

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION



Manulife US Real Estate Investment Trust
(A real estate investment trust constituted on 27 March 2015 under the laws of the Republic of Singapore)

Managed by
Manulife US Real Estate Management Pte. Ltd.
(Company Registration No. 201503253R)

Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee and the Trustee (each as defined herein)

Deloitte & Touche Corporate Finance Pte Ltd
(Company Registration No: 200200144N)
(Incorporated in the Republic of Singapore)



CIRCULAR TO UNITHOLDERS IN RELATION TO

1

The Proposed Divestment of a property known as Park Place located at 1650 & 1700 South Price Road, Chandler, Arizona, United States 85286 as an interested person transaction (as defined herein);

2

The proposed Sponsor-Lender Loan granted by The Manufacturers Life Insurance Company or an affiliate as an interested person transaction; and

3

The Disposition Mandate to authorise the disposal of any one or more of the Existing Properties (as defined herein)



YOUR VOTE COUNTS
Please vote by proxy or in person



Unless otherwise requested, no printed copies of this Circular will be despatched to Unitholders

**Scan QR code to access
Notice of EGM and Proxy Form**

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for submission of questions in advance of the extraordinary general meeting ("EGM")	7 December 2023 (Thursday), 12.00 p.m.
Last date and time for submission of Proxy Forms	11 December 2023 (Monday), 2.30 p.m.
Date and time of EGM held at the physical location below	14 December 2023 (Thursday), 2.30 p.m.
Physical location of EGM	Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989

Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this circular to holders of units in Manulife US Real Estate Investment Trust ("Manulife US REIT"; the units in Manulife US REIT, the "Units"; and the holders of Units, the "Unitholders") dated 29 November 2023 ("Circular"). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting ("Notice of EGM") and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. This Circular (together with the Notice of EGM and the accompanying Proxy Form) may also be accessed at Manulife US REIT's website at <https://www.manulifeusreit.sg/> and are also available on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements>.

Unitholders should note that certain terms of the restructuring of the Existing Facilities (which includes the Lenders' waiver of the breach of the financial covenant) pursuant to the Recapitalisation Plan are conditional upon the approval of Unitholders of all three of the Resolutions (each as defined herein). In the event that Unitholders do not approve any of the Resolutions, the Existing Facilities would remain in breach and the Lenders have the right to accelerate the payment of all US\$1,023.7 million of loans immediately.

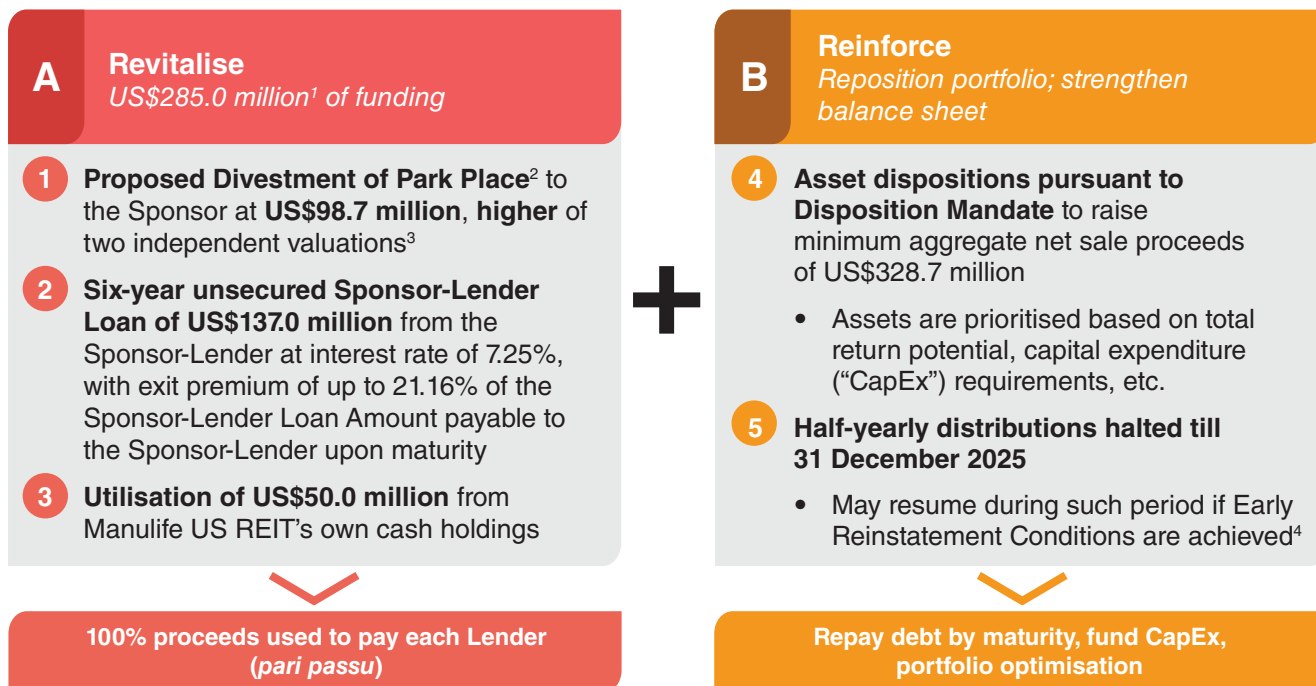
In such a situation, Manulife US REIT does not have sufficient cash to repay all of the Existing Facilities and would need to conduct an expedited liquidation of its portfolio. In addition, not passing the Resolutions effectively means that Unitholders would be voting to put control of Manulife US REIT in the hands of the Lenders. If the Resolutions fail to be passed, the Lenders will control the outcome of Manulife US REIT and have the right to call the outstanding debt due under the Existing Facilities and may make an application to liquidate Manulife US REIT, thereby also forcing an expedited liquidation. As U.S. office transaction volumes remain sluggish and hampered by, among other things, limited financing options, it would not be in the best interests of Unitholders to conduct an expedited sale of Manulife US REIT's portfolio.

As at the date of this Circular, Unitholders should note that not all the 12 Lenders have obtained the necessary approvals in relation to the restructuring of the Existing Facilities and the waivers in relation to the breach based on the terms as set out in this Circular. The remaining Lenders who have not yet obtained the necessary approvals are still in the process of obtaining their internal approval based on their meeting schedules. In the event that any one of the remaining Lenders does not obtain their internal approval, the Master Restructuring Agreement (as defined herein) would not be entered into. In such a situation, the consensual loan restructuring based on the terms as set out in this Circular would not proceed, and the Lenders have the right to accelerate the payment of all of the loans immediately. While the Manager is currently targeting to obtain approval of all Lenders before the EGM, there may be approvals that come in after the EGM. As at the date of this Circular, while no assurance can be given, nothing has come to the attention of the Manager that any of the Lenders have issues with executing the contemplated Master Restructuring Agreement.

1

What must I know about the Recapitalisation Plan?

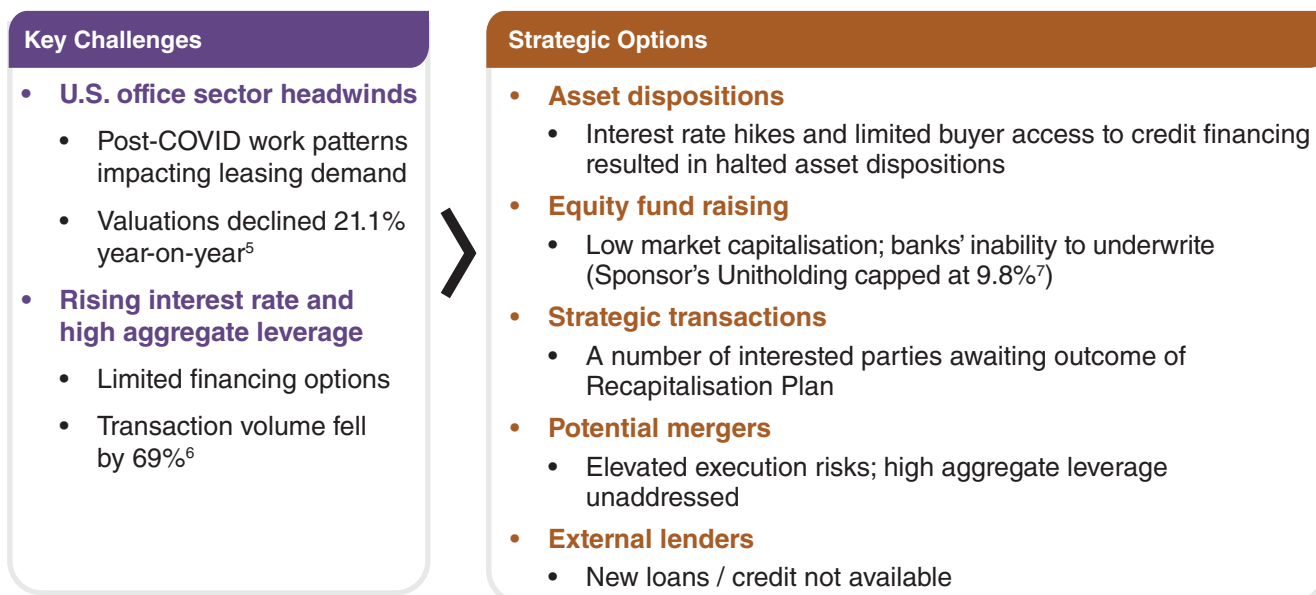
A holistic funding plan put together by the Manager to **REVITALISE** and **REINFORCE** Manulife US REIT



2

Have the Board and Management explored all alternative options?

Alternative options which the Manager had explored were not value additive or involve high execution risk



Recapitalisation Plan offers best possible solution to address breach of financial covenants, provides liquidity and longer runway to strengthen Manulife US REIT

1. After taking into account the Total Divestment Cost which comprises the estimated professional and other fees and expenses of approximately US\$0.7 million incurred or to be incurred by Manulife US REIT in connection with the Proposed Divestment.

2. "Park Place" means the property known as Park Place located at 1650 & 1700 South Price Road, Chandler, Arizona, United States 85286.

3. The open market values of Park Place as at 30 June 2023 determined by JLL and as at 11 October 2023 determined by Colliers and stated in their valuation reports dated 30 June 2023 and 15 November 2023 are US\$98.7 million and US\$94.0 million, respectively. Please refer to Appendix A of this Circular for further details on the Independent Valuers' respective valuations of Park Place.

4. If (i) Consolidated Total Liabilities to Consolidated Deposited Properties is no more than 45%; or (ii) Consolidated Total Liabilities to Consolidated Deposited Properties is more than 45% but not more than 50%, and Interest Coverage Ratio is more than 2.5 times, and there are no potential events of default continuing for at least one financial quarter. Please refer to paragraph 3.1 of the Letter to Unitholders in this Circular for more details.

5. Source: NCREIF Office Subindex, as at 3Q 2023.

6. Source: JLL Research, Q3 2023 U.S. Office Outlook.

7. Unitholders (including the Sponsor) and all other persons are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units for Manulife US REIT's subsidiaries to qualify and maintain their status as U.S. REITs.

3

What concessions are the Lenders offering⁸?

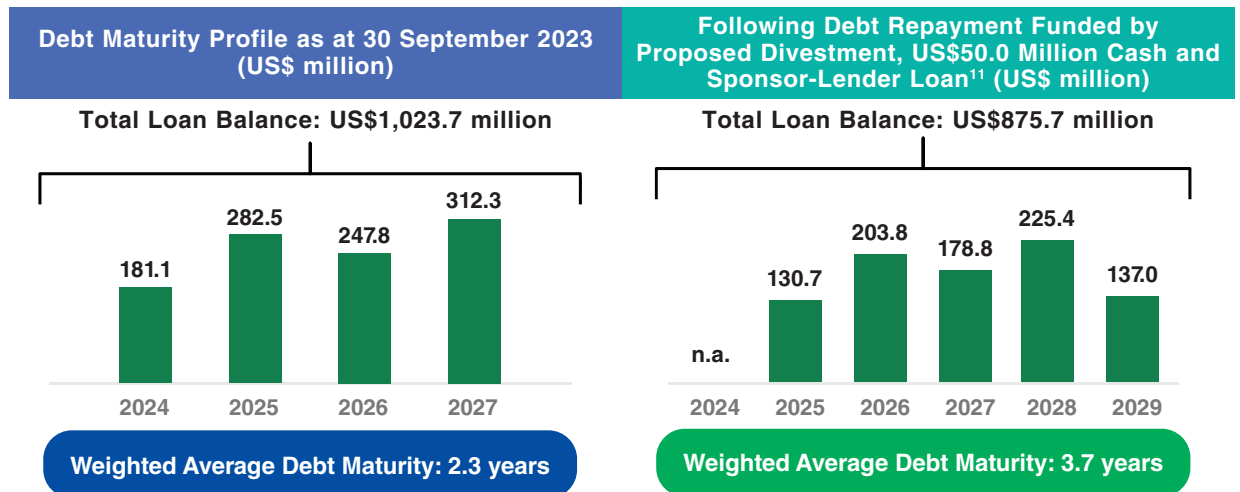
Sponsor's support is instrumental in successful negotiations with Lenders; provides longer runway for Manulife US REIT

- 1 Waiver of past and existing breaches
 - All Lenders agree to waive, among others, all past and existing breaches of terms of respective Facility Agreements (financial covenants, cross default, etc.)

- 2 Temporary relaxation of financial covenants till 31 December 2025

	Pre-Recapitalisation Plan	Post-Recapitalisation Plan
Unencumbered Gearing ⁹	60%	80%
Bank ICR ¹⁰	2.0 times	1.5 times

- 3 All loan maturities of Existing Facilities extended by one year
 - Manager has approximately **19 months** to execute asset dispositions
 - Ability to focus on portfolio optimisation



4

Why is a Disposition Mandate¹² necessary and how does it work?

Provides competitive edge as seller; focus CapEx on “winning” assets

Rationale	<ul style="list-style-type: none"> • Reduce administrative time, inconvenience and expenses incurred for asset dispositions; without need for EGMs • Disciplined asset disposition process preserves long-term Unitholder value • Pay down debt as required by Lenders and fund CapEx • Repositioning portfolio reduces non-value-added CapEx and strengthens quality of Manulife US REIT's remaining assets
Process / Minimum Price	<ul style="list-style-type: none"> • Independent valuation to be commissioned by Trustee before each asset sale¹³ • Assets to be sold at no less than 90% of the independent valuation obtained • Assets categorised in order of priority and focus for sale¹⁴
Expiration of Disposition Mandate (whichever is earliest)	<ul style="list-style-type: none"> • 31 December 2025; • Aggregate net sale proceeds from the sale of any of the Existing Properties (on a cumulative basis, but for the avoidance of doubt, does not include the Divestment Consideration from the Proposed Divestment) exceed US\$328.7 million; or • If the Early Reinstatement Conditions are achieved¹⁵

8. As mentioned on the cover page of this Circular and at paragraph 3.4 of the Letter to Unitholders in this Circular, not all the 12 Lenders have obtained the necessary approvals in relation to the restructuring of the Existing Facilities. In the event that any one of the remaining Lenders does not obtain their internal approval, the Master Restructuring Agreement would not be entered into. See the cover page of this Circular and paragraph 3.4 of the Letter to Unitholders in this Circular for further details.

9. Percentage of consolidated total unencumbered debt to consolidated total unencumbered assets.

10. Ratio of Consolidated EBITDA to Consolidated Interest Expense.

11. This includes the debt repayment funded by US\$98.0 million from the Proposed Divestment, US\$137.0 million from the Sponsor-Lender Loan and US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt. For the avoidance of doubt, this excludes debt repayment funded by proceeds from future asset dispositions in 2024.

12. Please refer to paragraph 7 of the Letter to Unitholders in this Circular for more details on the Disposition Mandate.

13. The independent valuations are to be dated no earlier than two months prior to the entry into the sale and purchase agreement for such asset.

14. Please refer to paragraph 7.1 of the Letter to Unitholders in this Circular for further details on the Manager's portfolio analysis.

15. If (i) Consolidated Total Liabilities to Consolidated Deposited Properties is no more than 45%; or (ii) Consolidated Total Liabilities to Consolidated Deposited Properties is more than 45% but not more than 50%, and Interest Coverage Ratio is more than 2.5 times, and there are no potential events of default continuing for at least one financial quarter. Please refer to paragraph 3.1 of the Letter to Unitholders in this Circular for more details.

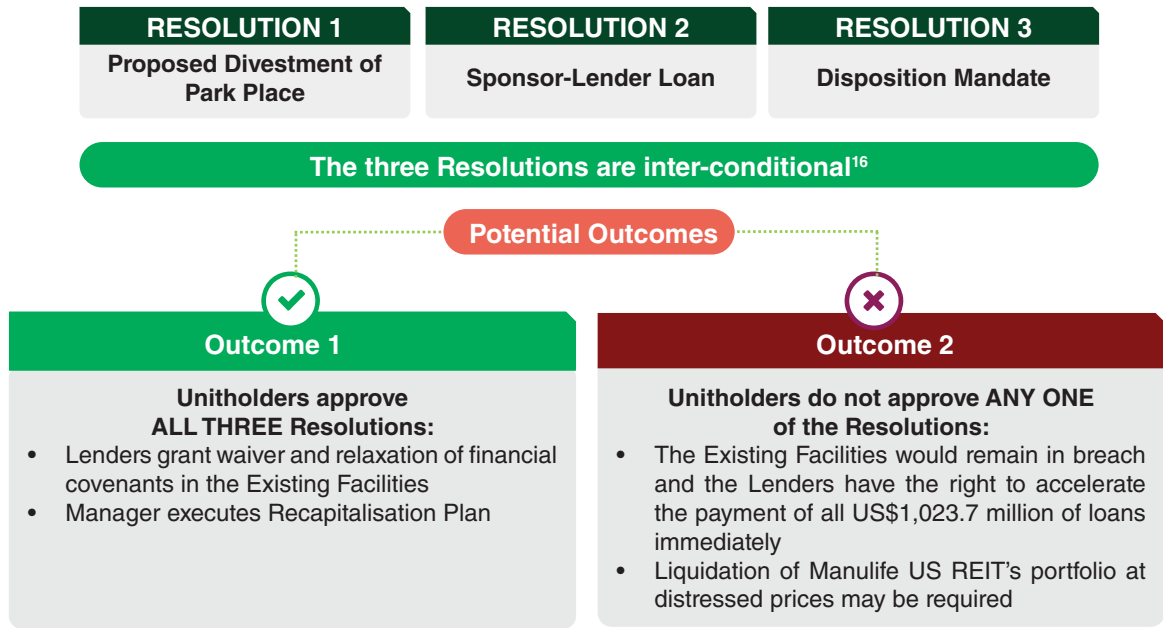
5

What does the transaction bring to Unitholders?

- ✓ Obtaining **Lenders' waiver of breach** of financial covenant and execution of Recapitalisation Plan provide a **longer runway** for Manulife US REIT in view of continued headwinds in the U.S. office sector
- ✓ Disposition Mandate provides flexibility to **maximise disposition proceeds** to repay indebtedness and fund CapEx to rejuvenate Manulife US REIT's remaining assets and **strengthen its portfolio**
- ✓ Recapitalisation Plan provides **clarity on the amount of equity fund raising required to achieve Manulife US REIT's optimal aggregate leverage level, resume distributions and effect a pivot strategy**

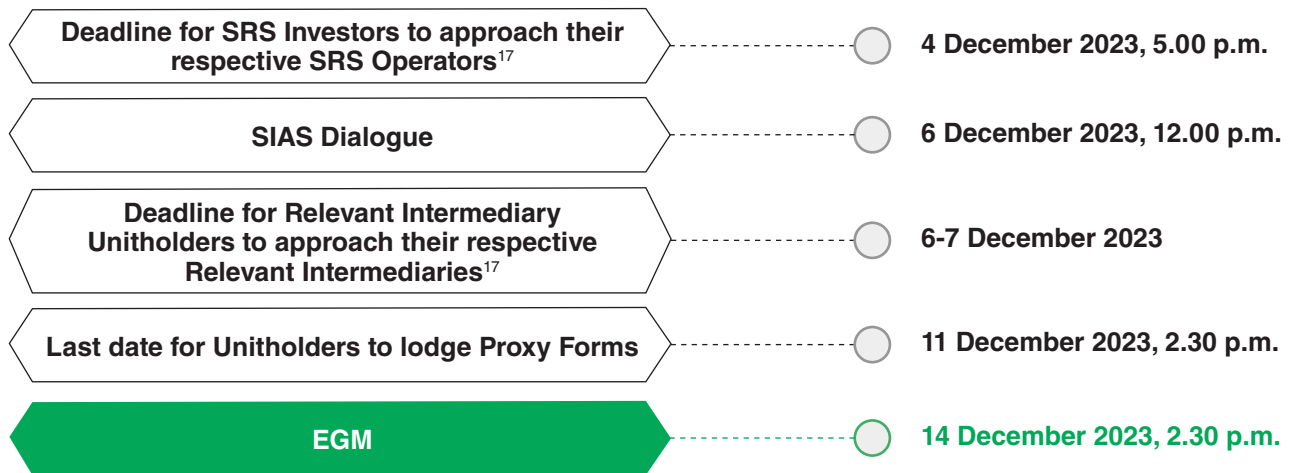
6

What must happen for the Recapitalisation Plan to be voted through?



7

What are the key dates to take note of?



YOUR VOTE COUNTS
Please vote by proxy or in person

16. In the event that (i) Resolution 2 (the Sponsor-Lender Loan) or Resolution 3 (the Disposition Mandate) does not pass, the Manager will not proceed with the Proposed Divestment; (ii) Resolution 1 (the Proposed Divestment) or Resolution 3 (the Disposition Mandate) does not pass, the Manager will not proceed with the Sponsor-Lender Loan; or (iii) Resolution 1 (the Proposed Divestment) or Resolution 2 (the Sponsor-Lender Loan) does not pass, the Manager will not proceed with the Disposition Mandate.

17. Relevant Intermediary Unitholders and SRS Investors who wish to vote at the EGM should approach their respective Relevant Intermediaries/SRS Operators as soon as possible. The voting deadline for Relevant Intermediary Unitholders may vary. Please check with your respective Relevant Intermediaries for details.

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NOTICE OF EXTRAORDINARY GENERAL MEETING C-1

PROXY FORM

CORPORATE INFORMATION

Directors of Manulife US Real Estate Management Pte. Ltd. (the manager of Manulife US REIT) (the “Manager” and the directors of the Manager, the “Directors”)	:	Mr Marc Lawrence Feliciano (Chairman & Non-Executive Director) Professor Francis Koh Cher Chiew (Independent Non-Executive Director) Ms Veronica Julia McCann (Independent Non-Executive Director) Dr Choo Kian Koon (Independent Non-Executive Director) Mrs Karen Tay Koh (Independent Non-Executive Director)
Registered Office of the Manager	:	8 Cross Street #16-03 Manulife Tower Singapore 048424
Trustee of Manulife US REIT (the “Trustee”)	:	DBS Trustee Limited 12 Marina Boulevard Level 44 DBS Asia Central @ Marina Bay Financial Centre Tower 3 Singapore 018982
Legal Adviser to the Manager as to Singapore Law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Manager as to U.S. Law	:	Sullivan & Worcester LLP One Post Office Square Boston, MA 02109
Legal Adviser to the Trustee	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Unit Registrar (the “Unit Registrar”) and Unit Transfer Office	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632
Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee and the Trustee (the “Independent Financial Adviser”)	:	Deloitte & Touche Corporate Finance Pte Ltd 6 Shenton Way #33-00 OUE Downtown 2 Singapore 068809

Independent Valuers

: JLL Valuation & Advisory Services, LLC
(appointed by the Manager)
3401 Cedar Springs Road, Suite 2401
Dallas, TX 75201

Colliers International Valuation & Advisory
Services, LLC
(appointed by the Trustee)
100 Federal Street, 33rd Floor
Boston, MA 02110

OVERVIEW

The following overview should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary on pages 73 to 83 of this Circular.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

OVERVIEW OF MANULIFE US REIT

Manulife US REIT is a Singapore real estate investment trust (“**REIT**”) listed on the SGX-ST since 20 May 2016. Its investment strategy is principally to invest, directly or indirectly, in a portfolio of income-producing office real estate in key markets in the United States, as well as real estate-related assets.

BACKGROUND

On 18 July 2023, the Manager announced that the real estate valuation of the portfolio of Manulife US REIT (based on the first half 2023 valuations) has declined by 14.6% or US\$279.95 million to US\$1,633.55 million (versus US\$1,913.5 million as at 31 December 2022)¹ which resulted in:

- (i) Manulife US REIT breaching a financial covenant contained in Manulife US REIT’s Existing Facilities (as defined at Item 1 (*Facility Agreements*) of the Key Recapitalisation Terms (as defined herein)), which states that Manulife US REIT must at all times ensure and procure that the percentage of consolidated total unencumbered debt to consolidated total unencumbered assets (the “**Unencumbered Gearing**”) for any measurement period (being a period of 12 months ending on the last day of each financial half-year of Manulife US REIT) is not more than 60%; and
- (ii) Manulife US REIT exceeding the aggregate leverage limit of 50%² as set out in Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the “**MAS**”) (the “**CIS Code**”, and Appendix 6 of the CIS Code, the “**Property Funds Appendix**”)³.

RECAPITALISATION PLAN AND ADDITIONAL PLANS TO REDUCE MANULIFE US REIT’S LEVERAGE

Arising from the breach of the financial covenant in the Existing Facilities, the Manager engaged with the lenders of the Existing Facilities (collectively, the “**Lenders**”) regarding the restructuring of the Existing Facilities and the waivers in relation to the breach.

Following heavy negotiations amongst the Manager, The Manufacturers Life Insurance Company (the “**Sponsor**”) and the Lenders, the key terms for the waiver of the breach of the financial covenant and the restructuring of the Existing Facilities pursuant to a holistic funding plan put

¹ The 31 December 2022 figure has been adjusted to remove the property known as Tanasbourne located at 3300 N.E. 83rd Avenue, 3175 N.W. Aloclek Drive and 3188 N.W. Aloclek Drive, Hillsboro, Oregon (“**Tanasbourne**”) which has been sold on 12 April 2023 pursuant to the Tanasbourne Divestment (as defined herein).

² Aggregate leverage is computed based on total borrowings and deferred payments divided by the deposited property.

³ The Property Funds Appendix states that the aggregate leverage limit is not considered to be breached if, due to circumstances beyond the control of the Manager, a depreciation in the asset value of Manulife US REIT has occurred, which resulted in the aggregate leverage limit exceeding 50%. Accordingly, while Manulife US REIT’s aggregate leverage exceeds 50%, there is no breach of the aggregate leverage limit under the Property Funds Appendix.

together by the Manager to revitalise and reinforce Manulife US REIT, comprising (a) aggregate funding by the Sponsor of US\$235.7 million via the acquisition of the Property pursuant to the Proposed Divestment and the granting of the Sponsor-Lender Loan (each as defined herein); (b) utilisation of US\$50.0 million from Manulife US REIT's own cash holdings; and (c) raising minimum aggregate net sale proceeds of US\$328.7 million from the asset dispositions pursuant to the Disposition Mandate (the "**Recapitalisation Plan**") are summarised below and further elaborated in the table in paragraph 3.1 of the Letter to Unitholders¹ (the "**Key Recapitalisation Terms**"), which would strengthen Manulife US REIT's balance sheet and create sufficient liquidity to fund essential capital expenditure budgeted for the financial year ending 31 December 2024 ("**FY2024**") and the financial year ending 31 December 2025 ("**FY2025**").

Summary of the Key Recapitalisation Terms

The Key Recapitalisation Terms are summarised as follows:

- (i) The proposed divestment of the property known as Park Place located at 1650 & 1700 South Price Road, Chandler, Arizona, United States 85286 (the "**Property**") from Hancock S-REIT Chandler LLC (the "**Vendor**"), an indirect wholly-owned subsidiary of Manulife US REIT, to John Hancock Life Insurance Company (U.S.A.) (the "**Purchaser**") (the "**Proposed Divestment**"), an indirect wholly-owned subsidiary of the Sponsor for approximately US\$98.7 million (the "**Divestment Consideration**").
- (ii) The proposed granting of an unsecured loan by the Sponsor or an affiliate (as lender of the Sponsor-Lender Loan) ("**Sponsor-Lender**") to Manulife US REIT of US\$137.0 million (the "**Sponsor-Lender Loan Amount**"), for a period of six years at an interest rate of 7.25%, paid quarterly (the "**Sponsor-Lender Loan**"), with an exit premium of up to 21.16% of the Sponsor-Lender Loan Amount payable by Manulife US REIT to the Sponsor-Lender upon maturity of the Sponsor-Lender Loan (the "**Exit Premium**"). The total interest payable by Manulife US REIT to the Sponsor-Lender pursuant to the Sponsor-Lender Loan is up to US\$89.4 million (including the Exit Premium) (the "**Sponsor-Lender Loan Interest Amount**").
- (iii) Approximately US\$98.0 million² from the Proposed Divestment, US\$137.0 million³ from the Sponsor-Lender Loan and US\$50.0 million from Manulife US REIT's own cash holdings will be used to pay down approximately US\$285.0 million in debt on a *pari passu* basis based on the outstanding debt owed to each Lender.
- (iv) All loan maturities of the Existing Facilities are to be extended by one year.
- (v) Pursuant to the Disposition Mandate, Manulife US REIT shall procure the sale of certain Tranche 1 Assets and/or Tranche 2 Assets (each as defined herein) to third parties to raise minimum aggregate net sale proceeds of US\$328.7 million by 30 June 2025, and to apply the sale proceeds from the sale of such assets to pay the pre-approved capital expenditure of

1 As mentioned on the cover page of this Circular and at paragraph 3.4 of the Letter to Unitholders, not all the 12 Lenders have obtained the necessary approvals in relation to the restructuring of the Existing Facilities. In the event that any one of the remaining Lenders does not obtain their internal approval, the Master Restructuring Agreement would not be entered into. See the cover page of this Circular and paragraph 3.4 of the Letter to Unitholders for further details.

2 It is agreed with the Lenders that (i) Manulife US REIT will pay the total cost of the Proposed Divestment of approximately US\$0.7 million (the "**Total Divestment Cost**") with the Divestment Consideration; and (ii) US\$98.0 million (instead of the Divestment Consideration of US\$98.7 million) will be utilised from the Proposed Divestment to repay the Lenders on a *pari passu* basis.

3 It is agreed with the Lenders that (i) Manulife US REIT will bear the transaction costs for the Sponsor-Lender Loan out of its internally generated cashflow; and (ii) the Sponsor-Lender Loan Amount of US\$137.0 million will be wholly used to refinance US\$137.0 million of Existing Facilities on a *pari passu* basis.

Manulife US REIT and to repay the outstanding debt owed to the Lenders in accordance with Item 5(g) (*Application of sale proceeds from a Tranche 1 Asset or Tranche 2 Asset*) of the Key Recapitalisation Terms. The sale of the Tranche 1 Assets and/or the Tranche 2 Assets may be halted if the conditions as set out at Item 15 (*Early Reinstatement*) of the Key Recapitalisation Terms (collectively, the “**Early Reinstatement Conditions**”) are achieved.

- (vi) Half-yearly distributions to Unitholders are to be halted till 31 December 2025. The distributions may resume during such period if the Early Reinstatement Conditions are achieved. See paragraph 3.3 of the Letter to Unitholders in relation to the tax implications arising from the halting of distributions.
- (vii) Lenders are to waive all past and existing breaches in the respective Facility Agreements.
- (viii) Temporary relaxation of financial covenants up to the earlier of 31 December 2025 and the Early Reinstatement Conditions are achieved as follows: (a) the Unencumbered Gearing being not more than 80% (compared to 60%) and (b) the Bank ICR being no less than 1.5 times (compared to 2.0 times)¹.
- (ix) Unless approval of Sponsor-Included Majority Lenders² is obtained:
 - (a) the Trustee (as debtor under the Master Restructuring Agreement and the Sponsor-Lender Loan Agreement (as defined herein)) (the “**Debtor**”) shall not acquire any real properties; and
 - (b) the Debtor shall not incur any further financial indebtedness or refinance any existing financial indebtedness. This sub-paragraph (b) does not apply to any prepayment of the Existing Facilities and the Sponsor-Lender Loan in accordance with the Master Restructuring Agreement.

Steps taken to Explore all Alternatives prior to the Recapitalisation Plan

The Manager has explored and exhausted various alternatives to address both the breach of the financial covenant in the Existing Facilities and the decline in the real estate valuation of the portfolio of Manulife US REIT (including a transaction with strategic investor(s) and mergers), and the Recapitalisation Plan based on the Key Recapitalisation Terms is the best workable solution to address the breach of the financial covenant. Reference is made to Manulife US REIT’s announcements dated 15 March 2023, 17 March 2023, 27 March 2023, 12 April 2023 and 24 May 2023, wherein it was announced that the Manager had considered and evaluated a number of other potential options including further divestment of assets, mergers with other similar platforms, equity fund raising and strategic transactions with third parties involving the recapitalisation of Manulife US REIT.

The Sponsor’s involvement via the Proposed Divestment and the Sponsor-Lender Loan is also one of the Lenders’ requirements to reduce their total loan risk for their agreement to waive the breach of the financial covenant in the Existing Facilities.

¹ See Item 8 (*Temporary Amendments to Financial Covenants*) of the Key Recapitalisation Terms for the definition of Bank ICR. The Unencumbered Gearing and the Bank ICR will be tested at the end of each 12-month time period ending on 31 December 2024 and 31 December 2025, by reference to the audited annual financial statements and unaudited half-yearly financial statements of Manulife US REIT.

² “**Sponsor-Included Majority Lenders**” means a Lender or Lenders and the Sponsor-Lender to whom total outstanding debt owed collectively by the Debtor constitutes more than 66.67% of the total outstanding debt owed collectively by the Debtor to all Lenders and the Sponsor-Lender collectively, and where there are only the Lenders of the US\$90M Facility and of the US\$225M Facility (each as defined herein) (collectively, “**2027 Existing Lenders**”) remaining as Lenders, “**Sponsor-Included Majority Lenders**” shall mean the Sponsor-Lender and all of such 2027 Existing Lenders.

The Manager is of the opinion that the Recapitalisation Plan is the best possible solution to address the breach of the financial covenant in the Existing Facilities and for the recapitalisation of Manulife US REIT as each of the other options which the Manager had explored was not viable for the reasons set out below:

- (a) Asset dispositions continue to be challenging with the prevailing negative sentiment around the U.S. office sector. Factors such as the rising interest rate environment, uncertainty around tenant space requirements as well as limited buyer access to credit financing have contributed to low levels of capital market activity in the U.S. office sector which makes sizeable asset dispositions difficult, especially in the more challenged submarkets. Selling assets quickly in such a climate is challenging and would result in lower sale proceeds compared to the Recapitalisation Plan which provides for a sale period of up to at least 30 June 2025. Since April 2022, the Manager had attempted to undertake a total of three asset dispositions, all of which were halted due to interest rate hikes and limited credit financing which affected the potential buyers.
- (b) Equity fund raising at the current Unit price will be difficult given Manulife US REIT's low market capitalisation. There are also considerations around banks' ability to underwrite any such equity fund raising given the Sponsor's unitholding in Manulife US REIT ("**Unitholding**") is capped at 9.8%¹. For the same reason, while the Manager has explored the option of a further subscription of Units by the Sponsor, such option is not feasible due to Manulife US REIT's tax structure. Furthermore, equity markets are currently volatile due to macroeconomic uncertainties and high interest rates that may not be conducive for equity fund raisings.
- (c) As for strategic transactions with third parties involving the recapitalisation of Manulife US REIT, the ability and suitability of such parties to reposition Manulife US REIT for future growth were assessed taking into consideration the following criteria: (i) U.S. real estate presence and track record, (ii) financial strength and commitment to Manulife US REIT, (iii) any other existing conflicts of interest and (iv) ability to provide Manulife US REIT access to an identified pipeline to effect a potential pivot strategy. A total of over 40 parties comprising real estate funds, investment firms, and corporates with real estate exposure globally were contacted for such strategic transactions, of which, a number of such parties continue to express interest but are awaiting the outcome of the Recapitalisation Plan.
- (d) In terms of potential mergers, it was concluded that execution risks were elevated in this current market environment, and this option did not address the current issue of high aggregate leverage given that there would be no immediate capital injection into Manulife US REIT.
- (e) The Manager had reached out to external lenders, but new loans were not forthcoming. The Manager had also reached out to debt advisory firms to source for alternative sources of loans but was advised that credit was not available.

Halting of Distributions

As mentioned above, the halting of distributions is one of the conditions of the Recapitalisation Plan. As originally contemplated and as implemented since the listing of Manulife US REIT, interest income received by the Singapore subsidiaries from the United States subsidiaries of Manulife US REIT was distributed to the Unitholders as part of the half-yearly distribution cycle. In furtherance of this structure, systems and processes for the cross-border interest were instituted to comply with and minimise applicable United States income tax withholding.

¹ Unitholders (including the Sponsor) and all other persons are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units for Manulife US REIT's subsidiaries to qualify and maintain their status as U.S. REITs.

As a result of the halting of distributions, the applicable cross-border interest from the United States is not slated to be distributed to the Unitholders until 31 December 2025 (unless the Early Reinstatement Conditions are achieved earlier) and therefore different United States income tax withholding rules (including United States information reporting rules) are expected to apply. Pursuant to these different rules for retained cross-border interest, in general the Manager expects that the cash tax burden of withholding upon the cross-border United States interest received (but not timely distributed to Unitholders) will fall upon Manulife US REIT itself (rather than the Unitholders individually), and may be at rates as high as 43% upon amounts retained by Manulife US REIT and allocable to Unitholders who fail to supply the United States withholding forms and certificates. The tax would be based on the proportion of Unitholders who fail to supply the United States withholding forms and certificates multiplied by the interest income received by the Singapore subsidiaries from the United States subsidiaries of Manulife US REIT. Manulife US REIT bears this tax while distributions to Unitholders are halted. Historically, on average 1.5% of the Unitholders based on Unitholdings fail to supply the United States withholding forms and certificates. In a normal distribution cycle (that is, when interest is distributed to Unitholders), Manulife US REIT would be able to reduce the payment to a Unitholder that fails to supply the United States withholding form and certificate by the amount of withholding, so that the noncompliant Unitholder would bear the burden of the withholding tax. While distributions are halted, interest income from the United States subsidiaries will still be paid to Manulife US REIT. However, as interest income is not paid out to Unitholders, Manulife US REIT will have to bear the tax. If all Unitholders were to submit their valid United States withholding forms and certificates, there would not be any tax implications arising from the halting of distributions. However, as indicated above, historically, on average 1.5% of the Unitholders based on Unitholdings do not submit a valid United States withholding form and certificate. If Unitholders continue their historic practice of supplying the United States withholding forms and certificates (principally, the U.S. Internal Revenue Service (“**US IRS**”) Form W-8 that is requested of all Unitholders in connection with their acquisition of Units) at the same levels of compliance as in the past, the Manager expects this aggregate economic cash burden on Manulife US REIT to be minimal. The Manager will continue its historic practice of gathering United States withholding exemption forms and certificates from Unitholders. All withholding tax would be paid over to the US IRS and the remainder of interest payments net of withholding would be at the disposal of Manulife US REIT while distributions are halted.

Accordingly, notwithstanding that the distributions have been halted, Unitholders should continue to supply the United States withholding forms and certificates (principally, the US IRS Form W-8 that is requested of all the Unitholders in connection with their acquisition of Units).

The United States income tax withholding rules described above are complex, and the Manager will work with its United States tax advisors regarding aspects that may be factually or legally uncertain, including making provision for financial statement impact as and when appropriate. That said, the adverse impacts are expected to be modest if and to the extent Unitholders continue their historic levels of compliance with the United States withholding forms and certificates.

(See Item 6 (*Halt Distributions to Unitholders*) of the Key Recapitalisation Terms for further details on the halting of distributions.)

Approval of Unitholders arising from the Recapitalisation Plan

Unitholders should note that while the details of the restructuring of the Existing Facilities pursuant to the Recapitalisation Plan are set out in this Circular, such details are for Unitholders' information only when considering the Resolutions and Unitholders' approval is not being sought for all the terms of the Recapitalisation Plan (other than those that are in relation to the Resolutions).

Unitholders should note that certain terms of the restructuring of the Existing Facilities (which includes the Lenders' waiver of the breach of the financial covenant) pursuant to the Recapitalisation Plan are conditional upon the approval of Unitholders of all three of the Resolutions. In the event that Unitholders do not approve any of the Resolutions, the Existing Facilities would remain in breach and the Lenders have the right to accelerate the payment of all US\$1,023.7 million of loans immediately.

In such a situation, Manulife US REIT does not have sufficient cash to repay all of the Existing Facilities and would need to conduct an expedited liquidation of its portfolio. In addition, not passing the Resolutions effectively means that Unitholders would be voting to put control of Manulife US REIT in the hands of the Lenders. If the Resolutions fail to be passed, the Lenders will control the outcome of Manulife US REIT and have the right to call the outstanding debt due under the Existing Facilities and may make an application to liquidate Manulife US REIT, thereby also forcing an expedited liquidation. As U.S. office transaction volumes remain sluggish and hampered by, among other things, limited financing options, it would not be in the best interests of Unitholders to conduct an expedited sale of Manulife US REIT's portfolio.

As at the date of this Circular, Unitholders should note that not all the 12 Lenders have obtained the necessary approvals in relation to the restructuring of the Existing Facilities and the waivers in relation to the breach based on the terms as set out in this Circular. The remaining Lenders who have not yet obtained the necessary approvals are still in the process of obtaining their internal approval based on their meeting schedules. In the event that any one of the remaining Lenders does not obtain their internal approval, the Master Restructuring Agreement would not be entered into. In such a situation, the consensual loan restructuring based on the terms as set out in this Circular would not proceed, and the Lenders have the right to accelerate the payment of all of the loans immediately. While the Manager is currently targeting to obtain approval of all Lenders before the EGM, there may be approvals that come in after the EGM. As at the date of this Circular, while no assurance can be given, nothing has come to the attention of the Manager that any of the Lenders have issues with executing the contemplated Master Restructuring Agreement.

Long-term plan for Manulife US REIT

The execution of the Recapitalisation Plan stated above and an expected stabilisation of the market environment in the next few years will allow the Manager to assess Manulife US REIT's capital requirements and also put Manulife US REIT on a more stable footing to execute its pivot strategy into assets that may (i) offer better return potential going forward; (ii) secure long-term tenant demand; and (iii) be less capital intensive. These in turn may potentially allow Manulife US REIT to resume distributions to Unitholders.

That said, based on the Recapitalisation Plan stated above, the expected aggregate leverage of Manulife US REIT could remain elevated. As the Tranche 1 Assets selected for sale are identified by the Manager to be the key focus of the sale and are unlikely to provide strong economic returns, the ability to sell them close to book value could be challenging. Notwithstanding this, while an equity fund raising could reduce aggregate leverage to a greater degree, the Manager is of the opinion that this is not in the interest of Unitholders given the current low market capitalisation of Manulife US REIT and the uncertainties around capital market conditions. As the Manager hopes to preserve as much Unitholder value as possible, it therefore selected the path of buying time and disposing of the Existing Properties¹ held by Manulife US REIT (excluding the Property) before re-approaching Unitholders for any sort of equity fund raising.

¹ "Existing Properties" means the Tranche 1 Assets, the Tranche 2 Assets and the Tranche 3 Assets (each as defined below), collectively, comprising the property known as Capitol located at 400 Capitol Mall, Sacramento, California, United States 95814 ("Capitol"), the property known as Centerpointe located at 4000 & 4050 Legato Road, Fairfax, Virginia, United States 22033 ("Centerpointe"), the property known as Diablo located at 2900 South Diablo Way, Tempe, Arizona, United States 85282 ("Diablo"), the property known as Exchange located at 10 Exchange Place, Jersey City, New Jersey, United States 07302 ("Exchange"), the property known as Figueroa located at 865 South Figueroa Street, Los Angeles, California, United States 90015 ("Figueroa"), the property known as Peachtree located at 1100 Peachtree Street, Atlanta, Georgia, United States 30309 ("Peachtree"), the property known as Penn located at 1750 Pennsylvania Avenue NW, Washington, D.C., United States 20006 ("Penn"), the property known as Plaza located at 500 Plaza Drive, Secaucus, New Jersey, United States 07094 ("Plaza"), the property known as Phipps located at 3438 Peachtree Road, Atlanta, Georgia, United States 30326 ("Phipps") and the property known as Michelson located at 3161 Michelson Drive, Irvine, California, United States 92612 ("Michelson").

The Recapitalisation Plan is just the first step of building a foundation that will put Manulife US REIT on a path to growth for the long-term. The Manager may re-approach Unitholders for an equity fund raising in the future, but only after divesting the Tranche 1 Assets and/or the Tranche 2 Assets. This will help Manulife US REIT revert to its target aggregate leverage levels and is also in-line with the Manager's aim to grow Manulife US REIT's asset base via accretive acquisitions that provide strong returns after it has strengthened its balance sheet.

Whether an equity fund raising is required also depends on the sale proceeds raised from the dispositions of the Existing Properties, the valuations of Manulife US REIT's assets going forward and the dilutive effect for existing Unitholders. Any such decision will be made at the appropriate time after the asset dispositions, taking into account all relevant circumstances, including but not limited to the prevailing conditions of equity markets, the interest rate environment, the distributions per Unit ("**DPU**") and the best interests of Manulife US REIT and the Unitholders.

SUMMARY OF APPROVALS SOUGHT

Arising from the above-mentioned agreement with the Lenders to waive the breach of the financial covenant and restructure the Existing Facilities pursuant to the Recapitalisation Plan, the Manager is seeking approval from Unitholders for the following resolutions (collectively, the "**Resolutions**"):

- (i) **Resolution 1:** the Proposed Divestment to the Sponsor (Ordinary Resolution¹);
- (ii) **Resolution 2:** the proposed Sponsor-Lender Loan granted by the Sponsor-Lender (Ordinary Resolution); and
- (iii) **Resolution 3:** the proposed adoption of the Disposition Mandate (Ordinary Resolution).

Unitholders should note that Resolution 1 (the Proposed Divestment), Resolution 2 (the Sponsor-Lender Loan) and Resolution 3 (the Disposition Mandate) are inter-conditional. In the event that (i) Resolution 2 (the Sponsor-Lender Loan) or Resolution 3 (the Disposition Mandate) does not pass, the Manager will not proceed with the Proposed Divestment; (ii) Resolution 1 (the Proposed Divestment) or Resolution 3 (the Disposition Mandate) does not pass, the Manager will not proceed with the Sponsor-Lender Loan; or (iii) Resolution 1 (the Proposed Divestment) or Resolution 2 (the Sponsor-Lender Loan) does not pass, the Manager will not proceed with the Disposition Mandate.

Rationale and Benefits of the Recapitalisation Plan to Unitholders

As mentioned above, Manulife US REIT experienced a 14.6% decline in fair market value of its portfolio in the first half of 2023 which increased its aggregate leverage to approximately 57% as at 30 June 2023. This resulted in (i) the breach of a financial covenant contained in the Existing Facilities, which states that Manulife US REIT must at all times ensure and procure that the Unencumbered Gearing for any measurement period (being a period of 12 months ending on the last day of each financial half-year of Manulife US REIT) is not more than 60% and (ii) the aggregate leverage of Manulife US REIT exceeding the aggregate leverage limit of 50% as set out in the Property Funds Appendix.

1 "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed (as defined herein).

The breach of the financial covenant in the Existing Facilities resulted in the Lenders having the right under the terms of the Existing Facilities to accelerate repayment of the Existing Facilities, effectively forcing an expedited liquidation of Manulife US REIT's portfolio. This outcome would not be in the best interests of Unitholders given the limited capital market activity in the U.S. commercial sector, which may potentially lead to distressed sale prices of Manulife US REIT's assets which would in turn have a significant negative impact on disposition proceeds. The Manager, together with the Sponsor and the Lenders, has negotiated the best possible outcome for the Recapitalisation Plan, details of which are set out in the Letter to Unitholders.

The Recapitalisation Plan will raise proceeds in the following manner, which the Manager intends to use as follows:

- (i) The Sponsor's commitment and support through its aggregate funding of US\$235.7 million via the Proposed Divestment and the Sponsor-Lender Loan.
- (ii) Reduction of bank loan exposure through the repayment of US\$285.0 million in debt funded by US\$98.0 million from the Proposed Divestment, US\$137.0 million from the Sponsor-Lender Loan and US\$50.0 million from Manulife US REIT's own cash holdings.
- (iii) Minimum aggregate net sale proceeds of US\$328.7 million from the sale of any of the Existing Properties to be utilised towards funding pre-approved capital expenditure and debt repayment.

The overarching rationale and benefits of the Recapitalisation Plan to Unitholders are as follows:

- (a) Obtaining the Lenders' waiver of the breach of the financial covenant and the execution of the Recapitalisation Plan provide a longer runway for Manulife US REIT in view of continued headwinds in the U.S. office sector.
- (b) The Disposition Mandate will provide the Manager a competitive edge as seller and the flexibility to maximise disposition proceeds to further repay indebtedness, fund capital expenditure to rejuvenate the remaining assets held by Manulife US REIT and strengthen its portfolio.
- (c) Successful execution of the Recapitalisation Plan will determine the size of the equity fund raising required to achieve Manulife US REIT's optimal aggregate leverage level, resume distributions to Unitholders and effect a potential pivot strategy.

(See paragraph 4 of the Letter to Unitholders for further details on the rationale and benefits of the Recapitalisation Plan to Unitholders.)

RESOLUTION 1: THE PROPOSED DIVESTMENT

Description of the Property

The Property is an office campus comprising two class A office buildings which has a net lettable area ("NLA") of 274,700 square feet ("sq ft") of space.

(See paragraph 5.1 of the Letter to Unitholders for further details.)

Purchase and Sale Agreement

In connection with the Proposed Divestment and as part of the terms of the Recapitalisation Plan, on 29 November 2023 (Singapore time), Manulife US REIT, through the Vendor, entered into a purchase and sale agreement with the Purchaser in relation to the Proposed Divestment (the “**Purchase and Sale Agreement**”).

(See paragraph 5.5 of the Letter to Unitholders for further details of the Purchase and Sale Agreement.)

Divestment Consideration and Valuation

The Divestment Consideration payable by the Purchaser in connection with the Proposed Divestment of US\$98.7 million, subject to closing and post-closing adjustments in the ordinary course of business (“**Closing and Post-Closing Adjustments**”), was arrived at on a willing-buyer and willing-seller basis taking into account the two independent valuations of the Property by the Independent Valuers (as defined herein). The Divestment Consideration will be paid to the Vendor fully in cash.

The Manager has commissioned an independent property valuer, JLL Valuation & Advisory Services, LLC (“**JLL**”), and the Trustee has commissioned another independent property valuer, Colliers International Valuation & Advisory Services, LLC (“**Colliers**”, and together with JLL, the “**Independent Valuers**”), to value the Property. The open market values of the Property as at 30 June 2023 determined by JLL and as at 11 October 2023 determined by Colliers and stated in their valuation reports dated 30 June 2023 and 15 November 2023 are US\$98.7 million and US\$94.0 million, respectively.

In arriving at the open market values of the Property, the Independent Valuers have valued the Property based on the income capitalisation approach which consists of the discounted cash flow method and direct capitalisation method as well as the sales comparison approach.

The Sponsor has agreed to acquire the Property at the higher of the two independent valuations.

(See paragraph 5.2 of the Letter to Unitholders for further details.)

Estimated Total Divestment Cost

The Total Divestment Cost comprises the estimated professional and other fees and expenses of approximately US\$0.7 million incurred or to be incurred by Manulife US REIT in connection with the Proposed Divestment.

In accordance with the trust deed constituting Manulife US REIT dated 27 March 2015, as amended, varied, supplemented and/or restated from time to time (the “**Trust Deed**”), the Manager was entitled to a divestment fee of approximately US\$0.49 million, being 0.5% of the Divestment Consideration. However, to support Manulife US REIT, the Manager has waived its divestment fee in relation to the Proposed Divestment. The Manager intends to pay the Total Divestment Cost with the Divestment Consideration.

RESOLUTION 2: THE SPONSOR-LENDER LOAN

Sponsor-Lender Loan Agreement

In connection with the Sponsor-Lender Loan and as part of the terms of the Recapitalisation Plan, Manulife US REIT has on 29 November 2023 (Singapore time) entered into a loan agreement with the Sponsor-Lender in relation to the Sponsor-Lender Loan (the “**Sponsor-Lender Loan Agreement**”). Pursuant to the Sponsor-Lender Loan, the Sponsor-Lender will provide a US\$137.0 million loan for a period of six years at an interest rate of 7.25%, paid quarterly, with the Exit Premium of up to 21.16% of the Sponsor-Lender Loan Amount payable by the Debtor to the Sponsor-Lender upon maturity of the Sponsor-Lender Loan. Purely for illustrative purposes only, taking into account the Exit Premium, an effective interest rate¹ of approximately 10% per annum is derived. The effective interest rate is just to illustrate the interest payable if the Exit Premium is paid across the loan tenor but for the avoidance of doubt, for the duration of the Sponsor-Lender Loan, the annual interest rate payable is 7.25% and the Exit Premium is only paid at the end upon maturity of the Sponsor-Lender Loan.

(See paragraph 6.1 of the Letter to Unitholders for further details of the Sponsor-Lender Loan Agreement.)

INTERESTED PERSON TRANSACTIONS² AND INTERESTED PARTY TRANSACTIONS³

As at 22 November 2023, being the latest practicable date prior to the issuance of this Circular (the “**Latest Practicable Date**”), the Sponsor is deemed interested in 162,254,653 Units, which is equivalent to approximately 9.13% of the total number of Units in issue. However, as the Manager is an indirect wholly-owned subsidiary of the Sponsor⁴, the Sponsor is therefore regarded as a “controlling shareholder”⁵ of the Manager under both the Listing Manual of the SGX-ST (the “**Listing Manual**”) and the Property Funds Appendix.

As the Purchaser is an indirect wholly-owned subsidiary of the Sponsor, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Purchaser (being an “associate”⁶ of a “controlling shareholder” of the Manager) and the Sponsor (being a

1 Effective interest rate is the rate that exactly discounts future cash payments through the tenor of the loan.

2 “**interested person transaction**” means a transaction between an entity at risk and an interested person (as defined herein), as defined under Chapter 9 of the Listing Manual (as defined herein).

3 “**interested party transaction**” has the meaning ascribed to it in Paragraph 5 of the Property Funds Appendix.

4 The Manager is wholly owned by Manulife Financial Asia Limited, which is in turn wholly owned by Manulife Holdings (Bermuda) Limited, which is in turn wholly owned by the Sponsor.

5 “**controlling shareholder**” means a person who: (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or (b) in fact exercises control over a company.

6 “**associate**” means:

(a) in relation to any director, chief executive officer, or controlling shareholder of the manager, or controlling unitholder of the property fund (being an individual), means:

(i) his spouse, child, adopted child, stepchild, sibling or parent;

(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or

(iii) any company in which he and his family together (directly or indirectly) have an interest of 30% or more; or

(b) in relation to the controlling shareholder of the manager, or the manager, the trustee or controlling unitholder of the property fund (being a company) means any other company which is its subsidiary or holding company, or is a subsidiary of such holding company, or one in the equity of which it or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

“controlling shareholder” of the Manager) are (for the purpose of the Listing Manual) “interested persons”¹ and (for the purpose of the Property Funds Appendix) and “interested parties”² of Manulife US REIT.

Accordingly, (i) the Proposed Divestment and (ii) the Sponsor-Lender Loan will constitute “interested person transactions” as defined under Chapter 9 of the Listing Manual as well as “interested party transactions” under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

The Divestment Consideration of US\$98.7 million³ equates to approximately 9.7% of the latest audited net tangible assets (“NTA”) and net asset value (“NAV”) of Manulife US REIT and its subsidiaries (the “**Manulife US REIT Group**”) as at 31 December 2022. The Sponsor-Lender Loan Interest Amount of up to US\$89.4 million equates to up to approximately 8.8% of the latest audited NTA and NAV of the Manulife US REIT Group as at 31 December 2022. As the values of the Proposed Divestment and the Sponsor-Lender Loan (being the Divestment Consideration and the Sponsor-Lender Loan Interest Amount respectively) exceeds 5.0% of the NTA and the NAV of the Manulife US REIT Group, the Manager will be seeking the approval of Unitholders by way of an Ordinary Resolution for the Proposed Divestment and the Sponsor-Lender Loan respectively, pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

(See paragraph 8.1 of the Letter to Unitholders for further details.)

MAJOR TRANSACTION

The Proposed Divestment is classified as a “major transaction” under Rule 1014(3) of the Listing Manual as the relative figure for the Proposed Divestment computed on the basis set out in Rule 1006(c) of the Listing Manual, taking into account Rule 1014(3) of the Listing Manual, exceeds 50%. As such, the Manager will be seeking the approval of Unitholders by way of an Ordinary Resolution for the Proposed Divestment, pursuant to Chapter 10 of the Listing Manual.

(See paragraph 8.3 of the Letter to Unitholders for further details.)

RESOLUTION 3: THE DISPOSITION MANDATE

As part of the terms of the Recapitalisation Plan, subject to the approval of Unitholders, the Manager proposes the adoption of a disposition mandate to authorise the Manager to dispose of the Existing Properties, the terms of which are set out in paragraph 7.3 of the Letter to Unitholders (the “**Disposition Mandate**”), from the date of approval of Resolution 3 to 31 December 2025. The terms of the Disposition Mandate are wider than the terms of the Recapitalisation Plan which requires the sale of certain Tranche 1 Assets and/or Tranche 2 Assets to raise minimum aggregate net sale proceeds of US\$328.7 million by 30 June 2025 (see Item 5(e) (*Minimum Sale Targets*) of the Key Recapitalisation Terms) as the Disposition Mandate will, subject to the requisite approval

1 “**interested person**” means:

- (a) in the case of a company, (i) a director, chief executive officer, or controlling shareholder of the issuer; or (ii) an associate of any such director, chief executive officer, or controlling shareholder; and
- (b) in the case of a REIT, shall have the meaning ascribed to the term “interested party” in the CIS Code.

2 “**interested party**” means:

- (a) a director, chief executive officer or controlling shareholder of the manager, or the manager, the trustee or controlling unitholder of the property fund; or
- (b) an associate of any director, chief executive officer or controlling shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of the property fund.

3 Subject to Closing and Post-Closing Adjustments.

of the Lenders having been obtained¹, allow Manulife US REIT to sell the Tranche 3 Assets should the Manager be approached with an offer that benefits Unitholders.

After discussions between the Manager, the Sponsor and the Lenders, the Manager has classified the Existing Properties in the following categories in terms of order of priority and focus for the Manager to execute asset dispositions pursuant to the Disposition Mandate to raise minimum aggregate net sale proceeds of US\$328.7 million. The Manager took into consideration various factors in the portfolio analysis, including the occupancy risk, capital expenditure requirements and total return potential (collectively, the “**Identified Factors**”):

- (i) **Tranche 1 Assets:** Centerpointe, Diablo, Figueroa and Penn (collectively, the “**Tranche 1 Assets**”), being assets identified by the Manager to be the key focus of the sale.
- (ii) **Tranche 2 Assets:** Capitol, Exchange, Peachtree and Plaza (collectively, the “**Tranche 2 Assets**”), being assets which the Manager may explore selling.
- (iii) **Tranche 3 Assets:** Phipps and Michelson (collectively, the “**Tranche 3 Assets**”), being assets which are not the focus of the sale, but the Manager may explore such sale of if the situation and opportunity arise and such sale is beneficial to Unitholders.

(See paragraph 7.1 of the Letter to Unitholders for further details on the Manager’s portfolio analysis.)

The Manager would also like to highlight that pursuant to the Disposition Mandate, the Tranche 1 Assets, the Tranche 2 Assets and the Tranche 3 Assets need not be sold in a sequential manner, starting from the sale of the Tranche 1 Assets. Accordingly, Manulife US REIT need not complete the sale of the Tranche 1 Assets before selling any Tranche 2 Asset or Tranche 3 Asset.

As part of the terms of the restructuring of the Existing Facilities pursuant to the Recapitalisation Plan, (i) the Lenders’ consent is not required for the sale of the Tranche 1 Assets at a sale price equivalent to or above the applicable Pre-Approved Pricing (as defined in Item 5 (*Disposal of Tranche 1 Assets and/or Tranche 2 Assets*) of the Key Recapitalisation Terms), but the approval by the Sponsor-Included Majority Lenders is required for the sale of the Tranche 1 Assets at a sale price below the applicable Pre-Approved Pricing; and (ii) the sale of the Tranche 2 Assets would require the approval by the Sponsor-Included Majority Lenders.

The table below sets out a summary of selected information of the Existing Properties as at 30 June 2023:

No.	Existing Property	Location	NLA (sq ft)	Acquisition Price (US\$ million)	Latest Valuation (US\$ million)
1.	Capitol	400 Capitol Mall, Sacramento, California, United States 95814	502,454	198.8	165.0
2.	Centerpointe	4000 & 4050 Legato Road, Fairfax, Virginia, United States 22033	421,188	122.0	79.0
3.	Diablo	2900 South Diablo Way, Tempe, Arizona, United States 85282	354,434	61.8	58.6

¹ As the loan restructuring does not cover the sale of the Tranche 3 Assets, any sale would need to be in accordance with the terms of the existing Facility Agreements, including, if such a sale is not permitted under the relevant Facility Agreement, obtaining the requisite level of approval in such Facility Agreement to provide the waiver for the sale.

No.	Existing Property	Location	NLA (sq ft)	Acquisition Price (US\$ million)	Latest Valuation (US\$ million)
4.	Exchange	10 Exchange Place, Jersey City, New Jersey, United States 07302	737,611	315.1	258.0
5.	Figueroa	865 South Figueroa Street, Los Angeles, California, United States 90015	715,024	284.7	174.0
6.	Peachtree	1100 Peachtree Street, Atlanta, Georgia, United States 30309	559,102	175.0	175.0
7.	Penn	1750 Pennsylvania Avenue NW, Washington, D.C., United States 20006	278,063	182.0	124.0
8.	Plaza	500 Plaza Drive, Secaucus, New Jersey, United States 07094	466,496	115.0	67.1
9.	Phipps	3438 Peachtree Road, Atlanta, Georgia, United States 30326	475,778	205.0	178.15
10.	Michelson	3161 Michelson Drive, Irvine, California, United States 92612	535,003	317.8	256.0

Terms of the Disposition Mandate

The salient terms of the Disposition Mandate are as follows:

- (i) **All** the Existing Properties are subject to the terms of the Disposition Mandate, and **not** just the Tranche 1 Assets and the Tranche 2 Assets.
- (ii) The objectives of the Disposition Mandate are to provide the Manager a competitive edge as seller, the needed flexibility to execute business plans and asset dispositions that are essential to the Recapitalisation Plan but also essential to preserve long-term Unitholder value and to raise the minimum aggregate net sale proceeds of US\$328.7 million from the sale of the Existing Properties (on a cumulative basis, but for the avoidance of doubt, does not include the Divestment Consideration from the Proposed Divestment) as required by the Lenders under the terms of the restructuring of the Existing Facilities.
- (iii) At the relevant point of sale and prior to the signing of the definitive agreements in each disposition transaction relating to any Existing Property, the Manager and the Trustee shall arrange for a valuation of such asset by an independent valuer, with the valuation being no earlier than two months prior to the entry into the sale and purchase agreement for such asset, to ascertain the market value of such asset (or in respect of a Tranche 1 Asset, the Prevailing Market Price (as defined in Item 5 (*Disposal of Tranche 1 Assets and/or Tranche 2 Assets*) of the Key Recapitalisation Terms (which is based on such formal valuation report). The independent valuer shall be appointed by the Trustee to maintain independence.
- (iv) Each of the Existing Properties may be sold at no less than 90% of the independent valuation obtained in accordance with paragraph (iii) above.

- (v) If approved by the Unitholders at the EGM, the authority conferred by the Disposition Mandate will continue in force for a period commencing from and including the day following the day of the EGM until (whichever is earliest):
- (a) 31 December 2025¹;
 - (b) the aggregate net sale proceeds from the sale of any of the Existing Properties (on a cumulative basis, but for the avoidance of doubt, does not include the Divestment Consideration from the Proposed Divestment) exceed US\$328.7 million²; or
 - (c) if the Early Reinstatement Conditions are achieved.
- (vi) If Manulife US REIT is not able to dispose of one or more of the Existing Properties in accordance with the terms of the Disposition Mandate, the Manager will revert to the Unitholders for a fresh mandate or a specific approval for the transaction if required pursuant to Chapter 10 of the Listing Manual.
- (vii) Notwithstanding the rest of the terms of the Disposition Mandate, the Disposition Mandate does **not** cover a sale to interested person(s) of Manulife US REIT. If a transaction with interested person(s) of Manulife US REIT is equal to or exceeds the thresholds prescribed in Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Manager shall seek specific Unitholders' approval and/or make an immediate announcement in respect of such transaction in accordance with Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

(See paragraph 7.3 of the Letter to Unitholders for further details.)

1 The reason for the Disposition Mandate to end post 30 June 2025 up to 31 December 2025 is such that in the event that Manulife US REIT is not able to dispose of sufficient amount of assets before 30 June 2025 (i.e. the US\$328.7 million amount), the Manager is in a position to negotiate with the Lenders to obtain an extension. The 31 December 2025 long stop date is to provide Manulife US REIT with greater flexibility to negotiate a longer sales period with the Lenders, if required, and this is beneficial for Manulife US REIT. It should be noted that 31 December 2025 was selected as it ties in with a number of points in the loan restructuring which extends to 31 December 2025, such as the halting of distributions and relaxation of financial covenants. Subjecting the Disposition Mandate to an annual renewal mandate would put more pressure on Manulife US REIT to complete the sale of the assets to raise US\$328.7 million within a shorter time period which in the current market conditions would not be favourable to Manulife US REIT.

2 For the avoidance of doubt, in the event that the sale of any Existing Property would result in the aggregate net sale proceeds increasing from an amount below US\$328.7 million to an amount exceeding US\$328.7 million, the sale of such Existing Property is also deemed approved by this Disposition Mandate.

INDICATIVE TIMETABLE

Any changes to the timetable below will be announced.

Event	Date and Time
Last date and time for submission of questions in advance of the EGM	: 7 December 2023 (Thursday), 12.00 p.m.
Last date and time for submission of Proxy Forms	: 11 December 2023 (Monday), 2.30 p.m.
Date and time of EGM held at the physical location below	: 14 December 2023 (Thursday), 2.30 p.m.
Physical location of EGM	: Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989



Manulife US REIT

MANULIFE US REAL ESTATE INVESTMENT TRUST

(A real estate investment trust constituted on 27 March 2015 under the laws of the Republic of Singapore)

Directors of the Manager

Mr Marc Lawrence Feliciano (Chairman & Non-Executive Director)
Professor Francis Koh Cher Chiew (Independent Non-Executive Director)
Ms Veronica Julia McCann (Independent Non-Executive Director)
Dr Choo Kian Koon (Independent Non-Executive Director)
Mrs Karen Tay Koh (Independent Non-Executive Director)

Registered Office

8 Cross Street
#16-03 Manulife Tower
Singapore 048424

29 November 2023

To: Unitholders of Manulife US REIT

Dear Sir/Madam

1. SUMMARY OF APPROVALS SOUGHT

The Manager is seeking approval from Unitholders for the following Resolutions:

- (i) **Resolution 1:** the Proposed Divestment to the Sponsor (Ordinary Resolution);
- (ii) **Resolution 2:** the proposed Sponsor-Lender Loan granted by the Sponsor-Lender (Ordinary Resolution); and
- (iii) **Resolution 3:** the proposed adoption of the Disposition Mandate (Ordinary Resolution).

Unitholders should note that Resolution 1 (the Proposed Divestment), Resolution 2 (the Sponsor-Lender Loan) and Resolution 3 (the Disposition Mandate) are inter-conditional. In the event that (i) Resolution 2 (the Sponsor-Lender Loan) or Resolution 3 (the Disposition Mandate) does not pass, the Manager will not proceed with the Proposed Divestment; (ii) Resolution 1 (the Proposed Divestment) or Resolution 3 (the Disposition Mandate) does not pass, the Manager will not proceed with the Sponsor-Lender Loan; or (iii) Resolution 1 (the Proposed Divestment) or Resolution 2 (the Sponsor-Lender Loan) does not pass, the Manager will not proceed with the Disposition Mandate.

2. BACKGROUND

2.1 30 June 2023 Valuation

On 18 July 2023, the Manager announced that the real estate valuation of the portfolio of Manulife US REIT (based on the first half 2023 valuations) has declined by 14.6% or US\$279.95 million to US\$1,633.55 million (versus US\$1,913.5 million as at 31 December 2022)¹ which resulted in:

- (i) Manulife US REIT breaching a financial covenant contained in the Existing Facilities, which states that Manulife US REIT must at all times ensure and procure that the Unencumbered Gearing for any measurement period (being a period of 12 months ending on the last day of each financial half-year of Manulife US REIT) is not more than 60%; and
- (ii) Manulife US REIT exceeding the aggregate leverage limit of 50% as set out in the Property Funds Appendix².

2.2 31 December 2022 Valuation

Prior to the above event, on 30 December 2022, the Manager announced that the real estate valuation of the portfolio of Manulife US REIT (based on the year end 2022 valuations) had declined by 10.9% or US\$237.4 million to US\$1,947.0 million (versus US\$2,184.4 million as at 31 December 2021).

The decline in valuations is largely due to the following factors:

- (i) Higher discount rates and capitalisation rates for certain properties reflecting risks posed by the volatile macroeconomic environment as well as idiosyncratic risks at the property level (i.e. higher vacancy or weak submarket fundamentals).
- (ii) Continued weakening of occupational performance in the submarkets where the properties are located due to slowdown in demand and leasing activity has led to higher concession package assumptions needed to attract new or retain tenants, which in turn gave rise to higher leasing costs.

As a result, Manulife US REIT's aggregate leverage increased to 48.8% while its interest coverage ratio as at 31 December 2022 was 3.1 times. As at 31 March 2023, Manulife US REIT's aggregate leverage increased to 49.5% while its interest coverage ratio was 2.9 times.

2.3 U.S. Commercial Office Sector

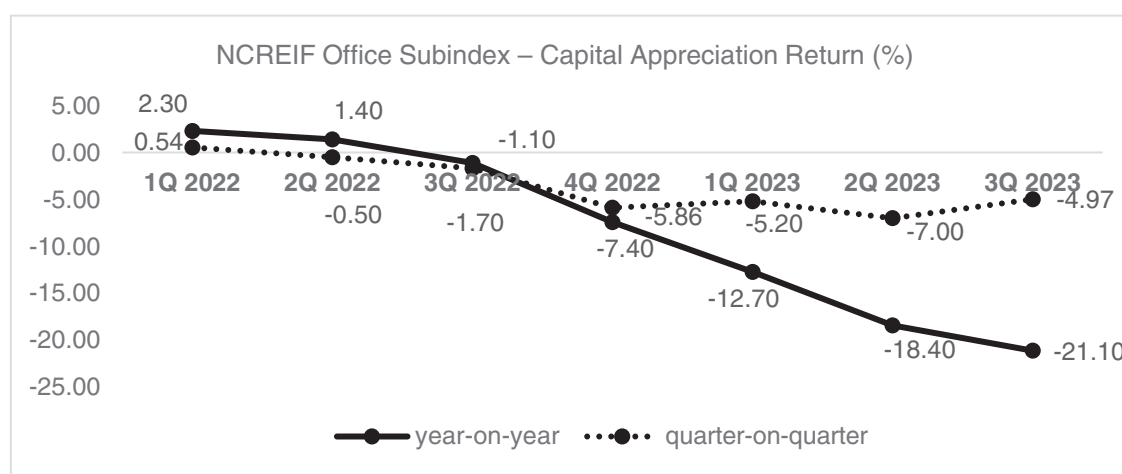
At the beginning of 2022, the U.S. office sector was adjusting to a post-COVID-19 new normal. However, a spike in inflation in the first quarter of 2022 prompted the U.S. Federal Reserve to begin raising interest rates. This resulted in a total of 11 rate hikes lifting federal funds rates by 525 basis points between March 2022 and July 2023. This sent financial markets into turmoil, which in turn had a freezing effect on the U.S. commercial real estate market. The U.S. office sector was impacted significantly more than others due to secular

1 The 31 December 2022 figure has been adjusted to remove Tanasbourne which has been sold on 12 April 2023 pursuant to the Tanasbourne Divestment.

2 The Property Funds Appendix states that the aggregate leverage limit is not considered to be breached if, due to circumstances beyond the control of the Manager, a depreciation in the asset value of Manulife US REIT has occurred, which resulted in the aggregate leverage limit exceeding 50%. Accordingly, while Manulife US REIT's aggregate leverage exceeds 50%, there is no breach of the aggregate leverage limit under the Property Funds Appendix.

changes that affected the demand for office space. For instance, work-from-home arrangements and flight to newer modernised office space created pressure on leasing volume and rents while landlords' cost of borrowing and operating expenses continued to rise. Furthermore, capital markets tightened, restricting options for liquidity which froze up the office transaction market.

U.S. office valuations remain under pressure and are likely to decline further in 2023. Evidence from the public-listed office REITs in the U.S. market indicates that unit prices are priced at upwards of a 40% discount to NAV¹. The National Council of Real Estate Investment Fiduciaries (“NCREIF”) Office Subindex, which reflects private market values, reported valuation declines of 21.1% year-on-year (as at the third quarter of 2023 (“3Q 2023”)). Private market performance typically lags public equity markets, and the prevailing market sentiment is that these declines will continue through 2023, and even into 2024. Lastly, the Green Street Commercial Property Price Index estimates that office values were down 27% over the last 12 months, for the period ended 30 September 2023.



Source: NCREIF Property Index. 3Q 2023 data is based on 1,780 office properties worth over US\$203 billion. Each property's market value is determined by real estate appraisal methodology, consistently applied. Capital Appreciation Return measures the change in market value adjusted for any capital improvements or partial sales for the quarter.

Additionally, the U.S. office sector continues to face significant headwinds with structural changes in the workforce trends impacting office demand, macroeconomic risk, rising interest rates, and increasing credit default risk adding substantial vulnerability to the sector:

- (i) Post-COVID-19 work patterns continue to impact office space demand and leasing activity.
- (ii) Layoffs by large corporates and technology slowdown have increased further downward pressure on the demand for office space.
- (iii) Rising interest rate environment has negatively impacted office asset valuations and ability to refinance debt obligations leading to rising loan defaults, foreclosures and distressed sales.

Although physical occupancy and leasing volume numbers have yet to show significant improvement, there may be signs of bottoming. According to the JLL Research Q3 2023 U.S. Office Outlook, tenant requirements grew 3.0% quarter-on-quarter in gateway markets and employers have issued stricter return-to-office mandates, which resulted in record

¹ Source: Evercore ISI Research report titled “REIT Valuation Handbook”, as at 27 October 2023.

post-pandemic attendance rates. Kastle System’s Back to Work Barometer also reported that physical occupancy rates in major markets reached its highest level in the week of 8 November 2023, at 50.5%.

3. RECAPITALISATION PLAN AND ADDITIONAL PLANS TO REDUCE MANULIFE US REIT’S LEVERAGE

3.1 Recapitalisation Plan

Arising from the breach of the financial covenant in the Existing Facilities, the Manager engaged with the Lenders regarding the restructuring of the Existing Facilities and the waivers in relation to the breach.

Following heavy negotiations amongst the Manager, the Sponsor and the Lenders, the key terms for the waiver of the breach of the financial covenant and the restructuring of the Existing Facilities pursuant to the Recapitalisation Plan are set out in the table below¹, which would strengthen Manulife US REIT’s balance sheet and create sufficient liquidity to fund essential capital expenditure budgeted for FY2024 and FY2025.

No.	Key Recapitalisation Terms	Details
1	Facility Agreements	<p>1. US\$193,000,000 Facility Agreement dated 2 May 2019 as amended by an amendment agreement dated 23 January 2020, as amended and restated by an amendment and restatement agreement dated 23 December 2020, as supplemented by a supplemental agreement dated 26 January 2022, and as amended and restated by an amendment and restatement agreement dated 6 April 2023² (the “US\$193M Facility”);</p> <p>2. US\$1,000,000,000 Facility Agreement dated 22 October 2019 as amended by an amendment agreement dated 23 January 2020, as supplemented by an incremental facility notice dated 20 May 2020, as supplemented by an Increased RCF Confirmation dated 23 July 2020, as amended and restated by an amendment and restatement agreement dated 23 December 2020, as supplemented by a supplemental agreement dated 26 January 2022, and as amended and restated by an amendment and restatement agreement dated 8 August 2022³ (the “US\$1B Facility”);</p>

1 As mentioned on the cover page of this Circular and at paragraph 3.4 below, not all the 12 Lenders have obtained the necessary approvals in relation to the restructuring of the Existing Facilities. In the event that any one of the remaining Lenders does not obtain their internal approval, the Master Restructuring Agreement would not be entered into. See the cover page of this Circular and paragraph 3.4 below for further details.

2 The outstanding amount under this facility is US\$141.8 million, maturing in 2025 after extension.

3 The outstanding amount under this facility is US\$217.8 million, maturing in 2025/2026 after extension.

No.	Key Recapitalisation Terms	Details
		<p>3. US\$250,000,000 Facility Agreement dated 23 March 2021, as amended and restated by an amendment and restatement agreement dated 12 August 2022¹ (the “US\$250M”);</p> <p>4. US\$90,000,000 Facility Agreement dated 14 December 2021² (the “US\$90M Facility”);</p> <p>5. US\$225,000,000 Facility Agreement dated 5 July 2022³ (the “US\$225M Facility”); and</p> <p>6. US\$105,000,000 Facility Agreement dated 20 December 2022⁴ (the “US\$105M Facility”, collectively with the US\$193M Facility, the US\$1B Facility, the US\$250M Facility, the US\$90M Facility and the US\$225M Facility, the “Facility Agreements”),</p> <p>(the Facility Agreements and the hedging facilities granted by the Debtor’s swap providers, collectively, the “Existing Facilities”).</p>
2	Sponsor Financing	<p>Subject to the approval of Unitholders, the Sponsor to provide or procure support/finance to the Debtor through the following transactions:</p> <p>(i) the Proposed Divestment to the Purchaser for approximately US\$98.7 million; and</p> <p>(ii) the proposed granting by the Sponsor-Lender of the Sponsor-Lender Loan of US\$137.0 million, for a period of six years at an interest rate of 7.25%, paid quarterly, with an Exit Premium of up to 21.16% of the Sponsor-Lender Loan Amount payable by the Debtor to the Sponsor-Lender upon maturity of the Sponsor-Lender Loan. The Sponsor-Lender Loan Interest Amount payable pursuant to the Sponsor-Lender Loan is up to US\$89.4 million (including the Exit Premium).</p>

1 The outstanding amount under this facility is US\$247.8 million, maturing in 2027 after extension.

2 The outstanding amount under this facility is US\$89.2 million, maturing in 2028 after extension.

3 The outstanding amount under this facility is US\$223.0 million, maturing in 2028 after extension.

4 The outstanding amount under this facility is US\$104.1 million, maturing in 2026 after extension.

No.	Key Recapitalisation Terms	Details
3	Debt Paydown	<p>The Debtor to pay down US\$285.0 million in debt on a <i>pari passu</i> basis based on the outstanding debt owed to each Lender as extended pursuant to Item 4 (<i>Extension of Loan Maturities</i>) below, in this order:</p> <p>(1) US\$98.0 million, from proceeds of the Proposed Divestment;</p> <p>(2) US\$137.0 million, from the Sponsor-Lender Loan; and</p> <p>(3) by 31 March 2024 (the “Relevant Date”), US\$50.0 million from the Debtor’s own cash holdings.</p> <p>The Debtor may request for the Relevant Date to be extended by up to one month with the consent of the Majority Lenders, and any further extension would be subject to the consent of all Lenders.</p>
4	Extension of Loan Maturities	<p>All loan maturities of the Existing Facilities are to be extended by one year. For the avoidance of doubt, interest rate swaps shall not be extended.</p> <p>The Debtor to pay 0.15% modification fee to the intercreditor agent (based on the outstanding debt that is extended following the debt paydown in Item 3 (<i>Debt Paydown</i>) above). Payment of such fee will be made on or before the date falling five business days after the restructuring effective date (or such later date that the Lenders may agree).</p>
5	Disposal of Tranche 1 Assets and/or Tranche 2 Assets	<p><u>Definitions:</u></p> <p>“Pre-Approved Pricing” means in the case of a Tranche 1 Asset, its resultant price based on the requirement set out in (b) below (under the heading “Sale of Tranche 1 Assets”).</p> <p>“Prevailing Market Price” means in the case of a Tranche 1 Asset, the market value of that Tranche 1 Asset based on a formal valuation of such asset by a reputable and independent valuer and dated no earlier than two months before the date of the sale and purchase agreement of that Tranche 1 Asset relating to such sale, and such valuation report is delivered to the Lenders and the Sponsor-Lender prior to the sale.</p>

No.	Key Recapitalisation Terms	Details								
		<p data-bbox="703 241 1034 271"><u>Sale of Tranche 1 Assets:</u></p> <p data-bbox="703 311 1394 477">(a) The Debtor shall procure the sale of up to four Tranche 1 Assets and Tranche 2 Assets (of which not more than two may be Tranche 2 Assets) in order to, amongst other things, repay the outstanding debt owed to the Lenders.</p> <p data-bbox="703 517 1394 645">(b) The Debtor may proceed with procuring the sale of each Tranche 1 Asset for so long as the net proceeds to be raised from sale of that Tranche 1 Asset are not less than the following amount:</p> <table border="1" data-bbox="721 701 1372 1162"> <tbody> <tr> <td data-bbox="721 701 948 815">Centerpointe</td> <td data-bbox="948 701 1372 815">the higher of US\$79.4 million and 95% of the Prevailing Market Price of such asset</td> </tr> <tr> <td data-bbox="721 815 948 929">Diablo</td> <td data-bbox="948 815 1372 929">the higher of US\$49.6 million and 95% of the Prevailing Market Price of such asset</td> </tr> <tr> <td data-bbox="721 929 948 1043">Figueroa</td> <td data-bbox="948 929 1372 1043">the higher of US\$106.2 million and 95% of the Prevailing Market Price of such asset</td> </tr> <tr> <td data-bbox="721 1043 948 1162">Penn</td> <td data-bbox="948 1043 1372 1162">the higher of US\$93.5 million and 95% of the Prevailing Market Price of such asset</td> </tr> </tbody> </table> <p data-bbox="703 1218 1394 1346">(c) Prior consent of the Sponsor-Included Majority Lenders is required if any Tranche 1 Asset is to be sold for less than the Pre-Approved Pricing applicable to it.</p> <p data-bbox="703 1386 1046 1415"><u>Sale of Tranche 2 Assets¹:</u></p> <p data-bbox="703 1456 1394 1787">(d) The Debtor may procure the sale of up to two Tranche 2 Assets, on condition that each selected Tranche 2 Asset and the price and other material terms of the sale of such selected Tranche 2 Asset are approved by the Sponsor-Included Majority Lenders². The application of the proceeds from the sale of any Tranche 2 Asset shall be in accordance with that set out in (g) below (under the heading “Application of sale proceeds from a Tranche 1 Asset or Tranche 2 Asset”).</p>	Centerpointe	the higher of US\$79.4 million and 95% of the Prevailing Market Price of such asset	Diablo	the higher of US\$49.6 million and 95% of the Prevailing Market Price of such asset	Figueroa	the higher of US\$106.2 million and 95% of the Prevailing Market Price of such asset	Penn	the higher of US\$93.5 million and 95% of the Prevailing Market Price of such asset
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Penn	the higher of US\$93.5 million and 95% of the Prevailing Market Price of such asset									

1 Tranche 2 Assets comprises Capitol, Exchange, Peachtree and Plaza.

2 For the avoidance of doubt, the sale of more than two Tranche 2 Assets would require the requisite approval of the Lenders, similar to the sale of any Tranche 3 Assets.

No.	Key Recapitalisation Terms	Details
		<p><u>Minimum Sale Targets:</u></p> <p>(e) The Debtor shall ensure that the following minimum cumulative net sale proceeds from the aggregate sale of up to four of the Tranche 1 Assets and/or the Tranche 2 Assets is achieved by each of the dates¹ (each a “Minimum Sale Target”) set out in the below:</p> <p>(a) by 31 December 2024 (on a best endeavours basis), US\$230 million (“2024 Net Proceeds Target”); and</p> <p>(b) by 30 June 2025, US\$328.7 million (“2025 Net Proceeds Target”) (which for the avoidance of doubt, includes the 2024 Net Proceeds Target),</p> <p>provided that if the 2024 Net Proceeds Target is not achieved by 31 December 2024, the Debtor shall pay the higher of (A) a flat fee of 1% on the shortfall amount between the 2024 Net Proceeds Target and the cumulative net sale proceeds actually received by the Debtor and (B) an additional interest margin payment, at a rate of 0.75% per annum on the outstanding amounts under the Existing Facilities as at 31 December 2024 for a period of 180 days. The prior approval of the Majority Lenders (for the avoidance of doubt, excluding the Sponsor-Lender) is required to waive any failure to meet a Minimum Sale Target (whether the date or the amount).</p> <p><u>Sale to related party of Sponsor-Lender or the Debtor:</u></p> <p>(f) Majority Lenders’ prior approval (which for the avoidance of doubt, excludes the Sponsor-Lender) is required for any contemplated sale of a Tranche 1 Asset or Tranche 2 Asset to a party related to the Sponsor-Lender or the Debtor².</p> <p><u>Application of sale proceeds from a Tranche 1 Asset or Tranche 2 Asset:</u></p> <p>(g) The proceeds from the sale of a Tranche 1 Asset or Tranche 2 Asset are to be applied in a payment waterfall, in the chronological order of calendar years (commencing from 2024), and in respect of the calendar year of each step of the payment waterfall, towards the Relevant Sum and in the order as defined in “Relevant Sum”.</p>

1 It should be noted that the source of funds in relation to achieving the respective Minimum Sale Targets should be from the sale of Tranche 1 Assets and/or the Tranche 2 Assets.

2 For the avoidance of doubt, the sale of any Tranche 1 Assets, Tranche 2 Assets or Tranche 3 Assets to a party related to the Sponsor-Lender or the Debtor would be subject to Unitholders’ approval pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix if such sale is equal to or exceeds the thresholds prescribed in the applicable rules.

No.	Key Recapitalisation Terms	Details
		<p>“Relevant Sum” in respect of a calendar year of each step of the payment waterfall means:</p> <p>(i) firstly, the pre-approved capital expenditure of the Debtor and any relevant subsidiaries for that year (based on a proposed budget and supporting documents delivered by the Debtor, as approved by the Sponsor-Included Majority Lenders), less the capital expenditure already expended from operational cashflow for the year; and</p> <p>(ii) secondly, the amount of outstanding debt owing to the Lenders under the Existing Facilities which matures in the calendar year in which the Debtor received the disposal proceeds from the sale of a Tranche 1 and/or Tranche 2 Asset (the “Disposal Year”) (based on the extended maturity date as extended herein), followed by the amount of outstanding debt owing to the Lenders under the Existing Facilities which mature in the calendar year following the Disposal Year, followed by the amount of outstanding debt owing to the Lenders under the Existing Facilities which mature in the calendar year two calendar years after the Disposal Year, followed by the amount of outstanding debt owing to the Lenders under the Existing Facilities which mature in the calendar year three calendar years after the Disposal Year, followed by the amount of outstanding debt owing to the Lenders under the Existing Facilities which mature in the calendar year four calendar years after the Disposal Year.</p> <p>Save as otherwise set out in this paragraph, the Sponsor-Lender shall not at any time before Acceleration of the Sponsor-Lender Loan be paid ahead of the Lenders, and upon Acceleration of the Sponsor-Lender Loan, only on a <i>pari passu</i> basis with the Lenders. For purposes herein, “Acceleration” means an acceleration of the Sponsor-Lender Loan solely by reason of an acceleration of the outstanding debt by one or more Lenders under one or more of the Existing Facilities. Prior to Acceleration, interest paid to the Lenders under the Existing Facilities and the Sponsor-Lender Loan are to be made on a <i>pari passu</i> basis.</p>

No.	Key Recapitalisation Terms	Details
		<p>Funds flow on how payments are to be made to Lenders shall be set out in a steps paper which will be a condition precedent to the new master restructuring agreement to be entered into between the Sponsor, the Sponsor-Lender, all Lenders and the Debtor (the “Master Restructuring Agreement”), supported by legal documentation, and the opinions or such other evidence as required by the Lenders to show the enforceability and lawfulness of the transactions.</p> <p>Waiver of mandatory prepayment obligation triggered upon the sale of certain Tranche 1 Assets and/or Tranche 2 Assets, under the US\$193M Facility and the US\$1B Facility.</p>
6	Halt Distributions to Unitholders	Half-yearly distributions to Unitholders shall be halted till 31 December 2025.
7	Waiver of Breaches	<p>Lenders are to waive:</p> <ul style="list-style-type: none"> – All past and existing breaches of terms of respective Facility Agreements (financial covenants, cross-default, etc.). – Any breach of any terms of any of the Existing Facilities which will occur as a result of the restructuring and the implementation of the restructuring set out herein. <p>Lenders shall grant all necessary approvals/ amendments in order for the proposed restructuring set out herein to take effect.</p>
8	Temporary Amendments to Financial Covenants	<p>Till 31 December 2025, the financial covenants in each Facility Agreement shall be temporarily amended such that¹:</p> <ol style="list-style-type: none"> (1) Unencumbered Gearing shall be not more than 80%. (2) Ratio of Consolidated EBITDA to Consolidated Interest Expense (“Bank ICR”) shall be no less than 1.5 times. The terms “Consolidated EBITDA” and “Consolidated Interest Expense” shall have the same meanings attributed to them in each Facility Agreement. For the purposes of calculating this ratio, the Exit Premium shall not be taken into account. <p>The Unencumbered Gearing and the Bank ICR² will be tested at the end of FY2024 and FY2025 and thereafter, Unencumbered Gearing shall revert to be not more than 60% and Bank ICR is to be not less than 2.0 times.</p>

1 The consequence of breaching the amended financial covenants would be that it would be an event of default under the relevant Facility Agreement unless such breach is cured pursuant to the terms of the Master Restructuring Agreement.

2 The Unencumbered Gearing is 59.9% and the Bank ICR is 2.8 times as at 30 September 2023.

No.	Key Recapitalisation Terms	Details
9	Interest Reserve Account	<p>The Debtor is to, on the restructuring effective date, maintain an interest reserve account (the “Interest Reserve Account”), and deposit such sum which consists of the interest reserve of six months for the Lenders and interest reserve of six months for the Sponsor-Lender (collectively, the “Aggregate Interest Reserve”).</p> <p>The Aggregate Interest Reserve required to be maintained shall be recalculated on 1 January of each calendar year, 1 July of each calendar year or each time a loan (or any part of it) is repaid or prepaid to the Lenders under any Facility Agreement and the Sponsor-Lender under the Sponsor-Lender Loan Agreement, and if there is any amount in excess of the Aggregate Interest Reserve resulting from the repayment, the Debtor may by notice to the intercreditor agent and the account bank request to withdraw an amount not exceeding such excess from the Interest Reserve Account and the account bank shall permit the Debtor to withdraw such excess, provided that no default is continuing or will occur as a result of such withdrawal.</p>
10	Quarterly Reporting	<p>By the date falling 45 days after each financial quarter, the Debtor shall deliver to the intercreditor agent:</p> <ol style="list-style-type: none"> (1) a report on the outstanding amount under each of the Facility Agreements and the aggregate outstanding amounts of the Beta Loans (and a breakdown of the outstanding amount owing to each Beta Entity); (2) a report on the marked-to-market positions on the hedging transactions under each hedging agreement; (3) the unaudited financial statements (including the balance sheet and income statement); and (4) a report showing the comparison of the actual amount incurred in respect of each item in the budget versus each projected amount set out in the budget.

No.	Key Recapitalisation Terms	Details
11	No Further Financial Indebtedness	<p>Unless Sponsor-Included Majority Lenders' approval is obtained:</p> <p>(1) the Debtor shall not acquire any real properties; and</p> <p>(2) the Debtor shall not incur any further financial indebtedness or refinance any existing financial indebtedness (and if any approval is obtained by the Sponsor-Included Majority Lenders, subject also to any terms and conditions required by the Sponsor-Included Majority Lenders, including the accession by the refinancing lender to the Master Restructuring Agreement).</p> <p>Paragraph (2) above does not apply to any prepayment of the Existing Facilities and the Sponsor-Lender Loan in accordance with the Master Restructuring Agreement.</p>
12	Majority Lenders	<p>For the purposes herein, save as otherwise stated:</p> <p>“Majority Lenders means a Lender or Lenders to whom total outstanding debt owed by the Debtor constitutes more than 66.67% of the total outstanding debt owed by the Debtor to all Lenders; and</p> <p>“Sponsor-Included Majority Lenders” means a Lender or Lenders and the Sponsor-Lender to whom total outstanding debt owed collectively by the Debtor constitutes more than 66.67% of the total outstanding debt owed collectively by the Debtor to all Lenders and the Sponsor-Lender collectively,</p> <p>and in each case, where there are only the Lenders of the US\$90M Facility and of the US\$225M Facility (collectively, “2027 Existing Lenders”) remaining as Lenders, “Majority Lenders” shall mean all of such 2027 Existing Lenders, and “Sponsor-Included Majority Lenders” shall mean the Sponsor-Lender and all of such 2027 Existing Lenders.</p>
13	Voting Rights	<p>When an issue is put to vote amongst Lenders, each Lender's vote shall be weighted in accordance with the total debt outstanding to that Lender (in proportion to the total debt outstanding to all Lenders) as at the date of the vote.</p>

No.	Key Recapitalisation Terms	Details
14	Master Restructuring Agreement	<p>(a) The Sponsor, the Sponsor-Lender, all Lenders, and the Debtor to enter into the Master Restructuring Agreement, setting out, among other things, the sharing mechanisms in respect of the proposed debt repayment, decision-making, and undertakings by each entity to complete the transactions such that the sale proceeds of the Tranche 1 Assets and/or the Tranche 2 Assets would be upstreamed to the Debtor.</p> <p>(b) The Debtor to procure that Hancock S-REIT Parent Corp (“Hancock”)¹ will not have any borrowings other than the Beta Loans, except with the prior consent of all Lenders and the Sponsor-Lender.</p> <p>(c) The Debtor to procure that Hancock will hold monies received from the sale of any of the Tranche 1 Assets and/or the Tranche 2 Assets in escrow towards such application as required herein.</p> <p>(d) Prior to the Acceleration of the Sponsor-Lender Loan, repayment of debt owed to the Lenders and Sponsor-Lender shall occur in order of maturity date (i.e. the loan with the earliest maturity date will be repaid in full first, followed by subsequently maturing debt).</p> <p>(e) Any changes to the date of payment of any amount payable, change in interest rate, increase of loan amount/commitment, amendments to order of priority, the taking of collateral or security (by any of the Lenders and the Sponsor-Lender), or application of proceeds of each of the Sponsor-Lender Loan and the restructured debt of the Lenders, shall require the prior approval of all Lenders and the Sponsor-Lender.</p>

¹ Manulife US REIT indirectly holds 100% of the voting shares of Hancock.

No.	Key Recapitalisation Terms	Details
		<p>(f) The Lenders shall receive the opinions from the relevant legal counsels on each of the parties (other than the Lenders) signing the Master Restructuring Agreement and the Beta Loans and on the redeemable preference shares of Alpha and Beta Entities (the “Required Legal Opinions”). The Debtor will set out the steps of upstreaming the monies from the U.S. entities to the Debtor in the documentation and the Debtor shall covenant that that the steps will be complied with.</p> <p>(g) For the purposes herein:</p> <p>“Alpha” shall mean Manulife US REIT Alpha (Singapore) Pte. Ltd.</p> <p>“Beta Entities” shall mean Manulife US REIT Beta (Singapore) Pte. Ltd., Manulife US REIT Beta 2 (Singapore) Pte. Ltd., Manulife US REIT Beta 5 (Singapore) Pte. Ltd., Manulife US REIT Beta 6 (Singapore) Pte. Ltd., Manulife US REIT Beta 7 (Singapore) Pte. Ltd., Manulife US REIT Beta 8 (Singapore) Pte. Ltd., Manulife US REIT Beta 9 (Singapore) Pte. Ltd., Manulife US REIT Beta 10 (Singapore) Pte. Ltd. and any other wholly owned subsidiary of the Debtor that grants an intercompany loan to Hancock (each such individual entity being referred to as a “Beta Entity”).</p> <p>“Beta Loans” shall mean the intercompany loans between the Beta Entities and Hancock (each such individual loan being referred to as a “Beta Loan”)¹.</p>

1 For the avoidance of doubt, the Beta Loans are loans between (i) the Beta Entities (which are direct wholly-owned subsidiaries of Manulife US REIT) and (ii) Hancock (which Manulife US REIT indirectly holds 100% of its voting shares).

No.	Key Recapitalisation Terms	Details
15	Early Reinstatement	<p>If</p> <p>(i) Consolidated Total Liabilities to Consolidated Deposited Properties is no more than 45%; or</p> <p>(ii) Consolidated Total Liabilities to Consolidated Deposited Properties is more than 45% but not more than 50%, <i>and</i> Interest Coverage Ratio is more than 2.5 times,</p> <p>(such numerical limits as set out above are intended to be aligned with the applicable aggregate leverage limit as set out and construed in accordance with Paragraph 9.2 of the Property Funds Appendix, and shall be revised from time to time if the relevant limits in the Property Funds Appendix are so revised),</p> <p>and there are no potential events of default (i.e. “Default” as defined in each Facility Agreement) continuing (including no breach of any existing financial covenant under each Facility Agreement) for at least one financial quarter, then the following arrangements arising herein shall cease:</p> <p>(a) “<i>Disposal of Tranche 1 Assets and/or Tranche 2 Assets</i>”;</p> <p>(b) “<i>Halt Distributions to Unitholders</i>”;</p> <p>(c) “<i>Quarterly Reporting</i>”;</p> <p>(d) “<i>No Further Financial Indebtedness</i>”;</p> <p>(e) “<i>Interest Reserve Account</i>”;</p> <p>(f) “<i>Temporary Amendments to Financial Covenants</i>”;</p> <p>and</p> <p>(g) paragraph (a) of “<i>Other Covenants</i>”;</p> <p>provided that similar terms under the Sponsor-Lender Loan concurrently cease to be effective.</p>

No.	Key Recapitalisation Terms	Details
		<p>For the purposes of this paragraph, the Consolidated Total Liabilities to Consolidated Deposited Properties ratio referred to above shall be tested by reference to the financial statements of the Debtor delivered to the Lenders. For the avoidance of doubt, upon the cessation of the arrangements referred to herein, the Debtor shall be bound by the terms of each Facility Agreement, save for:</p> <ul style="list-style-type: none"> (i) any amendments relating to or arising from the extension of maturities contemplated herein; and (ii) the terms of the intercreditor arrangements between the Lenders and the Sponsor-Lender.
16	Other Covenants	<ul style="list-style-type: none"> (a) Among others, no change of control of Hancock or of the Manager is permitted without the Sponsor-Included Majority Lenders' prior written consent. (b) If any of the terms herein imposed on the Debtor is released, terminated, disappplied or relaxed (including the requirement to maintain the interest reserve amount), the corresponding term imposed on the Debtor under the Sponsor-Lender Loan Agreement shall, subject to the discretion of the Sponsor-Lender, be concurrently released, terminated, disappplied or relaxed, such that the Sponsor-Lender shall not at any time, have better terms, rights and/or remedies against the Debtor as any Lenders would at any time have against the Debtor under the Facility Agreements, provided that if the Sponsor-Lender is not agreeable to any extent of the release, termination, disapplication or relaxation of any requirement or imposition of terms on the Debtor, the requirement or imposition of the same or similar terms on the Debtor by the Lenders shall be reinstated to the same extent.
17	Conditions Precedent to Effecting the Restructuring	<p>Among others:</p> <ul style="list-style-type: none"> (a) The Master Restructuring Agreement is duly signed by the parties thereto; (b) Unitholders' approval for the Proposed Divestment and the Sponsor-Lender Loan is obtained; and (c) the Required Legal Opinions are delivered.

3.2 Steps taken to Explore all Alternatives prior to the Recapitalisation Plan

The Manager has explored and exhausted various alternatives to address both the breach of the financial covenant in the Existing Facilities and the decline in the real estate valuation of the portfolio of Manulife US REIT (including a transaction with strategic investor(s) and

mergers), and the Recapitalisation Plan based on the Key Recapitalisation Terms is the best workable solution to address the breach of the financial covenant. Reference is made to Manulife US REIT's announcements dated 15 March 2023, 17 March 2023, 27 March 2023, 12 April 2023 and 24 May 2023, wherein it was announced that the Manager had considered and evaluated a number of other potential options including further divestment of assets, mergers with other similar platforms, equity fund raising and strategic transactions with third parties involving the recapitalisation of Manulife US REIT.

The Sponsor's involvement via the Proposed Divestment and the Sponsor-Lender Loan is also one of the Lenders' requirements to reduce their total loan risk for their agreement to waive the breach of the financial covenant in the Existing Facilities.

The Manager is of the opinion that the Recapitalisation Plan is the best possible solution to address the breach of the financial covenant in the Existing Facilities and for the recapitalisation of Manulife US REIT as each of the other options which the Manager had explored was not viable for the reasons set out below:

- (a) Asset dispositions continue to be challenging with the prevailing negative sentiment around the U.S. office sector¹. Factors such as the rising interest rate environment, uncertainty around tenant space requirements as well as limited buyer access to credit financing have contributed to low levels of capital market activity in the U.S. office sector which makes sizeable asset dispositions difficult, especially in the more challenged submarkets. Selling assets quickly in such a climate is challenging and would result in lower sale proceeds compared to the Recapitalisation Plan which provides for a sale period of up to at least 30 June 2025. Since April 2022, the Manager had attempted to undertake a total of three asset dispositions, all of which were halted due to interest rate hikes and limited credit financing which affected the potential buyers.
- (b) Equity fund raising at the current Unit price will be difficult given Manulife US REIT's low market capitalisation. There are also considerations around banks' ability to underwrite any such equity fund raising given the Sponsor's Unitholding is capped at 9.8%². For the same reason, while the Manager has explored the option of a further subscription of Units by the Sponsor, such option is not feasible due to Manulife US REIT's tax structure. Furthermore, equity markets are currently volatile due to macroeconomic uncertainties and high interest rates that may not be conducive for equity fund raisings.
- (c) As for strategic transactions with third parties involving the recapitalisation of Manulife US REIT, the ability and suitability of such parties to reposition Manulife US REIT for future growth were assessed taking into consideration the following criteria: (i) U.S. real estate presence and track record, (ii) financial strength and commitment to Manulife US REIT, (iii) any other existing conflicts of interest and (iv) ability to provide Manulife US REIT access to an identified pipeline to effect a potential pivot strategy. A total of over 40 parties comprising real estate funds, investment firms, and corporates with real estate exposure globally were contacted for such strategic transactions, of which, a number of such parties continue to express interest but are awaiting the outcome of the Recapitalisation Plan.

1 Transaction volumes fell by 69% in the first nine months of 2023. Source: JLL Research Q3 2023 U.S. Office Outlook.

2 Unitholders (including the Sponsor) and all other persons are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units for Manulife US REIT's subsidiaries to qualify and maintain their status as U.S. REITs.

- (d) In terms of potential mergers, it was concluded that execution risks were elevated in this current market environment, and this option did not address the current issue of high aggregate leverage given that there would be no immediate capital injection into Manulife US REIT.
- (e) The Manager had reached out to external lenders, but new loans were not forthcoming. The Manager had also reached out to debt advisory firms to source for alternative sources of loans but was advised that credit was not available.

3.3 Halting of Distributions

As mentioned above, the halting of distributions is one of the conditions of the Recapitalisation Plan. As originally contemplated and as implemented since the listing of Manulife US REIT, interest income received by the Singapore subsidiaries from the United States subsidiaries of Manulife US REIT was distributed to the Unitholders as part of the half-yearly distribution cycle. In furtherance of this structure, systems and processes for the cross-border interest were instituted to comply with and minimise applicable United States income tax withholding.

As a result of the halting of distributions, the applicable cross-border interest from the United States is not slated to be distributed to the Unitholders until 31 December 2025 (unless the Early Reinstatement Conditions are achieved earlier) and therefore different United States income tax withholding rules (including United States information reporting rules) are expected to apply. Pursuant to these different rules for retained cross-border interest, in general the Manager expects that the cash tax burden of withholding upon the cross-border United States interest received (but not timely distributed to Unitholders) will fall upon Manulife US REIT itself (rather than the Unitholders individually), and may be at rates as high as 43% upon amounts retained by Manulife US REIT and allocable to Unitholders who fail to supply the United States withholding forms and certificates. The tax would be based on the proportion of Unitholders who fail to supply the United States withholding forms and certificates multiplied by the interest income received by the Singapore subsidiaries from the United States subsidiaries of Manulife US REIT. Manulife US REIT bears this tax while distributions to Unitholders are halted. Historically, on average 1.5% of the Unitholders based on Unitholdings fail to supply the United States withholding forms and certificates. In a normal distribution cycle (that is, when interest is distributed to Unitholders), Manulife US REIT would be able to reduce the payment to a Unitholder that fails to supply the United States withholding form and certificate by the amount of withholding, so that the noncompliant Unitholder would bear the burden of the withholding tax. While distributions are halted, interest income from the United States subsidiaries will still be paid to Manulife US REIT. However, as interest income is not paid out to Unitholders, Manulife US REIT will have to bear the tax. If all Unitholders were to submit their valid United States withholding forms and certificates, there would not be any tax implications arising from the halting of distributions. However, as indicated above, historically, on average 1.5% of the Unitholders based on Unitholdings do not submit a valid United States withholding form and certificate. If Unitholders continue their historic practice of supplying the United States withholding forms and certificates (principally, the US IRS Form W-8 that is requested of all Unitholders in connection with their acquisition of Units) at the same levels of compliance as in the past, the Manager expects this aggregate economic cash burden on Manulife US REIT to be minimal. The Manager will continue its historic practice of gathering United States withholding exemption forms and certificates from Unitholders. All withholding tax would be paid over to the US IRS and the remainder of interest payments net of withholding would be at the disposal of Manulife US REIT while distributions are halted.

Accordingly, notwithstanding that the distributions have been halted, Unitholders should continue to supply the United States withholding forms and certificates (principally, the US IRS Form W-8 that is requested of all the Unitholders in connection with their acquisition of Units).

The United States income tax withholding rules described above are complex, and the Manager will work with its United States tax advisors regarding aspects that may be factually or legally uncertain, including making provision for financial statement impact as and when appropriate. That said, the adverse impacts are expected to be modest if and to the extent Unitholders continue their historic levels of compliance with the United States withholding forms and certificates.

(See Item 6 (*Halt Distributions to Unitholders*) of the Key Recapitalisation Terms for further details on the halting of distributions.)

3.4 Approval of Unitholders arising from the Recapitalisation Plan

Unitholders should note that while the details of the restructuring of the Existing Facilities pursuant to the Recapitalisation Plan are set out in this Circular, such details are for Unitholders' information only when considering the Resolutions and Unitholders' approval is not being sought for all the terms of the Recapitalisation Plan (other than those that are in relation to the Resolutions).

Unitholders should note that certain terms of the restructuring of the Existing Facilities (which includes the Lenders' waiver of the breach of the financial covenant) pursuant to the Recapitalisation Plan are conditional upon the approval of Unitholders of all three of the Resolutions. In the event that Unitholders do not approve any of the Resolutions, the Existing Facilities would remain in breach and the Lenders have the right to accelerate the payment of all US\$1,023.7 million of loans immediately.

In such a situation, Manulife US REIT does not have sufficient cash to repay all of the Existing Facilities and would need to conduct an expedited liquidation of its portfolio. In addition, not passing the Resolutions effectively means that Unitholders would be voting to put control of Manulife US REIT in the hands of the Lenders. If the Resolutions fail to be passed, the Lenders will control the outcome of Manulife US REIT and have the right to call the outstanding debt due under the Existing Facilities and may make an application to liquidate Manulife US REIT, thereby also forcing an expedited liquidation. As U.S. office transaction volumes remain sluggish and hampered by, among other things, limited financing options, it would not be in the best interests of Unitholders to conduct an expedited sale of Manulife US REIT's portfolio.

As at the date of this Circular, Unitholders should note that not all the 12 Lenders have obtained the necessary approvals in relation to the restructuring of the Existing Facilities and the waivers in relation to the breach based on the terms as set out in this Circular. The remaining Lenders who have not yet obtained the necessary approvals are still in the process of obtaining their internal approval based on their meeting schedules. In the event that any one of the remaining Lenders does not obtain their internal approval, the Master Restructuring Agreement would not be entered into. In such a situation, the consensual loan restructuring based on the terms as set out in this Circular would not proceed, and the Lenders have the right to accelerate the payment of all of the loans immediately. While the Manager is currently targeting to obtain approval of all Lenders before the EGM, there may be approvals that come in after the EGM. As at the date of this Circular, while no assurance can be given, nothing has come to the attention of the Manager that any of the Lenders have issues with executing the contemplated Master Restructuring Agreement.

3.5 Long-term plan for Manulife US REIT

The execution of the Recapitalisation Plan stated above and an expected stabilisation of the market environment in the next few years will allow the Manager to assess Manulife US REIT's capital requirements and also put Manulife US REIT on a more stable footing to execute its pivot strategy into assets that may (i) offer better return potential going forward; (ii) secure long-term tenant demand; and (iii) be less capital intensive. These in turn may potentially allow Manulife US REIT to resume distributions to Unitholders.

That said, based on the Recapitalisation Plan stated above, the expected aggregate leverage of Manulife US REIT could remain elevated. As the Tranche 1 Assets selected for sale are identified by the Manager to be the key focus of the sale and are unlikely to provide strong economic returns, the ability to sell them close to book value could be challenging. Notwithstanding this, while an equity fund raising could reduce aggregate leverage to a greater degree, the Manager is of the opinion that this is not in the interest of Unitholders given the current low market capitalisation of Manulife US REIT and the uncertainties around capital market conditions. As the Manager hopes to preserve as much Unitholder value as possible, it therefore selected the path of buying time and disposing of the Existing Properties before re-approaching Unitholders for any sort of equity fund raising.

The Recapitalisation Plan is just the first step of building a foundation that will put Manulife US REIT on a path to growth for the long-term. The Manager may re-approach Unitholders for an equity fund raising in the future, but only after divesting the Tranche 1 Assets and/or the Tranche 2 Assets. This will help Manulife US REIT revert to its target aggregate leverage levels and is also in-line with the Manager's aim to grow Manulife US REIT's asset base via accretive acquisitions that provide strong returns after it has strengthened its balance sheet.

Whether an equity fund raising is required also depends on the sale proceeds raised from the dispositions of the Existing Properties, the valuations of Manulife US REIT's assets going forward and the dilutive effect for existing Unitholders. Any such decision will be made at the appropriate time after the asset dispositions, taking into account all relevant circumstances, including but not limited to the prevailing conditions of equity markets, the interest rate environment, the DPU and the best interests of Manulife US REIT and the Unitholders.

4. RATIONALE AND BENEFITS OF THE RECAPITALISATION PLAN TO UNITHOLDERS

As mentioned above, Manulife US REIT experienced a 14.6% decline in fair market value of its portfolio in the first half of 2023 which increased its aggregate leverage to approximately 57% as at 30 June 2023. This resulted in (i) the breach of a financial covenant contained in the Existing Facilities, which states that Manulife US REIT must at all times ensure and procure that the Unencumbered Gearing for any measurement period (being a period of 12 months ending on the last day of each financial half-year of Manulife US REIT) is not more than 60% and (ii) the aggregate leverage of Manulife US REIT exceeding the aggregate leverage limit of 50% as set out in the Property Funds Appendix.

The breach of the financial covenant in the Existing Facilities resulted in the Lenders having the right under the terms of the Existing Facilities to accelerate repayment of the Existing Facilities, effectively forcing an expedited liquidation of Manulife US REIT's portfolio. This outcome would not be in the best interests of Unitholders given the limited capital market activity in the U.S. commercial sector, which may potentially lead to distressed sale prices of Manulife US REIT's assets which would in turn have a significant negative impact on disposition proceeds.

The Manager, together with the Sponsor and the Lenders, has negotiated the best possible outcome for the Recapitalisation Plan to strengthen Manulife US REIT's balance sheet and create sufficient liquidity to fund essential capital expenditure budgeted for FY2024 and FY2025. The Recapitalisation Plan will raise proceeds in the following manner, which the Manager intends to use as follows:

(i) The Sponsor's commitment and support through its aggregate funding of US\$235.7 million via the Proposed Divestment and the Sponsor-Lender Loan.

- (a) One of the key components that helped deliver a successful outcome with the Lenders to agree to waive the breach of the financial covenant and restructure the Existing Facilities is the Sponsor's commitment and support in acquiring the Property pursuant to the Proposed Divestment and the granting of the Sponsor-Lender Loan, which provided for an aggregate funding of US\$235.7 million into Manulife US REIT. Given the limited credit appetite for U.S. commercial real estate, the equivalent of a Sponsor-Lender Loan of US\$137.0 million would have been very difficult to obtain in the open market from an arm's length third-party lender. Currently, there is limited debt funding available as origination volumes have declined year-on-year for the first half of 2023 by 67% and 81% for the commercial mortgage-backed securities lending market for all U.S. property types and the U.S. office sector, respectively¹. The Manager acknowledges that obtaining a comparable loan in the open market would have been challenging for Manulife US REIT for the aforementioned reasons and as evidenced by the Manager's attempts to reach out to external lenders as discussed in paragraph 3.2(e) above.
- (b) The Purchaser's acquisition of the Property for the Divestment Consideration of US\$98.7 million is at its open market value as at 30 June 2023 determined by JLL, being US\$4.7 million or 5.0% greater than the second independent valuation by Colliers.
- (c) Additionally, as the Sponsor had also provided US\$33.5 million of support in the form of the acquisition of Tanasbourne pursuant to the Tanasbourne Divestment² earlier in April 2023, together with its aggregate funding of US\$235.7 million via the Proposed Divestment and the Sponsor-Lender Loan, the total quantum of the Sponsor's commitment and support is US\$269.2 million, or nearly 1.5 times the current market capitalisation of Manulife US REIT as at the Latest Practicable Date.

¹ Source: Commercial mortgage-backed security origination volume by property type in the U.S. – first half of 2023 versus first half of 2022, Green Street data as at 1 November 2023.

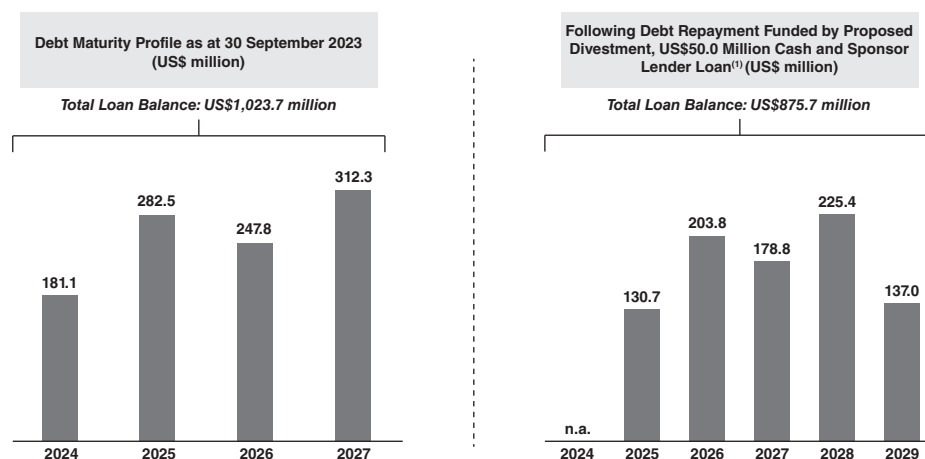
² "Tanasbourne Divestment" means the sale by Manulife US REIT of Tanasbourne to John Hancock Life Insurance Company (U.S.A.), as announced and completed on 12 April 2023 for US\$33.5 million.

- (ii) **Reduction of bank loan exposure through the repayment of US\$285.0 million in debt funded by US\$98.0 million from the Proposed Divestment, US\$137.0 million from the Sponsor-Lender Loan and US\$50.0 million from Manulife US REIT's own cash holdings.**
- (a) US\$50.0 million of Manulife US REIT's own cash holdings, together with US\$98.0 million from proceeds of the Proposed Divestment, will be used to pay down Existing Facilities on a *pari passu* basis, thus reducing total indebtedness from US\$1,023.7 million as at 30 September 2023 to US\$875.7 million.
 - (b) The Sponsor-Lender Loan Amount will also be wholly used to refinance US\$137.0 million of Existing Facilities on a *pari passu* basis. Although total indebtedness remains at US\$875.7 million, the Lenders' exposure to Manulife US REIT is further reduced with US\$137.0 million of bank loan exposure now taken on by the Sponsor.
- (iii) **Minimum aggregate net sale proceeds of US\$328.7 million from the sale of any of the Existing Properties to be utilised towards funding pre-approved capital expenditure and debt repayment.**
- (a) To strengthen Manulife US REIT's portfolio, the Manager and Lenders have performed a thorough portfolio analysis and identified certain Tranche 1 Assets and Tranche 2 Assets for sale pursuant to the Disposition Mandate in order to improve the quality of Manulife US REIT's portfolio. Factors taken into consideration in the analysis include the Identified Factors.
 - (b) In addition to the Tranche 1 Assets and the Tranche 2 Assets, extending the Disposition Mandate to all Existing Properties also allows the Manager to sell the Tranche 3 Assets expeditiously, should the Manager be approached with an offer that benefits Unitholders.
 - (c) In accordance with the payment waterfall set out at Item 5(g) (*Application of sale proceeds from a Tranche 1 Asset or Tranche 2 Asset*) of the Key Recapitalisation Terms, the proceeds from the sale of the Tranche 1 Assets and the Tranche 2 Assets will be prioritised towards payment of pre-approved capital expenditure of Manulife US REIT and any relevant subsidiaries, and thereafter, to repay the amount of outstanding debt owing to the Lenders under the Existing Facilities.
 - (d) The Manager also intends to apply the sale proceeds from the sale of the Tranche 3 Assets (if it were to take place) in the same manner as described in paragraph 4(iii)(c) above.

The rationale and benefits of the Recapitalisation Plan to Unitholders are as follows:

- (a) **Obtaining the Lenders' waiver of the breach of the financial covenant and the execution of the Recapitalisation Plan provide a longer runway for Manulife US REIT in view of continued headwinds in the U.S. office sector.**
- (i) Manulife US REIT obtaining the Lenders' waiver of the breach of the financial covenant in the Existing Facilities removes the immediate concern of the Lenders potentially commencing action to accelerate loan repayment which will in turn trigger an expedited liquidation of Manulife US REIT's portfolio.

- (ii) Restructuring of the Existing Facilities pursuant to the Recapitalisation Plan will also involve the following:
- (1) a temporary relaxation of financial covenants (e.g. Unencumbered Gearing and Bank ICR) until 31 December 2025; and
 - (2) the one-year extension of loan maturities of the Existing Facilities and the provision of the Sponsor-Lender Loan with a tenor of six years will extend Manulife US REIT's weighted average loan maturity from 2.3 years as at 30 September 2023 to 3.7 years. Importantly, the Recapitalisation Plan removes all refinancing requirements in 2024, with the next loan tranche maturing in May 2025, thereby allowing the Manager to focus on optimising Manulife US REIT's portfolio.



Note:

- (1) This includes the debt repayment funded by US\$98.0 million from the Proposed Divestment, US\$137.0 million from the Sponsor-Lender Loan and US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt. For the avoidance of doubt, this excludes debt repayment funded by proceeds from future asset dispositions in 2024.
- (iii) In view of the continued headwinds in the U.S. office sector described at paragraph 2.3 above, the Recapitalisation Plan provides the Manager with a longer runway of approximately 19 months until 30 June 2025 to dispose of the Tranche 1 Assets and/or the Tranche 2 Assets (as required by the Lenders as part of the restructuring of the Existing Facilities) in an orderly manner with the objective of maximising disposition proceeds.

(b) The Disposition Mandate will provide the Manager a competitive edge as seller and the flexibility to maximise disposition proceeds to further repay indebtedness, fund capital expenditure to rejuvenate the remaining assets held by Manulife US REIT and strengthen its portfolio.

- (i) While the sale of the Tranche 1 Assets and/or the Tranche 2 Assets is a requirement by the Lenders to the restructuring of the Existing Facilities, the Manager also requires the Disposition Mandate for the following reasons:
 - (1) Cognisant of the challenges of equity fund raising and disposing assets in the current U.S. office climate, the Manager aims to maximise the value of each asset disposed given the urgency of generating liquidity for Manulife US REIT and the difficulty of raising equity for repayment of maturing loans and/or other operational purposes.

- (2) The Disposition Mandate will also provide the Manager a competitive edge as seller, flexibility to maximise disposition proceeds and a more certain asset disposition process without the need to convene separate EGMs for Unitholders' approval for each sale of the Tranche 1 Assets, the Tranche 2 Assets and/or the Tranche 3 Assets (if the relevant approval from the Lenders is obtained). This in turn reduces the administrative time, inconvenience and expenses incurred for asset dispositions and improves the efficiency and probability of completing asset dispositions, as it reduces the possibility of potential buyers declining to pursue the sale or factoring in a lower purchase price to reflect the risk of a sale being subject to Unitholders' approval via EGMs.
 - (3) The expedited sale of the Tranche 1 Assets, the Tranche 2 Assets and/or the Tranche 3 Assets (if the relevant approval from the Lenders is obtained) pursuant to the Disposition Mandate allows for swifter reduction of Manulife US REIT's non-value-added capital expenditure and increase in liquidity, which in turn help to reposition Manulife US REIT's portfolio and strengthen the quality of Manulife US REIT's remaining assets.
- (ii) The Lenders have agreed to make various concessions, including the extension of loan maturities of the Existing Facilities in exchange for the sale of the Tranche 1 Assets and/or the Tranche 2 Assets, and the Disposition Mandate is essential for the Manager to be able to execute such sale of the Tranche 1 Assets and/or the Tranche 2 Assets within the agreed timeframe. It will be exceedingly challenging, and potentially impossible, for the Manager to achieve the intended outcomes of the restructuring of the Existing Facilities without the Disposition Mandate.
- (c) Successful execution of the Recapitalisation Plan will determine the size of the equity fund raising required to achieve Manulife US REIT's optimal aggregate leverage level, resume distributions to Unitholders and effect a potential pivot strategy.**
- (i) Upon execution and completion of the Recapitalisation Plan, the illustrative *pro forma* aggregate leverage of Manulife US REIT will be 49.4%.
 - (ii) The Manager is of the view that this will provide Unitholders (as well as any potential strategic investor) clarity on the amount of equity fund raising required to enable Manulife US REIT to further deleverage to its optimal aggregate leverage level, resume distributions to Unitholders and effect a potential pivot strategy.

Overall, the Recapitalisation Plan demonstrates the Sponsor's and the Lenders' support, is an important step forward for the Manager to fund the liquidity needs of Manulife US REIT and allows Manulife US REIT to deleverage to its optimal aggregate leverage level. In addition, the Recapitalisation Plan also allows the Manager to focus on its long-term plan of pursuing and executing a potential business pivot into assets that may (i) offer better return potential going forward; (ii) secure long-term tenant demand; and (iii) be less capital intensive.

5. RESOLUTION 1: THE PROPOSED DIVESTMENT

5.1 Description of the Property

The Property is an office campus comprising two class A office buildings which has a NLA of 274,700 sq ft of space.

The table below sets out a summary of selected information on the Property as at 30 June 2023 (unless otherwise indicated).

Location	1650 & 1700 South Price Road, Chandler, Arizona
NLA (sq ft)	274,700
Acquisition Price (US\$ million)	106.0
Valuation by JLL as at 30 June 2023 (US\$ million)	98.7
Valuation by Colliers as at 11 October 2023 (US\$ million)	94.0

5.2 Divestment Consideration and Valuation

The Divestment Consideration payable by the Purchaser in connection with the Proposed Divestment of US\$98.7 million, subject to the Closing and Post-Closing Adjustments, was arrived at on a willing-buyer and willing-seller basis taking into account the two independent valuations of the Property by the Independent Valuers. The Divestment Consideration will be paid to the Vendor fully in cash.

The Manager has commissioned the Independent Valuer, JLL, and the Trustee has commissioned another Independent Valuer, Colliers, to value the Property. The open market values of the Property as at 30 June 2023 determined by JLL and as at 11 October 2023 determined by Colliers and stated in their valuation reports dated 30 June 2023 and 15 November 2023 are US\$98.7 million and US\$94.0 million, respectively.

In arriving at the open market values of the Property, the Independent Valuers have valued the Property based on the income capitalisation approach which consists of the discounted cash flow method and direct capitalisation method as well as the sales comparison approach.

The Sponsor has agreed to acquire the Property at the higher of the two independent valuations.

(See **Appendix A** of this Circular for further details on the Independent Valuers' respective valuations of the Property.)

5.3 Valuation by JLL

The Property was valued by JLL on (i) 9 November 2021 when Manulife US REIT acquired the asset, (ii) 31 December 2022 and (iii) 30 June 2023 (the “**JLL June 2023 Park Place Valuation**”).

As part of the Proposed Divestment, the Manager has obtained a waiver from the MAS from Paragraph 8.3(e) of the Property Funds Appendix, which states that a valuer should “not value the same property for more than two consecutive financial years”, even though JLL was appointed to value the Property for the third consecutive time beyond two financial years, to allow Manulife US REIT to rely on the JLL June 2023 Park Place Valuation as one of the valuations for compliance with Paragraph 5.1(c) of the Property Funds Appendix for the reasons set out below.

5.3.1 Proposed Divestment would be in compliance with Paragraph 5.1(d) of the Property Funds Appendix

In light of the fact that the U.S. commercial office valuations are expected to drop further, and that the second independent valuation by Colliers is lower than the JLL June 2023 Park Place Valuation, the Proposed Divestment would be in compliance with Paragraph 5.1(d) of the Property Funds Appendix regardless of whatever valuation which may come in if there is a third independent valuation.

The policy intent of the requirement to obtain two independent valuations (Paragraph 5.1(c) of the Property Funds Appendix) and the requirement not to sell below the lower of the two assessed values (Paragraph 5.1(d) of the Property Funds Appendix) in the context of a sale to an interested party is to ensure that the sale price is not below market price. In the current situation, given the expected further drop in valuations and that the second independent valuation by Colliers is lower than the JLL June 2023 Park Place Valuation, and the Divestment Consideration of US\$98.7 million payable by the Purchaser is based on the JLL June 2023 Park Place Valuation, the Manager is of the opinion that the policy intent of this requirement is satisfied.

5.3.2 Time is of the essence

As described at paragraph 3.1 above, following heavy negotiations amongst the Manager, the Sponsor and the Lenders, one of the Key Recapitalisation Terms is the sale of the Property for at least US\$98.7 million. Additional time would be required for a new independent valuer to value the Property, and if the sale price is less than US\$98.7 million, it would have an impact on the negotiated terms with the Lenders, which would lead to more protracted negotiations. The Manager entered into the Purchase and Sale Agreement on 29 November 2023 (Singapore time) so that, subject to completion of the negotiations with the Lenders and the issuance of this Circular, the Manager can target to hold the EGM by December 2023. The Unit price has traded down significantly, and the Manager hopes to put in place the Recapitalisation Plan (which includes the sale of the Property for at least US\$98.7 million as one of the Key Recapitalisation Terms) as early as possible so as to address Unitholders’ concerns.

5.3.3 The valuer is an established and reputable valuer subject to professional standards

JLL is an established and reputable licensed valuation firm, and they have no incentive to provide a valuation figure which they do not think is reflective of the market.

JLL is subject to the Uniform Standards of Professional Appraisal Practice (“**USPAP**”) and Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute to ensure they exercise due care, diligence and independence and professionalism when valuing properties. The following are the USPAP requirements and the relevant state regulatory requirements which JLL is subject to:

- (1) the appraiser has no present or prospective interest in the property that is subject of the report and no personal interest with respect to the parties involved;
- (2) the appraiser has no bias with respect to the property that is the subject of the report or to the parties involved in the assignment;
- (3) the appraiser’s engagement in the assignment was not contingent upon developing or reporting predetermined results; and
- (4) the appraiser’s compensation for completing the assignment is not contingent upon the occurrence of a subsequent event directly related to the intended use of the appraisal.

5.3.4 Additional expense required to commission an additional valuation

Given the situation of Manulife US REIT being in default of its financial covenants and its elevated aggregate leverage limit, the Manager is putting in various measures to conserve as much cash as possible. Obtaining a third independent valuation would incur additional costs and not benefit Unitholders and would also not serve any meaningful purpose in light of the reason as described in paragraph 5.3.1 above.

The Directors are of the view that Manulife US REIT’s reliance on the JLL June 2023 Park Place Valuation as one of the two independent valuations for the Proposed Divestment is in the best interests of Manulife US REIT and the Unitholders for the reasons set out in paragraphs 5.3.1 to 5.3.4 above.

5.4 Estimated Total Divestment Cost

The Total Divestment Cost comprises the estimated professional and other fees and expenses of approximately US\$0.7 million incurred or to be incurred by Manulife US REIT in connection with the Proposed Divestment.

In accordance with the Trust Deed, the Manager was entitled to a divestment fee of approximately US\$0.49 million, being 0.5% of the Divestment Consideration. However, to support Manulife US REIT, the Manager has waived its divestment fee in relation to the Proposed Divestment. The Manager intends to pay the Total Divestment Cost with the Divestment Consideration.

5.5 Purchase and Sale Agreement

In connection with the Proposed Divestment and as part of the terms of the Recapitalisation Plan, on 29 November 2023 (Singapore time), the Vendor, an indirect wholly-owned subsidiary of Manulife US REIT, and the Purchaser entered into the Purchase and Sale Agreement.

The principal terms of the Purchase and Sale Agreement include, amongst others, the following:

- 5.5.1 customary provisions relating to the Proposed Divestment, including limited representations and warranties, indemnities and pre-completion covenants;
- 5.5.2 the Property is being sold subject to, among others, existing licences, leases, service, maintenance or supply contracts and the Permitted Exceptions (as defined in the Purchase and Sale Agreement) for the Property, and with the Property in its “as-is, where is” condition;
- 5.5.3 to the extent that the Vendor’s representations, covenants and warranties under the Purchase and Sale Agreement survive the closing, they will survive for a period of 270 days, and the maximum amount for which the Vendor shall be liable in the aggregate, and for which the Purchaser shall have the right to assert claims against the Vendor arising out of any and all indemnities, misrepresentations or breaches of any covenant or warranty by the Vendor under the Purchase and Sale Agreement or in any closing document shall not exceed the sum of US\$2.5 million;
- 5.5.4 the Purchaser’s obligation to acquire the Property is subject to certain conditions, including: (a) performance of the Vendor’s obligations under the Purchase and Sale Agreement in all material respects; (b) delivery of acceptable tenant or seller estoppels from or for all three tenants; (c) subject to agreed-to exceptions, the accuracy of the Vendor’s representations in all material respects; (d) the irrevocable commitment by the specified title company, subject only to payment of the premium, to issue a title insurance policy for the Property insuring that fee simple title to the Property is vested in the Purchaser; (e) no tenant bankruptcies; (f) no uncured events of default or failure to pay rent by any tenant; and (g) the execution of the Master Restructuring Agreement;
- 5.5.5 the Purchaser’s liability to pay to the Vendor liquidated damages for failure or refusal to purchase the Property in violation of the Purchaser’s obligations under the Purchase and Sale Agreement for any reason other than a default by the Vendor under the Purchase and Sale Agreement is capped at US\$300,000; and
- 5.5.6 the Vendor’s obligation to sell the Property is also subject to certain conditions, including: (a) the Purchaser’s performance of its obligations under the Purchase and Sale Agreement in all material respects; (b) the accuracy of the Purchaser’s representations in all material respects; (c) the approval of the Unitholders for the Proposed Divestment at an EGM; and (d) the execution of the Master Restructuring Agreement.

6. RESOLUTION 2: THE SPONSOR-LENDER LOAN

6.1 Sponsor-Lender Loan Agreement

In connection with the Sponsor-Lender Loan and as part of the terms of the Recapitalisation Plan, Manulife US REIT has on 29 November 2023 (Singapore time) entered into the Sponsor-Lender Loan Agreement with the Sponsor-Lender in relation to the Sponsor-Lender Loan. Pursuant to the Sponsor-Lender Loan, the Sponsor-Lender will provide a US\$137.0 million loan for a period of six years at an interest rate of 7.25%, paid quarterly, with the Exit Premium of up to 21.16% of the Sponsor-Lender Loan Amount payable by the Debtor to the Sponsor-Lender upon maturity of the Sponsor-Lender Loan. Purely for illustrative purposes only, taking into account the Exit Premium, an effective interest rate¹ of approximately 10% per annum is derived. The effective interest rate is just to illustrate the interest payable if the Exit Premium is paid across the loan tenor but for the avoidance of doubt, for the duration of the Sponsor-Lender Loan, the annual interest rate payable is 7.25% and the Exit Premium is only paid at the end upon maturity of the Sponsor-Lender Loan.

The Sponsor-Lender Loan Agreement is also subject to certain conditions, including the execution of the Master Restructuring Agreement.

The principal terms of the Sponsor-Lender Loan Agreement are set out in the table below.

No.	Principal Terms	Details
1	Facility Agreements	(i) the US\$193M Facility; (ii) the US\$1B Facility; (iii) the US\$250M Facility; (iv) the US\$90M Facility; (v) the US\$225M Facility; and (vi) the US\$105M Facility.
2	Financing	Subject to the approval of Unitholders and contemporaneous restructuring of the Existing Facilities in accordance with the Key Recapitalisation Terms, the Sponsor-Lender is to provide the Debtor the Sponsor-Lender Loan. Disbursement of the Sponsor-Lender Loan will occur after satisfaction of all conditions precedent to funding.

¹ Effective interest rate is the rate that exactly discounts future cash payments through the tenor of the loan.

No.	Principal Terms	Details
		<p>Except as otherwise noted in this paragraph, the Sponsor-Lender shall not at any time before Relevant Acceleration of the Sponsor-Lender Loan be paid ahead of the Lenders, and upon Relevant Acceleration of the Sponsor-Lender Loan, only on a <i>pari passu</i> basis with the Lenders. For purposes herein, “Acceleration” means an acceleration of the Sponsor-Lender Loan and “Relevant Acceleration” means an acceleration of the Sponsor-Lender Loan solely by reason of an acceleration of the outstanding debt by one or more Lenders under one or more of the Existing Facilities. Prior to Relevant Acceleration, interest paid to the Lenders under the Existing Facilities and under the Sponsor-Lender Loan are to be made on a <i>pari passu</i> basis.</p>
3	Use of Proceeds	<p>Paydown outstanding debt owed by the Debtor to each Lender on a <i>pari passu</i> basis.</p>
4	Exit Fee/Premium	<p>(a) Subject to paragraph (b) below, upon maturity of the Sponsor-Lender Loan, the Debtor shall pay to the Sponsor-Lender the Exit Premium of 21.16% of the outstanding loans.</p> <p>(b) If the Sponsor-Lender Loan is voluntarily prepaid prior to maturity or a Relevant Acceleration or an Acceleration (after the Lenders have been paid in full) occurs, the Exit Premium shall be as follows:</p> <ul style="list-style-type: none"> • an amount equal to all Singapore taxes withheld by the Debtor from interest payments to the Sponsor-Lender as of the date of the voluntary prepayment, Relevant Acceleration or Acceleration (after the Lenders have been fully paid), if such voluntary prepayment, Relevant Acceleration or Acceleration occurs prior to the first anniversary of the initial utilisation date under the Sponsor-Lender Loan Agreement (the “Initial Utilisation Date”); • 3.53% of: (a) in the case of a voluntary prepayment of part of the outstanding loans, the amount of such loans voluntarily prepaid; or (b) in the case of a voluntary prepayment of all of the outstanding loans, a Relevant Acceleration or an Acceleration (after the Lenders have been paid in full), the outstanding loans, <p>if such voluntary prepayment, Relevant Acceleration or Acceleration occurs on or after the first anniversary date of the Initial Utilisation Date, but prior to the second anniversary date of the Initial Utilisation Date;</p>

No.	Principal Terms	Details
		<ul style="list-style-type: none"> • 7.05% of: (a) in the case of a voluntary prepayment of part of the outstanding loans, the amount of such loans voluntarily prepaid; or (b) in the case of a voluntary prepayment of all of the outstanding loans, a Relevant Acceleration or an Acceleration (after the Lenders have been paid in full), the outstanding loans, if such voluntary prepayment, Relevant Acceleration or Acceleration occurs on or after the second anniversary date of the Initial Utilisation Date, but prior to the third anniversary date of the Initial Utilisation Date; • 10.58% of: (a) in the case of a voluntary prepayment of part of the outstanding loans, the amount of such loans voluntarily prepaid; or (b) in the case of a voluntary prepayment of all of the outstanding loans, a Relevant Acceleration or an Acceleration (after the Lenders have been paid in full), the outstanding loans, if such voluntary prepayment, Relevant Acceleration or Acceleration occurs on or after the third anniversary date of the Initial Utilisation Date, but prior to the fourth anniversary date of the Initial Utilisation Date; • 14.11% of: (a) in the case of a voluntary prepayment of part of the outstanding loans, the amount of such loans voluntarily prepaid; or (b) in the case of a voluntary prepayment of all of the outstanding loans, a Relevant Acceleration or an Acceleration (after the Lenders have been paid in full), the outstanding loans, if such voluntary prepayment, Relevant Acceleration or Acceleration occurs on or after the fourth anniversary date of the Initial Utilisation Date, but prior to the fifth anniversary date of the Initial Utilisation Date; or

No.	Principal Terms	Details
		<ul style="list-style-type: none"> • 17.63% of: (a) in the case of a voluntary prepayment of part of the outstanding loans, the amount of such loans voluntarily prepaid; or (b) in the case of a voluntary prepayment of all of the outstanding loans, a Relevant Acceleration or an Acceleration (after the Lenders have been paid in full), the outstanding loans, <p>if such voluntary prepayment, Relevant Acceleration or Acceleration occurs on or after the fifth anniversary date of the Initial Utilisation Date, but prior to the sixth anniversary date of the Initial Utilisation Date.</p> <p>For the avoidance of doubt,</p> <ul style="list-style-type: none"> • The Exit Premium is payable only after all debt owing to the Lenders is repaid in full; provided that upon Relevant Acceleration of the Sponsor-Lender Loan, the Exit Premium shall form part of the debt owing to the Sponsor-Lender and repayment thereof shall rank <i>pari passu</i> with repayment of the outstanding debt of the Lenders; and • the Exit Premium is intended to (1) adjust the interest rate on the Sponsor-Lender Loan at maturity or earlier prepayment, Relevant Acceleration or Acceleration and (2) compensate the Sponsor-Lender for monies withheld from payments due under the Sponsor-Lender Loan from the Debtor to the Sponsor-Lender to satisfy the Debtor's Singapore withholding tax obligations. <p>The Debtor shall be entitled to deduct Singapore withholding tax from the payments made to the Sponsor-Lender under the Sponsor-Lender Loan, without any grossing-up obligations.</p>
5	Disposal of Tranche 1 Assets and/or Tranche 2 Assets	The Debtor's obligations will mirror the terms set out at Item 5 (<i>Disposal of Tranche 1 Assets and/or Tranche 2 Assets</i>) of the Key Recapitalisation Terms.
6	Halt Distributions to Unitholders	Restrictions will mirror the terms set out at Item 6 (<i>Halt Distributions to Unitholders</i>) of the Key Recapitalisation Terms.

No.	Principal Terms	Details
7	Covenants	<p>The Sponsor-Lender Loan shall include covenants substantially similar to those set forth in the Facility Agreements, as modified by the restructuring contemplated in the Key Recapitalisation Terms and as otherwise specifically set out herein.</p> <p>The covenants of the Sponsor-Lender Loan shall permit all payments required to be made by the Debtor to the Lenders herein and in the Key Recapitalisation Terms.</p> <p><u>Restrictions on Change of Control</u></p> <p>Restrictions will mirror the terms of paragraph (a) of Item 16 (<i>Other Covenants</i>) of the Key Recapitalisation Terms.</p> <p><u>Cross Default</u></p> <p>A default under any Existing Facility shall constitute a default under the Sponsor-Lender Loan.</p>
8	Interest Reserve Account	<p>The Debtor's obligations will mirror the terms set out at Item 9 (<i>Interest Reserve Account</i>) of the Key Recapitalisation Terms.</p>
9	Quarterly Reporting	<p>Quarterly reporting requirements will be in line with Item 10 (<i>Quarterly Reporting</i>) of the Key Recapitalisation Terms.</p>
10	No Further Financial Indebtedness	<p>The Debtor's obligations will mirror the terms set out at Item 11 (<i>No Further Financial Indebtedness</i>) of the Key Recapitalisation Terms.</p>

No.	Principal Terms	Details
11	Majority Lenders	<p>For the purposes herein, save as otherwise stated:</p> <p>“Majority Lenders means a Lender or Lenders to whom total outstanding debt owed by the Debtor constitutes more than 66.67% of the total outstanding debt owed by the Debtor to all Lenders; and</p> <p>“Sponsor-Included Majority Lenders” means a Lender or Lenders and the Sponsor-Lender to whom total outstanding debt owed collectively by the Debtor constitutes more than 66.67% of the total outstanding debt owed collectively by the Debtor to all Lenders and the Sponsor-Lender collectively,</p> <p>and in each case, where there are only the Lenders of the US\$90M Facility and of the US\$225M Facility (collectively, “2027 Existing Lenders”) remaining as Lenders, “Majority Lenders” shall mean all of such 2027 Existing Lenders, and “Sponsor-Included Majority Lenders” shall mean the Sponsor-Lender and all of such 2027 Existing Lenders.</p>
12	Voting Rights	<p>When an issue is put to vote amongst Lenders (and Sponsor-Lender, as applicable), each Lender’s vote shall be weighted in accordance with the total debt outstanding to that Lender (and Sponsor-Lender, as applicable), in proportion to the total debt outstanding to all Lenders (and Sponsor-Lender, as applicable), as at the date of the vote.</p>
13	Master Restructuring Agreement	<p>(a) The Sponsor, the Sponsor-Lender, all Lenders, and the Debtor to enter into the Master Restructuring Agreement, setting out, among other things, the sharing mechanisms in respect of the proposed debt repayment, decision-making, and undertakings by each entity to complete the transactions such that the sale proceeds of the Tranche 1 Assets and/or the Tranche 2 Assets would be upstreamed to the Debtor and any other requirement as set out in the Key Recapitalisation Terms which is to be included in the Master Restructuring Agreement.</p> <p>(b) Prior to a Relevant Acceleration of the Sponsor-Lender Loan, repayment of debt owed to the Lenders and Sponsor-Lender shall occur in order of maturity date (i.e. the loan with the earliest maturity date will be repaid in full first, followed by subsequently maturing debt).</p>

No.	Principal Terms	Details
		<p>(c) Any changes to the date of payment of any amount payable, change in interest rate, increase of loan amount/commitment, amendments to order of priority, the taking of collateral or security (by any of the Lenders and the Sponsor-Lender), or application of proceeds of each of the Sponsor-Lender Loan and the restructured debt of the Lenders, shall require the prior approval of all Lenders and the Sponsor-Lender.</p> <p>(d) The Lenders shall receive the Required Legal Opinions. The Debtor will set out the steps of upstreaming the monies from the U.S. entities to the Debtor in the documentation and the Debtor shall covenant that the steps will be complied with.</p>

7. RESOLUTION 3: THE DISPOSITION MANDATE

7.1 Introduction

As part of the terms of the Recapitalisation Plan, subject to the approval of Unitholders, the Manager proposes the adoption of the Disposition Mandate, to authorise the Manager to dispose of the Existing Properties from the date of approval of Resolution 3 to 31 December 2025. The terms of the Disposition Mandate are wider than the terms of the Recapitalisation Plan which requires the sale of certain Tranche 1 Assets and/or Tranche 2 Assets to raise minimum aggregate net sale proceeds of US\$328.7 million by 30 June 2025 (see Item 5(e) (*Minimum Sale Targets*) of the Key Recapitalisation Terms) as the Disposition Mandate will, subject to the requisite approval of the Lenders having been obtained¹, allow Manulife US REIT to sell the Tranche 3 Assets should the Manager be approached with an offer that benefits Unitholders.

After discussions between the Manager, the Sponsor and the Lenders, the Manager has classified the Existing Properties in the following categories in terms of order of priority and focus for the Manager to execute asset dispositions pursuant to the Disposition Mandate to raise minimum aggregate net sale proceeds of US\$328.7 million. The Manager took into consideration various factors in the portfolio analysis, including the Identified Factors:

- (i) **Tranche 1 Assets:** Centerpointe, Diablo, Figueroa and Penn, being assets identified by the Manager to be the key focus of the sale.
- (ii) **Tranche 2 Assets:** Capitol, Exchange, Peachtree and Plaza, being assets which the Manager may explore selling.
- (iii) **Tranche 3 Assets:** Phipps and Michelson, being assets which are not the focus of the sale, but the Manager may explore such sale of if the situation and opportunity arise and such sale is beneficial to Unitholders.

¹ As the loan restructuring does not cover the sale of the Tranche 3 Assets, any sale would need to be in accordance with the terms of the existing Facility Agreements, including, if such a sale is not permitted under the relevant Facility Agreement, obtaining the requisite level of approval in such Facility Agreement to provide the waiver for the sale.

The Manager's portfolio analysis on the classification of the Existing Properties based on the above categories in terms of order of priority and focus for the Manager to execute asset dispositions pursuant to the Disposition Mandate is as follows:

Existing Properties	Factor taken into consideration		
	Occupancy Risk	Capital Expenditure Requirements	Total Return Potential
Tranche 1 Assets (28.4% of Manulife US REIT's portfolio ⁽¹⁾)	High	High	Low
Tranche 2 Assets (43.3% of Manulife US REIT's portfolio ⁽¹⁾)	Medium	Medium to High	Medium
Tranche 3 Assets (28.3% of Manulife US REIT's portfolio ⁽¹⁾)	Low	Low to Medium	Medium to High

Note:

(1) Based on the valuations of the Existing Properties as at 30 June 2023 set out in the table at paragraph 7.2 below. For the avoidance of doubt, this excludes the valuation of the Property.

The Manager would also like to highlight that pursuant to the Disposition Mandate, the Tranche 1 Assets, the Tranche 2 Assets and the Tranche 3 Assets need not be sold in a sequential manner, starting from the sale of the Tranche 1 Assets. Accordingly, Manulife US REIT need not complete the sale of the Tranche 1 Assets before selling any Tranche 2 Asset or Tranche 3 Asset.

As part of the terms of the restructuring of the Existing Facilities pursuant to the Recapitalisation Plan, (i) the Lenders' consent is not required for the sale of the Tranche 1 Assets at a sale price equivalent to or above the applicable Pre-Approved Pricing (as defined in Item 5 (*Disposal of Tranche 1 Assets and/or Tranche 2 Assets*) of the Key Recapitalisation Terms), but the approval by the Sponsor-Included Majority Lenders is required for the sale of the Tranche 1 Assets at a sale price below the applicable Pre-Approved Pricing; and (ii) the sale of the Tranche 2 Assets would require the approval by the Sponsor-Included Majority Lenders. The sale of the Tranche 3 Assets would require the requisite approval of the Lenders.¹

¹ As the loan restructuring does not cover the sale of the Tranche 3 Assets, any sale would need to be in accordance with the terms of the existing Facility Agreements, including, if such a sale is not permitted under the relevant Facility Agreement, obtaining the requisite level of approval in such Facility Agreement to provide the waiver for the sale.

7.2 Description of the Existing Properties

The table below sets out a summary of selected information of the Existing Properties as at 30 June 2023:

No.	Existing Property	Location	NLA (sq ft)	Acquisition Price (US\$ million)	Latest Valuation (US\$ million)
1.	Capitol	400 Capitol Mall, Sacramento, California, United States 95814	502,454	198.8	165.0
2.	Centerpointe	4000 & 4050 Legato Road, Fairfax, Virginia, United States 22033	421,188	122.0	79.0
3.	Diablo	2900 South Diablo Way, Tempe, Arizona, United States 85282	354,434	61.8	58.6
4.	Exchange	10 Exchange Place, Jersey City, New Jersey, United States 07302	737,611	315.1	258.0
5.	Figueroa	865 South Figueroa Street, Los Angeles, California, United States 90015	715,024	284.7	174.0
6.	Peachtree	1100 Peachtree Street, Atlanta, Georgia, United States 30309	559,102	175.0	175.0
7.	Penn	1750 Pennsylvania Avenue NW, Washington, D.C., United States 20006	278,063	182.0	124.0
8.	Plaza	500 Plaza Drive, Secaucus, New Jersey, United States 07094	466,496	115.0	67.1
9.	Phipps	3438 Peachtree Road, Atlanta, Georgia, United States 30326	475,778	205.0	178.15
10.	Michelson	3161 Michelson Drive, Irvine, California, United States 92612	535,003	317.8	256.0

7.3 Terms of the Disposition Mandate

The salient terms of the Disposition Mandate are as follows:

- (i) **All** the Existing Properties are subject to the terms of the Disposition Mandate, and **not** just the Tranche 1 Assets and the Tranche 2 Assets.

- (ii) The objective of the Disposition Mandate is to provide the Manager with the needed flexibility to execute business plans and asset dispositions that are essential to the Recapitalisation Plan but also essential to preserve long-term Unitholder value and to raise the minimum aggregate net sale proceeds of US\$328.7 million from the sale of the Existing Properties (on a cumulative basis, but for the avoidance of doubt, does not include the Divestment Consideration from the Proposed Divestment) as required by the Lenders under the terms of the restructuring of the Existing Facilities.
- (iii) At the relevant point of sale and prior to the signing of the definitive agreements in each disposition transaction relating to any Existing Property, the Manager and the Trustee shall arrange for a valuation of such asset by an independent valuer, with the valuation being no earlier than two months prior to the entry into the sale and purchase agreement for such asset, to ascertain the market value of such asset (or in respect of a Tranche 1 Asset, the Prevailing Market Price) (which is based on such formal valuation report). The independent valuer shall be appointed by the Trustee to maintain independence.
- (iv) Each of the Existing Properties may be sold at no less than 90% of the independent valuation obtained in accordance with paragraph 7.3(iii) above.
- (v) If approved by the Unitholders at the EGM, the authority conferred by the Disposition Mandate will continue in force for a period commencing from and including the day following the day of the EGM until (whichever is earliest):
 - (a) 31 December 2025¹;
 - (b) the aggregate net sale proceeds from the sale of any of the Existing Properties (on a cumulative basis, but for the avoidance of doubt, does not include the Divestment Consideration from the Proposed Divestment) exceed US\$328.7 million²; or
 - (c) if the Early Reinstatement Conditions are achieved.
- (vi) If Manulife US REIT is not able to dispose of one or more of the Existing Properties in accordance with the terms of the Disposition Mandate, the Manager will revert to the Unitholders for a fresh mandate or a specific approval for the transaction if required pursuant to Chapter 10 of the Listing Manual.
- (vii) Notwithstanding the rest of the terms of the Disposition Mandate, the Disposition Mandate does **not** cover a sale to interested person(s) of Manulife US REIT. If a transaction with interested person(s) of Manulife US REIT is equal to or exceeds the thresholds prescribed in Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Manager shall seek specific Unitholders' approval

¹ The reason for the Disposition Mandate to end post 30 June 2025 up to 31 December 2025 is such that in the event that Manulife US REIT is not able to dispose of sufficient amount of assets before 30 June 2025 (i.e. the US\$328.7 million amount), the Manager is in a position to negotiate with the Lenders to obtain an extension. The 31 December 2025 long stop date is to provide Manulife US REIT with greater flexibility to negotiate a longer sales period with the Lenders, if required, and this is beneficial for Manulife US REIT. It should be noted that 31 December 2025 was selected as it ties in with a number of points in the loan restructuring which extends to 31 December 2025, such as the halting of distributions and relaxation of financial covenants. Subjecting the Disposition Mandate to an annual renewal mandate would put more pressure on Manulife US REIT to complete the sale of the assets to raise US\$328.7 million within a shorter time period which in the current market conditions would not be favourable to Manulife US REIT.

² For the avoidance of doubt, in the event that the sale of any Existing Property would result in the aggregate net sale proceeds increasing from an amount below US\$328.7 million to an amount exceeding US\$328.7 million, the sale of such Existing Property is also deemed approved by this Disposition Mandate.

and/or make an immediate announcement in respect of such transaction in accordance with Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

7.4 Announcements

The Manager shall keep the Unitholders informed of transactions conducted under the Disposition Mandate by making announcements as required under Chapter 10 of the Listing Manual, including but not limited to the information required under Rule 1010 of the Listing Manual.

In addition to the above, the Manager will also be making an announcement upon the expiry of the Disposition Mandate.

8. REQUIREMENT FOR UNITHOLDERS' APPROVAL

8.1 Interested Person Transactions under the Listing Manual and Interested Party Transactions under the Property Funds Appendix (in relation to Resolution 1 (the Proposed Divestment) and Resolution 2 (the Sponsor-Lender Loan))

Under Chapter 9 of the Listing Manual, where Manulife US REIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S\$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of the latest audited NTA of the Manulife US REIT Group, Unitholders' approval is required in respect of the transaction. Based on the latest audited financial statements of the Manulife US REIT Group for the financial year ended 31 December 2022 ("FY2022", and the audited financial statements of the Manulife US REIT Group for FY2022, the "FY2022 Audited Financial Statements"), the NTA of the Manulife US REIT Group was US\$1,020.3 million as at 31 December 2022. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by Manulife US REIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S\$100,000) entered into with the same interested person during the current financial year, is equal to or in excess of US\$51.0 million, such a transaction would be subject to Unitholders' approval under Rule 906(1) of the Listing Manual.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by Manulife US REIT whose value exceeds 5.0% of the Manulife US REIT Group's latest audited NAV. Based on the FY2022 Audited Financial Statements, the NAV of the Manulife US REIT Group was US\$1,020.3 million as at 31 December 2022. Accordingly, if the value of a transaction which is proposed to be entered into by Manulife US REIT with an interested party is equal to or greater than US\$51.0 million, such a transaction would be subject to Unitholders' approval under Paragraph 5.2(b) of the Property Funds Appendix.

As at the Latest Practicable Date, the Sponsor is deemed interested in 162,254,653 Units, which is equivalent to approximately 9.13% of the total number of Units in issue. However, as the Manager is an indirect wholly-owned subsidiary of the Sponsor¹, the Sponsor is regarded as a "controlling shareholder" of the Manager under both the Listing Manual and the Property Funds Appendix.

¹ The Manager is wholly owned by Manulife Financial Asia Limited, which is in turn wholly owned by Manulife Holdings (Bermuda) Limited, which is in turn wholly owned by the Sponsor.

As the Purchaser is an indirect wholly-owned subsidiary of the Sponsor, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Purchaser (being an “associate” of a “controlling shareholder” of the Manager) and the Sponsor (being a “controlling shareholder” of the Manager) are (for the purpose of the Listing Manual) “interested persons” and (for the purpose of the Property Funds Appendix) “interested parties” of Manulife US REIT.

Accordingly, (i) the Proposed Divestment and (ii) the Sponsor-Lender Loan will constitute “interested person transactions” as defined under Chapter 9 of the Listing Manual as well as “interested party transactions” under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

The Divestment Consideration of US\$98.7 million equates to approximately 9.7% of the latest audited NTA and NAV of the Manulife US REIT Group as at 31 December 2022. The Sponsor-Lender Loan Interest Amount of up to US\$89.4 million equates to up to approximately 8.8% of the latest audited NTA and NAV of the Manulife US REIT Group as at 31 December 2022. As the values of the Proposed Divestment and the Sponsor-Lender Loan (being the Divestment Consideration and the Sponsor-Lender Loan Interest Amount respectively) exceeds 5.0% of the NTA and the NAV of the Manulife US REIT Group, the Manager will be seeking the approval of Unitholders by way of an Ordinary Resolution for the Proposed Divestment and the Sponsor-Lender Loan respectively, pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

8.2 Existing Interested Person Transaction(s)

For the information of the Unitholders, as at the Latest Practicable Date, Manulife US REIT had entered into interested person transactions (including the Tanasbourne Divestment) with Manulife Financial Corporation (“MFC”), the Sponsor (which is a wholly-owned subsidiary of MFC) and their subsidiaries and associates during the current financial year ending 31 December 2023 (“FY2023”) (collectively, the “**Existing Interested Person Transactions**”), amounting to approximately US\$33.7 million which is equivalent to approximately 3.3% of the latest audited NTA of the Manulife US REIT Group as at 31 December 2022 and does not take into account the Proposed Divestment. Save as described above, there were no other interested person transactions entered into with any other interested person of Manulife US REIT during the current financial year. The approval of Unitholders is not being sought for the Existing Interested Person Transactions as none of the individual values nor the aggregate value of the Existing Interested Person Transactions were more than or equal to 5.0% of the Manulife US REIT Group’s latest audited NTA. For the avoidance of doubt, the Existing Interested Person Transactions which are not being approved by Unitholders will continue to be the subject of aggregation for purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

8.3 Disclosure under Rule 1006 of the Listing Manual

8.3.1 Major Transaction under the Listing Manual

Chapter 10 of the Listing Manual governs the acquisition and divestment of assets, including options to acquire or dispose of assets, by an issuer. Such transactions are classified into the following categories:

- (a) non-discloseable transactions;
- (b) discloseable transactions;
- (c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A transaction by an issuer may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

- (i) the NAV of the assets to be disposed of, compared with the issuer's NAV;
- (ii) the net profits attributable to the assets acquired, compared with the issuer's net profit;
- (iii) the aggregate value of the consideration given, compared with the issuer's market capitalisation; and
- (iv) the number of Units issued by the issuer as consideration for an acquisition, compared with the number of Units previously in issue.

8.3.2 Relative Figures Computed on the Bases set out in Rule 1006 (in relation to Resolution 1 (the Proposed Divestment))

The relative figures for the Proposed Divestment aggregated with the Tanasbourne Divestment using the applicable bases of comparison described in paragraph 8.3.1 above are set out in the table below.

Comparison of	Tanasbourne Divestment ⁽¹⁾ (US\$ million)	The Proposed Divestment (US\$ million)	Manulife US REIT (US\$ million)	Relative Figure (%)
Rule 1006(a) NAV of the assets to be disposed of, compared with Manulife US REIT's NAV	33.5	103.0 ⁽²⁾	1,020.3 ⁽³⁾	13.4 (Aggregate ⁽⁷⁾) 10.1 (for the Proposed Divestment)
Rule 1006(b) Net profits/(losses) attributable to the assets disposed of compared to Manulife US REIT's net profits/(losses)	1.4	2.0	(147.8) ⁽³⁾	(2.3) (Aggregate ⁽⁷⁾) (1.4) (for the Proposed Divestment)
Rule 1006(c) Aggregate value of consideration to be given compared with Manulife US REIT's market capitalisation	33.5	98.7 ⁽⁴⁾	323.7 (for the Tanasbourne Divestment) ⁽⁵⁾ 182.6 (for the Proposed Divestment) ⁽⁶⁾	10.3 (for the Tanasbourne Divestment) 54.1 (for the Proposed Divestment) 64.4 (Aggregate ^{(7),(8)})

Notes:

(1) As disclosed in the announcement dated 12 April 2023 titled "Divestment of Property known as Tanasbourne located in, Hillsboro, Oregon".

(2) Based on the fair value of the Property as at 31 December 2022.

- (3) Based on the FY2022 Audited Financial Statements.
- (4) For the purposes of computation under Rule 1006(c), the aggregate consideration received by Manulife US REIT is the Divestment Consideration, excluding the Total Divestment Cost.
- (5) Based on 1,776,565,421 Units in issue and the weighted average price of US\$0.1822 per Unit on the SGX-ST on 11 April 2023, being the Market Day¹ preceding the date of entry into the purchase and sale agreement in connection with the Tanasbourne Divestment.
- (6) Based on 1,776,565,421 Units in issue and the weighted average price of US\$0.1028 per Unit on the SGX-ST on the Latest Practicable Date. See the announcement dated 29 November 2023 titled “Restructuring of Manulife US REIT’s Existing Facilities through a Recapitalisation Plan to Reduce Aggregate Leverage” (the “**Transaction Announcement**”) for the relative figure as at 28 November 2023 (Singapore time), being the Market Day preceding the date of entry into the Purchase and Sale Agreement.
- (7) Relative figures for the Proposed Divestment aggregated with the Tanasbourne Divestment.
- (8) In respect of the Tanasbourne Divestment, based on 1,776,565,421 Units in issue and the weighted average price of US\$0.1822 per Unit on the SGX-ST on 11 April 2023, being the Market Day preceding the date of entry into the purchase and sale agreement in connection with the Tanasbourne Divestment. In respect of the Proposed Divestment, based on 1,776,565,421 Units in issue and the weighted average price of US\$0.1028 per Unit on the SGX-ST on the Latest Practicable Date, and see the Transaction Announcement for the relative figure as at 28 November 2023 (Singapore time), being the Market Day preceding the date of entry into the Purchase and Sale Agreement.

Where any of the relative figures computed on the bases set out above exceeds 5.0% but does not exceed 20.0%, the transaction is classified as a “discloseable transaction” under Rule 1010 of the Listing Manual which would require the issue of an announcement. In the case of REITs, where any of the relative figures computed on the bases set out above is 50.0% or more based on the aggregate value of all disposals in the last 12 months, the transaction is classified as a “major transaction” under Rule 1014(3) of the Listing Manual which would be subject to the approval of Unitholders.

As the relative figure for the Proposed Divestment computed on the basis set out in Rule 1006(c) of the Listing Manual, taking into account Rule 1014(3) of the Listing Manual, exceeds 50%, the Proposed Divestment is classified as a “major transaction” under Chapter 10 of the Listing Manual and the Manager will be seeking the approval of Unitholders by way of an Ordinary Resolution for the Proposed Divestment, pursuant to Chapter 10 of the Listing Manual.

¹ “Market Day” means a day on which the SGX-ST is open for trading in securities.

8.3.3 Disclosure under Rule 1006 of the Listing Manual (in relation to Resolution 3 (the Disposition Mandate))

FOR ILLUSTRATIVE PURPOSES ONLY: The relative figures for the Disposition Mandate (based on the disposal of the Tranche 1 Assets pursuant to the Disposition Mandate (collectively, the “**Tranche 1 Asset Dispositions**”)), using the applicable bases of comparison described in paragraph 8.3.1 above are set out in the table below. It should be noted that the following figures assume that all four of the Tranche 1 Assets are sold for an aggregate of US\$328.7 million and the sale and purchase agreements are entered into on the Latest Practicable Date. The actual figures would vary depending on the asset sold, the price which it is sold for and the timing of the sale. The announcement(s) when the Existing Properties are sold would include the actual relative figures. For the avoidance of doubt, the actual relative figures are likely to be different from the illustrative relative figures set out in the table below.

Comparison of	Tranche 1 Asset Dispositions (US\$ million)	Manulife US REIT (US\$ million)	Relative Figure (%)
Rule 1006(a) NAV of the assets to be disposed of, compared with Manulife US REIT’s NAV	531.5 ⁽¹⁾	1,020.3 ⁽²⁾	52.1
Rule 1006(b) Net profits/(losses) attributable to the assets disposed of compared to Manulife US REIT’s net profits/(losses)	(118.6)	(147.8) ⁽²⁾	80.3
Rule 1006(c) Aggregate value of consideration to be given compared with Manulife US REIT’s market capitalisation	328.7	182.6 ⁽³⁾	180.0

Notes:

- (1) Based on the fair values of the Tranche 1 Assets as at 31 December 2022.
- (2) Based on the FY2022 Audited Financial Statements.
- (3) Based on 1,776,565,421 Units in issue and the weighted average price of US\$0.1028 per Unit on the SGX-ST on the Latest Practicable Date.

9. DETAILS AND FINANCIAL INFORMATION OF THE PROPOSED DIVESTMENT, THE SPONSOR-LENDER LOAN AND THE DISPOSITION MANDATE

9.1 Use of Proceeds from the Proposed Divestment, the Sponsor-Lender Loan and the Disposition Mandate

After taking into account the Total Divestment Cost, the net proceeds from the Proposed Divestment would be approximately US\$98.0 million, resulting in an estimated net loss from the Proposed Divestment of approximately US\$0.7 million¹.

See Items 3 (*Debt Paydown*) and 5 (*Disposal of Tranche 1 Assets and/or Tranche 2 Assets*) of the Key Recapitalisation Terms on the intended use of proceeds from the Proposed Divestment, the Sponsor-Lender Loan and the disposal of the Tranche 1 Assets and/or the Tranche 2 Assets pursuant to the Disposition Mandate. See also paragraph 4(iii)(d) above on the intended use of proceeds from the disposal of the Tranche 3 Assets pursuant to the Disposition Mandate.

9.2 Pro Forma Financial Effects

The *pro forma* financial effects of the Proposed Divestment, the Sponsor-Lender Loan and the disposal of the Existing Properties pursuant to the Disposition Mandate on the aggregate leverage, the DPU and the NAV per Unit presented below are strictly for illustrative purposes only and are prepared based on the latest unaudited financial statements of the Manulife US Group for the financial six-month period ended 30 June 2023 (“**1H FY2023**” and the unaudited financial statements of the Manulife US REIT Group for 1H FY2023, the “**1H FY2023 Unaudited Financial Statements**”), the FY2022 Audited Financial Statements and the Tranche 1 Asset Dispositions.

Both sets of *pro forma* financial effects were prepared based on the following assumptions:

- (i) the Tanasbourne Divestment had been completed with net proceeds of approximately US\$33.1 million retained for working capital purposes;
- (ii) the Proposed Divestment is completed with net proceeds of approximately US\$98.0 million after factoring in the Total Divestment Cost;
- (iii) the Tranche 1 Asset Dispositions are completed with net proceeds of approximately US\$322.1 million after factoring in the divestment costs and the sale and purchase agreements are entered into on the Latest Practicable Date;
- (iv) the Manager had waived its divestment fee in relation to the Tanasbourne Divestment and the Proposed Divestment;
- (v) US\$506.2 million² of the aggregate net proceeds from the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions were used to repay existing indebtedness of Manulife US REIT; and

1 This is based on the carrying value of the Property of US\$98.7 million as at 30 June 2023 pursuant to the JLL June 2023 Park Place Valuation.

2 Comprising US\$98.0 million from the Proposed Divestment, US\$137.0 million from the Sponsor-Lender Loan, US\$50.0 million from Manulife US REIT’s own cash holdings and US\$221.2 million from the Tranche 1 Asset Dispositions.

- (vi) no withholding tax has been assumed on the halting of distributions as the Manager is unable to determine the number of Unitholders who fail to supply the United States withholding forms and certificates at the future validation date. If Unitholders continue their historic practice of supplying the United States withholding forms and certificates (principally, the US IRS Form W-8 that is requested of all Unitholders in connection with their acquisition of Units) at the same levels of compliance as in the past, the Manager expects this aggregate economic cash burden on Manulife US REIT to be minimal.

9.2.1 1H FY2023 *Pro Forma* Financial Effects based on the 1H FY2023 Unaudited Financial Statements

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Tanasbourne Divestment, the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions are strictly for illustrative purposes only and were prepared based on the 1H FY2023 Unaudited Financial Statements.

(i) 1H FY2023 *Pro Forma* DPU

The *pro forma* financial effects of the Tanasbourne Divestment, the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions on Manulife US REIT's DPU as if the respective transactions were completed on 1 January 2023, are as follows:

	1H FY2023 Unaudited Financial Statements	After the Tanasbourne Divestment	After the Tanasbourne Divestment and the Proposed Divestment	After the Tanasbourne Divestment, the Proposed Divestment and the Sponsor-Lender Loan	After the Tanasbourne Divestment, the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions
Income available for distribution to Unitholders ("DI") (US\$'000)	37,948	37,405	36,290	33,270 ⁽¹⁾	18,906
Units in issue ('000)	1,776,565	1,776,565	1,776,565	1,776,565	1,776,565
DPU based on DI over units in issue (US cents)	2.14	2.11	2.04	1.87	1.06
DPU Dilution (%) ⁽²⁾	N.A.	(1.4)	(4.4)	(12.3)	(50.2)

Notes:

- (1) For illustrative purposes, this includes the effect of the debt repayment of US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt.
- (2) Subject to rounding difference.

(ii) **Pro Forma NAV as at 30 June 2023**

The *pro forma* financial effects of the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions on Manulife US REIT's NAV per Unit, as if the respective transactions were completed on 30 June 2023, are as follows:

	1H FY2023 Unaudited Financial Statements	After the Proposed Divestment	After the Proposed Divestment and the Sponsor- Lender Loan	After the Proposed Divestment, the Sponsor- Lender Loan and the Tranche 1 Asset Dispositions
NAV (US\$'000)	740,962	739,940	739,325 ⁽¹⁾	625,124
Units in issue and to be issued ('000)	1,835,124	1,835,124	1,835,124	1,835,124
NAV per unit (US\$)	0.40	0.40	0.40	0.34

Note:

- (1) For illustrative purposes, this includes the effect of the debt repayment of US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt.

(iii) **Pro Forma Aggregate Leverage as at 30 June 2023**

The *pro forma* financial effects of the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions on Manulife US REIT's aggregate leverage, as if the respective transactions were completed on 30 June 2023, are as follows:

	1H FY2023 Unaudited Financial Statements	After the Proposed Divestment	After the Proposed Divestment and the Sponsor- Lender Loan	After the Proposed Divestment, the Sponsor- Lender Loan and the Tranche 1 Asset Dispositions
Gross borrowings (US\$'000)	1,023,700 ⁽¹⁾	925,700	875,700 ⁽²⁾	654,500
Total assets (US\$'000)	1,812,475 ⁽¹⁾	1,713,775	1,660,022	1,325,348
Gearing (%)	56.5	54.0	52.8	49.4

Notes:

- (1) For illustrative purposes, this includes the effect of the \$9.0 million good faith debt repayment made in August 2023 from Manulife US REIT's own cash holdings. 1H FY2023 Unaudited Financial Statements gross borrowings and total assets are US\$1,032.7 million and US\$1,821.5 million, respectively.

- (2) For illustrative purposes, this includes the effect of the debt repayment of US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt.

9.2.2 FY2022 *Pro Forma* Financial Effects based on the FY2022 Audited Financial Statements

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Tanasbourne Divestment, the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions are strictly for illustrative purposes only and were prepared based on the FY2022 Audited Financial Statements.

(i) FY2022 *Pro Forma* DPU

The *pro forma* financial effects of the Tanasbourne Divestment, the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions on Manulife US REIT's DPU as if the respective transactions were completed on 1 January 2022, are as follows:

	FY2022 Audited Financial Statements	After the Tanasbourne Divestment	After the Tanasbourne Divestment and the Proposed Divestment	After the Tanasbourne Divestment, the Proposed Divestment and the Sponsor-Lender Loan	After the Tanasbourne Divestment, the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions
Income available for distribution to Unitholders ("DI") (US\$'000)	87,870	85,410	83,081	76,275 ⁽¹⁾	47,852
Units in issue ('000)	1,776,565	1,776,264	1,775,858	1,775,273	1,774,216
DPU based on DI over units in issue (US cents)	4.97	4.83	4.69	4.31	2.71
DPU Dilution (%)⁽²⁾	N.A.	(2.9)	(5.5)	(13.2)	(45.6)

Notes:

- (1) For illustrative purposes, this includes the effect of the debt repayment of US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt.
- (2) Subject to rounding difference.

(ii) **Pro Forma NAV as at 31 December 2022**

The *pro forma* financial effects of the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions on Manulife US REIT's NAV per Unit, as if the respective transactions were completed on 31 December 2022, are as follows:

	FY2022 Audited Financial Statements	After the Tanasbourne Divestment	After the Tanasbourne Divestment and the Proposed Divestment	After the Tanasbourne Divestment, the Proposed Divestment and the Sponsor-Lender Loan	After the Tanasbourne Divestment, the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions
NAV (US\$'000)	1,020,316	1,019,956	1,014,610	1,013,995 ⁽¹⁾	804,621
Units in issue and to be issued ('000)	1,798,425	1,798,425	1,798,425	1,798,425	1,798,425
NAV per unit (US\$)	0.57	0.57	0.56	0.56	0.45

Note:

- (1) For illustrative purposes, this includes the effect of the debt repayment of US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt.

(iii) **Pro Forma Aggregate Leverage as at 31 December 2022**

The *pro forma* financial effects of the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions on Manulife US REIT's aggregate leverage, as if the respective transactions were completed on 31 December 2022, are as follows:

	FY2022 Audited Financial Statements	After the Tanasbourne Divestment	After the Tanasbourne Divestment and the Proposed Divestment	After the Tanasbourne Divestment, the Proposed Divestment and the Sponsor-Lender Loan	After the Tanasbourne Divestment, the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions
Gross borrowings (US\$'000)	1,032,700	1,032,700	934,700	884,700 ⁽¹⁾	663,500
Total assets (US\$'000)	2,115,850	2,115,488	2,012,488	1,958,735	1,528,161
Gearing (%)	48.8	48.8	46.4	45.2	43.4

Note:

- (1) For illustrative purposes, this includes the effect of the debt repayment of US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS¹

Mr Marc Lawrence Feliciano is a Non-Executive Director of the Manager and the Global Head of Real Estate, Private Markets at Manulife Investment Management.

As at the Latest Practicable Date, certain Directors collectively hold an aggregate direct and indirect interest in 843,364 Units.

Based on the Register of Directors' Unitholdings maintained by the Manager, the following Directors currently hold a direct or deemed interest in the Units as at the Latest Practicable Date:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%(¹)
	No. of Units	%(¹)	No. of Units	%(¹)		
Marc Lawrence Feliciano	–	–	–	–	–	–
Koh Cher Chiew Francis ⁽²⁾	50,000	0.003	–	–	50,000	0.003
Veronica Julia McCann ⁽³⁾	793,364	0.045	–	–	793,364	0.045
Choo Kian Koon	–	–	–	–	–	–
Karen Tay Koh	–	–	–	–	–	–

Notes:

- (1) The percentage interest is based on total issued Units of 1,776,565,421 as at the Latest Practicable Date.
- (2) The 50,000 Units are jointly owned by Professor Koh Cher Chiew Francis and his spouse.
- (3) The 793,364 Units are jointly owned by Ms Veronica Julia McCann and her spouse.

¹ A "Substantial Unitholder" means a person who has an interest in Units constituting not less than 5.0% of the total number of Units in issue.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at the Latest Practicable Date are as follows:

Name of Substantial Unitholder	Direct Interest		Deemed Interest		Total No. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Manulife Financial Asia Limited ⁽²⁾	1	N.M. ⁽⁶⁾	162,254,652	9.13	162,254,653	9.13
Manulife Holdings (Bermuda) Limited ⁽³⁾	–	–	162,254,653	9.13	162,254,653	9.13
The Manufacturers Life Insurance Company ⁽⁴⁾	–	–	162,254,653	9.13	162,254,653	9.13
Manulife Financial Corporation ⁽⁵⁾	–	–	162,254,653	9.13	162,254,653	9.13

Notes:

- (1) The percentage interest is based on 1,776,565,421 Units in issue as at the Latest Practicable Date. Percentages are rounded down to the nearest 0.01%.
- (2) Manulife (International) Limited (“MIL”) is a wholly owned subsidiary of Manulife International Holdings Limited (“MIHL”). MIHL is therefore deemed interested in MIL’s direct interest in 84,657,792 Units. Manulife Financial Asia Limited (“MFAL”) wholly owns (i) MIHL and is deemed to be interested in MIHL’s deemed interest in 84,657,792 Units, (ii) Manufacturers Life Reinsurance Limited (“MLRL”) and is deemed to be interested in MLRL’s direct interest in 65,007,467 Units, and (iii) Manulife US Real Estate Management Pte. Ltd. (“MUSREM”) and is deemed to be interested in MUSREM’s direct interest in 12,589,393 Units.
- (3) MFAL is a wholly owned subsidiary of Manulife Holdings (Bermuda) Limited (“MHBL”). MHBL is therefore deemed interested in (i) MFAL’s direct interest in 1 Unit, and (ii) MFAL’s deemed interest in 162,254,652 Units.
- (4) MHBL is a wholly owned subsidiary of The Manufacturers Life Insurance Company (the “Sponsor”). The Sponsor is therefore deemed interested in MHBL’s deemed interest in 162,254,653 Units.
- (5) The Sponsor is a wholly owned subsidiary of Manulife Financial Corporation (“MFC”). MFC is therefore deemed interested in the Sponsor’s deemed interest in 162,254,653 Units.
- (6) Not meaningful.

Save as disclosed above and based on the information available to the Manager as at the Latest Practicable Date, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the Proposed Divestment, the Sponsor-Lender Loan and the Disposition Mandate.

11. DIRECTORS’ SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed Divestment, the Sponsor-Lender Loan and the Disposition Mandate or any other transactions contemplated in relation to the Proposed Divestment, the Sponsor-Lender Loan and the Disposition Mandate.

12. **ADVICE OF THE INDEPENDENT FINANCIAL ADVISER**

The Manager has appointed Deloitte & Touche Corporate Finance Pte Ltd as the Independent Financial Adviser pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the independent directors of the Manager (the “**Independent Directors**”), the audit and risk committee of the Manager (the “**Audit and Risk Committee**”) and the Trustee in relation to the Resolution 2 (Sponsor-Lender Loan). A copy of the letter from the Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee and the Trustee, containing its advice in full (“**Independent Financial Adviser Letter**”), is set out in **Appendix B** of this Circular and Unitholders are advised to read the Independent Financial Adviser Letter carefully.

Having considered the factors and the assumptions set out in the Independent Financial Adviser Letter, and subject to the qualifications set out therein, the Independent Financial Adviser is of the opinion that the Sponsor-Lender Loan (including the entry into the Sponsor-Lender Loan Agreement) is based on normal commercial terms and is not prejudicial to the interests of Manulife US REIT and its minority Unitholders, given the specific circumstances facing Manulife US REIT.

The Independent Financial Adviser is of the opinion that the Independent Directors (which includes the Audit and Risk Committee) can recommend that Unitholders vote in favour of Resolution 2 (the Sponsor-Lender Loan).

13. **RECOMMENDATIONS**

13.1 **Resolution 1: Proposed Divestment**

Based on the rationale and benefits of the Recapitalisation Plan to Unitholders as set out in paragraph 4 above, the Independent Directors (which includes the Audit and Risk Committee) are of the view that the Proposed Divestment is on normal commercial terms, and is not prejudicial to the interests of Manulife US REIT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote in favour of Resolution 1 (the Proposed Divestment).

All of the Independent Directors who hold Units will be voting at the EGM in favour of Resolution 1 (the Proposed Divestment).

13.2 **Resolution 2: Sponsor-Lender Loan**

Based on the opinion of the Independent Financial Adviser (as set out in the Independent Financial Adviser Letter in **Appendix B** of this Circular) and the rationale and benefits of the Recapitalisation Plan to Unitholders as set out in paragraph 4 above, the Independent Directors (which includes the Audit and Risk Committee) are of the view that the Sponsor-Lender Loan is on normal commercial terms, and is not prejudicial to the interests of Manulife US REIT and its minority Unitholders.

Accordingly, the Independent Directors recommend that Unitholders vote in favour of Resolution 2 (the Sponsor-Lender Loan).

All of the Independent Directors who hold Units will be voting at the EGM in favour of Resolution 2 (the Sponsor-Lender Loan).

13.3 Resolution 3: Disposition Mandate

Based on the rationale and benefits of the Recapitalisation Plan to Unitholders as set out in paragraph 4 above, the Directors recommend that Unitholders vote in favour of Resolution 3 (the Disposition Mandate).

All of the Independent Directors who hold Units will be voting at the EGM in favour of Resolution 3 (the Disposition Mandate).

14. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989, on 14 December 2023 (Thursday) at 2.30 p.m. (Singapore time), for the purpose of considering and, if thought fit, passing with or without modification, the Resolutions set out in the Notice of EGM, which is set out on pages C-1 to C-5 of this Circular. The purpose of this Circular is to provide Unitholders with relevant information about the Resolutions. Approval by way of an Ordinary Resolution is required in respect of each of the Resolutions.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Units entered against his name in the Depository Register, as certified by CDP as at 72 hours before the time fixed for the EGM.

15. ABSTENTIONS FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain Unitholders' approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

Given that the Property will be acquired from the Purchaser, which is an indirect wholly-owned subsidiary of the Sponsor and the Sponsor-Lender Loan will be granted by the Sponsor, the Sponsor (i) will abstain, and will procure that their associates will abstain, from voting at the EGM on the Resolution in connection with the Proposed Divestment (Resolution 1) and the Resolution in connection with the Sponsor-Lender Loan (Resolution 2); and (ii) will not, and will procure that their associates will not, accept appointments as proxies in relation to such Resolutions unless specific instructions as to voting are given.

For the purposes of good corporate governance, Mr Marc Lawrence Feliciano (being the non-independent Director) will abstain from voting on the Resolution in connection with the Proposed Divestment (Resolution 1) and the Resolution in connection with the Sponsor-Lender Loan (Resolution 2) in respect of Units (if any) held by him, unless he is appointed as a proxy with specific instructions to vote.

16. ACTION TO BE TAKEN BY UNITHOLDERS

16.1 Date, Time and Conduct of EGM

The EGM will be held at Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on 14 December 2023 (Thursday) at 2.30 p.m. (Singapore time).

16.2 Notice of EGM and Proxy Form

Unitholders will find enclosed in this Circular the Notice of EGM and a Proxy Form. The Notice of EGM and Proxy Form will also be available on Manulife US REIT's website at <https://www.manulifeusreit.sg/> and on SGXNET via the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>.

A Unitholder who is unable to attend the EGM and wishes to appoint a proxy(ies) to attend and vote on his/her/its behalf, may complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible by the relevant deadline set out in paragraph 16.3 below. The completion and return of the Proxy Form by a Unitholder will not prevent him/her/it from attending and voting at the EGM, if he/her/it wishes to do so, in place of his/her/its proxy(ies).

16.3 Key Dates and Times

The table below sets out the key dates/deadlines for Unitholders to note:

Key Dates	Actions
4 December 2023 (Monday), 5.00 p.m.	<p>Deadline for investors who hold Units through the Supplementary Retirement Scheme ("SRS Investors") to approach their respective operators under the Supplementary Retirement Scheme ("SRS Operators") to specify their voting instructions/arrange for their votes to be submitted with their respective SRS Operators at the EGM.</p> <p>Investors who hold Units through a Relevant Intermediary (as defined herein) ("Relevant Intermediary Unitholders") who wish to exercise their voting rights/be appointed as proxies must approach their respective Relevant Intermediaries as soon as possible.</p>
5 December 2023 (Tuesday), 5.00 p.m.	<p>Deadline for Unitholders who wish to request for printed copies of this Circular to submit the Request Form for Unitholders to request for a printed copy of this Circular (the "Request Form") by post to the address stated on the overleaf on the Request Form or by emailing it to SRS.TeamE@boardroomlimited.com.</p>

Key Dates	Actions
<p>7 December 2023 (Thursday), 12.00 p.m.</p>	<p>Deadline for all Unitholders, SRS Investors and Relevant Intermediary Unitholders to submit questions in advance of the EGM in relation to the Resolutions tabled at the EGM.</p> <p>“Relevant Intermediary” means:</p> <ul style="list-style-type: none"> (i) a banking corporation licensed under the Banking Act 1970, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity; (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or (iii) the Central Provident Fund Board (“CPF Board”) established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
<p>11 December 2023 (Monday), 2.30 p.m.</p>	<p>Deadline for all Unitholders to complete and submit the Proxy Forms.</p> <p>Duly completed Proxy Forms must be submitted in the following manner:</p> <ul style="list-style-type: none"> • by post to the registered office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or • via email to SRS.TeamE@boardroomlimited.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF). <p>Unitholders are strongly encouraged to submit completed Proxy Forms via email.</p>
<p>14 December 2023 (Thursday), 2.30 p.m.</p>	<p>Unitholders, proxies, SRS Investors and Relevant Intermediary Unitholders who intend to attend the EGM must bring their original NRIC/Passport for verification and registration on the day of the EGM.</p>

16.4 Specific Voting Instructions

If a Unitholder (being an independent Unitholder) wishes to appoint Mr Marc Lawrence Feliciano as his/her/its proxy/proxies for the EGM, he/she/it should give specific instructions in his/her/its Proxy Form as to the manner in which his/her/its vote is to be cast in respect of the Resolution in connection with the Proposed Divestment (Resolution 1) and the Resolution in connection with the Sponsor-Lender Loan (Resolution 2).

17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Divestment, the Sponsor-Lender Loan, the Disposition Mandate, Manulife US REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

18. CONSENTS

Each of the Independent Financial Adviser (being Deloitte & Touche Corporate Finance Pte Ltd) and the Independent Valuers (being JLL and Colliers) has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and respectively, the Independent Financial Adviser Letter and the valuation summary letters and valuation certificates issued by each of them and all references thereto, in the form and context in which they are included in this Circular.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection with prior appointment during normal business hours at the registered office of the Manager at 8 Cross Street, #16-03 Manulife Tower, Singapore 048424 from the date of this Circular up to and including the date falling three months after the date of this Circular:

- (i) the Purchase and Sale Agreement;
- (ii) the Sponsor-Lender Loan Agreement;
- (iii) the Independent Financial Adviser Letter;
- (iv) the valuation report of JLL;
- (v) the valuation report of Colliers;
- (vi) the 1H FY2023 Unaudited Financial Statements;

(vii) the FY2022 Audited Financial Statements; and

(viii) the written consents of each of the Independent Financial Adviser and the Independent Valuers.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Manulife US REIT continues to be in existence.

Yours faithfully

Manulife US Real Estate Management Pte. Ltd.
(as manager of Manulife US Real Estate Investment Trust)
(Company Registration No. 201503253R)

Marc Lawrence Feliciano
Chairman and Non-Executive Director

IMPORTANT NOTICE

This Circular does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Manulife US REIT in Singapore or any other jurisdictions.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, the Trustee or any of their respective affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Unitholders have no right to request the Manager to redeem their Units while the Units are listed. 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.

The past performance of Manulife US REIT is not necessarily indicative of the future performance of Manulife US REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Circular may contain forward-looking statements that involve risks, uncertainties and assumptions. 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is issued to Unitholders solely for the purpose of convening the EGM and seeking the approval of Unitholders for the Resolutions. This Circular is not for distribution, directly or indirectly, in or into the United States. Any securities of Manulife US REIT will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States, or under the securities laws of any other jurisdiction, and any such securities may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable laws. The Manager does not intend to conduct a public offering of any securities of Manulife US REIT in the United States.

GLOSSARY

In this Circular, the following definitions apply throughout unless otherwise stated:

%	:	Per centum or percentage
1H FY2023	:	The financial six-month period ended 30 June 2023
1H FY2023 Unaudited Financial Statements	:	The unaudited financial statements of the Manulife US REIT Group for 1H FY2023
2024 Net Proceeds Target	:	The minimum cumulative net sale proceeds of US\$230 million from the aggregate sale of up to four of the Tranche 1 Assets and/or the Tranche 2 Assets by 31 December 2024 (on a best endeavours basis)
2025 Net Proceeds Target	:	The minimum cumulative net sale proceeds of US\$328.7 million from the aggregate sale of up to four of the Tranche 1 Assets and/or the Tranche 2 Assets by 30 June 2025
2027 Existing Lenders	:	Lenders of the US\$90M Facility and of the US\$225M Facility
3Q 2023	:	Third quarter of 2023
associate	:	(a) in relation to any director, chief executive officer, or controlling shareholder of the manager, or controlling unitholder of the property fund (being an individual), means: <ul style="list-style-type: none">(i) his spouse, child, adopted child, stepchild, sibling or parent;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or(iii) any company in which he and his family together (directly or indirectly) have an interest of 30% or more; or (b) in relation to the controlling shareholder of the manager, or the manager, the trustee or controlling unitholder of the property fund (being a company) means any other company which is its subsidiary or holding company, or is a subsidiary of such holding company, or one in the equity of which it or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
Aggregate Interest Reserve	:	Such sum which consists of the interest reserve of six months for the Lenders and interest reserve of six months for the Sponsor-Lender, collectively

Alpha	:	Manulife US REIT Alpha (Singapore) Pte. Ltd.
Audit and Risk Committee	:	The audit and risk committee of the Manager
Bank ICR	:	Ratio of Consolidated EBITDA to Consolidated Interest Expense
Beta Entities	:	Manulife US REIT Beta (Singapore) Pte. Ltd., Manulife US REIT Beta 2 (Singapore) Pte. Ltd., Manulife US REIT Beta 5 (Singapore) Pte. Ltd., Manulife US REIT Beta 6 (Singapore) Pte. Ltd., Manulife US REIT Beta 7 (Singapore) Pte. Ltd., Manulife US REIT Beta 8 (Singapore) Pte. Ltd., Manulife US REIT Beta 9 (Singapore) Pte. Ltd., Manulife US REIT Beta 10 (Singapore) Pte. Ltd. and any other wholly owned subsidiary of the Debtor that grants an intercompany loan to Hancock (each such individual entity being referred to as a “ Beta Entity ”)
Beta Loans	:	The intercompany loans between the Beta Entities and Hancock (each such individual loan being referred to as a “ Beta Loan ”)
Capitol	:	The property known as Capitol located at 400 Capitol Mall, Sacramento, California, United States 95814
CDP	:	The Central Depository (Pte) Limited
Centerpointe	:	The property known as Centerpointe located at 4000 & 4050 Legato Road, Fairfax, Virginia, United States 22033
Circular	:	This circular to Unitholders dated 29 November 2023
CIS Code	:	Code on Collective Investment Schemes issued by the MAS
Closing and Post-Closing Adjustments	:	Closing and post-closing adjustments in the ordinary course of business
Colliers	:	Colliers International Valuation & Advisory Services, LLC
controlling shareholder	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or (b) in fact exercises control over a company

controlling unitholder	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the nominal amount of all voting units in the property fund; or (b) in fact exercises control over the property fund
CPF Board	:	Central Provident Fund Board
Debtor	:	The Trustee (as debtor under the Master Restructuring Agreement and the Sponsor-Lender Loan Agreement)
DI	:	Income available for distribution to Unitholders
Diablo	:	The property known as Diablo located at 2900 South Diablo Way, Tempe, Arizona, United States 85282
Directors	:	The directors of the Manager
Disposal Year	:	The calendar year in which the Debtor received the disposal proceeds from the sale of a Tranche 1 and/or Tranche 2 Asset
Disposition Mandate	:	The disposition mandate to authorise the Manager to dispose of the Existing Properties, the terms of which are set out in paragraph 7.3 of this Circular
Divestment Consideration	:	The estimated Divestment Consideration of US\$98.7 million to be received by Manulife US REIT in connection with the Proposed Divestment
DPU	:	Distributions per Unit
EGM	:	The extraordinary general meeting of Unitholders to be held at Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on 14 December 2023 (Thursday) at 2.30 p.m. (Singapore time), to approve the matters set out in the Notice of EGM
Early Reinstatement Conditions	:	The conditions as set out at Item 15 (<i>Early Reinstatement</i>) of the Key Recapitalisation Terms, being if (i) Consolidated Total Liabilities to Consolidated Deposited Properties is no more than 45%; or (ii) Consolidated Total Liabilities to Consolidated Deposited Properties is more than 45% but not more than 50%, and Interest Coverage Ratio is more than 2.5 times, and there are no potential events of default continuing for at least one financial quarter
Exchange	:	The property known as Exchange located at 10 Exchange Place, Jersey City, New Jersey, United States 07302
Existing Facilities	:	The Facility Agreements and the hedging facilities granted by the Debtor's swap providers, collectively

Existing Interested Person Transactions	:	The interested person transactions (including the Tanasbourne Divestment) entered into between Manulife US REIT with MFC, the Sponsor (which is a wholly-owned subsidiary of MFC) and their subsidiaries and associates during FY2023 up to the Latest Practicable Date
Existing Properties	:	The Tranche 1 Assets, the Tranche 2 Assets and the Tranche 3 Assets collectively, comprising Capitol, Centerpointe, Diablo, Exchange, Figueroa, Peachtree, Penn, Plaza, Phipps and Michelson
Exit Premium	:	The exit premium of up to 21.16% of the Sponsor-Lender Loan Amount payable by Manulife US REIT to the Sponsor-Lender upon maturity of the Sponsor-Lender Loan
Facility Agreements	:	The US\$193M Facility, the US\$1B Facility, the US\$250M Facility, the US\$90M Facility, the US\$225M Facility and the US\$105M Facility, collectively
Figueroa	:	The property known as Figueroa located at 865 South Figueroa Street, Los Angeles, California, United States 90015
FY2022	:	The financial year ended 31 December 2022
FY2022 Audited Financial Statements	:	The latest audited financial statements of the Manulife US REIT Group for FY2022
FY2023	:	The current financial year ending 31 December 2023
FY2024	:	The financial year ending 31 December 2024
FY2025	:	The financial year ending 31 December 2025
Hancock	:	Hancock S-REIT Parent Corp
Identified Factors	:	Occupancy risk, capital expenditure requirements and total return potential
Independent Directors	:	The independent directors of the Manager
Independent Financial Adviser	:	Deloitte & Touche Corporate Finance Pte Ltd
Independent Financial Adviser Letter	:	The letter from the Independent Financial Adviser to the Independent Directors, the Audit and Risk Committee and the Trustee containing its advice in full as set out in Appendix B of this Circular
Independent Valuers	:	JLL and Colliers
Initial Utilisation Date	:	The initial utilisation date under the Sponsor-Lender Loan Agreement

Interest Reserve Account	:	The interest reserve account maintained by the Debtor on the restructuring effective date
interested party	:	Means: <ul style="list-style-type: none"> (a) a director, chief executive officer or controlling shareholder of the manager, or the manager, the trustee or controlling unitholder of the property fund; or (b) an associate of any director, chief executive officer or controlling shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of the property fund
interested party transaction	:	Has the meaning ascribed to it in Paragraph 5 of the Property Funds Appendix
interested person	:	Means: <ul style="list-style-type: none"> (a) in the case of a company, (i) a director, chief executive officer, or controlling shareholder of the issuer; or (ii) an associate of any such director, chief executive officer, or controlling shareholder; and (b) in the case of a REIT, shall have the meaning ascribed to the term “interested party” in the CIS Code
interested person transaction	:	A transaction between an entity at risk and an interested person, as defined under Chapter 9 of the Listing Manual
JLL	:	JLL Valuation & Advisory Services, LLC
JLL June 2023 Park Place Valuation	:	The valuation of the Property conducted by JLL on 30 June 2023
Key Recapitalisation Terms	:	The key terms of the Recapitalisation Plan as set out in the table in paragraph 3.1 of this Circular
Latest Practicable Date	:	22 November 2023, being the latest practicable date prior to the issuance of this Circular
Lenders	:	The lenders of the Existing Facilities
Listing Manual	:	The Listing Manual of the SGX-ST
Majority Lenders	:	A Lender or Lenders to whom total outstanding debt owed by the Debtor constitutes more than 66.67% of the total outstanding debt owed by the Debtor to all Lenders, and where there are only the 2027 Existing Lenders remaining as Lenders, “ Majority Lenders ” shall mean all of such 2027 Existing Lenders

Manager	:	Manulife US Real Estate Management Pte. Ltd., in its capacity as manager of Manulife US REIT
Manulife US REIT	:	Manulife US Real Estate Investment Trust
Manulife US REIT Group	:	Manulife US REIT and its subsidiaries
Market Day	:	A day on which the SGX-ST is open for trading in securities
MAS	:	Monetary Authority of Singapore
Master Restructuring Agreement	:	The new master restructuring agreement to be entered into between the Sponsor, the Sponsor-Lender, all Lenders and the Debtor
MFAL	:	Manulife Financial Asia Limited
MFC	:	Manulife Financial Corporation
MHBL	:	Manulife Holdings (Bermuda) Limited
Michelson	:	The property known as Michelson located at 3161 Michelson Drive, Irvine, California, United States 92612
MIHL	:	Manulife International Holdings Limited
MIL	:	Manulife (International) Limited
Minimum Sale Target	:	Each of the 2024 Net Proceeds Target and the 2025 Net Proceeds Target
MLRL	:	Manufacturers Life Reinsurance Limited
MUSREM	:	Manulife US Real Estate Management Pte. Ltd., in its own capacity
NAV	:	Net asset value
NCREIF	:	National Council of Real Estate Investment Fiduciaries
NLA	:	Net lettable area
Notice of EGM	:	The Notice of EGM dated 29 November 2023 set out on pages C-1 to C-5 of this Circular
NTA	:	Net tangible assets
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed

Peachtree	:	The property known as Peachtree located at 1100 Peachtree Street, Atlanta, Georgia, United States 30309
Penn	:	The property known as Penn located at 1750 Pennsylvania Avenue NW, Washington, D.C., United States 20006
Phipps	:	The property known as Phipps located at 3438 Peachtree Road, Atlanta, Georgia, United States 30326
Plaza	:	The property known as Plaza located at 500 Plaza Drive, Secaucus, New Jersey, United States 07094
Pre-Approved Pricing	:	Has the meaning set out at Item 5 (<i>Disposal of Tranche 1 Assets and/or Tranche 2 Assets</i>) of the Key Recapitalisation Terms
Prevailing Market Price	:	Means in the case of a Tranche 1 Asset, the market value of that Tranche 1 Asset based on a formal valuation of such asset by a reputable and independent valuer and dated no earlier than two months before the date of the sale and purchase agreement of that Tranche 1 Asset relating to such sale, and such valuation report is delivered to the Lenders and the Sponsor-Lender prior to the sale
Property	:	The property known as Park Place located at 1650 & 1700 South Price Road, Chandler, Arizona, United States 85286
Property Funds Appendix	:	Appendix 6 of the CIS Code
Proposed Divestment	:	The proposed divestment of the Property from the Vendor to the Purchaser
Purchase and Sale Agreement	:	The purchase and sale agreement entered between the Vendor and the Purchaser on 29 November 2023 (Singapore time) in relation to the Proposed Divestment
Purchaser	:	John Hancock Life Insurance Company (U.S.A.), an indirect wholly-owned subsidiary of the Sponsor
Recapitalisation Plan	:	The holistic funding plan put together by the Manager to revitalise and reinforce Manulife US REIT, comprising (a) aggregate funding by the Sponsor of US\$235.7 million via the acquisition of the Property pursuant to the Proposed Divestment and the granting of the Sponsor-Lender Loan; (b) utilisation of US\$50.0 million from Manulife US REIT's own cash holdings; and (c) raising minimum aggregate net sale proceeds of US\$328.7 million from the asset dispositions pursuant to the Disposition Mandate
REIT	:	Real estate investment trust
Relevant Date	:	Has the meaning set out in Item 3 (<i>Debt Paydown</i>) of the Key Recapitalisation Terms

Relevant Intermediary	:	<ul style="list-style-type: none"> (i) a banking corporation licensed under the Banking Act 1970, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity; (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or (iii) the CPF Board established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation
Relevant Intermediary Unitholders	:	Investors who hold Units through a Relevant Intermediary
Relevant Sum	:	Has the meaning set out in Item 5 (<i>Disposal of Tranche 1 Assets and/or Tranche 2 Assets</i>) of the Key Recapitalisation Terms
Request Form	:	The Request Form for Unitholders to request for a printed copy of this Circular
Required Legal Opinions	:	Opinions from the relevant legal counsels on each of the parties (other than the Lenders) signing the Master Restructuring Agreement and the Beta Loans and on the redeemable preference shares of Alpha and Beta Entities to be delivered to the Lenders
Resolutions	:	The resolutions in connection with the Proposed Divestment, the Sponsor-Lender Loan and the Disposition Mandate to be tabled at the EGM
Securities Act	:	U.S. Securities Act of 1933, as amended
SGX-ST	:	Singapore Exchange Securities Trading Limited
Sponsor	:	The Manufacturers Life Insurance Company

Sponsor-Included Majority Lenders	:	A Lender or Lenders and the Sponsor-Lender to whom total outstanding debt owed collectively by the Debtor constitutes more than 66.67% of the total outstanding debt owed collectively by the Debtor to all Lenders and the Sponsor-Lender collectively, and where there are only the 2027 Existing Lenders remaining as Lenders, “ Sponsor-Included Majority Lenders ” shall mean the Sponsor-Lender and all of such 2027 Existing Lenders
Sponsor-Lender	:	The Sponsor or an affiliate (as lender of the Sponsor-Lender Loan)
Sponsor-Lender Loan	:	The proposed unsecured loan of US\$137.0 million to be granted by the Sponsor-Lender to the Debtor, for a period of six years at an interest rate of 7.25%, paid quarterly
Sponsor-Lender Loan Agreement	:	The loan agreement entered between the Debtor and the Sponsor-Lender on 29 November 2023 (Singapore time) in relation to the Sponsor-Lender Loan
Sponsor-Lender Loan Amount	:	The loan amount of US\$137.0 million under the Sponsor-Lender Loan
Sponsor-Lender Loan Interest Amount	:	The total interest payable by Manulife US REIT to the Sponsor-Lender pursuant to the Sponsor-Lender Loan of up to US\$89.4 million (including the Exit Premium)
sq ft	:	Square feet
SRS Investors	:	Investors who hold Units through the Supplementary Retirement Scheme
SRS Operators	:	Operators under the Supplementary Retirement Scheme
Substantial Unitholders	:	Persons with an interest in Units constituting not less than 5.0% of the total number of Units in issue, and “ Substantial Unitholder ” means any one of them
Tanasbourne	:	The property known as Tanasbourne located at 3300 N.E. 83rd Avenue, 3175 N.W. Aloclek Drive and 3188 N.W. Aloclek Drive, Hillsboro, Oregon
Tanasbourne Divestment	:	The sale by Manulife US REIT of Tanasbourne to John Hancock Life Insurance Company (U.S.A.), as announced and completed on 12 April 2023 for US\$33.5 million
Tranche 1 Assets	:	Centerpointe, Diablo, Figueroa and Penn, collectively
Tranche 1 Asset Dispositions	:	The disposal of the Tranche 1 Assets pursuant to the Disposition Mandate, collectively
Tranche 2 Assets	:	Capitol, Exchange, Peachtree and Plaza, collectively
Tranche 3 Assets	:	Phipps and Michelson, collectively

Transaction Announcement	:	The announcement dated 29 November 2023 titled “Restructuring of Manulife US REIT’s Existing Facilities through a Recapitalisation Plan to Reduce Aggregate Leverage”
Total Divestment Cost	:	The total cost of the Proposed Divestment of approximately US\$0.7 million
Trust Deed	:	The trust deed dated 27 March 2015 constituting Manulife US REIT entered into between the Trustee and the Manager, as amended, varied, supplemented and/or restated from time to time
Trustee	:	DBS Trustee Limited, in its capacity as trustee of Manulife US REIT
Unencumbered Gearing	:	Percentage of consolidated total unencumbered debt to consolidated total unencumbered assets
Unit	:	A unit representing an undivided interest in Manulife US REIT
Unit Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd.
Unitholder	:	The registered holder for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units
Unitholding	:	Unitholding in Manulife US REIT
United States or U.S.	:	United States of America
US IRS	:	U.S. Internal Revenue Service
US\$ and cents	:	U.S. dollars and cents
US\$90M Facility	:	US\$90,000,000 Facility Agreement dated 14 December 2021
US\$105M Facility	:	US\$105,000,000 Facility Agreement dated 20 December 2022
US\$193M Facility	:	US\$193,000,000 Facility Agreement dated 2 May 2019 as amended by an amendment agreement dated 23 January 2020, as amended and restated by an amendment and restatement agreement dated 23 December 2020, as supplemented by a supplemental agreement dated 26 January 2022, and as amended and restated by an amendment and restatement agreement dated 6 April 2023
US\$225M Facility	:	US\$225,000,000 Facility Agreement dated 5 July 2022

US\$250M Facility	:	US\$250,000,000 Facility Agreement dated 23 March 2021, as amended and restated by an amendment and restatement agreement dated 12 August 2022
US\$1B Facility	:	US\$1,000,000,000 Facility Agreement dated 22 October 2019 as amended by an amendment agreement dated 23 January 2020, as supplemented by an incremental facility notice dated 20 May 2020, as supplemented by an Increased RCF Confirmation dated 23 July 2020, as amended and restated by an amendment and restatement agreement dated 23 December 2020, as supplemented by a supplemental agreement dated 26 January 2022, and as amended and restated by an amendment and restatement agreement dated 8 August 2022
USPAP	:	Uniform Standards of Professional Appraisal Practice
Vendor	:	Hancock S-REIT Chandler LLC, an indirect wholly-owned subsidiary of Manulife US REIT

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001 of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a date and time of day in this Circular shall be a reference to Singapore date and time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.

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VALUATION SUMMARY LETTERS AND CERTIFICATES



Tasha Gould, MAI
Executive Managing Director
2401 Cedar Springs Road, Suite 100
Dallas, Texas 75201
+1 214 438 6200
Tasha.Gould@jll.com

9 November 2023

DBS Trustee Limited (in its capacity as trustee of Manulife US Real Estate Investment Trust)
12 Marina Bay Boulevard, Level 44
Marina Bay Financial Centre Tower 3
Singapore 018982

Dear Sirs:

VALUATION OF PROPERTY AS FOLLOWS:

PARK PLACE, CHANDLER, ARIZONA, USA (“the Property”)

JLL Valuation Advisory, LLC (“JLL”) has been instructed to provide the Market Value as of 30 June 2023 and formal valuation reports in respect of the abovementioned property (“the Property”) for divestment purposes.

JLL has prepared a formal valuation report (the “Report”) in accordance with the requirements of the instructions and the International Valuation Standards (2021) published by the International Valuation Standards Council (“IVS”). The Report has been vested with Manulife US Real Estate Management Pte. Ltd. (as manager of Manulife US Real Estate Investment Trust).

The valuation represents the “Market Value” which is defined by the IVS as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

For the purpose of an intended transaction, we provide a valuation summary of the reports with a brief description of the Property together with the key factors that have been considered in determining the Market Values of the Property and the assumptions made. The value conclusions reflect all information known to the valuers of JLL who worked on the valuations in respect to the Property, market conditions and available data.

Reliance on This Letter

This letter together with its attachments is a summary of the Reports that JLL have carried out and it does not contain all the necessary information and assumptions that are included in the Reports.

The valuation contained in the Reports are not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources.

The valuation has been made on the assumption that the seller sells the Property on the open market and where applicable with the benefit of any lease agreement and without the benefit of a deferred term contract, joint venture or any similar arrangement except for those disclosed to us, which could serve to affect the values of the Property.

No allowance has been made in the Reports for any charges, mortgages or amounts owing on the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information provided to us and have accepted advice given to us on such matters as tenure, particulars of occupancy, floor areas, identification of the Property, historical financial data and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us. We have also sought confirmation that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have been provided with the main terms of the lease contracts which are under negotiation relating to the Property at the time of preparation of valuation. However, we have not been provided with full copies of the contracts.

The main methodology used in valuing the Property, namely, the Discounted Cash Flow ("DCF") Analysis, is based on our professional opinion and estimates of the future results and are not guarantees or predictions. This methodology is based on a set of assumptions as to the income and expenses taking into considerations the changes in economic conditions and other relevant factors affecting the Property. The resultant value is cross-checked by sales comparables where available and is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made. This summary does not contain all the necessary support data and details included in our Reports. For further information on that, reference should be made to the Reports to understand the complexity of the methodologies and the variables involved in order to appreciate the context in which the values are arrived at.

We have inspected the Property. However, no structural survey has been made, but in the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the Property but have assumed that the site areas sourced from public records are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Unless otherwise stated, all monetary sums stated in this letter are in the currency of the country where the respective property is located. Our valuations have been undertaken on a Goods and Services Tax or VAT exclusive basis.

Descriptions of the Property including land area, gross floor area and tenure can be found in the attached Valuation Certificates.

Valuation Rationale

In arriving at our valuation, we have considered relevant general and economic factors and in particular have investigated recent sales transactions of comparable Property that have occurred in the vicinity or in similar standard localities. We have adopted the Discounted Cash Flow Analysis ("DCF") to derive our valuation opinion and cross-checked with sales comparables where available.

Discounted Cash Flow Analysis

The DCF model is adopted to study the Property's potential cash flow and to analyze the present value of the anticipated future benefits to the owner over an assumed holding period and a sale at the end of the holding period. Through a DCF model and income capitalization procedure, the values of the Property are calculated. This approach is usually selected as the preferred valuation method for income-producing Property because it most closely reflects the investment considerations of knowledgeable buyers.

This valuation approach is supported by a cashflow, incorporating projections of future income and expenditure. These are not predictions, but our best estimate of current market thinking on likely future cashflow. These estimates constitute our judgment today and may be subject to change in the future. We make no warranty or representation that these projections of cashflow will materialize.

We have investigated the current market requirements for a return over the investment period from the relevant market sector in order to determine the appropriate discount rates for the Property.

Our selected terminal capitalization rate used to estimate the terminal sale price, where applicable, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the building at the end of the investment period. The adopted terminal capitalization rate, additionally, has regard to the duration of the remaining tenure of the property at the end of the cash flow period, where applicable. The discount rate estimated for the Property is 7.25%, the terminal capitalization rate is 6.75% and the going in capitalization rate is 6.25%.

Comparison Approach

The Comparison Approach involves the analysis of recent market sales or rental evidence of similar properties to compare with the premises under valuation with each attribute of the comparables compared with the property being valued such as location, age and condition, tenure and size, amongst others. Due to the nature of the Property, this approach is mainly used as a cross-check.

Summary of Valuation

Our opinion on the Market Values of the Property in their existing state, and assuming free from any encumbrances as at the valuation date are stated in the table below:

Property	Predominant Use	Market Value as of 30 June 2023
Park Place, Chandler, AZ, USA	Office	\$98,700,000

The subject is an existing, freehold, two building office property containing 274,700 square feet of total rentable area with 6.2 years of WALE. The improvements were complete in 2019. The subject is 100% leased as of the effective appraisal date to three credit tenants. Building 15 is leased to Toyota Motor and Fresenius, occupying 84,033 and 39,308 rentable square feet, respectively. Building 16 is leased to Voya Services, occupying 151,359 rentable square feet. Parking includes uncovered spaces, surface canopy spaces, and a single level parking structure. The site area is 19.73 acres or 859,225 square feet. The tenant lease commencement and end dates are outlined in the table below:

Tenant	Space Type	Square Footage	Date Start	Lease Date End	Lease Type	Contract Rent/SF*
Toyota Motor Credit	Office	84,033	10/1/2020	12/31/2027	FSG	\$27.85
Voya Services Co.	Office	151,359	4/1/2020	11/30/2030	NNN	\$22.67
Fresenius Mgmt Svcs	Office	39,308	10/1/2019	4/30/2030	FSG	\$27.92

Market Uncertainty

The country in which the Property was valued, and other countries continue to experience heightened uncertainty due to a number of factors such as on-going inflationary pressures, rising interest rates, on-going challenges in the banking sector, and unforeseen disasters due to climate change. These factors are impacting on growth, consumer confidence and the cost of borrowing. The increased cost of debt and its reduced availability are having a continued negative impact on investor sentiment which in turn impacts property values.

In recognition of the potential for market conditions to move rapidly in response to wider political and economic changes, we highlight the importance of the Valuation Date as it is important to understand the market context under which the valuation opinion was prepared.

Disclaimer

We have prepared this valuation summary that appears herein and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included herein, other than in respect of the information

provided within the valuation reports and summary. We only make warranty or representation as to the accuracy of the information in this valuation summary and the Reports.

All information provided to us is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties.

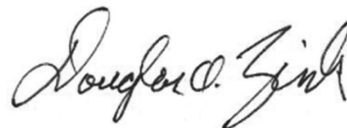
The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the Valuers undertaking the valuation are authorized to practice as valuers in their respective jurisdictions and have the necessary experience in valuing similar types of Property.

Yours faithfully
For and on behalf of



Tasha Gould, MAI
Executive Managing Director
Certified General Appraiser
AZ Certificate # CGA-1042703
Telephone: +1 214 438 6200



Doug Zink, MAI
Senior Vice President
Certified General Appraiser
AZ Certificate # CGA-32043
Telephone: +1 520 310 6601

VALUATION CERTIFICATE – Park Place



Client:	DBS Trustee Limited (in its capacity as trustee of Manulife US Real Estate Investment Trust)
Purpose of Valuation:	To be used in the issue of announcements, press releases, posting on publicly accessible Client websites, presentations, related filings, materials, disclosures and/or any supplementary documents in connection with Manulife US REIT's ownership, use or management of the property, and for divestment purposes.
Valuation Date:	30 June 2023
Property:	1650 & 1700 Price Road, Park Place, Chandler, AZ, USA
Interest Valued:	Freehold (no ground lease) - Leased Fee (2019 until date of value)
Zoning:	PAD
Brief Description of Property:	The subject is an existing, freehold, two building office property built in 2019 containing 274,700 square feet of total rentable area with 6.2 years of WALE. The subject is 100% leased as of the effective appraisal date to three credit tenants. Building 15 is leased to Toyota Motor, lease commence 10/1/2020, end date 12/37/2027 and Fresenius, lease commence 4/1/2020, end date 11/30/2020, occupying 84,033 and 39,308 square feet, respectively. Building 16 is leased to Voya Services, lease commence 10/1/2019, end date, 4/30/2030 occupying 151,359 square feet. Parking includes uncovered spaces, surface canopy spaces, and a single level parking structure.
WALE:	6.2 years remaining.
Site Area:	19.73 acres or 859,225 square feet.
Management:	Managed by Douglas Allred Company.
Owner:	HANCOCK S-REIT CHANDLER LLC
Method of Valuation:	Income Approach - Discounted Cash Flow Method.
Basis of Valuation:	Market Value As-Is
Overall Capitalization Rate:	6.25%
Terminal Capitalization Rate:	6.75%
Discount Rate:	7.25%
Market Value:	\$98,700,000
Value per SF	\$359.30
Appraiser/ Prepared By:	Tasha Gould, MAI and Doug Zink, MAI

Statement of Assumptions and Limiting Conditions

1. All reports and work product we deliver to you (collectively called “report”) represents an opinion of value, based on historical information and forecasts of market conditions. Actual results may vary from those forecasts in the report. There is no guaranty or warranty that the opinion of value reflects the actual value of the property.
2. The conclusions stated in our report apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events. Assessed values may change significantly and unexpectedly over short periods. We are not liable for any conclusions in the report that may be different if there are subsequent changes in value. We are not liable for loss relating to reliance upon our report more than three months after its date.
3. There may be differences between projected and actual results because events and circumstances frequently do not occur as predicted, and those differences may be material. We are not liable for any loss arising from these differences.
4. We are not obligated to predict future political, economic or social trends. We assume no responsibility for economic factors that may affect or alter the opinions in the report if the economic factors were not present as of the date of the letter of transmittal accompanying the report.
5. The report reflects an appraisal of the property free of any liens or encumbrances unless otherwise stated.
6. We assume responsible ownership and competent property management.
7. The appraisal process requires information from a wide variety of sources. We have assumed that all information furnished by others is correct and complete, up to date and can be relied upon, but no warranty is given for its accuracy. We do not accept responsibility for erroneous information provided by others. We assume that no information that has a material effect on our appraisal has been withheld.
8. We assume the following, unless informed to the contrary in writing: Each property has a good and marketable title. All documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other adverse title conditions, which would have a material effect on the value of the interest under consideration. There is no material litigation pending involving the property. All information provided by the Client, or its agents, is correct, up to date and can be relied upon. We are not responsible for considerations requiring expertise in other fields, including but not limited to: legal descriptions, interpretation of legal documents and other legal matters, geologic considerations such as soils and seismic stability, engineering, or environmental and toxic contaminants. We recommend that you engage suitable consultants to advise you on these matters.
9. We assume that all engineering studies correct. The plot plans and illustrative material in the report are included only to help the reader visualize the property.
10. We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that render it more or less valuable. We are not responsible for such conditions or for obtaining the engineering studies that may be required to discover them.
11. We assume that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report. We have not made or requested any environmental impact studies in conjunction with the report. We reserve the right to revise or rescind any opinion of value that is based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the report assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
12. Unless otherwise stated in the report, you should assume that we did not observe any hazardous materials on the property. We have no knowledge of the existence of such materials on or in the

property; however, we are not qualified to detect such substances, and we are not providing environmental services. The presence of substances such as asbestos, urea-formaldehyde foam insulation and other potentially hazardous materials may affect the value of the property. Our report assumes that there is no such material on or in the property that would cause a loss in value. We do not assume responsibility for such conditions or for any expertise or engineering knowledge required to discover them. We encourage you to retain an expert in this field, if desired. We are not responsible for any such environmental conditions that exist or for any engineering or testing that might be required to discover whether such conditions exist. We are not experts in the field of environmental conditions, and the report is not an environmental assessment of the property.

13. We may have reviewed available flood maps and may have noted in the report whether the property is generally located within or out of an identified Special Flood Hazard Area. However, we are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property. Any opinion of value we include in our report assumes that floodplain and/or wetlands interpretations are accurate.
14. We have not made a specific survey or analysis of the property to determine whether it is in compliance with the Americans with Disabilities Act ("ADA"), Stark law or any anti-kickback laws. We claim no expertise in such issues and render no opinion regarding compliance of you or the property with ADA, Stark law or anti-kickback law or regulations.
15. We assume that the property conforms to all applicable zoning and use regulations and restrictions unless we have identified, described and considered a non-conformity in the report.
16. We assume that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in the report is based.
17. We assume that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
18. We have not made any investigation of the financial standing of actual or prospective tenants unless specifically noted in the report. Where properties are valued with the benefit of leasing, we assume, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the leases, all rent and other amounts payable under the leases have been paid when due, and that there are no undisclosed breaches of the leases.
19. We did not conduct a formal survey of the property and assume no responsibility for any survey matters. The Client has supplied the spatial data, including sketches and/or surveys included in the report, and we assume that data is correct, up to date and can be relied upon.
20. Unless otherwise stated, the opinion of value included in our report excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier. We have made no allowance for any plant, machinery or equipment unless they form an integral part of the building and would normally be included in a sale of the building. We do not normally carry out or commission investigations into the capacity or condition of services being provided to the property. We assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.
21. In the case of property where construction work is in progress, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the Client or its appointed experts or upon industry accepted cost guides. In the case of property where construction work is in progress, or has recently been completed, we do not make allowance for any liability already incurred, but not yet discharged, in respect of completed work, or obligations in favor of

contractors, subcontractors or any members of the professional or design team. We assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.

22. Any allocation in the report of value between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
23. The report is confidential to the party to whom it is addressed, and those other intended users specified in the report for the specific purpose to which it refers. Use of the report for any other purpose or use by any party not identified as an intended user of the report without our prior written consent is prohibited, and we accept no responsibility for any use of the report in violation of the terms of this Agreement.
24. We are not required to testify or provide court-related consultation or to be in attendance in court unless we have agreed to do so in writing.
25. Neither the whole report, nor any part, nor reference thereto, may be published in any manner without our prior written approval.
26. We may rely on, and will not verify, the accuracy and sufficiency of documents, information and assumptions provided to it by the Client or others. We will not verify documents, information and assumptions derived from industry sources or that JLL or its affiliates have prepared in the regular course of business. We are not liable for any deficiency in the report arising from the inaccuracy or insufficiency of such information, documents and assumptions. However, our report will be based on our professional evaluation of all such available sources of information.
27. JLL IS NOT LIABLE TO ANY PERSON OR ENTITY FOR LOSS OF PROFITS, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR SIMILAR DAMAGES IN CONNECTION WITH THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF JLL AND ITS AFFILIATES IN CONNECTION WITH THIS AGREEMENT EXCEED THE FEE PAID TO JLL HEREUNDER.
28. Unless expressly advised to the contrary, we assume that appropriate insurance coverage is and will continue to be available on commercially acceptable terms.
29. We assume that no material changes in any applicable federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
30. We may determine during the course of the assignment that additional Hypothetical Conditions and Extraordinary Assumptions may be required in order to complete the assignment. The Report will be subject to those Hypothetical conditions and Extraordinary Assumptions. Each Person that is permitted to use the report agrees to bound by all the Assumptions and Limiting Conditions and any Hypothetical Conditions and Extraordinary Assumptions stated in the report.

About JLL

JLL (NYSE: JLL) is a leading professional services firm that specializes in real estate and investment management. JLL shapes the future of real estate for a better world by using the most advanced technology to create rewarding opportunities, amazing spaces and sustainable real estate solutions for our clients, our people and our communities. JLL is a Fortune 500 company with annual revenue of \$16.6 billion in 2020, operations in over 80 countries and a global workforce of more than 91,000 as of March 31, 2021. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated.



15 November 2023

**DBS Trustee Limited
(in its capacity as trustee of Manulife US Real Estate Investment Trust) (the
"REIT Trustee")**

12 Marina Boulevard
Level 44, Marina Bay Financial Centre Tower 3
Singapore 018982

**Manulife US Real Estate Management Pte. Ltd. (as manager of Manulife US Real
Estate Investment Trust) (the "REIT Manager")**

8 Cross Street
#16-03 Manulife Tower
Singapore 048424

VALUATION OF PARK PLACE I & II

Dear Sirs,

Colliers International Valuation & Advisory Services, LLC (Colliers) has been instructed to provide the Market Values as of 11 October 2023 and formal valuation reports in respect of the abovementioned property for divestment purposes.

Colliers has prepared a formal valuation report (the "Report") in accordance with the requirements of the instructions and the International Valuation Standards (2021) published by the International Valuation Standards Council ("IVS").

The valuation represents the "Market Value" which is defined by the IVS as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". Relevant code of practice in each country may also be applicable such as practice standards and guidelines defined by the Singapore Institute of Surveyors and Valuers ("SISV").

The property is stabilized as of the date of value.

For the purpose of an intended transaction, we provide a valuation summary of the report with a brief description of the Property together with the key factors that have been considered in determining the Market Values of the Property and the assumptions made. The value conclusions reflect all information known to the valuers of Colliers who worked on the valuations in respect to the Property market conditions and available data.

Reliance on This Letter

This letter together with its attachments is a summary of the Report that Colliers has carried out and it does not contain all the necessary information and assumptions that are included in the Report. Further reference may be made to the Report, which is vested with the REIT Manager.



The valuation contained in the Report are not guarantees or predictions but are based on the information obtained from reliable and reputable agencies and sources, and the REIT Manager and the assumptions agreed. Whilst Colliers has endeavoured to obtain accurate information, it has not independently verified all the information provided by the REIT Manager, or reliable and reputable agencies.

The valuation has been made on the assumption that the seller sells the Property on the open market and where applicable with the benefit of any lease agreement and without the benefit of a deferred term contract, joint venture or any similar arrangement except for those disclosed to us, which could serve to affect the values of the Property.

No allowance has been made in the Report for any charges, mortgages or amounts owing on the Property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information provided to us and have accepted advice given to us on such matters as tenure, particulars of occupancy, floor areas, identification of the Property, historical financial data and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us. We have also sought confirmation that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We have been provided with the in-place lease contracts which were relied upon in the report.

The main methodology used in valuing the Property, namely, the Discounted Cash Flow ("DCF") Analysis, is based on our professional opinion and estimates of the future results and are not guarantees or predictions. This methodology is based on a set of assumptions as to the income and expenses taking into considerations the changes in economic conditions and other relevant factors affecting the Property. The resultant value is cross-checked by sales comparables where available and is, in our opinion, the best estimate but it is not to be construed as a guarantee or prediction and it is fully dependent upon the accuracy of the assumptions made. This summary does not contain all the necessary support data and details included in our Report. For further information on that, reference should be made to the Report to understand the complexity of the methodologies and the variables involved in order to appreciate the context in which the values are arrived at.

We have inspected the Property. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the Property but have assumed that the site areas shown on the documents and/or official plans handed to us by the REIT Manager are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.



We have also not carried out investigations on site in order to determine the suitability of ground conditions, nor have we undertaken archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory.

Unless otherwise stated, all monetary sums stated in this letter are in the currency of the country where the respective property is located. Our valuations have been undertaken on a Goods and Services Tax or VAT exclusive basis.

Brief Property Description

The property is a multi-tenant two building office complex totaling 274,700 square feet of net rentable area on a 19.73-acre site, which is freehold subject to tenant leases. The improvements were built in 2018. The property includes a two level above grade parking garage with 310 parking stalls plus 1,128 surface parking spaces for a total parking ratio of 5.71/1,000 SF of NRA. The property is 100% occupied by Voya Services Co., Fresenius Management Services, and Toyota Motor Credit. WALE is 6.2 years.

Valuation Rationale

In arriving at our valuation, we have considered relevant general and economic factors and in particular have investigated recent sales transactions of comparable properties that have occurred in the vicinity or in similar standard localities. We have adopted the Discounted Cash Flow Analysis ("DCF") to derive our valuation opinion and cross-checked with sales comparables where available.

Discounted Cash Flow Analysis

The DCF model is adopted to study the Property's potential cash flow and to analyze the present value of the anticipated future benefits to the owner over an assumed holding period and a sale at the end of the holding period. Through a DCF model and income capitalization procedure, the value of the Property is calculated. This approach is usually selected as the preferred valuation method for income-producing properties because it most closely reflects the investment considerations of knowledgeable buyers.

This valuation approach is supported by a cashflow, incorporating projections of future income and expenditure. These are not predictions, but our best estimate of current market thinking on likely future cashflow. These estimates constitute our judgment today and may be subject to change in the future. We make no warranty or representation that these projections of cashflow will materialize.

We have investigated the current market requirements for a return over the investment period from the relevant market sector in order to determine the appropriate discount rates for the Property.

Our selected terminal capitalization rate used to estimate the terminal sale price, where applicable, takes into consideration perceived market conditions in the future, estimated tenancy and cash flow profile and the overall physical condition of the building at the end of the investment period. The adopted terminal capitalization rate, additionally, has regard to the duration of the remaining tenure of the property at the end of the cash flow period, where applicable. We used a 6.50% capitalization rate, 6.50% terminal capitalization rate, and a 7.50% discount rate.



Comparison Approach

The Comparison Approach involves the analysis of recent market sales or rental evidence of similar properties to compare with the premises under valuation with each attribute of the comparables compared with the property being valued such as location, age and condition, tenure and size, amongst others. Due to the nature of the Property, this approach is mainly used as a cross-check.

Summary of Valuation

Our opinion on the Market Value of the Property in its existing state as at the valuation date are stated in the table below:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
As-Is Market Value	Leased Fee	October 11, 2023	\$94,000,000

Market Uncertainty

The country in which the property was valued and other countries continue to experience heightened uncertainty due to a number of factors such as on-going inflationary pressures, rising interest rates, on-going challenges in the banking sector, the impact of Brexit and the Ukraine war in Europe; and unforeseen disasters due to climate change. These factors are impacting on growth, consumer confidence and the cost of borrowing. The increased cost of debt and its reduced availability are having a continued negative impact on investor sentiment which in turn impacts property values.

In recognition of the potential for market conditions to move rapidly in response to wider political and economic changes, we highlight the importance of the Valuation Date as it is important to understand the market context under which the valuation opinion was prepared.

Disclaimer

We have prepared this valuation summary that appears herein and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included herein, other than in respect of the information provided within the valuation reports and summary. We only make warranty or representation as to the accuracy of the information in this valuation summary and the Report.

All information provided to us is treated as correct and true and we accept no responsibility for subsequent changes in information and reserve the right to change our valuation if any information provided were to materially change.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions.

We have no present or prospective interest in the Property and are not a related corporation of nor do we have a relationship with the property owner(s) or other party/parties whom the REIT Manager is contracting with.

2390 East Camelback Road
Suite 100
Phoenix, AZ 85016

Main: +1 (602) 222-5000
colliers.com



The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We hereby certify that the Valuers undertaking the valuation are authorized to practice as valuers in their respective jurisdictions and have the necessary experience in valuing similar types of properties.

Sincerely,

A handwritten signature in black ink, appearing to read "Austin Mackel".

Austin Mackel

Senior Valuation Specialist
Southwest Region
Valuation & Advisory Services
austin.mackel@colliers.com
Direct: +1 602 222 5189

A handwritten signature in black ink, appearing to read "TJ Gray".

TJ Gray, MAI

Valuation Services Director
Southwest Region
Valuation & Advisory Services
tj.gray@colliers.com
Direct: +1 602 222 5056

Counter Signatory:

The above signatories verify that this summary and Valuation Certificates are genuine. The opinion of the value expressed for each property has been arrived at by the Cushman & Wakefield appraiser(s) who valued the property(ies) in their respective locality alone.

VALUATION CERTIFICATE

Client:	DBS Trustee Limited (in its capacity as trustee of Manulife US Real Estate Investment Trust)	
Purpose of Valuation:	Divestment purposes and associated public disclosure obligations	
Valuation Date:	11 October 2023	
Property:	PARK PLACE I & II 1650 & 1700 SOUTH PRICE ROAD CHANDLER, AZ 85286	
Tenure:	According to the information provided to us, the total land area of Park Place I & II is approximately 859,225 square feet and net rentable building area is 274,700 square feet, which is freehold subject to tenant leases.	
Interest Valued:	Leased Fee	
Registered Proprietor:	Hancock S-Reit Chandler, LLC	
Brief Description of Property:	The property is a multi-tenant two building office complex totaling 274,700 square feet of net rentable area on a 19.73-acre site. The improvements were built in 2018. The property includes a two level above grade parking garage with 310 parking stalls plus 1,128 surface parking spaces for a total parking ratio of 5.71/1,000 SF of NRA. The property is 100% occupied by Voya Services Co., Fresenius Management Services, and Toyota Motor Credit.	
Town Planning / Zoning:	City of Chandler / Planned Area Development District (PAD)	
Site Area:	859,225 square feet (19.73-acres)	
Total Floor Area:	274,700 square feet of net rentable area	
No. of Tenants:	3	
WALE:	6.2 Years	
Method of Valuation:	Income Approach – Discounted Cash Flow	
Basis of Valuation:	Market Value subject to in-place leases and rollover based on market leasing assumptions.	
Capitalization Rate:	6.50%	
Terminal Capitalization Rate:	6.50%	
Discount Rate:	7.50%	



Market Value: USD \$94,000,000 (US Dollars Ninety-Four Million)
Value per SF: USD \$342/SF
Appraiser / Prepared By: Austin Mackel & TJ Gray, MAI; Colliers International Valuation & Advisory Services, LLC

The appraisal is subject to the following assumptions and limiting conditions:

- › The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- › We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- › The exhibits in the report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- › Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- › The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- › Information presented in the report has been obtained from reliable sources, and it is assumed that the information is accurate.
- › The report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of the report does not include the right of publication.
- › The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- › The statements of value and all conclusions shall apply as of the dates shown herein.
- › There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in the report.
- › Without the written consent or approval of the authors neither all, nor any part of, the contents of the report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.



- › The report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- › The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- › The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If the report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- › The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.
- › The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- › An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.



- › A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- › This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

INDEPENDENT FINANCIAL ADVISER'S LETTER

INDEPENDENT FINANCIAL ADVISER'S LETTER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N

29 November 2023

The Independent Directors
 Manulife US Real Estate Management Pte. Ltd.
 (as the manager of Manulife US Real Estate Investment Trust (the "**Manager**"))
 8 Cross Street
 #16-03 Manulife Tower
 Singapore 048424

DBS Trustee Limited
 (in its capacity as trustee of Manulife US Real Estate Investment Trust (the "**Trustee**"))
 12 Marina Boulevard Level 44
 DBS Asia Central @ Marina Bay Financial Centre Tower 3
 Singapore 018982

Dear Sir / Madam,

INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO THE PROPOSED SPONSOR-LENDER LOAN GRANTED BY THE MANUFACTURERS LIFE INSURANCE COMPANY OR AN AFFILIATE AS AN INTERESTED PERSON TRANSACTION

For the purpose of this letter ("**IFA Letter**"), capitalised terms not otherwise defined shall have the meaning given to them in the circular dated 29 November 2023 to the Unitholders of Manulife US Real Estate Investment Trust ("**Manulife US REIT**") (the "**Circular**").

1. OVERVIEW OF THE SITUATION

1.1 BACKGROUND

On 18 July 2023, the Manager announced that the real estate valuation of the portfolio of Manulife US REIT (based on the first half 2023 valuations) has declined by 14.6% or US\$279.95 million to US\$1,633.55 million (versus US\$1,913.5 million as at 31 December 2022)¹ which resulted in:

- (i) Manulife US REIT breaching a financial covenant contained in Manulife US REIT's Existing Facilities (as defined at Item 1 (*Facility Agreements*) of the Key Recapitalisation Terms (as defined in the Circular)), which states that Manulife US REIT must at all times ensure and procure that the percentage of consolidated total unencumbered debt to consolidated total unencumbered assets (the "**Unencumbered Gearing**") for any measurement period (being a period of 12 months ending on the last day of each financial half-year of Manulife US REIT) is not more than 60%; and
- (ii) Manulife US REIT exceeding the aggregate leverage limit of 50%² as set out in Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**MAS**") (the "**CIS Code**", and Appendix 6 of the CIS Code, the "**Property Funds Appendix**")³.

For more information on this please refer to Paragraph 2.1 of the Letter to Unitholders in the Circular.

¹ The 31 December 2022 figure has been adjusted to remove the property known as Tanasbourne located at 3300 N.E. 83rd Avenue, 3175 N.W. Aloclek Drive and 3188 N.W. Aloclek Drive, Hillsboro, Oregon ("**Tanasbourne**") which has been sold on 12 April 2023 pursuant to the Tanasbourne Divestment (as defined in the Letter to Unitholders in the Circular).

² Aggregate leverage is computed based on total borrowings and deferred payments divided by the deposited property.

³ The Property Funds Appendix states that the aggregate leverage limit is not considered to be breached if, due to circumstances beyond the control of the Manager, a depreciation in the asset value of Manulife US REIT has occurred, which resulted in the aggregate leverage limit exceeding 50%. Accordingly, while Manulife US REIT's aggregate leverage exceeds 50%, there is no breach of the aggregate leverage limit under the Property Funds Appendix. Aggregate leverage is computed based on total borrowings and deferred payments divided by the deposited property.

1.2 RECAPITALISATION PLAN AND ADDITIONAL PLANS TO REDUCE MANULIFE US REIT'S LEVERAGE

1.2.1 RECAPITALISATION PLAN

Arising from the breach of the financial covenant in the Existing Facilities, the Manager engaged with the lenders of the Existing Facilities (collectively, the "**Lenders**") regarding the restructuring of the Existing Facilities and the waivers in relation to the breach.

Following heavy negotiations amongst the Manager, The Manufacturers Life Insurance Company (the "**Sponsor**") and the Lenders, the key terms for the waiver of the breach of the financial covenant and the restructuring of the Existing Facilities pursuant to a holistic funding plan put together by the Manager to revitalise and reinforce Manulife US REIT, comprising (a) aggregate funding by the Sponsor of US\$235.7 million via the acquisition of the Property pursuant to the Proposed Divestment and the granting of the Sponsor-Lender Loan (each as defined in the Circular); (b) utilisation of US\$50.0 million from Manulife US REIT's own cash holdings; and (c) raising minimum aggregate net sale proceeds of US\$328.7 million from the asset dispositions pursuant to the Disposition Mandate (the "**Recapitalisation Plan**") are summarised below and further elaborated in the table in Paragraph 3.1 of the Letter to Unitholders in the Circular⁴ (the "**Key Recapitalisation Terms**"), which would strengthen Manulife US REIT's balance sheet and create sufficient liquidity to fund essential capital expenditure budgeted for the financial year ending 31 December 2024 ("**FY2024**") and the financial year ending 31 December 2025 ("**FY2025**").

Summary of the Key Recapitalisation Terms

The Key Recapitalisation Terms are summarised as follows:

- (i) The proposed divestment of the property known as Park Place located at 1650 & 1700 South Price Road, Chandler, Arizona, United States 85286 (the "**Property**") from Hancock S-REIT Chandler LLC (the "**Vendor**"), an indirect, wholly-owned subsidiary of Manulife US REIT, to John Hancock Life Insurance Company (U.S.A.) (the "**Purchaser**") (the "**Proposed Divestment**"), an indirect, wholly-owned subsidiary of the Sponsor for approximately US\$98.7 million (the "**Divestment Consideration**").
- (ii) The proposed granting of an unsecured loan by the Sponsor or an affiliate (as lender of the Sponsor-Lender Loan) ("**Sponsor-Lender**") to Manulife US REIT of US\$137.0 million (the "**Sponsor-Lender Loan Amount**"), for a period of six years at an interest rate of 7.25%, paid quarterly (the "**Sponsor-Lender Loan**"), with an exit premium of up to 21.16% of the Sponsor-Lender Loan Amount payable by Manulife US REIT to the Sponsor-Lender upon maturity of the Sponsor-Lender Loan (the "**Exit Premium**"). The total interest payable by Manulife US REIT to the Sponsor-Lender pursuant to the Sponsor-Lender Loan is up to US\$89.4 million (including the Exit Premium) (the "**Sponsor-Lender Loan Interest Amount**").
- (iii) Approximately US\$98.0 million⁵ from the Proposed Divestment, US\$137.0 million⁶ from the Sponsor-Lender Loan and US\$50.0 million from Manulife US REIT's own cash holdings will be used to pay down approximately US\$285.0 million in debt on a *pari passu* basis based on the outstanding debt owed to each Lender.
- (iv) All loan maturities of the Existing Facilities are to be extended by one year.
- (v) Pursuant to the Disposition Mandate, Manulife US REIT shall procure the sale of certain Tranche 1 Assets and/or Tranche 2 Assets (each as defined in the Letter to Unitholders in the Circular) Assets to third parties to raise minimum aggregate net sale proceeds of US\$328.7

⁴ As mentioned on the cover page of the Circular and at Paragraph 3.4 of the Letter to Unitholders in the Circular, not all the 12 Lenders have obtained the necessary approvals in relation to the restructuring of the Existing Facilities. In the event that any one of the remaining Lenders does not obtain their internal approval, the Master Restructuring Agreement would not be entered into. See the cover page of the Circular and Paragraph 3.4 of the Letter to Unitholders in the Circular for further details.

⁵ It is agreed with the Lenders that (i) Manulife US REIT will pay the total cost of the Proposed Divestment of approximately US\$0.7 million (the "**Total Divestment Cost**") with the Divestment Consideration; and (ii) US\$98.0 million (instead of the Divestment Consideration of US\$98.7 million) will be utilised from the Proposed Divestment to repay the Lenders on a *pari passu* basis.

⁶ It is agreed with the Lenders that (i) Manulife US REIT will bear the transaction costs for the Sponsor-Lender Loan out of its internally generated cashflow; and (ii) the Sponsor-Lender Loan Amount of US\$137.0 million will be wholly used to refinance US\$137.0 million of Existing Facilities on a *pari passu* basis.

million by 30 June 2025, and to apply the sale proceeds from the sale of such assets to pay the pre-approved capital expenditure of Manulife US REIT and to repay the outstanding debt owed to the Lenders in accordance with Item 5(g) (*Application of sale proceeds from a Tranche 1 Asset or Tranche 2 Asset*) of the Key Recapitalisation Terms in Paragraph 3.1 of the Letter to Unitholders in the Circular. The sale of the Tranche 1 Assets and/or the Tranche 2 Assets may be halted if the conditions as set out at Item 15 (*Early Reinstatement*) of the Key Recapitalisation Terms in Paragraph 3.1 of the Letter to Unitholders in the Circular) (collectively, the "**Early Reinstatement Conditions**") are achieved.

- (vi) Half-yearly distributions to Unitholders are to be halted till 31 December 2025. The distributions may resume during such period if the Early Reinstatement Conditions are achieved. See Paragraph 3.3 of the Letter to Unitholders in the Circular in relation to the tax implications arising from the halting of distributions.
- (vii) Lenders are to waive all past and existing breaches in the respective Facility Agreements.
- (viii) Temporary relaxation of financial covenants up to the earlier of 31 December 2025 and the Early Reinstatement Conditions are achieved as follows: (a) the Unencumbered Gearing being not more than 80% (compared to 60%) and (b) the Bank ICR being no less than 1.5 times (compared to 2.0 times).⁷
- (ix) Unless approval of Sponsor-Included Majority Lenders⁸ is obtained:
 - (a) the Trustee (as debtor under the Master Restructuring Agreement and the Sponsor-Lender Loan Agreement) (the "**Debtor**") shall not acquire any real properties; and
 - (b) the Debtor shall not incur any further financial indebtedness or refinance any existing financial indebtedness. This sub-paragraph (b) does not apply to any prepayment of the Existing Facilities and the Sponsor-Lender Loan in accordance with the Master Restructuring Agreement.

For more information on this please refer to Paragraph 3.1 of the Letter to Unitholders in the Circular.

1.2.2 STEPS TAKEN TO EXPLORE ALL ALTERNATIVES PRIOR TO THE RECAPITALISATION PLAN

The Manager has explored and exhausted various alternatives to address both the breach of the financial covenant in the Existing Facilities and the decline in the real estate valuation of the portfolio of Manulife US REIT (including a transaction with strategic investor(s) and mergers), and the Recapitalisation Plan based on the Key Recapitalisation Terms is the best workable solution to address the breach of the financial covenant. Reference is made to Manulife US REIT's announcements dated 15 March 2023, 17 March 2023, 27 March 2023, 12 April 2023 and 24 May 2023, wherein it was announced that the Manager had considered and evaluated a number of other potential options including further divestment of assets, mergers with other similar platforms, equity fund raising and strategic transactions with third parties involving the recapitalisation of Manulife US REIT.

The Sponsor's involvement via the Proposed Divestment and the Sponsor-Lender Loan is also one of the Lenders' requirements to reduce their total loan risk for their agreement to waive the breach of the financial covenant in the Existing Facilities.

The Manager is of the opinion that the Recapitalisation Plan is the best possible solution to address the breach of the financial covenant in the Existing Facilities and for the recapitalisation of Manulife US REIT as each of the other options which the Manager had explored was not viable for the reasons set out below:

⁷ See Item 8 (*Temporary Amendments to Financial Covenants*) of the Key Recapitalisation Terms in Paragraph 3.1 of the Letter to Unitholders in the Circular for the definition of Bank ICR. The Unencumbered Gearing and the Bank ICR will be tested at the end of each 12-month time period ending on 31 December 2024 and 31 December 2025, by reference to the audited annual financial statements and unaudited half-yearly financial statements of Manulife US REIT.

⁸ "**Sponsor-Included Majority Lenders**" means a Lender or Lenders and the Sponsor-Lender to whom total outstanding debt owed collectively by the Debtor constitutes more than 66.67% of the total outstanding debt owed collectively by the Debtor to all Lenders and the Sponsor-Lender collectively, and where there are only the Lenders of the US\$90M Facility and of the US\$225M Facility (each as defined in the Letter to Unitholders in the Circular) (collectively, "**2027 Existing Lenders**") remaining as Lenders, "**Sponsor-Included Majority Lenders**" shall mean the Sponsor-Lender and all of such 2027 Existing Lenders.

- (a) Asset dispositions continue to be challenging with the prevailing negative sentiment around the US office sector. Factors such as the rising interest rate environment, uncertainty around tenant space requirements as well as limited buyer access to credit financing have contributed to low levels of capital market activity in the US office sector which makes sizeable asset dispositions difficult, especially in the more challenged submarkets. Selling assets quickly in such a climate is challenging and would result in lower sale proceeds compared to the Recapitalisation Plan which provides for a sale period of up to at least 30 June 2025. Since April 2022, the Manager had attempted to undertake a total of three asset dispositions, all of which were halted due to interest rate hikes and limited credit financing which affected the potential buyers.
- (b) Equity fund raising at the current Unit price will be difficult given Manulife US REIT's low market capitalisation. There are also considerations around banks' ability to underwrite any such equity fund raising given the Sponsor's unitholding in Manulife US REIT ("**Unitholding**") is capped at 9.8%⁹. For the same reason, while the Manager has explored the option of a further subscription of Units by the Sponsor, such option is not feasible due to Manulife US REIT's tax structure. Furthermore, equity markets are currently volatile due to macroeconomic uncertainties and high interest rates that may not be conducive for equity fund raisings.
- (c) As for strategic transactions with third parties involving the recapitalisation of Manulife US REIT, the ability and suitability of such parties to reposition Manulife US REIT for future growth were assessed taking into consideration the following criteria: (i) US real estate presence and track record, (ii) financial strength and commitment to Manulife US REIT, (iii) any other existing conflicts of interest and (iv) ability to provide Manulife US REIT access to an identified pipeline to effect a potential pivot strategy. A total of over 40 parties comprising real estate funds, investment firms, and corporates with real estate exposure globally were contacted for such strategic transactions, of which, a number of such parties continue to express interest but are awaiting the outcome of the Recapitalisation Plan.
- (d) In terms of potential mergers, it was concluded that execution risks were elevated in this current market environment, and this option did not address the current issue of high aggregate leverage given that there would be no immediate capital injection into Manulife US REIT.
- (e) The Manager had reached out to external lenders, but new loans were not forthcoming. The Manager had also reached out to debt advisory firms to source for alternative sources of loans but was advised that credit was not available.

For more information on this please refer to Paragraph 3.2 of the Letter to Unitholders in the Circular.

1.2.3 HALTING OF DISTRIBUTIONS

As mentioned above and in further detail in the Letter to Unitholders in the Circular, the halting of distributions is one of the conditions of the Recapitalisation Plan. As originally contemplated and as implemented since the listing of Manulife US REIT, interest income received by the Singapore subsidiaries from the United States subsidiaries of Manulife US REIT was distributed to the Unitholders as part of the half-yearly distribution cycle. In furtherance of this structure, systems and processes for the cross-border interest were instituted to comply with and minimise applicable United States income tax withholding.

As a result of the halting of distributions, the applicable cross-border interest from the United States is not slated to be distributed to the Unitholders until 31 December 2025 (unless the Early Reinstatement Conditions are achieved earlier) and therefore different United States income tax withholding rules (including United States information reporting rules) are expected to apply. Pursuant to these different rules for retained cross-border interest, in general the Manager expects that the cash tax burden of withholding upon the cross-border United States interest received (but not timely distributed to Unitholders) will fall upon Manulife US REIT itself (rather than the Unitholders individually), and may be at rates as high as 43% upon amounts retained by Manulife US REIT and allocable to Unitholders who fail to supply the United States withholding forms and

⁹ Unitholders (including the Sponsor) and all other persons are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units for Manulife US REIT's subsidiaries to qualify and maintain their status as US REITs.

certificates. The tax would be based on the proportion of Unitholders who fail to supply the United States withholding forms and certificates multiplied by the interest income received by the Singapore subsidiaries from the United States subsidiaries of Manulife US REIT. Manulife US REIT bears this tax while distributions to Unitholders are halted. Historically, on average 1.5% of the Unitholders based on Unitholdings fail to supply the United States withholding forms and certificates. In a normal distribution cycle (that is, when interest is distributed to Unitholders), Manulife US REIT would be able to reduce the payment to a Unitholder that fails to supply the United States withholding form and certificate by the amount of withholding, so that the noncompliant Unitholder would bear the burden of the withholding tax. While distributions are halted, interest income from the United States subsidiaries will still be paid to Manulife US REIT. However, as interest income is not paid out to Unitholders, Manulife US REIT will have to bear the tax. If all Unitholders were to submit their valid United States withholding forms and certificates, there would not be any tax implications arising from the halting of distributions. However, as indicated above, historically, on average 1.5% of the Unitholders based on Unitholdings do not submit a valid United States withholding form and certificate. If Unitholders continue their historic practice of supplying United States withholding forms and certificates (principally, the US Internal Revenue Service ("US IRS") Form W-8 that is requested of all Unitholders in connection with their acquisition of Units) at the same levels of compliance as in the past, the Manager expects this aggregate economic cash burden on Manulife US REIT to be minimal. The Manager will continue its historic practice of gathering United States withholding exemption forms and certificates from Unitholders. All withholding tax would be paid over to the US IRS, and the remainder of interest payments net of withholding would be at the disposal of Manulife US REIT while distributions are halted.

Accordingly, notwithstanding that the distributions have been halted, Unitholders should continue to supply United States withholding forms and certificates (principally, the US IRS Form W-8 that is requested of all the Unitholders in connection with their acquisition of Units).

The United States income tax withholding rules described above are complex, and the Manager will work with its United States tax advisors regarding aspects that may be factually or legally uncertain, including making provision for financial statement impact as and when appropriate. That said, the adverse impacts are expected to be modest if and to the extent Unitholders continue their historic levels of compliance with United States withholding forms and certifications.

(See Item 6 (*Halt Distributions to Unitholders*) in the Key Recapitalisation Terms in Paragraph 3.1 of the Letter to Unitholders in the Circular, for further details on the halting of distributions.)

For more information on this please refer to Paragraph 3.3 of the Letter to Unitholders in the Circular.

1.2.4 APPROVAL OF UNITHOLDERS ARISING FROM THE RECAPITALISATION PLAN

We note that Unitholder approval is sought with respect to the Resolutions, which in substance reflect certain key terms of the Recapitalisation Plan. One of the Resolutions relate to the proposed Sponsor-Lender Loan granted by the Sponsor-Lender, which is the subject of this IFA Letter.

As stated in Paragraph 3.4 of the Letter to Unitholders in the Circular, Unitholders should note that certain terms of the restructuring of the Existing Facilities (which includes the Lenders' waiver of the breach of the financial covenant) pursuant to the Recapitalisation Plan are conditional upon the approval of Unitholders of all three of the Resolutions. In the event that Unitholders do not approve any of the Resolutions, the Existing Facilities would remain in breach and the Lenders have the right to accelerate the payment of all US\$1,023.7 million of loans immediately.

In such a situation, Manulife US REIT does not have sufficient cash to repay all of the Existing Facilities and would need to conduct an expedited liquidation of its portfolio. In addition, not passing the Resolutions effectively means that Unitholders would be voting to put control of Manulife US REIT into the hands of the Lenders. If the Resolutions fail to be passed, the Lenders will control the outcome of Manulife US REIT and have the right to call the outstanding debt due under the Existing Facilities and may make an application to liquidate Manulife US REIT, thereby also forcing an expedited liquidation. As US office transaction volumes remain sluggish and hampered by, among other things, limited financing options, it would not be in the best interest of Unitholders to conduct an expedited sale of Manulife US REIT's portfolio.

As at the date of the Circular, Unitholders should note that not all the 12 Lenders have obtained the necessary approvals in relation to the restructuring of the Existing Facilities and the waivers in relation to the breach based on the terms as set out in the Circular. The remaining Lenders who have not yet obtained the necessary approvals are still in the process of obtaining their internal approval based on their meeting schedules. In the event that any one of the remaining Lenders does not obtain their internal approval, the Master Restructuring Agreement would not be entered into. In such a situation, the consensual loan restructuring based on the terms as set out in the Circular would not proceed, and the Lenders have the right to accelerate the payment of all of the loans immediately. While the Manager is currently targeting to obtain approval of all Lenders before the EGM, there may be approvals that come in after the EGM. As at the date of the Circular, while no assurance can be given, nothing has come to the attention of the Manager that any of the Lenders have issues with executing the contemplated Master Restructuring Agreement.

For more information on this please refer to Paragraph 3.4 of the Letter to Unitholders in the Circular.

1.2.5 LONG-TERM PLAN FOR MANULIFE US REIT

The execution of the Recapitalisation Plan stated in the Letter to Unitholders in the Circular and an expected stabilisation of the market environment in the next few years will allow the Manager to assess Manulife US REIT's capital requirements and also put Manulife US REIT on a more stable footing to execute its pivot strategy into assets that may (i) offer better return potential going forward; (ii) secure long-term tenant demand; and (iii) be less capital intensive. These in turn may potentially allow Manulife US REIT to resume distributions to Unitholders.

That said, based on the Recapitalisation Plan stated in the Letter to Unitholders in the Circular, the expected aggregate leverage of Manulife US REIT could remain elevated. As the Tranche 1 Assets selected for sale are identified by the Manager to be the key focus of the sale and are unlikely to provide strong economic returns, the ability to sell them close to book value could be challenging. Notwithstanding this, while an equity fund raising could reduce aggregate leverage to a greater degree, the Manager is of the opinion that this is not in the interest of Unitholders given the current low market capitalisation of Manulife US REIT and the uncertainties around capital market conditions. As the Manager hopes to preserve as much Unitholder value as possible, it therefore selected the path of buying time and disposing of the Existing Properties¹⁰ held by Manulife US REIT (excluding the Property) before re-approaching Unitholders for any sort of equity fund raising.

The Recapitalisation Plan is just the first step of building a foundation that will put Manulife US REIT on a path to growth for the long-term. The Manager may re-approach Unitholders for an equity fund raising in the future, but only after divesting the Tranche 1 Assets and/or the Tranche 2 Assets. This will help Manulife US REIT to revert to its target aggregate leverage levels and is also in-line with the Manager's aim to grow Manulife US REIT's asset base via accretive acquisitions that provide strong returns after it has strengthened its balance sheet.

Whether an equity fund raising is required also depends on the sale proceeds raised from the dispositions of the Existing Properties, the valuations of Manulife US REIT's assets going forward and the dilutive effect for existing Unitholders. Any such decision will be made at the appropriate time after the asset dispositions, taking into account all relevant circumstances, including but not limited to the prevailing conditions of equity markets, the interest rate environment, the distributions per Unit ("**DPU**") and the best interests of Manulife US REIT and the Unitholders.

For more information on this please refer to Paragraph 3.5 of the Letter to Unitholders in the Circular.

¹⁰ "**Existing Properties**" means the Tranche 1 Assets, the Tranche 2 Assets and the Tranche 3 Assets (as defined below), collectively, comprising the property known as Capitol located at 400 Capitol Mall, Sacramento, California, United States 95814 ("**Capitol**"), the property known as Centerpointe located at 4000 & 4050 Legato Road, Fairfax, Virginia, United States 22033 ("**Centerpointe**"), the property known as Diablo located at 2900 South Diablo Way, Tempe, Arizona, United States 85282 ("**Diablo**"), the property known as Exchange located at 10 Exchange Place, Jersey City, New Jersey, United States 07302 ("**Exchange**"), the property known as Figueroa located at 865 South Figueroa Street, Los Angeles, California, United States 90015 ("**Figueroa**"), the property known as Peachtree located at 1100 Peachtree Street, Atlanta, Georgia, United States 30309 ("**Peachtree**"), the property known as Penn located at 1750 Pennsylvania Avenue NW, Washington, D.C., United States 20006 ("**Penn**"), the property known as Plaza located at 500 Plaza Drive, Secaucus, New Jersey, United States 07094 ("**Plaza**"), the property known as Phipps located at 3438 Peachtree Road, Atlanta, Georgia, United States 30326 ("**Phipps**") and the property known as Michelson located at 3161 Michelson Drive, Irvine, California, United States 92612 ("**Michelson**").

1.3 RATIONALE AND BENEFITS OF THE RECAPITALISATION PLAN TO UNITHOLDERS

As mentioned above and in further detail in the Letter to Unitholders in the Circular, Manulife US REIT experienced a 14.6% decline in fair market value of its portfolio in the first half of 2023 which increased its aggregate leverage to approximately 57% as at 30 June 2023. This has resulted in (i) the breach of a financial covenant contained in the Existing Facilities, which states that Manulife US REIT must at all times ensure and procure that the Unencumbered Gearing for any measurement period (being a period of 12 months ending on the last day of each financial half-year of Manulife US REIT) is not more than 60% and (ii) the aggregate leverage of Manulife US REIT exceeding the aggregate leverage limit of 50% as set out in the Property Funds Appendix.

The breach of the financial covenant in the Existing Facilities resulted in the Lenders having the right under the terms of the Existing Facilities to accelerate repayment of the Existing Facilities, effectively forcing an expedited liquidation of Manulife US REIT's portfolio. This outcome would not be in the best interest of Unitholders given the limited capital market activity in the US commercial sector, which may potentially lead to distressed sale prices of Manulife US REIT's assets which would have a significant negative impact on disposition proceeds. The Manager, together with the Sponsor and the Lenders, has negotiated the best possible outcome for the Recapitalisation Plan, details of which are set out in the Letter to Unitholders in the Circular.

The Recapitalisation Plan will raise proceeds in the following manner, which the Manager intends to use as follows:

- (i) The Sponsor's commitment and support through its aggregate funding of US\$235.7 million via the Proposed Divestment and the Sponsor-Lender Loan.
- (ii) Reduction of bank loan exposure through the repayment of US\$285.0 million in debt funded by US\$98.0 million from the Proposed Divestment, US\$137.0 million from the Sponsor-Lender Loan and US\$50.0 million from Manulife US REIT's own cash holdings.
- (iii) Minimum aggregate net sale proceeds of US\$328.7 million from the sale of any of the Existing Properties to be utilised towards funding pre-approved capital expenditure and debt repayment.

The overarching rationale and benefits of the Recapitalisation Plan to Unitholders are as follows:

- (a) Obtaining the Lenders' waiver of the breach of the financial covenant and the execution of the Recapitalisation Plan provide a longer runway for Manulife US REIT in view of continued headwinds in the U.S. office sector.
- (b) The Disposition Mandate will provide the Manager a competitive edge as seller and the flexibility to maximise disposition proceeds to further repay indebtedness, fund capital expenditure to rejuvenate the remaining assets held by Manulife US REIT and strengthen its portfolio.
- (c) Successful execution of the Recapitalisation Plan will determine the size of the equity fund raising required to achieve Manulife US REIT's optimal aggregate leverage level, resume distributions to Unitholders and effect a potential pivot strategy.

For more information on this, please refer to Paragraph 4 of the Letter to Unitholders in the Circular.

1.4 SUMMARY OF APPROVALS SOUGHT

Arising from the abovementioned agreement with the Lenders to waive the breach of the financial covenant and restructure the Existing Facilities pursuant to the Recapitalisation Plan, the Manager is seeking approval from Unitholders for the following resolutions (collectively, the "**Resolutions**"):

- (i) **Resolution 1:** the Proposed Divestment to the Sponsor (Ordinary Resolution¹¹);

¹¹ "**Ordinary Resolution**" means a resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed (as defined in the Letter to Unitholders in the Circular).

(ii) **Resolution 2:** the proposed Sponsor-Lender Loan granted by the Sponsor-Lender (Ordinary Resolution); and

(iii) **Resolution 3:** the proposed adoption of the Disposition Mandate (Ordinary Resolution).

Unitholders should note that Resolution 1 (the Proposed Divestment), Resolution 2 (the Sponsor-Lender Loan) and Resolution 3 (the Disposition Mandate) are inter-conditional. In the event that (i) Resolution 2 (the Sponsor-Lender Loan) or Resolution 3 (the Disposition Mandate) does not pass, the Manager will not proceed with the Proposed Divestment; (ii) Resolution 1 (the Proposed Divestment) or Resolution 3 (the Disposition Mandate) does not pass, the Manager will not proceed with the Sponsor-Lender Loan; or (iii) Resolution 1 (the Proposed Divestment) or Resolution 2 (the Sponsor-Lender Loan) does not pass, the Manager will not proceed with the Disposition Mandate.

For more information on this please refer to Paragraph 1 of the Letter to Unitholders in the Circular.

Please note that our opinion as the IFA will only pertain to Resolution 2 (the proposed Sponsor-Lender Loan).

1.5 RESOLUTION 2: THE SPONSOR-LENDER LOAN

Sponsor-Lender Loan Agreement

In connection with the Sponsor-Lender Loan and as part of the terms of the Recapitalisation Plan, Manulife US REIT has on 29 November 2023 (Singapore Time) entered into a loan agreement with the Sponsor-Lender in relation to the Sponsor-Lender Loan (the "**Sponsor-Lender Loan Agreement**"). Pursuant to the Sponsor-Lender Loan, the Sponsor-Lender will provide a US\$137.0 million loan for a period of six years at an interest rate of 7.25%, paid quarterly, with the Exit Premium of up to 21.16% of the Sponsor-Lender Loan Amount payable by the Debtor to the Sponsor-Lender upon maturity of the Sponsor-Lender Loan. Purely for illustrative purposes only, taking into account the Exit Premium, an effective interest rate¹² of approximately 10% per annum is derived. The effective interest rate is just to illustrate the interest payable if the Exit Premium is paid across the loan tenor but for the avoidance of doubt, for the duration of the Sponsor-Lender Loan, the annual interest rate payable is 7.25% and the Exit Premium is only paid at the end upon maturity of the Sponsor-Lender Loan.

The Sponsor-Lender Loan Agreement is also subject to certain conditions, including the execution of the Master Restructuring Agreement.

For more information on this please refer to Paragraph 6 of the Letter to Unitholders in the Circular.

1.6 INTERESTED PERSON TRANSACTION¹³ AND INTERESTED PARTY TRANSACTION¹⁴

As at 22 November 2023, being the latest practicable date prior to the issuance of the Circular (the "**Latest Practicable Date**"), the Sponsor is deemed interested in 162,254,653 Units, which is equivalent to approximately 9.13% of the total number of Units in issue. However, as the Manager is an indirect wholly-owned subsidiary of the Sponsor¹⁵, the Sponsor is therefore regarded as a "controlling shareholder"¹⁶ of the Manager under both the Listing Manual of the SGX-ST (the "**Listing Manual**") and the Property Funds Appendix.

As the Purchaser is an indirect wholly-owned subsidiary of the Sponsor, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Purchaser (being an

¹² Effective interest rate is the rate that exactly discounts future cash payments through the tenor of the loan.

¹³ "**interested person transaction**" means a transaction between an entity at risk and an interested person (as defined herein), as defined under Chapter 9 of the Listing Manual (as defined herein).

¹⁴ "**interested party transaction**" has the meaning ascribed to it in Paragraph 5 of the Property Funds Appendix.

¹⁵ The Manager is wholly owned by Manulife Financial Asia Limited, which is in turn wholly owned by Manulife Holdings (Bermuda) Limited, which is in turn wholly owned by the Sponsor.

¹⁶ "**controlling shareholder**" means a person who: (a) holds directly or indirectly 15.0% or more of the total number of issued shares excluding treasury shares in the company; or (b) in fact exercises control over a company.

"associate"¹⁷ of a "controlling shareholder" of the Manager) and the Sponsor (being a "controlling shareholder" of the Manager) are (for the purpose of the Listing Manual) "interested persons"¹⁸ and (for the purpose of the Property Funds Appendix) and "interested parties"¹⁹ of Manulife US REIT.

Accordingly, (i) the Proposed Divestment and (ii) the Sponsor-Lender Loan will constitute "interested person transactions" as defined under Chapter 9 of the Listing Manual as well as "interested party transactions" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

The Divestment Consideration of US\$98.7 million²⁰ equates to approximately 9.7% of the latest audited net tangible assets ("NTA") and net asset value ("NAV") of Manulife US REIT and its subsidiaries (the "**Manulife US REIT Group**") as at 31 December 2022. The Sponsor-Lender Loan Interest Amount of up to US\$89.4 million equates to approximately up to 8.8% of the latest audited NTA and NAV of the Manulife US REIT Group as at 31 December 2022. As the values of the Proposed Divestment and the Sponsor-Lender Loan (being the Divestment Consideration and the Sponsor-Lender Loan Interest Amount respectively) exceeds 5.0% of the NTA and the NAV of the Manulife US REIT Group, the Manager will be seeking the approval of Unitholders by way of an Ordinary Resolution for the Proposed Divestment and the Sponsor-Lender Loan respectively, pursuant to Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.

For more information on this please refer to Paragraph 8.1 of the Letter to Unitholders in the Circular.

It is in this context that Deloitte & Touche Corporate Finance Pte Ltd ("**DTCF**") has been appointed as the independent financial adviser (the "**IFA**") pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the independent directors of the Manager (the "**Independent Directors**"), the audit and risk committee of the Manager (the "**Audit and Risk Committee**"), and the Trustee, as to whether the proposed Sponsor-Lender Loan is on normal commercial terms and is not prejudicial to the interests of Manulife US REIT and its minority Unitholders. This IFA Letter sets out our evaluation for the Independent Directors, the Audit and Risk Committee, and the Trustee in respect of this engagement.

2. TERMS OF REFERENCE

Our responsibility is to provide our opinion in respect to whether the proposed Sponsor-Lender Loan is on normal commercial terms and is not prejudicial to the interests of Manulife US REIT and its minority Unitholders, and whether the Independent Directors should recommend the minority Unitholders to vote in favour or against the resolution in respect of the proposed Sponsor-Lender Loan. We are providing our services to also comply with the latest Guidelines on Independent Financial Advisers published by the SGX-ST on 3 July 2023.

We were neither a party to the negotiations entered into by Manulife US REIT in relation to the proposed Sponsor-Lender Loan, nor were we involved in the deliberations leading up to the decision on the part of the Manager to put undertake the proposed Sponsor-Lender Loan.

17 "associate" means:

- (a) in relation to any director, chief executive officer, or controlling shareholder of the manager, or controlling unitholder of the property fund (being an individual), means:
 - (i) his spouse, child, adopted child, stepchild, sibling or parent;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; or
 - (iii) any company in which he and his family together (directly or indirectly) have an interest of 30% or more;
- (b) in relation to the controlling shareholder of the manager, or the manager, the trustee or controlling unitholder of the property fund (being a company) means any other company which is its subsidiary or holding company, or is a subsidiary of such holding company, or one in the equity of which it or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

18 "interested person" means:

- (a) in the case of a company, (i) a director, chief executive officer, or controlling shareholder of the issuer; or (ii) an associate of any such director, chief executive officer, or controlling shareholder; and
- (b) in the case of a REIT, shall have the meaning ascribed to the term "interested party" in the CIS Code.

19 "interested party" means:

- (a) a director, chief executive officer or controlling shareholder of the manager, or the manager, the trustee or controlling unitholder of the property fund; or
- (b) an associate of any director, chief executive officer or controlling shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of the property fund.

20 Subject to Closing and Post-Closing Adjustments.

We do not, by this IFA Letter or otherwise, advise or form any judgement on the strategic or commercial merits or financial merits or risks of the proposed Sponsor-Lender Loan. All such evaluations, advice, judgements or comments remain the sole responsibility of the directors of the Manager (the "**Directors**"), the Manager and their advisors. We have however drawn upon such evaluations, judgements and comments on the proposed Sponsor-Lender Loan as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of Manulife US REIT. We do not express any view as to the price at which the Units may trade upon completion of the proposed Sponsor-Lender Loan on the future value, financial performance or condition of Manulife US REIT after the proposed Sponsor-Lender Loan.

It is also not within our terms of reference to compare the merits of the proposed Sponsor-Lender Loan to any alternative transactions that were or may have been available to Manulife US REIT. Such comparison and consideration remain the responsibility of the Directors, the Manager and their advisors.

In the course of our evaluation, we have held discussions with the Manager, and have considered the information contained in the Circular, publicly available information collated by us as well as information, both written and verbal, provided to us by the Manager. We have relied upon and assumed the accuracy of the relevant information, both written and verbal, provided to us by the aforesaid parties and have not independently verified such information, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for the accuracy, completeness, and adequacy of such information. We have not independently verified and have assumed that all statements of fact, belief, opinion, and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made, and no responsibility is accepted by us concerning the accuracy, completeness, or adequacy of such information. We have nonetheless made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of Manulife US REIT or proposed Sponsor-Lender Loan.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors, or assumptions contained herein. The Unitholders should take note of any announcements relevant to their considerations of the proposed Sponsor-Lender Loan which may be released by Manulife US REIT after the Latest Practicable Date.

Manulife US REIT has been separately advised by its own legal adviser in the preparation of the Circular other than this IFA Letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except for this IFA Letter.

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder. As the Unitholders will have different investment objectives, we advise the Independent Directors and the Audit and Risk Committee to recommend that any Unitholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisors.

This IFA Letter is prepared pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the Audit and Risk Committee and the Trustee on whether the proposed Sponsor-Lender Loan is on normal commercial terms and is not prejudicial to the interests of Manulife US REIT and its minority Unitholders and will be incorporated as an Appendix to the Circular. The Manager may not reproduce, disseminate, or quote this IFA Letter or any part thereof for any purpose, other than for matters relating to the proposed Sponsor-Lender Loan, without our prior written consent in each instance.

Our opinion is prepared pursuant to Rule 921(4)(a) of the Listing Manual as well as addressed expressly to the Independent Directors, the Audit and Risk Committee and the Trustee for their benefit and deliberation in connection with and for the purpose of their consideration of the proposed Sponsor-Lender Loan. Any recommendation made by the Independent Directors and the Audit & Risk Committee to the Unitholders in respect of the proposed Sponsor-Lender Loan shall remain the responsibility of the Independent Directors and the Audit and Risk Committee. Our opinion in relation to the proposed Sponsor-Lender Loan, as set out under paragraph 4 of this IFA Letter should be considered in the context of the entirety of our advice.

3. EVALUATION OF THE PROPOSED SPONSOR-LENDER LOAN, AS AN INTERESTED PERSON TRANSACTION

In reaching our recommendation in respect to the proposed Sponsor-Lender Loan, we have given due consideration to the following factors:

- (i) overview of the situation;
- (ii) the historical financial performance and position of Manulife US REIT;
- (iii) key terms of the proposed Sponsor-Lender Loan;
- (iv) credit quality assessment of Manulife US REIT;
- (v) comparison of the effective interest rate of the proposed Sponsor-Lender Loan benchmarked against publicly available information on debt of a similar profile;
- (vi) the pro forma financial effects of the Proposed Divestment, proposed Sponsor-Lender Loan, and the Disposition Mandate; and
- (vii) other relevant considerations that may have a significant bearing on our assessment.

3.1 OVERVIEW OF THE SITUATION

3.1.1 BACKGROUND TO DEBT DEFAULT

On 18 July 2023, the Manager announced that the real estate valuation of the portfolio of Manulife US REIT (based on the first half 2023 valuations) has declined by 14.6% or US\$279.95 million to US\$1,633.55 million (versus US\$1,913.5 million as at 31 December 2022)²¹ which resulted in (i) Manulife US REIT breaching a financial covenant contained in the Existing Facilities, and (ii) Manulife US REIT exceeding the aggregate leverage limit of 50% as set out in the Property Funds Appendix.

3.1.2 US COMMERCIAL OFFICE SECTOR

We note that the decline in the real estate valuation of the portfolio of Manulife US REIT is partly due to its exposure to the US commercial office sector. With reference to Paragraph 2.3 of the Letter to Unitholders in the Circular, we note that:

- *"[T]he U.S. office sector continues to face significant headwinds with structural changes in the workforce trends impacting office demand, macroeconomic risk, rising interest rates, and increasing credit default risk adding substantial vulnerability to the sector:
 - (i) Post-COVID-19 work patterns continue to impact office space demand and leasing activity.
 - (ii) Layoffs by large corporates and technology slowdown have increased further downward pressure on the demand for office space.
 - (iii) Rising interest rate environment has negatively impacted office asset valuations and ability to refinance debt obligations leading to rising loan defaults, foreclosures and distressed sales."*

²¹ The 31 December 2022 figure has been adjusted to remove Tanasbourne which has been sold on 12 April 2023 pursuant to the Tanasbourne Divestment.

- "U.S. office valuations remain under pressure and are likely to decline further in 2023. Evidence from the public-listed office REITs in the U.S. market indicates that unit prices are priced at upwards of a 40% discount to NAV" – Evercore ISI Research report on "REIT Valuation Handbook" as at 27 October 2023; and
- "The National Council of Real Estate Investment Fiduciaries ("NCREIF") Office Subindex, which reflects private market values, reported valuation declines of 21.1% year-on-year (as at the third quarter of 2023 ("3Q 2023"))" and "Private market performance typically lags public equity markets, and the prevailing market sentiment is that these declines will continue through 2023, and even into 2024".

We also note that the Jones Lang LaSalle IP, Inc. ("JLL") research on the "U.S. Office Outlook" as of 3Q 2023 further indicates that:

- The US Office Sector remains soft as leasing volume fell by 4.2% quarter-over-quarter;
- Overall office vacancies increased to 21.0% (+39 basis points) quarter-over-quarter; and
- Office transaction volumes are down 69% year-on-year as capital markets tightened, limiting liquidity due to the higher cost of borrowing.

3.1.3 MANULIFE US REIT – MARKET CAPITALISATION IMPACT

We note that the above US commercial office sector factors have adversely impacted Manulife US REIT over the past 12 months. They have resulted in the fair value write-down of its office property portfolio by US\$279.95 million in the first half of 2023, which triggered a breach of the financial covenant and default on the Existing Facilities, and in conjunction with the general US commercial office sector sentiment have contributed to a steady decline in its market capitalisation from S\$918 million to S\$246 million between 23 November 2022 and 22 November 2023, as shown below:

FIGURE 1: MARKET CAPITALISATION OF MANULIFE US REIT



Source: S&P Capital IQ as at 22 November 2023

3.1.4 RECAPITALISATION PLAN

We note that Manulife US REIT's breach of a financial covenant in the Existing Facilities, the decline in its office property valuations and the general US office sector sentiment, have contributed to the Manager's inability to refinance the Existing Facilities and necessitated restructuring negotiations

with Lenders. The Manager has engaged with the Lenders regarding the restructuring of the Existing Facilities and the waivers in relation to the breach.

Following heavy negotiations amongst the Manager, the Sponsor and the Lenders, the key terms for the waiver of the breach of the financial covenant and the restructuring of the Existing Facilities pursuant to the Recapitalisation Plan have been put together by the Manager, which would strengthen Manulife US REIT's balance sheet and create sufficient liquidity to fund essential capital expenditure budgeted for FY2024 and FY2025.

We note that as part of the Recapitalisation Plan, the half-yearly distributions to the Unitholders of Manulife US REIT are to be halted until 31 December 2025. This is a key term of the Recapitalisation Plan to reduce existing external loans, fund essential capital expenditure, and obtain a waiver of the breach of the financial covenant as a part of the restructuring of the Existing Facilities due to Lenders.

For further details on this, please refer to Paragraph 3.1 of the Letter to Unitholders in the Circular.

3.1.5 STEPS TAKEN TO EXPLORE ALL ALTERNATIVES PRIOR TO THE RECAPITALISATION PLAN

We note that prior to the Recapitalisation Plan, the Manager has explored and exhausted various alternatives to address both the breach of the financial covenant in the Existing Facilities and the decline in the real estate valuation of the portfolio of Manulife US REIT (including a transaction with strategic investor(s) and mergers), and the Recapitalisation Plan based on the Key Recapitalisation Terms represents the best workable solution to address the breach of the financial covenant.

We also note that the Sponsor's involvement via the Proposed Divestment and the Sponsor-Lender Loan is one of the Lenders' requirements to reduce their total loan risk for their agreement to waive the breach of the financial covenant in the Existing Facilities.

For further details on this, please refer to Paragraph 3.2 of the Letter to Unitholders in the Circular.

3.1.6 LONG-TERM PLAN FOR MANULIFE US REIT

We note that the execution of the Recapitalisation Plan and an expected stabilisation of the market environment in the next few years is expected to allow the Manager to assess Manulife US REIT's capital requirements and also put Manulife US REIT on a more stable footing to execute its pivot strategy into assets that may (i) offer better return potential going forward; (ii) secure long-term tenant demand; and (iii) be less capital intensive. These in turn may potentially allow Manulife US REIT to resume distributions to Unitholders.

We also note that the Recapitalisation Plan is just the first step in the Manager's plan of building a foundation that is expected to put Manulife US REIT on a path to growth for the long-term. We note that the Manager may re-approach Unitholders for an equity fund raising in the future, but only after divesting the Tranche 1 Assets and/or the Tranche 2 Assets. We note that this should help Manulife US REIT revert to its target aggregate leverage levels and is also in line with the Manager's aim to grow Manulife US REIT's asset base via accretive acquisitions that provide strong returns after it has strengthened its balance sheet.

3.1.7 MANULIFE US REIT'S VIEW ON THE RATIONALE AND BENEFITS OF THE RECAPITALISATION PLAN

We note the Manager's view on the overarching rationale and benefits of the Recapitalisation Plan to Unitholders are as follows:

- (a) Obtaining the Lenders' waiver of the breach of the financial covenant and the execution of the Recapitalisation Plan provide a longer runway for Manulife US REIT in view of continued headwinds in the US office sector;
- (b) The Disposition Mandate will provide the Manager a competitive edge as seller and the flexibility to maximise disposition proceeds to further repay indebtedness, fund capital expenditure to rejuvenate the remaining assets held by Manulife US REIT, and strengthen its portfolio; and

- (c) Successful execution of the Recapitalisation Plan will determine the size of the equity fund raising required to achieve Manulife US REIT's optimal aggregate leverage level, resume distributions to Unitholders and effect a potential pivot strategy.

Based on the observations of Manulife US REIT's situation, we note that:

- (i) US commercial office sector factors have adversely impacted Manulife US REIT over the last 12 months, which has resulted in the fair value write-down of its office property portfolio, which triggered the breach of the financial covenant and default on Existing Facilities. We also note that the market value of Manulife US REIT's property portfolio is reflective of current market conditions, which is influenced by a combination of factors;
- (ii) The Manager explored various alternatives to address the breach of the financial covenant, and to strengthen its balance sheet (including a transaction with strategic investor(s) and mergers), however these were non-viable options;
- (iii) Subsequently, the Manager engaged with the Lenders to restructure the Existing Facilities and seek a waiver of the breach of the financial covenant without which the Lenders would have the right to accelerate repayment and effectively force Manulife US REIT to liquidate its office portfolio at distressed sale prices;
- (iv) After extensive negotiations between the Manager, Lenders and Sponsor, it resulted in the formulation of the Recapitalisation Plan, which the parties regard as the best workable solution to address the breach of the financial covenant and pay down Existing Facilities; and
- (v) The Sponsor's involvement via the Proposed Divestment and the Sponsor-Lender Loan is one of the Lenders' requirements to reduce their total loan risk for their agreement to waive the breach of the financial covenant in the Existing Facilities.

3.2 THE HISTORICAL FINANCIAL PERFORMANCE AND POSITION OF MANULIFE US REIT

We set out below a summary financial performance of Manulife US REIT for the audited FY2021, FY2022 and unaudited 1H 2022 and 1H 2023 and the financial position of Manulife US REIT for the audited 31 December 2022 and unaudited 30 June 2023. The following should be read in conjunction with the full text of Manulife US REIT's annual reports and financial results announcement in respect of the relevant financial periods.

Historical Financial Performance of Manulife US REIT

FIGURE 2: SUMMARY OF RESULTS OF MANULIFE US REIT

US\$'000	1H 2023 Unaudited	1H 2022 Unaudited	FY2022 Audited	FY2021 Audited
Gross Revenue	99,568	100,418	202,559	185,099
Net Property Income	55,361	57,622	113,163	109,547
Net (Loss)/Income for the period	(247,636)	62,772	(129,721)	39,413
Income Available for Distribution to Unitholders	37,948	45,966	87,870	85,599
Distribution amount to Unitholders	-	45,966	84,049 ⁽¹⁾	85,599
DPU (before retention) (US cents)	-	2.61	4.97	5.33
DPU (after retention) (US cents)	-	2.61	4.75	5.33

Source: Manulife US REIT's financial statements, Manulife US REIT's annual reports, Manulife US REIT's announcements

Note:

- (1) US\$3,821,000 retained from capital distribution as general corporate and working capital purposes in FY2022. Rounding differences noted.

1H 2023 vs 1H 2022

We note that gross revenue for 1H 2023 was lower by 0.8% from 1H 2022, largely due to the sale of Tanasbourne completed in April 2023, lower rental and recoveries income as a result of higher portfolio vacancy rate partially offset by higher lease termination fee and parking income.

Net property income for 1H 2023 was US\$55.4 million, a decrease of 3.9% from 1H 2022, mainly due to lower gross revenue as well as higher property operating expenses such as repair and maintenance, property taxes, and utilities in 1H 2023.

Net loss for 1H 2023 was US\$247.6 million compared to net income of US\$62.8 million for 1H 2022. This is primarily due to the effects of lower net property income, higher finance expenses, higher net fair value loss on investment properties and derivatives, as well as a one-off loss on disposal arising from the divestment of Tanasbourne.

Income available for distribution to Unitholders for 1H 2023 was lower by 17.4% compared to 1H 2022 mainly due to lower net property income and higher finance expenses.

As a result of a breach of the financial covenant in the Existing Facilities, Manulife US REIT is not able to declare any distribution for 1H 2023.

FY2022 vs FY2021

We note that gross revenue for FY2022 increased 9.4% from FY2021, mainly due to contributions from Tanasbourne, Park Place and Diablo acquired in December 2021, higher carpark income and lower rent abatements provided to tenants affected by COVID-19, partially offset by lower rental and recoveries income from existing properties as a result of higher vacancies and higher non-cash amortisation of tenant lease incentives.

Net property income for FY2022 was US\$113.2 million, an increase of 3.3% from FY2021. Property operating expenses for FY2022 increased 18.3% from FY2021, mainly due to the newly acquired properties, increase in operating expenses such as property taxes, repair and maintenance, and utilities, and the absence of a net reversal of provision for expected credit loss.

Net loss for FY2022 was US\$129.7 million compared to the net income of US\$39.4 million for FY2021. This is primarily due to higher net fair value loss on investment properties of US\$263.6 million in FY2022, higher finance expenses for FY2022 (largely due to additional borrowings drawn to partially fund the acquisitions in December 2021, capital expenditure and leasing costs, as well as Plaza and Exchange mortgage loans being refinanced at a higher interest rate in July 2022; the increase was partially offset by interest savings from the refinancing of Penn and Michelson at lower interest rate in April 2021), and partially offset against net value gain on derivatives of US\$48.0 million in FY2022, and tax income of US\$18.1 million in FY2022.

Income available for distribution to Unitholders for FY2022 was US\$87.9 million, 2.7% higher than FY2021 after adjusting for net fair value loss and other distribution adjustments.

The distribution amount to Unitholders after retention for FY2022 was US\$84.0 million, 1.8% lower than FY2021.

Historical Financial Position of Manulife US REIT

FIGURE 3: SUMMARY OF PORTFOLIO VALUE OF MANULIFE US REIT

US\$ million	As at 30 Jun 2023	As at 31 Dec 2022	As at 31 Dec 2021
Figuroa, Los Angeles	174.0	211.0	315.2
Plaza, New Jersey ⁽²⁾	67.1	92.0	106.0
Penn, Washington, D.C.	124.0	156.0	177.3
Exchange, New Jersey ⁽²⁾	258.0	290.0	324.0
Centerpointe, Washington, D.C. ⁽³⁾	79.0	101.0	112.7
Michelson, Irvine	256.0	292.0	317.0

US\$ million	As at 30 Jun 2023	As at 31 Dec 2022	As at 31 Dec 2021
Peachtree, Atlanta	175.0	205.0	212.9
Capitol, Sacramento	165.0	190.0	197.0
Park Place, Chandler	98.7	103.0	106.9 ⁽¹⁾
Phipps, Atlanta	178.15	210.0	216.0
Diablo, Tempe	58.6	63.5	65.0 ⁽¹⁾
Tanasbourne, Hillsboro	-	33.5	34.4 ⁽¹⁾
Total valuation	1,633.55	1,947.0	2,184.4

Source: Manulife US REIT's financial statements, Manulife US REIT's annual reports, Manulife US REIT's announcements

Note:

- (1) Based on time specified appraisals completed by JLL during acquisition.
- (2) Plaza and Exchange are located in Secaucus and Jersey City respectively, within New Jersey.
- (3) Centerpointe is located in Fairfax Center, a submarket within Fairfax County, Virginia, in the Washington, D.C. metro area.

We note that the portfolio of Manulife US REIT declined by US\$279.95 million and US\$237.4 million in 1H 2023 and in FY2022 respectively.

FIGURE 4: SUMMARY OF NET ASSET VALUE OF MANULIFE US REIT

	As at 30 Jun 2023	As at 31 Dec 2022	As at 31 Dec 2021
Net assets (US\$'000)	740,962	1,020,316	1,187,716
Units in issue and to be issued ('000)	1,835,124	1,798,425	1,764,085
Net asset value (NAV) per unit attributable to Unitholders (US\$)	0.40	0.57	0.67
Adjusted NAV per Unit (US\$) ⁽¹⁾	0.38	0.55	0.67

Source: Manulife US REIT's financial statements, Manulife US REIT's annual reports, Manulife US REIT's announcements

Note:

- (1) Excluding distributable income.

We note that the net assets attributable to Unitholders decreased to US\$740.96 million as at 30 June 2023, which translated to NAV per Unit of US\$0.40 and adjusted NAV per Unit of US\$0.38. Net assets attributable to Unitholders were respectively US\$1,020.3 million, and US\$1,187.72 million as at 31 December 2022, and 31 December 2021, which translated to NAV per Unit of US\$0.57, and US\$0.67, and adjusted NAV per Unit of US\$0.55, and US\$0.67 in the relevant financial periods.

FIGURE 5: SUMMARY OF KEY FINANCIAL INDICATORS OF MANULIFE US REIT

Key Financial Indicators	As at 30 Jun 2023	As at 31 Dec 2022	As at 31 Dec 2021
Gearing ratio ⁽¹⁾ (%)	56.7	48.8	42.8
Interest coverage ratio ⁽²⁾	2.6	3.1	3.4
Current ratio ⁽³⁾	0.18	0.66	0.24

Source: Manulife US REIT's annual reports, Manulife US REIT's financial statements, Manulife US REIT's announcements

Notes:

- (1) Based on gross borrowings as percentage of total assets. Regarding the aggregate leverage as defined in the Property Funds Appendix, as set out in Paragraph 9.4 of the Property Funds Appendix, The Manager indicated that the aggregate leverage limit of 50% is not considered to be breached if due to circumstances beyond the control of the Manager. If the aggregate leverage limit is exceeded as a result of a depreciation in the asset value of the property fund or any redemption units or payments made from the property fund, the Manager should not incur additional borrowings or enter into further deferred payment arrangements.
- (2) Computed by dividing the trailing 12-month earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12-month interest expense and borrowing-related fees as set out in the CIS Code issued by MAS. As MUST does not have any distributions for hybrid securities, its interest coverage ratio is equivalent to its adjusted interest coverage ratio.
- (3) Computed by dividing total current assets by total current liabilities.

We note that Manulife US REIT's aggregate leverage (assessed with reference to the gearing ratio calculated as gross borrowings as a % of total assets) was 56.7% as at 30 June 2023, an increase from 42.8% as at 31 December 2021, mainly due to the decline in portfolio valuation. Manulife US REIT's interest coverage ratio was 2.6 times as at 30 June 2023 down from 3.4 times as at 31 December 2021. Further, Manulife US REIT's current ratio was 0.18 as at 30 June 2023, a material drop from 0.66 as at 31 December 2022 as a result of all debt owed under Existing Facilities being reclassified as current following the breach of the financial covenant. We also note that the current ratio increased from 0.24 as at 31 December 2021 to 0.66 as at 31 December 2022, due to a reduction in current debt outstanding and a higher cash balance at period end.

Based on the observations above, we note that:

- (i) As a result of the breach of the financial covenant, Manulife US REIT is not able to declare any distribution for 1H 2023;
- (ii) The portfolio value has been declining over the last two years and up to 30 June 2023; and
- (iii) The NAV, gearing ratio, interest coverage ratio and current ratio are deteriorating.

Notwithstanding the above, we note the Recapitalisation Plan seeks to remediate Manulife US REIT's balance sheet, and stabilise their position to execute its pivot strategy, which may potentially allow Manulife US REIT to resume distributions to Unitholders in the future.

3.3 KEY TERMS OF THE PROPOSED SPONSOR-LENDER LOAN

3.3.1 BACKGROUND

As stated in the Circular, Manulife US REIT intends to enter into the Sponsor-Lender Loan Agreement with the Sponsor-Lender. Under this loan agreement, the Sponsor-Lender will provide an unsecured loan of US\$137.0 million to Manulife US REIT at a nominal interest rate of 7.25% per annum (effective rate of approximately 10% per annum, factoring in the Exit Premium payable at maturity) over a period of six years.

3.3.2 KEY TERMS AND OBSERVATIONS

We set out the key terms of the Sponsor-Lender Loan below:

FIGURE 6: KEY TERMS OF THE SPONSOR-LENDER LOAN

Debtor	:	DBS Trustee Limited, in its capacity as trustee of Manulife US REIT
Manager	:	Manulife US Real Estate Management Pte. Ltd.
Sponsor	:	The Manufacturers Life Insurance Company
Sponsor-Lender	:	The Sponsor or an affiliate (as lender of the Sponsor-Lender Loan)
Principal Amount	:	US\$137.0 million
Principal Repayment	:	Payable upon maturity
Tenor	:	6 Years
Security	:	Unsecured
Priority	:	Tenor subordinated to the Existing Facilities in that the Sponsor-Lender Loan will only be fully repaid after Existing Facilities have been fully repaid in 2028
Interest Rate	:	7.25% per annum and paid quarterly, in cash

Exit Premium	:	Up to 21.16% of the Sponsor-Lender Loan Amount and payable upon maturity Note: The effective interest rate is approximately 10% per annum after taking into account both the nominal interest rate and Exit Premium
Use of Proceeds	:	To pay down outstanding debt owed to each of the existing lenders of Manulife US REIT on a <i>pari passu</i> basis
Asset Disposal	:	<p>Four office properties, namely Centerpointe, Diablo, Figueroa and Penn ("Tranche 1 Asset") to be sold by no later than 30 June 2025 at preapproved prices, unless otherwise approved by the Sponsor-Included Majority Lenders</p> <p>Up to two additional assets from the pool of Capitol, Exchange, Peachtree and Plaza ("Tranche 2 Asset") may be sold provided that the assets, price and other material terms of sale are approved by the Sponsor-Included Majority Lenders</p> <p>Proceeds from the sale of a Tranche 1 Asset or Tranche 2 Asset are to be applied in the chronological order of calendar years (commencing from 2024) and in respect of the calendar year of each step of the payment waterfall, in the following order:</p> <p>(i) Firstly, the pre-approved capital expenditure of the Debtor and any relevant subsidiaries for that year (based on a proposed budget and supporting documents delivered by the Debtor, as approved by the Sponsor-Included Majority Lenders); and</p> <p>(ii) Secondly, the amount of outstanding debt owing to the Lenders which matures in the following calendar year in which the Debtor received the disposal proceeds from the sale of a Tranche 1 and/or Tranche 2 Asset (the "Disposal Year") (based on the extended maturity date as extended herein), followed by the amount of outstanding debt owing to the Lenders under the Existing Facilities which mature in the calendar year following the Disposal Year, followed by the amount of outstanding debt owing to the Lenders under the Existing Facilities which mature in the calendar year two calendar years after the Disposal Year, followed by the amount of outstanding debt owing to the Lenders under the Existing Facilities which mature in the calendar year three calendar years after the Disposal Year, followed by the amount of outstanding debt owing to the Lenders under the Existing Facilities which mature in the calendar year four calendar years after the Disposal Year.</p>

For more information on the key terms of the Sponsor-Lender Loan, please refer to Paragraph 6 of the Letter to Unitholders in the Circular.

Based on the above key terms, and with reference to the Circular, we note that:

- (i) The Sponsor-Lender Loan and the Existing Facilities are both unsecured;
- (ii) The Sponsor-Lender Loan is contractually and tenor subordinated to the Existing Facilities, in that the Sponsor-Lender Loan needs to be repaid after the Existing Facilities which mature in 2028;
- (iii) The Sponsor-Lender Loan proceeds will be used to pay down the Existing Facilities; and
- (iv) Terms relating to the disposal of non-core assets will be used to fund pre-approved capital expenditure and then further repayment of the Existing Facilities.

3.4 CREDIT QUALITY ASSESSMENT OF MANULIFE US REIT

3.4.1 BACKGROUND

Manulife US REIT is not rated and has never been rated by a credit rating agency.

3.4.2 FACTORS CONSIDERED

In the Letter to Unitholders in the Circular, it is stated at Paragraph 5.3.4 that:

"Given the situation of Manulife US REIT being in default of its financial covenants and its elevated aggregate leverage limit, the Manager is putting in various measures to conserve as much cash as possible."

Additionally with reference to Manulife US REIT's publicly available reported financials and investor presentations, and the Circular, we highlight various factors that indicate Manulife US REIT is presently potentially in a financially stressed situation:

- (i) A US\$279.95 million / 14.6% decline in the first half 2023 valuations of Manulife US REIT's office investment properties portfolio to US\$1,633.55 million, compared to the US\$1,913.5 million valuation as at 31 December 2022²²;
- (ii) Reported 1H 2023 consolidated net loss after tax of US\$247.6 million (unaudited), which represents an increase on the FY2022 full-year consolidated net loss after tax of US\$129.7 million (audited) and was largely driven by the decline in fair value of the office investment property portfolio;
- (iii) Breach of the Unencumbered Gearing financial covenant, due to the fair value adjustments to Manulife US REIT's office properties, resulted in a reclassification of defaulted loans to 'current';
- (iv) Current ratio of 0.18 based on reported 1H 2023 consolidated financials (unaudited), driven by the restatement of defaulted loans. A current ratio of below 1 is indicative of solvency challenges; and
- (v) Restructuring negotiations with existing lenders to seek a waiver of the breach of the financial covenant, an extension of loan maturities, financial covenant relaxation, funding sources for deleveraging among other things.

3.4.3 INDICATIVE CREDIT QUALITY

As a result of the default on the Existing Facilities, the debt restructuring negotiations with the Lenders, and other factors noted above, if Manulife US REIT was rated today, at best it would be considered a speculative and non-investment grade.

In accordance with the Standard & Poor Financial Services LLC ("**S&P**") and Moody's Investors Service, Inc. ("**Moody's**") credit ratings scales, speculative and non-investment grade credit would be rated "BB+" or "Ba1", or below.

Debtors with lower credit grades, especially in a default situation, can typically expect a higher cost of financing, sometimes only from alternative lenders, if financing is available at all.

3.5 COMPARISON OF EFFECTIVE INTEREST RATE OF THE SPONSOR-LENDER LOAN BENCHMARKED AGAINST PUBLICLY AVAILABLE INFORMATION ON DEBT OF A SIMILAR PROFILE

3.5.1 SCOPE OF BENCHMARKS

In assessing the reasonableness of the effective interest rate of the proposed Sponsor-Lender Loan, we have referenced publicly available interest rates of broadly comparable debt instruments (the "**Broadly Comparable Debt Instruments**"). We have focused on:

- Real Estate Investment Trusts that invest in office real estate located in the US;
- Non-investment grade credit, per S&P and Moody's credit rating scales, which reflect substantial credit risk and have highly speculative elements; and
- Unsecured debt.

22 The 31 December 2022 figure has been adjusted to remove Tanasbourne which has been sold on 12 April 2023 pursuant to the Tanasbourne Divestment.

3.5.2 LIMITATIONS

Relevant information has been extracted from publicly available databases and reports. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The underlying assumptions of the Broadly Comparable Debt Instruments with respect to the values which interest rates were derived may differ from that of the proposed Sponsor-Lender Loan.

We further highlight that the Broadly Comparable Debt Instruments have not been independently verified and do not represent a complete view of the market as various transactions are private. In addition, they may differ from the proposed Sponsor-Lender Loan in terms of, inter alia, loan value, tenor, repayment structure, and the borrower’s risk profile, track record, operating and financial leverage.

As such, any comparison made is necessarily limited and merely serves as an illustrative guide.

3.5.3 BROADLY COMPARABLE DEBT INSTRUMENTS

The Broadly Comparable Debt Instruments are presented further below and relate to the following 3 categories:

- (1) US Corporate Debt Yield Index, with a S&P credit rating of BB and below;
- (2) Non-Investment Grade Unsecured Bonds; and
- (3) Other Publicly Sourced Unsecured Debt Comparables.

Item 1: US Corporate Debt Yield Index

The Intercontinental Exchange (“ICE”) Bank of America (“BofA”) High Yield Indices track the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. The indices indicate:

FIGURE 7: US CORPORATE DEBT YIELD INDEX

US Corporate Index	Index Description	Yield-to-Maturity (%)
ICE BofA BB US High Yield Index Effective Yield	This index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market given an investment grade rating BB	7.05
ICE BofA Single-B US High Yield Index Effective Yield	This index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market given an investment grade rating B	8.66
ICE BofA CCC & Lower US High Yield Index Effective Yield	This index tracks the performance of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market given an investment grade rating CCC and below	14.42

Source: FRED | St. Louis Fed Economic Data as at 22 November 2023

Based on the above table, we note that:

- (i) The yield-to-maturity (“YTM”) represents the speculative rate of return or interest rate of a fixed rate debt security based on the current market price and issuer’s risk profile; and
- (ii) For non-investment grade corporate debt rated BB and lower, the interest rate may range between ~7% to ~14% per annum.

Item 2: Non-Investment Grade Unsecured Bonds

We have extracted data on publicly trade bonds based on the following criteria:

- Geography as United States
- Debtor Type as REIT
- Industry as Real Estate

- Real Estate Type as Commercial Office
- Secured Status as Unsecured
- Credit Rating as Non-Investment Grade

The data extracted shows:

FIGURE 8: NON-INVESTMENT GRADE UNSECURED BONDS

Bond Tenor	Number of Bonds	Notional Value Outstanding (US\$m)	Average YTM Mid (%)
5 - 6 years	3	1,000	15.5
6 - 7 years	1	350	15.3
7 - 8 years	4	2,800	7.6
8 - 9 years	2	1,200	10.3
9 - 10 years	5	2,750	9.5
More than 10 years	3	1,350	10.7
Total	18	9,450	N/A
Average:			10.7
Lower Quartile:			7.9
Median:			8.8
Upper Quartile:			12.3

Source: Bloomberg as at 22 November 2023

Based on the above table, we note that:

- The Bloomberg dataset comprises 18 bond issuances with a total notional value of US\$9,450 million outstanding and issuers that are US-based commercial office REITs with a speculative and non-investment grade as rated by S&P (between BB and B+) and/or Moody's (between Ba1 and B2);
- The average mid-point YTM is 10.7% per annum and the median mid-point YTM is 8.8% per annum; and
- For bonds with a tenor ranging between 5 and 7 years, the average mid-point YTM ranges between 15.3% and 15.5% per annum for non-investment grade unsecured bonds.

Item 3: Other Publicly Sourced Unsecured Debt Comparables

We have sourced other publicly available debt data for comparable US commercial office real estate vehicles and provide a summary as follows:

FIGURE 9: OTHER PUBLICLY SOURCED UNSECURED DEBT COMPARABLES

Source	Details of Benchmarks	Interest Rate per annum (%)	Indicative Interest Rate ⁽¹⁾ (%)
Mortgage Banker Association ("MBA")	Commercial mortgage-backed securities ("CMBS") issued in Q2 2023 with speculative characteristics and lower creditworthiness (rated BBB-)	SOFR + 9.59%	14.90%
TPG Real Estate Finance Trust	US\$87.0 million senior loan issued in November 2022 in respect of commercial office real estate (~5 year loan tenor)	SOFR + 5.6%	10.91%

Source	Details of Benchmarks	Interest Rate per annum (%)	Indicative Interest Rate ⁽¹⁾ (%)
ARES Commercial Real Estate Corporation	US\$56.0 million senior loan issued in relation to a commercial office in December 2022 (~2 year loan tenor)	SOFR + 4.25%	9.56%

Sources:

- Mortgage Banker Association – Commercial / Multifamily Quarterly Databook Q2 2023
- TPG Real Estate Finance Trust Form 10-Q for the period 30 September 2023
- ARES Commercial Real Estate Corporation Investor Presentation for the quarter ended 30 June 2023

Note:

- (1) SOFR rate of 5.31% as at 22 November 2023 (sourced from FRED | St. Louis Fed) and has been used to compute the Indicative Interest Rate (%)

Based on the above table, we note that:

- The MBA CMBS relate to a diversified US real estate portfolio mix which is likely to carry less risk than pure-play commercial office loan exposure and have an indicative interest rate of 14.90% per annum;
- TPG Real Estate Finance Trust and ARES Commercial Real Estate Corporation comparables are senior loans, standing in priority to unsecured and subordinated loans (versus the proposed Sponsor-Lender Loan which is unsecured and contractually and tenor subordinated). The indicative interest rate for the senior loans range between 9.56% and 10.91% per annum.

Taking into account the non-rated / non-investment credit grade of Manulife US REIT, its current default position with the Lenders, and the unsecured and subordinated nature of the proposed Sponsor-Lender Loan, we note that the effective interest rate of approximately 10% per annum for the proposed Sponsor-Lender Loan falls reasonably within the Broadly Comparable Debt Instruments' interest rate ranges.

3.6 THE PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT, THE PROPOSED SPONSOR-LENDER LOAN AND THE DISPOSITION MANDATE

The pro forma financial effects of the Proposed Divestment, the proposed Sponsor-Lender Loan and the Disposition Mandate are set out in Paragraph 9 of the Letter to Unitholders in the Circular.

On the basis presented and using the assumptions made as set out in Paragraphs 9.2.1, and 9.2.2 of the Letter to Unitholders in the Circular, we note the illustrated pro forma financial effects of the Proposed Divestment, the proposed Sponsor-Lender Loan and the Disposition Mandate as follows:

FIGURE 10: PRO FORMA EFFECTS FOR 1H 2023

Pro Forma effects for 1H 2023	1H 2023 Unaudited Financial Statements	After the Tanasbourne Divestment	After the Tanasbourne Divestment and the Proposed Divestment	After the Tanasbourne Divestment, the Proposed Divestment and the Sponsor-Lender Loan	After the Tanasbourne Divestment, the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions	Remarks
DPU based on DI over units in issue (US cents)	2.14	2.11	2.04	1.87 ⁽¹⁾	1.06	DPU dilutive

Note:

- (1) For illustrative purposes, this includes the effect of the debt repayment of US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt.

FIGURE 11: PRO FORMA EFFECTS AS AT 30 JUNE 2023

Pro Forma effects as at 30 June 2023	1H 2023 Unaudited Financial Statements	After the Proposed Divestment	After the Proposed Divestment and the Sponsor-Lender Loan	After the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions	Remarks
NAV per Unit (US\$)	0.40	0.40	0.40 ⁽¹⁾	0.34	Decrease
Gearing (%)	56.5 ⁽²⁾	54.0	52.8 ⁽¹⁾	49.4	Decrease

Note:

- (1) For illustrative purposes, this includes the effect of the debt repayment of US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt.
- (2) For illustrative purposes, this includes the effect of the \$9.0 million good faith debt repayment made in August 2023 from Manulife US REIT's own cash holdings. 1H 2023 Unaudited Financial Statements gross borrowings and total assets are US\$1,032.7 million and US\$1,821.5 million, respectively.

FIGURE 12: PRO FORMA EFFECTS FOR FY2022 / AS AT 31 DECEMBER 2022

Pro Forma effects for FY2022 / as at 31 December 2022	FY2022 Audited Financial Statements	After the Tanasbourne Divestment	After the Tanasbourne Divestment and the Proposed Divestment	After the Tanasbourne Divestment, the Proposed Divestment and the Sponsor-Lender Loan	After the Tanasbourne Divestment, the Proposed Divestment, the Sponsor-Lender Loan and the Tranche 1 Asset Dispositions	Remarks
DPU based on DI over units in issue (US cents)	4.97	4.83	4.69	4.31 ⁽¹⁾	2.71	DPU dilutive
NAV per Unit (US\$)	0.57	0.57	0.56	0.56 ⁽¹⁾	0.45	Decrease
Gearing (%)	48.8	48.8	46.4	45.2 ⁽¹⁾	43.4	Decrease

Note:

- (1) For illustrative purposes, this includes the effect of the debt repayment of US\$50.0 million from Manulife US REIT's own cash holdings, as part of the Key Recapitalisation Terms to pay down US\$285.0 million in debt.

As illustrated in the tables above, we note that:

- (i) For FY2022, the pro forma DPU will decrease from 4.97 US cents to 2.71 US cents, and for 1H 2023, the pro forma DPU will decrease from 2.14 US cents to 1.06 US cents;
- (ii) As at 31 December 2022, the pro forma NAV per unit will decrease from US\$0.57 to US\$0.45, and as at 30 June 2023 the pro forma NAV per unit will decrease from US\$0.40 to US\$0.34; and
- (iii) As at 31 December 2022, the pro forma gearing will decrease from 48.8% to 43.4%, and as at 30 June 2023 the pro forma gearing will decrease from 56.5% to 49.4%.

We note that Manulife US REIT is currently in breach of a financial covenant contained in Manulife US REIT's Existing Facilities and thus, declared no distribution for 1H 2023.

Although the illustrated pro forma impact on the DPU is dilutive and NAV per Unit will decrease, this is part of the Recapitalisation Plan to remediate Manulife US REIT's balance sheet, allow the Manager to assess Manulife US REIT's capital requirements and put Manulife US REIT on a more stable footing to execute its pivot strategy, which may potentially allow Manulife US REIT to resume distributions to Unitholders in the future.

We also note that the Recapitalisation Plan will lower Manulife US REIT's gearing to below the aggregate leverage limit of 50% as set out in the Property Funds Appendix.

3.7 OTHER RELEVANT CONSIDERATIONS WHICH MAY HAVE A SIGNIFICANT BEARING ON OUR ASSESSMENT

3.7.1 INTER-CONDITIONALITY OF THE PROPOSED SPONSOR-LENDER LOAN, PROPOSED DIVESTMENT AND DISPOSITION MANDATE

With reference to Paragraph 1 of the Letter to Unitholders in the Circular. We note that Resolution 1 (the Proposed Divestment), Resolution 2 (the Sponsor-Lender Loan) and Resolution 3 (the Disposition Mandate) are inter-conditional. Thus, if any of the Resolutions is not passed, the Manager will not proceed with the Recapitalisation Plan.

3.7.2 ALTERNATIVE CASE

With reference to Paragraph 3.4 of the Letter to Unitholders in the Circular, we note that in the event that Unitholders do not approve any of the Resolutions, the Existing Facilities would remain in breach and the Lenders have the right to accelerate the payment of all US\$1,023.7 million of loans immediately. We note that in such a situation, Manulife US REIT does not have sufficient cash to repay all of the Existing Facilities and would need to conduct an expedited liquidation of its portfolio.

We also note that in this event, the Lenders will control the outcome of Manulife US REIT and have the right to call the outstanding debt due under the Existing Facilities and may make an application to liquidate Manulife US REIT, thereby also forcing an expedited liquidation.

4. OUR RECOMMENDATION

In arriving at our recommendation, we have taken into account the following factors which we considered to have a significant bearing on our assessment of the proposed Sponsor-Lender Loan:

- (i) Manulife US REIT's current situation, whereby it has breached its financial covenant and therefore defaulted on its Existing Facilities;
- (ii) Restructuring negotiations with Lenders of which the Recapitalisation Plan, including the Sponsor-Lender Loan, is a key component and which the parties regard as the best workable solution to pay down Existing Facilities and seek a waiver of default;
- (iii) Manulife US REIT's inability to declare any distribution to Unitholders for 1H 2023, its declining office portfolio value, and deteriorating NAV, gearing ratio and interest coverage ratio, which should be improved by the Recapitalisation Plan and potentially allow Manulife US REIT to resume distributions to Unitholders in the future;
- (iv) The Sponsor-Lender Loan is unsecured and contractually and tenor subordinated to Existing Facilities, and together with the proceeds from the disposal of non-core assets is intended to be applied to pay down the Existing Facilities in order to secure a restructuring of the Existing Facilities;
- (v) Manulife US REIT is not credit rated, never has been credit rated and in the circumstances, noting the event of default, Manulife US REIT is expected to be speculative and non-investment grade at best;
- (vi) The Sponsor-Lender Loan's effective interest rate of approximately 10% per annum falls within the interest rate range of between 7.05% and 15.5% per annum based on the Broadly Comparable Debt Instruments, as mentioned in Paragraph 3.5 of this IFA Letter;
- (vii) Although the illustrated pro forma impact on the DPU is dilutive and NAV per Unit will decrease, this is part of the Recapitalisation Plan to remediate Manulife US REIT's balance sheet, and may potentially allow Manulife US REIT to resume distributions to Unitholders in the future;

- (viii) As part of the Recapitalisation Plan, Manulife US REIT's pro forma gearing should decrease to below the aggregate leverage limit of 50% as set out in the Property Funds Appendix;
- (ix) The approval on the Resolutions, including Resolution 2 (the Sponsor-Lender Loan) is inter-conditional, thus, if any of the Resolutions is not passed, the Manager will not proceed with the Recapitalisation Plan; and
- (x) Based on the current situation, Manulife US REIT does not have sufficient cash to repay all of the Existing Facilities. If the Sponsor-Lender Loan does not eventuate and broader restructuring with the Lenders is unsuccessful, the alternative case is that Manulife US REIT will remain in default. The Lenders would then control the outcome of Manulife US REIT and have the right to immediately call on the outstanding debt due under the Existing Facilities, and may make an application to liquidate Manulife US REIT, thereby forcing an expedited liquidation of its office portfolio in a distressed sale scenario.

Having considered the above and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at the Latest Practicable Date, we are of the opinion that the proposed Sponsor-Lender Loan is on normal commercial terms and is not prejudicial to the interests of Manulife US REIT and its minority Unitholders, given the specific circumstances facing Manulife US REIT.

Accordingly, we advise that the Independent Directors may recommend that the Unitholders vote in favour of the proposed Sponsor-Lender Loan.

Our recommendation is issued pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the Audit and Risk Committee and the Trustee for their benefit in connection with and for the purpose of their consideration of the proposed Sponsor-Lender Loan. Any recommendation made by the Independent Directors and the Audit and Risk Committee in respect of the proposed Sponsor-Lender Loan shall remain their responsibility.

Our recommendation is governed by the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
Deloitte & Touche Corporate Finance Pte Ltd

Koh Soon Bee
Executive Director

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MANULIFE US REAL ESTATE INVESTMENT TRUST

(a real estate investment trust constituted on 27 March 2015 under the laws of the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of the holders of units in Manulife US Real Estate Investment Trust (“**Manulife US REIT**”, and the holders of units in Manulife US REIT, “**Unitholders**”) will be held at Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on **14 December 2023 (Thursday) at 2.30 p.m. (Singapore time)**, to consider and, if thought fit, to pass, with or without modifications, the following resolutions (capitalised terms not otherwise defined herein shall bear the meanings ascribed to them in the circular to Unitholders dated 29 November 2023 (the “**Circular**”)):

ORDINARY RESOLUTION 1 — THE PROPOSED DIVESTMENT OF THE PROPERTY KNOWN AS PARK PLACE LOCATED AT 1650 & 1700 SOUTH PRICE ROAD, CHANDLER, ARIZONA, UNITED STATES 85286 AT A DIVESTMENT CONSIDERATION OF US\$98.7 MILLION AS AN INTERESTED PERSON TRANSACTION

RESOLVED that:

- (i) approval be and is hereby given for the proposed divestment (the “**Proposed Divestment**”) of the property known as Park Place located at 1650 & 1700 South Price Road, Chandler, Arizona, United States 85286 (the “**Property**”) from Hancock S-REIT Chandler LLC (the “**Vendor**”), an indirect wholly-owned subsidiary of Manulife US REIT, to John Hancock Life Insurance Company (U.S.A.) (the “**Purchaser**”), an indirect wholly-owned subsidiary of The Manufacturers Life Insurance Company, on the terms and conditions set out in the purchase and sale agreement entered into between the Vendor and the Purchaser for an estimated divestment consideration of US\$98.7 million (the “**Divestment Consideration**”), on the basis set out in the Circular;
- (ii) approval be and is hereby given for the payment of all fees and expenses relating to the Proposed Divestment; and
- (iii) Manulife US Real Estate Management Pte. Ltd. (as manager of Manulife US REIT) (the “**Manager**”), any director of the Manager (“**Director**”), and DBS Trustee Limited, in its capacity as trustee of Manulife US REIT (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, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of Manulife US REIT to give effect to the Proposed Divestment and all transactions therewith, and in this connection, the board of directors of the Manager (the “**Board**”) be hereby authorised to delegate such authority to such persons as the Board deems fit.

ORDINARY RESOLUTION 2 — THE PROPOSED SPONSOR-LENDER LOAN GRANTED BY THE MANUFACTURERS LIFE INSURANCE COMPANY OR AN AFFILIATE AS AN INTERESTED PERSON TRANSACTION

RESOLVED that:

- (i) approval be and is hereby given for the proposed granting of an unsecured loan of US\$137.0 million by The Manufacturers Life Insurance Company or an affiliate to Manulife US REIT (the “**Sponsor-Lender Loan**”), on the basis set out in the Circular;
- (ii) approval be and is hereby given for the payment of all fees and expenses relating to the Sponsor-Lender Loan (if any); and
- (iii) the Manager, any Director 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, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of Manulife US REIT to give effect to the Sponsor-Lender Loan and all transactions therewith, and in this connection, the Board be hereby authorised to delegate such authority to such persons as the Board deems fit.

ORDINARY RESOLUTION 3 — THE PROPOSED ADOPTION OF THE DISPOSITION MANDATE TO AUTHORISE THE DISPOSAL OF ANY ONE OR MORE OF THE EXISTING PROPERTIES

RESOLVED that:

- (i) approval be and is hereby given, for the purposes of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), for the Manager to dispose of any of the Existing Properties to the extent mandated and according to the terms under the Disposition Mandate as described in the Circular;
- (ii) the authority conferred by this Resolution shall continue in force for a period commencing from and including the day following the day of the EGM until (whichever is earliest):
 - (a) 31 December 2025¹;
 - (b) the aggregate net sale proceeds from the sale of any of the Existing Properties (on a cumulative basis, but for the avoidance of doubt, does not include the Divestment Consideration from the Proposed Divestment) exceed US\$328.7 million²; or
 - (c) if the Early Reinstatement Conditions are achieved; and

¹ The reason for the Disposition Mandate to end post 30 June 2025 up to 31 December 2025 is such that in the event that Manulife US REIT is not able to dispose of sufficient amount of assets before 30 June 2025 (i.e. the US\$328.7 million amount) the Manager is in a position to negotiate with the Lenders to obtain an extension. The 31 December 2025 long stop date is to provide Manulife US REIT with greater flexibility to negotiate a longer sales period with the Lenders, if required, and this is beneficial for Manulife US REIT. It should be noted that 31 December 2025 was selected as it ties in with a number of points in the loan restructuring which extends to 31 December 2025, such as the halting of distributions and relaxation of financial covenants. Subjecting the Disposition Mandate to an annual renewal mandate would put more pressure on Manulife US REIT to complete the sale of the assets to raise US\$328.7 million within a shorter time period which in the current market conditions would not be favourable to Manulife US REIT.

² For the avoidance of doubt, in the event that the sale of any Existing Property would result in the aggregate net sale proceeds increasing from an amount below US\$328.7 million to an amount exceeding US\$328.7 million, the sale of such Existing Property is also deemed approved by this Disposition Mandate.

- (iii) the Manager, any Director 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, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of Manulife US REIT to give effect to the Disposition Mandate and all transactions therewith, and in this connection, the Board be hereby authorised to delegate such authority to such persons as the Board deems fit.

BY ORDER OF THE BOARD

Manulife US Real Estate Management Pte. Ltd.

(Company Registration No.: 201503253R)

As Manager of Manulife US REIT

William D. Gantt III

Chief Executive Officer

29 November 2023

Notes:

1. Manulife US REIT will be conducting the EGM in a wholly physical format at Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989. Any reference to a time of day is made by reference to Singapore time.
2. A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote thereat unless he/she/it is shown to have Units entered against his/her/its name in the Depository Register, as certified by CDP as at 72 hours before the time fixed for the EGM.
3. **Submission of Questions:**
 - (a) All Unitholders, SRS Investors and Relevant Intermediary Unitholders will be able to submit questions in advance of, or at, the EGM.
 - (b) In addition, all Unitholders, SRS Investors and Relevant Intermediary Unitholders can and are strongly encouraged to submit questions relating to the business of the EGM in advance of the EGM up until **7 December 2023 (Thursday), 12.00 p.m.**, in the following manner:
 - (i) by post addressed to and deposited at the registered office of the Unit Registrar of Manulife US REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07, Keppel Bay Tower, Singapore 098632; or
 - (ii) via email to SRS.TeamE@boardroomlimited.com (with subject title "**MUST EGM Questions**").Submission electronically by email is strongly encouraged.
 - (c) Unitholders, SRS Investors and Relevant Intermediary Unitholders who submit questions in advance of the EGM should provide the following information to the Manager for verification purposes:
 - (i) your full name;
 - (ii) your address, contact number and email; and
 - (iii) the manner in which you hold Units (if you hold Units directly, please provide your CDP account number; otherwise, please state if you are an SRS Investor or are a Relevant Intermediary Unitholder).
 - (d) The Manager will address all substantial and relevant questions received in advance, via an announcement on SGXNET via the SGX-ST's website at <https://www.sgx.com/securities/company-announcements> and Manulife US REIT's website at <https://www.manulifeusreit.sg/> by **9 December 2023 (Saturday), 2.30 p.m.**, being at least 48 hours before the deadline for Unitholders to submit their Proxy Forms. Where substantially similar questions are received, the Manager will consolidate such questions and consequently, not all questions may be individually addressed.

4. Voting by Unitholders:

Unitholders who wish to exercise their voting rights at the EGM may:

- (a) (where the Unitholder is an individual) attend, speak and vote at the EGM in person;
- (b) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf; and
- (c) (where the Unitholder is an individual or a corporate) appoint the Chairman of the EGM as proxy to vote on their behalf.

Live voting will be conducted during the EGM.

Unitholders who wish to appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf must complete and submit the Proxy Form in accordance with the instructions below.

A Unitholder who wishes to submit an instrument appointing a proxy(ies) must complete and sign the Proxy Form, before submitting it in the following manner:

- (i) by post to the registered office of the Unit Registrar of Manulife US REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (ii) via email to SRS.TeamE@boardroomlimited.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF).

Note: Please refer to the Notes to the Proxy Form for additional documentary requirements in the event the Proxy Form is signed by an attorney or duly authorised officer or executor(s) on behalf of a deceased individual's estate.

Proxy Forms must be received by Manulife US REIT by **11 December 2023, (Monday) 2.30 p.m.** (being 72 hours before the time appointed for the holding of the EGM). The Proxy Form can be downloaded from Manulife US REIT's website at <https://www.manulifeusreit.sg/> or SGXNET via the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>. In the Proxy Form, a Unitholder should specifically direct the proxy on how he/she is to vote for, vote against, or abstain from voting on, the resolutions to be tabled at the EGM. All valid votes cast via proxy on each resolution will be counted. If no specific direction as to voting is given, the proxy (including the Chairman of the EGM) may vote or abstain from voting at his/her discretion.

Completion and submission of the Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies (including the Chairman of the EGM) shall be deemed to be revoked if a Unitholder attends the EGM, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

A Unitholder (who is not a Relevant Intermediary) is entitled to appoint one or two proxies to attend and vote in his/her/its stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the number of Units to be represented by each proxy in the instrument appointing a proxy(ies).

A Unitholder who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints two or more proxies, the appointments shall be invalid unless such Unitholder specifies the number of Units to be represented by each proxy in the instrument appointing a proxy(ies).

In this Notice of EGM, "**Relevant Intermediary**" means:

- (A) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (B) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds Units in that capacity; or
- (C) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Unitholders are strongly encouraged to submit completed Proxy Forms via email. Please refer to the Proxy Form for further information.

5. Voting by Relevant Intermediary Unitholders and SRS Investors:

Relevant Intermediary Unitholders and SRS Investors who wish to vote at the EGM should approach their respective Relevant Intermediaries/SRS Operators as soon as possible. In the case of SRS Investors, they must do so at least seven working days before the EGM (i.e. by **4 December 2023 (Monday), 5.00 p.m.**).

Relevant Intermediary Unitholders and SRS Investors may:

- (a) attend, speak and vote at the EGM, if they are appointed as proxies by their respective Relevant Intermediaries/SRS Operators; and
- (b) specify their voting instructions to/arrange for their votes to be submitted with their respective Relevant Intermediaries/SRS Operators (in the case of SRS Investors, by the date specified above).

Documents and information relating to the EGM (including this Notice of EGM, the Circular and the Proxy Form) are available on Manulife US REIT's website at <https://www.manulifeusreit.sg/>, and on SGXNET via the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>.

Printed copies of this Notice of EGM, the Proxy Form and the Request Form for Unitholders to request for a printed copy of the Circular (the "Request Form") have been despatched to Unitholders.

Printed copies of the Circular will not be despatched to Unitholders, unless otherwise requested. Instead, the Circular has been made available to Unitholders by electronic means and is available on Manulife US REIT's website at <https://www.manulifeusreit.sg/> and on SGXNET via the SGX-ST's website at <https://www.sgx.com/securities/company-announcements>.

Unitholders may request for printed copies of the Circular by completing and returning the Request Form to the Manager by 5 December 2023 (Tuesday), 5.00 p.m..

Unitholders should note that the manner of conduct of the EGM may be subject to further changes at short notice. Unitholders are advised to check Manulife US REIT's website at <https://www.manulifeusreit.sg/> and SGXNET via the SGX-ST's website at <https://www.sgx.com/securities/company-announcements> regularly for updates.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents or service providers) for the purpose of the processing and administration by the Manager and the Trustee (or their agents or service providers) of representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify Manulife US REIT, the Manager and the Trustee (or their agents or service providers) in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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MANULIFE US REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 27 March 2015 (as amended and restated))

Managed by Manulife US Real Estate Management Pte. Ltd. (Company Registration Number: 201503253R)

**PROXY FORM
EXTRAORDINARY GENERAL MEETING**

IMPORTANT:

- Holders of units in Manulife US REIT ("Units", and the holders of Units, "Unitholders") who wish to exercise their voting rights at the extraordinary general meeting ("EGM") may:
 - (where the Unitholder is an individual) attend, speak and vote at the EGM in person;
 - (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf; and
 - (where the Unitholder is an individual or a corporate) appoint the Chairman of the EGM as proxy to vote on their behalf.
- Unitholders who wish to appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf must complete and submit this Proxy Form in accordance with the instructions in the Notes below.
- For investors holding Units through a Relevant Intermediary (as defined herein) ("Relevant Intermediary Unitholders") and investors who hold Units through the Supplementary Retirement Scheme ("SRS Investors"), this Proxy Form is **NOT VALID FOR USE** and shall be ineffective for all intents and purposes if used or purported to be used by such investors. Relevant Intermediary Unitholders who wish to vote at the EGM should approach their respective Relevant Intermediaries as soon as possible. SRS Investors who wish to vote at the EGM should approach their respective SRS Operators at least seven working days before the EGM (i.e. by **4 December 2023 (Monday), 5.00 p.m.**) to ensure that their votes are submitted.
- Unless otherwise defined herein, all capitalised terms used in this Proxy Form shall have the meanings ascribed to them in the circular to Unitholders dated 29 November 2023 (the "Circular").
- PLEASE READ THE NOTES TO THIS PROXY FORM.**

Personal data privacy
By submitting an instrument appointing a proxy(ies), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 29 November 2023.

I/We _____ (insert Full Name and NRIC no./Passport no./UEN)
of _____ (Address)
being a Unitholder/Unitholders of Manulife US Real Estate Investment Trust ("Manulife US REIT"), hereby appoint.

Name	Address	NRIC / Passport no.	Proportion of Unitholdings (Note 5)	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC / Passport no.	Proportion of Unitholdings (Note 5)	
			No. of Units	%

or failing whom, the Chairman of the EGM, as my/our proxy to attend, to speak (as applicable) and to vote for me/us on my/our behalf at the EGM of Manulife US REIT to be held at Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on **14 December 2023 (Thursday) at 2.30 p.m. (Singapore time)** and at any adjournment thereof. I/We direct my/our proxy(ies) to vote (i) for, (ii) against, or (iii) abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder[#]. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she may on any other matter arising at the EGM. In the event the Unitholder does not indicate any name above or the individual named by the Unitholder does not turn up at the EGM, the Chairman of the EGM will be appointed as proxy and will vote or abstain from voting based on the directions indicated hereunder.

No.	Ordinary Resolutions	Number of Votes For*	Number of Votes Against*	Number of Votes Abstain*
1	To approve the proposed divestment of the property known as Park Place located at 1650 & 1700 South Price Road, Chandler, Arizona, United States 85286, as an interested person transaction			
2	To approve the proposed Sponsor-Lender Loan granted by The Manufacturers Life Insurance Company or an affiliate, as an interested person transaction			
3	To approve the proposed adoption of the Disposition Mandate to authorise the disposal of any one or more of the Existing Properties			

[#] You should specifically direct the proxy(ies) on how he/she is to vote for, vote against, or abstain from voting on, the resolutions.

* If you wish to exercise all your votes "For", "Against" or "Abstain", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2023

Total number of Units held (Note 4)

Signature(s) of Unitholder(s) / Common Seal of Corporate Unitholder(s)



Postage will
be paid by
addressee.
For posting in
Singapore only.

**BUSINESS REPLY SERVICE
PERMIT NO. 09326**



MANULIFE US REAL ESTATE MANAGEMENT PTE. LTD.
(as Manager of Manulife US Real Estate Investment Trust)
c/o Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. Unitholders who wish to exercise their voting rights at the EGM may:
 - (a) (where the Unitholder is an individual) attend, speak and vote at the EGM in person;
 - (b) (where the Unitholder is an individual or a corporate) appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf; and
 - (c) (where the Unitholder is an individual or a corporate) appoint the Chairman of the EGM as proxy to vote on their behalf.
2. Unitholders who wish to appoint proxy(ies) (other than the Chairman of the EGM) to attend, speak and vote at the EGM on their behalf must complete and submit the Proxy Form in accordance with the instructions below.
3. In the Proxy Form, a Unitholder should specifically direct the proxy(ies) on how he/she is to vote for, vote against, or abstain from voting on, the resolutions tabled at the EGM. All valid votes cast via proxy on the resolutions will be counted. If no specific direction as to voting is given, the proxy(ies) (including the Chairman of the EGM) may vote or abstain from voting at his/her discretion.
4. A Unitholder should insert the total number of Units held by him/her/it in the Proxy Form. If the Unitholder has Units entered against his/her/its name in the Depository Register maintained by The Central Depository (Pte) Limited, he/she/it should insert that number of Units. If the Unitholder has Units registered in his/her/its name in the Register of Unitholders of Manulife US REIT, he/she/it should insert that number of Units. If the Unitholder has Units entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Unitholders, he/she/it should insert the aggregate number of Units. If no number is inserted, the Proxy Form will be deemed to relate to all the Units held by the Unitholder.
5.
 - (a) A Unitholder (who is not a Relevant Intermediary) is entitled to appoint one or two proxies to attend and vote in his/her/its stead. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he/she/it specifies the proportion of his/her/its unitholding (expressed as a percentage of the whole) to be represented by each proxy in the instrument appointing a proxy(ies).
 - (b) A Unitholder who is a Relevant Intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints two or more proxies, the appointments shall be invalid unless such Unitholder specifies the number of Units to be represented by each proxy in the instrument appointing a proxy(ies).
6. **"Relevant Intermediary"** means:
 - (i) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
 - (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or
 - (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under the Central Provident Fund Act 1953 providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

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7. A proxy need not be a Unitholder.
8. A Unitholder who wishes to submit an instrument appointing a proxy(ies) must complete and sign the Proxy Form, before submitting it in the following manner:
 - (a) by post to the registered office of the Unit Registrar of Manulife US REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) via email to SRS.TeamE@boardroomlimited.com (by enclosing a clear, scanned, completed and signed Proxy Form in PDF).The Proxy Form must be received by Manulife US REIT by **11 December 2023 (Monday), 2.30 p.m.** (being 72 hours before the time appointed for the EGM). Unitholders are strongly encouraged to submit completed Proxy Forms via email.
9. Completion and submission of the Proxy Form shall not preclude a Unitholder from attending, speaking and voting at the EGM. Any appointment of a proxy or proxies (including the Chairman of the EGM) shall be deemed to be revoked if a Unitholder attends the EGM, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.
10. The Proxy Form must be executed under the hand of the appointor or of his/her/its attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
11. Where the Proxy Form is signed on behalf of the appointor by an attorney or a duly authorised officer or by executor(s) on behalf of a deceased individual's estate, the power of attorney or other relevant authority under which it is signed, or a notarially certified copy of such power or authority must (failing previous registration with the Manager) be submitted by post to the registered office of the Unit Registrar of Manulife US REIT, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or by email to SRS.TeamE@boardroomlimited.com, and must be received by Manulife US REIT by **11 December 2023 (Monday), 2.30 p.m.** (being 72 hours before the time appointed for the EGM), failing which the Proxy Form may be treated as invalid. In the event of any doubt, please email SRS.TeamE@boardroomlimited.com.
12. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed, unsigned, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of a Unitholder whose Units are entered against his/her/its name in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM and/or any adjournment thereof, as certified by CDP to the Manager.
13. Any reference to a time of day is made by reference to Singapore time.
14. All Unitholders will be bound by the outcome of the EGM regardless of whether they have attended or voted at the EGM.
15. Every Unitholder shall have one vote for every Unit of which he/she/it is the Unitholder. A person entitled to more than one vote need not use all his/her/its votes or cast them the same way.

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