demand from e-commerce and last-mile logistics service providers remains strong, as they have been actively looking for logistics space.
- Self-storage – Investor demand and rental demand have remained elevated. As they are the equivalent to co-working by providing short term flexi leases, they have become

[19] Based on Savills market view over the next five years for each ASEAN market. A score of 1 refers to the lowest potential/ most stringent conduciveness and a score of 10 refers to the highest potential/ least stringent conduciveness.

popular among tenants who have downsized from larger premises where the lease terms were more rigid.

- Singapore's forward-looking urban planning strategies have earmarked several clusters for future growth. In the Western Gateway, this includes the 600-ha Jurong Innovation District, the city state's designated advanced manufacturing hub and Tuas Mega Port, which will catalyse the development of existing and future industrial and logistics clusters around the area. Meanwhile, the Northern Gateway will see growth opportunities in new innovative sectors such as Agri-Tech & Food, Digital Tech and Cybersecurity through the development of the new Agri-Food Innovation Park at Sungei Kadut and Punggol Digital District. In the longer term, the Changi Gateway will likely further augment its aviation core with the introduction of the new Changi East Industrial Estate, supporting existing clusters such as Changi Business Park and Airport Logistics Park of Singapore.

Why Invest? (Strengths and Opportunities)

- Demand dynamics for industrial space, particularly the warehouse and logistics segment, are expected to remain relatively strong over the mid- to long-term.
- Singapore remains the gateway to ASEAN and is well-positioned as a global hub for manufacturing as well as a regional hub for logistics.
- Investment outlays for industrial and logistics properties are generally lower, compared with the other real estate sectors in the city-state.

Challenges (Weaknesses and Threats)

- Limited availability of institutional-grade industrial and logistics assets.
- Asset price inflation is relatively more acute, given the lack of investable stock.
- Perception of policy risk is heightened, amid rising costs faced by industrialists; there may be future government intervention to ensure that growth in the market remains sustainable.

<u>Malaysia</u>

Investment Hotspots

Logistics players are in expansion mode, especially third-party logistics (3PLs) who have ventured into Courier, Express and Parcels (CEP) and last-mile delivery (LMD) businesses. Consolidation of logistics players via mergers & acquisitions will continue as part of a strategy to strengthen domestic business connections and international logistics networks. However, we do not foresee that M&A activity will lower demand for warehouses and logistics centres but will instead drive the need for more modern facilities.

In Malaysia, the high-growth industry clusters are in the Central Region (Greater Kuala Lumpur), North Region (Penang), and South Region (Iskandar Malaysia), respectively.

i. Greater KL serves as a regional hub for logistics players, especially in Shah Alam and Klang. As the most populated region in the country, Greater KL is well-supported by extensive road and rail infrastructure, international airports, and seaports.

ii. Penang is known as the Silicon Valley of the East. Its industrial segment is supported mainly by the high tech & high-value manufacturing and semiconductor industries, especially in Bayan Lepas, Pulau Pinang and Batu Kawan Industrial Park (BKIP) in Penang mainland. There is a good mix of MNCs and small and medium-sized enterprises (SMEs).

iii. Iskandar Malaysia enjoys a spillover effect from Singapore. It attracts manufacturers from Singapore, who require significant land resources and a lower cost of doing business. Supported by four major logistics and transportation hubs i.e. Senai International Airport, Port of Tanjung Pelepas, Tanjung Langsat Port and Pasir Gudang Port, the key industrial estates in Iskandar Malaysia include Pasir Gudang Industrial Estate, Senai Airport City, Southern Industrial Logistics Clusters (SiLC), and Port of Tanjung Pelepas.

Why Invest? (Strengths and Opportunities)

- Malaysia's diversified industrial business opportunities have provided a strong foundation for warehouse/ logistics market demand, reflected by the consistent completions of warehousing facilities over the years. This has also created opportunities for developers to venture into built-to-suit / built-to-lease warehouses to address rising demand.
- The government encourages e-commence growth and cross-border trade via initiatives such as the Digital Free Trade Zone (DFTZ).
- The projected upward trend in M&A activity among logistics players will strengthen local business connections and global logistics networks will continue to drive up demand for logistics warehousing.
- Albeit being distant from Central Region, the South and North Regions have gained a differentiated market positioning over the years. Penang, known as the Silicon Valley of the East, is highly favourable in attracting further high-value investment opportunities in the North Region. In contrast, Iskandar Malaysia in the South Region enjoys spill over effects from Singapore.
- The growth of e-commerce amid the pandemic has emphasized the importance of alternative retail purchases, which has allowed logistics players to capitalise on such demand. The entire supply chain has been energised, thanks to the unprecedented pandemic. Logistics players will refocus on their last-mile delivery services; nevertheless, it is highly competitive market. According to the Malaysian Communications and Multimedia Commission, 109 multi-category courier services licensees were operating in Malaysia in October 2020. The government decided to freeze applications for new courier licenses from September 2020 until September 2022. We expect to see market consolidation in the near future.

Challenges (Weaknesses and Threats)

- Malaysia's current industrial market growth relies heavily on existing infrastructure, focusing on the Central Region (Greater Kuala Lumpur) and the immediate South and North Regions linked by it. The infrastructure connectivity via new railways and roads is currently designed to ensure better connectivity towards the East Coast Region. The East Coast Rail Line completion may change the overall industrial market landscape across Greater Kuala Lumpur to the East Coast Region.
- The pandemic has slowed overall economic performance globally. Multiple lockdowns as well as the emergence of new variants combined with prolonged travel restrictions have

slowed economic recovery.

- The growth in the local market will encourage foreign entrants, causing a higher degree of competition in the logistics/ warehouse sector.

Indonesia

Investment Hotspots

There has been renewed interest for land in Greater Jakarta recently, especially with the increased relocation of factories out of China, amid rising trade tensions between US and China. Notably, there has been an increased influx of Japanese and Korean companies in the recent years, especially at popular areas such as Cikarang. Many of these foreign companies, including Japanese firms, have strategic stakes in a number of industrial estates in Greater Jakarta. With the onset of the pandemic, there has been limited supply since the start of 2020 as both companies and developers staved off their expansion plans, preferring to focus on consolidation, cost control and retaining existing occupiers/ tenants to tide over this challenging period. With the availability of land in Cikarang becoming limited, industrialists and developers are starting to look towards the less-developed eastern corridors of Greater Jakarta such as Karawang, Purwakarta and Subang to set up their facilities.

Why Invest? (Strengths and Opportunities)

- A diverse manufacturing sector, supported by a large domestic market.
- Indonesia is a key export country for abundant natural resources especially rubber and gas. There are also more international companies in the electronics, automotive manufacturing, food processing, cosmetics and healthcare industry clusters extending their presence in Indonesia.
- Many industrial/ logistics facilities are required to support these clusters, as there remains an overall lack of quality infrastructure. In addition, given Indonesia's widespread and large population, it is likely that logistics will play a greater role in the development of the country. This translates into significant demand potential for logistics space.
- Wide availability of industrial land/ assets in Greater Jakarta for acquisition.
- Logistics real estate supply remains relatively limited in the mid- to long-term, although many local developers have industrial land banks.
- Industrial and logistics real estate in Greater Jakarta is expected to benefit most significantly from future infrastructure developments.
- Pricing of industrial land/ buildings in Greater Jakarta remains competitive to its regional counterparts and with the new omnibus bill, we expect a stronger recovery in demand and pricing with the successful vaccine rollout and when the COVID-19 pandemic in the country comes under fully under control.

Challenges (Weaknesses and Threats)

- The competitive landscape in Greater Jakarta is expected to be dominated by existing players in the short to mid-term. These players are often reputable and well-established developers, and they possess significant land banks.
- In acquiring industrial land, especially in Greater Jakarta, certificates of ownership may be under more than one owner, some of which may be under dispute.
- Slow supply delivery from developers in existing IEs (due to the pandemic) is likely to limit demand potential in the short term.

Vietnam

Investment Hotspots

As the key beneficiary of the relocations stemming from the US-China trade war and "China Plus One" strategies, there is significant development and investment commitments by manufacturing and logistics companies across Vietnam's northern and southern economic regions. Bac Ninh stands out as an emerging warehouse and logistics cluster due to its central location among the northern provinces, with a balanced mix of domestic and foreign developers (mainly Asia-based) targeting the technology and automotive industries. Meanwhile, investment opportunities in the southern provinces are largely dominated by Dong Nai and Binh Duong, which are supported by their proximity to Ho Chi Minh City and comprehensive infrastructure systems (a concentration of ports and industrial parks). In particular, Dong Nai is perceived as one of the most promising investment areas, with foreign firms investing US$26 billion in the province in 2020. Notably, it has attracted investments in electronic component manufacturing, textile and garment production and advanced manufacturing. Bien Hoa City, Long Thanh and Nhon Trach are viewed as key priority areas for industrial park development, and 16 of the 20 industrial parks in these areas already fully occupied.

Why Invest? (Strengths and Opportunities)

- Excellent regional and global location.
- Attractive tax incentives.
- Proximity to China as a 1st tier demand market.
- Relocations due to recent trade spat.
- Stable political environment.
- Large workforce with competitive labor costs.
- Investment growth, including FDI.
- Increasing FTAs.
- Infrastructure improvements will reshape the landscape.
- Post COVID demand favouring Vietnamese manufacturing.

Challenges (Weaknesses and Threats)

- Limited well located primary supply.
- Complicated investment procedures.
- Strong regional competition.
- Slow construction timelines in many planned IPs.
- Delays to key infrastructure projects might limit competitiveness.
- Oversupply of indifferent quality land.

Limiting Conditions

This report contains forward-looking statements which state Savills Valuation and Professional Services (S) Pte Ltd's (the Consultant) beliefs, expectations, forecasts or predictions for the future. The Consultant stresses that all such forecasts and statements, other than statements of historical fact, outlined in this report should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forecasts involves assumptions about a considerable number of variables which are very sensitive to changing conditions. Variations of any one may significantly affect outcomes and the Consultant draws your attention to this.

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Yours sincerely,
Savills Valuation and Professional Services (S) Pte Ltd

Alan Cheong
Executive Director
Research & Consultancy

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF THE UNITS IN SINGAPORE

Applications are invited for the subscription of the Units at the Offering Price per Unit on the terms and conditions set out below and in the printed application forms to be used for the purpose of the Offering and which forms part of the prospectus (the "**Application Forms**") or, as the case may be, the Electronic Applications (as defined below).

Investors applying for the Units in the Offering by way of Application Forms or Electronic Applications are required to pay in Singapore dollars, the Offering Price of S$0.80 per Unit, subject to a refund of the full amount or, as the case may be, the balance of the applications monies (in each case without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against us or the the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

(1) **The minimal initial subscription is for 1,000 Units. You may subscribe for a larger number of Units in integral multiples of 100. Your application for any other number of Units will be rejected.**

(2) You may apply for the Units only during the period commencing at 8.00 p.m. on 19 November 2021 and expiring at 12.00 noon on 24 November 2021. The Offering period may be extended or shortened to such date and/or time as the Manager may agree with the the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners, subject to all applicable laws and regulations and the rules of the SGX-ST.

(3) (a) Your application for the Units offered in the Singapore Public Offer (the "**Public Offer Units**") may be made by way of the printed **WHITE** Public Offer Units Application Forms or by way of Automated Teller Machines ("**ATM**") belonging to the Participating Banks ("**ATM Electronic Applications**"), the Internet Banking ("**IB**") website of the relevant Participating Banks ("**Internet Electronic Applications**") or through the mobile banking interface of DBS Bank Ltd. ("**DBS Bank**") and United Overseas Bank Limited ("**UOB**") ("**mBanking Applications**", which together with the ATM Electronic Applications and Internet Electronic Applications, shall be referred to as "**Electronic Applications**").

(b) Your application for the Units offered in the Placement Tranche (the "**Placement Units**"), may be made by way of the printed **BLUE** Placement Units Application Forms (or in such other manner as the the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners may in their absolute discretion deem appropriate).

(4) **Unless permissible in such other jurisdiction, you must be in Singapore at the time of the making of the application for the Units. You may not use your Central Provident Fund ("CPF") or CPF investible savings to apply for the Units.**

(5) **Only one application may be made for the benefit of one person for the Public Offer Units in his own name. Multiple applications for the Public Offer Units will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.**

You may not submit multiple applications for the Public Offer Units via the Public Offer Units Application Form, or Electronic Applications. A person who is submitting an application for the Public Offer Units by way of the Public Offer Units Application Form may not submit another application for the Public Offer Units by way of Electronic Applications and vice versa.

A person, other than an approved nominee company, who is submitting an application for the Public Offer Units in his own name should not submit any other applications for the Public Offer Units, whether on a printed Application Form or by way of Electronic Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Public Offer Units shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Units may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at our discretion.

(6) **Multiple applications may be made in the case of applications by any person for (i) the Placement Units only (via Placement Units Application Forms or such other form of application as the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners may in their absolute discretion deem appropriate) or (ii) the Placement Units together with a single application for the Public Offer Units whether by way of an Application Form for Public Offer Units or an Electronic Application.**

(7) Applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP will be rejected. Applications may be made by any joint Securities Account holders of CDP for the Placement Units.

(8) Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of the application.

(9) The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 10 below.

(10) **Nominee applications may only be made by approved nominee companies.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.

(11) **If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application.** If you do not have an existing Securities Account with CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not be

able to complete your application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your CDP Securities Account number or provide an incorrect CDP Securities Account number in your Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected.

(12) Subject to paragraphs 14 to 18 below, your application is liable to be rejected if your particulars such as name, National Registration Identity Card ("**NRIC**") or passport number or company registration number, nationality and permanent residence status, and CDP Securities Account number provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.

(13) If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address last registered with CDP.

(14) This Prospectus and its accompanying documents (including the Application Forms) have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its accompanying documents (including the Application Forms) may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

Without limiting the generality of the foregoing, neither this Prospectus and its accompanying documents (including the Application Forms) nor any copy thereof may be taken, transmitted, published or distributed, whether directly or indirectly, in whole or in part in or into the United States or any other jurisdiction (other than Singapore) and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such an offer. The Units have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. The Units are being offered and sold outside the United States (including institutional and other investors in Singapore) in offshore transactions as defined in and in reliance on the exemption from registration provided by Regulation S. There will be no public offer of Units in the United States. Any failure to comply with this restriction may constitute a violation of securities laws in the United States and in other jurisdictions.

The Manager reserves the right to reject any application for Units where the Manager believes or has reason to believe that such applications may violate the securities laws or any applicable legal or regulatory requirements of any jurisdiction.

No person in any jurisdiction outside Singapore receiving this Prospectus or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for any Units unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.

(15) The Manager and the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners, reserve the right to reject any application which does not conform strictly to the instructions or with the terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms, in the ATMs and IB websites of the relevant Participating Banks and the mobile banking interface ("**mBanking Interface**") of DBS Bank and UOB) or, in the case of an application by way of an Application Form, the contents of which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance or a remittance which is not honoured upon its first presentation.

(16) The Manager further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions and terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms and in the ATMs and IB websites of the relevant Participating Banks and the mBanking Interfaces of DBS Bank and UOB), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof. Without prejudice to the rights of the Manager, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners, as agents of the Manager, has been authorised to accept, for and on behalf of the Manager, such other forms of application as the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners may deem appropriate.

(17) Subject to your provision of a valid and correct CDP Securities Account number, share certificates in respect of the Units will be registered in the name of CDP or its nominee and will be forwarded only to CDP. There will not be any physical security certificates representing the Units. If your application is successful, it is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Offering, and subject to the submission of valid applications and payment for the Units, a statement of account stating that your Securities Account has been credited with the number of Units allocated to you. This will be the only acknowledgment of application monies received and is not an acknowledgment by the Manager. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue or transfer of the Units allocated to you. This authorisation applies to applications made by way of printed Application Forms and Electronic Applications, or such other forms of application as the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners may deem appropriate.

(18) The Manager and the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners, reserve the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application, without assigning any reason therefor, and none of the Manager, nor any of the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners will entertain any enquiry and/or correspondence on the decision of the Manager. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners may, in consultation with the Manager, deem appropriate. In deciding the basis of allocation, the Manager, in consultation with the the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners, will give due consideration to the desirability of allocating the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

(19) In the event that the Manager lodges a supplementary or replacement prospectus ("**Relevant Document**") pursuant to the Securities and Futures Act or any applicable legislation in force from time to time prior to the close of the Offering, and the Units have not been issued, the Manager will (as required by law) at the Manager's sole and absolute discretion either:

(a) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

(b) within seven days of the lodgement of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to withdraw your application; or

(c) deem your application as withdrawn and cancelled and refund your application monies paid in respect of your application (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) to you within seven days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 18(a) and 18(b) above to withdraw his application shall, within 14 days from the date of lodgement of the Relevant Document, notify the Manager whereupon the Manager shall, within seven days from the receipt of such notification, return all monies in respect of such application (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners).

In the event that the Units have already been issued at the time of the lodgement of the Relevant Document but trading has not commenced, the Manager will (as required by law) either:

(i) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to the Manager the Units which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

(ii) within seven days from the lodgement of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to return the Units which you do not wish to retain title in; or

(iii) deem the issue as void and refund your payment for the Units (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) within seven days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 19(i) and 19(ii) above to return the Units issued to him shall, within 14 days from the date of lodgement of the Relevant Document, notify the Manager of this and return all documents, if any, purporting to be evidence of title of those Units, whereupon the Manager shall, within seven days from the receipt of such notification and documents, pay to him all monies paid by him for the Units (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners), and the Units issued to him shall be deemed to be void.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in such Relevant Document.

(20) The Units may be reallocated between the Placement Tranche and the Singapore Public Offer for any reason, including in the event of excess applications in one and a deficit of applications in the other at the discretion of the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners, in consultation with the Manager subject to any applicable laws, regulations and rules, including the minimum distribution and shareholding spread requirements of the SGX-ST.

(21) You irrevocably authorise CDP to disclose the outcome of your application, including the number of Units allocated to you pursuant to your application, to the Manager,, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners and any other parties so authorised by CDP, the Manager, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators or the Joint Bookrunners.

(22) Any reference to "you" or the "Applicant" in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Units by way of an Application Form or by way of Electronic Application or by such other manner as the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators or the Joint Bookrunners may, in their absolute discretion, deem appropriate.

(23) By completing and delivering an Application Form and, in the case of: (i) an ATM Electronic Application, by pressing the "Enter" or "OK" or "Confirm" or "Yes" key or any other relevant key on the ATM, (ii) in the case of an Internet Electronic Application, by clicking "Submit" or "Continue" or "Yes" or "Confirm" or any other button on the IB website screen, or (iii) in the case of an mBanking Application, by transmitting "Submit" or "Continue" or "Yes" or "Confirm" or any other icon via the mBanking Interface in accordance with the provisions herein, you:

(a) irrevocably agree and undertake to purchase the number of Units specified in your application (or such smaller number for which the application is accepted) at the Offering Price and agree that you will accept such number of Units as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, the Prospectus and its accompanying documents (including the Application Forms) and the Trust Deed;

(b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and its accompanying documents (including the Application Form) and those set out in the IB websites, mBanking Interface or ATMs of the relevant Participating Banks, the terms and conditions set out in this Prospectus and its accompanying documents (including the Application Forms) shall prevail;

(c) in the case of an application by way of a Public Offer Units Application Form or an Electronic Application, agree that the Offering Price for the Public Offer Units applied for is due and payable to the Manager upon application;

(d) in the case of an application by way of a Placement Units Application Form or such other forms of application as the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners may in their absolute discretion deem appropriate, agree that the Offering Price for the Placement Units applied for is due and payable to the Manager upon application;

(e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Manager in determining whether to accept your application and/or whether to allocate any Units to you;

(f) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, Securities Account number, share application amount, the outcome of your application (including the number of Invitation Shares allocated to you pursuant to your application) and other personal data ("**Personal Data**") by the Unit Registrar, CDP, Securities Clearing Computer Services (Pte) Ltd ("**SCCS**"), SGX-ST, the Participating Banks, the Manager, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners and/or other authorised operators (the "**Relevant Parties**") for the purpose of the processing of your application for the Invitation Shares, and in order for the Relevant Parties to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**") and warrant that such Personal Data is true, accurate and correct;

(ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Parties of the Personal Data of such beneficial owner(s) for the Purposes;

(iii) agree that the Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body; and

(iv) agree that you will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the "**Personal Data Privacy Terms**");

(g) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of the Manager nor any of the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners will infringe any such laws as a result of the acceptance of your application;

(h) agree and confirm that you are outside the United States; and

(i) understand that the Units have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. There will be no public offer of the Units in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

(24) Acceptance of applications will be conditional upon, among others, the Manager being satisfied that:

(a) permission has been granted by the SGX-ST to deal in and for the quotation of all of the (i) Units comprised in the Offering, (ii) the Initial Units, (iii) the Sponsor's Subscription Units, (iv) the Cornerstone Units and (iv) Units which will be issued to the Manager from time to time in full or part payment of the Manager's fees on the Main Board of the SGX-ST;

(b) the Underwriting Agreement, referred to in the section on "Plan of Distribution" in this Prospectus, has become unconditional and has not been terminated; and

(c) the Authority has not served a stop order which directs that no or no further Units to which this Prospectus relates be allotted or issued ("**Stop Order**"). The Securities and Futures Act provides that the Authority shall not serve a Stop Order if all the Units have been issued, sold, and listed for quotation on the SGX-ST and trading in them has commenced.

(25) In the event that a Stop Order in respect of the Units is served by the Authority or other competent authority, and subject to the laws of Singapore:

(a) the Units have not been issued (as required by law), all applications shall be deemed to be withdrawn and cancelled and the Manager shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom, at the applicant's own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) to you within 14 days of the date of the Stop Order; or

(b) if the Units have already been issued but trading has not commenced, the issue will (as required by law) be deemed void and the Manager shall refund your payment for the Units (without interest or any share of revenue or other benefit arising therefrom, and at the applicant's own risk and without any right or claim against us or the the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) to you within 14 days from the date of the Stop Order.

This shall not apply where only an interim Stop Order has been served.

(26) In the event that an interim Stop Order in respect of the Units is served by the Authority or other competent authority, no Units shall be issued to you until the Authority revokes the interim Stop Order. The Authority is not able to serve a Stop Order in respect of the Units if the Units have been issued and listed on the SGX-ST and trading in them has commenced.

(27) Additional terms and conditions for applications by way of Application Forms are set out in the section "Additional Terms and Conditions for Applications using Printed Application Forms" on pages G-9 to G-12 of this Prospectus.

(28) Additional terms and conditions for applications by way of Electronic Applications are set out in the section "Additional Terms and Conditions for Electronic Applications" on pages G-13 to G-19 of this Prospectus.

(29) All payments in respect of any application for Public Offer Units, and all refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

(30) All payments in respect of any application for Placement Units, and all refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

(31) All refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

(32) No application will be held in reserve.

(33) This Prospectus is dated 19 November 2021. No Units shall be allotted or allocated on the basis of this Prospectus later than 12 months after the date of this Prospectus.

Additional Terms and Conditions for Applications using Printed Application Forms

Applications by way of an Application Form shall be made on, and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below, as well as those set out under the section entitled "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore" on pages G-1 to G-9 of this Prospectus and the Trust Deed.

(1) Applications for the Public Offer Units must be made using the printed **WHITE** Public Offer Units Application Forms and printed **WHITE** official envelopes "A" and "B", accompanying and forming part of this Prospectus.

Applications for the Placement Units, must be made using the printed **BLUE** Placement Units Application Forms (or in such manner as the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners may in their absolute discretion deem appropriate), accompanying and forming part of this Prospectus.

Without prejudice to the rights of the Manager and the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners, as agents of the Manager, have been authorised to accept, for and on behalf of the Manager, such other forms of application, as the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners may (in consultation with the Manager) deem appropriate.

Your attention is drawn to the detailed instructions contained in the Application Forms and this Prospectus for the completion of the Application Forms, which must be carefully followed. **The Manager and the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners, reserve the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus (or, in the case of applications for the Placement Units, followed) which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

(2) You must complete your Application Forms in English. Please type or write clearly in ink using **BLOCK LETTERS**.

(3) You must complete all spaces in your Application Forms except those under the heading "FOR OFFICIAL USE ONLY" and you must write the words "**NOT APPLICABLE**" or "**N.A.**" in any space that is not applicable.

(4) Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears on your NRIC (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with DHLT's Unit Registrar. The Manager reserves the right to require you to produce documentary proof of identification for verification purposes.

(5) (a)(b) You must complete Sections A and B and sign page 1 of the Application Form.

You are required to delete either paragraph 7(c) or 7(d) on page 1 of the Application Form. Where paragraph 7(c) is deleted, you must also complete Section C of the

(c) Application Form with particulars of the beneficial owner(s).

If you fail to make the required declaration in paragraph 7(c) or 7(d), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.

(6) You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Units is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated, established or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.

(7) You may apply and make payment for your application for the Units in Singapore currency using only cash. Each application must be accompanied by a cash remittance in Singapore currency for the full amount payable in Singapore dollars of the Offering Price, in respect of the number of Units applied for. The remittance must in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**DHLT UNIT ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**" with your name, CDP Securities Account number and address written clearly on the reverse side.

Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Banker's Draft or Cashier's Order for different CDP Securities Accounts shall be accepted.

Remittances bearing "**NOT TRANSFERABLE**" or "**NON-TRANSFERABLE**" crossings will be rejected.

No acknowledgement of receipt will be issued for applications and application monies received.

The manner and method for applications and acceptances of payment under the Placement will be determined by the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners in its sole discretion.

(8) Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom, and at his own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) to you by ordinary post, in the event of oversubscription for the Units, within 24 hours of the balloting (or such shorter period as the SGX-ST may require), at your own risk. Where your application is rejected or accepted or in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom, and at his own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) to you by ordinary post at your own risk within 14 Market Days after the close of the Offering, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account. If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom, and at his own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) will be returned to you within three Market Days after the Offering is discontinued, provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

(9) Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.

(10) By completing and delivering the Application Forms, you agree that:

(a) in consideration of the Manager having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:

(i) your application is irrevocable;

(ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom, and at his own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners; and

(iii) you represent and agree that you are located outside the United States (within the meaning of Regulation S);

(b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;

(c) in respect of the Units for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Manager;

(d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in this Prospectus and that none of the Manager, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein;

(f) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus;

(g) for the purpose of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of the Manager, of your Personal Data to the Relevant Persons in accordance with the Personal Data Privacy Terms;

(h) you irrevocably agree and undertake to purchase the number of Units applied for as stated in the Application Form or any smaller number of such Units that may be allocated to you in respect of your application. In the event that the Manager decides to allocate any smaller number of Units or not to allocate any Units to you, you agree to accept such decision as final; and

(i) you irrevocably authorise CDP to complete and sign on your behalf as transferee or renounce any instrument of transfer and/or other documents required for the issue of the Units that may be allocated to you.

Procedures Relating to Applications for the Public Offer Units by Way of Printed Application Forms

(1) Your application for the Public Offer Units by way of printed Application Forms must be made using the **WHITE** Public Offer Units Application Forms and **WHITE** official envelopes "**A**" and "**B**".

(2) You must:

(a) enclose the **WHITE** Public Offer Units Application Form, duly completed and signed, together with correct remittance for the full amount payable at the Offering Price in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents, in the **WHITE** official envelope "**A**" provided;

(i) write your name and address;

(ii) state the number of Public Offer Units applied for; and

(iii) tick the relevant box to indicate form of payment;

(c) **SEAL THE WHITE OFFICIAL ENVELOPE** "**A**";

(d) write, in the special box provided on the larger **WHITE** official envelope "**B**" addressed to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, the number of Public Offer Units you have applied for;

(e) insert the WHITE official envelope "**A**" into the **WHITE** official envelope "**B**" and seal the WHITE **OFFICIAL ENVELOPE** "**B**"; and

(f) affix adequate Singapore postage on the **WHITE** official envelope "**B**" (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** the documents at your own risk to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, so as to arrive by 12.00 noon on 24 November 2021 or such other date(s) and time(s) as the Manager may agree with the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners. **Courier services or Registered Post must NOT be used.**

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected. Except for application for the Placement Units where remittance is permitted to be submitted separately, applications for the Public Offer Units not accompanied by any payment or any other form of payment will not be accepted.

(4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Procedures Relating to Applications for the Placement Units by Way of Printed Application Forms

(1) Your application for the Placement Units by way of printed Application Forms must be made using the **BLUE** Placement Units Application Forms (or in such other manner as the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners may, in its absolute discretion, deem appropriate).

(2) You must enclose the **BLUE** Application Form for Placement Units, duly completed and signed, together with the correct remittance for the full amount payable based on the Offering Price and the number of Placement Units applied for, in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents with your name, Securities Account number and address clearly written on the reverse side of the Application Form, in an envelope to be provided by you. Your application for Placement Units must be delivered to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, to arrive by 12.00 noon on 24 November 2021 or such other date(s) and time(s) as the Manager may agree with the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners. **Courier services or Registered Post must NOT be used.**

(3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn up or improper form of remittance or a remittance which is not honoured upon its first presentation are liable to be rejected.

(4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Additional Terms and Conditions for Electronic Applications

Electronic Applications shall be made on and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below and those under the section "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore" on pages G-1 to G-9 of this Prospectus, as well as the Trust Deed.

(1) The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (in the case of ATM Electronic Applications), the IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications) and the mBanking Interface of DBS Bank and UOB (in the case of mBanking Applications). Currently, DBS Bank (including POSB), Oversea-Chinese Banking Corporation Limited ("**OCBC**") and UOB (each as defined below) are the Participating Banks through which Internet Electronic Applications may be made and DBS Bank and UOB are the only Participating Banks through which mBanking Applications may be made.

(2) For illustration purposes, the procedures for Electronic Applications for Public Offer Units through ATMs, the IB website and the mBanking Interface of DBS Bank (together the "**Steps**") are set out the sections titled "**Steps for ATM Electronic Applications for Public Offer Units through ATMs of DBS Bank (including POSB ATMs)**", "**Steps for Internet Electronic Applications for Public Offer Units through the IB website of DBS Bank**" and "**Steps for mBanking Applications for Public Offer Units through the mBanking interface of DBS Bank**" appearing on pages G-20 to G-28 of this Prospectus.

The Steps set out the actions that you must take at ATMs, the IB website or the mBanking Interface of DBS Bank to complete an Electronic Application. The actions that you must take at the ATMs or the IB websites of the other Participating Banks are set out on the ATM screens, the IB website screens of the respective Participating Banks. Please read carefully the terms and conditions of this Prospectus and its accompanying documents (including the Application Form), the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.

(3) Any reference to "you" or the "Applicant" in these Additional Terms and Conditions for Electronic Applications and the Steps shall refer to you making an application for Public Offer Units through an ATM of one of the relevant Participating Banks, the IB website of a relevant Participating Bank or the mBanking Interfaces of DBS Bank and UOB.

(4) If you are making an ATM Electronic Application:

(a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for Public Offer Units at an ATM belonging to other Participating Banks.

(b) You must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own CDP Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. Using your own CDP Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

(c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.

(5) If you are making an Internet Electronic Application or a mBanking Application:

(a) You must have an existing bank account with, and a User Identification ("**User ID**") as well as a Personal Identification Number ("**PIN**") given by, the relevant Participating Bank.

(b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.

(c) Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank or the mBanking Interfaces of DBS Bank and UOB, there will be an on-screen confirmation ("**Confirmation Screen**") of the application which can be printed out or screen captured by you for your record. This printed record or screen capture of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.

(6) In connection with your Electronic Application for Public Offer Units, you are required to confirm statements to the following effect in the course of activating the Electronic Application:

(a) that you have received a copy of the Prospectus (in the case of Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for the Public Offer Units and the Prospectus prior to effecting the Electronic Application and agree to be bound by the same;

(b) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus; and

(c) that, for the purposes of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of our Company, of your Personal Data from your records with the relevant Participating Bank to the Relevant Parties in accordance with the Personal Data Privacy Terms; and

(d) where you are applying for the Public Offer Units, that this is your only application for the Public Offer Units and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the website screen or the mBanking Interfaces of DBS Bank or UOB. By doing so, you shall be treated as signifying your confirmation of each of the four statements above. In respect of statement 6(b) above, your confirmation, by pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or clicking "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of your account(s) with that Participating Bank to the Relevant Parties.

By making an Electronic Application you confirm that you are not applying for the Public Offer Units as a nominee of any other person and that any Electronic Application that you make is the only application made by you as the beneficial owner. You shall make only one Electronic Application for the Public Offer Units and shall not make any other application for the Public Offer Units whether at the ATMs of any Participating Bank, the IB websites of the relevant Participating Banks or the mBanking Interfaces of DBS Bank and UOB or on the Application Forms. Where you have made an application for the Public Offer Units on an Application Form, you shall not make an Electronic Application for the Public Offer Units and vice versa.

(7) You must have sufficient funds in your bank account with your Participating Bank at the time you make your Electronic Application, failing which such Electronic Application will not be completed. Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATMs or on the IB website of the relevant Participating Bank or the mBanking Interfaces of DBS Bank and UOB, as the case may be, through which your Electronic Application is being made shall be rejected.

(8) You may apply and make payment for your application for the Public Offer Units in Singapore currency through any ATM or IB website of your Participating Bank or the mBanking Interfaces of DBS Bank and UOB (as the case may be) by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.

(9) You irrevocably agree and undertake to subscribe for and to accept the number of Public Offer Units applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Public Offer Units that may be allocated to you in respect of your Electronic Application. In the event that the Manager decides to allocate any lesser number of such Public Offer Units or not to allocate any Public Offer Units to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or clicking "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the IB website screen or the mBanking Interfaces of DBS Bank and UOB) of the number of Public Offer Units applied for shall signify and shall be treated as your acceptance of the number of Public Offer Units that may be allocated to you and your agreement to be bound by the Trust Deed.

(10) The Manager will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom, and at your own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) to you by being automatically credited to your account with your Participating Bank, within 24 hours of the balloting (or such shorter period as the SGX-ST may require) provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

Where your Electronic Application is accepted or rejected in full or in part only, the balance of the application monies, as the case may be, will be returned (without interest or any share of revenue or other benefit arising therefrom, and at your own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) to you by being automatically credited to your account with your Participating Bank, within 14 Market Days after the close of the Offering provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom, and at his own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) will be returned to you within three Market Days after the Offering is discontinued, provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Units, if any, allocated to you before trading the Units on the SGX-ST. None of the SGX-ST, CDP, SCCS, the Participating Banks, the Manager, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

(11) If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.

(12) Applicants who make ATM Electronic Applications through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

Bank	**Telephone**	**Other Channels**	**Operating Hours**	**Service expected from**
DBS Bank Ltd. (including POSB) ("**DBS Bank**")	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)	IB http://www.dbs.com(1)	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited ("**OCBC**")	1800 363 3333	Phone Banking/ATM/ Internet Banking http://www.ocbc.com(2)	24 hours a day	Evening of the balloting day
United Overseas Bank Limited ("**UOB**")	1800 222 2121	Phone Banking/ATM/ Internet Banking - https:// uobgroup.com/UOB TMRW application(3)	24 hours a day	Evening of the balloting day

Notes:

(1) Applicants who have made Internet Electronic Applications through the IB websites of DBS Bank or mBanking Applications through the mBanking Interface of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.

(2) Applicants who have made Electronic Application through the ATMs of OCBC may check the results of their applications through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking services.

(3) Applicants who have made Electronic Application through UOB's ATMs, IB website or mBanking interface by way of the UOB TMRW application may check the results of their Electronic Application through the same channels listed in the table above.

(13) ATM Electronic Applications shall close at 12.00 noon on 24 November 2021 or such other date(s) and time(s) as the Manager may agree with the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners. All Internet Electronic Applications and mBanking Applications must be received by 12.00 noon on 24 November 2021, or such other date(s) and time(s) as the Manager may agree with the Sole

Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners. Internet Electronic Applications and mBanking Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank.

(14) You are deemed to have irrevocably requested and authorised the Manager to:

(a) register the Public Offer Units allocated to you in the name of CDP for deposit into your Securities Account;

(b) return or refund (without interest or any share of revenue earned or other benefit arising therefrom, and at your own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) the application monies, should your Electronic Application be rejected or if the Offering does not proceed for any reason, by automatically crediting your bank account with your Participating Bank, with the relevant amount within 24 hours after balloting (or such shorter period as the SGX-ST may require), or within three Market Days if the Offering does not proceed for any reason, after the close or discontinuation (as the case may be) of the Offering, provided that the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account; and

(c) return or refund (without interest or any share of revenue or other benefit arising therefrom, and at your own risk and without any right or claim against us or the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners) the balance of the application monies, should your Electronic Application be rejected or accepted in part only, by automatically crediting your bank account with your Participating Bank, at your risk, with the relevant amount within 14 Market Days after the close of the Offering, provided that the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account.

(15) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, the Manager, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners, and if, in any such event the Manager, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners, and/or the relevant Participating Bank do not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the Manager, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners and/or the relevant Participating Bank for any Public Offer Units applied for or for any compensation, loss or damage.

(16) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Manager shall reject any application by any person acting as nominee (other than approved nominee companies).

(17) All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank

and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank.

(18) You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.

(19) By making and completing an Electronic Application, you are deemed to have agreed that:

(a) in consideration of the Manager making available the Electronic Application facility, through the Participating Banks acting as agents of the Manager, at the ATMs and Internet Banking websites of the relevant Participating Banks and the mBanking Interfaces of DBS Bank and UOB:

(i) your Electronic Application is irrevocable;

(ii) your Electronic Application, the acceptance by the Manager and the contract resulting therefrom under the Public Offer shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and

(iii) you represent and agree that you are not located in the United States (within the meaning of Regulations S);

(b) none of CDP, the Manager, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners and the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to the Manager, or CDP or the SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 15 above or to any cause beyond their respective controls;

(c) in respect of the Public Offer Units for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager;

(d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;

(e) reliance is placed solely on information contained in this Prospectus and that none of the Manager, the Sole Financial Adviser, the Joint Issue Managers, the Joint Global Co-ordinators and the Joint Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein; and

(f) you irrevocably agree and undertake to subscribe for the number of Public Offer Units applied for as stated in your Electronic Application or any smaller number of such Public Offer Units that may be allocated to you in respect of your Electronic Application. In the event the Manager decides to allocate any smaller number of such Public Offer Units or not to allocate any Public Offer Units to you, you agree to accept such decision as final.

Steps for ATM Electronic Applications for Public Offer Units through ATMs of DBS (including POSB ATMs)

Instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through a DBS Bank or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form ("A/C", "amt", "appln", "&", "I/C", "No.", "SGX" and "Max" refer to "Account", "amount", "application", "and", "NRIC", "Number", "the SGX-ST" and "Maximum", respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than DBS Bank (including POSB)), may differ slightly from those represented below.

Step 1: Insert your personal DBS Bank or POSB ATM Card.

2: Enter your Personal Identification Number.

3: Select "MORE SERVICES".

4: Select language (for customers using multi-language card).

5: Select "ESA-IPO/Rights Appln/Bonds/SGS/INVESTMENTS".

6: Select "ELECTRONIC SECURITIES APPLN (IPOS/BONDS/SECURITIES)".

7: Read, understand and acknowledge the following statements which will appear on the screen accordingly:

<u>WARNING</u>

- All investments come with risks.
- You can lose money on your investment.
- Invest only if you understand and can monitor your investment.

(Press "I acknowledge, press >" to continue)

You agree that this transaction is entered in totally on your own accord and at your own risk. The availability of this application service shall not be construed as recommendation or advise from DBS/POSB to enter into this transaction. You may wish to seek prior advice from a qualified adviser as to the transaction suitability.

(Press "To continue, press >" to continue)

8: Select "DHLT"

9: Read, understand and acknowledge the following statements which will appear on the screen accordingly:

<u>IMPORTANT</u>

- Read the Offer Documents* before subscribing for the securities.
- Obtain the Offer Documents from our bank branches#, website or via the following QR Code.

https://go.dbs.com/sg-esa

#Subject to availability

(Press “I acknowledge, press >” to continue)

RISK WARNING FOR REITS

- The REIT may pay less distribution if rental or occupancy rates fall.
- You will likely lose money if the REIT gets into financial difficulties.
- If a REIT is wound up, unitholders will be the last to be paid off.

(Press “To continue, press >” to continue)

10: Check the security name, closing date and offering price displayed on the screen, and press “To continue, press >” to continue.

11: Read and understand the following statements which will appear on the screen:

FOR SECURITY APPLNS, PROSPECTUS/DOCUMENTS ARE AVAILABLE AT THE BRANCHES OF THE VARIOUS PARTICIPATING BANKS, WHERE AVAILABLE

(Press “To continue, press >” to continue)

For purpose of facilitating your application, you consent to the bank collecting and using your name, NRIC/passport number, address, nationality, securities a/c number, application details and personal data and disclosing the same to share registrars, CDP, SGX-ST and issuers/vendors/managers.

(Press “To continue, press >” to continue)

For fixed and maximum price securities application, this is your only application and is made in your own name.

The maximum price for each security is payable in full on application and subject to refund if the final price is lower.

For tender price securities application, this is your only application at the selected tender price and is made in your own name.

You are not a US Person as referred to in (where applicable) the Offer Documents.

There may be a limit on the maximum number of securities that you can apply for. Subject to availability, you may be allotted/allocated a smaller number of securities than you applied for.

(Press “To continue, press >” to continue)

12: Select your nationality

13: Select the DBS account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.

14: Read and understand the following statements which will appear on the screen:

WARNING

- Diversify your investments.

- Avoid investing a large portion of your money in a single issuer.

(Press "To continue, press >" to continue)

15: Enter the number of securities you wish to apply for using cash. (Press "ENTER" to continue)

16: Enter or confirm (if your CDP Securities Account number has already been stored in DBS' records) your own 12-digit CDP Securities Account number.

(Press "ENTER" to continue)

17: Check the details of your securities application, your CDP Securities Account number, the number of securities applied and application amount on the screen, and press the "TO CONFIRM" key to confirm your application. Do note that the application cannot be cancelled upon confirmation.

18: Remove the ATM Transaction Record for your reference and retention only.

Steps for Internet Electronic Application for Public Offer Units through the IB Website of DBS Bank

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS Bank IB website are shown below. Certain words appearing on the screen are in abbreviated form ("A/C", "&", "amt", "I/C" and "No."refer to "Account", "and", "Amount", "NRIC" and "Number", respectively).

Step 1: Click on DBS Bank at http://www.dbs.com.

2: Login to Internet banking.

3: Enter your User ID and PIN.

4: Enter your DBS Bank iB Secure PIN.

5: Select "Invest", followed by "Electronic Securities Application (ESA)".

6: Click "Yes" to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended or acting for the account or benefit of a U.S. person).

7: Select your country of residence and click "Next".

8: Click on “DHLT” and click “Next”.

9: Read, understand and acknowledge the following statements which will appear on the screen:

Warning

All investments come with risks, including the risk that you may lose all or part of your investment. By continuing, you understand that you are responsible for your own investment decisions.

RISK WARNING FOR REITS

- The REIT may pay less distribution if rental or occupancy rates fall.

- You will likely lose money if the REIT gets into financial difficulties.

- If a REIT is wound up, unitholders will be the last to be paid off.

(Press “I Acknowledge” to continue)

10: Read and understand the following statements which will appear on the screen:

Important

Read the Offer Documents before subscribing for the securities.

Click on the logo(s) to download the Offer Documents.

Before committing to an investment, please seek advice from a financial adviser regarding the suitability of the product. If you do not wish to seek financial advice, by continuing the application, you confirm that you have independently assessed that this product is suitable for you. You have not relied on any previous advice or recommendation given by DBS Bank in making your investment decision and you accept that should you wish to proceed with the transaction, you will not be able to rely on Section 27 of the Financial Advisers Act (Cap 110) to file any civil claim against DBS Bank.

By proceeding, I have read, understood, and agree to the following:

Agreement

- For the purposes of facilitating my application, consent to the Bank collecting and using my name, NRIC/passport number, address, nationality, CDP securities account number, CPF investment account number, application details and other personal data and disclosing the same from the Bank’s records to registrars of securities of the issuer, SGX, CDP, CPF, issuer/vendor(s) and issue manager(s).

- I am not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) the “U.S. Securities Act”).

- The securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities law.

- That this application will be made in my own name and subject to the conditions on securities application.

(Press "Next" to continue)

11: Click on "U.S. person" to read the following:

"U.S. Person" means:

- any natural person resident in the United States;

- any partnership or corporation organized or incorporated under the laws of the United States;

- any estate of which any executor or administrator is a U.S. person;

- any trust of which any trustee is a U.S. person;

- any agency or branch of a foreign entity located in the United States;

- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;

- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and

- any partnership of corporation if:

  a. organised or incorporated under the laws of any foreign jurisdiction; and

  b. formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the United States Securities Act of 1933) who are not natural persons, estates or trusts.

(Press "OK" to continue)

12: Click on "conditions on securities application" to read the following:

- For **FIXED/MAXIMUM price securities** application, this is your only application. For **TENDER** price securities application, this is your only application at the selected tender price.

- For **FOREIGN CURRENCY securities**, subject to the terms of the issue, please note the following:

  a. The application monies will be debited from your bank account in S$, based on the Bank's prevailing board rates at time of application. Any refund monies will be credited in S$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S$ at the same exchange rate.

  b. For **1ST-COME-1ST-SERVE securities**, the number of securities applied for may be reduced, subject to availability at the point of application.

13: Check the security details, select the DBS account or POSB account from which to debit your application monies and enter the number of securities you wish to apply for using cash. Read and understand the following statements displayed on the screen:

Warning

- Diversify your investments.

- Avoid investing a large portion of your money in a single issuer.

(Press "Next" to continue)

14: Verify the details of your securities application and click "Confirm" to confirm your application.

15: You may print a copy of the IB Confirmation Screen for your reference and retention.

Steps for mBanking Applications for Public Offer Units through the mBanking Interface of DBS Bank

For illustrative purposes, the steps for making an mBanking Application are shown below. Certain words appearing on the screen are in abbreviated from ("A/C", "&", "amt", "I/C", "SGX" and "No." refer to "Account", "and", "Amount", "NRIC", "SGX-ST" and "Number", respectively).

Step 1: Click on DBS Bank mBanking application and login using your User ID and PIN.

2: Select "Invest".

3: Select ESA".

4: Select "Yes" to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations, your mailing address for DBS Internet Banking is in Singapore and that you are a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933, as amended).

5: Select your country of residence and click "Next".

6: Select "DHLT" and click "Next".

7: Read, understand and acknowledge the following statements which will appear on the screen:

Warning

All investments come with risk, including the risk that you may lose all or part of your investment. By continuing, you understand that you are responsible for your own investment decisions.

RISK WARNING FOR REITS

- The REIT may pay less distribution if rental or occupancy rates fall.
- You will likely lose money if the REIT gets into financial difficulties.
- If a REIT is wound up, unitholders will be the last to be paid off.

(Press "I Acknowledge" to continue)

8: Please read and acknowledge:

IMPORTANT

Read the Offer Documents before subscribing for the securities.

Click on the respective link to view the Prospectus and Product Highlights Sheet.

Before committing to an investment, please seek advice from a financial adviser regarding the suitability of the product. If you do not wish to seek financial advice, by continuing the application, you confirm that you have independently assessed that this product is suitable for you. You have not relied on any previous advice or recommendation given by DBS Bank in making your investment decision and you accept that should you wish to proceed with the transaction, you will not be able to rely on Section 27 of the Financial Advisers Act (Cap 110) to file any civil claim against DBS Bank.

By proceeding, I have read, understood, and agree to the following:

AGREEMENT

- For the purposes of facilitating my application, consent to the Bank collecting and using my name, NRIC/passport number, address, nationality, CDP securities account number, CPF investment account number, application details and other personal data and disclosing the same from the Bank's records to registrars of securities of the issuer, SGX, CDP, CPF, issuer/vendor(s) and issue manager(s).
- I am not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended) the "U.S. Securities Act").
- The securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities law.

- That this application will be made in my own name and subject to the conditions on securities application.

(Press “I Agree” to continue)

9: Click on “U.S. person” to read the following:

“U.S. Person” means:

- any natural person resident in the United States;
- any partnership or corporation organized or incorporated under the laws of the United States;
- any estate of which any executor or administrator is a U.S. person;
- any trust of which any trustee is a U.S. person;
- any agency or branch of a foreign entity located in the United States;
- any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- any partnership of corporation if:

  a. organised or incorporated under the laws of any foreign jurisdiction; and

  b. formed by a U.S. person principally for the purpose of investing in securities not registered under the United States Securities Act of 1933, as amended unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the United States Securities Act of 1933) who are not natural persons, estates or trusts.

10: Click on “conditions on securities application” to read the following:

- For **FIXED/MAXIMUM price securities** application, this is your only application. For **TENDER** price securities application, this is your only application at the selected tender price.
- For **FOREIGN CURRENCY securities**, subject to the terms of the issue, please note the following:

  a. The application monies will be debited from your bank account in S$, based on the Bank’s prevailing board rates at time of application. Any refund monies will be credited in S$ based on the Bank’s prevailing board rates at the time of refund. The different prevailing board rates at the time of application and at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S$ at the same exchange rate.

  b. For **1ST-COME-1ST-SERVE securities**, the number of securities applied for may be reduced, subject to availability at the point of application.

11: Select your nationality, enter or confirm your CDP Securities Account number (if your CDP Securities Account number has already been stored in DBS' records) and check the security details. Select the DBS account or POSB account from which to debit your application monies and enter the number of securities you wish to apply for using cash. Read and understand the following statements displayed on the screen:

WARNING

- Diversify your investments.
- Avoid investing a large portion of your money in a single issuer.

(Press "Next" to continue)

12: Verify the details of your securities application and click "Confirm" to confirm your application.

13: Where applicable, capture Confirmation Screen (optional) for your reference and retention only.

LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

The principal present directorships, other than those held in the Manager, and the principal past directorships in the last five years of each of the directors and executive officers (named in "The Manager and Corporate Governance") of the Manager are as follows:

(A) Directors of the Manager

(1) Mr Tan Jeh Wuan

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Tower Capital Asia Pte. Ltd. Digital Core Reit Management Pte. Ltd.	KT Holdings LLP DBS Vickers (Hong Kong) Ltd. ICCP Capital Markets Ltd. ICCP Holdings Corporation Investment & Capital Corporation of the Philippines

(2) Mr Takashi Suzuki

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Takara Leben Infrastructure Fund, Inc. Yagi Corporation Co., Ltd. Kyo Sogo Law Offices	Money Partners Group Co., Ltd.

(3) Tan Juay Hiang

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
Homebuy Solutions Private Limited Homebuyers Trust Private Limited Katrina Group Ltd. Armenian Office Pte. Ltd. Toby's Trove Pte. Ltd.	Ascendas China Commercial Fund Management Pte Ltd Ascendas Asia Fund Management Pte Ltd Ascendas Malaysia Investments Pte Ltd Ascendas (ACCF) Holdings Pte Ltd Ascendas India Development Trust Pte. Ltd. Ascendas India Development I Pte. Ltd. (struck off) Ascendas India Development II Pte. Ltd. Ascendas India Development III Pte. Ltd. (struck off) Ascendas India Development IV Pte. Ltd. Dover AID V Pte. Ltd. Ascendas India Development VII Pte. Ltd. (struck off) Ascendas India Development II Phase 1 Pte. Ltd. Ascendas Japan Pte. Ltd.

	Ascendas Hospitality Fund Management Pte. Ltd. Ascendas Hospitality Japan 2 Pte. Ltd. Ascendas Hospitality Japan 3 Pte. Ltd. Ascendas Hospitality Trust Management Pte. Ltd. Beijing Sanyuan Hospitality Pte. Ltd. Ascendas India Joint Investments Co Pte. Ltd. Ascendas Hospitality Australia Investments Pte. Ltd. Ascendas Namba 1 Pte. Ltd. Ascendas Namba 2 Pte. Ltd. Ascendas Namba 3 Pte. Ltd. Ascendas Hospitality MTN Pte. Ltd.

(4) Mr Eiichi Shibata

Current Directorships	**Past Directorships (for a period of five years preceding the Latest Practicable Date)**
Nippon Butsuryu Management, Inc. JUST Logistics, Inc. Wakamatsu Unyu, Inc. Wakamatsu Konpou Unyu Soko Inc. Trumark Companies, LLC. CastleRock Communities LLC	Cosmos Initia Co., Ltd. Stanley-Martin Holdings, LLC Rawson Group Pty Ltd.

(5) Mr Yoshiyuki Takagi

Current Directorships	**Past Directorships (for a period of five years preceding the Latest Practicable Date)**
Cosmos Initia Co., Ltd. Cosmos Australia Holdings Pty Ltd. Cosmos More Co., Ltd. Cosmos Australia Pty. Ltd.	CA Finance Pty. Ltd. CA Asset Management Pty. Ltd.

(6) Mr Takeshi Fujita

Current Directorships	**Past Directorships (for a period of five years preceding the Latest Practicable Date)**
DH-CRUX Pte. Ltd.	NIL

(B) Executive Officers of the Manager

(1) Mr Takeshi Fujita

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
DH-CRUX Pte. Ltd.	NIL

(2) Ms Chua Tai Hua, Anne

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
DH-CRUX2 Pte. Ltd.	CCT MTN Pte. Ltd. Asia Square Tower 2 Pte. Ltd. CCT Galaxy One Pte. Ltd. CCT Galaxy Two Pte. Ltd. CCT Mercury One Pte. Ltd. MVKimi (BVI) Limited Firstoffice Pte. Ltd. (dissolved)

(3) Mr Toru Aoki

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
NIL	NIL

(4) Mr Jun Yamamura

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
NIL	NIL

(5) Mr Cho Hongrae

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
DH-CRUX Pte. Ltd. (alternate director to Mr Takeshi Fujita)	NIL

(6) Mr Daijiro Nose

Current Directorships	Past Directorships (for a period of five years preceding the Latest Practicable Date)
DH-CRUX2 Pte. Ltd. (alternate director to Ms Chua Tai Hua, Anne)	NIL

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UK AIFMR DISCLOSURES

*This **Appendix I** should be read by prospective investors domiciled, or with a registered office, in the United Kingdom. The Manager is due to offer Units in DHLT that are anticipated to be marketed in the United Kingdom. Unless otherwise defined herein, capitalised terms used in this Appendix shall have the same meanings as those defined in this Prospectus.*

*DHLT will be an "alternative investment fund" ("**AIF**"), as defined in the United Kingdom's Alternative Investment Fund Managers Regulations 2013 (as amended) (the "**UK AIFMR**"). The Manager is considered the "alternative investment fund manager" of DHLT (the "**AIFM**"), as defined in the UK AIFMR. In accordance with the UK AIFMR, prospective investors in the United Kingdom should read the following information:*

No.	Nature of disclosure	Disclosure
FUND 3.2.2(1)		
1.	Objectives of the AIF.	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 appropriate capital structure and strengthening the portfolio in scale and quality.
2.	Investment strategy of the AIF.	DHLT is a Singapore REIT established with the investment strategy of primarily investing in a portfolio of income-producing logistics and industrial real estate assets located across Asia.
3.	Location of any master AIF.	This is not applicable as DHLT does not qualify as a feeder within the meaning of the UK AIFMR.
4.	Where underlying funds are established if the AIF is a fund of funds	This is not applicable as DHLT is not a fund of funds.
5.	Types of assets in which the AIF may invest.	Under its current investment strategy, DHLT may invest, directly or indirectly, in a portfolio of income-producing logistics and industrial real estate assets located across Asia. For general statutory investment restrictions, please refer to paragraph 7 of this Appendix I.
6.	Techniques which the AIF may employ and all associated risks.	Please refer to the disclosure in paragraph 2 above for DHLT's principal investment strategy and the section entitled "Risk Factors" of this Prospectus for the risks relating to the techniques which the Managers may employ.

No.	Nature of disclosure	Disclosure
		DHLT is established with the investment strategy principally to invest, directly or indirectly, in a portfolio of stabilised income-producing logistics and industrial assets, and real estate-related assets, and real estate-related assets, in Asia. Such investments may be made by way of direct ownership of such assets or by way of direct or indirect holdings of shares, units or interests (as the case may be) in special purpose vehicles which are unlisted, each of whose primary purpose is to hold or own real estate or real estate related assets. Please also refer to paragraph 6.1 of the Property Funds Appendix disclosed in paragraph 7 of this Appendix I on the investments DHLT may only invest it.
7.	Any applicable investment restrictions on the AIF.	(i) DHLT is required to comply with the Property Funds Appendix issued by the MAS and the applicable provisions of the Trust Deed. (ii) DHLT's investment objectives and strategies may not be changed in the first three years from the Listing Date without a Extraordinary Resolution of Unitholders passed in a general meeting. (iii) Pursuant to paragraph 6.1 of the Property Funds Appendix, DHLT may only invest in: (a) real estate, whether freehold or leasehold, in or outside Singapore, which may be by way of direct ownership or a shareholding in an unlisted special purpose vehicle constituted to hold or own real estate; (b) real estate-related assets, wherever the issuers/assets/securities/units in a property fund are incorporated/located/issued/traded (as the case may be); (c) listed or unlisted debt securities and listed shares of, or issued, by local or foreign non-property corporations; (d) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supranational agency or a Singapore statutory board; and (e) cash and cash equivalent items.

No.	Nature of disclosure	Disclosure
		(iv) Pursuant to paragraph 7.1 of the Property Funds Appendix, DHLT is required to comply with the following restrictions and requirements: (a) at least 75% of DHLT's deposited property (as defined in the Property Funds Appendix) should be invested in income-producing real estate; (b) DHLT should not undertake property development activities whether on its own, in a joint venture with others, or by investing in unlisted property development companies, unless DHLT intends to hold the developed property upon completion. For this purpose, property development activities do not include refurbishment, retrofitting and renovations; (c) DHLT should not invest in vacant land and mortgages (except for mortgage-backed securities). This prohibition does not prevent DHLT from investing in real estate to be built on vacant land that has been approved for development or other uncompleted property developments; (d) the total contract value of property development activities undertaken and investments in uncompleted property developments should not exceed 10% of DHLT's deposited property. The total contract value of property development activities may exceed 10% of DHLT's deposited property (subject to a maximum of 25%) only if: (i) the additional allowance of up to 15% is utilised solely for the redevelopment of an existing property that has been held by DHLT for at least three years and which DHLT will continue to hold for at least three years after the completion of the redevelopment; and (ii) DHLT obtains the specific approval of Unitholders' at a general meeting for the redevelopment of the property. For the purpose of this paragraph (d), the value of the investment refers to the contracted purchase price and not the value of progress payments made to date; and

No.	Nature of disclosure	Disclosure
		(e) for investments in permissible investments under subparagraphs (ii)(c), (ii)(d) or (ii)(e) above (except for deposits placed with eligible financial institutions and investments in high-quality money market instruments or debt securities), not more than 5% of DHLT's deposited property may be invested in any one issuer's securities or any one manager's funds.
8.	Circumstances in which the AIF may use leverage.	Pursuant to paragraph 9.1 of the Property Funds Appendix, DHLT may use borrowings for investment or redemption purposes. It may mortgage its assets to secure such borrowings.
9.	Types and sources of leverage permitted and associated risks.	Under Guidance Note 1 of paragraph 9.1 of the Property Funds Appendix, "*borrowings*" include guarantees, bonds, notes, syndicated loans, bilateral loans or other debt. Please refer to the section entitled "Risk Factors" of this Prospectus for the risks factors relating to leverage entitled "Risks Relating to DHLT's Business and Operations – The amount DHLT may borrow is limited, which may affect the operations of DHLT." and "– DHLT may face risks associated with debt financing and the Loan Facilities and the debt covenants could limit or affect DHLT's operations.".
10.	Any restrictions on the use of leverage.	Pursuant to paragraph 9.2 of the Property Funds Appendix, prior to 1 January 2022, the aggregate leverage of DHLT should not exceed 50.0% of the value of the Deposited Property at the time the borrowing is incurred. On or after 1 January 2022, the aggregate leverage limit is 45% of the Deposited Property, and DHLT's aggregate leverage may exceed this limit (up to a maximum of 50%) only if DHLT has a minimum adjusted interest coverage ratio[1] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.
11.	Any restrictions on the use of collateral and asset reuse arrangements.	Pursuant to paragraph 9.1 of the Property Funds Appendix, DHLT may mortgage its assets to secure borrowings which are used for investment or redemption purposes.

1 "**Adjusted interest coverage ratio**" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

No.	Nature of disclosure	Disclosure
		In connection with such collateral, DHLT's assets would be given in security only and can be appropriated to the satisfaction of payment of outstanding borrowings by DHLT to the relevant chargees/mortgagees, and not by way of transfer of title or possession of the assets to such chargees/mortgagees (as opposed to, for example, a prime broker to whom securities are pledged and who can use them for securities lending purposes); DHLT would continue to have the rights to possess and enjoy its assets, including leasing of its real properties; and there would be no arrangement under which such collaterals and assets may be reused by the relevant chargees/mortgagees. DHLT is permitted under the Trust Deed to mortgage its assets to to secure the payment of any moneys or the performance of any obligation whatsoever or howsoever arising of any person upon such terms and conditions as the Manager may think fit.
12.	Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF.	Please refer to the disclosure in paragraph 10 of this Appendix I above.
FUND 3.2.2.(2)		
13.	Procedure by which the AIF may change its investment strategy or policies, or both.	The investment strategy of DHLT shall be determined by the Managers from time to time at its absolute discretion subject to the terms of the Trust Deed. In accordance with the requirements of the Listing Manual, the Manager's investment strategy will be adhered to for at least three years following the Listing Date unless changed by Extraordinary Resolution of Unitholders passed at a general meeting. Upon the expiry of three years from the Listing Date, the Manager may from time to time change its investment policies for DHLT so long as it has given not less than 30 days' prior notice of the change to the Trustee and the Unitholders by way of an announcement through SGXNET. The Manager is also required under the Code on Collective Investment Schemes to notify the MAS of any significant change of DHLT's investment strategy not later than one month before the change is to take effect.

No.	Nature of disclosure	Disclosure
FUND 3.2.2(3)		
14.	Main legal implications of the contractual relationship entered into for the purposes of investment (including jurisdiction, applicable law and the existence or not of any legal instruments providing for the recognition and enforcement of judgements in the territory where the AIF is established).	Investors who have acquired or subscribed for Units in DHLT are Unitholders. The rights and interests of Unitholders are provided for in the Trust Deed which is governed by the laws of Singapore. The terms and conditions of the Trust Deed shall be binding on each Unitholder as if such Unitholder has been a party to the Trust Deed and as if the Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed and an authorisation by each Unitholder to do all such acts and things as the Trust Deed may require the Trustee or the Manager (as the case may be) to do. A Unitholder has no equitable or proprietary interest in the underlying assets of DHLT. A Unitholder is not entitled to the transfer to him of DHLT's deposited property or any part of DHLT's deposited property or of any estate or interest in the deposited property or in any part of the deposited property. There is no single legal regime in Singapore governing the recognition and enforcement of foreign judgements in Singapore. Rather, under Singapore law, there exists common law, and statutory mechanisms for the recognition and enforcement of foreign judgements in Singapore. Each of these is subject to its own procedures and qualifications and whether a judgement given in a foreign court will be enforced in Singapore must be considered in light of the relevant factors in each case, including the applicable regime under which such judgement was given, the specific jurisdiction where such judgement was given and whether the requirements for recognition and enforcement of the foreign judgement have been satisfied. The Trust Deed is available for inspection by investors and prospective investors at the registered office of the Managers for as long as DHLT is in existence. Prior appointment with the Manager will be appreciated.
FUND 3.2.2(4)		
15.	The identity of the AIFM.	The Manager, Daiwa House Asset Management Asia Pte. Ltd., is incorporated in Singapore under the Companies Act, Chapter 50 of Singapore on 20 November 2020. As at the date of this Prospectus, the issued share capital of the Manager is S$6,000,000 comprising 6,000,000 ordinary shares. Its principal place of business is 8 Marina View, #14-09, Asia Square Tower 1, Singapore 018960, and its telephone number is +65 6202 0486.

No.	Nature of disclosure	Disclosure
		The Manager will be categorised as an "*alternative investment fund manager*" (as defined in the UK AIFMR) and the agents appointed by the Managers will conduct the marketing of DHLT in the United Kingdom in accordance with the requirements of the UK AIFMR and applicable regulations.
16.	The identity of the AIF's depositary, a description of their duties and the investors' rights.	DHLT's depository and clearing organisation is the CDP, a corporation established under the laws of Singapore. For the avoidance of doubt, investors are expressly notified that this entity does not constitute a depositary within the meaning of the UK AIFMR; DHLT is not obliged to appoint an UK AIFMR depositary and CDP is not obliged to comply with the requirements of the UK AIFMR. The contact details of CDP are as follows: Address : 9 North Buona Vista Drive #01-19/20, The Metropolis Singapore 138588 Telephone No. : +65 6535 7511
17.	The identity of the AIF's auditor, a description of their duties and the investors' rights.	DHLT's reporting auditor is Ernst & Young LLP (the "**Independent Auditor**"). The contact details of the Independent Auditor are as follows: Address : One Raffles Quay North Tower, Level 18, Singapore 048583 Telephone No. : +65 6535 7777 The Independent Auditor was responsible for preparing the Reporting Auditor's Report on the Profit Forecast and Profit Projection and the Reporting Auditor's Report on the Unaudited Pro Forma Consolidated Financial Information, set out in Appendix A and Appendix B of this Prospectus, respectively. The Independent Auditor has given and has not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their respective reports in this Prospectus. Pursuant to Section 254 and Section 302 of the SFA, the Independent Auditor shall be liable to compensate any person who suffers loss or damage as a result of a false or misleading statement made by them in the Prospectus, which includes their reports as set out in Appendix A and Appendix B of this Prospectus.

No.	Nature of disclosure	Disclosure
		Save for the above and without prejudice to any potential right of action in tort or any potential derivative action, investors in DHLT may not have a direct right of recourse against the Independent Auditor as such a right of recourse will lie with the relevant contracting counterparty (in this case being the Manager and the Trustee) rather than the investors. Any contractual claim, demand or action against the Independent Auditor may, in the absence of any derivative action, be brought only by the Manager and/or the Trustee. In the event that an investor in DHLT considers that it may have a claim against the Independent Auditor in connection with its investment in DHLT, such investor should consult its own legal advisers.
18.	The identity of any other AIF service providers, a description of their duties and the investors' rights.	<u>Japan Asset Manager</u> DHREIM will be the Japan Asset Manager of DHLT, where it will be appointed as the asset manager of (i) TK Operator (GK1) pursuant to the Asset Management Agreement (GK1), and (ii) DH TMK pursuant to the TMK Asset Management Agreement. Pursuant to the Asset Management Agreement (GK1), DHREIM will provide asset management services to TK Operator (GK1), subject to the overall management and supervision of the Manager. The services provided include: • discretionary investment management services in connection with acquisition and divestment opportunities in relation to equity interests in property-holding SPCs, including gathering and analysis of market information; • identify acquisition and divestment opportunities for the TK Operator (GK1), conduct due diligence in respect of these investments and prepare the relevant documentation and proposals; • master lease related services; and • perform its duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of the TK Operator (GK1) and the TK investor thereof (i.e. SG SPC 2).

No.	Nature of disclosure	Disclosure
		Pursuant to the TMK Asset Management Agreement, DHREIM will provide asset management services in respect of the TMK Properties and the TK interests in TK Operator (GK2), subject to the overall management and supervision of the Manager. The services provided include: • advisory services in connection with acquisition and divestment opportunities in relation to properties to be acquired by DHLT, including gathering and analysis of market information; • identify acquisition and divestment opportunities for DH TMK, conduct due diligence in respect of these investments and prepare the relevant documentation and proposals; • take steps to give effect to any decision by DH TMK to dispose of TMK assets, for example, by preparing a disposal plan; • provide such notification to the TK Operator of any decision by DH TMK to dispose of GK assets and make reasonable efforts to dispose of GK assets, for example, by preparing a disposal plan; and • perform its duties with the care of a good custodian (*zenryou naru kanrisha no chui*) and with the duty of loyalty (*chujitsu gimu*) for the benefit of DH TMK and the shareholders thereof. Investors in DHLT may not have a direct contractual right of recourse against the Japan Asset Manager as such a right of recourse will lie with the relevant contracting counterparty (being TK Operator (GK1) in relation to the Asset Management Agreement (GK1) or DH TMK in relation to the TMK Asset Management Agreement) rather than the investors. Any contractual claim, demand or action against any independent professional valuer may, in the absence of any derivative action, be brought only by the relevant contracting counterparty (being TK Operator (GK1) in relation to the Asset Management Agreement (GK1) or DH TMK in relation to the TMK Asset Management Agreement).

No.	Nature of disclosure	Disclosure
		Property Manager Daiwa House Property Management Co., Ltd. (the "**Property Manager**") will be appointed as the property manager of each of the IPO Properties pursuant to the Property Management Agreements. Pursuant to the Property Management Agreements, the Property Manager will directly provide property management, lease management, project management and marketing services in respect of DHLT's properties located in Japan, and its responsibilities include act as the point of contact for the tenants on behalf of the Property Trustee or the Master Lessee and to demand the payment of unpaid rent by the tenants. Investors in DHLT may not have a direct contractual right of recourse against the Property Manager as such a right of recourse will lie with the relevant contracting counterparty (being the Property Trustee or the Master Lessee, as the case may be) rather than the investors. Any contractual claim, demand or action against the Property Manager may, in the absence of any derivative action, be brought only by the relevant contracting counterparty (being the Property Trustee or the Master Lessee, as the case may be). Independent Valuers DHLT will engage independent professional valuers with the appropriate professional qualifications and experience in the location and category of the real estate assets being valued, to conduct a full valuation of its real estate assets at least once per financial year in accordance with the Property Funds Appendix. Generally, where the Manager proposes to issue new Units for subscription (except in the case where new Units are being issued in payment of the Manager's management fees) or to redeem existing Units and DHLT's real estate assets were valued more than six months ago, the Manager should exercise discretion in deciding whether to conduct a desktop valuation of the real estate assets, especially when market conditions indicate that real estate values have changed materially. The Manager or the Trustee may at any other time arrange for the valuation of any of the real properties held by DHLT if it is of the opinion that it is in the best interest of Unitholders to do so.

No.	Nature of disclosure	Disclosure
		Savills Japan Co., Ltd. ("**Savills**") and CBRE K. K. ("**CBRE**", together with Savills, the "**Independent Valuers**") were appointed to conduct independent valuations of the 14 logistics properties comprising the IPO Portfolio as at 30 June 2021. Valuation reports were issued by Savills and CBRE in respect of their respective engagements, and the independent property valuation summary reports by both Savills and CBRE can be found in **Appendix E** of this Prospectus. Savills and CBRE have each given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their respective reports in this Prospectus. Pursuant to Section 254 and Section 302 of the SFA, each of Savills and CBRE shall be liable to compensate any person who suffers loss or damage as a result of a false or misleading statement made by them in the Prospectus, which includes their respective valuation reports as set out in **Appendix E** of this Prospectus. Save for the above and without prejudice to any potential right of action in tort or any potential derivative action, investors in DHLT may not have a direct contractual right of recourse against the valuers as such a right of recourse will lie with the relevant contracting counterparty (such as the Manager or the Trustee, as the case may be) rather than the investors. Any contractual claim, demand or action against any Independent Valuer may, in the absence of any derivative action, be brought only by the relevant contracting counterparty (such as the Manager or the Trustee, as the case may be). <u>Tax Adviser</u> EY Corporate Advisors Pte. Ltd. (the "**Independent Tax Adviser**") has been engaged to prepare the Independent Taxation Report found in Appendix D of this Prospectus. The Independent Tax Adviser has given and have not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of their names and their respective reports in this Prospectus. Pursuant to Section 254 and Section 302 of the SFA, the Independent Tax Adviser shall be liable to compensate any person who suffers loss or damage as a result of a false or misleading statement made by them in the Prospectus, which includes their taxation reports as set out in Appendix D of this Prospectus.

No.	Nature of disclosure	Disclosure
		Save for the above and without prejudice to any potential right of action in tort or any potential derivative action, investors in DHLT may not have a direct right of recourse against the Independent Tax Adviser as such a right of recourse will lie with the relevant contracting counterparty (such as the Manager or the Trustee, as the case may be) rather than the investors. Any contractual claim, demand or action against any tax adviser may, in the absence of any derivative action, be brought only by the relevant contracting counterparty (such as the Manager or the Trustee, as the case may be). <u>Compliance Officer</u> The Manager has outsourced its compliance function to KPMG Services Pte. Ltd. ("**KPMG**"). KPMG will provide compliance support services and assist the Manager in certain compliance functions, which include: • highlighting deficiencies and/or recommending suitable compliance processes for the Manager to comply with the regulatory requirements under the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual, the CMS Licence, and applicable laws, regulations, notices and guidelines; • updating and providing training to the Directors and employees of the Manager on such compliance requirements as and when required by the Manager; and • reviewing returns to the MAS as required under the SFA. Investors in DHLT may not have a direct right of recourse against KPMG or any other outsourced compliance service provider as such a right of recourse will lie with the relevant contracting counterparty, being the Manager, rather than the investors. Any contractual claim, demand or action against the outsourced compliance service provider may, in the absence of any derivative action, be brought only by the relevant contracting counterparty, being the Manager. Further, in circumstances where an affiliate or third party delegate is appointed by the Manager or the Trustee, any contractual claim, demand or action against such delegate may, in the absence of any derivative action, be brought only by the Manager and/or the Trustee.

No.	Nature of disclosure	Disclosure
		In the event that an investor in DHLT considers that it may have a claim against any of the service providers described above in connection with its investment in DHLT, such investor should consult its own legal advisers.
FUND 3.2.2(5)		
19.	Description of how the AIFM complies with the requirements to cover professional liability risks (own funds/professional indemnity insurance).	The Manager is required to satisfy the base capital requirement of S$1.0 million for its regulated activity of REIT management as per Regulation 3 read with the First Schedule of the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations of Singapore. As set out in the disclosure in paragraph 15 above, as at the Latest Practicable Date, the issued share capital of the Manager is S$6,000,000 comprising 6,000,000 ordinary shares. In addition, the Manager maintains professional indemnity insurance coverage for the liability of its Directors and officers.
FUND 3.2.2(6)		
20.	Description of any delegated management function (such as portfolio management or risk management) by the AIFM to third parties, the identity of the delegate(s) and any conflicts of interest that may arise from such delegation(s).	Pursuant to the Trust Deed, the Manager may, with the written consent of the Trustee, delegate certain of its duties in carrying out and performing the duties and obligations on its part in relation to DHLT, provided that the Manager shall be liable for all acts and omissions of such persons as if such acts or omissions were its own acts or omissions. As disclosed in paragraph 18 of this Appendix I above, the functions of asset management and property management of the IPO Properties which are located in Japan is undertaken by the Japan Asset Manager and the Property Manager respectively.

No.	Nature of disclosure	Disclosure
		The Japan Asset Manager and the Property Manager are wholly-owned subsidiaries of the Sponsor, which will hold 14% of the issued Units of DHLT upon Listing, subject to the exercise of the Over-Allotment Option. The Sponsor is considered an "interested person" under the Listing Manual of the SGX-ST and an "interested party" under the Property Funds Appendix. The Manager is also a wholly-owned subsidiary of the Sponsor. (See risk factor entitled "*Risk Factor – Risk Relating to DHLT's Business and Operations – The Manager, Japan Asset Manager and Property Manager are or may be wholly-owned subsidiaries of the Sponsor. There may be potential conflicts of interest between DHLT and these entities*" set out in this Prospectus.) The following principles and procedures have been established to deal with potential conflicts of interest which the Manager (including its Directors, executive officers and employees) may encounter in managing DHLT: (i) the management team of the Manager includes key executives with a strong track record in asset and investment management strategy, and who have extensive experience and strong capabilities to be able to independently source for suitable investments for DHLT; (ii) the Manager will not manage any other REIT which invests in the same type of properties as DHLT; (iii) all executive officers will be working exclusively for the Manager and will not hold other executive positions in other entities, save for any wholly-owned subsidiaries of the Manager; (iv) all resolutions in writing of the Directors in relation to matters concerning DHLT must be approved by at least a majority of the Directors (excluding any interested Director), including at least one independent director;

No.	Nature of disclosure	Disclosure
		(v) at least one-third of the Board shall comprise independent directors, provided that where (i) the Chairman and the Chief Executive Officer are the same person, (ii) the Chairman and the Chief Executive Officer are immediate family members, (iii) the Chairman is part of the management team or (iv) the Chairman is not an independent director, at least half the Board shall comprise independent directors; (vi) in respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the directors and must exclude such interested director; (vii) in respect of matters in which the Sponsor and/or their subsidiaries have an interest, direct or indirect, for example, in matters relating to (1) potential acquisitions of additional properties or property-related investments by DHLT in competition with the Sponsor and/or their subsidiaries, and (2) competition for tenants between properties owned by DHLT and properties owned by the Sponsor and/or their subsidiaries, any nominees appointed by the Sponsor and/or their subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the independent directors and must exclude nominee directors of the Sponsor and/or their subsidiaries; (viii) save as to resolutions relating to the removal of the Manager, the Manager and its associates (as defined in the Listing Manual) are prohibited from voting or being counted as part of a quorum for any meeting of the Unitholders convened to approve any matter in which the Manager and/or any of its associates (as defined in the Listing Manual) has a material interest; and

No.	Nature of disclosure	Disclosure
		(ix) it is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of DHLT with a Related Party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of DHLT, has a *prima facie* case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors (including the Independent Directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of DHLT with a Related Party of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of the Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party. The Manager has established an internal control system to ensure that all future Related Party Transactions will be undertaken on normal commercial terms and will not be prejudicial to the interests of DHLT. Separately, it is noted that DHREIM, being the Japan Asset Manager of DH TMK and TK Operator (GK2), may face conflicts of interest (for instance, when a conflicting divestment opportunity arises in respect of both TMK Properties and GK2 Properties). However, due to the fact that the sole investor of TK Operator (GK2) is DH TMK, which are both part and parcel of the property holding structure for DHLT, the risks of conflict is low.

No.	Nature of disclosure	Disclosure
		Similarly, although the Property Manager also manages properties of other Sponsor Group Funds, properties will be assigned and managed by a building manager (being a staff employed by the Property Manager) on a property-by-property basis, which prevents the building manager from cutting corners on less profitable properties and in favour of more profitable properties or using more profitable properties to mask any under-performance of less profitable properties, thereby mitigating any potential conflicts of interest. Each year, every building manager shall generate a business plan, which will include key performance targets, such as target occupancy of each property under their management, which will be approved by the Property Trustee, The Property Trustee will in turn take instructions from the Japan Asset Manager who will make the decision of whether to approve such business plan in consultation with the Manager. Upon approval, the building managers must act based on the business plan, which will be monitored by the Property Manager on a regular basis to ensure that the building managers meet the performance targets set out in the business plan. Further, the performance of the Property Manager is also monitored and supervised by DHREIM as a local asset manager of DH TMK, TK Operator (GK1), and TK Operator (GK2). See section entitled "The Manager and Corporate Governance – Corporate Governance of the Manager – Potential Conflicts of Interest" for further information on potential conflicts of interest faced by DHLT.
21.	Description of any safe-keeping function delegated by the AIF's depositary, the identity of the delegate(s) and any conflicts of interest that may arise from such delegation(s).	This is not applicable as DHLT is not obliged to appoint a depositary within the meaning of the UK AIFMR. Please also see paragraph 16 of this Appendix I above.

No.	Nature of disclosure	Disclosure
FUND 3.2.2(7)		
22.	Description of the AIF's valuation procedure.	Paragraph 8.1 of the Property Funds Appendix requires DHLT to conduct a full valuation of its real estate assets at least once per financial year, in accordance with any applicable code of practice for such valuations. Generally, where the Manager proposes to issue new Units for subscription (except in the case where new Units are being issued in payment of the Manager's management fees) or to redeem existing Units and DHLT's real estate assets were valued more than six months ago, the Manager should exercise discretion in deciding whether to conduct a desktop valuation of the real estate assets, especially when market conditions indicate that real estate values have changed materially. The Manager or the Trustee may at any other time arrange for the valuation of any of the real properties held by DHLT if it is of the opinion that it is in the best interest of Unitholders to do so. DHLT engages independent professional valuers with the appropriate professional qualifications and recent experience in the location and category of the properties being valued. The independent valuers engaged for the most recent valuation of DHLT's real estate assets are: (i) CBRE K.K who valued the IPO Portfolio as of 30 June 2021; and (ii) Savills Valuation and Professional Services (S) Pte Ltd who valued the IPO Portfolio as of 30 June 2021.

No.	Nature of disclosure	Disclosure
23.	Description of the AIF's pricing methodology for valuing assets (including the methods used in valuing hard-to-value assets).	DHLT's real estate assets are initially stated at cost, including transaction costs, and are measured at fair value thereafter, with any change therein recognised in the statement of total return. Fair values are determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent valuers in the following events: (i) in such manner and frequency required under the CIS Code; and (ii) at least once in each period of 12 months following the acquisition of the investment properties. DHLT engages independent professional valuers with the appropriate professional qualifications and recent experience in the location and category of the properties being valued to determine the fair value of the properties in its portfolio. The fair values were generally calculated using the Income Approach. The two primary income approaches that may be used are the Discounted Cash Flow and the Direct Capitalisation Method. 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. 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 judgment and is satisfied that the valuation methods and estimates used are reflective of the current market conditions. The independent valuations of the 14 logistics properties in the IPO Portfolio as at 30 June 2021 undertaken by Savills and Colliers were based on the discounted cash flow method, direct capitalisation method and the direct sales comparison method in arriving at the market value as at 30 June 2021.

No.	Nature of disclosure	Disclosure
FUND 3.2.2(8) and Article 23(1)(h)		
24.	Description of the AIF's liquidity risk management (including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors).	Liquidity risk is the risk that DHLT and its subsidiaries 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 and maintains sufficient cash on demand to meet expected operational expenses for a reasonable period including the servicing of financial obligations. In addition, the Manager monitors and observes the limitations imposed by the Property Funds Appendix on DHLT's aggregate leverage. For so long as the Units are listed and traded on the SGX-ST, the Unitholders have no right to request the Manager to repurchase or redeem their Units. Unitholders may only deal in their listed Units through trading on the SGX-ST.
FUND 3.2.2(9) and Article 23(1)(i)		
25.	Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors.	Please refer to the section entitled "Overview – Certain Fees and Charges" of this Prospectus.
FUND 3.2.2(10), (11)		
26.	Description of how the AIFM ensures a fair treatment of investors and details of any preferential treatment received by investors (including where the right to obtain preferential treatment exists, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM).	No unfair or preferential treatment is afforded to any Unitholder. Under the Trust Deed, every Unit carries the same voting rights. DHLT has only issued one class of units, and as a result all Unitholders will be treated equally with respect to DHLT. The Trust Deed provides that in relation to any rights issue or preferential offering, the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. In such event, the rights or entitlements to the Units of such Unitholders will be offered for sale by the Manager, and the proceeds of any such sale if successful will be paid to the relevant Unitholder. See the risk factor entitled "Risk Factors – Risks Relating to an Investment in the Units – Foreign Unitholders may not be permitted to participate in future rights issues or entitlements offerings by DHLT" in this Prospectus.

No.	Nature of disclosure	Disclosure
FUND 3.2.2(14)		
27.	The latest annual report prepared for the AIF (to include, at a minimum: (i) a balance sheet or statement of assets and liabilities; (ii) any income and) expenditure report for the financial year; (iii) a report on the activities of the financial year; (iv) any material changes in Article 23 disclosures during the financial year covered by the report; (v) the total amount of remuneration for the financial year, split into fixed and variable remuneration, paid by the AIFM to its staff, and number of beneficiaries, and, where relevant, carried interest paid by the AIF; and (vi) the aggregate amount of remuneration broken down by senior management and members of staff of the AIFM whose actions have a material impact on the risk profile of the AIF).	This is not applicable as DHLT has yet to issue its first annual report.

No.	Nature of disclosure	Disclosure
FUND 3.2.2(12)		
28.	The procedure and conditions for the issue and sale of units or shares.	Pursuant to the Trust Deed, the Manager shall have the exclusive right to effect for the account of DHLT the issuance of Units. The issuance of any Units by the Manager must be in compliance with the Listing Manual of the SGX-ST and the Trust Deed, which sets out the approvals required from Unitholders and the restrictions on the price of the Units to be issued. For so long as the Units are listed and traded on the SGX-ST, the Unitholders have no right to request the Manager to repurchase or redeem their Units. Unitholders may only deal in their listed Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.
FUND 3.2.2(13)		
29.	The latest net asset value of the AIF or the latest market price of the unit or share of the AIF, calculated in accordance with the law of the country where the AIF is established.	As at the Latest Practicable Date, DHLT does not hold any substantial assets as it will only acquire the IPO Portfolio on or around the Listing Date. The pro forma NAV per Unit as at the Listing Date is S$0.76, after giving effect to the total number of 675,000,000 Units in issue immediately after completion of the Offering. Upon the listing of DHLT on the SGX-ST, the unit price will be publicly available on the SGX-ST website, https://daiwahouse-logisticstrust.com, and from financial information vendors.
FUND 3.2.2(15)		
30.	Details of the historical performance of the AIF (where available).	As DHLT was constituted on 2 November 2021, and DHLT will only complete the acquisition of the IPO Portfolio on or around the Listing Date, there is no meaningful historical performance track record of DHLT. However, please refer to the unaudited pro forma consolidated financial information of DHLT for the years ended 31 December 2018, 2019 and 2020 and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020 and the six months ended 30 June 2021 of DHLT which can be found in the section entitled “Unaudited Pro Forma Consolidated Financial Information” of this Prospectus.

No.	Nature of disclosure	Disclosure
FUND 3.2.2(16)		
31.	The identity of the prime broker.	This is not applicable.
32.	Description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed.	This is not applicable.
33.	Details of the provision in the contract with the AIF's depositary on the possibility of transfer and reuse of AIF assets.	This is not applicable.
34.	Information about any transfer of liability to the prime broker that may exist.	This is not applicable.
FUND 3.2.2(17)		
35.	Details of how and when the AIFM will provide reports on the following topics to its investors in relation to each EU AIF that it manages and each AIF that it markets within the EU: (i) the percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature; (ii) any new arrangements for managing the liquidity of the AIF; and (iii) the current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks.	The Manager will make the relevant announcements via SGXNET in the event that there is material information on these topics to be disclosed in accordance with the prevailing listing rules of the SGX-ST and such announcements are accessible via the SGX-ST's website at http://www.sgx.com. Such announcements will also be published on DHLT's corporate website (https://daiwahouse-logisticstrust.com) and will be publicly available to all investors.

No.	Nature of disclosure	Disclosure
36.	Details of how and when the AIFM will (when managing EU AIFs employing leverage or marketing in the EU AIFs employing leverage) will disclose, for each AIF, on a regular basis: (i) any changes to the maximum level of leverage which the AIFM may employ on behalf of the AIF as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement; and (ii) the total amount of leverage employed by that AIF.	The Manager will make periodic disclosures about DHLT's aggregate leverage, where applicable, during the periodic financial reporting of DHLT as required under the SGX-ST Listing Manual, and such information will be made available to investors via the announcements released on SGXNET or the published annual reports. Please refer to the disclosure in paragraph 10 above on the permitted maximum level of leverage as stated in the Property Funds Appendix which is applicable to DHLT. Any changes to the Property Funds Appendix (as far as maximum level of leverage is concerned) may be communicated by way of publication of notices on the MAS website which can be found at http://www.mas.gov.sg/. The expected leverage ratio of DHLT as at the Listing Date determined in accordance with: (a) the Property Funds Appendix is 43.8%; (b) the gross method under the Commission Delegated Regulation (as defined in the UK AIFMR) is 88.9%; and (c) the commitment method under the Commission Delegated Regulation (as defined in the UK AIFMR) is 88.9%. The leverage ratio under the Property Funds Appendix is calculated using total borrowings divided by Deposited Property, while the leverage ratios under the gross and commitment methods under the UK AIFMR are calculated using the components of these methods to determine DHLT's exposure divided by net assets. After the repayment of the Consumption Tax Loan, the expected leverage ratio of DHLT determined in accordance with the Property Funds Appendix is expected to drop to approximately 36.9%. No historical financial statement of DHLT has been prepared or disclosed in this Prospectus. As the capital structure of DHLT will be significantly changed as a result of the Offering, it is immaterial to show any leverage figures prior to the Listing. Therefore, the leverage ratios disclosed above are determined by the management of the Manager which would have taken into account the Offering and debt facilities (including the Perpetual Securities for paragraphs (b) and (c) above) which will be drawn down or issued on or around the Listing Date and will be more meaningful to investors investing in DHLT.

No.	Nature of disclosure	Disclosure
		Changes to the total amount of leverage calculated based on the above will be publicly disclosed by DHLT on a half-yearly basis in its half-yearly results announcements on the SGXNET.

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DAIWA HOUSE LOGISTICS TRUST

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**Mizuho Securities (Singapore) Pte. Ltd. and SMBC Nikko Capital Markets Limited are Joint Bookrunners and Underwriters in connection with the Placement Tranche only and are not Joint Bookrunners or Underwriters in connection with the Public Offer. SMBC Nikko Capital Markets Limited and its affiliates have not engaged and will not engage in any marketing and/or offering of any Offering Units in DHLT (including procuring subscribers for any of the Offering Units) to any investor in Singapore.*

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TRUSTEE OF DHLT
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Legal Adviser to the Manager and the Sponsor as to Japanese Law
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Independent Tax Adviser
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CBRE K.K.
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Savills Valuation and Professional Services (S) Pte Ltd
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DPL Sendai Port - Miyagi, Tohoku region

DPL Kawasaki Yako - Kanagawa, Greater Tokyo region

D Project Maebashi S - Gunma, Greater Tokyo region

DPL Shinfuji - Shinzuoka, Greater Nagoya region

DPL Sendai Port - Miyagi, Tohoku region

DPL Sapporo Higashi Kariki - Sapporo, Hokkaido region

DPL Kawasaki Yako - Kanagawa, Greater Tokyo region

DPL Okayama Hayashima - Okayama, Chugoku region

Daiwa House Logistics Trust

MANAGED BY
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