

## REAL ESTATE EQUITY RESEARCH

## DAIWA HOUSE LOGISTICS TRUST

SGX: DHLU

Bloomberg: DHLT:SP

ISIN code: SGXC62140063

Country: Singapore

Industry: Logistics, Real Estate

19 December 2025

RECOMMENDATION: HOLD

Current price: S\$0.565

Target price: S\$0.592

Issued units: 700 million (27 November 2025)

Market capitalisation: S\$395.7 million

52-week range: S\$0.530 - S\$0.600

## COMPANY DESCRIPTION

Daiwa House Logistics Trust ("DHLT") is a Singapore Real Estate Investment Trust ("REIT") that invests in logistics and industrial real estate located across Asia. As at 30 September 2025, DHLT's portfolio comprises 18 logistics properties in Japan and one property in Vietnam, with an aggregate Net Lettable Area ("NLA") of 499,128 square metres ("sqm"). DHLT's portfolio was last valued at S\$882 million.

## SUMMARY

For the six months ended 30 June 2025 (1H FY2025), revenue rose by 5.8% to S\$29.2 million in 1H FY2025 from S\$27.6 million in 1H FY2024, amid the full-period contribution from acquisitions D Project Tan Duc 2 and DPL Ibaraki Yuki, and contribution from newly acquired DPL Gunma Fujioka. Net Property Income ("NPI") rose by 6.1% to S\$22.5 million in 1H FY2025 from S\$21.2 million in 1H FY2024, generally in line with the rise in revenue. However, net income before tax and fair value changes fell by 16.6% to S\$14.4 million in 1H FY2025 from S\$17.2 million in 1H FY2024, mainly due to finance expenses rising by S\$1.5 million year-on-year ("y-o-y") and other income falling by S\$3.3 million y-o-y. Total return for the period (attributable to unitholders) fell by 28.8% (29.6%) to S\$10.1 million (S\$9.7 million) in 1H FY2025 from S\$14.1 million (S\$13.7 million) in 1H FY2024. Accordingly, Earnings Per Unit ("EPU" in cents) fell by 29.4% to 1.44 in 1H FY2025 from 2.04 in 1H FY2024. Dividend Per Unit ("DPU" in cents) fell by 8.6% to 2.24 in 1H FY2025 from 2.45 in 1H FY2024.

## RECOMMENDATION

From our peer comparison analysis, DHLT seems to be undervalued in terms of its P/E multiple, P/B multiple, and dividend yield. By averaging our estimated target prices based on P/E multiple, P/B multiple, and dividend yield, we derive an overall target price of S\$0.868. From our historical valuation analysis, DHLT seems to be undervalued in terms of its historical average P/B, but overvalued in terms of its historical average P/E and historical average yield. By averaging our estimated target prices based on historical P/E, historical P/B and historical yield, we derive an overall target price of S\$0.526. As compared against its peers, DHLT seems to be relatively undervalued based on the overall target price of S\$0.868 which implies an upside potential of 53.7%. However, DHLT's unit price may not rise to the overall target price of S\$0.868 as DHLT's historical maximum P/E (12.8x) and P/B (0.95x) are lower than the peer average P/E (26.8x) and P/B (1.06x), respectively, while DHLT's historical minimum yield (8.11%) is higher than the peer average yield (6.46%). Yet, we do not expect DHLT's unit price to fall below its current price as implied by the overall target price of S\$0.526, as DHLT seems to be relatively undervalued as compared with its peers. Thus, by averaging the target prices based on peer comparison and historical valuation, we derive an overall target price of S\$0.697 which implies an upside potential of 23.4% from the current unit price of S\$0.565.

We also note that DHLT's market capitalisation as at 19 December 2025 is smaller than those of the six peers we selected. Shares or units of smaller firms may have a lower trading volume and thus may be subject to an illiquidity discount. The illiquidity discount for a private firm could be between 20–30%. As DHLT is a publicly listed REIT, we apply a smaller illiquidity discount of 15% to reflect the higher risks involved in investing in DHLT's units which may be less liquid than its peers. Thus, we derive our final target price of S\$0.592 which implies an upside potential of 4.9% from the current unit price of S\$0.565. The limited upside potential may be supported by the contrast between DHLT's favourable comparison against its peers and the projected fall in DPU (in cents) by 5.0% to 4.55 in FY2026 from 4.79 in FY2024. Thus, given the limited upside potential after factoring an illiquidity discount, we recommend a hold. We also recognise that there are risks to the target price such as the continued depreciation of Japanese Yen ("JPY") against Singapore Dollar ("SGD"), continued raising of interest rates by the Bank of Japan ("BOJ"), and rising geopolitical tension between Japan & China.

KEY FINANCIALS	Revenue	Earnings <sup>(1)</sup>	EPU <sup>(2)</sup>	P/E	DPU	Dividend Yield	NAV per Unit	P/B
Year ended 31 Dec	(S\$ million)	(S\$ million)	(cents)	(x)	(cents)	(%)	(S\$)	(x)
2023 Actual	59.9	42.5	6.26	9.0	5.22	9.24%	0.74	0.76
2024 Actual	57.1	33.9	4.98	11.3	4.79	8.48%	0.69	0.82
<b>2025 Forecast</b>	57.8	19.9	2.96	19.1	4.51	7.99%	n.a.	n.a.
<b>2026 Forecast</b>	57.1	22.7	3.34	16.9	4.55	8.05%	n.a.	n.a.

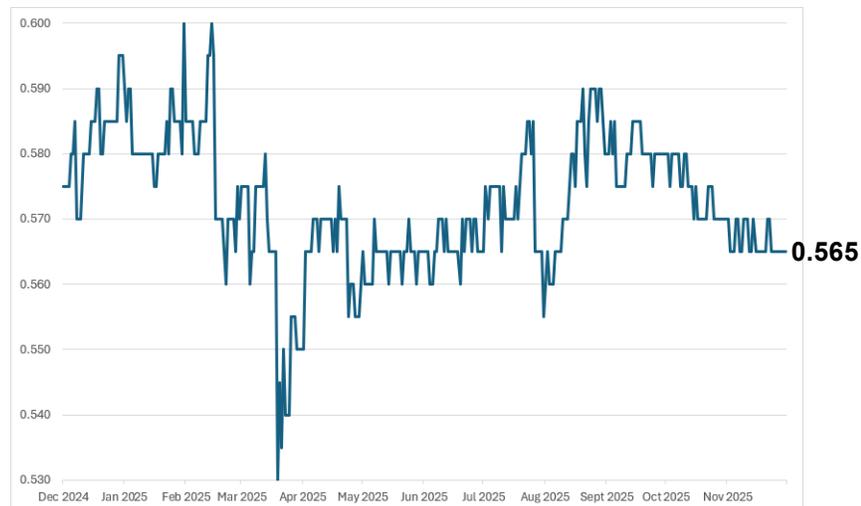
n.a. = not available. Note: P/E, P/B, and dividend yield based on the current unit price of S\$0.565.

<sup>(1)</sup>Total return attributable to Unitholders.

<sup>(2)</sup>Earnings Per Unit as disclosed in DHLT's Annual Reports ("ARs").

Source: DHLT, FPA

## PRICE PERFORMANCE



## TABLE OF CONTENTS

COMPANY OVERVIEW .....	3
(I)    CORPORATE PROFILE .....	3
(II)   PROPERTIES .....	4
(III)  SPONSOR AND MANAGER OF DHLT .....	5
(IV)  CORPORATE STRUCTURE .....	6
(V)   SUBSTANTIAL UNITHOLDINGS .....	7
ECONOMIC & INDUSTRY OUTLOOK .....	8
(I)    JAPANESE ECONOMY .....	8
(II)   JAPANESE LOGISTICS REAL ESTATE .....	12
UNIT PRICE DEVELOPMENTS .....	15
FINANCIAL ANALYSIS .....	16
(I)    FINANCIAL REVIEW .....	16
FINANCIAL PROJECTIONS .....	37
(I)    NPI & REVENUE PROJECTIONS .....	37
(II)   EARNINGS PROJECTION .....	43
VALUATION ANALYSIS .....	57
(I)    PEER COMPARISON ANALYSIS .....	57
(II)   HISTORICAL VALUATION .....	60
POTENTIAL CATALYSTS .....	62
(I)    FASTER-THAN-EXPECTED BACKFILLING OF VACANCIES .....	62
(II)   FURTHER ACQUISITION OF DPU-ACCRETIVE PROPERTIES .....	62
(III)  POTENTIAL RENT INCREASE DURING LEASE RENEWAL(S) OR TENANT REPLACEMENT(S) .....	62
INVESTMENT RECOMMENDATION .....	63
RISKS TO TARGET PRICE .....	64
(I)    CONTINUED DEPRECIATION OF JPY AGAINST SGD .....	64
(II)   CONTINUED RAISING OF INTEREST RATES BY THE BANK OF JAPAN .....	65
(III)  RISING GEOPOLITICAL TENSION BETWEEN JAPAN & CHINA .....	65
CORPORATE GOVERNANCE .....	66
SUSTAINABILITY INFORMATION .....	67
(I)    ENVIRONMENTAL .....	73
(II)   SOCIAL .....	79
(III)  GOVERNANCE .....	80
DISCLOSURES/DISCLAIMERS .....	81

**COMPANY OVERVIEW**

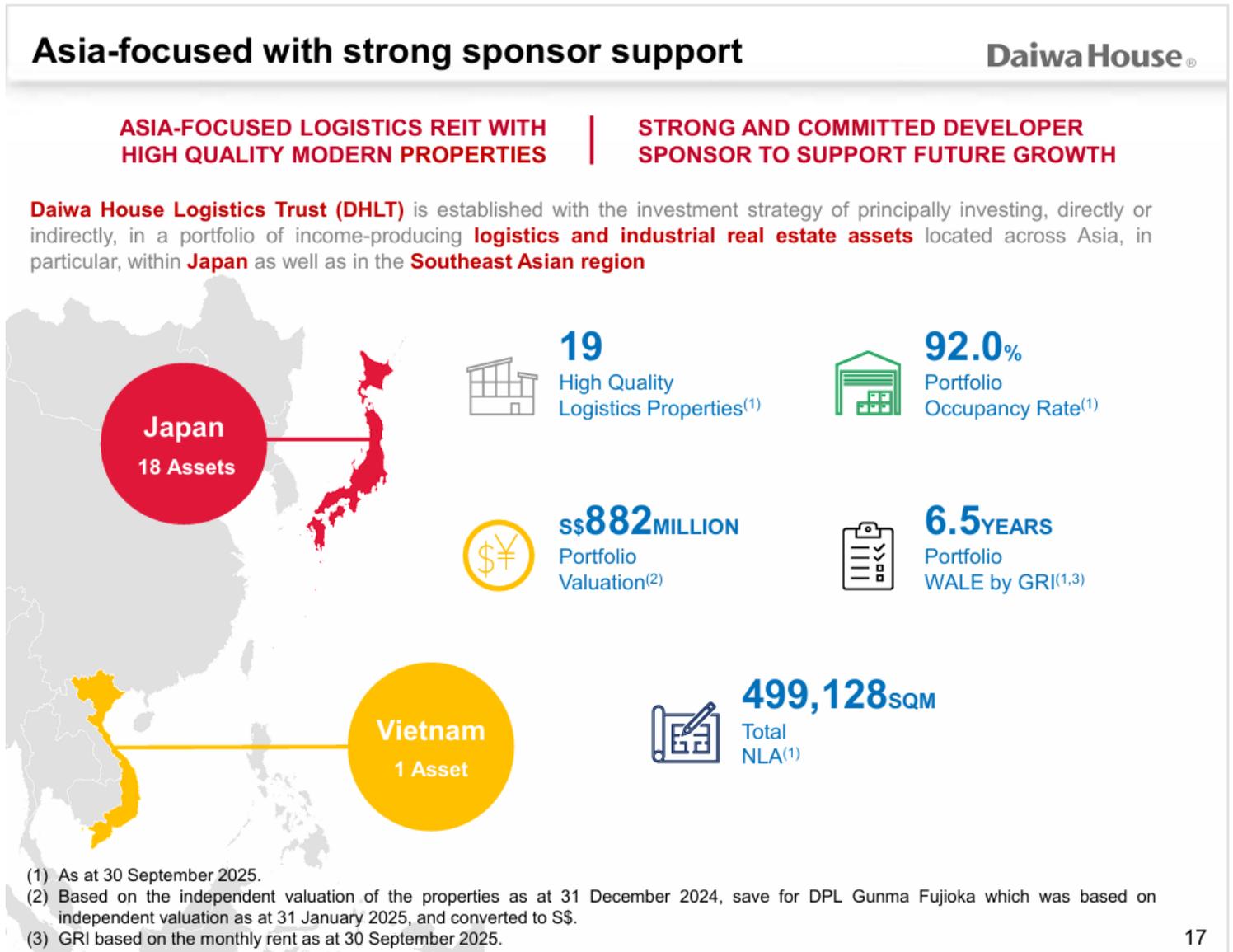
**(I) CORPORATE PROFILE**

Daiwa House Logistics Trust (“DHLT”) is a Singapore Real Estate Investment Trust (“REIT”) that invests in logistics and industrial real estate located across Asia. As at 30 September 2025, DHLT’s portfolio comprises 18 logistics properties in Japan and one property in Vietnam, with an aggregate Net Lettable Area (“NLA”) of 499,128 square metres (“sqm”). DHLT’s portfolio was last valued at S\$882 million. As at 19 December 2025, DHLT’s market capitalisation is S\$395.7 million.

DHLT was listed on the Mainboard of SGX on 26 November 2021 (“Listing Date”).

DHLT summarised its corporate profile as shown in **Exhibit 1**.

**Exhibit 1: DHLT Corporate Profile (as at 30 September 2025)**



Source: DHLT

**(II) PROPERTIES**

DHLT's properties as at 30 September 2025 are shown in **Exhibit 2**.

**Exhibit 2: DHLT's Properties (as at 30 September 2025)****Portfolio Summary****Daiwa House®**

	Completion Year	NLA (sq m)	Land Tenure	Property Type	WALE by GRI <sup>(1)</sup> (years)	Occupancy <sup>(2)</sup>	Valuation <sup>(3)</sup>
<b>JAPAN - Hokkaido / Tohoku</b>							
DPL Sapporo Higashi Kariki	2018	60,347	Freehold	Multi-tenanted	2.5	100.0%	JPY 12,900m
DPL Sendai Port	2017	63,119	Freehold	Multi-tenanted	2.4	50.1%	JPY 13,400m
DPL Koriyama	2019	34,174	Freehold	Multi-tenanted	2.5	74.6%	JPY 6,990m
<b>JAPAN - Greater Tokyo</b>							
D Project Nagano Suzaka S	2018	9,810	Freehold	Single-tenanted	3.1	100.0%	JPY 2,720m
D Project Maebashi S	2018	14,736	Freehold	Single-tenanted	8.1	100.0%	JPY 3,690m
D Project Kuki S	2014	18,257	Expiring 2034	Single-tenanted	8.8	100.0%	JPY 1,090m
DPL Ibaraki Yuki	2023	13,421	Freehold	Multi-tenanted	1.3	100.0%	JPY 3,350m
DPL Gunma Fujioka	2022	22,514	Freehold	Multi-tenanted	5.5 <sup>(4)</sup>	100.0%	JPY 5,210m <sup>(5)</sup>
D Project Misato S	2015	14,877	Expiring 2045	Single-tenanted	9.4	100.0%	JPY 2,220m
D Project Iruma S	2017	14,582	Freehold	Single-tenanted	12.3	100.0%	JPY 4,920m
DPL Kawasaki Yako	2017	93,159	Expiring 2067	Multi-tenanted	9.2	100.0%	JPY 21,400m
<b>JAPAN - Greater Nagoya</b>							
DPL Shinfuji	2017	27,537	Expiring 2065	Multi-tenanted	5.3	100.0%	JPY 3,760m
D Project Kakegawa S	2019	22,523	Freehold	Single-tenanted	8.6	100.0%	JPY 4,550m
<b>JAPAN - Chugoku / Shikoku / Kyushu</b>							
DPL Okayama Hayashima	2017 / 2018	23,541	Expiring 2067	Multi-tenanted	2.1	100.0%	JPY 4,550m
DPL Okayama Hayashima 2	2017	16,750	Expiring 2051	Multi-tenanted	1.3	100.0%	JPY 2,630m
DPL Iwakuni 1 & 2	2016 / 2020	15,461	Freehold	Multi-tenanted	1.7	100.0%	JPY 2,450m
D Project Matsuyama S	1994 / 2017	5,347	Freehold	Single-tenanted	3.9	100.0%	JPY 956m
D Project Fukuoka Tobaru S	2019	10,508	Expiring 2068	Single-tenanted	8.8	100.0%	JPY 1,540m
<b>VIETNAM – Long An (near Ho Chi Minh City)</b>							
D Project Tan Duc 2	2023	18,465	Expiring 2058	Single-tenanted	18.1	100.0%	VND 512,700m

(1) Based on the monthly rent as at 30 September 2025. (2) Based on NLA as at 30 September 2025. (3) Based on the independent valuation of the properties as at 31 December 2024. (4) Assuming the lease is not terminated by the tenant on 31 March 2028 pursuant to its option to terminate under the lease agreement. (5) Based on the independent valuation conducted as at 31 January 2025.

18

Source: DHLT

### (III) SPONSOR AND MANAGER OF DHLT

DHLT's sponsor is Daiwa House Industry Co., Ltd. ("Daiwa House Industry"), which DHLT noted "is one of the largest construction and real estate development companies in Japan." DHLT also noted that Daiwa House Industry "is listed on the Tokyo Stock Exchange ("TSE") with a market capitalisation of JPY3,509 billion (S\$30.6 billion) as of 30 September 2025."

DHLT noted in its Prospectus (dated November 2021) that "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."

DHLT noted though in the Annual General Meeting ("AGM") held in April 2023, "There are some differences in the investment strategy of the sister REITs compared to DHLT, for example, the investment strategy of Daiwa House REIT is to invest mainly in the metropolitan markets in Japan, while DHLT invests in both metropolitan and the regional markets. Further, we believe that Sponsor's strong pipeline of logistics assets is more than sufficient to meet the demands of all four funds including DHLT."

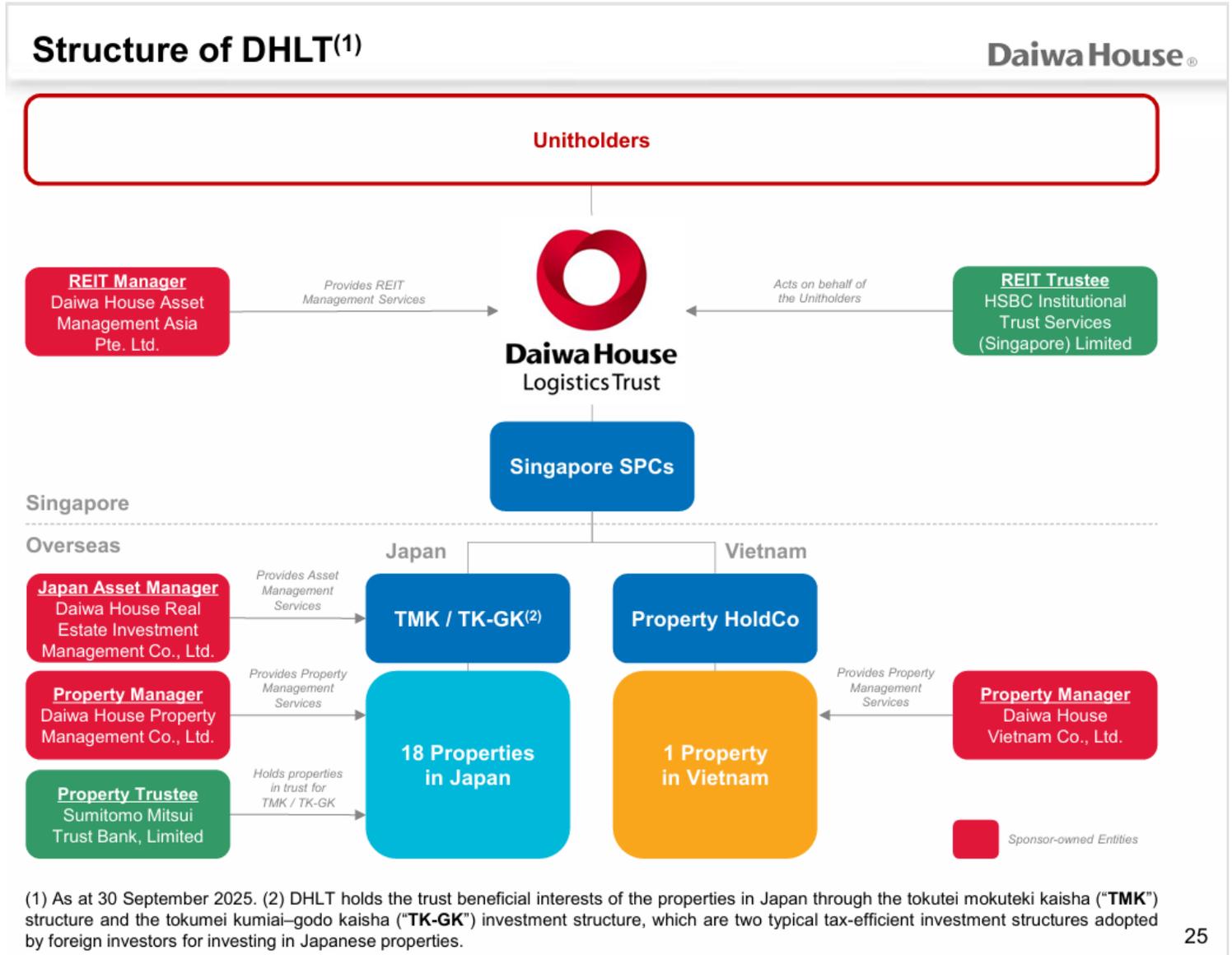
DHLT added, "Under the Sponsor ROFR, DHLT has been granted an exclusive ROFR over the Sponsor's pipeline logistics assets across Asia outside Japan."

DHLT's Manager is Daiwa House Asset Management Asia Pte. Ltd. (the "Manager"). DHLT noted that the Manager is a wholly-owned subsidiary of the Sponsor.

**(IV) CORPORATE STRUCTURE**

DHLT's structure as at 30 September 2025 is shown in **Exhibit 3**.

**Exhibit 3: DHLT's Structure (As at 30 September 2025)**



Source: DHLT

**(V) SUBSTANTIAL UNITHOLDINGS**

As at 27 November 2025, the Manager owns 9.6% total (direct) interest in DHLT.

The Sponsor wholly owns the Manager. Thus, we estimate that, as at 27 November 2025, the Sponsor has 13.4% total (3.8% direct + 9.6% indirect) interest in DHLT.

As at 12 March 2025, Metro ARC Investments Pte. Ltd has 7.4% total (direct) interest in DHLT. Metro ARC Investments Pte. Ltd was one of the cornerstone investors of DHLT's Initial Public Offering ("IPO").

Metro ARC Investments Pte. Ltd is wholly-owned by Metro Holdings Ltd ("Metro"; SGX: M01), a property investment & development group (or otherwise known for their department stores).

Metro's largest shareholder is Eng Kuan Company Private Limited ("Eng Kuan"), which has 22.8% total (direct) interest in Metro as at 28 August 2025.

Ong Ching Ping, Ong Jenn, Ong Ling Ling, and Ong Sek Hian are siblings. They are also grandchildren of the late founder of Metro, Ong Tjoe Kim. The Ong siblings are deemed interested in Eng Kuan.

The unitholdings of substantial unitholders are shown in **Exhibit 4**.

**Exhibit 4: Unitholdings of Substantial Unitholders**

Substantial unitholder	Direct interest		Deemed interest		Total interest		As at
	Units	%	Units	%	Units	%	
Daiwa House Asset Management Asia Pte. Ltd. (the "Manager")	67,525,718	9.6%	-	-	67,525,718	9.6%	27 Nov 2025
Daiwa House Industry Co., Ltd. (the "Sponsor")	26,556,860	3.8%	67,525,718	9.6%	94,082,578	13.4%	27 Nov 2025
Metro ARC Investments Pte. Ltd.	51,625,000	7.4%	-	-	51,625,000	7.4%	12 Mar 2025
Metro Holdings Ltd ("Metro")	-	-	51,625,000	7.4%	51,625,000	7.4%	12 Mar 2025
Eng Kuan Company Private Limited ("Eng Kuan")	-	-	51,625,000	7.4%	51,625,000	7.4%	12 Mar 2025
Ong Ching Ping	-	-	51,625,000	7.4%	51,625,000	7.4%	12 Mar 2025
Ong Jenn	-	-	51,625,000	7.4%	51,625,000	7.4%	12 Mar 2025
Ong Ling Ling	-	-	51,625,000	7.4%	51,625,000	7.4%	12 Mar 2025
Ong Sek Hian	-	-	51,625,000	7.4%	51,625,000	7.4%	12 Mar 2025

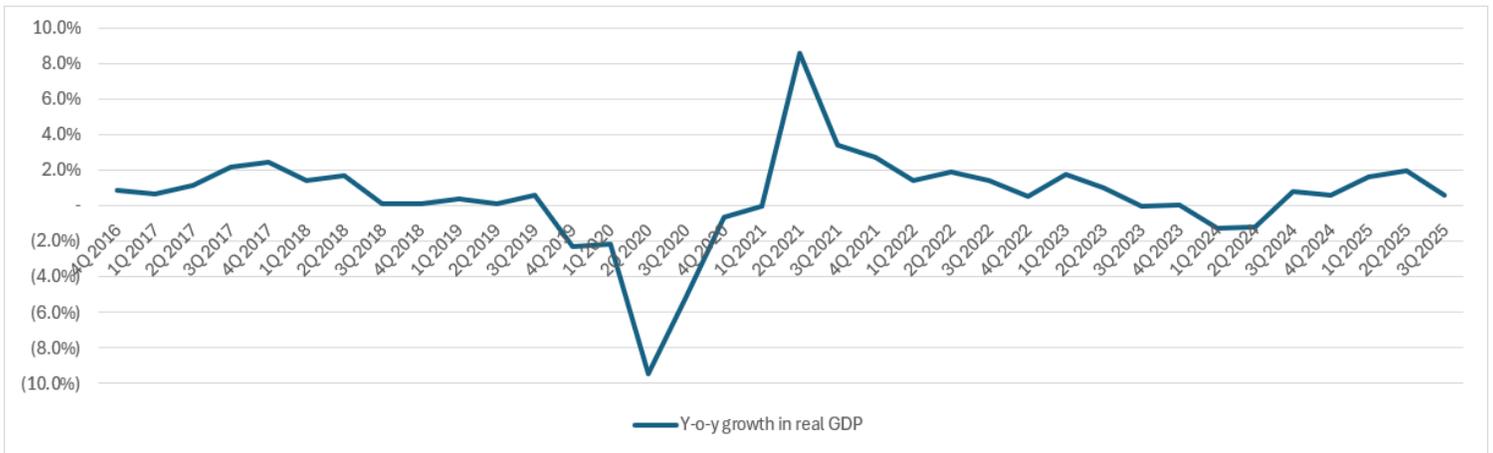
Source: DHLT, FPA

**ECONOMIC & INDUSTRY OUTLOOK**

**(I) JAPANESE ECONOMY**

In December 2025, the Japanese Cabinet Office published that real GDP rose by 0.6% year-on-year (“y-o-y”) in 3Q 2025, down from an increase of 2.0% y-o-y in 2Q 2025. Based on data from the Cabinet Office, annual real GDP growth generally remained at 2.0% or less after the post-pandemic improvement in growth, as shown in **Exhibit 5**.

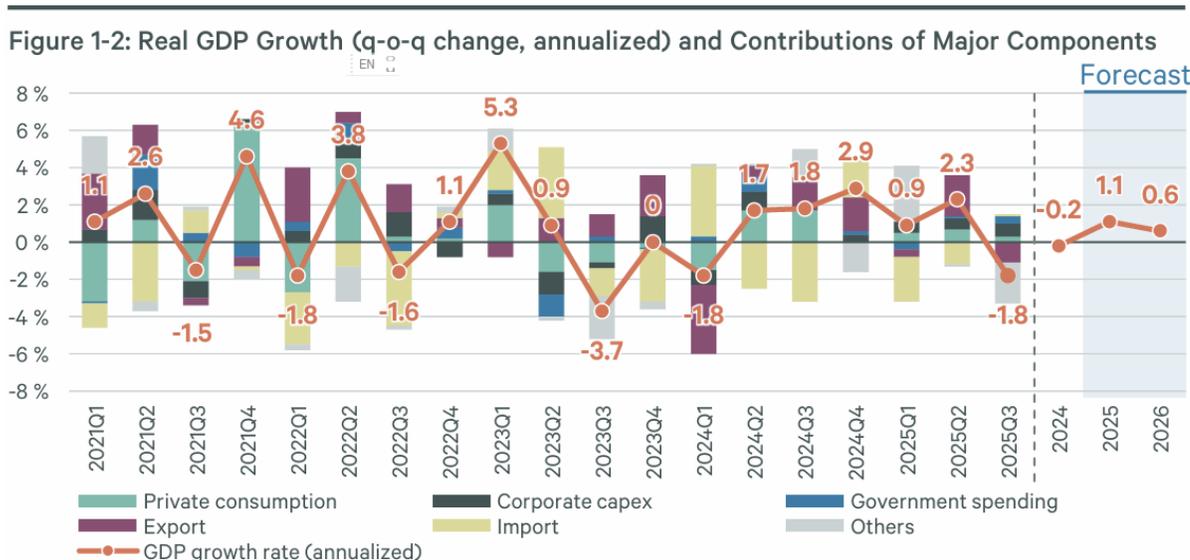
**Exhibit 5: Annual Real GDP Growth (4Q 2016 to 3Q 2025)**



Source: Cabinet Office, FPA

Referencing annualised quarterly GDP growth rates, real estate firm CBRE noted in December 2025 that “Japan recorded positive real GDP growth for five consecutive quarters from Q2 2024 to Q2 2025.” CBRE added that “While real GDP dropped by 1.8% q-o-q in Q3 2025 (first preliminary estimate), private consumption and corporate capital investment continued to make positive contributions, suggesting that the economy is continuing to recover gradually.”

**Exhibit 6: Annualised Quarterly GDP Growth (1Q 2021 to 3Q 2025; Projected for 2025 & 2026)**

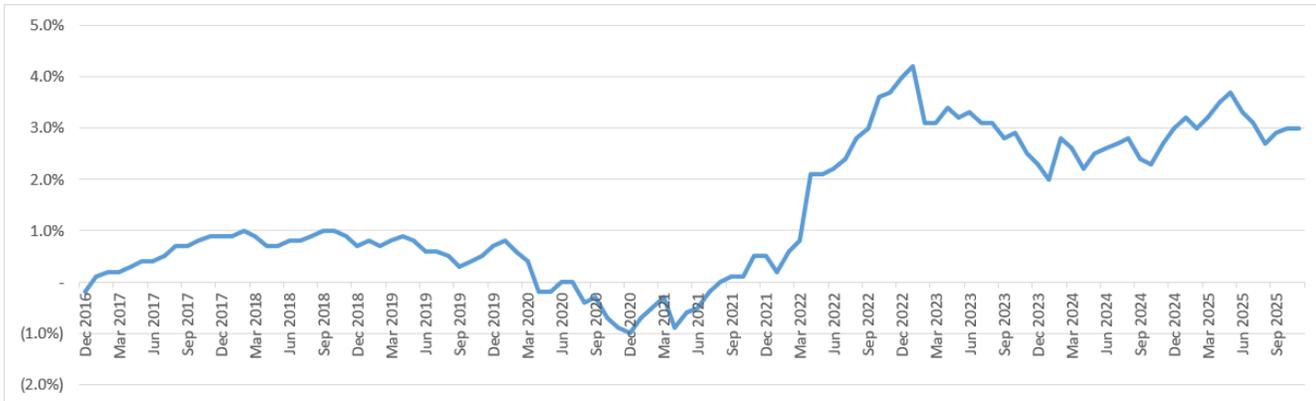


Source: Macrobond, CBRE Research, November 2025.

Source: CBRE, Macrobond (cited by CBRE)

Meanwhile, the Japanese statistics portal site, e-Stat, published in December 2025 that national core CPI (all items, less fresh food) rose by 3.0% y-o-y in November 2025, relatively unchanged from an increase of 3.0% y-o-y in October 2025. In the past ten years, annual growth in national core CPI started rising above 1.0% from April 2022, as shown in **Exhibit 7**.

**Exhibit 7: Annual Growth in National Core CPI (December 2016 to November 2025)**



Source: e-Stat, FPA

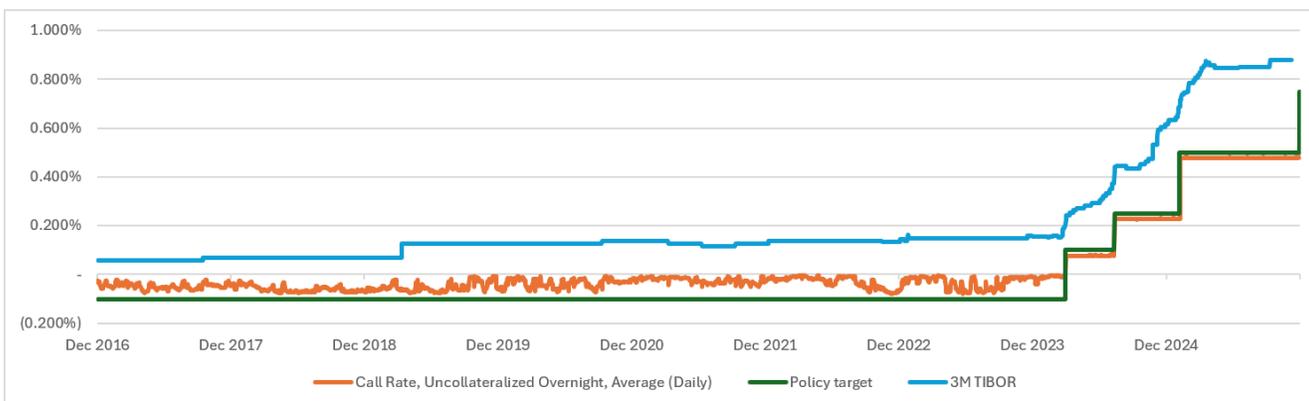
In line with the rise in national core CPI from April 2022, the Bank of Japan (“BOJ”) has been raising its policy rate since March 2024, as shown in **Exhibit 8**. Accordingly, the average uncollateralized overnight call rate and the 3-month Tokyo InterBank Offered Rate (“3M TIBOR”) have been rising in line with the rise in BOJ’s policy rate, as also shown in **Exhibit 8**.

In December 2025, BOJ raised its policy rate by 25 basis points (“bps”) to “around 0.75%”. BOJ noted that “It is highly likely that the mechanism in which both wages and prices rise moderately will be maintained.” BOJ added, “It is highly likely that firms will continue to raise wages steadily next year, following the solid wage increases this year.” BOJ also noted that “Underlying CPI inflation has continued to rise moderately, with moves to pass on wage increases to selling prices continuing.”

On economic growth, BOJ commented, “Real interest rates are expected to remain significantly negative, and accommodative financial conditions will continue to firmly support economic activity.”

BOJ noted too that “If the outlook presented in the October 2025 Outlook Report will be realized, the Bank, in accordance with improvement in economic activity and prices, will continue to raise the policy interest rate and adjust the degree of monetary accommodation.”

**Exhibit 8: Average Uncollateralized Overnight Call Rate and Policy Target Rate (December 2016 to December 2025)**



Source: BOJ, JBA TIBOR Administration, Investing.com, FPA

In October 2025, BOJ noted that “Japan’s economy has recovered moderately, although some weakness has been seen in part. Overseas economies have grown moderately on the whole, although some weakness has been seen in part, reflecting trade and other policies in each jurisdiction.” BOJ added, “Japan’s economic growth is likely to be modest, as trade and other policies in each jurisdiction lead to a slowdown in overseas economies and to a decline in domestic corporate profits and other factors, although factors such as accommodative financial conditions are expected to provide support.”

Meanwhile, BOJ noted that annual growth in national core CPI “is likely to decelerate to a level below 2 percent through the first half of fiscal 2026”. However, BOJ added that “since it is projected that a sense of labor shortage will grow as the economic growth rate rises and that medium- to long-term inflation expectations will rise, it is expected that underlying CPI inflation and the rate of increase in the CPI (all items less fresh food) will increase gradually and, in the second half of the projection period, be at a level that is generally consistent with the price stability target” (of 2 percent).

BOJ published that the median forecasts for annual growth in real GDP were 0.7% for “Fiscal 2025” (year ended 31 March 2026) and 0.7% for “Fiscal 2026”, as shown in **Exhibit 9**. BOJ also noted that the median forecasts for annual growth in national core CPI were 2.7% for “Fiscal 2025” and 1.8% for “Fiscal 2026”.

### **Exhibit 9: Forecasted Japanese Economic Growth & National Core CPI Growth (Fiscal 2025 to Fiscal 2027)**

#### Forecasts of the Majority of the Policy Board Members

y/y % chg.

	Real GDP	CPI (all items less fresh food)	(Reference) CPI (all items less fresh food and energy)
Fiscal 2025	+0.6 to +0.8 [+0.7]	+2.7 to +2.9 [+2.7]	+2.8 to +3.0 [+2.8]
Forecasts made in July 2025	+0.5 to +0.7 [+0.6]	+2.7 to +2.8 [+2.7]	+2.8 to +3.0 [+2.8]
Fiscal 2026	+0.6 to +0.8 [+0.7]	+1.6 to +2.0 [+1.8]	+1.8 to +2.2 [+2.0]
Forecasts made in July 2025	+0.7 to +0.9 [+0.7]	+1.6 to +2.0 [+1.8]	+1.7 to +2.1 [+1.9]
Fiscal 2027	+0.7 to +1.1 [+1.0]	+1.8 to +2.0 [+2.0]	+2.0 to +2.2 [+2.0]
Forecasts made in July 2025	+0.9 to +1.0 [+1.0]	+1.8 to +2.0 [+2.0]	+2.0 to +2.1 [+2.0]

Notes: 1. Figures in brackets indicate the medians of the Policy Board members’ forecasts (point estimates).

- The forecasts of the majority of the Policy Board members are constructed as follows: each Policy Board member’s forecast takes the form of a point estimate -- namely, the figure to which they attach the highest probability of realization. These forecasts are then shown as a range, with the highest figure and the lowest figure excluded. The range does not indicate the forecast errors.
- Each Policy Board member makes their forecasts taking into account the effects of past policy decisions and with reference to views incorporated in financial markets regarding the future conduct of policy.
- The forecasts for prices in this Outlook Report do not take into account the possible abolition of the former provisional gasoline tax rate, which is currently being considered. When estimating the impact of an abolition of the tax rate, it is likely that the year-on-year rate of increase in the CPI (all items less fresh food) will be pushed down by around 0.2 percentage point for a year. The impact for each fiscal year is subject to change depending on the timing of the abolition.

Source: BOJ

In December 2025, the Asian Development Bank (“ADB”) noted that Japanese annual real GDP growth was forecasted to be 1.1% in 2025 and 0.6% in 2026. ADB noted, “Although US tariffs on Japanese automobile imports were reduced to 15% from 25% in September, the external environment remains challenging.” ADB added that “on the domestic side, expansionary fiscal policies under new Prime Minister Sanae Takaichi may support growth but could exert upward pressure on bond yields and debt sustainability.”

ADB noted that inflation was forecasted to be 3.2% in 2025 and 1.9% in 2026. ADB commented that “the recent yen depreciation is expected to sustain imported cost pressures through year-end” and remarked that the BOJ’s monetary policy normalisation had been “slower-than-expected”.

CBRE also noted in December 2025 that annual real GDP growth was forecasted to be 1.1% in 2025 and 0.6% in 2026. CBRE commented, “While private consumption is somewhat underwhelming as a result of increasing prices, expectations are high that government measures to address economic and inflationary issues, including support for pay rises for small-to-mid-sized companies, tax reductions, and the provision of stimulus payments, should help support consumption.” However, CBRE mentioned that “should companies see their profits depressed by being forced to continue absorbing additional tariff costs, or should uncertainty around economic or foreign demand increase further, capital investment may decline.” CBRE added, “Other headwinds include the possibility of a continuation of the current tensions between Japan and China, which could lead to a drop in inbound demand and a stagnation of exports from Japan to China.”

CBRE noted too that “While the Takaichi administration is said to be maintaining a cautious stance toward rate hikes, it should be keen to avoid a drastic weakening of the yen that could drive up inflation.” CBRE added, “The market is therefore expecting two or three further policy rate hikes between December 2025 and the end of 2026.”

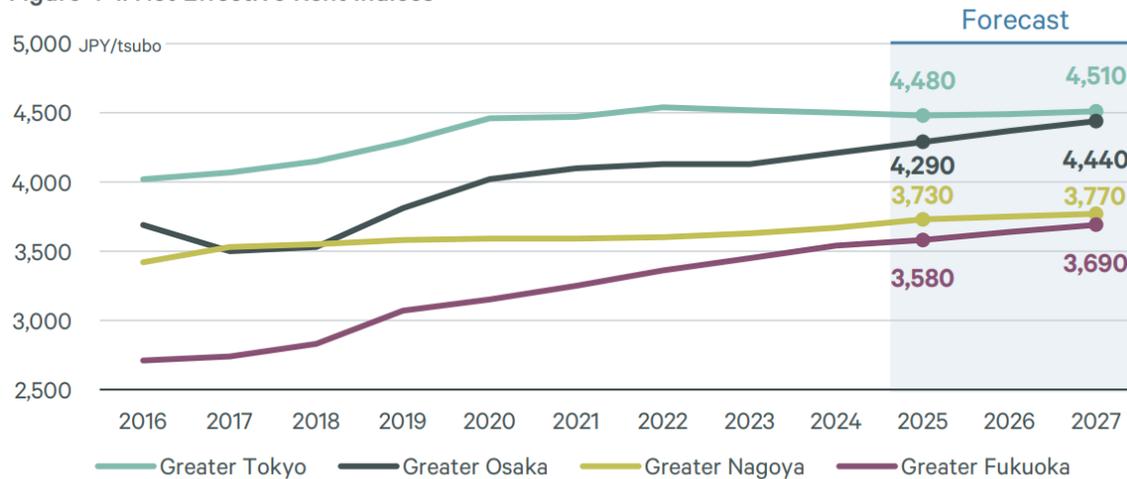
Meanwhile, in October 2025, the International Monetary Fund (“IMF”) noted that Japanese real GDP was projected to rise by 1.1% y-o-y in 2025 and 0.6% y-o-y in 2026. IMF commented that the projected growth was “driven by an expected pickup in real wage growth supporting private consumption, despite headwinds from elevated trade policy uncertainty and softening external demand.” IMF also noted that consumer prices were projected to rise by 3.3% in 2025 and 2.1% in 2026.

**(II) JAPANESE LOGISTICS REAL ESTATE**

In December 2025, CBRE noted that “Effective rents for Large Multi-Tenant (LMT) logistics facilities in Q4 2027 are projected to have risen from their Q4 2025 levels for all four major metropolitan areas” (Greater Tokyo, Greater Osaka, Greater Nagoya, and Greater Fukuoka), as shown in **Exhibit 10**.

**Exhibit 10: Forecasted Net Effective Rent Indices in Japan (2025 to 2027)**

Figure 4-1: Net Effective Rent Indices



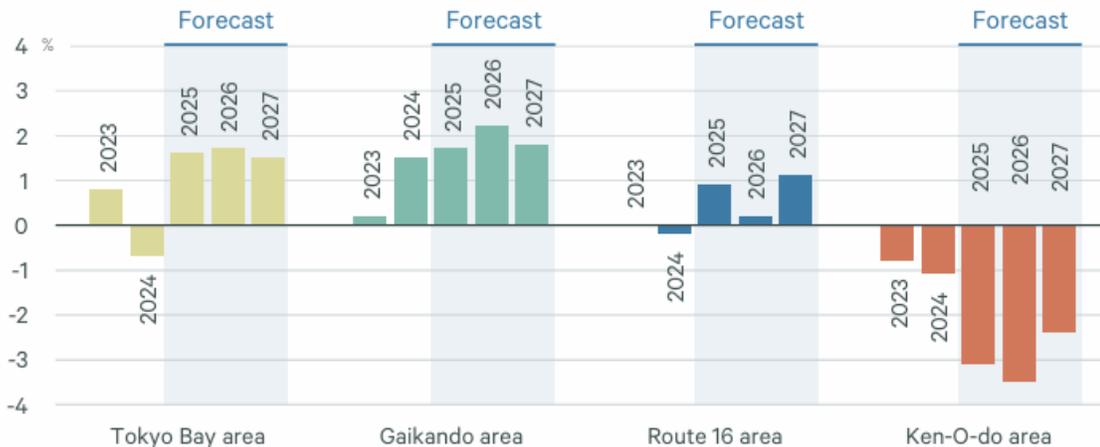
Source: CBRE Research, Q3 2025.

Source: CBRE

CBRE also provided a breakdown of its forecasts for effective rent increases in Greater Tokyo, as shown in **Exhibit 11**. CBRE noted that rent would fall from 2025 to 2027 in the Ken-O-do area, rise from 2025 to 2027 in the Route 16 area, and “increase by around 2% per annum for the period between 2025 and 2027” for the Tokyo Bay and Gaikando areas.

**Exhibit 11: Forecasted Effective Rent Increases in Greater Tokyo (2025 to 2027)**

Figure 4-8: Y-o-y Effective Rent Increases by Area (Greater Tokyo)



Source: CBRE Research, Q3 2025.

Source: CBRE

On Greater Tokyo, CBRE noted that new supply in 2026 & 2027 “is slated to fall below the average annual supply over the past 10 years (2016 to 2025) of 530,000 tsubo.” CBRE commented that “the relatively slow rise in market rent levels compared to the sharp increases observed in construction costs” has led to developers becoming “considerably more selective, launching developments only in locations where rental growth is anticipated.” Meanwhile, net absorption is “projected to remain solid in 2026” as, “In order to address operational issues such as labor shortages and inflation-driven cost increases, many tenants are looking to improve distribution efficiency and set up facilities that will make securing labor easier.” CBRE forecasted that rent (in per tsubo per month) would rise by >1% to JPY 4,510 in 2027 from JPY 4,480 in 2025, as shown in **Exhibit 10** (page 12).

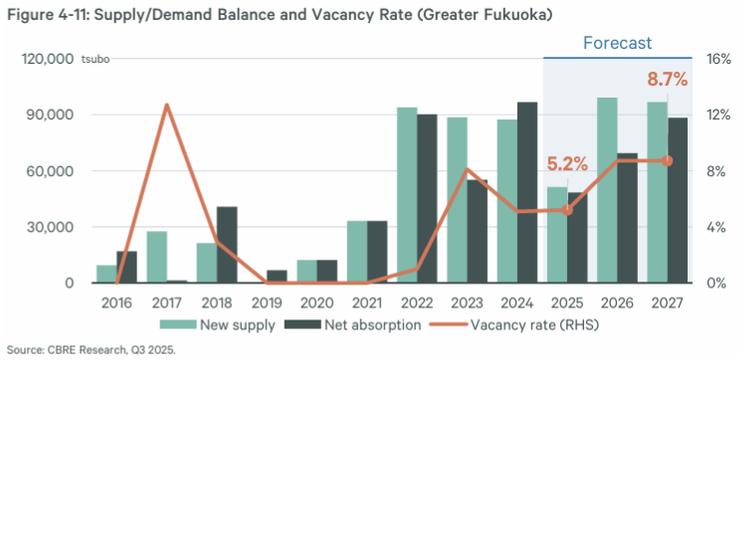
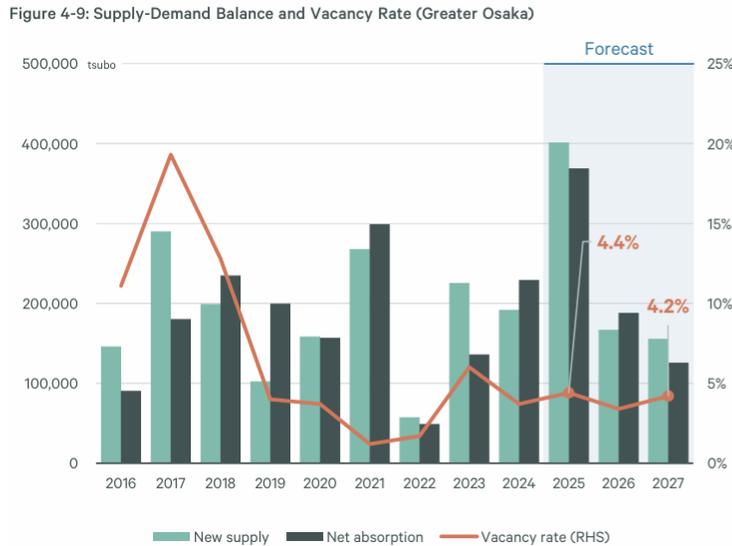
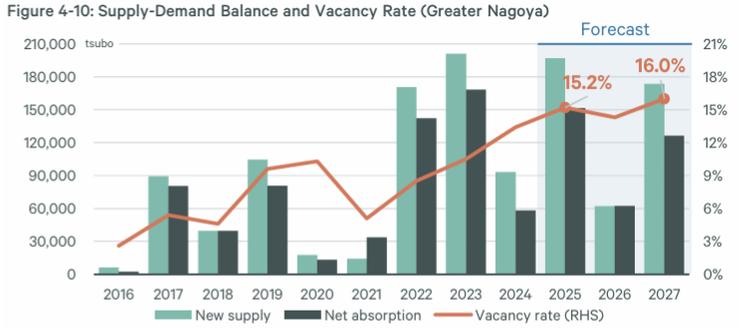
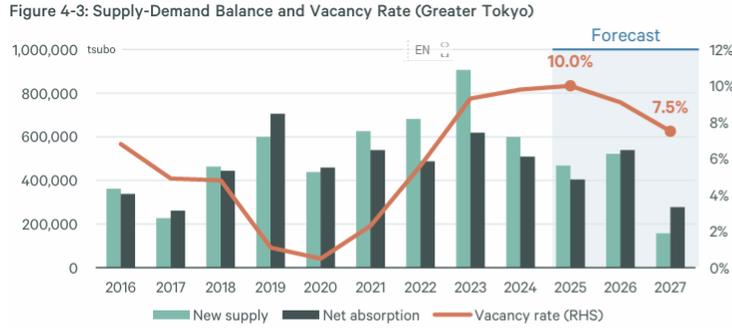
On Greater Osaka, CBRE commented, “Despite new supply for the 2025 calendar year reaching 401,000 tsubo, some 40% above the previous annual record of 290,000 tsubo set in 2017, full-year net absorption is also anticipated to register a new record high of 369,000 tsubo.” CBRE added, “In addition to the opening of new bases and relocations from smaller or obsolete facilities, several cases have involved companies relocating or consolidating their bases to new sites, often larger or better located, for the primary purpose of improving distribution or operational efficiency.” CBRE forecasted that annual growth in effective rent would be 1.9% in 4Q 2025, 1.9% in 4Q 2026, and 1.6% in 4Q 2027 for Greater Osaka.

On Greater Nagoya, CBRE remarked that, in 2025, “In addition to the traditionally strong demand from the manufacturing sector, demand for storage space strengthened from companies handling foodstuffs and daily necessities.” However, CBRE added, “While new supply is slated to dip temporarily in 2026, it will return with another 173,000 tsubo in 2027, pushing up the vacancy rate to a projected 16% by Q4 2027.” CBRE also noted that “Effective rents are being pushed upward by hikes in certain sub-areas with scant vacancies.” CBRE forecasted that annual growth in effective rent would be 1.6% in 4Q 2025, and 0.5% in 2026 & 2027 for Greater Nagoya.

On Greater Fukuoka, CBRE noted that “With seven of the 11 properties for completion in 2025 and 2026 located in the Tosu/Ogori area, the total stock in this sub-area will have increased by 50% in a two-year period.” However, CBRE added, “In 2027, six of the seven new developments due to be completed are in and around Fukuoka City, which should serve to stimulate demand and push up rent levels.” CBRE also noted, “While some demand should come from semiconductor-related industries, the majority will continue to come from consumer goods, including foodstuffs, daily necessities, and e-commerce items.” CBRE forecasted that annual growth in effective rent would be 1.4% from 2025 to 2027 for Greater Fukuoka.

We collate CBRE’s forecasts of supply-demand balances and vacancy rates for each of the “four major metropolitan areas”, as shown in Exhibit 12.

**Exhibit 12: Forecasted Supply-Demand Balances and Vacancy Rates (2025 to 2027)**

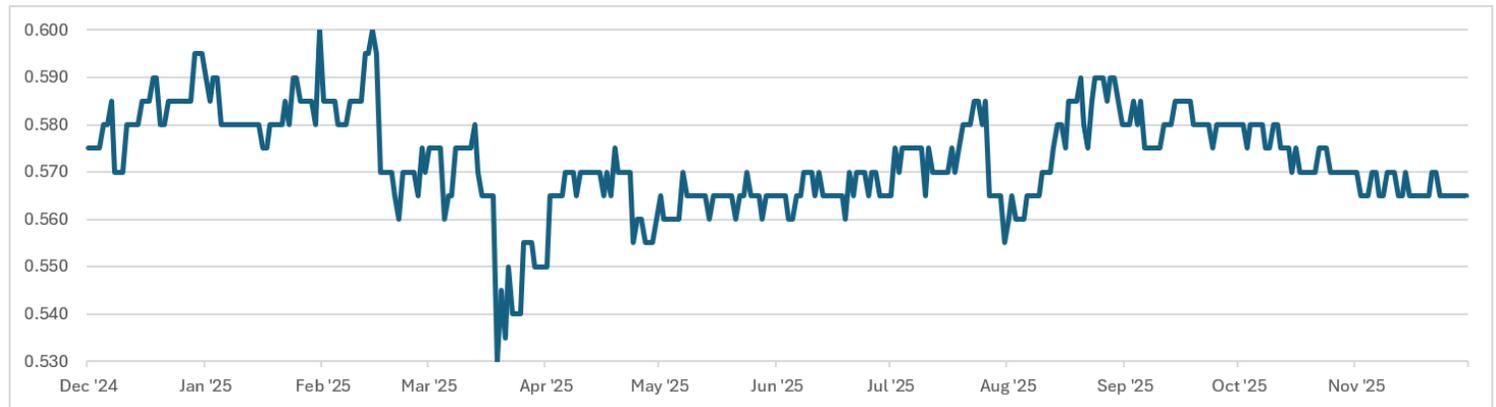


Source: CBRE

## UNIT PRICE DEVELOPMENTS

Over the last twelve months, DHLT's unit price fell by 1.7% to S\$0.565 on 19 December 2025 from S\$0.575 on 20 December 2024, as shown in **Exhibit 13**.

### Exhibit 13: Unit Price Performance (Last Twelve Months)



Source: Yahoo! Finance, FPA

On 28 February 2025, DHLT released its financial statements for 2H FY2024. Net Property Income (“NPI”) rose by 2.1% y-o-y to S\$22.7 million in 2H FY2024, while distributable income attributable to Unitholders fell by 10.0% y-o-y to S\$16.4 million in 2H FY2024. Unit price fell by 2.6% to S\$0.570 on 7 March 2025 from S\$0.585 on 28 February 2025.

On 2 April 2025, U.S. President Trump introduced “Liberation Day” tariffs. Unit price fell by 6.1% to S\$0.535 on 9 April 2025 from S\$0.570 on 2 April 2025.

On 9 May 2025, DHLT released updates for 1Q FY2025. NPI rose by 2.7% y-o-y to S\$11.1 million in 1Q FY2025, while distributable income attributable to Unitholders fell by 9.9% y-o-y to S\$8.2 million in 1Q FY2025. Unit price fell by 2.6% to S\$0.555 on 16 May 2025 from S\$0.570 on 9 May 2025.

On 21 July 2025, the Monetary Authority of Singapore (“MAS”) announced that it appointed “the first batch of asset managers under the S\$5 billion Equity Market Development Programme (EQDP).” Unit price rose by 1.8% to S\$0.575 on 21 July 2025 from S\$0.565 on 14 July 2025.

On 8 August 2025, DHLT released its financial statements for 1H FY2025. NPI rose by 6.1% y-o-y to S\$22.5 million in 1H FY2025, while distributable income attributable to Unitholders fell by 8.2% y-o-y to S\$15.7 million in 1H FY2025. Unit price fell by 2.6% to S\$0.565 on 15 August 2025 from S\$0.580 on 8 August 2025.

On 12 November 2025, DHLT released updates for 3Q FY2025. NPI rose by 3.3% y-o-y to S\$33.7 million in 9M FY2025, while distributable income attributable to Unitholders fell by 8.4% y-o-y to S\$23.4 million in 9M FY2025. Unit price fell by 0.9% to S\$0.570 on 19 November 2025 from S\$0.575 on 12 November 2025.

## FINANCIAL ANALYSIS

### (I) FINANCIAL REVIEW

#### Revenue:

Revenue rose by 5.8% (5.0%) to S\$29.2 million (JPY 3.3 billion) in 1H FY2025 from S\$27.6 million (JPY 3.1 billion) in 1H FY2024, as shown in **Exhibit 14**. DHLT noted that the increase was “driven mainly by full period contribution from acquisitions in 2024 including D Project Tan Duc 2 (Vietnam), DPL Ibaraki Yuki (Japan) and new acquisition in 2025 (DPL Gunma Fujioka) totalling \$ 2.6 million which helps to mitigate the decline from the lower occupancy for the Japan portfolio.”

#### **Exhibit 14: Gross Revenue (1H FY2024 & 1H FY2025)**

(in S\$ '000)	Actual		1H FY2025 v 1H FY2024	
	1H FY2025	1H FY2024	Absolute Change	Change (%)
Rental income	26,188	24,512	1,676	6.8%
Recoverable and other income	2,986	3,069	(83)	(2.7%)
<b>Gross revenue</b>	<b>29,174</b>	<b>27,581</b>	<b>1,593</b>	<b>5.8%</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	112.065	112.852	(0.787)	(0.7%)

(in JPY million)	Estimate		1H FY2025 v 1H FY2024	
	1H FY2025	1H FY2024	Absolute Change	Change (%)
Rental income	2,935	2,766	169	6.1%
Recoverable and other income	335	346	(12)	(3.4%)
<b>Gross revenue</b>	<b>3,269</b>	<b>3,113</b>	<b>157</b>	<b>5.0%</b>

Source: DHLT, Yahoo! Finance (exchange rates), FPA

In March 2025, DHLT<sup>1</sup> announced that it completed the acquisition of **DPL Gunma Fujioka**. DHLT also noted that, had **DPL Gunma Fujioka** been acquired at the beginning of FY2024 and held through FY2024, NPI in FY2024 would rise (by S\$2.0 million) to a pro forma figure of S\$45.9 million from the actual figure of S\$43.9 million.

In July 2024, DHLT announced that it completed the acquisition of a “Logistics Asset Located in Vietnam” (**D Project Tan Duc 2**). DHLT noted in December 2023 that, had **D Project Tan Duc 2** been acquired on Listing Date and held through FP2022 (Financial Period from Listing Date to 31 December 2022), NPI in FP2022 would rise (by S\$2.5 million) to a pro forma figure of S\$55.5 million from the actual figure of S\$53.0 million.

In March 2024, DHLT announced that it completed the acquisition of **DPL Ibaraki Yuki**. In January 2024, DHLT noted that, had **DPL Ibaraki Yuki** been acquired on Listing Date and held through FP2022, NPI in FP2022 would rise (by S\$1.4 million) to a pro forma figure of S\$54.4 million from the actual figure of S\$53.0 million.

**DPL Koriyama**'s occupancy rate has remained below 100.0% after falling to 82.1% in 2Q FY2024 from 100.0% in 1Q FY2024. Meanwhile, **DPL Sendai Port**'s occupancy rate has remained at 50.1% from 1Q FY2025 after falling from 100.0% in 4Q FY2024.

DHLT noted in its financial statements for 1H FY2025 that recoverable and other income “includes service charge income, utilities income, carpark income, rental income from rooftop lease for solar panel and facility usage income.”

<sup>1</sup> Where an announcement was made by DHLT's Manager, we note the announcement as being made by DHLT itself for ease of reference.

Gross revenue (in Japanese Yen or “JPY”) generally rose from JPY 2.6 billion in 1H FY2022 to JPY 2.9 billion in 1H FY2025, as shown in **Exhibit 15**. However, due to the general depreciation of JPY against Singapore Dollar (“SGD”), revenue in SGD generally fluctuated in the same period.

**Exhibit 15: Gross Revenue (1H FY2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Rental income	28,959	26,231	27,043	25,454	24,512	26,023	26,188
Recoverable and other income	3,344	3,585	3,857	3,497	3,069	3,496	2,986
<b>Gross revenue</b>	<b>32,303</b>	<b>29,816</b>	<b>30,900</b>	<b>28,951</b>	<b>27,581</b>	<b>29,519</b>	<b>29,174</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	89.947	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Rental income	2,605	2,632	2,725	2,755	2,766	2,959	2,935
Recoverable and other income	301	360	389	378	346	398	335
<b>Gross revenue</b>	<b>2,906</b>	<b>2,992</b>	<b>3,114</b>	<b>3,133</b>	<b>3,113</b>	<b>3,357</b>	<b>3,269</b>

Source: DHLT, FPA

The general increase in rental income (in JPY) from 1H FY2022 to 1H FY2025 was generally in line with the completion of acquisitions of:

- **DPL Iwakuni 1 & 2** and **D Project Matsuyama S** in December 2022 (2H FY2022);
- **DPL Ibaraki Yuki** in March 2024 (1H FY2024);
- **D Project Tan Duc 2** in July 2024 (2H FY2024)<sup>1</sup>; and
- **DPL Gunma Fujioka** in March 2025 (1H FY2025).

As the leases for most properties may not have built-in rent escalation, increases in rent for each property may come mainly from lease renewal(s) or tenant replacement(s). Lease renewal(s) or tenant replacement(s) may be indicated by the Weighted Average Lease Expiry (“WALE”) of a given property rising or remaining the same on a quarter-on-quarter (“q-o-q”) basis.

Rent from a property may fall should occupancy for the given property fall.

We distinguish between **Built-To-Suit** (“BTS”; or single-tenanted) and **multi-tenanted** properties as leases for BTS properties may generally be longer, thus less likely subject to potential rent increase from lease renewal or tenant replacement.

<sup>1</sup> It may not be fully accurate for us to convert DHLT’s financials to JPY after the completion of acquisition of Vietnamese property **D Project Tan Duc 2** in 2H FY2024. However, as most of DHLT’s properties are in Japan, we still include the conversion to JPY from 2H FY2024 for ease of general comparison with previous periods.

The occupancy rate of each of DHLT’s properties from 1Q FP2022 to 3Q FY2025 is shown in **Exhibit 16**. Alternate semi-annual periods are shaded; occupancy rates below 100.0% are bolded and in red.

We note that the occupancy of **DPL Sendai Port** has remained at 50.1% from 1Q FY2025, while the occupancy of **DPL Koriyama** has remained below 100.0% from 2Q FY2024.

**Exhibit 16: Occupancy Rates (1Q FP2022 to 3Q FY2025)**

Properties	Tenancy type	NLA (sq m)	Occupancy														
			1Q FP2022	2Q FP2022	3Q FP2022	4Q FP2022	1Q FY2023	2Q FY2023	3Q FY2023	4Q FY2023	1Q FY2024	2Q FY2024	3Q FY2024	4Q FY2024	1Q FY2025	2Q FY2025	3Q FY2025
<b>Japan – Hokkaido / Tohoku</b>																	
DPL Sapporo Higashi Kariki	Multi-tenanted	60,347	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DPL Sendai Port	Multi-tenanted	63,119	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	50.1%	50.1%	50.1%
DPL Koriyama	Multi-tenanted	34,174	82.3%	82.3%	82.3%	82.3%	82.3%	82.3%	100.0%	100.0%	100.0%	82.1%	66.6%	66.6%	76.8%	92.3%	74.6%
<b>Japan – Greater Tokyo</b>																	
D Project Nagano Suzaka S	BTS	9,810	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
D Project Maebashi S	BTS	14,736	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
D Project Kuki S	BTS	18,257	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DPL Ibaraki Yuki	Multi-tenanted	13,421															
DPL Gunma Fujioka	Multi-tenanted	22,514															
D Project Misato S	BTS	14,877	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
D Project Iruma S	BTS	14,582	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DPL Kawasaki Yako	Multi-tenanted	93,159	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	90.1%	100.0%	100.0%	100.0%	100.0%
<b>Japan – Greater Nagoya</b>																	
DPL Shinfuji	Multi-tenanted	27,537	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
D Project Kakegawa S	BTS	22,523	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Japan – Chugoku / Shikoku / Kyushu</b>																	
DPL Okayama Hayashima	Multi-tenanted	23,541	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DPL Okayama Hayashima 2	Multi-tenanted	16,750	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
DPL Iwakuni 1 & 2	Multi-tenanted	15,461															
D Project Matsuyama S	BTS	5,347															
D Project Fukuoka Tobara S	BTS	10,508	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Vietnam – Long An (near Ho Chi Minh City)</b>																	
D Project Tan Duc 2	BTS	18,465											100.0%	100.0%	100.0%	100.0%	100.0%

Source: DHLT, FPA

Meanwhile, the WALE of each of DHLT’s properties from 1Q FP2022 to 3Q FY2025 is shown in **Exhibit 17**. WALE which remained the same or rose on a q-o-q basis is bolded and in red.

We note that DHLT may have secured lease renewal(s) or tenant replacement(s), thus potentially higher rent(s), for its three Hokkaido/Tohoku properties (**DPL Sapporo Higashi Kariki**, **DPL Sendai Port**, and **DPL Koriyama**) in 3Q FY2025. However, occupancies (thus rental income) may fall should DHLT not secure lease renewal(s) or tenant replacement(s) for **DPL Ibaraki Yuki**, **DPL Okayama Hayashima 2**, and **DPL Iwakuni 1 & 2** (bolded and italicised in **Exhibit 17**) in the next two years.

**Exhibit 17: Weighted Average Lease Expiries (1Q FP2022 to 3Q FY2025)**

Properties	Tenancy type	NLA (sq m)	WALE														
			1Q FP2022	2Q FP2022	3Q FP2022	4Q FP2022	1Q FY2023	2Q FY2023	3Q FY2023	4Q FY2023	1Q FY2024	2Q FY2024	3Q FY2024	4Q FY2024	1Q FY2025	2Q FY2025	3Q FY2025
<b>Japan – Hokkaido / Tohoku</b>																	
DPL Sapporo Higashi Kariki	Multi-tenanted	60,347	3.3	3.8	3.6	3.3	3.0	2.7	2.5	2.8	2.5	2.3	2.0	2.8	2.5	2.3	2.5
DPL Sendai Port	Multi-tenanted	63,119	1.0	1.5	1.2	1.8	1.5	1.3	1.0	1.4	1.2	0.9	0.7	0.4	0.5	0.2	2.4
DPL Koriyama	Multi-tenanted	34,174	1.6	1.3	1.1	0.8	1.2	1.0	0.7	0.4	0.2	0.5	0.3	0.9	0.8	1.7	2.5
<b>Japan – Greater Tokyo</b>																	
D Project Nagano Suzaka S	BTS	9,810	6.6	6.3	6.1	5.8	5.6	5.3	5.1	4.8	4.6	4.3	4.1	3.8	3.6	3.3	3.1
D Project Maebashi S	BTS	14,736	11.6	11.3	11.1	10.8	10.6	10.3	10.1	9.8	9.6	9.3	9.1	8.8	8.6	8.3	8.1
D Project Kuki S	BTS	18,257	2.3	2.1	1.8	1.6	1.3	1.1	0.8	0.6	0.3	10.1	9.8	9.6	9.3	9.1	8.8
DPL Ibaraki Yuki	Multi-tenanted	13,421									2.8	2.6	2.3	2.1	1.8	1.6	1.3
DPL Gunma Fujioka	Multi-tenanted	22,514													6.0	5.8	5.5
D Project Misato S	BTS	14,877	12.9	12.6	12.4	12.1	11.9	11.6	11.4	11.1	10.9	10.6	10.4	10.1	9.9	9.6	9.4
D Project Iruma S	BTS	14,582	15.8	15.5	15.3	15.0	14.8	14.5	14.3	14.0	13.8	13.5	13.3	13.0	12.8	12.5	12.3
DPL Kawasaki Yako	Multi-tenanted	93,159	11.1	11.3	11.3	11.1	11.0	10.8	10.5	10.4	10.1	11.0	10.2	9.9	9.7	9.4	9.2
<b>Japan – Greater Nagoya</b>																	
DPL Shinfuji	Multi-tenanted	27,537	8.9	8.7	8.4	8.2	7.8	7.5	7.3	7.0	6.8	6.5	6.3	6.0	5.8	5.5	5.3
D Project Kakegawa S	BTS	22,523	12.1	11.8	11.6	11.3	11.1	10.8	10.6	10.3	10.2	9.8	9.6	9.3	9.1	8.8	8.6
<b>Japan – Chugoku / Shikoku / Kyushu</b>																	
DPL Okayama Hayashima	Multi-tenanted	23,541	5.2	4.9	4.7	4.4	4.2	3.9	3.7	3.4	3.2	2.9	3.1	2.8	2.6	2.3	2.1
DPL Okayama Hayashima 2	Multi-tenanted	16,750	2.8	2.5	2.3	2.0	1.8	1.5	1.3	1.0	0.8	0.5	0.3	2.0	1.8	1.5	1.3
DPL Iwakuni 1 & 2	Multi-tenanted	15,461													1.1	2.0	1.7
D Project Matsuyama S	BTS	5,347													4.4	4.1	3.9
D Project Fukuoka Tobara S	BTS	10,508	12.3	12.1	11.8	11.6	11.3	11.1	10.8	10.6	10.3	10.1	9.8	9.6	9.3	9.1	8.8
<b>Vietnam – Long An (near Ho Chi Minh City)</b>																	
D Project Tan Duc 2	BTS	18,465											19.3	19.1	18.8	18.6	18.3

Source: DHLT, FPA

**Net Property Income ("NPI"):**

NPI rose by 6.1% (5.3%) to S\$22.5 million (JPY 2.5 billion) in 1H FY2025 from S\$21.2 million (JPY 2.4 billion) in 1H FY2024, as shown in **Exhibit 18**, generally in line with the rise in revenue.

**Exhibit 18: Net Property Income (1H FY2024 & 1H FY2025)**

(in S\$ '000)	Actual		1H FY2025 v 1H FY2024	
	1H FY2025	1H FY2024	Absolute Change	Change (%)
Gross revenue	29,174	27,581	1,593	5.8%
Property expenses	(6,655)	(6,348)	(307)	4.8%
<b>Net Property Income ("NPI")</b>	<b>22,519</b>	<b>21,233</b>	<b>1,286</b>	<b>6.1%</b>
<b>NPI as a % of revenue</b>	<b>77.2%</b>	<b>77.0%</b>	-	-
SGD-to-JPY exchange rate (average; Yahoo! Finance)	112.065	112.852	(0.787)	(0.7%)

(in JPY million)	Estimate		1H FY2025 v 1H FY2024	
	1H FY2025	1H FY2024	Absolute Change	Change (%)
Gross revenue	3,269	3,113	157	5.0%
Property expenses	(746)	(716)	(29)	4.1%
<b>NPI</b>	<b>2,524</b>	<b>2,396</b>	<b>127</b>	<b>5.3%</b>

Source: DHLT, Yahoo! Finance, FPA

NPI (in JPY) generally rose from 1H FY2022 to 1H FY2025, in line with the general rise in revenue (in JPY), as shown in **Exhibit 19**. As a percentage of revenue, NPI generally ranged between 76.7% and 77.2%, except in 1H FY2023 (74.9%), during which property expenses rose to S\$7.8 million (JPY 782.7 million) from S\$7.5 million (JPY 677.2 million) in 1H FY2022. DHLT noted that, "In JPY terms, the properties expenses for 1H 2023 of JPY 783 million were higher than that of 1H 2022 by JPY 100 million or 14.7%, due to higher utilities expenses which were largely recoverable by the utilities income and the new acquisitions."

**Exhibit 19: Net Property Income (1H FY2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Gross revenue	32,303	29,816	30,900	28,951	27,581	29,519	29,174
Property expenses	(7,529)	(6,866)	(7,768)	(6,759)	(6,348)	(6,862)	(6,655)
<b>Net Property Income ("NPI")</b>	<b>24,774</b>	<b>22,950</b>	<b>23,132</b>	<b>22,192</b>	<b>21,233</b>	<b>22,657</b>	<b>22,519</b>
<b>NPI as a % of revenue</b>	<b>76.7%</b>	<b>77.0%</b>	<b>74.9%</b>	<b>76.7%</b>	<b>77.0%</b>	<b>76.8%</b>	<b>77.2%</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	89.947	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Gross revenue	2,906	2,992	3,114	3,133	3,113	3,357	3,269
Property expenses	(677)	(689)	(783)	(731)	(716)	(780)	(746)
<b>NPI</b>	<b>2,228</b>	<b>2,303</b>	<b>2,331</b>	<b>2,402</b>	<b>2,396</b>	<b>2,576</b>	<b>2,524</b>

Source: DHLT, Yahoo! Finance, FPA

Property expenses from 1H FY2022 to 1H FY2025 are shown in **Exhibit 20**. Utilities expenses comprise the largest component of property expenses after property taxes.

### Exhibit 20: Property Expenses (1H FY2022 to 1H FY2025)

(in S\$ '000)	Actual						
	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Property taxes	2,957	2,740	2,798	2,606	2,548	2,559	2,678
Utilities expenses	1,630	2,246	2,575	2,058	1,649	2,070	1,445
Property management fees and expense	432	442	501	532	530	581	619
Building management expenses	1,136	1,012	1,048	975	963	985	1,018
Other operating expenses	1,374	426	846	588	658	667	895
<b>Property expenses</b>	<b>7,529</b>	<b>6,866</b>	<b>7,768</b>	<b>6,759</b>	<b>6,348</b>	<b>6,862</b>	<b>6,655</b>
<b>Recoverable and other income (part of revenue)</b>	<b>3,344</b>	<b>3,585</b>	<b>3,857</b>	<b>3,497</b>	<b>3,069</b>	<b>3,496</b>	<b>2,986</b>
Less: Utilities expenses	(1,630)	(2,246)	(2,575)	(2,058)	(1,649)	(2,070)	(1,445)
<b>Recoverable and other income (excl. utilities)</b>	<b>1,714</b>	<b>1,339</b>	<b>1,282</b>	<b>1,439</b>	<b>1,420</b>	<b>1,426</b>	<b>1,541</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	89.947	100.357	100.766	108.216	112.852	113.707	112.065

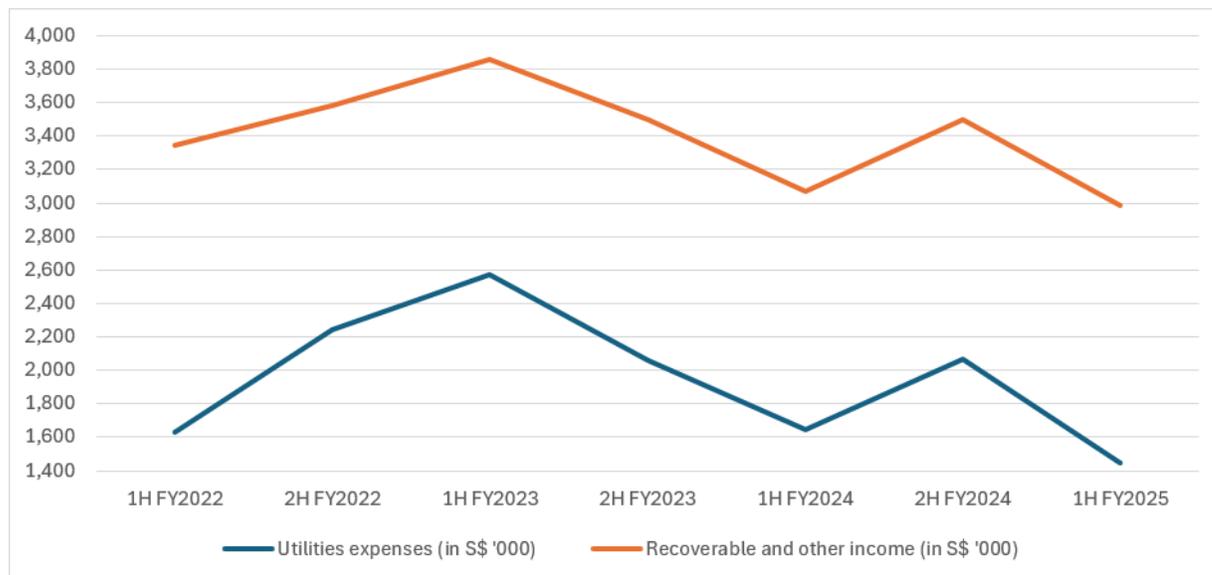
  

(in JPY million)	Estimate						
	1H FY2022	2H FY2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Property taxes	266	275	282	282	288	291	300
Utilities expenses	147	225	259	223	186	235	162
Property management fees and expense	39	44	50	58	60	66	69
Building management expenses	102	102	106	106	109	112	114
Other operating expenses	124	43	85	64	74	76	100
<b>Property expenses</b>	<b>677</b>	<b>689</b>	<b>783</b>	<b>731</b>	<b>716</b>	<b>780</b>	<b>746</b>

Source: DHLT, Yahoo! Finance, FPA

Recoverable & other income generally trended with utilities expenses from 1H FY2022 to 1H FY2025, as shown in **Exhibit 21**. DHLT noted in its Prospectus that recoverable income includes “common service fees and other recoverable income such as utilities charged to tenants.” DHLT added, “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.”

### Exhibit 21: Recoverable & Other Income vs Utilities Expenses (1H FY2022 to 1H FY2025)



Source: DHLT, FPA

DHLT also provided the NPI figures for each of its properties from FP2022 to FY2024, as shown in **Exhibit 22**. NPI figures which rose from the previous period are bolded and shaded in green; those which fell are bolded and shaded in red. We include too for each property the average quarterly occupancy for each period.

**DPL Gunma Fujioka** is not included as the acquisition was completed in March 2025 (after FY2024).

### Exhibit 22: Net Property Income (FY2022 to FY2024)

(in JPY million unless otherwise indicated)	Tenancy type	Actual		Estimate		Actual		Average quarterly occupancy (est.)		
		FP2022	Days (FP2022)	FY2022	FY2023	FY2024	FP2022	FY2023	FY2024	
<b>Japan - Hokkaido / Tohoku:</b>										
DPL Sapporo Higashi Kariki	Multi-tenanted	586.4	400	535.1	<b>526.9</b>	<b>534</b>	100.0%	100.0%	100.0%	
DPL Sendai Port	Multi-tenanted	547.7	400	499.8	<b>531.3</b>	<b>554</b>	100.0%	100.0%	100.0%	
DPL Koriyama	Multi-tenanted	260.0	400	237.3	<b>271.8</b>	<b>258</b>	<b>82.3%</b>	<b>91.2%</b>	<b>78.8%</b>	
<b>Japan - Greater Tokyo:</b>										
D Project Maebashi S	BTS	180.0	400	164.3	<b>164.5</b>	<b>164</b>	100.0%	100.0%	100.0%	
D Project Kuki S	BTS	201.5	400	183.9	<b>184.2</b>	<b>186</b>	100.0%	100.0%	100.0%	
D Project Misato S	BTS	263.0	400	240.0	<b>239.9</b>	<b>240</b>	100.0%	100.0%	100.0%	
D Project Iruma S	BTS	211.8	400	193.3	<b>186.1</b>	<b>184</b>	100.0%	100.0%	100.0%	
DPL Kawasaki Yako	Multi-tenanted	1,389.8	400	1,268.2	<b>1,269.5</b>	<b>1,231</b>	100.0%	100.0%	<b>97.5%</b>	
D Project Nagano Suzaka S	BTS	140.2	400	127.9	127.9	128	100.0%	100.0%	100.0%	
<b>Japan - Greater Nagoya:</b>										
DPL Shintofuji	Multi-tenanted	326.3	400	297.7	<b>289.0</b>	<b>291</b>	100.0%	100.0%	100.0%	
D Project Kakegawa S	BTS	228.2	400	208.2	<b>208.7</b>	<b>205</b>	100.0%	100.0%	100.0%	
<b>Japan - Chugoku / Shikoku / Kyushu:</b>										
DPL Okayama Hayashima	Multi-tenanted	332.4	400	303.3	<b>301.7</b>	<b>303</b>	100.0%	100.0%	100.0%	
DPL Okayama Hayashima 2	Multi-tenanted	180.5	400	164.7	<b>165.0</b>	<b>165</b>	100.0%	100.0%	100.0%	
D Project Fukuoka Tobara S	BTS	108.3	400	98.8	<b>98.9</b>	<b>103</b>	100.0%	100.0%	100.0%	
DPL Iwakuni 1 & 2	Multi-tenanted	7.7	24	117.1	<b>117.2</b>	<b>121</b>	100.0%	100.0%	100.0%	
D Project Matsuyama S	BTS	3.5	24	53.2	<b>53.7</b>	<b>53</b>	100.0%	100.0%	100.0%	
DPL Ibaraki Yuki	BTS	-	-	-	-	<b>118</b>	-	-	100.0%	
<b>NPI of properties in Japan</b>		<b>4,967.4</b>	-	<b>4,692.8</b>	<b>4,736.3</b>	<b>4,838</b>				
<b>Vietnam - Long An (near Ho Chi Minh City):</b>										
D Project Tan Duc 2 (in VND million)	BTS	-	-	-	-	22,239	-	-	100.0%	
<b>NPI of property in Vietnam</b>		-	-	-	-	<b>22,239</b>				

Source: DHLT, FPA

We briefly review the changes in NPI for each property, from FY2022 (estimated) to FY2024, as follows:

#### Japan – Hokkaido / Tohoku:

**DPL Sapporo Higashi Kariki (multi-tenant; WALE: 2.5 years as at 3Q FY2025):** NPI fell from an estimate of JPY 535.1 million in FY2022 to JPY 526.9 million in FY2023, before rising to JPY 534 million in FY2024. WALE also rose on a q-o-q basis in 2Q FY2022 (equivalent to 2Q FP2022), 4Q FY2023, and 4Q FY2024, as shown in **Exhibit 17** (page 18). Accordingly, we note that the rise in NPI in FY2024 was likely due to lease renewal(s) or tenant replacement(s), likely during 4Q FY2023 & 4Q FY2024.

**DPL Sendai Port (multi-tenant; WALE: 2.4 years):** NPI rose from an estimate of JPY 499.8 million in FY2022 to JPY 531.3 million in FY2023, before rising to JPY 554 million in FY2024. WALE also rose in 2Q FY2022, 4Q FY2022, and 4Q FY2023. Further, DHLT incurred repair expenses for **DPL Sendai Port** following an earthquake in March 2022. Accordingly, we note that the rise in NPI in FY2023 & FY2024 was in line with the rise in WALE in 4Q FY2022 & 4Q FY2023, respectively, as well as the earthquake-related repair expense in FY2022.

**DPL Koriyama (multi-tenant; WALE: 2.5 years):** NPI rose from an estimate of JPY 237.3 million in FY2022 to JPY 271.8 million in FY2023, before falling to JPY 258 million in FY2024. Meanwhile, average quarterly occupancy rose from 82.3% in FP2022 to 91.2% in FY2023 before falling to 78.8% in FY2024. WALE also rose in 1Q FY2023, 2Q FY2024, and 4Q FY2024. Further, DHLT incurred repair expenses for **DPL Koriyama** following an earthquake in March 2022. Accordingly, we note that the changes in NPI in FY2023 & FY2024 were in line with the changes in occupancies and WALE in the respective periods, as well as the earthquake-related repair expense in FY2022.

Japan – Greater Tokyo:

**D Project Maebashi S (BTS; WALE: 8.1 years):** NPI remained around JPY 164 million from FY2022 to FY2024.

**D Project Kuki S (BTS; WALE: 8.8 years):** NPI rose from an estimate of JPY 183.9 million in FY2022 to JPY 184.2 million in FY2023, before rising to JPY 186 million in FY2024. WALE also rose to 10.1 years in 2Q FY2024 from 0.3 years in 1Q FY2024.

**D Project Misato S (BTS; WALE: 9.4 years):** NPI remained around JPY 240 million from FY2022 to FY2024.

**D Project Iruma S (BTS; WALE: 12.3 years):** NPI fell from an estimate of JPY 193.3 million in FY2022 to JPY 186.1 million in FY2023, before falling to JPY 184 million in FY2024. DHLT completed the acquisition of freehold land of D Project Iruma S in December 2022. Subsequently, DHLT may have incurred land tax on the freehold land.

**DPL Kawasaki Yako (multi-tenant; WALE: 9.2 years):** NPI rose from an estimate of JPY 1,268.2 million in FY2022 to JPY 1,269.5 million in FY2023, before falling to JPY 1,231 million in FY2024. Meanwhile, average quarterly occupancy fell to 97.5% in FY2024 from 100.0% in FY2023. WALE also rose in 2Q FY2022, remained the same in 3Q FY2022, and rose in 2Q FY2024.

**D Project Nagano Suzaka S (BTS; WALE: 3.1 years):** NPI remained around JPY 128 million from FY2022 to FY2024.

**DPL Ibaraki Yuki (multi-tenant; WALE: 1.3 years):** Despite being a non-BTS property, DPL Ibaraki Yuki is last known to be occupied by only one tenant. DHLT acquired DPL Ibaraki Yuki in March 2024 (1H FY2024).

**DPL Gunma Fujioka (multi-tenant; WALE: 5.5 years):** Despite being a non-BTS property, DPL Gunma Fujioka is last known to be occupied by only one tenant. DHLT acquired DPL Gunma Fujioka in March 2025 (1H FY2025).

Japan – Greater Nagoya:

**DPL Shinfuji (multi-tenant; WALE: 5.3 years):** NPI fell from an estimate of JPY 297.7 million in FY2022 to JPY 289.0 million in FY2023, before rising to JPY 291 million in FY2024.

**D Project Kakegawa S (BTS; WALE: 8.6 years):** NPI remained around JPY 208–209 million in FY2022 & FY2023, before falling to JPY 205 million in FY2024.

Japan – Chugoku / Shikoku / Kyushu:

**DPL Okayama Hayashima (multi-tenant; WALE: 2.1 years):** NPI fell from an estimate of JPY 303.3 million in FY2022 to JPY 301.7 million in FY2023, before rising to JPY 303 million in FY2024. WALE also rose in 3Q FY2024.

**DPL Okayama Hayashima 2 (multi-tenant; WALE: 1.3 years):** Despite being a non-BTS property, DPL Okayama Hayashima 2 is last known to be occupied by only one tenant. NPI remained around JPY 165 million from FY2022 to FY2024.

**D Project Fukuoka Tobaras S (BTS; WALE: 8.8 years):** NPI remained around JPY 99 million in FY2022 & FY2023, before rising to JPY 103 million in FY2024.

**DPL Iwakuni 1 & 2 (multi-tenant; WALE: 1.7 years):** NPI remained around JPY 117 million in FY2022 & FY2023, before rising to JPY 121 million in FY2024. WALE also rose in 2Q & 4Q FY2024.

**D Project Matsuyama S (BTS; WALE: 3.9 years):** NPI remained around JPY 53–54 million from FY2022 to FY2024.

Vietnam – Long An (near Ho Chi Minh):

**D Project Tan Duc 2 (BTS; WALE: 18.1 years):** DHLT acquired D Project Tan Duc 2 in July 2024 (2H FY2024).

**Manager's management fees and Japan asset management fees:**

Manager's management fees fell by 10.3% (10.9%) to S\$1.1 million (JPY 122.0 million) in 1H FY2025 from S\$1.2 million (JPY 137.0 million) in 1H FY2024. DHLT noted that the Manager is entitled to:

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)."

Meanwhile, Japan asset management fees rose by 2.3% (1.6%) to S\$535,000 (JPY 60.0 million) in 1H FY2025 from S\$523,000 (JPY 59.0 million) in 1H FY2024.

DHLT noted in its Prospectus that "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." Accordingly, management fees [Base Fee + Japan asset management fee] comprised around 10.0% of distributable income (adjusted for Manager's management fees) from 1H FP2022 to 1H FY2025, as shown in **Exhibit 23**.

Performance fee of S\$35,000 (nearest '000) in 2H FY2023 was in line with Distribution Per Unit ("DPU" in cents) rising to 5.22 (2.61 in 1H & 2H FY2023) in FY2023 from 5.21 (2.60 in 1H FY2022 + 2.61 in 2H FY2022) in FY2022. Performance fee of nil in 2H FY2024 was in line with DPU thereafter falling to 4.79 (2.45 in 1H FY2024 + 2.34 in 2H FY2024) in FY2024.

**Exhibit 23: Manager's Management Fees (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Base Fee	1,448	1,297	1,320	1,378	1,214	1,179	1,089
Performance Fee	-	-	-	35	-	-	-
<b>Total Manager's management fees</b>	<b>1,448</b>	<b>1,297</b>	<b>1,320</b>	<b>1,413</b>	<b>1,214</b>	<b>1,179</b>	<b>1,089</b>

**Management fees:**

Base Fee	1,448	1,297	1,320	1,378	1,214	1,179	1,089
Japan asset management fees	715	540	559	518	523	522	535
<b>(A) Management fees</b>	<b>2,163</b>	<b>1,837</b>	<b>1,879</b>	<b>1,896</b>	<b>1,737</b>	<b>1,701</b>	<b>1,624</b>

Distributable income to Unitholders	20,901	17,720	18,130	18,244	17,104	16,412	15,696
Less: Manager's mgmt fees paid/payable in Units	(725)	(648)	(660)	(689)	(607)	(589)	(545)
Add: Manager's management fees	1,448	1,297	1,320	1,413	1,214	1,179	1,089
<b>(B) Distrib. income to Unitholders (excl mgmt fees)</b>	<b>21,624</b>	<b>18,369</b>	<b>18,790</b>	<b>18,968</b>	<b>17,711</b>	<b>17,002</b>	<b>16,240</b>

(A) Management fees	2,163	1,837	1,879	1,896	1,737	1,701	1,624
(B) Distrib. income to Unitholders (excl mgmt fees)	21,624	18,369	18,790	18,968	17,711	17,002	16,240
<b>A as a % of B</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>9.8%</b>	<b>10.0%</b>	<b>10.0%</b>

SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065
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(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Base Fee	129	130	133	149	137	134	122
Performance Fee	-	-	-	4	-	-	-
<b>Total Manager's management fees</b>	<b>129</b>	<b>130</b>	<b>133</b>	<b>153</b>	<b>137</b>	<b>134</b>	<b>122</b>

**Management fees:**

Base Fee	129	130	133	149	137	134	122
Japan asset management fees	64	54	56	56	59	59	60
<b>Management fees</b>	<b>192</b>	<b>184</b>	<b>189</b>	<b>205</b>	<b>196</b>	<b>193</b>	<b>182</b>

Source: DHLT, Yahoo! Finance, FPA

**Trustee's fee:**

Trustee's fee fell by 5.0% (5.7%) to S\$152,000 (JPY 17.0 million) in 1H FY2025 from S\$160,000 (JPY 18.1 million) in 1H FY2024. Trustee's fee from 1H FP2022 to 1H FY2025 is shown in **Exhibit 24**.

**Exhibit 24: Trustee's Fee (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Trustee's fee	130	139	130	127	160	123	152
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Trustee's fee	12	14	13	14	18	14	17

Source: DHLT, Yahoo! Finance, FPA

**Trust expense:**

Trust expense fell by 63.1% (63.4%) to S\$0.3 million (JPY 37.1 million) in 1H FY2025 from S\$0.9 million (JPY 101.2 million) in 1H FY2024. Trust expense from 1H FP2022 to 1H FY2025 is shown in **Exhibit 25**.

**Exhibit 25: Trust Expense (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Trust expense	583	443	980	796	897	776	331
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Trust expense	52	44	99	86	101	88	37

Source: DHLT, Yahoo! Finance, FPA

**Finance expenses:**

Finance expenses rose by 49.2% (48.2%) to S\$4.5 million (JPY 0.5 billion) in 1H FY2025 from S\$3.0 million (JPY 0.3 billion) in 1H FY2024. DHLT noted that the increase was “mainly due to the additional borrowings taken to fund the acquisitions which were completed in March 2024, July 2024 and March 2025, as well as higher interest rates due to security removal and base rate increase for the refinanced tranche in November 2024.” DHLT acquired in **DPL Ibaraki Yuki** in March 2024, **D Project Tan Duc 2** in July 2024, and **DPL Gunma Fujioka** in March 2025.

**Exhibit 26: Finance Expenses (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Interest expense	1,044	796	854	805	833	1,259	2,140
Amortisation of debt related expenses	1,459	689	824	757	765	885	952
Commitment and financing fees	-	14	40	40	40	40	39
Finance cost on lease liabilities and other liabilities	2,340	1,688	1,598	1,476	1,405	1,403	1,410
<b>Total finance expenses</b>	<b>4,843</b>	<b>3,187</b>	<b>3,316</b>	<b>3,078</b>	<b>3,043</b>	<b>3,587</b>	<b>4,541</b>
(Current) Secured bank loans	-	-	-	93,359	84,285	-	-
(Current) Unsecured bank loans	-	-	-	-	-	86,834	88,282
(Non-current) Secured bank loans	295,893	333,261	309,168	214,726	214,928	-	-
(Non-current) Secured fixed rate bonds	10,204	10,099	9,369	9,336	8,429	-	-
(Non-current) Unsecured bank loans	-	-	-	-	-	247,737	287,094
(Non-current) Unsecured fixed rate bonds	-	-	-	-	-	8,683	8,828
<b>Total borrowings (excl. unamortised debt-rel. costs)</b>	<b>306,097</b>	<b>343,360</b>	<b>318,537</b>	<b>317,421</b>	<b>307,642</b>	<b>343,254</b>	<b>384,204</b>
Interest expense	1,044	796	854	805	833	1,259	2,140
Total borrowings (excl. unamortised costs)	306,097	343,360	318,537	317,421	307,642	343,254	384,204
<b>Effective interest on interest expense (annualised)</b>	<b>0.7%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.7%</b>	<b>1.1%</b>
<b>Weighted average borrowing cost (all-in; disclosed)</b>	<b>0.9%</b>	<b>0.99%</b>	<b>0.99%</b>	<b>0.99%</b>	<b>1.03%</b>	<b>1.66%</b>	<b>1.69%</b>
Fixed rate as % of total debt	100.0%	100.0%	100.0%	100.0%	100.0%	99.2%	99.3%
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065
SGD-to-JPY exchange rate (end-period; Y! Finance)	98.063	98.913	106.756	107.090	118.315	115.479	113.248

(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Interest expense	93	80	86	87	94	143	240
Amortisation of debt related expenses	130	69	83	82	86	101	107
Commitment and financing fees	-	1	4	4	5	5	4
Finance cost on lease liabilities and other liabilities	208	169	161	160	159	160	158
<b>Total finance expenses</b>	<b>430</b>	<b>320</b>	<b>334</b>	<b>333</b>	<b>343</b>	<b>408</b>	<b>509</b>
(Current) Secured bank loans	-	-	-	9,998	9,972	-	-
(Current) Unsecured bank loans	-	-	-	-	-	10,028	9,998
(Non-current) Secured bank loans	29,016	32,964	33,006	22,995	25,429	-	-
(Non-current) Secured fixed rate bonds	1,001	999	1,000	1,000	997	-	-
(Non-current) Unsecured bank loans	-	-	-	-	-	28,608	32,513
(Non-current) Unsecured fixed rate bonds	-	-	-	-	-	1,003	1,000
<b>Total borrowings (excl. unamortised debt-rel. costs)</b>	<b>30,017</b>	<b>33,963</b>	<b>34,006</b>	<b>33,993</b>	<b>36,399</b>	<b>39,639</b>	<b>43,510</b>

n.a. = not available. Note: Finance expenses converted using average exchange rates; borrowings converted using end-period rates.

Source: DHLT, Yahoo! Finance, FPA

**Other income/expenses:**

Other income/expenses fell by S\$3.3 million (JPY 374.7 million) to expenses of S\$1.5 million (JPY 170.0 million) in 1H FY2025 from an income of S\$1.8 million (JPY 204.7 million) in 1H FY2024. DHLT noted, "Other (expenses)/ income comprises mainly net foreign exchange loss of \$1.6 million attributed to largely the unrealised loss of \$2 million (1H 2024: S\$0.2 million) arising from revaluation of JPY loans and USD shareholders' loan, partially offset by the realised exchange gain of \$0.4 million (1H 2024: S\$2.0 million) mainly due to settlement of the income hedges; and interest income amounting to S\$0.1 million (1H 2024: S\$0.1 million)." Other income/expenses from 1H FP2022 to 1H FY2025 are shown in **Exhibit 27**.

**Exhibit 27: Other Income/Expenses (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual / Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Interest income (from cash flows statement)	-	75	127	145	88	96	147
Others (including realised forex gain/loss; estimate)	-	1,066	1,491	2,417	1,726	102	(1,664)
<b>Other income/(expenses)</b>	<b>-</b>	<b>1,141</b>	<b>1,618</b>	<b>2,562</b>	<b>1,814</b>	<b>198</b>	<b>(1,517)</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065

(in S\$ '000)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Interest income (from cash flows statement)	-	8	13	16	10	11	16
Others (including realised forex gain/loss; estimate)	-	107	150	262	195	12	(186)
<b>Other income/(expenses)</b>	<b>-</b>	<b>115</b>	<b>163</b>	<b>277</b>	<b>205</b>	<b>23</b>	<b>(170)</b>

Source: DHLT, Yahoo! Finance, FPA

**Net income before tax and fair value changes:**

Accordingly, net income before tax and fair value changes fell by 16.6% (17.2%) to S\$14.4 million (JPY 1.6 billion) in 1H FY2025 from S\$17.2 million (JPY 1.9 billion) in 1H FY2024, as shown in **Exhibit 28**, mainly due to finance expenses rising by S\$1.5 million y-o-y and other income falling by S\$3.3 million y-o-y.

**Exhibit 28: Net Income Before Tax and Fair Value Changes (1H FY2024 & 1H FY2025)**

(in S\$ '000)	Actual		1H FY2025 v 1H FY2024	
	1H FY2025	1H FY2024	Absolute Change	Change (%)
<b>Net Property Income ("NPI")</b>	<b>22,519</b>	<b>21,233</b>	<b>1,286</b>	<b>6.1%</b>
Manager's management fees	(1,089)	(1,214)	125	(10.3%)
Japan asset management fees	(535)	(523)	(12)	2.3%
Trustee's fee	(152)	(160)	8	(5.0%)
Trust expense	(331)	(897)	566	(63.1%)
Finance expenses	(4,541)	(3,043)	(1,498)	49.2%
Other income	(1,517)	1,814	(3,331)	(183.6%)
<b>Net income before tax and fair value changes</b>	<b>14,354</b>	<b>17,210</b>	<b>(2,856)</b>	<b>(16.6%)</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	112.065	112.852	(0.787)	(0.7%)

(in JPY million)	Actual		1H FY2025 v 1H FY2024	
	1H FY2025	1H FY2024	Absolute Change	Change (%)
<b>Net Property Income ("NPI")</b>	<b>2,524</b>	<b>2,396</b>	<b>127</b>	<b>5.3%</b>
Manager's management fees	(122)	(137)	15	(10.9%)
Japan asset management fees	(60)	(59)	(1)	1.6%
Trustee's fee	(17)	(18)	1	(5.7%)
Trust expense	(37)	(101)	64	(63.4%)
Finance expenses	(509)	(343)	(165)	48.2%
Other income	(170)	205	(375)	(183.0%)
<b>Net income before tax and fair value changes</b>	<b>1,609</b>	<b>1,942</b>	<b>(334)</b>	<b>(17.2%)</b>

Source: DHLT, Yahoo! Finance, FPA

Net income before tax and fair value changes from 1H FP2022 to 1H FY2025 is shown in **Exhibit 29**.

**Exhibit 29: Net Income Before Tax and Fair Value Changes (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
<b>Net Property Income ("NPI")</b>	<b>30,035</b>	<b>22,950</b>	<b>23,132</b>	<b>22,192</b>	<b>21,233</b>	<b>22,657</b>	<b>22,519</b>
Manager's management fees	(1,448)	(1,297)	(1,320)	(1,413)	(1,214)	(1,179)	(1,089)
Japan asset management fees	(715)	(540)	(559)	(518)	(523)	(522)	(535)
Trustee's fee	(155)	(139)	(130)	(127)	(160)	(123)	(152)
Trust expense	(1,216)	(443)	(980)	(796)	(897)	(776)	(331)
Finance expenses	(4,843)	(3,187)	(3,316)	(3,078)	(3,043)	(3,587)	(4,541)
Other income	-	1,141	1,618	2,562	1,814	198	(1,517)
<b>Net income before tax and fair value changes</b>	<b>21,658</b>	<b>18,485</b>	<b>18,445</b>	<b>18,822</b>	<b>17,210</b>	<b>16,668</b>	<b>14,354</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
<b>Net Property Income ("NPI")</b>	<b>2,669</b>	<b>2,303</b>	<b>2,331</b>	<b>2,402</b>	<b>2,396</b>	<b>2,576</b>	<b>2,524</b>
Manager's management fees	(129)	(130)	(133)	(153)	(137)	(134)	(122)
Japan asset management fees	(64)	(54)	(56)	(56)	(59)	(59)	(60)
Trustee's fee	(14)	(14)	(13)	(14)	(18)	(14)	(17)
Trust expense	(108)	(44)	(99)	(86)	(101)	(88)	(37)
Finance expenses	(430)	(320)	(334)	(333)	(343)	(408)	(509)
Other income	-	115	163	277	205	23	(170)
<b>Net income before tax and fair value changes</b>	<b>1,925</b>	<b>1,855</b>	<b>1,859</b>	<b>2,037</b>	<b>1,942</b>	<b>1,895</b>	<b>1,609</b>

Source: DHLT, Yahoo! Finance, FPA

**Fair value change in investment properties:**

Fair value loss in investment properties rose by 32.7% (31.7%) to S\$1.7 million (JPY 193.9 million) in 1H FY2025 from S\$1.3 million (JPY 147.2 million) in 1H FY2024.

Fair value change in investment properties from 1H FP2022 to 1H FY2025 is shown in **Exhibit 30**.

**Exhibit 30: Fair Value Change in Investment Properties (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual (breakdown for 1H FP2022, 1H FY2024, and 1H FY2025) / Estimate (others)						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Fair value changes in investment properties	110,847	15,662	(36)	14,345	-	11,619	-
ROU assets and assets corresponding to ARO <sup>(1)</sup>	(2,367)	(1,368)	(1,494)	(1,402)	(1,357)	(1,440)	(1,370)
Amortisation and straight lining	(446)	(843)	34	129	53	(392)	(360)
<b>Net fair value change in investment properties</b>	<b>108,034</b>	<b>13,451</b>	<b>(1,496)</b>	<b>13,072</b>	<b>(1,304)</b>	<b>9,787</b>	<b>(1,730)</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Fair value changes in investment properties	9,851	1,572	(4)	1,552	-	1,321	-
ROU assets and assets corresponding to ARO <sup>(1)</sup>	(210)	(137)	(151)	(152)	(153)	(164)	(154)
Amortisation and straight lining	(40)	(85)	3	14	6	(45)	(40)
<b>Net fair value change in investment properties</b>	<b>9,601</b>	<b>1,350</b>	<b>(151)</b>	<b>1,415</b>	<b>(147)</b>	<b>1,113</b>	<b>(194)</b>

<sup>(1)</sup> ROU refers to Right-of-Use, ARO refers to Asset-Retirement-Obligation.

Source: DHLT, Yahoo! Finance, FPA

**Fair value change in derivatives:**

Fair value change in derivatives fell by S\$797,000 (JPY 89.6 million) to negative S\$416,000 (negative JPY 46.6 million) in 1H FY2025 from positive S\$381,000 (positive JPY 43.0 million) in 1H FY2024.

Fair value change in derivatives from 1H FP2022 to 1H FY2025 is shown in **Exhibit 31**.

**Exhibit 31: Fair Value Change in Derivatives (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Fair value change in derivatives	-	870	1,311	(445)	381	(1,405)	(416)
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Fair value change in derivatives	-	87	132	(48)	43	(160)	(47)

Source: DHLT, Yahoo! Finance, FPA

**Net income before tax:**

Accordingly, net income before tax fell by 25.0% (25.6%) to S\$12.2 million (JPY 1.4 billion) in 1H FY2025 from S\$16.3 million (JPY 1.8 billion) in 1H FY2024. Net income before tax from 1H FP2022 to 1H FY2025 is shown in **Exhibit 32**.

**Exhibit 32: Net Income Before Tax (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Net income before tax and fair value changes	21,658	18,485	18,445	18,822	17,210	16,668	14,354
Fair value change in investment properties	108,034	13,451	(1,496)	13,072	(1,304)	9,787	(1,730)
Fair value change in derivatives	-	870	1,311	(445)	381	(1,405)	(416)
<b>Net income before tax</b>	<b>129,692</b>	<b>32,806</b>	<b>18,260</b>	<b>31,449</b>	<b>16,287</b>	<b>25,050</b>	<b>12,208</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Net income before tax and fair value changes	1,925	1,855	1,859	2,037	1,942	1,895	1,609
Fair value change in investment properties	9,601	1,350	(151)	1,415	(147)	1,113	(194)
Fair value change in derivatives	-	87	132	(48)	43	(160)	(47)
<b>Net income before tax</b>	<b>11,526</b>	<b>3,292</b>	<b>1,840</b>	<b>3,403</b>	<b>1,838</b>	<b>2,848</b>	<b>1,368</b>

Source: DHLT, Yahoo! Finance, FPA

**Tax expenses and total return for the period:**

Tax expenses fell by 0.6% (1.3%) to S\$2.1 million (JPY 240.8 million) in 1H FY2025 from S\$2.2 million (JPY 244.0 million) in 1H FY2024. Effective tax rate rose to around 17.7% in 2H FY2024 & 1H FY2025 from around 12.9% from 1H FP2022 to 1H FY2024, as shown in **Exhibit 33**, amid the fall in net income before tax.

We note that deferred tax comprised all or most of tax expenses from 1H FP2022 to 1H FY2025, as also shown in **Exhibit 33**. DHLT noted repeatedly in its financial statements that deferred tax expenses “arose from property fair value gains.” However, DHLT still incurred deferred tax even when (net) fair value change in investment properties was (negative) nil in 1H FY2024.

Accordingly, total return for the period fell by 28.8% (29.3%) to S\$10.1 million (JPY 1.1 billion) in 1H FY2025 from S\$14.1 million (JPY 1.6 billion) in 1H FY2024.

**Exhibit 33: Tax Expenses (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Net income before tax	129,692	32,806	18,260	31,449	16,287	25,050	12,208
Tax expenses	17,031	4,138	2,326	4,063	2,162	4,471	2,149
<b>Total return for the period</b>	<b>(112,661)</b>	<b>(28,668)</b>	<b>(15,934)</b>	<b>(27,386)</b>	<b>(14,125)</b>	<b>(20,579)</b>	<b>(10,059)</b>
Tax expenses	17,031	4,138	2,326	4,063	2,162	4,471	2,149
Net income before tax	129,692	32,806	18,260	31,449	16,287	25,050	12,208
<b>Effective tax rate (%)</b>	<b>13.1%</b>	<b>12.6%</b>	<b>12.7%</b>	<b>12.9%</b>	<b>13.3%</b>	<b>17.8%</b>	<b>17.6%</b>
Current income tax	-	-	125	192	164	38	68
Adj. in respect of current income tax of prev. year	-	-	-	-	(8)	-	3
Deferred tax	17,031	4,138	2,201	3,871	2,006	4,433	2,078
<b>Tax expenses</b>	<b>17,031</b>	<b>4,138</b>	<b>2,326</b>	<b>4,063</b>	<b>2,162</b>	<b>4,471</b>	<b>2,149</b>
Net fair value change in investment properties	108,034	13,451	(1,496)	13,072	(1,304)	9,787	(1,730)
Fair value changes in investment properties	110,847	15,662	(36)	14,345	-	11,619	-
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065
(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Net income before tax	11,526	3,292	1,840	3,403	1,838	2,848	1,368
Tax expenses	1,514	415	234	440	244	508	241
<b>Total return for the period</b>	<b>(10,012)</b>	<b>(2,877)</b>	<b>(1,606)</b>	<b>(2,964)</b>	<b>(1,594)</b>	<b>(2,340)</b>	<b>(1,127)</b>
Current income tax	-	-	13	21	19	4	8
Adj. in respect of current income tax of prev. year	-	-	-	-	(1)	-	0
Deferred tax	1,514	415	222	419	226	504	233
<b>Tax expenses</b>	<b>1,514</b>	<b>415</b>	<b>234</b>	<b>440</b>	<b>244</b>	<b>508</b>	<b>241</b>

Source: DHLT, Yahoo! Finance, FPA

**Total return attributable to unitholders:**

Prior to DHLT's IPO, the Sponsor subscribed for JPY 3.0 billion worth of perpetual securities. Based on DHLT's Prospectus, the perpetual securities have an initial distribution rate of 2.95% per annum with the rate: (1) being reset every five years after issuance on Listing Date (i.e., next reset date would be around November 2026); and (2) based on a spread of 2.924% above the JPY 5-year Interest Rate Swap on reset date.

DHLT also noted that "The Perpetual Security Distribution will be paid on a semi-annual basis in arrear on 30 September and 31 March of each year". Thus, the first distribution after the next reset date would likely be in March 2027 (1H FY2027).

Accordingly, total return attributable to perpetual securities holders (in JPY) has been around JPY 44 million per 1H and JPY 45 per 2H (totalling around JPY 89 million per year, or around 2.95% of JPY 3.0 billion) from 2H FP2022 to 1H FY2025, as shown in **Exhibit 34**.

After deducting total return attributable to perpetual securities holders from total return for the period, total return attributable to unitholders fell by 29.6% (30.1%) to S\$9.7 million (JPY 1.1 billion) in 1H FY2025 from S\$13.7 million (JPY 1.5 billion) in 1H FY2024.

Total return attributable to unitholders from 1H FP2022 to 1H FY2025 is shown in **Exhibit 34**.

**Exhibit 34: Total Return Attributable to Unitholders (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Attributable to unitholders	112,071	28,223	15,499	26,974	13,734	20,186	9,667
Attributable to perpetual securities holders	590	445	435	412	391	393	392
<b>Total return for the period</b>	<b>112,661</b>	<b>28,668</b>	<b>15,934</b>	<b>27,386</b>	<b>14,125</b>	<b>20,579</b>	<b>10,059</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Attributable to unitholders	9,960	2,832	1,562	2,919	1,550	2,295	1,083
Attributable to perpetual securities holders	52	45	44	45	44	45	44
<b>Total return for the period</b>	<b>10,012</b>	<b>2,877</b>	<b>1,606</b>	<b>2,964</b>	<b>1,594</b>	<b>2,340</b>	<b>1,127</b>

Source: DHLT, Yahoo! Finance, FPA

**Earnings Per Unit (“EPU”):**

DHLT’s units have been rising from 1H FP2022 to 1H FY2025, in line with the payment of Base Fee and acquisition fee through issuance of units, as shown in **Exhibit 35**.

**Exhibit 35: Movement in Units (1H FP2022 to 1H FY2025)**

(in S\$ '000 unless otherwise stated)	Estimate (Units movement in 1H FY2023) / Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Units in issue at beginning of period	675,000,000	675,499,392	692,535,066	694,355,286	695,503,052	697,038,817	698,430,425
Issuance of new units under Sponsor subscription	-	16,071,444	-	-	-	-	-
Acquisition fees paid in units	-	-	728,785	-	393,853	450,031	-
Manager’s base fee paid in units	499,392	964,230	1,091,435	1,147,766	1,141,912	941,577	1,011,442
<b>Units issued at end of period</b>	<b>675,499,392</b>	<b>692,535,066</b>	<b>694,355,286</b>	<b>695,503,052</b>	<b>697,038,817</b>	<b>698,430,425</b>	<b>699,441,867</b>
Acquisition fees payable in units	-	728,785	-	-	-	-	-
Manager’s base fee payable in units	457,366	510,561	550,271	562,858	464,799	489,791	439,571
<b>Total Units issued and to be issued at end of period</b>	<b>675,956,758</b>	<b>693,774,412</b>	<b>694,905,557</b>	<b>696,065,910</b>	<b>697,503,616</b>	<b>698,920,216</b>	<b>699,881,438</b>

**Base Fee:**

1Q price (S\$)	0.8263		0.5653		0.5891		0.5685
2Q price (S\$)	0.6804		0.6027		0.5721		0.5646
3Q price (S\$)		0.6417		0.5483		0.6407	
4Q price (S\$)		0.633		0.6425		0.5794	
1Q (paid in curr. period or 1H)	499,392		580,874		579,054		521,651
2Q (paid in next period or 2H)	457,366		550,271		464,799		439,571
3Q (paid in curr. period or 2H)		506,864		597,495		476,778	
4Q (paid in next period or 1H)		510,561		562,858		489,791	
<b>Base Fee paid/payable in Units (in Units)</b>	<b>956,758</b>	<b>1,017,425</b>	<b>1,131,145</b>	<b>1,160,353</b>	<b>1,043,853</b>	<b>966,569</b>	<b>961,222</b>
1Q	413		328		341		297
2Q	311		332		266		248
3Q		325		328		305	
4Q		323		362		284	
<b>Base Fee paid/payable in Units (in S\$ '000)</b>	<b>724</b>	<b>648</b>	<b>660</b>	<b>689</b>	<b>607</b>	<b>589</b>	<b>545</b>
<b>Manager's fee paid and payable in Units</b>	<b>725</b>	<b>648</b>	<b>660</b>	<b>689</b>	<b>607</b>	<b>589</b>	<b>545</b>

**Acquisition Fee:**

1Q price (S\$)	-		-		0.6042		-
2Q price (S\$)	-		-		-		-
3Q price (S\$)		-		-		0.5699	
4Q price (S\$)		0.6352		-		-	
1Q (likely paid in curr. period or 1H)	-		-		393,853		-
2Q (likely paid in next period or 2H)	-		-		-		-
3Q (likely paid in curr. period or 2H)		-		-		450,031	
4Q (likely paid in next period or 1H)		728,785		-		-	
<b>Acquisition Fee paid/payable in Units (in Units)</b>	<b>-</b>	<b>728,785</b>	<b>-</b>	<b>-</b>	<b>393,853</b>	<b>450,031</b>	<b>-</b>
1Q	-		-		238		-
2Q	-		-		-		-
3Q		-		-		256	
4Q		463		-		-	
<b>Acquisition Fee paid/payable in Units (in S\$ '000)</b>	<b>-</b>	<b>463</b>	<b>-</b>	<b>-</b>	<b>238</b>	<b>256</b>	<b>-</b>
<b>Manager's acquisition fee paid in Units</b>	<b>-</b>	<b>463</b>	<b>-</b>	<b>-</b>	<b>238</b>	<b>257</b>	<b>-</b>

Source: DHLT, FPA

Accordingly, EPU fell by 29.4% (30.0%) to 1.44 cents (JPY 1.61) in 1H FY2025 from 2.04 cents (JPY 2.30) in 1H FY2024. EPU from 1H FP2022 to 1H FY2025 is shown in **Exhibit 36**. We note that DHLT's EPU has been based on total return for the period instead of total return attributable to Unitholders.

**Exhibit 36: Earnings Per Unit (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Total return for the period	112,661	28,668	15,934	27,386	14,125	20,579	10,059
+ Weighted average no. of Units	675,004,623	674,474,239	693,877,678	691,235,868	692,390,908	693,375,361	699,023,516
Earnings Per Unit ("EPU" in cents)	16.69	4.25	2.30	3.96	2.04	2.97	1.44
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Total return for the period	10,012	2,877	1,606	2,964	1,594	2,340	1,127
+ Weighted average no. of Units	675,004,623	674,474,239	693,877,678	691,235,868	692,390,908	693,375,361	699,023,516
Earnings Per Unit ("EPU" in JPY)	14.83	4.27	2.31	4.29	2.30	3.37	1.61

Source: DHLT, Yahoo! Finance, FPA

**Distribution Per Unit (“DPU”):**

After accounting for distribution adjustments, distributable income to Unitholders fell by 8.2% (8.9%) to S\$15.7 million (JPY 1.8 billion) in 1H FY2025 from S\$17.1 million (JPY 1.9 billion) in 1H FY2024.

Distributable income to Unitholders and distribution adjustments from 1H FP2022 to 1H FY2025 are shown in **Exhibit 37**.

**Exhibit 37: Distributable Income to Unitholders and Distribution Adjustments (1H FP2022 to 1H FY2025)**

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
<b>Total return attributable to unitholders</b>	<b>112,071</b>	<b>28,223</b>	<b>15,499</b>	<b>26,974</b>	<b>13,734</b>	<b>20,186</b>	<b>9,667</b>
Distribution adjustments	(91,170)	(10,503)	2,631	(8,730)	3,370	(3,774)	6,029
<b>Distributable income to Unitholders</b>	<b>20,901</b>	<b>17,720</b>	<b>18,130</b>	<b>18,244</b>	<b>17,104</b>	<b>16,412</b>	<b>15,696</b>
Manager's management fees paid/payable in Units	725	648	660	689	607	589	545
Fair value change in investment properties	(110,401)	(16,108)	36	(14,345)	-	(11,619)	-
Fair value change in derivatives	-	(870)	(1,311)	445	(381)	1,405	416
Unrealised forex loss	-	245	(144)	1	289	533	2,038
Amortisation of loan/bond upfront fee	1,459	689	824	757	765	885	952
Deferred tax expenses	17,029	4,138	2,201	3,871	2,007	4,433	2,078
Issue costs partly reimbursed from government grant	-	400	200	-	-	-	-
Others	18	355	165	(148)	83	-	-
<b>Total distribution adjustments</b>	<b>(91,170)</b>	<b>(10,503)</b>	<b>2,631</b>	<b>(8,730)</b>	<b>3,370</b>	<b>(3,774)</b>	<b>6,029</b>
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065

(in JPY million)	Estimate						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
<b>Total return attributable to unitholders</b>	<b>9,960</b>	<b>2,832</b>	<b>1,562</b>	<b>2,919</b>	<b>1,550</b>	<b>2,295</b>	<b>1,083</b>
Distribution adjustments	(8,102)	(1,054)	265	(945)	380	(429)	676
<b>Distributable income to Unitholders</b>	<b>1,857</b>	<b>1,778</b>	<b>1,827</b>	<b>1,974</b>	<b>1,930</b>	<b>1,866</b>	<b>1,759</b>
Manager's management fees paid/payable in Units	64	65	67	75	69	67	61
Fair value change in investment properties	(9,811)	(1,617)	4	(1,552)	-	(1,321)	-
Fair value change in derivatives	-	(87)	(132)	48	(43)	160	47
Unrealised forex loss	-	25	(15)	0	33	61	228
Amortisation of loan/bond upfront fee	130	69	83	82	86	101	107
Deferred tax expenses	1,513	415	222	419	226	504	233
Issue costs partly reimbursed from government grant	-	40	20	-	-	-	-
Others	2	36	17	(16)	9	-	-
<b>Total distribution adjustments</b>	<b>(8,102)</b>	<b>(1,054)</b>	<b>265</b>	<b>(945)</b>	<b>380</b>	<b>(429)</b>	<b>676</b>

Source: DHLT, Yahoo! Finance, FPA

Accordingly, DPU (in cents) fell by 8.6% to 2.24 in 1H FY2025 from 2.45 in 1H FY2024.

The breakdown of DPU from 1H FP2022 to 1H FY2025 is shown in **Exhibit 38**.

In December 2022 (2H FP2022), the Sponsor subscribed for an additional 16,071,444 new units to fund the acquisition of **DPL Iwakuni 1 & 2**, **D Project Matsuyama S**, and the freehold land of **D Project Iruma S**. DHLT noted in September 2022 that the new units would “not be entitled to distributions by DHLT for the period up to the day immediately preceding the date of issue of the New Units”. Accordingly, DPU (in cents) of 2.61 in 1H FP2022 was split into 2.30 (1 July 2022 to 7 December 2022) and 0.31 (8 December 2022 to 31 December 2022)—or, 2.61 for existing Units (for the full period FP2022) and 0.31 for new Units.

### Exhibit 38: Distribution Per Unit (1H FP2022 to 1H FY2025)

(in S\$ '000)	Actual						
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025
Distrib. paid to Unitholders (next period; Ordinary)	20,873	17,675	18,123	18,167	17,077	16,355	n.a.
÷ Relevant units for DPU	675,499,392	678,431,753	694,355,286	696,065,910	697,038,817	698,920,216	n.a.
<b>DPU (Ordinary; disclosed in cents)</b>	<b>3.09</b>	<b>2.61</b>	<b>2.61</b>	<b>2.61</b>	<b>2.45</b>	<b>2.34</b>	<b>2.24</b>
Distrib. paid to Unitholders (next period; Class A)	-	50	-	-	-	-	-
÷ Issuance of new units under Sponsor subscription	-	16,071,444	-	-	-	-	-
<b>DPU (Class A; disclosed in cents)</b>	<b>-</b>	<b>0.31</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Units issued at end of period	675,499,392	-	694,355,286	-	697,038,817	-	n.a.
Total Units issued and to be issued at end of period	-	693,774,412	-	696,065,910	-	698,920,216	-
Acquisition fees payable in units	-	728,785	-	-	-	-	-
Less: Issuance of units under Sponsor subscription	-	(16,071,444)	-	-	-	-	-
<b>Relevant units for DPU</b>	<b>675,499,392</b>	<b>678,431,753</b>	<b>694,355,286</b>	<b>696,065,910</b>	<b>697,038,817</b>	<b>698,920,216</b>	<b>n.a.</b>
<b>Amount available for distribution (start of period)</b>	<b>-</b>	<b>20,901</b>	<b>17,748</b>	<b>18,152</b>	<b>18,273</b>	<b>17,210</b>	<b>16,547</b>
Distributable income to Unitholders	20,901	17,720	18,130	18,244	17,104	16,412	15,696
<b>Amount available for distribution to Unitholders</b>	<b>20,901</b>	<b>38,621</b>	<b>35,878</b>	<b>36,396</b>	<b>35,377</b>	<b>33,622</b>	<b>32,243</b>
DPU of 3.09 cents for 1H FP2022	-	(20,873)	-	-	-	-	-
DPU of 2.61 cents for 2H FP2022	-	-	(17,675)	-	-	-	-
DPU of 0.31 cents for 8 Dec to 31 Dec 2022 (Class A)	-	-	(50)	-	-	-	-
DPU of 2.61 cents for 1H FY2023	-	-	-	(18,123)	-	-	-
DPU of 2.61 cents for 2H FY2023	-	-	-	-	(18,167)	-	-
DPU of 2.45 cents for 1H FY2024	-	-	-	-	-	(17,077)	-
DPU of 2.34 cents for 2H FY2024	-	-	-	-	-	-	(16,355)
DPU of 2.24 cents for 1H FY2025	-	-	-	-	-	-	-
<b>Amount available for distribution (end of period)</b>	<b>20,901</b>	<b>17,748</b>	<b>18,152</b>	<b>18,273</b>	<b>17,210</b>	<b>16,547</b>	<b>15,888</b>
Amount available for distribution (end of period)	20,901	17,748	18,152	18,273	17,210	16,547	15,888
Less: Distributions paid to Unitholders (next period)	20,873	17,725	18,123	18,167	17,077	16,355	n.a.
<b>Difference</b>	<b>28</b>	<b>23</b>	<b>29</b>	<b>106</b>	<b>133</b>	<b>192</b>	<b>n.a.</b>

n.a. = not available.

Source: DHLT, FPA

DHLT's financial performance for 1H FY2024 & 1H FY2025 is summarised in **Exhibit 39**.

**Exhibit 39: Financial Performance (1H FY2024 & 1H FY2025)**

(in S\$ '000 unless otherwise indicated)	Actual		1H FY2025 v 1H FY2024	
	1H FY2025	1H FY2024	Absolute Change	Change (%)
<b>Gross revenue</b>	<b>29,174</b>	<b>27,581</b>	<b>1,593</b>	<b>5.8%</b>
Property expenses	(6,655)	(6,348)	(307)	4.8%
<b>Net property income</b>	<b>22,519</b>	<b>21,233</b>	<b>1,286</b>	<b>6.1%</b>
Manager's management fees	(1,089)	(1,214)	125	(10.3%)
Japan asset management fees	(535)	(523)	(12)	2.3%
Trustee's fee	(152)	(160)	8	(5.0%)
Trust expense	(331)	(897)	566	(63.1%)
Finance expenses	(4,541)	(3,043)	(1,498)	49.2%
Other income	(1,517)	1,814	(3,331)	(183.6%)
<b>Net income before tax and fair value changes</b>	<b>14,354</b>	<b>17,210</b>	<b>(2,856)</b>	<b>(16.6%)</b>
Fair value change in investment properties	(1,730)	(1,304)	(426)	32.7%
Fair value change in derivatives	(416)	381	(797)	(209.2%)
<b>Net income before tax</b>	<b>12,208</b>	<b>16,287</b>	<b>(4,079)</b>	<b>(25.0%)</b>
Tax expenses	(2,149)	(2,162)	13	(0.6%)
<b>Total return for the period</b>	<b>10,059</b>	<b>14,125</b>	<b>(4,066)</b>	<b>(28.8%)</b>
<b>Attributable to:</b>				
Unitholders	9,667	13,734	(4,067)	(29.6%)
Perpetual securities holders	392	391	1	0.3%
<b>Total return for the period</b>	<b>10,059</b>	<b>14,125</b>	<b>(4,066)</b>	<b>(28.8%)</b>
Weighted average no. of Units ('000)	699,023,516	692,390,908	6,632,608	1.0%
<b>Earnings Per Unit ("EPU" in cents)</b>	<b>1.44</b>	<b>2.04</b>	<b>(0.60)</b>	<b>(29.4%)</b>
<b>Dividend Per Unit ("DPU"):</b>				
Total returns attributable to unitholders	9,667	13,734	(4,067)	(29.6%)
Distribution adjustments	6,029	3,370	2,659	78.9%
<b>Distributable income to Unitholders</b>	<b>15,696</b>	<b>17,104</b>	<b>(1,408)</b>	<b>(8.2%)</b>
Relevant units in issue	699,881,438	697,038,817	2,842,621	0.4%
<b>DPU (in cents; disclosed)</b>	<b>2.24</b>	<b>2.45</b>	<b>(0.21)</b>	<b>(8.6%)</b>

Source: DHLT, FPA

## FINANCIAL PROJECTIONS

### (I) NPI & REVENUE PROJECTIONS

DHLT noted in its AR for FY2024 that revenue was “Not disclosed for properties with one tenant as DHLT is bound by confidentiality obligations in relation to the tenancy agreements, and these tenants did not consent to the disclosure of the gross rental income attributed to their tenancies.” Thus, we shall project NPI (instead of gross revenue) first.

As a percentage of revenue, NPI generally ranged between 76.7% and 77.2%, except in 1H FY2023 (74.9%). We assume that NPI as a percentage of revenue from 2H FY2025 to 2H FY2026 will be 76.9%, the average from 2H FY2023 to 1H FY2025 (i.e., excluding 1H FY2023). Thus, for every 1% increase in revenue (e.g., from rental escalation), NPI would likewise rise by 1%.

We assume for all properties that there would be no lease expiry from 4Q FY2025 to 4Q FY2026, such that there would be no rent negotiation from expiry of existing leases, and that occupancy would remain at 100.0% in the same period for all properties except **DPL Sendai Port** and **DPL Koriyama**, as: (1) all properties' WALEs are more than or equal to 1.3 years; and (2) for all properties, except **DPL Sendai Port** and **DPL Koriyama**, occupancy generally remained at 100.0% from 1Q FY2022 to 3Q FY2025 (the occupancy of **DPL Kawasaki Yako** fell below 100.0% only in 2Q FY2024).

We also assume that rent is unlikely to be revised downwards, such that any fall in NPI at full occupancy [disclosed NPI for a given period ÷ average quarterly occupancy in the period] in FY2023 & FY2024 is likely due to ad-hoc expense(s). Thus, assuming no rent increase, NPI in FY2025 & FY2026 would be the same as the highest NPI at full occupancy from FY2023 to FY2024 (adjusted for 366 days in FY2024). If NPI at full occupancy was the highest in FY2022, the property may have incurred ad-hoc expense(s) in FY2023 & FY2024, such that it may continue incurring ad-hoc expense(s) in FY2025 & FY2026.

We assume too no further acquisition of propert(ies). Accordingly, we project the NPI for each property from the next page.

Japan – Hokkaido / Tohoku:

**DPL Sapporo Higashi Kariki (multi-tenant; WALE: 2.5 years as at 3Q FY2025):** We assume that NPI in FY2025 & FY2026 will be JPY 533 million, the same as in FY2024, after adjusting for 366 days in FY2024 (vs 365 days in FY2025 & FY2026).

**DPL Sendai Port (multi-tenant; WALE: 2.4 years):** We assume that occupancy in 4Q FY2025 would be 50.1%, the same as from 1Q FY2025 to 3Q FY2025. However, we also assume that half of the current vacancy would be filled in FY2026 (and none of the current leases would expire in FY2026 given that WALE exceeds 1.3 years), such that average quarterly occupancy would rise to 75.1% in FY2026 from 50.1% in FY2025.

We assume that rent in the Hokkaido/Tohoku region in FY2025 & FY2026 would remain the same as in FY2024. Thus, we project that NPI at full occupancy in FY2025 & FY2026 would be JPY 552 million, the same as in FY2024 (adjusted for days in FY2024). Accordingly, we project NPI to be JPY 277 million [50.1% × JPY 552 million] in FY2025 and JPY 415 million [75.1% × JPY 552 million] in FY2026.

**DPL Koriyama (multi-tenant; WALE: 2.5 years):** NPI at full occupancy rose to JPY 328 million [disclosed NPI of JPY 258 million ÷ average quarterly occupancy of 78.8%] in FY2024 from JPY 298.0 million [JPY 271.8 million ÷ 91.2%] in FY2023, amid WALE rising on a q-o-q basis in 2Q & 4Q FY2024. We assume that occupancy in 4Q FY2025 will be the same as in 3Q FY2025, such that the average quarterly occupancy in FY2025 will be 79.6%. We also assume that half of the current vacancy would be filled in FY2026 (and none of the current leases would expire in FY2026 given that WALE exceeds 1.3 years), such that average quarterly occupancy would rise to 87.3% in FY2026.

We assume that rent in the Hokkaido/Tohoku region in FY2025 & FY2026 would remain the same as in FY2024. Thus, we project that NPI at full occupancy in FY2025 & FY2026 would be JPY 327 million, the same as in FY2024 (adjusted for days in FY2024). Accordingly, we project NPI to be JPY 260 million [79.6% × JPY 327 million] in FY2025 and JPY 285 million [87.3% × JPY 327 million] in FY2026.

To illustrate how we may also derive the rest of our projections, our projections for the NPI of Hokkaido/Tohoku properties for FY2025 & FY2026 are shown in **Exhibit 40**.

**Exhibit 40: Projected NPI for Hokkaido/Tohoku Properties (FY2025 & FY2026)**

(in JPY million)	Estimate (FY2022) / Actual			Projection	
	FY2022	FY2023	FY2024	FY2025	FY2026
DPL Sapporo Higashi Kariki	535.1	526.9	534	533	533
÷ Average quarterly occupancy	100.0%	100.0%	100.0%	100.0%	100.0%
<b>NPI at full occupancy</b>	<b>535.1</b>	<b>526.9</b>	<b>534</b>	<b>533</b>	<b>533</b>
DPL Sendai Port	499.8	531.3	554	277	415
÷ Average quarterly occupancy	100.0%	100.0%	100.0%	50.1%	75.1%
<b>NPI at full occupancy</b>	<b>499.8</b>	<b>531.3</b>	<b>554</b>	<b>552</b>	<b>552</b>
DPL Koriyama	237.3	271.8	258	260	285
÷ Average quarterly occupancy	82.3%	91.2%	78.8%	79.6%	87.3%
<b>NPI at full occupancy</b>	<b>288.3</b>	<b>298.0</b>	<b>328</b>	<b>327</b>	<b>327</b>

Source: DHLT, FPA

Japan – Greater Tokyo:

**D Project Maebashi S (BTS; WALE: 8.1 years):** NPI remained around JPY 164 million from FY2022 to FY2024. We assume that NPI in FY2025 & FY2026 will be JPY 164.5 million, the same as in FY2023 (NPI in FY2024, adjusted for 366 days in FY2024, was lower than in FY2023).

**D Project Kuki S (BTS; WALE: 8.8 years):** NPI rose to JPY 186 million in FY2024 from JPY 184.2 million in FY2023, in line with WALE rising to 10.1 years in 2Q FY2024 from 0.3 years in 1Q FY2024. We assume that NPI in FY2025 & FY2026 will be JPY 185 million, the same as in FY2024 (after adjusting for 366 days in FY2024).

**D Project Misato S (BTS; WALE: 9.4 years):** NPI remained around JPY 240 million from FY2022 to FY2024. We assume that NPI in FY2025 & FY2026 will be JPY 240 million, the same as in FY2023 (NPI in FY2024, adjusted for 366 days in FY2024, may be lower than in FY2023).

**D Project Iruma S (BTS; WALE: 12.3 years):** NPI fell to JPY 186.1 million in FY2023 from an estimate of JPY 193.3 million in FY2022, amid DHLT acquiring the freehold land of the property in December 2022 thus potentially incurring land tax. Subsequently, NPI fell to JPY 184 million in FY2024. We assume that the fall in NPI in FY2024 was due to ad-hoc expense(s). Thus, we assume that NPI in FY2025 & FY2026 will be JPY 186 million, the same as in FY2023 (instead of FY2024).

**DPL Kawasaki Yako (multi-tenant; WALE: 9.2 years):** NPI at full occupancy fell to JPY 1,262 million [JPY 1,231 million ÷ 97.5%] in FY2024 from JPY 1,269.5 million in FY2023. We assume that the fall in NPI at full occupancy in FY2024 was likely due to ad-hoc expense(s). Thus, we assume that NPI in FY2025 & FY2026 will be JPY 1,270 million, the same as in FY2023 (instead of FY2024).

**D Project Nagano Suzaka S (BTS; WALE: 3.1 years):** NPI remained around JPY 128 million from FY2022 to FY2024. We assume that NPI in FY2025 & FY2026 will be JPY 128 million, the same as in FY2023 (NPI in FY2024, adjusted for 366 days in FY2024, may be lower than in FY2023).

**DPL Ibaraki Yuki (multi-tenant; WALE: 1.3 years):** Despite being a non-BTS property, DPL Ibaraki Yuki is last known to be occupied by only one tenant. Given that the lease may expire only in 4Q FY2026, we assume that NPI in FY2025 & FY2026 will be JPY 148 million, the same as the estimated full-year NPI in FY2024 (after adjusting for 366 days in FY2024).

**DPL Gunma Fujioka (multi-tenant; WALE: 5.5 years):** Despite being a non-BTS property, DPL Gunma Fujioka is last known to be leased to only one tenant, with the current lease lasting minimally until March 2028. DHLT also noted that the “rent for the first three years” from 1 April 2025 “shall be a fixed rate”. Based on pro forma figures provided by DHLT, NPI in FY2024 would rise by JPY 232.3 million [(pro forma NPI of S\$45.9 million – actual NPI of S\$43.9 million) × illustrative exchange rate of JPY 115.1627 per S\$1] “if the Acquisition were completed on 1 January 2024 and DHLT held the Property through to 31 December 2024”. Accordingly, we assume that NPI in FY2026 will be JPY 231.6 million, the same as the estimated NPI for FY2024 based on DHLT’s pro forma figures (and adjusted for 366 days in FY2024). However, to adjust for the acquisition date, we assume that NPI in FY2025 will be JPY 179.0 million [JPY 231.6 million × 282 days (days from 25 March 2025 to 31 December 2025) ÷ 365 days (days in FY2025)].

Japan – Greater Nagoya:

**DPL Shinfuji (multi-tenant; WALE: 5.3 years):** NPI fell from an estimate of JPY 297.7 million in FY2022 to JPY 289.0 million in FY2023, before rising to JPY 291 million in FY2024. We assume that the fall in NPI in FY2023, and NPI in FY2024 being lower than NPI in FY2022, were likely due to ad-hoc expense(s). We note that DHLT may continue incurring ad-hoc expense(s) in FY2025 & FY2026, like what may have occurred in FY2023 & FY2024. Thus, we assume that NPI in FY2025 & FY2026 will be JPY 290 million, the same as in FY2024 (after adjusting for 366 days in FY2024).

**D Project Kakegawa S (BTS; WALE: 8.6 years):** NPI remained around JPY 208–209 million in FY2022 & FY2023, before falling to JPY 205 million in FY2024. We assume that the fall in NPI in FY2024 was likely due to ad-hoc expense(s). Thus, we assume that NPI in FY2025 & FY2026 will be JPY 209 million, the same as in FY2023 (instead of FY2024).

Japan – Chugoku / Shikoku / Kyushu:

**DPL Okayama Hayashima (multi-tenant; WALE: 2.1 years):** NPI fell from an estimate of JPY 303.3 million in FY2022 to JPY 301.7 million in FY2023, before rising to JPY 303 million in FY2024, in line with WALE rising in 3Q FY2024. Despite potential rent increase in 3Q FY2024, NPI rose by only JPY 1–2 million (i.e., less than 1%) in FY2024. Accordingly, we assume that NPI in FY2025 & FY2026 will be JPY 302 million, the same as in FY2024 (after adjusting for 366 days in FY2024).

**DPL Okayama Hayashima 2 (multi-tenant; WALE: 1.3 years):** Despite being a non-BTS property, DPL Okayama Hayashima 2 is last known to be occupied by only one tenant. Given that the lease may expire only in 4Q FY2026, we assume that NPI in FY2025 & FY2026 will be JPY 165 million, the same as in FY2023 (NPI in FY2024, adjusted for 366 days in FY2024, may be lower than in FY2023).

**D Project Fukuoka Tobar S (BTS; WALE: 8.8 years):** NPI remained around JPY 99 million in FY2022 & FY2023, before rising to JPY 103 million in FY2024. Accordingly, we assume that NPI in FY2025 & FY2026 will be JPY 103 million, the same as in FY2024 (after adjusting for 366 days in FY2024).

**DPL Iwakuni 1 & 2 (multi-tenant; WALE: 1.7 years):** Full-year NPI remained around JPY 117 million in FY2022 & FY2023, before rising to JPY 121 million in FY2024. We assume that NPI in FY2025 & FY2026 will be JPY 121 million, the same as in FY2024 (after adjusting for 366 days in FY2024).

**D Project Matsuyama S (BTS; WALE: 3.9 years):** Full-year NPI remained around JPY 53–54 million from FY2022 to FY2024. We assume that the fall in NPI in FY2024 was due to ad-hoc expense(s). Thus, we assume that NPI in FY2025 & FY2026 will be JPY 54 million, the same as in FY2023 (instead of FY2024).

Vietnam – Long An (near Ho Chi Minh):

**D Project Tan Duc 2 (BTS; WALE: 18.1 years):** DHLT acquired D Project Tan Duc 2 in July 2024 (2H FY2024). Assuming that D Project Tan Duc 2 was acquired on 1 January 2024, we estimate that NPI in FY2024 would be VND 45.5 billion [VND 22.2 billion ÷ 179 days (6 July 2024 to 31 December 2024) × 366 days (days in FY2024)]. Accordingly, we assume that NPI in FY2025 & FY2026 will be VND 45.3 million, the same as in FY2024 (after adjusting for 366 days in FY2024).

Our NPI projections for each of DHLT's properties, for FY2025 & FY2026, are shown in **Exhibit 41**.

**Exhibit 41: Projected NPI and Average Quarterly Occupancy for DHLT's Properties (FY2025 & FY2026)**

(in JPY million unless otherwise indicated)	Estimate (FY2022) / Actual			Projection		Average quarterly occupancy (est.)			Assumption	
	FY2022	FY2023	FY2024	FY2025	FY2026	FY2022	FY2023	FY2024	FY2025	FY2026
<b>Japan - Hokkaido / Tohoku:</b>										
DPL Sapporo Higashi Kariki	535.1	526.9	534	533	533	100.0%	100.0%	100.0%	100.0%	100.0%
DPL Sendai Port	499.8	531.3	554	277	415	100.0%	100.0%	100.0%	50.1%	75.1%
DPL Koriyama	237.3	271.8	258	260	285	82.3%	91.2%	78.8%	79.6%	87.3%
<b>Japan - Greater Tokyo:</b>										
D Project Maebashi S	164.3	164.5	164	165	165	100.0%	100.0%	100.0%	100.0%	100.0%
D Project Kuki S	183.9	184.2	186	185	185	100.0%	100.0%	100.0%	100.0%	100.0%
D Project Misato S	240.0	239.9	240	240	240	100.0%	100.0%	100.0%	100.0%	100.0%
D Project Iruma S	193.3	186.1	184	186	186	100.0%	100.0%	100.0%	100.0%	100.0%
DPL Kawasaki Yako	1,268.2	1,269.5	1,231	1,270	1,270	100.0%	100.0%	97.5%	100.0%	100.0%
D Project Nagano Suzaka S	127.9	127.9	128	128	128	100.0%	100.0%	100.0%	100.0%	100.0%
DPL Ibaraki Yuki	-	-	118	148	148			100.0%	100.0%	100.0%
DPL Gunma Fujioka	-	-	-	179	232			100.0%	100.0%	100.0%
<b>Japan - Greater Nagoya:</b>										
DPL Shinfuji	297.7	289.0	291	290	290	100.0%	100.0%	100.0%	100.0%	100.0%
D Project Kakegawa S	208.2	208.7	205	209	209	100.0%	100.0%	100.0%	100.0%	100.0%
<b>Japan - Chugoku / Shikoku / Kyushu:</b>										
DPL Okayama Hayashima	303.3	301.7	303	302	302	100.0%	100.0%	100.0%	100.0%	100.0%
DPL Okayama Hayashima 2	164.7	165.0	165	165	165	100.0%	100.0%	100.0%	100.0%	100.0%
D Project Fukuoka Tobaras S	98.8	98.9	103	103	103	100.0%	100.0%	100.0%	100.0%	100.0%
DPL Iwakuni 1 & 2	7.7	117.2	121	121	121		100.0%	100.0%	100.0%	100.0%
D Project Matsuyama S	3.5	53.7	53	54	54		100.0%	100.0%	100.0%	100.0%
<b>NPI of properties in Japan</b>	<b>4,533.6</b>	<b>4,736.3</b>	<b>4,838</b>	<b>4,813</b>	<b>5,029</b>					
<b>Vietnam - Long An (near Ho Chi Minh City):</b>										
D Project Tan Duc 2 (in VND million)	-	-	22,239	45,348	45,348			100.0%	100.0%	100.0%
<b>NPI of property in Vietnam</b>	<b>-</b>	<b>-</b>	<b>22,239</b>	<b>45,348</b>	<b>45,348</b>					

Source: DHLT, FPA

We assume that the average SGD-to-JPY exchange rate in FY2025 will be 114.239, the Year-To-Date (“YTD”) average as at 19 December 2025 based on Yahoo! Finance data. We also assume that the average exchange rate in FY2026 will be 120.599, the same as at 19 December 2025.

Meanwhile, we assume that the average SGD-to-Vietnamese Dong (“VND”) exchange rate in FY2025 will be 19,887.37, the YTD average as at 19 December 2025 based on Investing.com data (Yahoo! Finance provided little historical data). We also assume that the average exchange rate in FY2026 will be 20,349.19, the same as at 19 December 2025.

Thus, we project that NPI will be S\$44.4 million in FY2025 and S\$43.9 million in FY2026, as shown in **Exhibit 42**.

As we assume that NPI as a percentage of revenue from 2H FY2025 to 2H FY2026 will be 76.9%, we project that revenue will be S\$57.8 million in FY2025 and S\$57.1 million in FY2026, as shown in **Exhibit 42** (bottom).

#### **Exhibit 42: Projected NPI and Revenue (FY2025 & FY2026)**

(in S\$ '000 unless otherwise stated)	Estimate / Actual			Projection	
	FY2022	FY2023	FY2024	FY2025	FY2026
NPI of properties in Japan (in JPY million)	4,533.6	4,736.3	4,838	4,813	5,029
× SGD-to-JPY exchange rate (average; Y! Finance)	95.203	104.528	113.296	114.239	120.599
<b>NPI of properties in Japan (est.)</b>	<b>47,621</b>	<b>45,311</b>	<b>42,702</b>	<b>42,130</b>	<b>41,698</b>
NPI of property in Vietnam (in VND million)	-	-	22,239	45,348	45,348
× SGD-to-VND exchange rate (average; Investing.com)	17,658.8	17,738.1	18,740.2	19,887.4	20,410.9
<b>NPI of properties in Vietnam (est.)</b>	<b>-</b>	<b>-</b>	<b>1,187</b>	<b>2,280</b>	<b>2,222</b>
NPI of properties in Japan (est.)	47,621	45,311	42,702	42,130	41,698
NPI of properties in Vietnam (est.)	-	-	1,187	2,280	2,222
<b>NPI (calculated)</b>	<b>47,621</b>	<b>45,311</b>	<b>43,889</b>	<b>44,410</b>	<b>43,919</b>
NPI (disclosed)	47,724	45,324	43,890	n.a.	n.a.

(in S\$ '000 unless otherwise stated)	Actual			Projection	
	FY2022	FY2023	FY2024	FY2025	FY2026
NPI	47,724	45,324	43,890	44,410	43,919
Gross revenue	62,119	59,852	57,100	57,754	57,116
<b>NPI as a % of revenue</b>	<b>76.8%</b>	<b>75.7%</b>	<b>76.9%</b>	<b>76.9%</b>	<b>76.9%</b>

n.a. = not available.

Source: DHLT, Yahoo! Finance, Investing.com, FPA

**(II) EARNINGS PROJECTION****Japan asset management fee:**

We project that Japan asset management fee from 2H FY2025 to 2H FY2026 will be S\$531,000 (S\$1.1 million in FY2025 and S\$1.1 million in FY2026), the average from 1H FY2023 to 1H FY2025, as shown in **Exhibit 43**.

**Exhibit 43: Projected Japan Asset Management Fee (2H FY2025 to 2H FY2026)**

(in S\$ '000)	Actual							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Japan asset management fees	715	540	559	518	523	522	535	531	531	531

Source: DHLT, FPA

**Trustee's fee and trust expense:**

We assume that Trustee's fee and trust expense from 2H FY2025 to 2H FY2026 will be the respective averages from 1H FY2023 to 1H FY2025.

Thus, we project that Trustee's fee will be S\$138,000 from 2H FY2025 to 2H FY2026 (S\$290,000 in FY2025 and S\$277,000 in FY2026), as shown in **Exhibit 44**.

We also project that trust expense will be S\$756,000 from 2H FY2025 to 2H FY2026 (S\$1.1 million in FY2025 and S\$1.5 million in FY2026), as also shown in **Exhibit 44**.

**Exhibit 44: Projected Trustee's Fee and Trust Expense (2H FY2025 to 2H FY2026)**

(in S\$ '000)	Actual							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Trustee's fee	130	139	130	127	160	123	152	138	138	138
Trust expense	583	443	980	796	897	776	331	756	756	756

Source: DHLT, FPA

**Finance expenses:**

We assume that total borrowings from 2H FY2025 to 2H FY2026 will be the same as in 1H FY2025. We also assume that the effective interest on interest income (annualised) from 2H FY2025 to 2H FY2026 will remain the same as in 1H FY2025. As amortisation of debt related expenses rose from 2H FY2023 to 1H FY2025, we assume that amortisation of debt related expenses from 2H FY2025 to 2H FY2026 will be the same as in 1H FY2025. As finance cost on lease liabilities & other liabilities generally fell from 2H FP2022 to 1H FY2025, we assume the finance cost from 2H FY2025 to 2H FY2026 to be the same as in 1H FY2025. However, we assume that commitment & financing fees from 2H FY2025 to 2H FY2026 will be the average of 1H FY2023 to 1H FY2025.

Thus, we project that finance expenses will be S\$4.5 million from 2H FY2025 to 2H FY2026 (S\$9.1 million in FY2025 & FY2026), as shown in **Exhibit 45**.

**Exhibit 45: Projected Finance Expenses (2H FY2025 to 2H FY2026)**

(in S\$ '000)	Actual							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Interest expense	1,044	796	854	805	833	1,259	2,140	2,140	2,140	2,140
Amortisation of debt related expenses	1,459	689	824	757	765	885	952	952	952	952
Commitment and financing fees	-	14	40	40	40	40	39	40	40	40
Finance cost on lease liabilities and other liabilities	2,340	1,688	1,598	1,476	1,405	1,403	1,410	1,410	1,410	1,410
<b>Total finance expenses</b>	<b>4,843</b>	<b>3,187</b>	<b>3,316</b>	<b>3,078</b>	<b>3,043</b>	<b>3,587</b>	<b>4,541</b>	<b>4,542</b>	<b>4,542</b>	<b>4,542</b>
Interest expense	1,044	796	854	805	833	1,259	2,140	2,140	2,140	2,140
Total borrowings (excl. unamortised costs)	306,097	343,360	318,537	317,421	307,642	343,254	384,204	384,204	384,204	384,204
<b>Effective interest on interest expense (annualised)</b>	<b>0.7%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.7%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.1%</b>	<b>1.1%</b>

Source: DHLT, FPA

**Other Income/Expenses:**

We assume no foreign exchange gain/loss from 2H FY2025 to 2H FY2026.

As other income/expenses (excluding interest income) may comprise mainly foreign exchange gain/loss, we assume that other income from 2H FY2025 to 2H FY2026 will be S\$121,000 (negative S\$1.4 million in FY2025 and positive S\$241,000 in FY2026), the average interest income from 1H FY2025, as shown in **Exhibit 46**.

**Exhibit 46: Projected Other Income/Expenses (2H FY2025 to 2H FY2026)**

(in S\$ '000)	Actual / Estimate							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Interest income (from cash flows statement)	-	75	127	145	88	96	147	121	121	121
Others (including realised forex gain/loss; estimate)	-	1,066	1,491	2,417	1,726	102	(1,664)	-	-	-
<b>Other income/(expenses)</b>	<b>-</b>	<b>1,141</b>	<b>1,618</b>	<b>2,562</b>	<b>1,814</b>	<b>198</b>	<b>(1,517)</b>	<b>121</b>	<b>121</b>	<b>121</b>

Source: DHLT, FPA

**Fair value change in investment properties and in derivatives:**

We assume no fair value change in investment properties nor in derivatives from 2H FY2025 to 2H FY2026.

**Tax expenses:**

We assume that current tax from 2H FY2025 to 2H FY2026 will be the average from 1H FY2023 to 1H FY2025.

We also assume no adjustment in respect of current tax of previous year from 2H FY2025 to 2H FY2026.

Deferred tax expenses ranged between S\$2.0 million and S\$2.2 million from 1H of FY2023 to FY2025, and between S\$3.9 million and S\$4.4 million in 2H of FP2022 to FY2024. We assume that deferred tax expenses in 2H FY2025 & 2H FY2026 will be S\$4.1 million, the average in 2H of FP2022 to FY2024. We also assume that deferred tax expenses in 1H FY2026 will be S\$2.1 million, the average in 1H of FY2023 to FY2025.

Thus, we project that tax expenses will be S\$4.3 million in 2H FY2025 & 2H FY2026 (S\$6.4 million in FY2025) and S\$2.2 million in 1H FY2026 (S\$6.5 million in FY2026), as shown in **Exhibit 47**.

**Exhibit 47: Projected Tax Expenses (2H FY2025 to 2H FY2026)**

(in S\$ '000)	Actual							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Current income tax	-	-	125	192	164	38	68	117	117	117
Adj. in respect of current income tax of prev. year	-	-	-	-	(8)	-	3	-	-	-
Deferred tax	17,031	4,138	2,201	3,871	2,006	4,433	2,078	4,147	2,095	4,147
<b>Tax expenses</b>	<b>17,031</b>	<b>4,138</b>	<b>2,326</b>	<b>4,063</b>	<b>2,162</b>	<b>4,471</b>	<b>2,149</b>	<b>4,265</b>	<b>2,212</b>	<b>4,265</b>

Source: DHLT, FPA

**Total return attributable to perpetual securities holders:**

Given that the first distribution after the next reset date would likely be in March 2027 (1H FY2027), we assume that total return attributable to perpetual securities holders (in JPY) in 2H FY2025 & 2H FY2026 will be the same as those in 2H of FP2022 to FY2024 while that (in JPY) in 1H FY2026 will be the same as those in 1H of FY2023 to FY2025.

Given that we assume SGD-to-JPY exchange rates in FY2025 & FY2026 will be 114.239, the YTD average as at 19 December 2025, we assume that the average SGD-to-JPY exchange rate will be:

- 2H FY2025: the average from 1 July 2025 to 19 December 2025; and
- 1H & 2H FY2026: the same as at 19 December 2025.

Thus, we project that total return attributable to perpetual securities holders will be S\$383,000 in 2H FY2025 (S\$775,000 in FY2025), S\$365,000 in 1H FY2026, and S\$370,000 in 2H FY2026 (S\$735,000 in FY2026), as shown in **Exhibit 48**.

**Exhibit 48: Projected Total Return Attributable to Perpetual Securities Holders (2H FY2025 to 2H FY2026)**

(in S\$ '000)	Actual							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Total return attrib. to perpetual securities holders	590	445	435	412	391	393	392	383	365	370
SGD-to-JPY exchange rate (average; Yahoo! Finance)	88.871	100.357	100.766	108.216	112.852	113.707	112.065	116.520	120.599	120.599

(in JPY million)	Estimate							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Total return attrib. to perpetual securities holders	52	45	44	45	44	45	44	45	44	45

Source: DHLT, Yahoo! Finance, FPA

**Total return attributable to Unitholders (excluding Manager's management fees):**

Accordingly, we project that total return attributable to Unitholders (excluding Manager's management fees) will be S\$22.2 million in FY2025 and S\$25.0 million in FY2026, as shown in **Exhibit 49**.

**Exhibit 49: Projected Net Income Attributable to Unitholders (Excluding Management Fees; FY2025 & FY2026)**

(in S\$ '000)	Actual			Projection	
	FP2022	FY2023	FY2024	FY2025	FY2026
<b>NPI</b>	<b>52,985</b>	<b>45,324</b>	<b>43,890</b>	<b>44,410</b>	<b>43,919</b>
Japan asset management fee	(1,255)	(1,077)	(1,045)	(1,066)	(1,063)
Trustee's fee	(294)	(257)	(284)	(290)	(277)
Trust expense	(1,659)	(1,776)	(1,671)	(1,087)	(1,512)
Finance expenses	(8,030)	(6,394)	(6,630)	(9,083)	(9,084)
Other income	1,141	4,180	2,013	(1,396)	241
Fair value change in investment properties	121,485	11,576	8,483	(1,730)	-
Fair value change in derivatives	870	866	(1,024)	(416)	-
<b>Net income before tax (excl. Manager's mgmt fees)</b>	<b>165,243</b>	<b>52,442</b>	<b>43,732</b>	<b>29,341</b>	<b>32,225</b>
Tax expenses	(21,169)	(6,389)	(6,634)	(6,414)	(6,477)
<b>Total return for the period (excl. Mgr's mgmt fees)</b>	<b>144,074</b>	<b>46,053</b>	<b>37,098</b>	<b>22,927</b>	<b>25,748</b>
<b>Attributable to:</b>					
Unitholders	143,039	45,206	36,314	22,152	25,014
Perpetual securities holders	1,035	847	784	775	735
<b>Total return for the period (excl. Mgr's mgmt fees)</b>	<b>144,074</b>	<b>46,053</b>	<b>37,098</b>	<b>22,927</b>	<b>25,748</b>

Source: DHLT, FPA

**Distribution adjustments and distributable income to Unitholders (excluding Manager's management fees):**

We project that distribution adjustments (excl. Manager's management fees) will be S\$5.1 million in 2H FY2025 (S\$10.6 million in FY2025), S\$3.0 million in 1H FY2026, and S\$5.1 million in 2H FY2026 (S\$8.1 million in FY2026), as shown in **Exhibit 50**.

**Exhibit 50: Distribution Adjustments (Excluding Management Fees; 2H FY2025 to 2H FY2026)**

(in S\$ '000)	Actual						Projection			
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Fair value change in investment properties	(110,401)	(16,108)	36	(14,345)	-	(11,619)	-	-	-	-
Fair value change in derivatives	-	(870)	(1,311)	445	(381)	1,405	416	-	-	-
Unrealised forex loss	-	245	(144)	1	289	533	2,038	-	-	-
Amortisation of loan/bond upfront fee	1,459	689	824	757	765	885	952	952	952	952
Deferred tax expenses	17,029	4,138	2,201	3,871	2,007	4,433	2,078	4,147	2,095	4,147
Issue costs partly reimbursed from government grant	-	400	200	-	-	-	-	-	-	-
Others	18	355	165	(148)	83	-	-	-	-	-
<b>Total distribution adjustments (excl. mgmt fees)</b>	<b>(91,895)</b>	<b>(11,151)</b>	<b>1,971</b>	<b>(9,419)</b>	<b>2,763</b>	<b>(4,363)</b>	<b>5,484</b>	<b>5,099</b>	<b>3,047</b>	<b>5,099</b>

Source: DHLT, FPA

Accordingly, we project that distributable income to Unitholders (excluding Manager's management fees) will be S\$32.7 million in FY2025 and S\$33.2 million in FY2026, as shown in **Exhibit 51**.

**Exhibit 51: Projected Distributable Income to Unitholders (Excluding Management Fees; FY2025 & FY2026)**

(in S\$ '000)	Actual			Projection	
	FP2022	FY2023	FY2024	FY2025	FY2026
Total return attrib. to Unitholders (excl. Mgr's fees)	143,039	45,206	36,314	22,152	25,014
Distribution adjustments (excl. Mgr's mgmt fees)	(103,046)	(7,448)	(1,600)	10,583	8,146
<b>Distrib. income to Unitholders (excl. Mgr's fees)</b>	<b>39,993</b>	<b>37,758</b>	<b>34,714</b>	<b>32,735</b>	<b>33,160</b>
Fair value change in investment properties	(126,509)	(14,309)	(11,619)	-	-
Fair value change in derivatives	(870)	(866)	1,024	416	-
Unrealised forex loss	245	(143)	822	2,038	-
Amortisation of loan/bond upfront fee	2,148	1,581	1,650	1,904	1,904
Deferred tax expenses	21,167	6,072	6,440	6,225	6,242
Issue costs partly reimbursed from government grant	400	200	-	-	-
Others	373	17	83	-	-
<b>Distribution adjustments (excl. Mgr's mgmt fees)</b>	<b>(103,046)</b>	<b>(7,448)</b>	<b>(1,600)</b>	<b>10,583</b>	<b>8,146</b>

Source: DHLT, FPA

**Manager's Base Fee:**

Given that management fees (Base Fee + Japan asset management fee) comprise 10.0% of distributable income to Unitholders (excluding Manager's management fees), we project that Base Fee will be S\$2.2 million in FY2025 and S\$2.3 million in FY2026, as shown in **Exhibit 52**.

**Exhibit 52: Projected Base Fee (FY2025 & FY2026)**

(in S\$ '000)	Actual			Projection	
	FP2022	FY2023	FY2024	FY2025	FY2026
Base Fee	2,745	2,698	2,393	2,207	2,253
Japan asset management fee	1,255	1,077	1,045	1,066	1,063
<b>Management fees</b>	<b>4,000</b>	<b>3,775</b>	<b>3,438</b>	<b>3,274</b>	<b>3,316</b>
(A) Management fees	4,000	3,775	3,438	3,274	3,316
(B) Distrib. income to Unitholders (excl. Mgr's fees)	39,993	37,758	34,714	32,735	33,160
<b>A as a % of B</b>	<b>10.0%</b>	<b>10.0%</b>	<b>9.9%</b>	<b>10.0%</b>	<b>10.0%</b>

Source: DHLT, FPA

**Distributable income to Unitholders (excluding Performance Fee):**

We assume that DHLT will continue to pay 50.0% of Base Fee in Units. After accounting for Base Fee, we project that distributable income to Unitholders (excluding Performance Fee) will be S\$31.6 million in FY2025 and S\$32.0 million in FY2026, as shown in **Exhibit 53**.

**Exhibit 53: Projected Distributable Income to Unitholders (excluding Performance Fee; FY2025 & FY2026)**

(in S\$ '000)	Actual			Projection	
	FP2022	FY2023	FY2024	FY2025	FY2026
Total return attrib. to Unitholders (excl. Mgr's fees)	143,039	45,206	36,314	22,152	25,014
Deduct: Base Fee	(2,745)	(2,698)	(2,393)	(2,207)	(2,253)
<b>Total return attrib. to Unitholders (excl. Perf. Fee)</b>	<b>140,294</b>	<b>42,508</b>	<b>33,921</b>	<b>19,945</b>	<b>22,760</b>
Distribution adjustments (excl. Mgr's mgmt fees)	(103,046)	(7,448)	(1,600)	10,583	8,146
Add: Base Fee paid/payable in Units	1,373	1,349	1,196	1,104	1,127
<b>Total distribution adjustments</b>	<b>(101,673)</b>	<b>(6,099)</b>	<b>(404)</b>	<b>11,687</b>	<b>9,273</b>
Total return attrib. to Unitholders (excl. Perf. Fee)	140,294	42,508	33,921	19,945	22,760
Total distribution adjustments	(101,673)	(6,099)	(404)	11,687	9,273
<b>Distributable income to Unitholders (excl. Perf. Fee)</b>	<b>38,621</b>	<b>36,409</b>	<b>33,517</b>	<b>31,632</b>	<b>32,033</b>

Source: DHLT, FPA

**Movement in Units:**

We assume that DHLT's unit price for payment of Base Fee through issuance of Units from 2H FY2025 to 2H FY2026 will remain at S\$0.565, the same as at 19 December 2025. Given that we project Base Fee in FY2025 to be S\$2.2 million, we project Base Fee in 2H FY2025 to be S\$1.1 million in 2H FY2025 (S\$2.2 million in FY2025 – S\$1.1 million in 1H FY2025), such that Base Fee payable in Units will be S\$559,000 in 2H FY2025. We also project that Base Fee payable in Units will be S\$1.1 million in FY2026.

Accordingly, we project that units issued and to be issued at the end of period will rise to 700,333,978 at end-FY2025 and 702,353,423 at end-FY2026, as shown in **Exhibit 54**.

**Exhibit 54: Projected Movement in Units (2H FY2025 to 2H FY2026)**

(in Units unless otherwise stated)	Estimate (Units movement in 1H FY2023) / Actual							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Units in issue at beginning of period	675,000,000	675,499,392	692,535,066	694,355,286	695,503,052	697,038,817	698,430,425	699,441,867	700,333,978	701,356,438
Issuance of new units under Sponsor subscription	-	16,071,444	-	-	-	-	-	-	-	-
Acquisition fees paid in units	-	-	728,785	-	393,853	450,031	-	-	-	-
Manager's base fee paid in units	499,392	964,230	1,091,435	1,147,766	1,141,912	941,577	1,011,442	892,111	1,022,460	996,985
<b>Units issued at end of period</b>	<b>675,499,392</b>	<b>692,535,066</b>	<b>694,355,286</b>	<b>695,503,052</b>	<b>697,038,817</b>	<b>698,430,425</b>	<b>699,441,867</b>	<b>700,333,978</b>	<b>701,356,438</b>	<b>702,353,423</b>
Acquisition fees payable in units	-	728,785	-	-	-	-	-	-	-	-
Manager's base fee payable in units	457,366	510,561	550,271	562,858	464,799	489,791	439,571	523,967	498,493	498,493
<b>Total Units issued and to be issued at end of period</b>	<b>675,956,758</b>	<b>693,774,412</b>	<b>694,905,557</b>	<b>696,065,910</b>	<b>697,503,616</b>	<b>698,920,216</b>	<b>699,881,438</b>	<b>700,857,945</b>	<b>701,854,930</b>	<b>702,851,915</b>
<b>Base Fee:</b>										
1Q price (S\$)	0.8263		0.5653		0.5891		0.5685		0.565	
2Q price (S\$)	0.6804		0.6027		0.5721		0.5646		0.565	
3Q price (S\$)		0.6417		0.5483		0.6407		0.5807		0.565
4Q price (S\$)		0.633		0.6425		0.5794		0.565		0.565
1Q (paid in curr. period or 1H)	499,392		580,874		579,054		521,651		498,493	
2Q (paid in next period or 2H)	457,366		550,271		464,799		439,571		498,493	
3Q (paid in curr. period or 2H)		506,864		597,495		476,778		452,540		498,493
4Q (paid in next period or 1H)		510,561		562,858		489,791		523,967		498,493
<b>Base Fee paid/payable in Units</b>	<b>956,758</b>	<b>1,017,425</b>	<b>1,131,145</b>	<b>1,160,353</b>	<b>1,043,853</b>	<b>966,569</b>	<b>961,222</b>	<b>976,507</b>	<b>996,985</b>	<b>996,985</b>
1Q	413		328		341		297		282	
2Q	311		332		266		248		282	
3Q		325		328		305		263		282
4Q		323		362		284		296		282
<b>Base Fee paid/payable in Units (in S\$ '000)</b>	<b>724</b>	<b>648</b>	<b>660</b>	<b>689</b>	<b>607</b>	<b>589</b>	<b>545</b>	<b>559</b>	<b>563</b>	<b>563</b>

n.a. = not available.

Source: DHLT, FPA

**DPU (excl. Performance Fee):**

We assume that NPI will be S\$21.8 million in 1H FY2026 [projected NPI of S\$43.9 million in FY2026 × 181 days in 1H FY2026 ÷ 365 days in FY2026] and S\$22.1 million in 2H FY2026 [projected NPI of S\$43.9 million in FY2026 × 184 days in 2H FY2026 ÷ 365 days in FY2026], such that distributable income to Unitholders (excl. Performance Fee) will be S\$15.9 million in 2H FY2025, S\$15.8 million in 1H FY2026, and S\$16.2 million in 2H FY2026, as shown in **Exhibit 55**.

Figures in **Exhibit 55** for 2H FY2025 to 2H FY2026 excludes Performance Fee.

**Exhibit 55: Projected Distributable Income to Unitholders (excluding Performance Fee for 2H FY2025 to 2H FY2026)**

(in S\$ '000 unless otherwise indicated)	Actual							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
<b>Gross revenue</b>	<b>38,903</b>	<b>29,816</b>	<b>30,900</b>	<b>28,951</b>	<b>27,581</b>	<b>29,519</b>	<b>29,174</b>	<b>28,469</b>	<b>28,323</b>	<b>28,793</b>
Property expenses	(8,868)	(6,866)	(7,768)	(6,759)	(6,348)	(6,862)	(6,655)	(6,578)	(6,544)	(6,653)
<b>Net property income</b>	<b>30,035</b>	<b>22,950</b>	<b>23,132</b>	<b>22,192</b>	<b>21,233</b>	<b>22,657</b>	<b>22,519</b>	<b>21,891</b>	<b>21,779</b>	<b>22,140</b>
Manager's management fees	(1,448)	(1,297)	(1,320)	(1,413)	(1,214)	(1,179)	(1,089)	(1,118)	(1,127)	(1,127)
Japan asset management fees	(715)	(540)	(559)	(518)	(523)	(522)	(535)	(531)	(531)	(531)
Trustee's fee	(155)	(139)	(130)	(127)	(160)	(123)	(152)	(138)	(138)	(138)
Trust expense	(1,216)	(443)	(980)	(796)	(897)	(776)	(331)	(756)	(756)	(756)
Finance expenses	(4,843)	(3,187)	(3,316)	(3,078)	(3,043)	(3,587)	(4,541)	(4,542)	(4,542)	(4,542)
Other income	-	1,141	1,618	2,562	1,814	198	(1,517)	121	121	121
<b>Net income before tax and fair value changes</b>	<b>21,658</b>	<b>18,485</b>	<b>18,445</b>	<b>18,822</b>	<b>17,210</b>	<b>16,668</b>	<b>14,354</b>	<b>14,926</b>	<b>14,806</b>	<b>15,167</b>
Fair value change in investment properties	108,034	13,451	(1,496)	13,072	(1,304)	9,787	(1,730)	-	-	-
Fair value change in derivatives	-	870	1,311	(445)	381	(1,405)	(416)	-	-	-
<b>Net income before tax</b>	<b>129,692</b>	<b>32,806</b>	<b>18,260</b>	<b>31,449</b>	<b>16,287</b>	<b>25,050</b>	<b>12,208</b>	<b>14,926</b>	<b>14,806</b>	<b>15,167</b>
Tax expenses	(17,031)	(4,138)	(2,326)	(4,063)	(2,162)	(4,471)	(2,149)	(4,265)	(2,212)	(4,265)
<b>Total return for the period</b>	<b>112,661</b>	<b>28,668</b>	<b>15,934</b>	<b>27,386</b>	<b>14,125</b>	<b>20,579</b>	<b>10,059</b>	<b>10,661</b>	<b>12,593</b>	<b>10,902</b>
<b>Attributable to:</b>										
Unitholders	112,071	28,223	15,499	26,974	13,734	20,186	9,667	10,278	12,229	10,532
Perpetual securities holders	590	445	435	412	391	393	392	383	365	370
<b>Total return for the period</b>	<b>112,661</b>	<b>28,668</b>	<b>15,934</b>	<b>27,386</b>	<b>14,125</b>	<b>20,579</b>	<b>10,059</b>	<b>10,661</b>	<b>12,593</b>	<b>10,902</b>
<b>Dividend Per Unit ("DPU"):</b>										
Total returns attributable to unitholders	112,071	28,223	15,499	26,974	13,734	20,186	9,667	10,278	12,229	10,532
Distribution adjustments	(91,170)	(10,503)	2,631	(8,730)	3,370	(3,774)	6,029	5,658	3,610	5,663
<b>Distributable income to Unitholders</b>	<b>20,901</b>	<b>17,720</b>	<b>18,130</b>	<b>18,244</b>	<b>17,104</b>	<b>16,412</b>	<b>15,696</b>	<b>15,936</b>	<b>15,839</b>	<b>16,194</b>

(in S\$ '000)	Actual							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Manager's management fees paid/payable in Units	725	648	660	689	607	589	545	559	563	563
Fair value change in investment properties	(110,401)	(16,108)	36	(14,345)	-	(11,619)	-	-	-	-
Fair value change in derivatives	-	(870)	(1,311)	445	(381)	1,405	416	-	-	-
Unrealised forex loss	-	245	(144)	1	289	533	2,038	-	-	-
Amortisation of loan/bond upfront fee	1,459	689	824	757	765	885	952	952	952	952
Deferred tax expenses	17,029	4,138	2,201	3,871	2,007	4,433	2,078	4,147	2,095	4,147
Issue costs partly reimbursed from govt grant	-	400	200	-	-	-	-	-	-	-
Others	18	355	165	(148)	83	-	-	-	-	-
<b>Total distribution adjustments</b>	<b>(91,170)</b>	<b>(10,503)</b>	<b>2,631</b>	<b>(8,730)</b>	<b>3,370</b>	<b>(3,774)</b>	<b>6,029</b>	<b>5,658</b>	<b>3,610</b>	<b>5,663</b>

Source: DHLT, FPA

We also assume that the difference between amount available for distribution at the end of period and distribution paid to Unitholders from 2H FY2025 to 2H FY2026 will remain the same as in 1H FY2025, as the difference has generally been rising from 1H FP2022 to 1H FY2025.

Thus, we project that DPU (excluding Performance Fee; in cents) will be 2.27 in 2H FY2025 (4.51 in FY2025), 2.26 in 1H FY2026, and 2.30 in 2H FY2026 (4.56 in 2H FY2026), as shown in **Exhibit 56**.

Figures in 2H FY2023 affected by the exclusion of Performance Fee of S\$35,000 in 2H FY2023 are shaded in **Exhibit 56**.

### Exhibit 56: Projected Distribution Per Unit (Excluding Performance Fee; 2H FY2025 to 2H FY2026)

(in S\$ '000 unless otherwise stated)	Estimate (Relevant Units and next period distrib. paid to Unitholders in 1H FY2025) / Actual							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Distrib. paid to Unitholders (next period; Ordinary)	20,873	17,675	18,123	18,202	17,077	16,355	15,667	15,936	15,839	16,194
÷ Relevant units for DPU	675,499,392	677,702,968	694,355,286	696,065,910	697,038,817	698,920,216	699,441,867	700,857,945	701,356,438	702,851,915
<b>DPU (Ordinary; disclosed in cents; incl. Perf. Fee)</b>	<b>3.09</b>	<b>2.61</b>	<b>2.61</b>	<b>2.61</b>	<b>2.45</b>	<b>2.34</b>	<b>2.24</b>	<b>2.27</b>	<b>2.26</b>	<b>2.30</b>
Units issued at end of period	675,499,392	-	694,355,286	-	697,038,817	-	699,441,867	-	701,356,438	-
Total Units issued and to be issued at end of period	-	693,774,412	-	696,065,910	-	698,920,216	-	700,857,945	-	702,851,915
Less: Issuance of units under Sponsor subscription	-	(16,071,444)	-	-	-	-	-	-	-	-
<b>Relevant units for DPU (in Units)</b>	<b>675,499,392</b>	<b>677,702,968</b>	<b>694,355,286</b>	<b>696,065,910</b>	<b>697,038,817</b>	<b>698,920,216</b>	<b>699,441,867</b>	<b>700,857,945</b>	<b>701,356,438</b>	<b>702,851,915</b>
<b>Amount available for distribution (start of period)</b>	-	<b>20,901</b>	<b>17,748</b>	<b>18,152</b>	<b>18,308</b>	<b>17,210</b>	<b>16,547</b>	<b>15,888</b>	<b>16,157</b>	<b>16,059</b>
Distrib. income to Unitholders (incl. Perf. Fee)	20,901	17,720	18,130	18,279	17,104	16,412	15,696	15,936	15,839	16,194
<b>Amount available for distribution to Unitholders</b>	<b>20,901</b>	<b>38,621</b>	<b>35,878</b>	<b>36,431</b>	<b>35,412</b>	<b>33,622</b>	<b>32,243</b>	<b>31,824</b>	<b>31,996</b>	<b>32,254</b>
DPU of 3.09 cents for 1H FP2022	-	(20,873)	-	-	-	-	-	-	-	-
DPU of 2.61 cents for 2H FP2022	-	-	(17,675)	-	-	-	-	-	-	-
DPU of 0.31 cents for 8 Dec to 31 Dec 2022 (Class A)	-	-	(50)	-	-	-	-	-	-	-
DPU of 2.61 cents for 1H FY2023	-	-	-	(18,123)	-	-	-	-	-	-
DPU of 2.61 cents for 2H FY2023	-	-	-	-	(18,202)	-	-	-	-	-
DPU of 2.45 cents for 1H FY2024	-	-	-	-	-	(17,077)	-	-	-	-
DPU of 2.34 cents for 2H FY2024	-	-	-	-	-	-	(16,355)	-	-	-
DPU of 2.24 cents for 1H FY2025	-	-	-	-	-	-	-	(15,667)	-	-
DPU of 2.27 cents in 2H FY2025	-	-	-	-	-	-	-	-	(15,936)	-
DPU of 2.26 cents in 1H FY2026	-	-	-	-	-	-	-	-	-	(15,839)
<b>Amount available for distribution (end of period)</b>	<b>20,901</b>	<b>17,748</b>	<b>18,152</b>	<b>18,308</b>	<b>17,210</b>	<b>16,547</b>	<b>15,888</b>	<b>16,157</b>	<b>16,059</b>	<b>16,415</b>
Amount available for distribution (end of period)	20,901	17,748	18,152	18,308	17,210	16,547	15,888	16,157	16,059	16,415
Less: Distributions paid to Unitholders (next period)	20,873	17,725	18,123	18,202	17,077	16,355	15,667	15,936	15,839	16,194
<b>Difference</b>	<b>28</b>	<b>23</b>	<b>29</b>	<b>106</b>	<b>133</b>	<b>192</b>	<b>221</b>	<b>221</b>	<b>221</b>	<b>221</b>

Source: DHLT, FPA

**Performance Fee and Manager's management fees:**

We assume that the weighted average Units used to calculate Performance Fee would be the average of the current year's and the previous year's total Units issued and to be issued at end of period.

Thus, we project that Performance Fee will be nil in FY2025 and S\$88,000 in FY2026, as shown in **Exhibit 57**.

Accordingly, we also project that Manager's management fees will be S\$2.2 million in FY2025 and S\$2.3 million in FY2026, as shown in **Exhibit 57**.

We assume that Performance Fee will be fully paid in cash, so that it will not affect distribution adjustments.

**Exhibit 57: Projected Performance Fee and Manager's Management Fees (FY2025 & FY2026)**

(in S\$ '000 unless otherwise stated)	Actual / Estimate			Projection	
	FY2022	FY2023	FY2024	FY2025	FY2026
DPU (excluding Performance Fee; estimate in cents)	5.21	5.23	4.79	4.51	4.56
Less: DPU (in cents; prev. year)	n.a.	(5.21)	(5.23)	(4.79)	(4.51)
<b>Difference (in cents)</b>	<b>n.a.</b>	<b>0.02</b>	<b>(0.44)</b>	<b>(0.28)</b>	<b>0.05</b>
Total Units issued and to be issued at end of period	693,774,412	696,065,910	698,920,216	700,857,945	702,851,915
Total Units issued and to be issued (prev. year)	n.a.	693,774,412	696,065,910	698,920,216	700,857,945
<b>Weighted average units (est.)</b>	<b>693,774,412</b>	<b>694,920,161</b>	<b>697,493,063</b>	<b>699,889,081</b>	<b>701,854,930</b>
Difference (nil if negative; in cents)	-	0.02	-	-	0.05
× Weighted average units (est.)	693,774,412	694,920,161	697,493,063	699,889,081	701,854,930
× 25%	25.0%	25.0%	25.0%	25.0%	25.0%
<b>Performance Fee</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>88</b>
Performance Fee (disclosed)	-	35	-	n.a.	n.a.
Base Fee	2,745	2,698	2,393	2,207	2,253
Performance Fee	-	35	-	-	88
<b>Manager's management fees</b>	<b>2,745</b>	<b>2,733</b>	<b>2,393</b>	<b>2,207</b>	<b>2,341</b>

n.a. = not available/applicable.

Source: DHLT, FPA

**Total return for the period and attributable to Unitholders, and Distributable income to Unitholders:**

Accordingly, we project that total return attributable to Unitholders (including Performance Fee) will be S\$19.9 million in FY2025 and S\$22.7 million in FY2026, as shown in **Exhibit 58**.

We also project that total return for the period (including Performance Fee) will be S\$20.7 million in FY2025 and S\$23.4 million in FY2026, and that distributable income to Unitholders (including Performance Fee) will be S\$31.6 million in FY2025 and S\$31.9 million in FY2026, as shown in **Exhibit 58**.

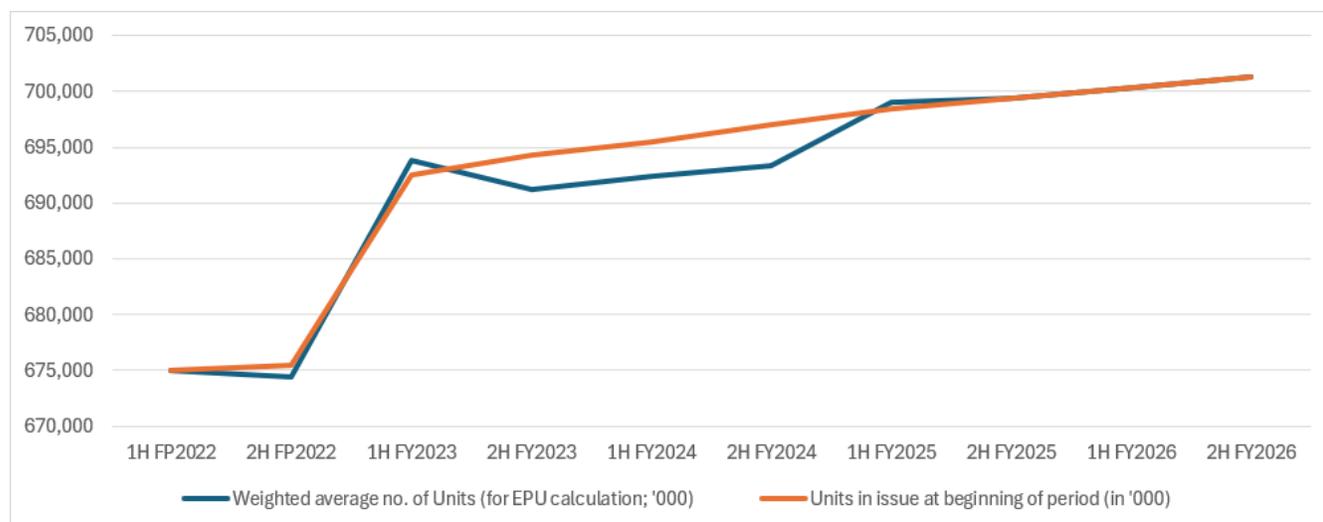
**Exhibit 58: Projected Total Return for the Period and Attributable to Unitholders (FY2025 & FY2026)**

(in S\$ '000)	Actual			Projection	
	FP2022	FY2023	FY2024	FY2025	FY2026
Total return attrib. to Unitholders (excl. Perf. Fee)	140,294	42,508	33,921	19,945	22,760
Deduct: Performance Fee	-	(35)	-	-	(88)
<b>Total return attributable to Unitholders</b>	<b>140,294</b>	<b>42,473</b>	<b>33,921</b>	<b>19,945</b>	<b>22,673</b>
Total return attributable to Unitholders	140,294	42,473	33,921	19,945	22,673
Total returns attrib. to perpetual securities holders	1,035	847	784	775	735
<b>Total return for the period</b>	<b>141,329</b>	<b>43,320</b>	<b>34,705</b>	<b>20,720</b>	<b>23,407</b>
Total return attributable to Unitholders	140,294	42,473	33,921	19,945	22,673
Total distribution adjustments	(101,673)	(6,099)	(404)	11,687	9,273
<b>Distributable income to Unitholders</b>	<b>38,621</b>	<b>36,374</b>	<b>33,517</b>	<b>31,632</b>	<b>31,946</b>

Source: DHLT, FPA

**EPU:**

The weighted average number of Units in issue used to calculate EPU was lower than the issued units at the beginning of period in 2H FP2022, as well as from 2H FY2023 to 2H FY2024. Accordingly, we assume that the weighted average number of Units in issue used to calculate EPU from 2H FY2025 to 2H FY2026 will be the same as our projected issued units at the beginning of period for the same period, as shown in **Exhibit 59**.

**Exhibit 59: Projected Weighted Average No. of Units vs Issued Units at Beginning of Period (2H FY2025 to 2H FY2026)**

Source: DHLT, FPA

Thus, we project that EPU (in cents) will be 1.52 in 2H FY2025 (2.96 in FY2025), 1.80 in 1H FY2026, and 1.54 in 2H FY2026 (3.34 in FY2026), as shown in **Exhibit 60**.

Figures affected by the inclusion of Performance Fee from 2H FY2025 to 2H FY2026 are shaded in **Exhibit 60**.

### Exhibit 60: Projected Earnings Per Unit (2H FY2025 to 2H FY2026)

(in S\$ '000 unless otherwise indicated)	Actual							Projection		
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Gross revenue	38,903	29,816	30,900	28,951	27,581	29,519	29,174	28,469	28,323	28,793
Property expenses	(8,868)	(6,866)	(7,768)	(6,759)	(6,348)	(6,862)	(6,655)	(6,578)	(6,544)	(6,653)
<b>Net property income</b>	<b>30,035</b>	<b>22,950</b>	<b>23,132</b>	<b>22,192</b>	<b>21,233</b>	<b>22,657</b>	<b>22,519</b>	<b>21,891</b>	<b>21,779</b>	<b>22,140</b>
Manager's management fees	(1,448)	(1,297)	(1,320)	(1,413)	(1,214)	(1,179)	(1,089)	(1,118)	(1,127)	(1,214)
Japan asset management fees	(715)	(540)	(559)	(518)	(523)	(522)	(535)	(531)	(531)	(531)
Trustee's fee	(155)	(139)	(130)	(127)	(160)	(123)	(152)	(138)	(138)	(138)
Trust expense	(1,216)	(443)	(980)	(796)	(897)	(776)	(331)	(756)	(756)	(756)
Finance expenses	(4,843)	(3,187)	(3,316)	(3,078)	(3,043)	(3,587)	(4,541)	(4,542)	(4,542)	(4,542)
Other income	-	1,141	1,618	2,562	1,814	198	(1,517)	121	121	121
<b>Net income before tax and fair value changes</b>	<b>21,658</b>	<b>18,485</b>	<b>18,445</b>	<b>18,822</b>	<b>17,210</b>	<b>16,668</b>	<b>14,354</b>	<b>14,926</b>	<b>14,806</b>	<b>15,079</b>
Fair value change in investment properties	108,034	13,451	(1,496)	13,072	(1,304)	9,787	(1,730)	-	-	-
Fair value change in derivatives	-	870	1,311	(445)	381	(1,405)	(416)	-	-	-
<b>Net income before tax</b>	<b>129,692</b>	<b>32,806</b>	<b>18,260</b>	<b>31,449</b>	<b>16,287</b>	<b>25,050</b>	<b>12,208</b>	<b>14,926</b>	<b>14,806</b>	<b>15,079</b>
Tax expenses	(17,031)	(4,138)	(2,326)	(4,063)	(2,162)	(4,471)	(2,149)	(4,265)	(2,212)	(4,265)
<b>Total return for the period</b>	<b>112,661</b>	<b>28,668</b>	<b>15,934</b>	<b>27,386</b>	<b>14,125</b>	<b>20,579</b>	<b>10,059</b>	<b>10,661</b>	<b>12,593</b>	<b>10,814</b>
<b>Attributable to:</b>										
Unitholders	112,071	28,223	15,499	26,974	13,734	20,186	9,667	10,278	12,229	10,444
Perpetual securities holders	590	445	435	412	391	393	392	383	365	370
<b>Total return for the period</b>	<b>112,661</b>	<b>28,668</b>	<b>15,934</b>	<b>27,386</b>	<b>14,125</b>	<b>20,579</b>	<b>10,059</b>	<b>10,661</b>	<b>12,593</b>	<b>10,814</b>
Weighted average no. of Units ('000)	675,004,623	674,474,239	693,877,678	691,235,868	692,390,908	693,375,361	699,023,516	699,441,867	700,333,978	701,356,438
<b>Earnings Per Unit ("EPU" in cents)</b>	<b>16.69</b>	<b>4.25</b>	<b>2.30</b>	<b>3.96</b>	<b>2.04</b>	<b>2.97</b>	<b>1.44</b>	<b>1.52</b>	<b>1.80</b>	<b>1.54</b>

Source: DHLT, FPA

**DPU:**

After accounting for Performance Fee, we project that DPU (in cents) will be 2.27 in 2H FY2025 (4.51 in FY2025), 2.26 in 1H FY2026, and 2.29 in 2H FY2026 (4.55 in FY2026), as shown in **Exhibit 61**.

Figures affected by the inclusion of Performance Fee from 2H FY2025 to 2H FY2026 are shaded in **Exhibit 61**.

**Exhibit 61: Projected DPU (including Performance Fee; 2H FY2025 to 2H FY2026)**

(in S\$ '000 unless otherwise stated)	Estimate (Relevant Units and next period distrib. paid to Unitholders in 1H FY2025) / Actual						Projection			
	1H FP2022	2H FP2022	1H FY2023	2H FY2023	1H FY2024	2H FY2024	1H FY2025	2H FY2025	1H FY2026	2H FY2026
Distrib. paid to Unitholders (next period; Ordinary)	20,873	17,675	18,123	18,167	17,077	16,355	15,667	15,936	15,839	16,107
÷ Relevant units for DPU	675,499,392	677,702,968	694,355,286	696,065,910	697,038,817	698,920,216	699,441,867	700,857,945	701,356,438	702,851,915
<b>DPU (Ordinary; disclosed in cents; incl. Perf. Fee)</b>	<b>3.09</b>	<b>2.61</b>	<b>2.61</b>	<b>2.61</b>	<b>2.45</b>	<b>2.34</b>	<b>2.24</b>	<b>2.27</b>	<b>2.26</b>	<b>2.29</b>
Units issued at end of period	675,499,392	-	694,355,286	-	697,038,817	-	699,441,867	-	701,356,438	-
Total Units issued and to be issued at end of period	-	693,774,412	-	696,065,910	-	698,920,216	-	700,857,945	-	702,851,915
Less: Issuance of units under Sponsor subscription	-	(16,071,444)	-	-	-	-	-	-	-	-
<b>Relevant units for DPU (in Units)</b>	<b>675,499,392</b>	<b>677,702,968</b>	<b>694,355,286</b>	<b>696,065,910</b>	<b>697,038,817</b>	<b>698,920,216</b>	<b>699,441,867</b>	<b>700,857,945</b>	<b>701,356,438</b>	<b>702,851,915</b>
<b>Amount available for distribution (start of period)</b>	<b>-</b>	<b>20,901</b>	<b>17,748</b>	<b>18,152</b>	<b>18,273</b>	<b>17,210</b>	<b>16,547</b>	<b>15,888</b>	<b>16,157</b>	<b>16,059</b>
Distrib. income to Unitholders (incl. Perf. Fee)	20,901	17,720	18,130	18,244	17,104	16,412	15,696	15,936	15,839	16,107
<b>Amount available for distribution to Unitholders</b>	<b>20,901</b>	<b>38,621</b>	<b>35,878</b>	<b>36,396</b>	<b>35,377</b>	<b>33,622</b>	<b>32,243</b>	<b>31,824</b>	<b>31,996</b>	<b>32,166</b>
DPU of 3.09 cents for 1H FP2022	-	(20,873)	-	-	-	-	-	-	-	-
DPU of 2.61 cents for 2H FP2022	-	-	(17,675)	-	-	-	-	-	-	-
DPU of 0.31 cents for 8 Dec to 31 Dec 2022 (Class A)	-	-	(50)	-	-	-	-	-	-	-
DPU of 2.61 cents for 1H FY2023	-	-	-	(18,123)	-	-	-	-	-	-
DPU of 2.61 cents for 2H FY2023	-	-	-	-	(18,167)	-	-	-	-	-
DPU of 2.45 cents for 1H FY2024	-	-	-	-	-	(17,077)	-	-	-	-
DPU of 2.34 cents for 2H FY2024	-	-	-	-	-	-	(16,355)	-	-	-
DPU of 2.24 cents for 1H FY2025	-	-	-	-	-	-	-	(15,667)	-	-
DPU of 2.27 cents in 2H FY2025	-	-	-	-	-	-	-	-	(15,936)	-
DPU of 2.26 cents in 1H FY2026	-	-	-	-	-	-	-	-	-	(15,839)
<b>Amount available for distribution (end of period)</b>	<b>20,901</b>	<b>17,748</b>	<b>18,152</b>	<b>18,273</b>	<b>17,210</b>	<b>16,547</b>	<b>15,888</b>	<b>16,157</b>	<b>16,059</b>	<b>16,327</b>
Amount available for distribution (end of period)	20,901	17,748	18,152	18,273	17,210	16,547	15,888	16,157	16,059	16,327
Less: Distributions paid to Unitholders (next period)	20,873	17,725	18,123	18,167	17,077	16,355	15,667	15,936	15,839	16,107
<b>Difference</b>	<b>28</b>	<b>23</b>	<b>29</b>	<b>106</b>	<b>133</b>	<b>192</b>	<b>221</b>	<b>221</b>	<b>221</b>	<b>221</b>

Source: DHLT, FPA

Our projections of DHLT's financial performance in FY2025 & FY2026 are summarised in **Exhibit 62**.

**Exhibit 62: Projected Financial Performance (FY2025 & FY2026)**

(in S\$ '000)	Actual			Projection	
	FP2022	FY2023	FY2024	FY2025	FY2026
<b>Gross revenue</b>	<b>68,719</b>	<b>59,852</b>	<b>57,100</b>	<b>57,754</b>	<b>57,116</b>
Property expenses	(15,734)	(14,528)	(13,210)	(13,344)	(13,197)
<b>Net property income</b>	<b>52,985</b>	<b>45,324</b>	<b>43,890</b>	<b>44,410</b>	<b>43,919</b>
Manager's management fees	(2,745)	(2,733)	(2,393)	(2,207)	(2,341)
Japan asset management fees	(1,255)	(1,077)	(1,045)	(1,066)	(1,063)
Trustee's fee	(294)	(257)	(284)	(290)	(277)
Trust expense	(1,659)	(1,776)	(1,671)	(1,087)	(1,512)
Finance expenses	(8,030)	(6,394)	(6,630)	(9,083)	(9,084)
Other income	1,141	4,180	2,013	(1,396)	241
<b>Net income before tax and fair value changes</b>	<b>40,143</b>	<b>37,267</b>	<b>33,880</b>	<b>29,280</b>	<b>29,884</b>
Fair value change in investment properties	121,485	11,576	8,483	(1,730)	-
Fair value change in derivatives	870	866	(1,024)	(416)	-
<b>Net income before tax</b>	<b>162,498</b>	<b>49,709</b>	<b>41,339</b>	<b>27,134</b>	<b>29,884</b>
Tax expenses	(21,169)	(6,389)	(6,634)	(6,414)	(6,477)
<b>Total return for the period</b>	<b>141,329</b>	<b>43,320</b>	<b>34,705</b>	<b>20,720</b>	<b>23,407</b>
<b>Attributable to:</b>					
Unitholders	140,294	42,473	33,921	19,945	22,673
Perpetual securities holders	1,035	847	784	775	735
<b>Total return for the period</b>	<b>141,329</b>	<b>43,320</b>	<b>34,705</b>	<b>20,720</b>	<b>23,407</b>
<b>Earnings Per Unit ("EPU" in cents)</b>	<b>20.90</b>	<b>6.26</b>	<b>4.98</b>	<b>2.96</b>	<b>3.34</b>
<b>Dividend Per Unit ("DPU"):</b>					
Total return attributable to unitholders	140,294	42,473	33,921	19,945	22,673
Distribution adjustments	(101,673)	(6,100)	(403)	11,687	9,273
<b>Distributable income to Unitholders</b>	<b>38,621</b>	<b>36,373</b>	<b>33,518</b>	<b>31,632</b>	<b>31,946</b>
<b>Distribution Per Unit ("DPU" in cents)</b>	<b>5.70</b>	<b>5.22</b>	<b>4.79</b>	<b>4.51</b>	<b>4.55</b>

Note: EPU and DPU calculated by adding semi-annual figures; thus, may differ from as disclosed by DHLT.

Source: DHLT, FPA

## VALUATION ANALYSIS

### (I) PEER COMPARISON ANALYSIS

We performed a peer comparison analysis to review how DHLT is faring against industry peers in terms of current valuation metrics. Below, we list the selected companies to compare with DHLT (along with a brief description of each company) as follows:

#### i. CapitaLand Ascendas REIT (“CLAR”; SGX: A17U)

CLAR’s market capitalisation is S\$12.9 billion as at 19 December 2025. CLAR noted that it owns properties “across three segments, namely Business Space & Life Sciences; Industrial & Data Centres; and Logistics”, and that, “As at 30 September 2025, its investment properties under management stood at S\$17.7 billion.” CLAR also noted in December 2025 that, after divestment of four properties in Singapore, it “owns 224 properties comprising 93 properties in Singapore, 33 properties in Australia, 49 properties in the United States and 49 properties in the United Kingdom/Europe.”

#### ii. Mapletree Logistics Trust (“MLT”; SGX: M44U)

MLT’s market capitalisation is S\$6.6 billion as at 19 December 2025. MLT noted that it invests in “logistics real estate and real estate-related assets.” MLT also noted that, “As at 30 September 2025, it has a portfolio of 175 properties in Singapore, Australia, China, Hong Kong SAR, India, Japan, Malaysia, South Korea and Vietnam with assets under management of S\$13.0 billion.”

#### iii. Frasers Logistics & Commercial Trust (“FLCT”; SGX: BUOU)

FLCT’s market capitalisation is S\$3.8 billion as at 19 December 2025. FLCT noted that its portfolio comprises “113 industrial and commercial properties, worth approximately S\$6.9 billion, diversified across five major developed markets – Australia, Germany, Singapore, the United Kingdom and the Netherlands.” FLCT also noted that it invests in properties “used predominantly for logistics or industrial purposes located globally, or commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) located in the Asia-Pacific region or in Europe (including the United Kingdom).”

#### iv. ESR-REIT (SGX: 9A4U)

ESR-REIT’s market capitalisation is S\$2.1 billion as at 19 December 2025. ESR-REIT noted that, “As at 30 June 2025, ESR-REIT holds interests in a diversified portfolio of logistics properties, high specifications industrial properties, business parks and general industrial properties with total assets of approximately S\$5.9 billion.” ESR-REIT also noted that its portfolio “comprises 70 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (50 assets), Australia (18 assets) and Japan (2 assets), with a total gross floor area of approximately 2.5 million sqm, as well as investments in three property funds in Australia.”

#### v. AIMS APAC REIT (“AA REIT”; SGX: O5RU)

AA REIT’s market capitalisation is S\$1.2 billion as at 19 December 2025. AA REIT noted that it owns and invests “in a diversified portfolio of high-quality income-producing industrial, logistics and business park real estate, located throughout the Asia Pacific region.” AA REIT also noted that its “existing portfolio consists of 28 properties, of which 25 properties are located throughout Singapore, and 3 properties located in Australia, including a property located in Gold Coast, Queensland, a 49.0% interest in Optus Centre located in Macquarie Park, New South Wales and Woolworths HQ located in Bella Vista, New South Wales.”

## vi. Alpha Integrated REIT (“AI-REIT”; SGX: M1GU)

Previously known as Sabana Industrial REIT, AI-REIT’s market capitalisation is S\$523.2 million as at 19 December 2025. AI-REIT noted that, “As at 30 September 2025, AI-REIT holds interests in a diversified portfolio of 18 properties with a total gross floor area of approximately 4.2 million square feet in Singapore, spanning the high-tech industrial, warehouse and logistics, chemical warehouse and logistics, as well as general industrial sectors.” AI-REIT also noted that its total assets “amount to more than S\$1.0 billion as at 30 September 2025.”

The results of our peer comparison analysis are shown in **Exhibit 63**.

### Exhibit 63: Peer Comparison Analysis

Company	Currency	Stock Symbol	Price (S\$) as at 19 Dec '25	Market Cap (S\$ million)	Diluted EPS (cents)	P/E	DPS (cents)	Dividend Yield (%)	NAV per share (S\$)	P/B
Daiwa House Logistics Trust (“DHLT”)	SGD	DHLU	0.565	395.7	4.41	12.8 x	4.58	8.11%	0.67	0.84 x
<b>Peer companies:</b>										
CapitaLand Ascendas REIT (“CLAR”)	SGD	A17U	2.790	12,867.3	16.0	17.5 x	15.16	5.43%	2.19	1.27 x
Mapletree Logistics Trust (“MLT”)	SGD	M44U	1.290	6,582.3	4.23	30.5 x	7.59	5.88%	1.26	1.02 x
Frasers Logistics & Commercial REIT (“FLCT”)	SGD	BUOU	0.990	3,752.9	5.41	18.3 x	5.95	6.01%	1.10	0.90 x
ESR-REIT	SGD	9A4U	2.670	2,145.8	(14.30)	n.m.	21.21	7.94%	2.61	1.02 x
AIMS APAC REIT (“AA REIT”)	SGD	O5RU	1.470	1,201.3	4.26	34.5 x	9.65	6.56%	1.22	1.20 x
Alpha Integrated REIT (“AI-REIT”)	SGD	M1GU	0.465	523.2	1.39	33.5 x	3.22	6.92%	0.49	0.95 x
<b>Peer average</b>						<b>26.8 x</b>		<b>6.46%</b>		<b>1.06 x</b>

n.m. = not meaningful. Note: Market capitalisation based on [share/unit price × total issued shares/units excluding treasury shares/units (most recent source)]. Diluted Earnings Per Share (“EPS”)/EPU and Dividend Per Share (“DPS”)/DPU based on Trailing Twelve-Month (“TTM”) of most recent financial statements. NAV per share/unit based on last disclosed figures. Peer averages exclude nil and negative values. ESR-REIT EPU and DPU adjusted for 10:1 unit consolidation completed on 5 May 2025.

Source: SGX, respective companies, FPA

#### (a) P/E multiple

Based on **Exhibit 63**, DHLT is currently trading at a P/E multiple of 12.8x, which is lower than the peer average P/E of 26.8x. This suggests that DHLT is undervalued at its current unit price. Adopting a relative valuation approach, we estimate a target price of S\$1.183 if DHLT is to trade at the peer average P/E of 26.8x as follows:

$$\begin{aligned}
 \text{Estimated target price (P/E multiple)} &= \text{Peer average P/E} \times \text{TTM EPU} \\
 &= 26.8 \times \text{S\$0.0441} \\
 &= \text{S\$1.183}
 \end{aligned}$$

The estimated target price of S\$1.183 implies an upside potential of 109.4% from the current unit price of S\$0.565.

**(b) P/B multiple**

Based on **Exhibit 63**, DHLT is currently trading at a P/B multiple of 0.84x, which is lower than the peer average P/B of 1.06x. This suggests that DHLT is undervalued at its current unit price. Adopting a relative valuation approach, we estimate a target price of S\$0.712 if DHLT is to trade at the peer average P/B of 1.06x as follows:

$$\begin{aligned} \text{Estimated target price (P/B multiple)} &= \text{Peer average P/B} \times \text{NAV per Unit} \\ &= 1.06 \times \text{S\$0.67} \\ &= \text{S\$0.712} \end{aligned}$$

The estimated target price of S\$0.712 implies an upside potential of 26.1% from the current unit price of S\$0.565.

**(c) Dividend yield**

Based on **Exhibit 63**, DHLT's current dividend yield is 8.11%, which is higher than the peer average yield of 6.46%. This suggests that DHLT is undervalued at its current unit price. Adopting a relative valuation approach, we estimate a target price of S\$0.709 if DHLT is to trade at the peer average yield of 6.46% as follows:

$$\begin{aligned} \text{Estimated target price (dividend yield)} &= \frac{\text{TTM DPU}}{\text{Peer average yield}} \\ &= \frac{\text{S\$0.0458}}{6.46\%} \\ &= \text{S\$0.709} \end{aligned}$$

The estimated target price of S\$0.709 implies an upside potential of 25.5% from the current unit price of S\$0.565.

**(d) Overall**

From our analysis, DHLT seems to be undervalued in terms of its P/E multiple, P/B multiple, and dividend yield. By averaging our estimated target prices based on P/E multiple, P/B multiple, and dividend yield, we derive an overall target price of S\$0.868 as follows:

$$\begin{aligned} \text{Overall target price} &= \frac{1}{3} \times [\text{Est. target price (P/E multiple)} + \text{Est. target price (P/B multiple)} \\ &\quad + \text{Est. target price (dividend yield)}] \\ &= \frac{1}{3} \times [\text{S\$1.183} + \text{S\$0.712} + \text{S\$0.709}] \\ &= \text{S\$0.868} \end{aligned}$$

The overall target price of S\$0.868 implies an upside potential of 53.7% from the current unit price of S\$0.565.

**(II) HISTORICAL VALUATION**

We also conduct a valuation analysis based on historical valuation metrics from 1H FY2023 to 1H FY2025 (FP2022 excluded for historical average, maximum, and minimum P/E and yield as the period covers more than a full year and includes fair value gain from IPO properties), as shown in **Exhibit 64**.

**Exhibit 64: Historical Valuation Metrics (1H FP2022 to 1H FY2025)**

Period	Results Release Date ("RRD")	Unit price (RRD + 7 days)	Diluted EPU (cents)	TTM EPU (cents)	P/E multiple	DPU (cents)	TTM DPU (cents)	Dividend yield	NAV per unit (\$\$)	P/B multiple
1H FY2025	08 Aug '25	0.565	1.44	4.41	12.8 x	2.24	4.58	8.11%	0.69	0.82 x
2H FY2024	28 Feb '25	0.570	2.97	5.01	11.4 x	2.34	4.79	8.40%	0.69	0.83 x
1H FY2024	12 Aug '24	0.555	2.04	6.00	9.3 x	2.45	5.06	9.12%	0.66	0.84 x
2H FY2023	28 Feb '24	0.605	3.96	6.26	9.7 x	2.61	5.22	8.63%	0.74	0.81 x
1H FY2023	03 Aug '23	0.615	2.30	6.55	9.4 x	2.61	5.22	8.49%	0.73	0.84 x
2H FP2022	23 Feb '23	0.615	4.25	20.94	2.9 x	2.61	5.70	9.27%	0.80	0.77 x
1H FP2022	03 Aug '22	0.760	16.69	n.a.	n.a.	3.09	n.a.	n.a.	0.80	0.95 x
<b>Maximum (P/E and yield excl. 1H &amp; 2H FP2022)</b>					<b>12.8 x</b>			<b>9.12%</b>		<b>0.95 x</b>
<b>Minimum (P/E and yield excl. 1H &amp; 2H FP2022)</b>					<b>9.3 x</b>			<b>8.11%</b>		<b>0.77 x</b>
<b>Average (P/E and yield excl. 1H &amp; 2H FP2022)</b>					<b>10.5 x</b>			<b>8.55%</b>		<b>0.84 x</b>

n.a. = not available. Note: TTM EPU and DPU calculated by summing up the semi-annual figures, thus may differ from annual figures disclosed by DHLT.

Source: DHLT, FPA

**(a) P/E multiple**

Based on **Exhibit 64**, DHLT's historical average P/E is 10.5x, which is lower than the current P/E multiple of 12.8x. This suggests that DHLT is overvalued at its current unit price. Based on the historical average P/E of 10.5x and TTM EPU (cents) of 4.41, we estimate a target price of S\$0.463 as follows:

$$\begin{aligned} \text{Estimated target price (Historical P/E)} &= \text{Historical average P/E} \times \text{TTM EPU} \\ &= 10.5 \times \text{S\$}0.0441 \\ &= \text{S\$}0.463 \end{aligned}$$

The estimated target price of S\$0.463 represents a downside potential of 18.1% from the current unit price of S\$0.565.

**(b) P/B multiple**

Based on **Exhibit 64**, DHLT's historical average P/B is 0.84x, which is lower than the current P/B multiple of 0.84x. This suggests that DHLT is undervalued at its current unit price. Based on the historical average P/B of 0.84x and NAV per Unit (cents) of 0.67 as at 30 September 2025, we estimate a target price of S\$0.579 as follows:

$$\begin{aligned} \text{Estimated target price (Historical P/B)} &= \text{Historical average P/B} \times \text{NAV per Unit} \\ &= 0.84 \times \text{S\$}0.67 \\ &= \text{S\$}0.579 \end{aligned}$$

The estimated target price of S\$0.579 represents an upside potential of 2.4% from the current unit price of S\$0.565.

**(c) Dividend yield**

Based on **Exhibit 64**, DHLT's historical average yield is 8.55%, which is higher than the current dividend yield of 8.11%. This suggests that DHLT is overvalued at its current unit price. Based on the historical average yield of 8.55% and TTM DPU (cents) of 4.58, we estimate a target price of S\$0.536 as follows:

$$\begin{aligned} \text{Estimated target price (dividend yield)} &= \frac{\text{TTM DPU}}{\text{Historical average yield}} \\ &= \frac{\text{S\$0.0458}}{8.55\%} \\ &= \text{S\$0.536} \end{aligned}$$

The estimated target price of S\$0.536 represents a downside potential of 5.2% from the current unit price of S\$0.565.

**(d) Overall**

From our analysis, DHLT seems to be undervalued in terms of its historical average P/B, but overvalued in terms of its historical average P/E and historical average yield. By averaging our estimated target prices based on historical P/E, historical P/B and historical yield, we derive an overall target price of S\$0.526 as follows:

$$\begin{aligned} \text{Overall target price} &= \frac{1}{3} \times [\text{Est. target price (Historical P/E)} + \text{Est. target price (Historical P/B)} \\ &\quad + \text{Est. target price (Historical yield)}] \\ &= \frac{1}{3} \times [\text{S\$0.463} + \text{S\$0.579} + \text{S\$0.536}] \\ &= \text{S\$0.526} \end{aligned}$$

The overall target price of S\$0.526 implies a downside potential of 6.9% from the current unit price of S\$0.565.

## POTENTIAL CATALYSTS

### (I) FASTER-THAN-EXPECTED BACKFILLING OF VACANCIES

**DPL Koriyama**'s occupancy rate has remained below 100.0% after falling to 82.1% in 2Q FY2024 from 100.0% in 1Q FY2024. Meanwhile, **DPL Sendai Port**'s occupancy rate has remained at 50.1% from 1Q FY2025 after falling from 100.0% in 4Q FY2024.

In our projections, we assume that the occupancies of both properties in 4Q FY2025 would be the same as in 3Q FY2025, and that half of the vacancies for both properties would be filled in FY2026 (with none of the current leases expiring in FY2026).

Should DHLT achieve a faster-than-expected backfilling of vacancies for either or both properties, DHLT's NPI may rise above our projections.

### (II) FURTHER ACQUISITION OF DPU-ACCRETIVE PROPERTIES

DHLT's revenue and NPI (both in JPY) have generally been increasing from 1H FY2022 to 1H FY2025, in line with DHLT's acquisitions since Listing Date. Should DHLT acquire more properties that are expected to be DPU-accretive, DPU may, over time, rise.

### (III) POTENTIAL RENT INCREASE DURING LEASE RENEWAL(S) OR TENANT REPLACEMENT(S)

As at 30 September 2025, all of DHLT's properties have WALEs of at least 1.3 years. However, we also note that the following properties have WALEs of less than 2.0 years: **DPL Ibaraki Yuki**, **DPL Okayama Hayashima 2**, and **DPL Iwakuni 1 & 2**. Based on DHLT's latest Annual Report ("AR"), the NPI from each of the properties in FY2024 are, respectively, JPY 118 million (estimated full-year NPI of JPY 148 million), JPY 165 million, and JPY 121 million. For comparison, DHLT's NPI was JPY 4,838 million in FY2024.

As the respective leases of the three properties approach expiry, DHLT may seek rent increase through lease renewals or tenant replacements. Accordingly, NPI (in JPY) may rise after FY2026.

## INVESTMENT RECOMMENDATION

From our peer comparison analysis, DHLT seems to be undervalued in terms of its P/E multiple, P/B multiple, and dividend yield. By averaging our estimated target prices based on P/E multiple, P/B multiple, and dividend yield, we derive an overall target price of S\$0.868 which implies an upside potential of 53.7% from the current unit price of S\$0.565.

Meanwhile, from our historical valuation analysis, DHLT seems to be undervalued in terms of its historical average P/B, but overvalued in terms of its historical average P/E and historical average yield. By averaging our estimated target prices based on historical P/E, historical P/B and historical yield, we derive an overall target price of S\$0.526 which implies a downside potential of 6.9% from the current unit price of S\$0.565.

As compared against its peers, DHLT seems to be relatively undervalued based on the overall target price of S\$0.868 which implies an upside potential of 53.7%. However, DHLT's unit price may not rise to the overall target price of S\$0.868 based on peer comparison analysis as DHLT's historical maximum P/E (12.8x) and P/B (0.95x) are lower than the peer average P/E (26.8x) and P/B (1.06x), respectively, while DHLT's historical minimum yield (8.11%) is higher than the peer average yield (6.46%). Yet, we do not expect DHLT's unit price to fall below its current price as implied by the overall target price of S\$0.526 based on historical valuation analysis, as DHLT seems to be relatively undervalued as compared with its peers.

Thus, we derive an overall target price of S\$0.697 by averaging the target prices based on peer comparison analysis and historical valuation analysis as follows:

$$\begin{aligned}
 \text{Overall target price} &= \frac{1}{2} \times [\text{Overall target price (peer comparison analysis)} \\
 &\quad + \text{Overall target price (historical valuation analysis)}] \\
 &= \frac{1}{2} \times [\text{S\$0.868} + \text{S\$0.526}] \\
 &= \text{S\$0.697}
 \end{aligned}$$

The overall target price of S\$0.697 implies an upside potential of 23.4% from the current unit price of S\$0.565.

We also note that DHLT's market capitalisation as at 19 December 2025 is smaller than those of the six peers we selected. Shares or units of smaller firms may have a lower trading volume and thus may be subject to an illiquidity discount. New York University professor Damodaran noted in July 2005 that the illiquidity discount for a private firm could be between 20–30%.

As DHLT is a publicly listed REIT, we apply a smaller illiquidity discount of 15% to reflect the higher risks involved in investing in DHLT's units which may be less liquid than its peers. Thus, we derive our final target price of S\$0.592 as follows:

$$\text{Adjusted target price} = \text{S\$0.697} \times (1 - 15\%) = \text{S\$0.592}$$

The adjusted target price of S\$0.592 implies an upside potential of 4.9% from the current unit price of S\$0.565. The limited upside potential may be supported by the contrast between DHLT's favourable comparison against its peers and the projected fall in DPU (in cents) by 5.0% to 4.55 in FY2026 from 4.79 in FY2024. Thus, given the limited upside potential after factoring an illiquidity discount, we recommend a hold.

We also recognise that there are risks to the target price, which we highlight in the next section.

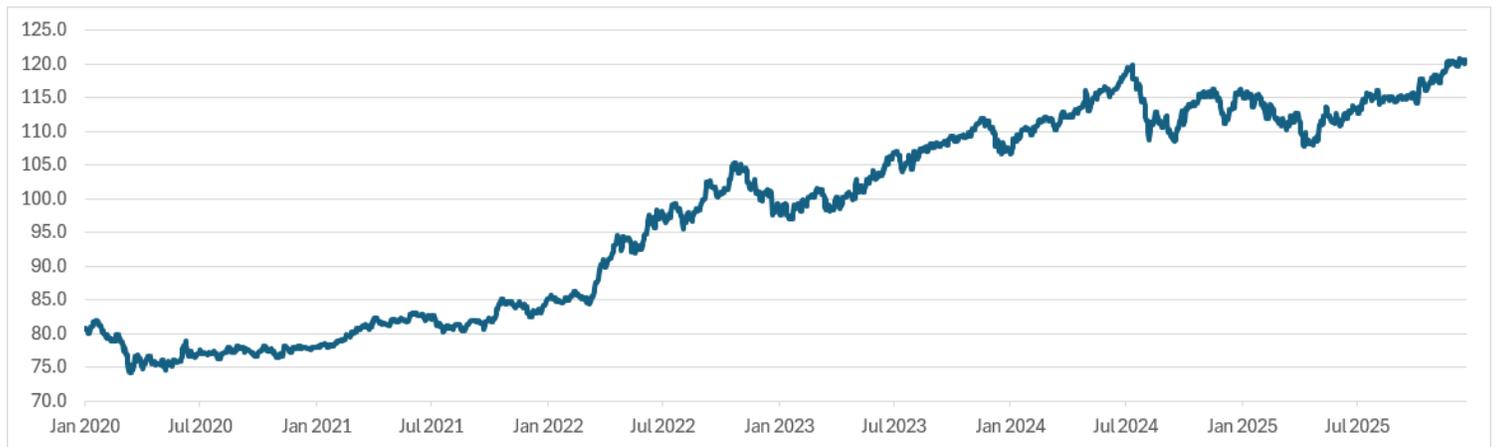
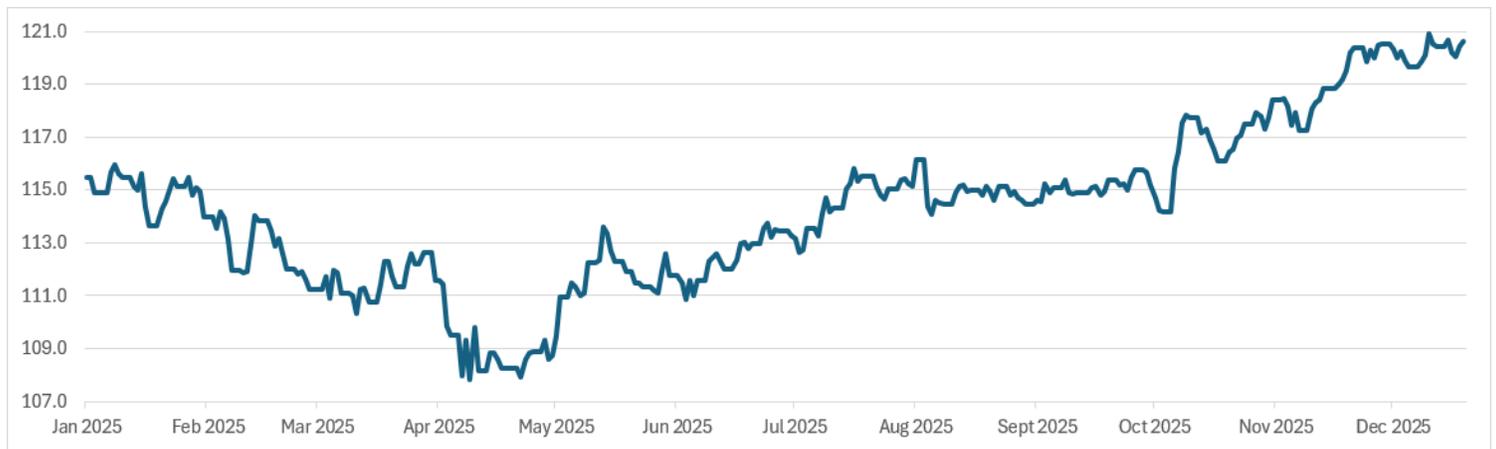
**RISKS TO TARGET PRICE**

**(I) CONTINUED DEPRECIATION OF JPY AGAINST SGD**

Thus far in 2025, JPY has depreciated against SGD by 4.2% to an SGD-to-JPY exchange rate of 120.599 as at 19 December 2025 from 115.479 as at 1 January 2025, as illustrated in **Exhibit 65** (top). In fact, JPY has been depreciating against SGD over the past five years, as illustrated in **Exhibit 65** (bottom).

Should JPY continue depreciating against SGD, DHLT's NPI (in SGD) may fall below our projections. Accordingly, DPU in FY2025 & FY2026 may also fall below our projections.

**Exhibit 65: SGD-to-JPY Exchange Rates (1 January 2025 to 19 December 2025)**



Source: Yahoo! Finance, FPA

## (II) CONTINUED RAISING OF INTEREST RATES BY THE BANK OF JAPAN

The Business Times (“BT”) reported in December 2025 that BOJ’s recent raising of interest rates “takes interest rates to levels unseen since 1995, when Japan was reeling from the burst of an asset-inflated bubble that drew the BOJ into a prolonged battle with deflation.”

In its financial statements for 1H FY2025, DHLT noted that it has “JPY39.49 billion loan facilities drawn from a syndicate of lenders which comprise various tranches maturing between November 2025 to 2029” and “JPY 1.0 billion specified bonds issued to Sumitomo Mitsui Trust Bank Limited with a maturity in 2026”. While DHLT’s percentage of fixed rate borrowings is 99.3% as at 30 September 2025, should the BOJ continue raising interest rates, DHLT’s borrowing cost may rise should it refinance its borrowings. Accordingly, DHLT’s total return for the period and distributable income to Unitholders may be adversely affected.

## (III) RISING GEOPOLITICAL TENSION BETWEEN JAPAN & CHINA

The Straits Times (“ST”) reported in November 2025 that “Japan’s relations with China have plunged to their lowest in years after a dispute triggered by Prime Minister Sanae Takaichi’s remarks this month about Taiwan”. As noted by ST, Japan-China relations deteriorated after the Japanese Prime Minister Takaichi “told parliament that an attack on Taiwan could be deemed “a situation threatening Japan’s survival,” a legal term that allows prime ministers to deploy the country’s Self-Defense Forces.”

ST updated in December 2025 that Japanese Prime Minister Takaichi’s remarks “triggered a sharp diplomatic backlash from Beijing, which has urged its citizens to avoid travelling to Japan”, such that y-o-y growth in Chinese visitors to Japan fell to 3% in November from “double digits for months – 22.8 per cent in October, 18.9 per cent in September and 36.5 per cent in August.” ST also noted that “In the latest escalation of the row, Chinese military aircraft locked radar onto Japanese jets, prompting Tokyo to summon Beijing’s ambassador.”

Should tensions escalate, rising risks of an armed conflict may dampen Japanese growth thus consumer spending and, in turn, the prospects of DHLT’s tenants. Accordingly, DHLT may find it harder to secure rent increases during lease renewals or tenant replacements, or to even fill vacancies after leases expire, such that NPI may fall.

Even if tensions escalate to only a trade conflict, a potential boycott of Japanese goods by Chinese consumers may likewise dampen Japanese growth and the prospects of DHLT’s tenants.

Either case of escalation may also contribute to a continued depreciation of JPY against SGD such that DPU in FY2025 & FY2026 may fall below our projections.

## CORPORATE GOVERNANCE

The Board of Directors (the “Board”) of the Manager comprises six (6) directors:

- Tan Jeh Wuan: Board Chairman and Independent Non-Executive Director
- Tan Juay Hiang: Independent Non-Executive Director
- Takashi Suzuki: Independent Non-Executive Director
- Yoshiyuki Takagi: Non-Independent Non-Executive Director
- Eiichi Shibata: Non-Independent Non-Executive Director
- Jun Yamamura: Chief Executive Officer (“CEO”) and Non-Independent Executive Director

Jun Yamamura was appointed as CEO of DHLT from 1 June 2023. DHLT noted in May 2023 that the “change in leadership is part of succession planning and Mr Fujita will be returning to Japan to assume another appointment in Daiwa House Industry Co., Ltd. (“Sponsor”).” DHLT also noted that Jun Yamamura was the Head of Planning of the Manager and worked closely with the previous CEO and other management team members “to develop, establish and execute the business strategies of DHLT.”

All other Board directors (except the CEO) has been on the Board since DHLT’s listing.

The Board is supported by the Audit and Risk Committee (“ARC”), which comprises four (4) directors:

- Tan Juay Hiang: ARC Chairman and Independent Non-Executive Director
- Tan Jeh Wuan: Board Chairman and Independent Non-Executive Director
- Takashi Suzuki: Independent Non-Executive Director
- Yoshiyuki Takagi: Non-Independent Non-Executive Director

DHLT noted in its latest AR that the Board “undertakes all the responsibilities of the nominating and remuneration committees and is able to do so because:”

- a. “the Manager does not manage any other REIT and in general, REITs (including DHLT) have a more focused scope and scale of business compared to those of listed companies”; 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 Management team comprises:

- Jun Yamamura: CEO and Non-Independent Executive Director
- Natalie Wong: Chief Financial Officer (“CFO”)
- Toru Aoki: Chief Risk Officer

**SUSTAINABILITY INFORMATION**

**(a) Sustainability governance:**

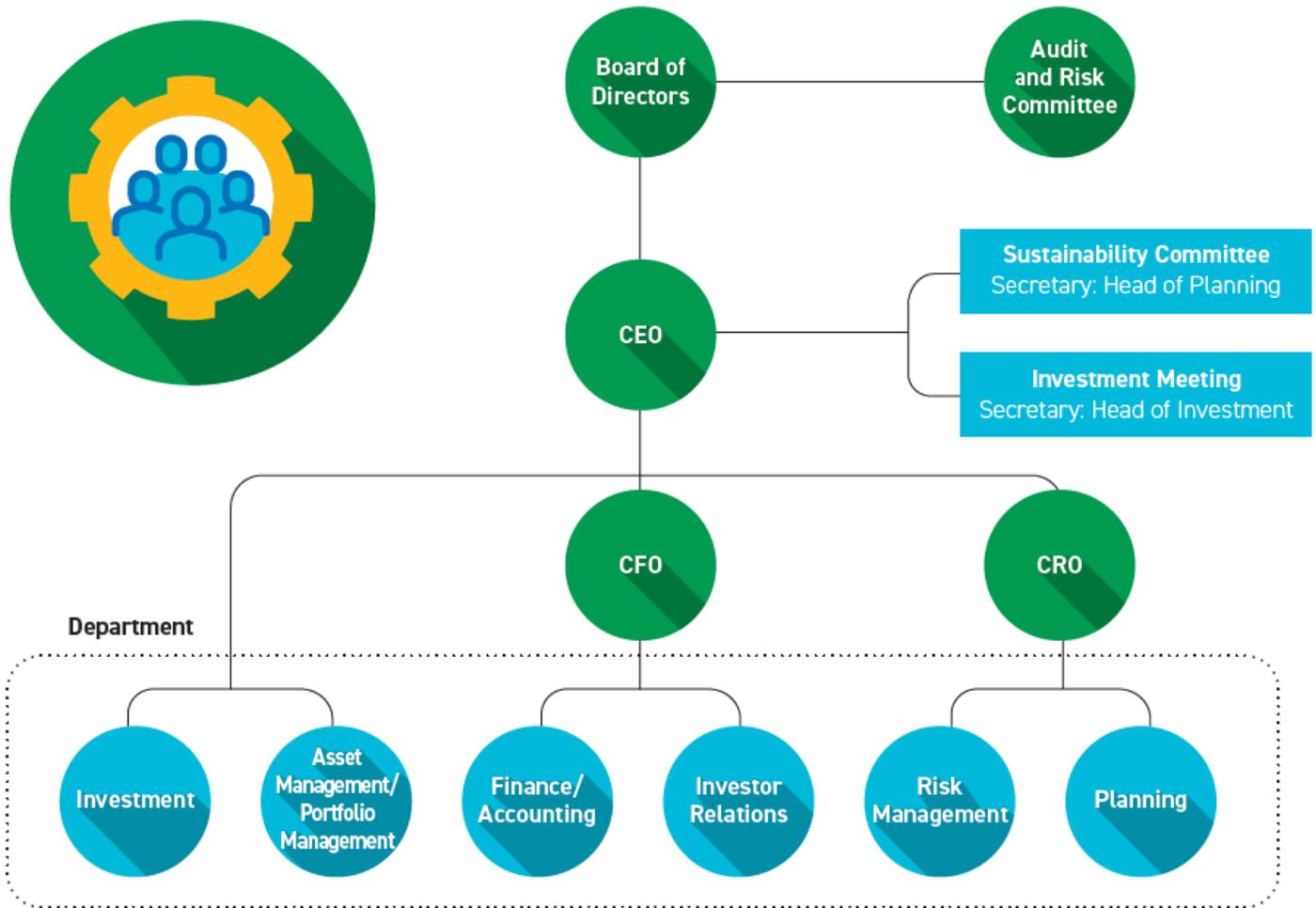
The sustainability governance of DHLT is shown in **Exhibit 66**.

**Exhibit 66: Sustainability Governance**

**SUSTAINABILITY GOVERNANCE**

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

**ORGANISATION CHART**



Source: DHLT

**(b) Stakeholder engagement:**

DHLT illustrated its stakeholder engagement approach as shown in **Exhibit 67**.

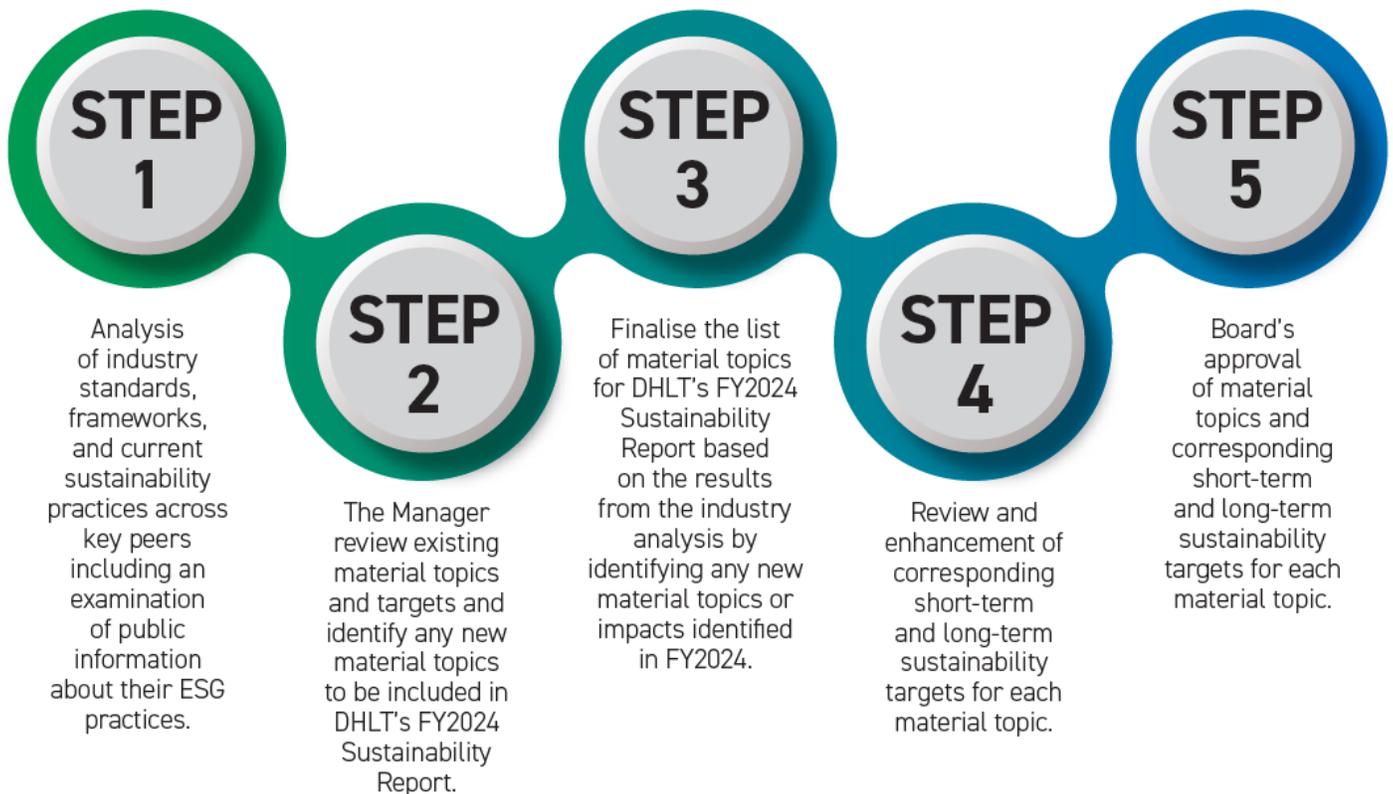
**Exhibit 67: Stakeholder Engagement**

Stakeholder Group	Focused Issues	Engagement Methods	Engagement Issues	Frequency
 <b>UNITHOLDERS</b>	<ul style="list-style-type: none"> <li>Timely and transparent disclosure</li> <li>Understand investors' expectations</li> </ul>	<ul style="list-style-type: none"> <li>Website/SGXNet Announcement and presentation</li> <li>Meeting (physical and virtual)</li> <li>Investor events including annual general meeting ("AGM") or extraordinary general meeting</li> </ul>	<ul style="list-style-type: none"> <li>Growth strategy, operational performance, risk management</li> <li>Impact on operations and financial performance</li> </ul>	<ul style="list-style-type: none"> <li>AGM once a year</li> <li>Financial results announcements on six-monthly basis</li> <li>Business updates on quarterly basis</li> <li>Others on ad hoc or need-to basis</li> </ul>
 <b>TENANTS</b>	<ul style="list-style-type: none"> <li>Maintain long-term relationships</li> </ul>	<ul style="list-style-type: none"> <li>Onsite meeting</li> <li>Phone call</li> <li>Email</li> </ul>	<ul style="list-style-type: none"> <li>Tenant satisfaction survey</li> <li>Green lease</li> </ul>	<ul style="list-style-type: none"> <li>Site visit: at least once every three months</li> <li>Survey: once a year</li> </ul>
 <b>LOCAL COMMUNITIES</b>	<ul style="list-style-type: none"> <li>Contribution to society</li> <li>Lower environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Onsite meeting</li> <li>Phone call</li> <li>Email</li> </ul>	<ul style="list-style-type: none"> <li>Social activity</li> <li>Environmentally friendly buildings</li> </ul>	<ul style="list-style-type: none"> <li>Social activity: at least twice a year</li> </ul>
 <b>OFFICERS AND EMPLOYEES</b>	<ul style="list-style-type: none"> <li>Competency</li> <li>Retention</li> </ul>	<ul style="list-style-type: none"> <li>Virtual/physical learning session</li> </ul>	<ul style="list-style-type: none"> <li>Human capital development</li> <li>Diversity, performance evaluation</li> </ul>	<ul style="list-style-type: none"> <li>Training: As needed and/or annually</li> <li>Survey: once a year</li> </ul>
 <b>SUPPLY CHAIN</b>	<ul style="list-style-type: none"> <li>Fair competition</li> <li>Collaboration and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Meeting (Virtual/physical)</li> <li>Email</li> <li>Phone call</li> </ul>	<ul style="list-style-type: none"> <li>Creation of appropriate mutual relationships</li> <li>Keep safe working environment</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> </ul>
 <b>SPONSOR</b>	<ul style="list-style-type: none"> <li>Property pipeline</li> <li>Operational support</li> <li>Share Daiwa House Group philosophy</li> </ul>	<ul style="list-style-type: none"> <li>Meeting (Virtual/physical)</li> <li>Email</li> <li>Phone call</li> </ul>	<ul style="list-style-type: none"> <li>Keep market-level condition in Sponsor transaction</li> <li>Co-work in social activities</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> </ul>

Source: DHLT

**(c) Materiality assessment:**

DHLT illustrated its materiality assessment process as shown in **Exhibit 68**.

**Exhibit 68: Materiality Assessment****MATERIALITY ASSESSMENT METHODOLOGY**

Source: DHLT

DHLT noted its material topics as shown in **Exhibit 69** to **Exhibit 71**.

**Exhibit 69: Material Topics (part 1)**

Category	UN SDGs	Material Topic	Targets disclosed in FY2023 sustainability report	Performance of previously set targets	FY 2025 Targets and KPIs
<b>ENVIRONMENT</b> 		<b>Energy Management and Emissions Reduction</b>	<ol style="list-style-type: none"> <li>Maintain solar power capacity by property acquisition and/or additional instalment to at least 68% of Japanese properties.</li> </ol>	<ol style="list-style-type: none"> <li>Achieved solar power capacity at 70.6% of Japanese properties through the acquisition.</li> </ol>	<ol style="list-style-type: none"> <li>Maintain 70% of Japanese properties to have solar power installations.</li> </ol>
		<b>Climate Change Mitigation</b>	<ol style="list-style-type: none"> <li>Continue to monitor available data and study the reasons for any changes in energy consumption and level of emissions.</li> </ol>	<ol style="list-style-type: none"> <li>The Manager continues to monitor the available data and study the reasons for any changes in energy consumption and level of emissions.</li> </ol>	<ol style="list-style-type: none"> <li>Track and monitor energy consumption and level of emissions at 100% of our multi-tenant properties in Japan.</li> <li>Align with ISSB's IFRS S2 requirements on climate related disclosures by FY2025.</li> <li>Develop adaptation and mitigation plans by 2025 and implement these plans by 2030.</li> </ol>
		<b>Water Management</b>	<ol style="list-style-type: none"> <li>Continue to monitor available data and study the reasons for any changes in water consumption.</li> <li>Maintain quality of water through periodical inspection by third parties.</li> </ol>	<ol style="list-style-type: none"> <li>The Manager continues to monitor the available data and study the reasons for any changes in water consumption.</li> <li>The Manager maintained the quality of the water through periodical inspection by third parties. No concerns have been identified.</li> </ol>	<ol style="list-style-type: none"> <li>Continue to monitor available data and study the reasons for any changes in water consumption.</li> <li>Perform annual statutory inspections by third parties on quality of water for 100% of our properties in Japan.</li> </ol>
		<b>Waste Management</b>	<ol style="list-style-type: none"> <li>Continue to monitor available data and study the reasons for any changes in waste generation.</li> </ol>	<ol style="list-style-type: none"> <li>The Manager continues to monitor the available data and study the reasons for any changes in waste generated.</li> </ol>	<ol style="list-style-type: none"> <li>Continue to monitor available data and study the reasons for any changes in waste generation.</li> </ol>
	<b>Green Building Management</b>	<ol style="list-style-type: none"> <li>100% of existing lease agreements renewed, as well as 100% of new lease agreements signed will include a green clause.</li> <li>Endeavour to maintain that at least 90% of the newly acquired properties in Japan are green certified.</li> <li>To attempt green building certification for D Project Kuki S after LED instalment.</li> </ol>	<ol style="list-style-type: none"> <li>100% of existing lease agreements renewed, as well as 100% of new lease agreements signed included a green clause.</li> <li>DHLT acquired one property in Japan during FY2024 and the property was green certified, thereby achieving a result of 100%.</li> <li>Green certification for D Project Kuki S has been attained in September 2024.</li> </ol>	<ol style="list-style-type: none"> <li>To ensure inclusion of green clauses for 100% of existing lease agreements renewed and new lease agreements signed for multi-tenant properties in Japan.</li> <li>Endeavour to maintain at least 90% of the newly acquired and existing multi-tenant properties in Japan to be green certified.</li> </ol>	

Source: DHLT

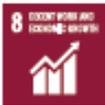
**Exhibit 70: Material Topics (part 2)**

**SOCIAL**



**Diversity and Equal Opportunity**

- |   |   |   |
|---|---|---|
| <ol style="list-style-type: none"> <li>1) Appoint a female director in the next three years.<sup>1</sup></li> <li>2) Ensure female employee representation is no less than 35%.</li> <li>3) Keep diversification of nationalities along with DHLT's business expansion to ASEAN countries.</li> </ol> | <ol style="list-style-type: none"> <li>1) No female candidate has yet been appointed to the Board.</li> <li>2) Total female employee representation for DHLT is 30.8%.</li> <li>3) DHLT maintained a well-diversified team in term of nationalities, comprising employees of four nationalities.</li> </ol> | <ol style="list-style-type: none"> <li>1) Ensure female employee representation is no less than 35%.</li> <li>2) Zero incidents of workplace discrimination.</li> </ol> |
|---|---|---|



**Training and Education**

- |  |   |  |
|--|---|--|
| <ol style="list-style-type: none"> <li>1) Provide training programmes to achieve an average of 15 hours of training per employee over FY2024.</li> </ol> | <ol style="list-style-type: none"> <li>1) The average hours of training provided to DHLT's employees in FY2024 was 25.5 hours.</li> </ol> | <ol style="list-style-type: none"> <li>1) Provide training programmes to achieve an average of 15.0 hours of training per employee over FY2025.</li> <li>2) Ensure 100% of employees attend one ESG training.</li> </ol> |
|--|---|--|



**Stakeholder Health and Safety**

- |  |   |  |
|--|---|--|
| <ol style="list-style-type: none"> <li>1) Maintain zero incidents of serious injuries or fatalities.</li> <li>2) Maintain good safety of the properties by conducting regular third-party inspection and ensuring prompt rectification of any findings.</li> </ol> | <ol style="list-style-type: none"> <li>1) There were zero incidents of serious injuries or fatalities in FY2024.</li> <li>2) Confirmed regular third-party inspection were conducted to all the properties and there were no safety issues observed.</li> </ol> | <ol style="list-style-type: none"> <li>1) Maintain zero incidents of serious injuries or fatalities at the Manager's workplace.</li> <li>2) No incidences of reported injuries, fatalities, or ill health relating to DHLT's properties.</li> <li>3) Maintain good safety of the properties by conducting regular third-party inspection and ensuring prompt rectification of any findings.</li> </ol> |
|--|---|--|

**Community Impact**

- |  |  |   |
|--|--|---|
| <ol style="list-style-type: none"> <li>1) Maintain at least 80% responses from tenants in the annual tenant survey for FY2024.</li> <li>2) Conduct at least two CSR activities during FY2024.</li> </ol> | <ol style="list-style-type: none"> <li>1) The response rate for the annual tenant survey in FY2024 was 84.2%.</li> <li>2) Two CSR activities were conducted in FY2024, Food Packing and Dog Shelter Voluntary Work.</li> </ol> | <ol style="list-style-type: none"> <li>1) Maintain at least 80% responses from tenants in the annual tenant survey for FY2025.</li> <li>2) 100% of the Manager's employees to participate in at least one CSR activity annually.</li> </ol> |
|--|--|---|

Source: DHLT

**Exhibit 71: Material Topics (part 3)**

**GOVERNANCE**



**Compliance with Laws and Regulations**

- |   |   |   |
|---|---|---|
| <ol style="list-style-type: none"> <li>1) Review policies and SOPs at least once a year.</li> <li>2) Ensure 100% successful completion of compliance awareness session in FY2024.</li> <li>3) Provide ESG training annually.</li> <li>4) Maintain zero breaches of laws and regulations.</li> </ol> | <ol style="list-style-type: none"> <li>1) The review and necessary updates of the relevant policies and SOPs was conducted during FY2024.</li> <li>2) All employees of the Manager attended its compliance awareness session conducted in FY2024.</li> <li>3) All employees of the Manager attended ESG awareness seminar conducted by third-party professionals.</li> <li>4) There were zero cases of breaches of laws and regulations during FY2024.</li> </ol> | <ol style="list-style-type: none"> <li>1) Review policies and SOPs at least once a year.</li> <li>2) Ensure 100% successful completion of compliance awareness session in FY2025.</li> <li>3) Maintain zero material breaches of laws and regulations.</li> </ol> |
|---|---|---|



**Business Ethics and Anti-corruption**

- |  |   |   |
|--|---|---|
| <ol style="list-style-type: none"> <li>1) Ensure 100% of successful completion of annual business ethics training as well as the anti-corruption and anti-bribery practices.</li> <li>2) Maintain zero breaches of business ethics, anti-corruption and anti-bribery practices.</li> </ol> | <ol style="list-style-type: none"> <li>1) DHLT had a 100% attendance for the annual business ethics training in FY2024.</li> <li>2) There were zero breaches of business ethics, anti-corruption and anti-bribery practices.</li> </ol> | <ol style="list-style-type: none"> <li>1) Ensure 100% of successful completion of annual business ethics training as well as the anti-corruption and anti-bribery practices.</li> <li>2) Maintain zero material breaches in business ethics, anti-corruption and anti-bribery practices.</li> </ol> |
|--|---|---|



**Supply Chain Management**

- |   |   |  |
|---|---|--|
| <ol style="list-style-type: none"> <li>1) Conduct annual checks on all vendors with ongoing business relations for financial concerns, compliance issues and quality of service.</li> </ol> | <ol style="list-style-type: none"> <li>1) The Manager carries out regular checks on all its vendors with ongoing business relations for financial concerns, compliance issues, and quality of service.</li> </ol> | <ol style="list-style-type: none"> <li>1) Conduct annual checks on all vendors with ongoing business relations for financial concerns, compliance issues, and quality of service.</li> </ol> |
|---|---|--|

Source: DHLT

**(I) ENVIRONMENTAL****(a) Energy consumption and emissions:**

We collate DHLT's disclosures on energy consumption and emissions as shown in **Exhibit 72**.

DHLT noted that "The total emissions and intensity for the same seven properties between FY2023 and FY2024 saw a 5.12% increase due to increased business activities by the tenants in DPL Sapporo Higashi-Kariki, DPL Kawasaki Yako, and DPL Okayama Hayashima." The "same seven properties" referred to **DPL Sapporo Higashi Kariki, DPL Sendai Port, DPL Koriyama, DPL Kawasaki Yako, DPL Shinfuji, DPL Okayama Hayashima, and DPL Iwakuni 1 & 2.**

**Exhibit 72: Energy Consumption and Emissions (FY2023 & FY2024)****ENERGY CONSUMPTION AND INTENSITY (JAPAN)**

	Performance FY2024 <sup>2</sup>	Comparison between FY2023 and FY2024	
		FY2024 <sup>2</sup>	FY2023 <sup>3</sup>
Number of assets	8	7	7
Net energy consumption <sup>4</sup> (GJ)	6,981.06	6,822.85	6,378.64
Energy intensity <sup>5</sup> (GJ/m <sup>2</sup> )	0.15	0.15	0.14

**EMISSIONS AND INTENSITY (JAPAN)**

	Performance FY2024 <sup>1</sup>	Comparison between FY2023 and FY2024	
		FY2024 <sup>1</sup>	FY2023 <sup>2</sup>
Number of assets	8	7	7
Emissions (tCO <sub>2</sub> e) - Scope 1	N.A.	N.A.	N.A.
Net emissions <sup>3</sup> (tCO <sub>2</sub> e) - Scope 2	939.54	923.02	851.81
Emissions intensity <sup>4</sup> (tCO <sub>2</sub> /m <sup>2</sup> )	0.02	0.02	0.02

Source: DHLT

**ENERGY CONSUMPTION AND INTENSITY (SINGAPORE)**

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

**EMISSIONS AND INTENSITY (SINGAPORE)**

Office Location	FY2024	FY2023	
	Current Office	Current Office, 7 July to 31 December, 2023	Former Office, 1 January to 6 July, 2023
Emissions (tCO <sub>2</sub> e) - Scope 1	N.A.	N.A.	
Emissions <sup>6</sup> (tCO <sub>2</sub> e) - Scope 2	2.07	2.10	
Emissions intensity (tCO <sub>2</sub> /m <sup>2</sup> )	0.02	0.02	

**(b) Task Force on Climate-related Financial Disclosures (“TCFD”):**

DHLT presented its TCFD as shown in **Exhibit 73** to **Exhibit 76**.

**Exhibit 73: Climate Change Mitigation (part 1)**

TCFD Pillar	DHLT’s activities										
<p><b>GOVERNANCE</b></p> 	<p>The Board of the Manager holds ultimate oversight of, and accountability for, DHLT’s sustainability agenda, strategy and performance and has delegated the responsibility for achieving the desired outcomes to the Sustainability Committee. The Sustainability Committee is led by the CEO of the Manager and includes the CFO, the CRO, the Head of Planning, the Head of Investor Relations, the Head of Investment and the Head of Asset Management. While the CEO is responsible specifically for environmental risk management, which includes climate-related risks, the day-to-day implementation of sustainability initiatives is handled by the Head of Planning. Since its establishment, the Sustainability Committee has reported directly and quarterly to the Board on material sustainability-related matters, including those tailored to address climate-related risks. The Manager aligns with the sustainability approach of the Daiwa House Group to the extent feasible and seeks inspiration and guidance from the advanced sustainability practices of Daiwa House REIT. In order to equip its workforce with the relevant skillset and knowledge to manage climate-related risks, employees from varied functions attended an ESG awareness seminar in FY2024.</p>										
<p><b>STRATEGY</b></p> 	<p>The Manager performed a peer benchmarking analysis and identified a long list of material sustainability topics. DHLT subsequently shortlisted the most important areas after conducting stakeholder engagement. 2 of the 12 prioritised material topics included emissions reduction and climate change mitigation, which shows the commitment of the Manager to limiting the impacts of climate change.</p> <p>In FP2022, the Manager performed a standalone scenario analysis to determine which climate-related risks and opportunities are material to the business. The risks were explored using the following parameters.</p> <table border="1" data-bbox="402 1297 1507 1627"> <thead> <tr> <th colspan="2">Scenario parameters</th> </tr> </thead> <tbody> <tr> <td><b>Assets and countries coverage<sup>1</sup></b></td> <td>82.4% coverage (14 out of 17 logistics assets located in Japan)</td> </tr> <tr> <td><b>Baseline year</b></td> <td>2021</td> </tr> <tr> <td><b>Scenarios explored<sup>1</sup></b></td> <td>1.5°C warming (NGFS<sup>2</sup> Net-Zero &amp; RCP 2.6) &gt; 3°C warming (NGFS Current Policies &amp; RCP 8.5)</td> </tr> <tr> <td><b>Timeframes explored</b></td> <td>Short term: 2030 Long term: 2050</td> </tr> </tbody> </table>	Scenario parameters		<b>Assets and countries coverage<sup>1</sup></b>	82.4% coverage (14 out of 17 logistics assets located in Japan)	<b>Baseline year</b>	2021	<b>Scenarios explored<sup>1</sup></b>	1.5°C warming (NGFS <sup>2</sup> Net-Zero & RCP 2.6) > 3°C warming (NGFS Current Policies & RCP 8.5)	<b>Timeframes explored</b>	Short term: 2030 Long term: 2050
Scenario parameters											
<b>Assets and countries coverage<sup>1</sup></b>	82.4% coverage (14 out of 17 logistics assets located in Japan)										
<b>Baseline year</b>	2021										
<b>Scenarios explored<sup>1</sup></b>	1.5°C warming (NGFS <sup>2</sup> Net-Zero & RCP 2.6) > 3°C warming (NGFS Current Policies & RCP 8.5)										
<b>Timeframes explored</b>	Short term: 2030 Long term: 2050										

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

Source: DHLT

**Exhibit 74: Climate Change Mitigation (part 2)****TCFD Pillar****DHLT's activities**

Based on this analysis, some of the more material risks in financial terms, as well as some of the associated mitigation and adaptation strategies, include:

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

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

Source: DHLT

**Exhibit 75: Climate Change Mitigation (part 3)****TCFD Pillar****DHLT's activities**

The Manager is still in the process of identifying the most effective way to manage environmental risks as a business. Based on the scenario analysis performed in FP2022, some climate and environmental risks and opportunities were identified. The Manager will, going forward, evaluate how best to manage and mitigate these risks and how these measures will influence and guide overall strategy and decision-making. The Manager already includes an environmental evaluation in DHLT's investment process but will look to enhance this process in the coming years.

Based on the most financially material climate-related risks identified in the scenario analysis, the Manager is considering viable mitigation and adaptation strategies that can be adopted. Environmental considerations, including climate change, are integrated into the process of sourcing and selecting DHLT's investments. However, the Manager is still evaluating other strategies that would help improve the resilience of DHLT's Portfolio in the future, such as decarbonisation activities, and incorporating climate and environmental risks into the risk management system. The Manager will report on progress in these areas in future disclosures.

**RISK MANAGEMENT**

The Manager acknowledges the severity of climate-related risks and treats them in the same regard as other potential critical risks faced by DHLT, such as reputation, financial, legal, and operational. The Manager has established an ENRM Framework that outlines its environmental risk management practices across its governance structure and throughout its investment cycle. The ENRM Framework details its approach towards the identification, assessment, monitoring and reporting of environmental risks. The Framework leverages on the three-year implementation plan that was developed as a guide for DHLT to strengthen its environmental risk management practice and build its alignment with the MAS ENRM Guidelines for Asset Managers. As a part of the ENRM Framework DHLT created a three lines of defence strategy to identify, assess and monitor environmental risks in its investments:

- **First line of defence** – the Head of Asset Management is a member of the Sustainability Committee and thus aware of any policies, controls and initiatives implemented relating to the identification, assessment and monitoring of environmental risks at the investment/portfolio level and ensures that they are effectively taken into consideration in investment decision making. The investment team performs an environmental risk due diligence assessment when sourcing and screening potential investments.
- **Second line of defence** – the CRO who oversees the risk management function is a member of the Sustainability Committee and is able to maintain effective oversight of the environmental risk management controls being executed by the Sustainability Committee, including the first line of defence and whether they meet the applicable regulatory requirements.
- **Third line of defence** – DHAMA's internal auditor has scoped in sustainability aspects, including the review and reporting of ESG and climate-related risks, into the audit plan to inspect the efficacy of the environmental controls being implemented and performed by the first and second lines of defence.

Source: DHLT

**Exhibit 76: Climate Change Mitigation (part 4)****TCFD Pillar****DHLT's activities**

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

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

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

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

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

**METRICS AND TARGETS**

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

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

Source: DHLT

**(c) Water consumption & waste generation:**

DHLT disclosed its water consumption and waste generation as shown in **Exhibit 77**. DHLT noted, “The water consumption comparison between FY2023 and FY2024 was done on five of DHLT’s properties, which include DPL Sapporo Higashi-Kariki, DPL Koriyama, DPL Kawasaki Yako, DPL Shinfuji, and DPL Okayama Hayashima. The total water consumption and intensity for these five properties between FY2023 and FY2024 saw a 6.54% increase, this was largely due to active business operations at DPL Sapporo Higashi-Kariki.”

**Exhibit 77: Water Consumption and Waste Generation (FY2023 & FY2024)****WATER CONSUMPTION AND INTENSITY (JAPAN)****WASTE GENERATION (JAPAN)**

	Performance FY2024 <sup>1</sup>	Comparison between FY2023 and FY2024		FY2024 <sup>1</sup>	FY2023 <sup>2</sup>
		FY2024 <sup>1</sup>	FY2023 <sup>2</sup>		
Number of assets	7	5	5		
Net water consumption <sup>3</sup> (m <sup>3</sup> )	10,650	9,807	9,205		
Water consumption intensity (m <sup>3</sup> /m <sup>2</sup> )	0.24	0.24	0.23		
				Total weight of waste generated in metric tonnes <sup>3</sup>	
				37,585	36,969

Source: DHLT

**(d) Green Building Certification:**

DHLT noted that it “has attained the BELS Green Building Certification for 16 out of the 18 properties in DHLT’s Portfolio in FY2024”, as shown in **Exhibit 78**. DHLT also noted that the Building Energy-efficiency Labelling System (“BELS”) “is a third-party certification system in Japan that assesses the energy conservation performance of buildings, in line with the guidelines set by the Ministry of Land, Infrastructure, Transport and Tourism of Japan”.

**Exhibit 78: Star Rating of DHLT’s Properties****STAR RATING OF DHLT’S PROPERTIES BY BELS**

Star rating	Properties	% NLA of DHLT’s Japan properties
	<ul style="list-style-type: none"> <li>DPL Sapporo Higashi Kariki</li> <li>DPL Koriyama</li> <li>D Project Nagano Suzaka S</li> <li>D Project Maebashi S</li> <li>D Project Misato S</li> <li>D Project Iruma S</li> <li>DPL Kawasaki Yako</li> <li>DPL Shinfuji</li> <li>DPL Okayama Hayashima 2</li> </ul>	62.4%
	<ul style="list-style-type: none"> <li>DPL Sendai Port</li> <li>D Project Kuki S</li> <li>DPL Ibaraki Yuki</li> <li>D Project Kakegawa S</li> <li>DPL Okayama Hayashima</li> <li>DPL Iwakuni 1 and 2</li> </ul>	34.1%
	<ul style="list-style-type: none"> <li>D Project Fukuoka Tobara S</li> </ul>	2.3%
<b>Total</b>		<b>98.8%</b>

Source: DHLT

**(II) SOCIAL**

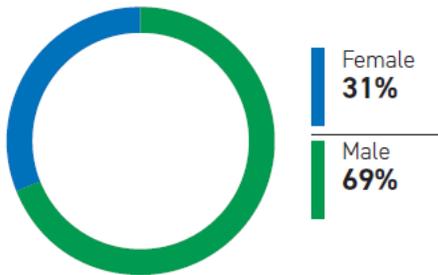
We collate DHLT's social disclosures as shown in **Exhibit 79**.

**Exhibit 79: Social**

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

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

**1.1: Total number of employees in percentage (%)**



**Table 1.2: Board of Directors**

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

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

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

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

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

**Table 1.5: Employee turnover for FY2024**

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

**Table 1.6: Training hours by gender**

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

Source: DHLT

### (III) GOVERNANCE

#### (a) Compliance with laws and regulations:

DHLT noted that the Manager “has constituted the following internal policies to strengthen its robust compliance framework:

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

DHLT also noted that the Manager “has established the following corporate registers for its licenced representatives:

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

DHLT disclosed that, “In FY2024, DHLT had zero instances of non-compliance with laws and regulations.”

#### (b) Business ethics and anti-corruption:

DHLT noted that the Manager has established:

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

#### (c) Supply chain management:

DHLT noted that the Manager “sources its vendors in accordance with the MAS Outsourcing Guidelines, which serve as a manual for financial institutions on the risk management of outsourcing arrangements.”

DHLT also noted that the Manager “carries out AML checks on its outsourced vendors and tenants”, and that the AML checks “involve a thorough examination of the background and finances including verifying their identities, assessing their financial transactions, and scrutinising their business relationships.”

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