



**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.

## MINUTES OF FIRST ANNUAL GENERAL MEETING

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PLACE : Meeting Room 331, Level 3, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Singapore 039593

DATE : Thursday, 27 April 2023

TIME : 2.00 p.m.

PRESENT : **BOARD OF DIRECTORS**

Tan Jeh Wuan	Chairman and Independent Director
Tan Juay Hiang	Independent Director and Chairman of the Audit and Risk Committee
Takashi Suzuki	Independent Director
Yoshiyuki Takagi	Non-Independent Non-Executive Director
Eiichi Shibata	Non-Independent Non-Executive Director
Takeshi Fujita	Non-Independent Executive Director and Chief Executive Officer

IN ATTENDANCE : Unitholders, the Trustee and other professionals who attended the Annual General Meeting as set out in the attendance records maintained by the Manager

CHAIRMAN OF THE MEETING : Mr Tan Jeh Wuan

## INTRODUCTION

The emcee welcomed the unitholders of Daiwa House Logistics Trust (“**DHLT**” or the “**REIT**”, and the unitholders of DHLT, the “**Unitholders**”) and attendees to the inaugural Annual General Meeting of the REIT (the “**Meeting**”) for the financial period ended 31 December 2022 (“**FP2022**”).

The emcee introduced the below present at the Meeting:

- the Board of Directors of Daiwa House Asset Management Asia Pte. Ltd., the manager of the REIT (the “**Manager**” and the Board of Directors of the Manager, the “**Board**”);
- the Chief Financial Officer of the Manager;
- the Company Secretary of the Manager;
- representatives from HSBC Institutional Trust Services (Singapore) Limited, the trustee of the REIT (the “**Trustee**”);
- representatives from Boardroom Corporate & Advisory Services Pte. Ltd., the Unit Registrar of the REIT (“**BCAS**”); and

- representatives from Ernst & Young LLP, the auditors of the REIT.

The emcee informed Unitholders that Mr Tan Jeh Wuan, the chairman of the Board, had been nominated by the Trustee to preside as chairman of the Meeting (the “**Chairman**”) in accordance with the Trust Deed constituting the REIT (the “**Trust Deed**”) dated 2 November 2021.

As a quorum was present, the Chairman declared the Meeting open.

## **NOTICE**

The Notice of Meeting dated 5 April 2022 (“**Notice**”) and the Annual Report for FP2022 had been released on SGXNet and also published on the REIT’s corporate website.

With consent of the Meeting, the Notice convening the Meeting was taken as read.

## **CONDUCT OF THE MEETING AND VOTING**

The Chairman advised that in accordance with listing requirements, all resolutions at the Meeting will be put to vote by way of electronic poll voting using a wireless handheld device.

The Chairman informed Unitholders that, in his capacity as Chairman of the Meeting, he had been appointed as proxy by some Unitholders and he will be voting in accordance with their instructions.

DrewCorp Services Pte. Ltd. and BCAS have been appointed as scrutineer and polling agent respectively. Unitholders were then briefed on the electronic poll voting procedures.

## **PRESENTATION BY THE CHIEF EXECUTIVE OFFICER**

The Chairman invited Mr. Takeshi Fujita, the Executive Director and Chief Executive Officer of the Manager (the “**CEO**”) to give a presentation on the REIT’s performance for FP2022. Copies of the presentation slides had also been released via SGXNET and uploaded to the REIT’s corporate website on 27 April 2023.

Unitholders were informed that responses to questions received from Securities Investors Association (Singapore) and Unitholders in advance of the Meeting had also been published on SGXNET and the REIT’s corporate website.

## **QUESTIONS AND ANSWERS**

After the presentation, Unitholders were invited to ask any questions relating to the proposed resolutions of the Meeting.

Queries from the Unitholders were dealt with as per **Annexure A**.

The Chairman then proceeded with the business of the Meeting.

**ORDINARY BUSINESS:**

**1. ORDINARY RESOLUTION 1  
 REPORT OF HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED,  
 STATEMENT BY DAIWA HOUSE ASSET MANAGEMENT ASIA PTE. LTD. AND THE AUDITED  
 FINANCIAL STATEMENTS OF DHLT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER  
 2022 TOGETHER WITH THE AUDITORS' REPORT THEREON**

1.1 The motion for Ordinary Resolution 1 was proposed by the Chairman and the motion was put to vote.

1.2 The results of the poll were as follow:

Total number of Units represented by votes for and against the relevant resolution	For		Against	
	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)
243,682,938	243,253,638	99.82	429,300	0.18

1.3 Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of DHLT, the Statement by Daiwa House Asset Management Asia Pte. Ltd. as manager of DHLT and the Audited Financial Statements of DHLT for the financial period ended 31 December 2022 together with the Auditors' Report be received and adopted.”

**2. ORDINARY RESOLUTION 2  
 RE-APPOINTMENT OF AUDITORS**

2.1 Ordinary Resolution 2 was to re-appoint Ernst & Young LLP as Auditors of the REIT to hold office until the conclusion of the next Annual General Meeting and to authorise the Manager to fix their remuneration.

2.2 Ernst & Young LLP had expressed their willingness to continue in office.

2.3 The motion for Ordinary Resolution 2 was proposed by the Chairman and the motion was put to vote.

2.4 The results of the poll were as follow:

Total number of Units represented by votes for and against the relevant resolution	For		Against	
	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)
243,607,938	243,059,638	99.77	548,300	0.23

2.5 Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That Ernst & Young LLP be re-appointed as Auditors of DHLT and to hold office until the conclusion of the next Annual General Meeting and that the Manager be authorised to fix their remuneration.”

#### SPECIAL BUSINESS:

### 3. ORDINARY RESOLUTION 3 GENERAL MANDATE FOR THE ISSUE OF NEW UNITS AND/OR CONVERTIBLE SECURITIES

4.1 Ordinary Resolution 3 was to authorise the Manager to issue units and/or convertible securities in the REIT pursuant to the provisions of the Listing Manual of Singapore Exchange Securities Trading Limited and the Trust Deed.

4.2 The motion for Ordinary Resolution 3 was proposed by the Chairman and the motion was put to vote.

4.3 The results of the poll were as follow:

Total number of Units represented by votes for and against the relevant resolution	For		Against	
	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)
243,646,938	242,989,038	99.73	657,900	0.27

4.4 Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That authority be given to the Manager to

- (a) (i) issue units in DHLT (“**Units**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, options, warrants, debentures or other instruments convertible into Units,
- at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
- (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders (including Units to be issued in pursuance of Instruments to be made or granted pursuant to this Resolution) shall not exceed twenty per cent (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), for the purpose of determining the aggregate number of Units and Instruments that may be issued under sub-paragraph (1) above, the total number of issued Units and Instruments shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
- (a) any new Units arising from the conversion or exercise of the Instruments; and
- (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed constituting DHLT (as amended) (“**Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) unless revoked or varied by Unitholders in a general meeting of DHLT, the authority conferred by this Resolution shall continue in force (i) until (a) the conclusion of the next AGM of DHLT or (b) the date by which the next AGM of DHLT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier or (ii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue

additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and

- (6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of DHLT to give effect to the authority conferred by this Resolution.”

## **CONCLUSION**

There being no other business to transact, the Chairman declared the Meeting of the REIT closed at 3.20 p.m. and thanked everyone for their attendance.

**Confirmed As True Record of Proceedings Held**

**Tan Jeh Wuan  
Chairman**

**QUESTIONS AND ANSWERS RAISED AT THE ANNUAL GENERAL MEETING (“AGM”) OF  
DAIWA HOUSE LOGISTICS TRUST (“DHLT” OR THE “REIT”) HELD ON 27 APRIL 2023**

*Capitalised terms used herein, unless otherwise defined, shall have the meaning ascribed to them in the Annual Report of the REIT for the financial period ended 31 December 2022 (“FP2022”) (“Annual Report”). Some questions and answers (“Q&A”) have also been edited for clarity. The salient points of the Q&As are provided below.*

<b>Questions and Answers relating to the AGM resolutions</b>	
1.	<p><b>Referring to page 45 of the Annual Report relating to the Sponsor’s obligations in relation to certain leasehold properties, it was stated there were six properties within the REIT’s portfolio which the Sponsor owns land leasehold interests or land sub-leasehold interests (being DPL Kawasaki Yako, D Project Kuki S, D Project Misato S, DPL Shinfuji, DPL Okayama Hayashima and D Project Fukuoka Tobara S) (collectively, the “Leasehold Properties”).</b></p> <p><b>(a) Is DHLT required to pay ground rent to the superior landlords (the “Landlords”) annually for the remaining lease tenure.</b></p> <p><b>(b) If so, how much annual rent does DHLT pay for the Leasehold Properties?</b></p> <p><i>Answer (CEO):</i> Yes, DHLT will pay the ground rent to the Sponsor which in turn pays the ground rent to the Landlords.</p> <p><i>Answer (CFO):</i> The total land lease payment is about S\$6 million annually.</p>
2.	<p><b>Referring to page 161 of the Annual Report, the right-of-use assets and assets corresponding to asset-retirement-obligation as at 31 December 2022 amounted to S\$191.69 million. Further, it was mentioned that a right-of-use asset relating to the ground lease for leasehold properties of S\$174.2 million had been included as part of the investment properties as at 31 December 2022.</b></p> <p><b>Is the asset-retirement-obligation of approximately S\$17.5 million considered actual cashflow and not accounting entry?</b></p> <p><i>Answer (CFO):</i> The S\$17.5 million asset-retirement-obligation was a provision that was made in respect of the Leasehold Properties in the event DHLT needs to make any reinstatement upon the expiration of the lease. The right-of-use assets relating to the leasehold land lease was capitalised in investment properties. Monthly payments to landowners are made in the form of ground rent instead of an upfront land premium.</p>
3.	<p><b>The Sponsor will provide a letter to DHLT yearly confirming that it will fulfill the obligations to the Landlord and that there is no default. What happens if there is a default and what will happen to the Leasehold Properties?</b></p> <p><i>Answer (CEO):</i> We believe that the likelihood of this situation occurring is extremely low. However, if that occurs, we may intervene and engage directly with the Landlords.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
4.	<p><b>Management was commended on managing DHLT well in terms of foreign exchange management, high occupancy, portfolio management and investor relations.</b></p> <p><b>It was noted that the price of DHLT's unit has declined to a level of approximately 60 cents while net asset value is around 80 cents, offering a yield to be around 10%. While the Board has no control over the price of the REIT's unit, maybe Board/Management could look at the valuation of DHLT's properties.</b></p> <p><b>With the pipeline of potential acquisitions from the Sponsor, the unitholder suggested one way to signal to the market of DHLT's growth is through making accretive acquisition and hopefully, the Sponsor is able to give more discount when making its properties offer to the REIT. If DHLT could grow to a more sizeable portfolio and signal there are good properties to acquire, it might achieve a fairer valuation.</b></p> <p><i>Answer (Chairman):</i> Thank you for the compliments. The unit price of DHLT is not within the control of the Manager. Management will manage DHLT's assets as diligently as possible and continue to grow its portfolio. If there is concrete acquisition plan, we will make the relevant announcement.</p> <p><i>Answer (CEO):</i> The Sponsor is a big developer in Japan and is supportive of the development of DHLT. We do not foresee any issue with the pipeline of potential properties from the Sponsor to support the growth of DHLT.</p> <p>During the initial public offering of DHLT, the Sponsor provided a discount to valuation in its sale of properties to DHLT. A similar support was also provided by the Sponsor when DHLT made its maiden acquisition in 2022. While the extent of discount is not guaranteed, we believe the Sponsor will continue to support the growth of DHLT.</p>



**Questions and Answers relating to the AGM resolutions**

5.	<p><b>With the recent change of the governor of Bank of Japan, it was anticipated that the new governor may raise the interest rate in Japan marginally in line with the global trend. Notwithstanding, the inflation in Japan overall is still expected to be modest. The loans under the DHLT were mostly under fixed rate.</b></p> <p><b>(a) What is the impact to DHLT if interest rate continues to rise?</b></p> <p><b>(b) What is Management’s reading of the Japanese Yen (“JPY”)? Is the JPY going to strengthen? And how would it impact DHLT’s income, and its properties? Will the hedging be able to neutralise it?</b></p> <p><i>Answer (CEO):</i> Based on our understanding of the previous address by the new governor, he would likely maintain the low interest rate policy to achieve a stabilised inflation rate at a moderate level of around 2%. The new governor may probably continue to monitor and review the yield curve control policy. In the mid to long term, he may amend it as he previously mentioned he has been monitoring the side effect of the policy. Even if he amends it, the market specialists such as analysts and economists are expecting a marginal increase of 25 to 50 basis point or 0.25% to 0.5%. Notwithstanding the expected increase, the cost of borrowing in JPY is still relatively low.</p> <p>In any case, we are not in a position to predict the economy or interest rate movement in Japan.</p> <p><i>Answer (CFO):</i> We can only share some market views on the foreign exchange and interest rates as we are not the experts or economists in this area. We believe that the new Governor is prudent and will be watching data closely before implementing any policy changes. Any such changes will likely be backed by the improvements in economy or inflation. If so, this will be positive for Japan economy, JPY and DHLT.</p> <p>For interest rate management, we have adopted a prudent approach and the existing borrowings are all on fixed rate. As such, DHLT is currently not exposed to interest rate volatility.</p> <p>In terms of foreign exchange, there is market expectation of the interest rate hike by the Federal Reserve to abate, and the interest rate differentials against JPY should be narrowed. We believe this may be positive for the JPY.</p> <p>We hedge our distributable income systematically to smoothen out any volatility. As for the hedging rate, we hedge the distributable income based on a forward rate which is generally at a discount to spot rate due to the interest rate differentials for SGD and JPY.</p>
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<b>Questions and Answers relating to the AGM resolutions</b>	
6.	<p><b>The financial year end of Daiwa House Group in Japan is 31 March. Do DHLT's subsidiaries in Japan remit monies to DHLT around end April? Will JPY normally strengthen during this period (around the April financial year of Daiwa House Group)?</b></p> <p><i>Answer (CFO):</i> DHLT's investments are in Japan and rental income is derived in JPY. DHLT's subsidiaries will repatriate monies to DHLT every six months to coincide with its distribution payment to its Unitholders.</p> <p><i>Answer (Chairman):</i> We do not speculate on the movements of JPY.</p>
7.	<p><b>What percentage of DHLT's portfolio consist of modern facilities? What are the enhancement initiatives DHLT can carry out on its properties (to make them modern) or to divest them?</b></p> <p><i>Answer (CEO):</i> Generally, modern facilities in Japan market are typically defined in terms of their size, floor load, ceiling height, and distance between the pillars.</p> <p>Single-tenanted built-to-suit ("<b>BTS</b>") properties in DHLT's portfolio are excluded from consideration as modern facilities as such BTS properties were built to customisation based on the exact requirements of the tenants.</p> <p>On the other hand, all the multi-tenanted properties of DHLT are considered as modern facilities which are built with high-end specifications, including having net lettable area of more than 10,000 square metres, minimum floor loads of 1.5 tonne/square metres, ceiling heights in excess of 5.5 metres, and distance between pillars of more than 10 metres.</p>
8.	<p><b>According to page 183 of the Annual Report, the Sponsor has 12.45% unitholding in DHLT. Is there any regulatory limit in Japan or Singapore stipulating the Sponsor's unitholding it can hold in DHLT?</b></p> <p><i>Answer (CEO):</i> There is no regulatory limit restricting the unitholding of the Sponsor in DHLT. However, under the generally accepted accounting principles in Japan, if the Sponsor holds 15% or more of the units in DHLT ("<b>Units</b>") and has substantial influence on the decision-making process over DHLT, the equity method will apply and the Sponsor will be required to eliminate a portion of the gain on sales of the real estate on its consolidated financial statements as unrealised gain. From the Sponsor's perspective, the Sponsor does not intend to hold more than 15% of the Units.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
9.	<p><b>Will the unitholding of the Sponsor increase if DHLT were to make more acquisitions from the Sponsor?</b></p> <p><i>Answer (CFO):</i> It would depend on the mode of funding for the acquisitions. For example, if it is by way of private placement to third parties, the Sponsor's unitholding will decrease. If it is by way of pro-rata issuance of Units, the Sponsor's unitholding in DHLT will maintain.</p> <p>Notwithstanding the CEO's explanation to an earlier question, the Sponsor could also acquire Units in DHLT as there is no regulatory limit on the Sponsor's unitholding. It is more of the Sponsor's accounting consideration to limit on their percentage of unitholding in DHLT.</p>
10.	<p><b>What is DHLT's policy on the funding mode of acquisition? Do you turn to the Unitholders first, or private placement?</b></p> <p><i>Answer (Chairman):</i> It would depend on factors such as the size of the acquisition and the market conditions. If the acquisition is small, the Manager can consider raising funds through a debt offering or a small private placement. If the funds required are large enough, raising funds via rights issue could be considered.</p> <p><i>Answer (CEO):</i> The pipeline of potential properties from the Sponsor in itself is not a constraint or issue to DHLT. The acquisitions will depend on the market conditions and whether we could achieve accretive acquisition. We believe that the number of properties developed by the Sponsor is sufficient for DHLT's acquisition.</p>
11.	<p><b>If the Sponsor were to offer properties outside Japan, for example in Malaysia or South-East Asia, this will be considered by DHLT?</b></p> <p><i>Answer (Chairman):</i> The investment mandate of DHLT allows the acquisition of properties in Asia both outside and within Japan.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
12.	<p><b>(a) How does the Sponsor allocate its properties given that it also has other logistics sister REITs in Japan (i.e Daiwa House REIT, Daiwa House Global REIT and Daiwa House Logistics Core Fund)?</b></p> <p><b>(b) Given that DHLT has been granted the right of first refusal (“ROFR”), does it mean that DHLT has first priority over the three sister REITs?</b></p> <p><i>Answer (CEO):</i> The Sponsor does not have any preference when allocating its properties. Within Japan, the Sponsor ROFR is subject to a pre-existing right of first refusal granted by the Sponsor in favour of Daiwa House REIT, as well as a pre-existing commitment from the Sponsor to support the two private real estate funds.</p> <p>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.</p> <p>Under the Sponsor ROFR, DHLT has been granted an exclusive ROFR over the Sponsor’s pipeline logistics assets across Asia outside Japan.</p>
13.	<p><b>It seems a bit strange that a few parties have been granted the ROFR.</b></p> <p><i>Answer (Chairman):</i> The ROFR arrangements were described extensively in the IPO Prospectus of DHLT including how the conflict of interest can be addressed.</p>
14.	<p><b>Are the leases of the properties fixed over their tenure or is there is rent escalation?</b></p> <p><i>Answer (CEO):</i> For BTS properties, the leases tend to be longer around 10 years or more and the leases for these properties are on a fixed rent basis with no rental escalation.</p> <p>For multi-tenanted properties, their tenancy is generally around two to three years with no rental escalation either. Negotiation with tenants will commence before the expiry of their leases. In FP2022, we managed to renew leases at an average increase in monthly rent of 3%.</p> <p>DHLT’s portfolio comprises about 75% in multi-tenanted properties and 25% in BTS properties, by net lettable area. With this combination, DHLT is able to achieve income stability with potential rent upside upon renewal of leases.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
15.	<p><b>On pages 24 to 25 of the Annual Report, D Project Kuki S property which is a BTS property has a weighted average lease expiry of 1.6 years. (a) Is there any update on when the lease will be renewed? (b) What happen if the tenant does not want to renew?</b></p> <p><i>Answer (CEO):</i> We have commenced preliminary discussions with the tenant. While the discussions have been positive, we are still in the early stage of the discussion at this point in time.</p>
16.	<p><b>For land on leasehold terms, how do you intend to extend the leases?</b></p> <p><i>Answer (CEO):</i> We can either extend the lease of the land to a longer tenure or acquire the underlying freehold land. For instance, the lease of one of the properties were extended before the listing of DHLT. For our maiden acquisition in 2022, we acquired an underlying freehold land of an existing property within the portfolio.</p>
17.	<p><b>What is the yield Daiwa House REIT listed in Japan? Does the Sponsor arbitrage between the two REITs?</b></p> <p><i>Answer (CEO):</i> Currently, the trading yield of Daiwa House REIT is around 4%. The Sponsor does not arbitrage between DHLT and its sister REIT.</p>
18.	<p><b>What was the capitalisation rate (“cap rate”) used in the valuation to derive NAV (net asset value) at 0.80 cents per Unit? What is the cap rate yield for DHLT?</b></p> <p><i>Answer (CEO):</i> The cap rate used in valuation of the properties would depend on the location of the properties. Currently, the cap rate for DHLT’s portfolio is around 5.5%.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
19.	<p><b>Upon passing of Ordinary Resolution 3, this will allow DHLT to proceed with the private placement by issuing new shares. Does this mean that the Unitholders are giving the authorisation to DHLT to conduct a private placement to purchase a property without having to come back to the Unitholders? If so, the Unitholders' unitholding will be diluted.</b></p> <p><i>Answer (ARC Chairman):</i> The units issuance mandate is a common practice in the Singapore REIT market. The mandate allows the Manager of the REIT to have the ability and flexibility to carry out capital raising with certainty in relation to acquisitions so that the transaction will not be subject to fund raising, which may then put DHLT in a less favourable position compared to other buyers.</p> <p><i>Answer (Chairman):</i> Even if the mandate is granted to the Manager, DHLT cannot issue 100% of the issued capital for private placement based on this mandate. There is a limit on the number of Units that DHLT can issue and restrictions on the price of the Units to be issued.</p> <p><i>Answer (ARC Chairman):</i> The Independent Directors of the Manager will also act as a safeguard in assessing whether such transactions are in the interests of the Unitholders.</p> <p><i>Answer (CFO):</i> The general mandate is required for operational expediency whereby it allows management fees to be paid in the form of Units in DHLT. If this resolution is not passed, DHLT would need to convene an extraordinary general meeting to seek Unitholders' approval for each issuance of Units for payment of the management fees.</p>