



Daiwa House
Logistics Trust

(a real estate investment trust constituted on 2 November 2021
under the laws of the Republic of Singapore)
managed by
Daiwa House Asset Management Asia Pte. Ltd.

COMPLETION OF THE ACQUISITION OF TWO FREEHOLD LOGISTICS PROPERTIES AND UNDERLYING FREEHOLD LAND OF D PROJECT IRUMA S LAND LOCATED IN JAPAN AND USE OF PROCEEDS FROM THE PROPOSED SPONSOR SUBSCRIPTION

Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the announcement of Daiwa House Logistics Trust (“DHLT”) dated 21 September 2022 (the “Acquisition Announcement”) in relation to the Proposed Acquisition of two freehold logistics properties and underlying freehold land of D Project Iruma S located in Japan as well as the Proposed Sponsor Subscription (collectively, the “Proposed Transactions”) and the circular of DHLT dated 16 November 2022 in relation to the Proposed Transactions (the “Circular”).

Note: For illustrative purposes, unless otherwise indicated, in this announcement, certain JPY amounts have been translated into Singapore dollars based on the exchange rate of S\$1.00 = JPY 101.01 as at 7 December 2022. Such translations should not be construed as representations that the JPY amounts referred to could have been, or could be, converted into Singapore dollars, as the case may be, at that or any other rate or at all and vice versa.

DBS Bank Ltd. was the sole financial adviser for the initial public offering of DHLT (the “Offering”). DBS Bank Ltd. and Nomura Singapore Limited were the joint issue managers for the Offering. DBS Bank Ltd. and Nomura Singapore Limited assume no responsibility for the contents of this announcement.

1. COMPLETION OF THE PROPOSED ACQUISITION AND PROPOSED SPONSOR SUBSCRIPTION AND USE OF PROCEEDS FROM THE PROPOSED SPONSOR SUBSCRIPTION

Daiwa House Asset Management Asia Pte. Ltd., as the manager of DHLT (the “Manager”), is pleased to announce that DHLT has today completed the Proposed Acquisition (“Completion”), pursuant to which the Seller has today transferred to DH TMK, the trust beneficial interests in the Target Properties which the Seller had entrusted to Sumitomo Mitsui Trust Bank, Limited to hold as property trustee (the “Property Trustee”). Following Completion, DH TMK has accordingly succeeded the status of the Seller as a beneficiary and settlor of trust of the Target Properties while the Property Trustee holds the legal ownership of the Target Properties on trust for DH TMK.

Completion of the Proposed Sponsor Subscription also occurred today and pursuant thereto, 16,071,444 New Units were issued to the Sponsor at S\$0.77 per New Unit pursuant to the Sponsor Subscription Agreement for a total subscription amount of approximately S\$12.4 million (JPY1,250 million).

The Aggregate Purchase Consideration for the Proposed Acquisition of JPY 4,676.0 million (S\$46.3 million) has been fully funded from the entire gross proceeds from the Proposed Sponsor Subscription and from the Loan Facilities (as elaborated in Section 2 below).

Accordingly, DHLT has fully utilised 100.0% of the gross proceeds of the Proposed Sponsor Subscription to partially fund the Proposed Acquisition. The use of the gross proceeds of the Proposed Sponsor Subscription is in accordance with the stated use and the percentage of the gross proceeds of the Proposed Sponsor Subscription allocated to such use.

Following the issuance of the New Units, the total number of Units in issue is 692,535,066, of which the Sponsor holds 86,283,666 Units representing approximately 12.46% of the total number of Units in issue.

The New Units are expected to be listed and quoted on the Main Board of the SGX-ST with effect from 9.00 a.m. on 9 December 2022. As disclosed in the Circular, the New Units will be under a temporary stock counter separate from the existing DHLT stock counter.

2. LOAN FACILITIES

In connection with the Proposed Acquisition, DH TMK has entered into an individual loan agreement (the "**Loan Agreement**") with Sumitomo Mitsui Trust Bank Limited (as arranger bank), among others (collectively, the "**Lenders**") on 6 December 2022 in relation to loan quanta of (i) JPY 2,000.0 million with a maturity period of 4 years and (ii) JPY 2,000.0 million with a maturity period of 5 years (collectively, the "**Loan Facilities**"), based on similar contractual terms as the loan master agreement entered into by DH TMK and the Lenders in connection with the listing of DHLT on the Main Board of Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 26 November 2021.

As disclosed in the Circular, the obligations of DH TMK as the borrower under the Loan Facilities will be secured by, among others, the following security interests: (1) revolving pledges over the trust beneficial interests in each of the IPO Properties (as defined in the Circular) (the "**IPO Properties TBIs**") and each DHI TBI (as defined in the Circular) to be acquired pursuant to the Proposed Acquisition; (2) revolving mortgages over all real estate corresponding to the IPO Properties TBIs and DHI TBIs (conditional upon the termination of the trust pursuant to the relevant trust agreement); and (3) revolving pledge over claims pursuant to insurance agreements for all real estate corresponding to the IPO Properties TBIs and the DHI TBIs (conditional upon the termination of the trust pursuant to the relevant trust agreement).

3. THE MASTER LEASE ARRANGEMENT IN RESPECT OF DPL IWAKUNI 1 & 2 AND THE INDIVIDUAL PROPERTY MANAGEMENT AGREEMENTS IN RESPECT OF EACH OF THE TARGET PROPERTIES

Upon entrustment of DPL Iwakuni 1 & 2 to the Property Trustee in connection with the Proposed Acquisition, the Property Trustee concurrently succeeded the contractual status of the Seller as lessor under the Sublease Agreements under Japanese law. As disclosed in the Acquisition Announcement and the Circular, the Manager intends to procure DH-CRUX Japan Intermediate GK, pursuant to the pass-through conditional master lease agreement entered into on 21 September 2022 with the Property Trustee as the property owner of DPL Iwakuni 1 & 2, succeed the contractual status of the Property Trustee as lessor under the Sublease Agreements upon obtaining the consent of such end-tenant.

As stated in the Acquisition Announcement and as described in the Circular, Daiwa House Property Management Co., Ltd. has been appointed as property manager of each of the Target Properties pursuant to the individual property management agreements dated 21 September 2022 in respect of each of the Target Properties to provide property management, lease management, project management and marketing services in respect of such Target Properties, which have taken effect upon Completion.

4. ACQUISITION FEE UNITS

Following Completion, the acquisition fee payable to the Manager for the Proposed Acquisition (the “**Acquisition Fee**”) is approximately JPY 46.8 million (S\$0.5 million) (being 1.0% of the Aggregate Purchase Consideration).

As the Proposed Acquisition is an “interested party transaction” under the Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, the Acquisition Fee will be paid to the Manager in Units as soon as practicable after Completion, which shall not be sold within one year from the date of issuance.

The Manager will make further announcements on the issuance of the Acquisition Fee Units when these units are issued.

For and on behalf of the Board

Daiwa House Asset Management Asia Pte. Ltd.

(Company Registration No. 202037636H)

(as Manager of Daiwa House Logistics Trust)

Takeshi Fujita

Director and Chief Executive Officer

8 December 2022

Important Notice

This announcement is for information purposes only and does not constitute or form part of an offer, solicitation or invitation of any offer, to buy or subscribe for any Units in Singapore or any other jurisdiction, nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

The past performance of DHLT is not necessarily indicative of the future performance of DHLT.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation), general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of DHLT. The forecast financial performance of DHLT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.