



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 SECOND ANNUAL GENERAL MEETING

PLACE : The Auditorium (Level 3), The Japanese Association, Singapore, 120 Adam Road, Singapore 289899

DATE : Tuesday, 23 April 2024

TIME : 3.00 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
Hirotsugu Otomo	Non-Independent Non-Executive Director
Jun Yamamura	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 second Annual General Meeting of the REIT (the “**Meeting**”) for the financial year ended 31 December 2023 (“**FY2023**”).

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 1 April 2024 (“**Notice**”) and the Annual Report for FY2023 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.

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. Jun Yamamura, the Executive Director and Chief Executive Officer of the Manager (the “**CEO**”) to give a presentation on the REIT’s performance for FY2023. Copies of the presentation slides had also been released via SGXNET and uploaded to the REIT’s corporate website on 22 April 2024.

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

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 YEAR ENDED 31 DECEMBER
 2023 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 (%)
184,488,389	183,997,289	99.73	491,100	0.27

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 year ended 31 December 2023 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 (%)
184,448,389	183,855,889	99.68	592,500	0.32

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 (%)
184,419,389	183,490,189	99.50	929,200	0.50

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 3.50 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 23 APRIL 2024**

Capitalised terms used herein, unless otherwise defined, shall have the meaning ascribed to them in the Annual Report of the REIT for the financial year ended 31 December 2023 (“FY2023”) (“Annual Report”). Some questions and answers (“Q&A”) have also been edited for clarity. The salient points of the Q&As are provided below.

Questions and Answers relating to the AGM resolutions																																																																																																																																																							
1.	<p>What does it mean by “160.9% as the Net Assets Attributable to Unitholders” on page 146 of the Annual Report and how meaningful is the figure?</p> <p><i>Answer (CFO):</i> It was a percentage expressed against the net assets value (“NAV”) of DHLT as illustrated in the table below, where total investment properties represented 160.9% against the NAV attributable to Unitholders:</p> <table border="1"> <thead> <tr> <th>Property</th> <th>Geographic Area</th> <th>Date of Construction</th> <th>Tenure of Land</th> <th>As at 31 December 2023 S\$'000</th> <th>% of Net Assets Attributable to Unitholders %</th> <th>As at 31 December 2022 S\$'000</th> <th>% of Net Assets Attributable to Unitholders %</th> </tr> </thead> <tbody> <tr> <td>DPL Sapporo Higashi Kariki</td> <td>Hokkaido and Tohoku</td> <td>1 Feb 2018</td> <td>Freehold</td> <td>119,499</td> <td>23.1</td> <td>119,499</td> <td>23.1</td> </tr> <tr> <td>DPL Sendai Port</td> <td>Hokkaido and Tohoku</td> <td>10 Mar 2017</td> 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2.	<p>Should Unitholders be concerned of the 160.9% of Net Assets Attributable to Unitholders?</p> <p><i>Answer (CFO):</i> The NAV attributable to Unitholders is also a function of leverage which means that the higher the leverage, the lower the NAV. Unitholders do not need to be unduly worried about this percentage.</p>																																																																																																																																																						

Questions and Answers relating to the AGM resolutions	
3.	<p>Referring to page 169 of the Annual Report regarding the Units in issue and to be issued, noted the Manager’s base fees were paid in both units and cash. Would Management consider buying back its Units from the market so as to prevent dilution of existing Unitholders’ unitholdings due to further issuance of Units?</p> <p><i>Answer (Chairman):</i> The Manager’s election to receive 50% of the base management fees in Units and 50% in cash was applied since the initial public offering of DHLT.</p> <p>If the Manager were to receive 100% of the base management fees in cash, the amount of cash available for distribution to Unitholders will be reduced and affect the distribution per unit (“DPU”) to Unitholders.</p> <p><i>Answer (CFO):</i> DHLT’s decision to receive base management fees in Units also aligns the Manager’s interest with the Unitholders. Further, as the number of units issued in relation to the base management fees is not significant, the dilution is not material.</p> <p><i>Answer (Chairman):</i> We noted your feedback and the Manager will review and consider whether or not to continue with the existing policy of receiving 50% of the base management fee in Units and 50% in cash.</p>
4.	<p>Management was commended for their efforts in maintaining the DPU despite challenging macro-economic conditions. Mr. Jun Yamamura was also congratulated on his promotion as the CEO of the Manager in June 2023.</p> <p>Was the purchase consideration of S\$26.5m for D Project Tan Duc 2 been paid in Japanese Yen (“JPY”) and also, the rental of the said property be received in JPY?</p> <p><i>Answer (CEO):</i> D Project Tan Duc 2 is a property located in Vietnam, and the income is denominated in Vietnamese Dong. The acquisition of this property has not been completed.</p>
5.	<p>There would be foreign exchange risk for a new currency. How does DHLT intend to hedge from the perspective of the currency of the borrowings?</p> <p><i>Answer (CEO):</i> As the acquisition has not been completed, we have not decided on the currency of borrowings.</p>

Questions and Answers relating to the AGM resolutions	
6.	<p>Noted DHLT's distribution policy is to distribute at least 90% of its annual distributable income on a semi-annual basis.</p> <p>What is DHLT's plan for funding its future acquisitions to achieve its growth? If DHLT is venturing into foreign countries (outside Japan), it is important to understand the risk profile of the new markets.</p> <p><i>Answer (CEO):</i> The Manager has yet to firm up the target properties for the next acquisition and is still in the process of analysing potential acquisition targets. While a majority of DHLT's portfolio is located in Japan, DHLT will continue to explore opportunities to invest in properties located in Southeast Asia.</p> <p><i>Answer (Chairman):</i> It is common for REITs in Singapore to distribute 90% or more of their annual distributable income. As such, acquisitions by REITs are typically funded through borrowings and/or equity fund raising via capital market exercises such as rights issues and private placements. Equity fund raising, however, is subject to the prevailing market conditions, amount of the funds required, amongst other factors.</p> <p>For DHLT's past acquisitions, they were mainly funded via borrowings as the Manger tapped on debt headroom of DHLT. The Manager will explore other means to fund its future acquisitions, including but not limited to equity fund raising via capital market exercises. The form and structure of the market capital exercises would depend on the size of the acquisition and market conditions at that time.</p> <p>If the fund raising is sizeable, the Manager may need to seek separate approval from the Unitholders as required by the rules and regulations.</p>
7.	<p>Will DHLT consider funding its future acquisitions through disposal of its properties or capital recycling?</p> <p><i>Answer (Chairman):</i> This is certainly an option that the Manager will consider if such opportunity arises. The recycling of assets is a common practice amongst S-REITs, and any such recycling is dependent on price and opportunities available.</p>

Questions and Answers relating to the AGM resolutions	
8.	<p>Noted from the CEO's presentation earlier that the proportion of modern logistics facilities in Japan remained relatively modest at approximately 15% and DHLT's occupancy rate was at 100%.</p> <p>(a) What is the current market dynamic of logistics market in Japan?</p> <p>(b) Is there more supply than demand for logistics facilities in Japan; and</p> <p>(c) What is the market outlook?</p> <p><i>Answer (CEO):</i> While DHLT has achieved 100% occupancy rate as at 31 December 2023, more than 20% of the leases are set to expire in 2024. Management is currently in negotiations with some of these tenants for lease renewals, seeking for higher rental rates. However, the outcome would also take into various factors, including current market conditions.</p> <p>Most of the recent new supply were in Greater Tokyo. DHLT owns seven properties in Greater Tokyo, of which five are BTS (build-to-suit) properties and two are multi-tenant properties with a weighted average lease expiry of around eight years. Therefore, the performance of DHLT's properties in Greater Tokyo is expected to remain resilient despite the increase in supply of logistics facilities.</p>
9.	<p>Did DHLT issue any perpetual securities? If so, what is the amount of perpetual securities issued?</p> <p><i>Answer (CFO):</i> DHLT issued perpetual securities amounting to JPY3.0 billion (or S\$35.8 million equivalent) to the Sponsor, Daiwa House Industry Co., Ltd. ("DHI"). The perpetual securities were conferred a right to receive distribution payments at a rate of 2.95% per annum with the first distribution rate reset falling after five years of its issuance. The perpetual securities are non-cumulative and classified as equity in the financial statements.</p> <p><i>Answer (Chairman):</i> The perpetual securities were issued just before the IPO of DHLT.</p>

Questions and Answers relating to the AGM resolutions	
10.	<p>(a) Are there dedicated resources or committee responsible for the risk assessment of DHLT's assets given that Japan is prone to earthquake/tsunami? (b) How does Management oversee the threat assessment against these assets?</p> <p><i>Answer (CEO):</i> DHLT's properties were not affected by the earthquake that occurred in Japan in January 2024. The Manager takes into account building construction resilience as part of the due diligence in the course of any acquisition exercise in Japan.</p> <p>One of the assessments conducted by the Manager is the evaluation of the Probable Maximum Loss ("PML") of target properties. PML is a measurement used to evaluate the seismic risk associated with a property.</p> <p>DHLT typically avoids acquiring properties with a PML exceeding 15%. The Manager would consider obtaining earthquake insurance for properties with a PML exceeding the aforesaid threshold.</p> <p>The overall PML of DHLT's portfolio was assessed to be less than 2%.</p> <p><i>Answer (Chairman):</i> Daiwa House Group is an experienced property developer and owner in Japan. The Group is very knowledgeable in threat assessment and has a robust review process of properties' resilience to withstand natural disaster.</p> <p>If the natural disaster assessment proves to be unfavourable, DHLT may have to reconsider acquiring such property or obtain earthquake insurance coverage.</p>