



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

2 April 2019

To: The unitholders of Manulife US Real Estate Investment Trust

Dear Sir/Madam

## 1 INTRODUCTION

### 1.1 Summary

We refer to proposed Extraordinary Resolution 4 ("**Resolution 4**"), Ordinary Resolution 5 ("**Resolution 5**") and Extraordinary Resolution 6 ("**Resolution 6**") under the "Special Business" section of the notice dated 2 April 2019 convening the annual general meeting of Manulife US Real Estate Investment Trust ("**Manulife US REIT**") to be held at Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Singapore 039593, Level 3, Room 300 – 302, on 24 April 2019 at 10.00 a.m. ("**AGM**").

The purpose of this Letter is to provide Unitholders with information relating to the:

- (a) the proposed Unit Buy-Back Trust Deed Supplement;
- (b) the proposed adoption of the Unit Buy-Back Mandate; and
- (c) the proposed Electronic Communications Trust Deed Supplement.

Resolution 4 relates to the proposed supplement to the trust deed dated 27 March 2015 constituting Manulife US REIT, (as amended, varied or supplemented from time to time) (the "**Trust Deed**") to amend the provisions regarding the repurchase and redemption of units in Manulife US REIT ("**Units**") in the manner set out in **Annex A** of this Letter (the "**Unit Buy-Back Trust Deed Supplement**").

As the Unit Buy-Back Trust Deed Supplement is required for the adoption of Resolution 5 which relates to the proposed adoption of the unit buy-back mandate for Manulife US Real Estate Management Pte. Ltd., as manager of Manulife US REIT (the "**Manager**") to exercise its powers to procure the repurchases of Units for and on behalf of Manulife US REIT without the prior specific approval of the holders of the Units ("**Unitholders**") in a general meeting (the "**Unit Buy-Back Mandate**"), the proposed adoption of the Unit Buy-Back Mandate is conditional upon the Unit Buy-Back Trust Deed Supplement being approved by Unitholders. For the avoidance of doubt, the Unit Buy-Back Trust Deed Supplement is not

conditional upon the Unit Buy-Back Mandate being approved by Unitholders. Accordingly, the Manager will proceed with the Unit Buy-Back Trust Deed Supplement even if Unitholders do not approve the Unit Buy-Back Mandate. Resolution 6 relates to the proposed supplement to the Trust Deed to amend the provisions regarding the electronic communications of notices and documents to Unitholders in the manner set out in **Annex A** of this Letter (the “**Electronic Communications Trust Deed Supplement**” and together with the Unit Buy-Back Trust Deed Supplement, the “**Trust Deed Supplement**”).

## **1.2 This Letter**

The purpose of this Letter is to provide Unitholders with information relating to the above proposals which will be tabled at the AGM.

## **1.3 Advice to Unitholders**

### **1.3.1 Unit Buy-Back Trust Deed Supplement**

Unitholders should note that by voting in favour of the resolution in relation to the Unit Buy-Back Trust Deed Supplement, this would allow the Manager the ability and flexibility to undertake repurchases of Units, under a Unit buy-back mandate, during the period such mandate is in force and in accordance with the provisions of the Trust Deed and all applicable laws and regulations, including but not limited to the listing manual (the “**Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

(See “The Proposed Unit Buy-Back Trust Deed Supplement” in paragraph 2 of this Letter for further details.)

### **1.3.2 Unit Buy-Back Mandate**

Unitholders should note that by approving the resolution relating to the Unit Buy-Back Mandate, they will give the Manager the mandate to procure the repurchases of Units on the terms and conditions set out in paragraph 3 of this Letter and in accordance with all applicable laws and regulations, including but not limited to the provisions of the Trust Deed and the Listing Manual.

(See “The Proposed Unit Buy-Back Mandate” in paragraph 3 of this Letter for further details.)

### **1.3.3 Electronic Communications Trust Deed Supplement**

Unitholders should note that by approving the resolution in relation to the proposed Electronic Communications Trust Deed Supplement, they are deemed to have approved to have the Manager adopt the use of the Implied Consent Regime (as defined herein) and the Deemed Consent Regime (as defined herein), subject to compliance with all applicable laws,

rules and regulations, including any rules which may be introduced by the Monetary Authority of Singapore (“**MAS**”) or the SGX-ST.

(See “The Proposed Electronic Communications Trust Deed Supplement” in paragraph 4 of this Letter for further details.)

If a Unitholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

#### **1.4 Singapore Exchange Securities Trading Limited**

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Letter.

## **2 THE PROPOSED UNIT BUY-BACK TRUST DEED SUPPLEMENT**

### **2.1 The Proposed Amendments to the Trust Deed in connection with the Unit Buy-Back**

In connection with the proposed adoption of the Unit Buy-Back Mandate, the Manager is seeking Unitholders’ approval under Clause 28.2 of the Trust Deed to supplement the Trust Deed for the purposes of, *inter alia*:

- (a) providing the Manager with the discretion to determine the repurchase price for a repurchase of Units under a Unit buy-back mandate;
- (b) including a provision that the period during which Units may be repurchased under a Unit buy-back mandate is up to the date on which the Unit buy-back mandate is revoked or varied; and
- (c) setting out other general terms and conditions for the repurchase of Units by the Manager under a Unit buy-back mandate.

The full text of the proposed Unit Buy-Back Trust Deed Supplement is set out in **Annex A** of this Letter.

### **2.2 Rationale for the Unit Buy-Back Trust Deed Supplement**

The proposed Unit Buy-Back Trust Deed Supplement is necessary for the adoption of the Unit Buy-Back Mandate as it would allow the Manager the ability and the flexibility to undertake repurchases of Units, under a Unit buy-back mandate, during the period such mandate is in force and in accordance with the provisions of the Trust Deed and all applicable laws and regulations, including but not limited to the Listing Manual.

## **2.3 Unitholders' Approval**

For the reasons stated above, the Manager is seeking Unitholders' approval under Resolution 4 relating to the proposed Unit Buy-Back Trust Deed Supplement to supplement the Trust Deed in the manner set out in **Annex A** of this Letter.

## **3 THE PROPOSED UNIT BUY-BACK MANDATE**

### **3.1 The Proposed Unit Buy-Back Mandate**

Subject to Unitholders' approval by way of an Extraordinary Resolution and the adoption of Resolution 4, the Manager intends to seek the approval of Unitholders for the proposed Unit Buy-Back Mandate at the AGM under Resolution 5.

**UNITHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF RESOLUTION 5 RELATING TO THE UNIT BUY-BACK MANDATE, THEY WILL BE AUTHORISING THE MANAGER TO PROCURE THE REPURCHASE OF UNITS ON THE TERMS AND CONDITIONS SET OUT IN THIS PARAGRAPH 3 AND IN ACCORDANCE WITH THE PROVISIONS OF THE TRUST DEED AND ALL APPLICABLE LAWS AND REGULATIONS, INCLUDING BUT NOT LIMITED TO THE LISTING MANUAL.**

### **3.2 Rationale for the Unit Buy-Back Mandate**

The approval of the proposed Unit Buy-Back Mandate authorising the Manager to repurchase Units for and on behalf of Manulife US REIT would give the Manager the flexibility to undertake repurchases of Units ("**Unit Buy-Back**") of up to the 2.5% limit described in paragraph 3.3.1 of this Letter at any time, during the period when the Unit Buy-Back Mandate is in force.

The rationale for seeking the Unit Buy-Back Mandate is as follows:

- (i) the Unit Buy-Back Mandate would be a flexible and cost-effective capital management tool to enhance return on equity for Unitholders and/or the net asset value ("**NAV**") per Unit; and
- (ii) the Unit Buy-Back Mandate, when exercised at appropriate times, would help mitigate short-term market volatility, off-set the effects of short-term speculative trading of the Units and bolster market confidence in the Units.

While the Unit Buy-Back Mandate would authorise Unit Buy-Backs of up to the said 2.5% limit during the period when the Unit Buy-Back Mandate is in force, Unitholders should note that Unit Buy-Backs may not necessarily be carried out to the entire 2.5% limit as authorised by Unitholders.

Repurchases of Units will be made only when the Manager considers it to be in the best interests of Manulife US REIT and the Unitholders.

Rule 723 of the Listing Manual requires Manulife US REIT to ensure that at least 10.0% of its Units are at all times held by the public (the “**Public Float**”). As at 29 March 2019, being the latest practicable date prior to the printing of this Letter (the “**Latest Practicable Date**”), the Public Float is approximately 90.69%, and accordingly, the Manager is of the view that the orderly trading and the listing status of the Units on the SGX-ST is not likely to be affected by the Unitholders’ approval of the Unit Buy-Back Mandate and the repurchases of Units thereunder.

### **3.3 Authority and Limits on the Unit Buy-Back Mandate**

The authority conferred on the Manager and the limits placed on the repurchases of Units by the Manager under the Unit Buy-Back Mandate are set out below:

#### **3.3.1 Maximum Limit**

The total number of Units which may be repurchased pursuant to the Unit Buy-Back Mandate is limited to that number of Units representing not more than 2.5% of the total number of issued Units as at the date of the AGM.<sup>1</sup>

**FOR ILLUSTRATIVE PURPOSES ONLY:** On the basis of 1,280,114,375 Units in issue as at the Latest Practicable Date, and assuming that no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved, not more than 32,002,859 Units (representing 2.5% of the issued Units) may be repurchased by the Manager pursuant to the Unit Buy-Back Mandate during the Mandate Duration (as defined herein).

#### **3.3.2 Duration of Authority**

Unless revoked or varied by Unitholders in a general meeting, the Unit Buy-Back Mandate, if approved by Unitholders, will be in force from the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates:

- (i) the date on which the next annual general meeting of Manulife US REIT is held;
- (ii) the date by which the next annual general meeting of Manulife US REIT is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or

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<sup>1</sup> Pursuant to the Listing Manual, a unit buy-back shall not exceed 10.0% of the total number of issued units excluding treasury units and subsidiary holdings in each class as at the date of the resolution passed by unitholders for the unit buy-back. For the avoidance of doubt, Manulife US REIT does not hold any treasury units and there are no subsidiary holdings as none of the subsidiaries of Manulife US REIT hold any Units. There is also only one class of units in Manulife US REIT.

- (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated,

(the “**Mandate Duration**”).

Under the Trust Deed and the prevailing laws and regulations of Singapore, Manulife US REIT is required to convene an annual general meeting of Unitholders once every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, and in any case within four months from the financial year end of Manulife US REIT.

The authority conferred on the Manager under the Unit Buy-Back Mandate to repurchase Units may be renewed at the next annual general meeting of Unitholders. When seeking the approval of Unitholders for any subsequent Unit buy-back mandate, the Manager shall disclose details of each Unit buy-back made during the Mandate Duration in respect of the Unit buy-back mandate immediately preceding such Unit buy-back mandate being sought, including the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for such repurchases of Units, where relevant, and the total consideration paid for such repurchases.

### 3.3.3 **Manner of Repurchase**

Repurchases of Units may be made by way of:

- (i) market repurchase(s) (“**Market Repurchases**”); and/or
- (ii) off-market repurchase(s) (“**Off-Market Repurchases**”).

Market Repurchases refer to repurchases of Units by the Manager effected on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Manager for the purpose.

Off-Market Repurchases refer to repurchases of Units by the Manager (which are not Market Repurchases) made under an equal access scheme or schemes for the repurchase of Units from Unitholders in accordance with the Trust Deed. In this regard, an Off-Market Repurchase must satisfy all the following conditions:

- (i) offers for the repurchase or acquisition of Units shall be made to every person who holds Units to repurchase or acquire the same percentage of their Units;

- (ii) all of the above-mentioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
  - (a) differences in consideration attributable to the fact that offers may relate to Units with different accrued distribution entitlements;
  - (b) differences in consideration attributable to the fact that the offers may relate to Units with different amounts remaining unpaid; and
  - (c) differences in the offers introduced solely to ensure that each Unitholder is left with a whole number of Units.

Additionally, the Listing Manual provides that, in making an Off-Market Repurchase, the Manager must issue an offer document to all Unitholders which must contain, *inter alia*:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Unit repurchases;
- (iv) the consequences, if any, of Unit repurchases by the Manager that will arise under the Singapore Code on Take-overs and Mergers (the “**Code**”) or other applicable takeover rules;
- (v) whether the Unit repurchases, if made, could affect the listing of the Units on the SGX-ST;
- (vi) details of any Unit repurchases made by the Manager in the previous 12 months (whether Market Repurchases or Off-Market Repurchases in accordance with an equal access scheme), giving the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for the repurchases, where relevant, and the total consideration paid for the repurchases; and
- (vii) whether the Units repurchased by the Manager will be cancelled or kept as treasury Units.

#### 3.3.4 Repurchase Price

The repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses (“**Related Expenses**”)) for a Unit under the Unit Buy-Back Mandate, will be

determined by the Manager in accordance with the Trust Deed. However, the maximum repurchase price (the “**Maximum Price**”) to be paid for Units repurchased under the Unit Buy-Back Mandate determined by the Manager shall not exceed 105.0% of the Average Closing Price (as defined herein) of the Units for both a Market Repurchase in accordance with Rule 884 of the Listing Manual, and an Off-Market Repurchase, excluding Related Expenses of such repurchase.

For the purposes of this paragraph 3.3.4:

“**Average Closing Price**” means the average of the closing market prices of the Units over the last five Market Days (as defined herein), on which transactions in the Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days.

“**date of the making of the offer**” means the date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase.

“**Market Day**” means a day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted is open for trading in securities.

### **3.4 Status of Repurchased Units**

Under the Trust Deed, a Unit repurchased by way of a Unit buy-back shall be deemed cancelled immediately on repurchase (and all rights and privileges attached to such Unit will expire on such cancellation).

### **3.5 Reporting Requirements**

Rule 886 of the Listing Manual specifies that an issuer shall notify the SGX-ST of all repurchases or acquisitions of its Units not later than 9.00 a.m.:

- (i) in the case of a Market Repurchase, on the Market Day following the day on which the Market Repurchase was made; or
- (ii) in the case of an Off-Market Repurchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Repurchase.

The notification of any such repurchases of Units to the SGX-ST (in the form of an announcement on the SGXNet) shall be in such form and shall include such details as the SGX-ST may prescribe.

The Manager shall make arrangements with the appointed stockbrokers and/or custodians to ensure that they provide the Manager in a timely fashion the necessary information which will enable the Manager to make the notifications to the SGX-ST.

### **3.6 Sources of Funds**

The Manager may only apply funds for the repurchase of Units as provided in the Trust Deed and in accordance with the applicable laws and regulations in Singapore. The Manager may not repurchase Units for a consideration other than in cash.

The Manager intends to utilise Manulife US REIT's internal sources of funds, external borrowings or a combination of both to finance the Manager's repurchase of Units on behalf of Manulife US REIT pursuant to the Unit Buy-Back Mandate, subject always to the requirements of the applicable laws and/or regulations in force at the relevant time.

### **3.7 Financial Effects**

It is not possible for the Manager to calculate realistically or quantify the impact of repurchases of Units that may be made pursuant to the Unit Buy-Back Mandate on the NAV per Unit and distribution per Unit ("**DPU**") as the resultant effect would depend on, among others, the aggregate number of Units repurchased and the repurchase prices paid for such Units.

Manulife US REIT total number of issued Units will be diminished by the total number of Units repurchased by way of a Unit Buy-Back as such Units will be cancelled.

The Manager will only exercise the Unit Buy-Back Mandate when it considers it to be in the best interests of Manulife US REIT and the Unitholders. The Manager will consider factors such as the working capital requirements, availability of financial resources, the investment and growth strategies of Manulife US REIT and the prevailing market conditions before repurchasing Units under the Unit Buy-Back Mandate. The Manager will exercise the Unit Buy-Back Mandate with a view to enhancing the DPU and/or the NAV per Unit. The Manager does not intend to exercise the Unit Buy-Back Mandate to such an extent as would have a material adverse effect on the financial position of Manulife US REIT.

**FOR ILLUSTRATIVE PURPOSES ONLY:** The financial effects of a Unit buy-back on Manulife US REIT are based on the assumptions set out below:

- (i) 32,002,859 Units (representing approximately 2.5% of the issued Units as

at the Latest Practicable Date) are repurchased by the Manager pursuant to the Unit Buy-Back Mandate on 1 January 2018;

- (ii) 1,280,114,375 Units are in issue as at the Latest Practicable Date (assuming no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved);
- (iii) Units are repurchased (whether by Market Repurchases and/or Off-Market Repurchases) by the Manager at the Maximum Price of US\$0.893 per Unit (being 105.0% of the Average Closing Price of the Units immediately preceding 15<sup>th</sup> March 2019), and accordingly, the maximum amount of funds required for the repurchase of 32,002,859 Units, representing 2.5% of the issued Units as at the Latest Practicable Date (excluding Related Expenses) is approximately US\$28.6 million;
- (iv) the Unit Buy-Back Mandate has been effective since 1 January 2018;
- (v) all Units repurchased under the Unit Buy-Back Mandate are cancelled;
- (vi) the repurchases of Units are funded solely by external borrowings; and
- (vii) there are no changes to the distribution policy to Unitholders.

Based on the assumptions set out above, the financial effects of the repurchase of 32,002,859 Units (representing 2.5% of the issued Units as at the Latest Practicable Date) by the Manager pursuant to the Unit Buy-Back Mandate are set out below based on the audited consolidated financial statements of Manulife US REIT and its subsidiaries (the “**Manulife US REIT Group**”) for the financial year ended 31 December 2018 (“**FY 2018**” and the audited consolidated financial statements of the Manulife US REIT Group for FY 2018, the “**FY 2018 Audited Financial Statements**”):

	<b>FY 2018 Audited Financial Statements</b>	<b>Pro forma financial effects of Unit repurchases on the FY 2018 Audited Financial Statements</b>
Net Assets (US\$ million)	1,064.1	1,034.9
Number of issued Units (as at the Latest Practicable Date) (million)	1,280.1	1,248.1
<u>Financial Ratios</u>		
NAV per Unit (US\$)	0.83	0.83
Distribution per Unit (US cents)	5.57	5.62
Aggregate Leverage (%)	37.2	38.8

Unitholders should note that the financial effects set out in the table above are based on the FY 2018 Audited Financial Statements and are presented strictly for illustrative purposes only. The results of the Manulife US REIT Group for FY 2018 may not be representative of future performance. Although the Unit Buy-Back Mandate would authorise the Manager to repurchase up to 2.5% of the total number of issued Units, the Manager may not necessarily repurchase or be able to repurchase the entire 2.5% of the total number of issued Units at any time while the Unit Buy-Back Mandate is in force.

### **3.8 Taxation**

Unitholders who are in doubt as to their respective tax positions or the tax implications of Unit repurchases by the Manager, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

### **3.9 Black-Out Periods**

The Manager will not repurchase any Units for and on behalf of Manulife US REIT at any time after a material price sensitive development has occurred or has been the subject of a decision until such time the price sensitive information has been publicly announced. In addition, the Manager will not repurchase Units for and on behalf of Manulife US REIT during the period commencing two weeks before the announcement of the Manulife US REIT Group's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Manulife US REIT Group's full year financial statements.

### **3.10 Take-over Implications**

The circumstances under which Unitholders and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code after a repurchase of Units by the Manager are set out in Appendix 2 of the Code. The take-over implications which may arise from any repurchase by the Manager of Units by way of a Unit buy-back are set out below.

#### **3.10.1 Obligation to make a Take-over Offer**

If, as a result of any repurchase by the Manager of the Units, the proportionate interest in the voting rights of a Unitholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, a Unitholder or a group of Unitholders acting in concert could obtain or consolidate effective control of Manulife US REIT and become obliged to make a mandatory take-over offer under Rule 14 of the Code.

#### **3.10.2 Persons Acting in Concert**

Applying the Code to Manulife US REIT, to the extent possible, persons

acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Units (or otherwise), to obtain or consolidate effective control of Manulife US REIT.

Unless the contrary is established, the following persons, among others, will be presumed to be acting in concert, namely:

- (i) the following companies:
  - (a) a company (“**(A)**”);
  - (b) the parent company of (A) (“**(B)**”);
  - (c) the subsidiaries of (A) (each, “**(C)**”);
  - (d) the fellow subsidiaries of (A) (each, “**(D)**”);
  - (e) the associated companies of any of (A), (B), (C), or (D) (each, “**(E)**”);
  - (f) companies whose associated companies include any of (A), (B), (C), (D) or (E); and
  - (g) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

For this purpose, a company is an “**associated company**” (as defined in the Code) of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company.

### 3.10.3 Effect of Rule 14 and Appendix 2 of the Code

In general terms, the effect of Rule 14 and Appendix 2 of the Code is that, unless exempted<sup>1</sup>, Unitholders and/or persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholders and/or their concert parties would increase to 30.0% or more, or in the event that such Unitholders and/or their concert parties hold between 30.0% and 50.0% of

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<sup>1</sup> Unitholders and/or persons acting in concert with them will be exempt from the requirement to make a mandatory take-over offer under Rule 14 of the Code upon the satisfaction of the conditions set out in paragraph 3(a) of Appendix 2 of the Code.

the voting rights in Manulife US REIT, if the voting rights of such Unitholders and/or their concert parties would increase by more than 1.0% in any period of six months.

Under Appendix 2 of the Code, a Unitholder not acting in concert with the Directors will not be required to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit buy-back, the voting rights of such Unitholder would increase to 30.0% or more, or, if such Unitholder holds between 30.0% and 50.0% of the voting rights in Manulife US REIT, the voting rights of such Unitholder would increase by more than 1.0% in any period of six months. Such Unitholder need not abstain from voting in respect of the resolution relating to the proposed Unit Buy-Back Mandate.

Based on the interests of the Substantial Unitholders (as defined herein) in Units recorded in the Register of Substantial Unitholders as at the Latest Practicable Date, none of the Substantial Unitholders would become obliged to make a take-over offer for Manulife US REIT under Rule 14 of the Code as a result of any repurchase of Units by the Manager pursuant to the Unit Buy-Back Mandate of the maximum limit of 2.5% of its issued Units as at the Latest Practicable Date.

**Important:**

**The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all the implications that may arise under the Code. Unitholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a mandatory take-over offer would arise by reason of any Unit repurchases by the Manager.**

**3.11 Restriction on ownership of Units in excess of 9.8% of the outstanding Units**

Unitholders and all other persons are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units (the “**Unit Ownership Limit**”), subject to any increase or waiver pursuant to the terms of the Trust Deed and on the recommendation of the Manager. The Trust Deed provides that Units held directly or indirectly by any person in excess of the Unit Ownership Limit will be automatically forfeited and held by the Trustee (“**Automatic Forfeiture**”). While forfeited Units are held by the Trustee, all rights attributable to those Units, such as the right to vote and the right to receive distributions, will be held by the Trustee; the Unitholder from whom the Units are forfeited shall have no right to vote or receive distributions arising from such Units. The Trustee will have the right and power to dispose of Units subject to Automatic Forfeiture, and upon such disposal the Unitholder from whom the Units are forfeited will receive the

proceeds (net of any commissions and expenses) from the disposition, but not in excess of (a) the price paid by such Unitholder for the forfeited Units or (b) if such Unitholder did not give value for the forfeited Units in connection with the event causing the Units to be forfeited (e.g. in the case of a gift, a non-pro rata Unit buy-back, a non-pro rata Unit consolidation or other corporate action where no acquisition or transfer of Units by a Unitholder takes place but has the result of increasing a Unitholder's proportionate unitholdings), the market price of the Units on the day of the event causing the Automatic Forfeiture, in each case less certain distributions received by the Unitholder; any excess shall be donated by the Trustee to a charitable, philanthropic or benevolent organisation or purpose. If, prior to the discovery by the Trustee that Units are subject to Automatic Forfeiture, such Units are sold by the Unitholder, then such Units shall be deemed to have been sold on behalf of the Trustee and to the extent that such Unitholder received an amount in excess of the amount which it would otherwise have been entitled to, such excess shall be paid to the Trustee upon demand to be donated to a charitable, philanthropic or benevolent organisation or purpose.

For the avoidance of doubt, the Automatic Forfeiture is effective automatically, whether or not the Trustee or the Manager is aware of the change in ownership or aware of the fact that the Unit Ownership Limit has been breached and without any requirement for notice by the Trustee or the Manager.

The Manager intends to monitor and limit the extent of its repurchases under the Unit Buy-Back Mandate based on the Substantial Unitholder disclosure notifications made pursuant to the Securities and Futures Act, Chapter 289 of Singapore such that no Unitholders will end up directly or indirectly owning in excess of 9.8% of the outstanding Units as a result of the repurchase of Units by the Manager pursuant to the Unit Buy-Back Mandate.

See paragraph 5.2 for the list of Substantial Unitholders of Manulife US REIT as at the Latest Practicable Date.

### **3.12 Unitholders' Approval**

In view of the foregoing, the Manager is seeking the approval of Unitholders for the resolution relating to the proposed Unit Buy-Back Mandate.

#### **Important:**

Unitholders should note that by voting in favour of the resolution relating to the adoption of the Unit Buy-Back Mandate, they will be authorising the Manager to procure the repurchases of Units on the terms and conditions set out in paragraph 3 of this Letter and in accordance with the provisions of the Trust Deed and all applicable laws and regulations, including but not limited to the Listing Manual.

## 4 THE PROPOSED ELECTRONIC COMMUNICATIONS TRUST DEED SUPPLEMENT

### 4.1 Background

In connection with the amendments to the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) as set out in the Companies (Amendment) Act 2014, companies are allowed to send notices and documents electronically to their shareholders if the constitution of the company provides for and specifies the manner in which electronic communications are to be used. Further, notices or documents may be sent by way of electronic communications to shareholders with the express, deemed or implied consent of the shareholders in accordance with the constitution of the company.

On 11 January 2016, the SGX-ST published a consultation paper on the “Listing Rules Amendments to Align with Changes to the Companies Act” (the “**SGX-ST Consultation Paper**”) which, among other things, proposed to allow issuers to electronically transmit certain types of notices and documents if express consent or deemed consent of the Unitholders is obtained and subject to certain safeguards. The purpose of the proposed amendments to the listing rules of the SGX-ST (the “**Listing Rules**”) as set out in the SGX-ST Consultation Paper was to align the Listing Rules with the amendments to the Companies Act which came into effect on 3 January 2016. In addition, the SGX-ST Consultation Paper also requested feedback from the public as to whether listed companies should be allowed to rely on implied consent of Unitholders to electronically transmit certain types of notices and documents.

Following feedback received by the SGX-ST in response to the SGX-ST Consultation Paper, the SGX-ST amended the Listing Rules to allow listed issuers to electronically transmit certain types of notices and documents with the express, deemed or implied consent of the shareholders (or Unitholders, in the case of a listed real estate investment trust (“**REIT**”) such as Manulife US REIT) in accordance with the constituent document of the listed issuer, subject to the safeguards set out in the amended Listing Rules.

The Code on Collective Investment Schemes has been amended to allow REITs to send annual reports to unitholders by electronic means.

Although Manulife US REIT is not bound by the Companies Act, it is nonetheless bound by the Listing Rules as a listed REIT and the Code on Collective Investment Schemes. Consequently, the Manager wishes to amend the Trust Deed to adopt certain provisions of the Listing Rules to allow for the electronic transmission of notices and documents in relation to Manulife US REIT.

Manulife US REIT will comply with all applicable laws, rules and regulations in the implementation of the electronic communications regime, including any rules that may be introduced by the MAS in relation to the electronic communications

regime.

#### 4.2 Electronic Communications Regime

Unitholders would have expressly consented to the use of electronic communications of notices and documents if the Unitholder expressly agrees that notices and documents may be given, sent or served to him using electronic communications (the “**Express Consent Regime**”).

Unitholders are subject to the deemed consent regime in relation to the use of electronic communications of notices and documents if the Trust Deed (i) provides for the use of electronic communications, (ii) specifies the manner in which the electronic communications is to be used, and (iii) specifies that Unitholders will be given an opportunity to elect within a specified period of time (the “**Specified Time**”), whether to receive such notice or document by way of electronic communications or as a physical copy and within that Specified Time, the Unitholder fails to make an election (the “**Deemed Consent Regime**”).

Unitholders are subject to the implied consent regime in relation to the use of electronic communications of notices and documents if the Trust Deed (i) provides for the use of electronic communications, (ii) specifies the manner in which the electronic communications is to be used, and (iii) provides that the Unitholders shall agree to receive such notice or documents by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document (the “**Implied Consent Regime**” and together with the Express Consent Regime and the Deemed Consent Regime, the “**Consent Regimes**”). In line with the safeguards applicable under Rule 1210 of the Listing Rules, the Consent Regimes do not apply to (i) forms or acceptance letters that Unitholders may be required to complete, (ii) notice of meetings, excluding circulars or letters referred in that notice, (iii) notices or documents relating to take-over offers, (iv) notices or documents relating to rights issues, (v) notices and documents that the Unitholder has requested a physical copy of and (vi) physical notification to Unitholders relating to website publications and such notices or documents cannot be transmitted by electronic means.

**UNITHOLDERS SHOULD NOTE THAT BY APPROVING RESOLUTION 6 IN RELATION TO THE PROPOSED ELECTRONIC COMMUNICATIONS TRUST DEED SUPPLEMENT, THEY ARE ALSO DEEMED TO HAVE APPROVED TO HAVE THE MANAGER ADOPT THE USE OF THE IMPLIED CONSENT REGIME AND THE DEEMED CONSENT REGIME, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS, RULES AND REGULATIONS, INCLUDING ANY RULES WHICH MAY BE INTRODUCED BY THE MAS OR THE SGX-ST.**

#### 4.3 The Proposed Electronic Communications Trust Deed Supplement

In connection with the foregoing, and subject to the approval of Unitholders, the

Manager proposes to amend the Trust Deed in the form of a supplemental deed to amend the provisions regarding electronic communications for notices or documents given, sent or served to Unitholders of Manulife US REIT.

(See **Annex A** of this Letter for further details of the proposed Electronic Communications Trust Deed Supplement.)

#### **4.4 Rationale for the Electronic Communications Trust Deed Supplement**

The Manager intends to utilise the electronic transmission of documents to give, send or serve certain notices and documents of Manulife US REIT to its Unitholders. The Manager believes that the proposed Electronic Communications Trust Deed Supplement will provide the Manager with the flexibility to reduce costs and increase operational efficiency and speed in communications for Manulife US REIT.

#### **4.5 Safeguards to Unitholders**

In line with the safeguards introduced by the SGX-ST in the Listing Rules, the Manager proposes to amend the Trust Deed to adopt the electronic communications safeguards set out therein as well.

The Trust Deed includes the following amendments to safeguard the interests of Unitholders:

##### **4.5.1 Separate notice to Unitholders before sending any notice or document by electronic communications under Deemed Consent Regime**

Should the Manager implement the Deemed Consent Regime, before sending any notice or document to Unitholders who are deemed to have consented to receive notices or documents by way of electronic communications, the Manager will give a separate notice in writing to Unitholders stating that (i) the Unitholders have a right to elect, within a time specified in the notice, to receive notices and documents either electronically or by way of a physical copy, (ii) if a Unitholder does not make an election, notices and documents will be sent to the Unitholder electronically, (iii) electronic communications will be used in the manner specified in the Trust Deed, (iv) the Unitholder may make a fresh election at any time and (v) the Unitholders' latest election to receive notice and documents will prevail over the Unitholders' earlier elections.

##### **4.5.2 Unitholders may make fresh elections under Deemed Consent Regime**

In addition, should the Manager implement the Deemed Consent Regime, the Manager would allow Unitholders to make a fresh election at any time and the Unitholders' latest election as to whether to receive notices or

documents by way of electronic communications or physical copy will prevail.

**4.5.3 Unitholders may request for physical copy of any notice or document sent by electronic communications**

Where the Manager chooses to transmit documents by way of electronic communications, the Manager will in compliance with the safeguards introduced by the SGX-ST in the Listing Rules inform Unitholders as soon as practicable of how to request for a physical copy of that document from the Manager, and the Manager will provide a physical copy of that document upon such request.

**4.5.4 Separate notice to Unitholders when making documents available on a website**

Where the Manager chooses to transmit documents by making them available on a website, the Manager will in compliance with the safeguards introduced by the SGX-ST in the Listing Rules separately provide a physical notice to Unitholders notifying them of, *inter alia*, the presence of the document on the website and the manner in which the document may be accessed (or any further information as may be required in the Listing Rules).

**4.5.5 Certain notices or documents excluded from electronic communications**

In line with the safeguards introduced by the SGX-ST in the Listing Rules, notices or documents relating to forms or acceptance letters that Unitholders may be required to complete, meetings, take-over offers and rights issues will not be transmitted by electronic means.

## **5 INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS**

### **5.1 Interests of Directors**

As at the Latest Practicable Date, certain directors of the Manager (“**Directors**”) collectively hold an aggregate direct and indirect interest in 1,535,774 Units. Based on the Register of Directors’ Unitholdings maintained by the Manager, the direct and deemed interests and voting rights of the Directors as at the Latest Practicable Date are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	% <sup>(1)</sup>
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>		
Mr. Hsieh Tsun-Yan <sup>(2)</sup>	942,325	0.074	-	-	942,325	0.074

## LETTER TO UNITHOLDERS DATED 2 APRIL 2019

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	% <sup>(1)</sup>
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>		
Mr. Davy Lau	-	-	-	-	-	-
Mr. Ho Chew Thim	172,000	0.013	-	-	172,000	0.013
Ms. Veronica McCann <sup>(3)</sup>	421,449	0.033	-	-	421,449	0.033
Dr. Choo Kian Koon	-	-	-	-	-	-
Mr. Michael Dommermuth	-	-	-	-	-	-
Mr Stephen Blewitt	-	-	-	-	-	-

**Notes:**

- (1) The percentage is based on 1,280,114,375 Units in issue as at the Latest Practicable Date.  
(2) The 942,325 Units are jointly owned by Hsieh Tsun-Yan and his spouse, Hsieh Siauyih Goon.  
(3) The 421,449 Units are jointly owned by Veronica Julia McCann and her spouse, Steven John Baggot.

## 5.2 Interests of Substantial Unitholders

Based on the information available to the Manager, the direct and deemed interests and voting rights of the Substantial Unitholders of Manulife US REIT as at the Latest Practicable Date are as follows:

Name of Substantial Unitholder <sup>(1)</sup>	Direct Interest		Deemed Interest		Total No. of Units held	% <sup>(1),(2)</sup>
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>		
Prudential Corporation Asia Limited <sup>(3)</sup>	-	-	76,839,142	6.00	76,839,142	6.00
Prudential plc <sup>(4)</sup>	-	-	76,839,142	6.00	76,839,142	6.00
Manulife (International) Limited	80,473,188	6.29	-	-	80,473,188	6.29
Manulife International Holdings Limited <sup>(5)</sup>	-	-	80,473,188	6.29	80,473,188	6.29
Manulife Financial Asia Limited <sup>(6)</sup>	1	N.M. <sup>(10)</sup>	117,669,783	9.19	117,669,784	9.19
Manulife Holdings (Bermuda) Limited <sup>(7)</sup>	-	-	117,669,784	9.19	117,669,784	9.19
The Manufacturers Life Insurance Company <sup>(8)</sup>	-	-	117,669,784	9.19	117,669,784	9.19

## LETTER TO UNITHOLDERS DATED 2 APRIL 2019

Name of Substantial Unitholder <sup>(1)</sup>	Direct Interest		Deemed Interest		Total No. of Units held	% <sup>(1),(2)</sup>
	No. of Units	% <sup>(1)</sup>	No. of Units	% <sup>(1)</sup>		
Manulife Financial Corporation <sup>(9)</sup>	-	-	117,669,784	9.19	117,669,784	9.19

**Notes:**

- (1) The percentage is based on 1,280,114,375 Units in issue as at the Latest Practicable Date.
- (2) For the avoidance of doubt, the percentage of interests in the Units in this column are not cumulative.
- (3) Prudential Corporation Asia Limited is a substantial unitholder by virtue of its deemed interest in the Units managed by its subsidiaries as fund managers.
- (4) Prudential plc is a substantial unitholder by virtue of its deemed interest in the Units managed by its subsidiaries as fund managers.
- (5) 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 80,473,188 Units.
- (6) MIHL, Manufacturers Life Reinsurance Limited ("**MLRL**") and the Manager are wholly-owned subsidiaries of Manulife Financial Asia Limited ("**MFAL**"). MFAL is therefore deemed interested in (i) MIHL's deemed interest in 80,473,188 Units; (ii) MLRL's direct interest in 30,670,793 Units; and (iii) the Manager's direct interest in 6,525,802 Units.
- (7) 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 117,669,783 Units.
- (8) MHBL is a wholly-owned subsidiary of the Sponsor. The Sponsor is therefore deemed interested in MHBL's deemed interest in 117,669,784 Units.
- (9) The Sponsor is a wholly-owned subsidiary of Manulife Financial Corporation ("**MFC**"). MFC is therefore deemed interested in the Sponsor's deemed interest in 117,669,784 Units.
- (10) Not meaningful.

## 6 DIRECTORS' RECOMMENDATION

### 6.1 Unit Buy-Back Trust Deed Supplement

Having considered the relevant factors, including the rationale for the proposed Unit Buy-Back Trust Deed Supplement as set out in paragraph 2 of this Letter, the Directors recommend that Unitholders vote at the AGM in favour of the resolution relating to the proposed Unit Buy-Back Trust Deed Supplement.

### 6.2 Unit Buy-Back Mandate

Having considered the relevant factors, including the rationale for the proposed Unit Buy-Back Mandate as set out in paragraph 3 of this Letter, the Directors recommend that Unitholders vote at the AGM in favour of the resolution relating to the proposed Unit Buy-Back Mandate.

### **6.3 Electronic Communications Trust Deed Supplement**

Having considered the relevant factors, including the rationale for the proposed Electronic Communications Trust Deed Supplement as set out in paragraph 4 of this Letter, the Directors recommend that Unitholders vote at the AGM in favour of the resolution relating to the proposed Electronic Communications Trust Deed Supplement.

## **7 DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed Unit Buy-Back Trust Deed Supplement, the proposed Unit Buy-Back Mandate, the proposed Electronic Communications Trust Deed Supplement, 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 Letter misleading.

Where information in this Letter 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 Letter in its proper form and context.

## **8 DOCUMENT ON DISPLAY**

The Trust Deed will be available for inspection at the registered office of the Manager<sup>1</sup> for so long as Manulife US REIT is in existence.

Yours faithfully

**Manulife US Real Estate Management Pte. Ltd.**

(Registration Number: 201503253R)

as manager of Manulife US Real Estate Investment Trust

**HSIEH TSUN-YAN**

Chairman and Non-Executive Director

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<sup>1</sup> Prior appointment with the Manager will be appreciated.

**IMPORTANT NOTICE**

This Letter 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 or any of its 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 or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Manulife US REIT is not 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 Letter may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from 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.

**GLOSSARY**

<b>%</b>	: Per centum or Percentage
<b>AGM</b>	: The annual general meeting of Unitholders to be held at Suntec Singapore International Convention and Exhibition Centre, 1 Raffles Boulevard, Singapore 039593, Level 3, Room 300 – 302, on 24 April 2019 at 10.00 a.m., to approve the matters set out in the Notice of Annual General Meeting
<b>Average Closing Price</b>	: The average of the closing market prices of the Units over the last five Market Days, on which transactions in Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days
<b>CDP</b>	: The Central Depository (Pte) Limited
<b>Code</b>	: The Singapore Code on Take-overs and Mergers
<b>Companies Act</b>	: Companies Act, Chapter 50 of Singapore
<b>Consent Regimes</b>	: The Implied Consent Regime, the Express Consent Regime and the Deemed Consent Regime
<b>date of the making of the offer</b>	: The date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase
<b>Deemed Consent Regime</b>	: Shall have the meaning as ascribed to it in paragraph 4.2 of this Letter
<b>Directors</b>	: Directors of the Manager
<b>DPU</b>	: Distribution per Unit
<b>Electronic Communications Trust Deed Supplement</b>	The proposed supplement to the Trust Deed to include provisions regarding electronic communications of notices and documents to Unitholders of Manulife US REIT in the manner set out in <b>Annex A</b> of this Letter
<b>Express Consent Regime</b>	: Shall have the meaning as ascribed to it in paragraph 4.2 of this Letter
<b>Extraordinary</b>	: A resolution proposed and passed as such by a majority

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**LETTER TO UNITHOLDERS DATED 2 APRIL 2019**

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<b>Resolution</b>	consisting of 75.0% 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
<b>FY 2018</b>	: The financial year ended 31 December 2018
<b>FY 2018 Audited Financial Statements</b>	: The audited consolidated financial statements of the Manulife US REIT Group for FY 2018
<b>Implied Consent Regime</b>	: Shall have the meaning as ascribed to it in paragraph 4.2 of this Letter
<b>Latest Practicable Date</b>	: 29 March 2019, being the latest practicable date prior to the printing of this Letter
<b>Letter</b>	: This Letter dated 2 April 2019
<b>Listing Manual</b>	: The Listing Manual of the SGX-ST
<b>Listing Rules</b>	: The listing rules of the SGX-ST
<b>Manager</b>	: Manulife US Real Estate Management Pte. Ltd., in its capacity as manager of Manulife US REIT
<b>Mandate Duration</b>	: Unless revoked or varied by Unitholders in a general meeting, the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates: <ul style="list-style-type: none"> <li>(i) the date on which the next annual general meeting of Manulife US REIT is held;</li> <li>(ii) the date by which the next annual general meeting of Manulife US REIT is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or</li> <li>(iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated</li> </ul>
<b>Manulife US REIT</b>	: Manulife US Real Estate Investment Trust
<b>Market Day</b>	: A day on which the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted is open for trading in securities
<b>Market Repurchases</b>	: Repurchases of Units made by way of market repurchases

<b>MAS</b>	: Monetary Authority of Singapore
<b>Maximum Price</b>	: Means 105.0% of the Average Closing Price of the Units for both a Market Repurchase in accordance with Rule 884 of the Listing Manual, and an Off-Market Repurchase
<b>NAV</b>	: Net asset value
<b>Off-Market Repurchases</b>	: Repurchases of Units made by way of off-market repurchases
<b>Ordinary Resolution</b>	: 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
<b>Public Float</b>	: Refers to the percentage of Units held by the public
<b>REIT</b>	: Real estate investment trust
<b>Related Expenses</b>	Brokerage, stamp duty, commission, applicable goods and services tax and other related expenses
<b>SGX-ST</b>	: Singapore Exchange Securities Trading Limited
<b>SGX-ST Consultation Paper</b>	: Consultation paper published by SGX-ST on the “Listing Rules Amendments to Align with Changes to the Companies Act”
<b>Specified Time</b>	: Shall have the meaning as ascribed to it in paragraph 4.2 of this Letter
<b>Substantial Unitholder</b>	: A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
<b>Trust Deed</b>	: The trust deed dated 27 March 2015 constituting Manulife US REIT, as amended, varied, or supplemented from time to time
<b>Unit</b>	: A unit representing an undivided interest in Manulife US REIT
<b>Unit Buy-Back</b>	: The repurchase of Units pursuant to the Unit Buy-Back Mandate
<b>Unit Buy-Back Mandate</b>	: The proposed unit buy-back mandate to be given to the Manager by way of an Ordinary Resolution in a general meeting to exercise its powers to procure the repurchases of Units for and on behalf of Manulife US REIT without the prior

	specific approval of Unitholders at a general meeting
<b>Unit Buy-Back Trust Deed Supplement</b>	The proposed supplement to the Trust Deed to amend the provisions regarding the repurchase and redemption of Units in the manner set out in <b>Annex A</b> of this Letter
<b>Unitholders</b>	: The registered holders for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “ <b>Unitholder</b> ” 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
<b>US\$ and US cents</b>	: US dollars and cents

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 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 Letter to any enactment is a reference to that enactment for the time being amended or re-enacted.

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

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Unless otherwise stated in this Letter, figures and percentages are rounded off where applicable.

ANNEX A

PROPOSED TRUST DEED SUPPLEMENT

The proposed form of the amendments to the Trust Deed, subject to Unitholders passing the resolution to approve the proposed Unit Buy-Back Trust Deed Supplement and the proposed Electronic Communications Trust Deed Supplement, is as set out below. For the avoidance of doubt, all terms and definitions used in this Annex A shall have the same meaning and construction as stated in the Trust Deed.

- that Clause 1.1 of the Deed be amended to reflect the additions as indicated by the underlined text:

**“Electronic Communications”** means communication transmitted (whether from one person to another, from one device to another, from a person to a device or from a device to a person):

(i) by means of a telecommunication system (as defined in the Telecommunications Act, Chapter 323 of Singapore); or

(ii) by other means but while in an electronic form,

such that it can (where particular conditions are met) be received in legible form or be made legible following receipt in non-legible form;”

- that Clause 7.1 of the Deed be amended to reflect the deletions as indicated by the deleted text:

**“7.1 Repurchase and Redemption Restrictions when Trust is Unlisted**

When the Trust is Unlisted, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Holder has no right to request for the repurchase or redemption of Units more than once a year. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Unlisted and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause ~~7.3.4~~7.3.”

- that Clause 7.2 of the Deed be amended to reflect the insertions as indicated by the underlined text and the deletions as indicated by the deleted text:

**“7.2 Repurchase and Redemption Restrictions when Trust is Listed**

7.2.1 **General**

The Manager is not obliged to repurchase or cause the redemption of Units so long as the Trust is Listed. Where the Manager offers to repurchase or cause the redemption of Units issued when the Trust is Listed and, upon acceptance of such an offer, the Manager shall do so at the Repurchase Price calculated in accordance with Clause ~~7.3-27.3~~. In the event the Manager decides to repurchase or cause the redemption of Units, such repurchase or redemption must comply with the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix) and where the terms of such repurchase or redemption are not prescribed by the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix), on terms determined by mutual agreement with the Trustee. The Manager may, subject to the Relevant Laws, Regulations and Guidelines (including but not limited to the Listing Rules and/or the listing rules of any other relevant Recognised Stock Exchange and the Property Funds Appendix), suspend the repurchase or redemption of Units for any period when the issue of Units is suspended pursuant to Clause 5.11.

...

7.2.4 **Duration of Authority**

Repurchases of Units may be made during the Relevant Period. “**Relevant Period**” is the period commencing from the date of the general meeting at which a Unit Buy-back Mandate is sought and the resolution relating to the Unit Buy-back Mandate is passed, and expiring on:

- (i) the date the next Annual General Meeting is or is required by the Relevant Laws, Regulations and Guidelines or this Deed to be held, whichever is earlier; or
- (ii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-back Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Unit Buy-Back Mandate is revoked or varied,

whichever is earlier.

For the avoidance of doubt, the authority conferred on the Manager by the Unit Buy-back Mandate to repurchase Units may be renewed at the next general meeting.”

- that Clause 7.3 of the Deed be deleted in its entirety and replaced with the Clause 7.3 below:

**“7.3 Repurchase Price**

For the purposes of Clauses 7.1 and 7.2, the Repurchase Price shall be (whether or not the Trust is Listed or has been Unlisted at the time the Manager’s offer to repurchase or redeem Units is made), such price as determined in accordance with the Relevant Laws, Regulations and Guidelines.

The Repurchase Charge shall be retained by the Manager for its own benefit and the adjustment shall be retained as part of the Deposited Property. The Manager may on any day differentiate between Holders as to the amount of the Repurchase Charge to be included (within the permitted limit) in the Repurchase Price of Units to be repurchased by the Manager from them respectively. The Repurchase Charge, if payable, shall be notified to the Holders at the time the Manager’s offer to repurchase or redeem Units is made. The bases on which the Manager may make any differentiation as between Holders shall include, without limitation, Holders with large holdings of Units and Holders who have opted for a distribution reinvestment arrangement. Once a request for repurchase or redemption is given by Holders pursuant to an offer by the Manager pursuant to Clause 7.1, it cannot be revoked without the consent of the Manager. The Manager may, subject to the Listing Rules or the listing rules of any other relevant Recognised Stock Exchange, suspend the repurchase or redemption of Units during any period when the issue of Units is suspended pursuant to Clause 5.11. For the avoidance of doubt, the Repurchase Charge shall not be payable while the Units are Listed.”

- that Clause 27.1 of the Deed be deleted in its entirety and replaced with the Clause 27.1 below:

**“27.1 Notices to Holders and Depositors**

27.1.1 Any notice required to be served upon a Holder shall be deemed to have been duly given if sent by post to or left, in the case of Units not credited into a Securities Account, at his address as appearing in the Register or in the case of Joint Holders, to the Joint Holder whose name stands first in the Register and, in the case of Units credited into a Securities Account, at

his address on record with the Depository, or in the case of Joint Depositors, to the Joint Depositor whose name stands first in the record of the Depository Register. Any notice so served by post shall be deemed to have been served on the date of posting, and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed, stamped and posted. Any charges payable to the Depository for serving notices or other documents to Holders shall be borne out of the Deposited Property.

27.1.2 Without prejudice to the provisions of Clause 27.1.1, but subject otherwise to any Listing Rules relating to Electronic Communications, any notice or document (including, without limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under this Deed, or by the Trustee and/or the Manager, to a Holder may be given, sent or served using Electronic Communications:

- (i) to the current email address of the Holder; or
- (ii) by making it available on a website prescribed by the Manager from time to time,

in accordance with the provisions of this Deed, the Listing Rules, applicable laws, rules and regulations (including the Code) and any other applicable rules of any other relevant Recognised Stock Exchange on which the Trust may be Listed. Notwithstanding anything to the contrary:

- (a) forms or acceptance letters that Holders may be required to complete;
- (b) notice of meetings of Holders, excluding any circulars or letters referred in that notice;
- (c) any notice or document relating to any take-over offer of the Trust;
- (d) any notice or document relating to any rights issue by the Trust; or
- (e) any notice as referred to in Clauses 27.1.6(ii) and (iii),

shall not be sent or served to Holders using Electronic Communications.

27.1.3 For the purposes of Clause 27.1.2 above, a Holder shall be deemed to have agreed to receive such notice or document by way of such Electronic Communications and shall not have a right to elect to receive the physical copy of such notice or document, subject to the requirements of the Code relating to the option to request for a hardcopy of the annual report of the Trust and the requirements of the Listing Rules.

27.1.4 Notwithstanding Clause 27.1.3 and subject to the requirements of the Listing Rules, in the event that the Manager decides to adopt the deemed

consent regime, it will give a Holder an opportunity to elect within a specified period of time, such time being at the discretion of the Manager, whether to receive such notice or document by way of Electronic Communications or as a physical copy, and a Holder shall be deemed to have consented to receive such notice or document by way of Electronic Communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

27.1.5 Where a notice or document is given, sent or served by Electronic Communications:

- (i) to the current email address of a person pursuant to Clause 27.1.2(i), it shall be deemed to have been duly given, sent or served at the time of transmission of the Electronic Communication by the email server or facility operated by the Manager or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the Electronic Communication was delayed or not successfully sent), unless otherwise provided under the Listing Rules and/or any other applicable regulations or procedures; and
- (ii) by making it available on a website pursuant to Clause 27.1.2(ii), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website (notwithstanding any subsequent unforeseen event, including but not limited to a cyber-attack or a system failure on the website, resulting in the website being inaccessible to Holders), unless otherwise provided under the Listing Rules and/or any other applicable regulations or procedures.

27.1.6 The use of Electronic Communications pursuant to Clause 27.1.2 is subject to the following safeguards:

- (i) before giving, sending or serving any notice or document by way of Electronic Communications to a Holder who is deemed to have consented pursuant to Clause 27.1.4, the Trustee and/or the Manager must have given separate notice to the Holder in writing on at least one occasion that:
  - (a) the Holder may elect, within a time specified in the notice from the Trustee and/or the Manager to the Holder, whether to receive notices and documents by way of Electronic Communications or as a physical copy;
  - (b) if the Holder does not make an election, notices and

documents will be given, sent or served to the Holder by way of Electronic Communications;

(c) the manner in which Electronic Communications will be used is the manner specified in the Deed;

(d) the election is a standing election, but the Holder may make a fresh election at any time to receive notices or documents by way of Electronic Communications or as a physical copy; and

(e) the Holder's election to receive notices or documents by way of Electronic Communications or as a physical copy that is conveyed to the Trust last in time prevails over all previous elections as the Holder's valid and subsisting election in relation to all documents and notices to be given, sent or served to the Holder until the Holder makes a fresh election;

(ii) where a notice or document is given, sent or served to a Holder pursuant to Clause 27.1.2, the Trustee and/or the Manager shall inform the Holder as soon as practicable of how to request a physical copy of that notice or document from the Trustee and/or the Manager, and the Trustee and/ or the Manager shall provide a physical copy of that notice or document upon such request; and

(iii) where a notice or document is given, sent or served to a Holder by making it available on a website pursuant to Clause 27.1.2(ii), the Manager shall as soon as practicable give separate physical notice to the Holder of the publication of the notice or document on that website and the manner in which the notice or document may be accessed in accordance with the Listing Rules and/or any other applicable regulations or procedures."

- that Clause 27.3 of the Deed be amended to reflect the additions indicated by the underlined text below:

### **"27.3 Sufficiency of Service**

Any notice or document sent by post to or left at the registered address of a Holder or given, sent or served to any Holder using Electronic Communications in pursuance of this Deed shall, notwithstanding that such Holder be then dead or bankrupt and whether or not the Manager has notice of his death or bankruptcy, be deemed a sufficient service on all persons interested (whether jointly with or as claiming through or under him) in the Units concerned."