



**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 THIRD ANNUAL GENERAL MEETING**

---

PLACE : Meeting Room 334 – 336 (Level 3), Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Singapore 039593

DATE : Thursday, 24 April 2025

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
Jun Yamamura	Non-Independent Executive Director and Chief Executive Officer

ABSENT WITH APOLOGIES : Eiichi Shibata, Non-Independent Non-Executive Director

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 third Annual General Meeting of the REIT (the “**AGM**” or “**Meeting**”) for the financial year ended 31 December 2024 (“**FY2024**”).

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 2 April 2025 (“**Notice**”) and the Annual Report for FY2024 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 FY2024. Copies of the presentation slides had also been released via SGXNET and uploaded to the REIT’s corporate website on 23 April 2025.

## **QUESTIONS AND ANSWERS**

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 prior to the Meeting.

Unitholders were then 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  
2024 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 (%)
221,313,740	221,149,340	99.93	164,400	0.07

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 2024 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 (%)
221,447,240	221,149,140	99.87	298,100	0.13

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

3.1 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.

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

3.3 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 (%)
221,468,740	207,465,040	93.68	14,003,700	6.32

3.4 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 4.30 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 24 APRIL 2025**

*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 2024 (“FY2024”) (“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>The Manager was complimented given that DHLT has been able to achieve the current level of DPU under the present challenging circumstances.</b></p> <p><b>DHLT has refinanced its 3-year loan for 5 years fixed rate. What is the loan amount and the rate?</b></p> <p><i>Answer (CFO):</i> The refinanced loan quantum was Japanese Yen (“JPY”) 10 billion. The loan that matured in November 2024 was refinanced with a longer tenure 5-year loan. The all-in interest rate has increased to around 2% given that the loan was obtained during DHLT’s initial public offering (“IPO”) three years ago when the base rate at that time was close to zero. The Manager also took the opportunity to restructure the borrowings in Japan to an unsecured basis.</p>
2.	<p><b>For the acquisition of D Project Tan Duc 2 in Vietnam, how much loan was obtained and what was the interest rate? The average interest rate was around 1% previously and had gone up to 1.6% as presented earlier. This should be due to the loan for Vietnam’s acquisition and interest rate increase for the refinanced loan?</b></p> <p><i>Answer (CFO):</i> The loan for the acquisition was a 4-year JPY3.03 billion loan facility. Interest cost has increased as the JPY base rates have increased, compared to the rates locked in 3 years ago. The all-in interest cost of the loan for the acquisition is about mid 2%. For the refinanced loan, the all-in interest rate is around 2%.</p>
3.	<p><b>With DHLT embarking into the Vietnam market, there will be some risks to bear such as high interest rate and Vietnamese Dong (“VND”) not being a liquid currency. Given the loan is in JPY and if JPY appreciates and VND remains stable, would DHLT be exposed to currency risk?</b></p> <p><i>Answer (CFO):</i> The Vietnam property comprised about 3% of DHLT’s portfolio by valuation, the risk exposure therefore is relatively low. The JPY-denominated loan obtained to finance the acquisition in Vietnam allowed DHLT to capitalise on the low interest rate. It is also important to view it from an overall hedging perspective where majority of DHLT’s asset base is denominated in JPY.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
4.	<p><b>The interest rate in Japan seems to be on a rising trend. Noted there are loans maturing in 2025 and 2026. What is the expectation of the average financing rate post re-financing?</b></p> <p><i>Answer (CFO):</i> Based on various news articles, the Bank of Japan has affirmed its commitment to the path of policy normalisation, having previously maintained a negative interest rate. Inflation rate has also shown healthy progress in Japan. However, due to the ongoing uncertainty in the macroeconomic outlook, the pace of interest rate increase is expected to remain gradual over the medium term.</p> <p>Most of the loans of DHLT were obtained during its IPO, when it was a negative interest rate environment in Japan. As such, the interest rate is expected to rise due to an increase in the base rate compared to the period then. However, it is difficult to predict the extent of the increase. For reference, the recent loan interest cost was around 2% which may provide an indication of how much the future interest rates may increase to.</p>
5.	<p><b>The gearing ratio seemed to have moved up from 38.5% as at 31 December 2024 (the reported aggregate leverage) to 40.8% following the recent acquisition. The increase was probably due to the debt financing secured. If the perpetual securities that DHLT has issued is taken into account, what would be the gearing level?</b></p> <p><i>Answer (CFO):</i> The perpetual securities are accounted for as equity (in accounting term) in DHLT and were not included in the computation of the aggregate leverage ratio. If the perpetual securities were included in the computation of aggregate leverage, the aggregate leverage would increase from 38.5% to 42.5% as at 31 December 2024.</p>
6.	<p><b>For future acquisition in other ASEAN countries, what is the intended proportion for DHLT's portfolio? Will DHLT be having more properties in Japan or outside Japan? If the latter, there will be currency risk which will affect DHLT?</b></p> <p><i>Answer (CEO):</i> DHLT intends to have a mix of properties both in and outside of Japan. Properties in Japan tend to be of lower yield compared to the assets in ASEAN region. Majority of its portfolio will still be in Japan as Daiwa House Industry Co., Ltd.'s ("<b>Sponsor</b>" or "<b>DHI</b>") main development operations are in Japan, and therefore majority of the pipeline of assets for potential acquisition by DHLT are in Japan.</p> <p><i>Answer (CFO):</i> If DHLT were to continue expanding its footprint overseas, the Manager will evaluate factors such as funding, costs of funding, hedging and benefits amongst others. For the newly obtained loans for acquisitions, there are natural hedge against the JPY assets. However, for currencies like VND, hedging is not financially viable due to the relatively high costs. For JPY exposure, the Manager will also remain disciplined in its hedging approach to mitigate foreign exchange volatility.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
7.	<p><b>Noted that the NAV has also declined from 0.74 Singapore cent to 0.69 Singapore cent. What is the reason for the decline?</b></p> <p><i>Answer (CFO):</i> The decline in NAV was mainly due to weaker JPY as at 31 December 2024 compared to 31 December 2023, as the JPY had depreciated by about 7%.</p>
8.	<p><b>How has the capitalisation rate in Japan impacted by interest rate?</b></p> <p><i>Answer (CEO):</i> Capitalisation rate has remained fairly stable in general. Valuation of DHLT's properties in Japan has increased by 4.5% to JPY93.1b mainly due to the addition of one property. However, the increase in valuation was negated by JPY depreciation, and the NAV in S\$ terms also declined.</p>
9.	<p><b>What are the financing options for future acquisitions?</b></p> <p><i>Answer (CFO):</i> Post refinancing, the collateral imposed on DHLT's properties has been removed, providing DHLT with greater flexibility to access the capital market. However, the Manager intends to wait for more favourable market conditions before doing so. In the meantime, the Manager is cognisant of the impact to the DPU and will adopt a measured approach to any potential capital raising initiatives.</p> <p>In 2022, the Sponsor supported DHLT's acquisition where they provided funding requirements, subscribing to DHLT's units at an issue price equivalent to its adjusted NAV then, which was higher than the prevailing market price. The Manager remains open and constantly looking out for opportunities in the market.</p>
10.	<p><b>What is the unitholding of the Sponsor in DHLT? Are there any rights of first refusal ("ROFR") for their assets to DHLT?</b></p> <p><i>Answer (CEO):</i> The Sponsor currently holds about 13% in DHLT, including the Units held by the Manager.</p> <p>There is a ROFR agreement in place. DHLT is ranked fourth in terms of ROFR priority after its sister REIT in Japan, Daiwa House REIT, as well as two private funds managed by the Sponsor. However, this would not hinder DHLT from acquiring high quality properties from the Sponsor as (i) Daiwa House REIT has an investment mandate to have at least 70% of its assets in metropolitan areas in Japan and other funds also have similar preferences while DHLT has no such restrictions; (ii) the Sponsor is one of the largest logistics players in Japan and its pipeline is expected to grow as the Sponsor continues to develop new projects, therefore providing sufficient pipeline of assets.</p> <p>The Sponsor has been supportive of DHLT since IPO and remains committed to support the growth of DHLT.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
11.	<p><b>What is the dilution effect given that 50% of the management fees to the Manager were paid in Units?</b></p> <p><i>Answer (CFO):</i> Assuming the management fees were all paid in cash, the impact to DPU is around 3% on a yearly basis.</p> <p><b><i>For Reference:</i></b> <i>The number of units issued to the Manager during FY2024 in relation to the base management fees, excluding units issued in relation to acquisition fees, was 0.3% of the outstanding units as at 31 December 2023 (being the last day of the preceding financial year). Including the units issued to the Manager in relation to acquisition fees, the total number of units issued to the Manager during FY2024 was 0.4% of the outstanding units as at 31 December 2023.</i></p>
12.	<p><b>The increase in interest rate was substantial, from around 1% to 1.66%. How long was the swap (the hedge)?</b></p> <p><i>Answer (CFO):</i> During FY2024, DHLT obtained additional loans to finance the acquisitions, which were priced at higher rates. The Manager recently refinanced a loan in November 2024, which resulted in higher interest cost. The Manager also restructured the borrowings to unsecure the properties, which also resulted in an adjustment of interest costs.</p> <p><i>Answer (Board Chairman):</i> The loans were secured on a long-term basis with staggered maturities. The first one was refinanced in November 2024. The overall interest rate has increased, under the prevailing market conditions.</p> <p><i>Answer (ARC Chairman):</i> During the IPO, the loans were taken on a secured basis and at a lower interest rate. At the point of refinancing, the Manager took the opportunity to unsecure the borrowings. As such, it also contributed to the higher interest rate. The decision to unencumber the loans was driven by strategic consideration, to provide more flexibility and options to DHLT.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
13.	<p><b>It was noted that Other Income had declined substantially from S\$4.2m to S\$2.0m in FY2024. What is the breakdown of Other Income and why the decline?</b></p> <p><i>Answer (CFO):</i> Other Income comprised realised exchange gain, and the decline in FY2024 was mainly because the realised exchange gain was lower compared to FY2023. DHLT adopts a systematic hedging of projected distribution and the exchange gain is dependent on the hedged rate and the prevailing market rate. Nevertheless, it was still a gain recorded for DHLT.</p> <p><b>In view of the above, it was commented that DHLT should therefore not hedge JPY extensively.</b></p> <p><i>Answer (ARC Chairman):</i> The core business of DHLT is not in foreign exchange but to manage the REIT. Therefore, DHLT adopts a systematic approach to hedging, regardless of movements in JPY. As the Manager is not an expert in foreign exchange, it does not adopt an opportunistic approach in managing the exchange rate exposure.</p> <p><i>Answer (CFO):</i> The hedging is done on a monthly basis in a systematic manner, i.e. a forward rolling hedge. By applying a systematic hedge, the foreign exchange volatility is smoothed out. The Manager's strategy is guided by a long-term perspective, instead of short-term currency movements.</p>
14.	<p><b>Referring to page 48 of the FY2024 Annual Report, under Operational Review, please explain in layman's terms on the Sponsor's obligations to the leasehold properties.</b></p> <p><i>Answer (CEO):</i> For some of these leasehold properties in Japan, the Sponsor is not the ultimate owner of the land. For these lands, the Sponsor has land leasehold interests, and they leased such leasehold lands to DHLT as the lessee and DHLT pays rent to the Sponsor which in turn, is obliged to pay rent for these lands.</p> <p><i>Answer (ARC Chairman):</i> When the leases for these lands are up for renewal, any extension and the relevant terms are subject to negotiations between the parties.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
15.	<p><b>It was noted that there was hedging carried out systematically based on 100% of the expected income. Why not consider adopting a 50% hedging approach. By doing so, some hedging costs could be saved and when the forex goes either way, DHLT is still protected.</b></p> <p><b>According to online sources, the Japanese government is certain that both the JPY and interest rate will rise in response to inflation. DHLT will certainly face a higher interest rate in its next round of financing?</b></p> <p><i>Answer (Board Chairman):</i> While there may be indications by the Bank of Japan that interest rates may continue to rise in Japan, there is no certainty that this will occur as it is still dependent on factors such as economic conditions.</p> <p>There is no definitive threshold for the proportion of income to be hedged. However, the Manager has adopted a conservative and consistent approach, aimed at mitigating DHLT's foreign exchange exposure. Once the positions are hedged, such income is not subject to currency fluctuations, thereby protecting any downside risks.</p> <p><i>Answer (ARC Chairman):</i> The rental income for the REIT is denominated in JPY. By hedging the JPY income in a consistent manner, it avoids the need to predict whether JPY will strengthen or weaken, and thereby mitigates the foreign exchange risk.</p>
16.	<p><b>What is the rationale for DHLT to go outside Japan and if so, which market DHLT is looking at? It appeared that other REITs are trying to acquire in the Japan market, while DHLT is acquiring outside of Japan.</b></p> <p><i>Answer (CEO):</i> At IPO, although DHLT only has properties in Japan, it was established as an Asia-centric REIT. A mixed portfolio comprising properties both in Japan and ASEAN markets, such as Vietnam, Indonesia and Malaysia is expected to generate a better property yield. However, the Manager will continue to take a cautious approach and will analyse the market situation and economy of the target countries before any acquisition.</p> <p><i>Answer (Board Chairman):</i> Japan will still be a core market for DHLT. The Sponsor is one of the biggest real estate players in Japan with a strong pipeline of assets. In the IPO Prospectus, the mandate for DHLT includes acquisition of properties outside Japan. In fact, some investors asked during IPO for DHLT to include properties outside of Japan for diversification. Nevertheless, the Manager will exercise caution in all of DHLT's acquisitions, considering factors such as quality of properties, terms of the leases and profile of tenants.</p> <p><i>Answer (ARC Chairman):</i> DHLT has the advantage of having DHI as the Sponsor. Through the ROFR, the Sponsor provides a healthy pipeline of assets to the REIT for potential acquisitions which DHLT will take into account the quality of the assets and profile of the tenants when conducting due diligence prior to any acquisitions.</p> <p>The Board does not take unnecessary risks, and the Manager will consider various risks including political risk and currency risk when DHLT enters into a new market.</p>

<b>Questions and Answers relating to the AGM resolutions</b>	
17.	<p><b>Is it true that DHLT had unsecured the loans in Japan which resulted in a higher rate so as to divest its properties?</b></p> <p><i>Answer (Board Chairman):</i> It is not the case whereby the loans in Japan were unsecured to unencumber DHLT's properties so that DHLT can sell its properties. As long as the properties remained encumbered, it significantly limits flexibility. For example, when acquiring a new property, securing financing from other banks becomes challenging and the borrower may have to rely on the same lenders, which could then have a leverage over the borrower. The purpose of unencumbering is not for the purpose of selling properties, but for DHLT to have more flexibility when there is financing required in future. Having said so, divestment of properties is also part of the REIT's business.</p> <p>Most of the loans were obtained at DHLT's IPO. Maturities of the loans were staggered in the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> year after the IPO. Of these loans, DHLT has another two upcoming tranches due for refinancing in later part of this year and in the next year. We want to avoid having DHLT being reliant on a limited group of lenders.</p> <p><i>Answer (ARC Chairman):</i> For the refinancing of loan in November 2024, the Manager took the opportunity to unsecure the properties. The Board had deliberated the matter thoroughly, while also noted that having the loans unsecured will result in a slightly higher cost.</p>
18.	<p><b>DHLT's distribution since IPO is to pay 100%. Is there any plan to deviate from this policy?</b></p> <p><i>Answer (Board Chairman):</i> There is currently no plan to deviate from this policy unless there are any extenuating circumstances.</p>
19.	<p><b>When would this year's re-financing happen?</b></p> <p><i>Answer (CFO):</i> The loan will mature in November 2025.</p>