Manulife
US REIT

MANULIFE US REAL ESTATE INVESTMENT TRUST
Unaudited Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2022

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INTRODUCTION

Manulife US Real Estate Investment Trust ("**Manulife US REIT**" or the "**Group**") is a Singapore real estate investment trust constituted by the Trust Deed dated 27 March 2015 (as amended and restated) between Manulife US Real Estate Management Pte. Ltd. as the Manager of Manulife US REIT (the "**Manager**") and DBS Trustee Limited as the Trustee of Manulife US REIT (the "**Trustee**").

Manulife US REIT was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 20 May 2016 (the "**Listing Date**"). Manulife US REIT's strategy is to invest, directly or indirectly, in a portfolio of income-producing office real estate in key markets in the United States of America ("**U.S.**" or "**United States**"), as well as real estate-related assets. Manulife US REIT's key objectives are to provide unitholders of Manulife US REIT ("**Unitholders**") with regular and stable distributions and to achieve long-term growth in distribution per unit ("**DPU**") and net asset value ("**NAV**") per Unit, while maintaining an appropriate capital structure for Manulife US REIT.

Manulife US REIT portfolio comprises of the following 12 office properties (the "**Properties**") in the United States, with an aggregate net lettable area of 5.5 million square feet ("**sq ft**"), as follows:

- Figueroa (acquired on Listing Date) is a 35-storey Class A office building, located in the South Park district of Downtown Los Angeles, two blocks away from a variety of entertainment venues;
- Michelson (acquired on Listing Date) is a 19-storey Trophy office building, located in Irvine, Orange County, within the Greater Los Angeles market;
- Peachtree (acquired on Listing Date) is a 27-storey Class A office building, located in the heart of Midtown, Atlanta;
- Plaza (acquired on 19 July 2017) is an 11-storey Class A office building, located in Secaucus, New Jersey;
- Exchange (acquired on 31 October 2017) is a 30-storey Class A office building, located in Jersey City, Hudson County, New Jersey;
- Penn (acquired on 22 June 2018) is a 13-storey Class A office building, located in Washington, D.C.;
- Phipps (acquired on 22 June 2018) is a 19-storey Trophy office building, located in the heart of Buckhead, Atlanta;
- Centerpointe (acquired on 10 May 2019) is a 2-tower, 11-storey Class A office building, located in Fairfax, Virginia;
- Capitol (acquired on 29 October 2019) is a 29-storey top Class A office building, located in Sacramento, California;
- Tanasbourne (acquired on 16 December 2021) is a 3-building office campus, located in Portland, Oregon;
- Park Place (acquired on 17 December 2021) is a 2-building office campus, located in Chandler, Arizona; and
- Diablo (acquired on 20 December 2021) is a 5-building office campus, located in Tempe, Arizona.

Manulife US REIT is presenting its financial results for the financial period from 1 January 2022 to 30 June 2022 ("**1H 2022**").

Distribution Policy

Manulife US REIT makes distributions to the Unitholders on a semi-annual basis. Manulife US REIT's distribution policy is to distribute at least 90% of its annual distributable income as set out in the Trust Deed. The actual level of distribution will be determined at the discretion of the Board of Directors of the Manager.

SUMMARY OF RESULTS

	1H 2022 US$'000	1H 2021 US$'000	Change %
Gross Revenue(1)	100,418	90,799	10.6
Net Property Income(2)	57,622	56,069	2.8
Net Income for the period(3)	62,772	6,703	>100
Income Available for Distribution to Unitholders(4)	45,966	42,990	6.9
DPU(4) (cents)	2.61	2.70	(3.3)

N.M.: Not meaningful

Footnotes:

(1) Gross revenue of US$100.4 million for 1H 2022 was higher by 10.6%, largely 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, partly offset by lower rental income from existing properties as the result of higher vacancies.

(2) Net property income of US$57.6 million for 1H 2022 was higher by 2.8%, mainly due to higher gross revenue, partially offset by higher property operating expenses mainly due to newly acquired properties, the absence of net reversal of provision for expected credit losses ("ECL") and increase in operating expenses such as repair and maintenance, and utilities in 1H 2022.

(3) Net income was US$62.8 million for 1H 2022 compared to US$6.7 million for 1H 2021, primarily due to higher net property income and higher net fair value change on derivatives and investment properties.

(4) Income available for distribution to Unitholders was higher by 6.9% mainly due to contributions from the newly acquired properties. However, DPU was lower by 3.3% due to lower income from existing properties, after factoring in the enlarged unit base from the private placement in December 2021.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group		Trust	
	Note	30 June 2022 US$'000	31 December 2021 US$'000	30 June 2022 US$'000	31 December 2021 US$'000
Current assets					
Cash and cash equivalents		86,167	78,581	5,044	6,927
Prepayments		529	1,444	71	79
Trade and other receivables[a]		4,926	5,550	43,077	39,993
		91,622	85,575	48,192	46,999
Non-current assets					
Investment properties	5	2,193,643	2,184,400	-	-
Investment in subsidiaries		-	-	1,835,927	1,839,890
Financial derivatives[b]		33,709	5,653	33,709	5,653
		2,227,352	2,190,053	1,869,636	1,845,543
Total assets		**2,318,974**	**2,275,628**	**1,917,828**	**1,892,542**
Current liabilities					
Trade and other payables[c]		26,023	58,769	3,465	40,710
Loans and borrowings	6	319,951	296,643	33,000	114,800
Security deposits		447	230	-	-
Rent received in advance		8,140	8,019	-	-
		354,561	363,661	36,465	155,510
Non-current liabilities					
Trade and other payables[c]		2,633	2,898	-	-
Loans and borrowings	6	659,868	674,650	659,868	569,842
Financial derivatives[b]		-	4,742	-	4,742
Security deposits		3,874	3,875	-	-
Preferred units	7	1,078	825	-	-
Deferred tax liabilities		44,924	37,261	-	-
		712,377	724,251	659,868	574,584
Total liabilities		**1,066,938**	**1,087,912**	**696,333**	**730,094**
Net assets attributable to Unitholders		**1,252,036**	**1,187,716**	**1,221,495**	**1,162,448**
Represented by:					
Unitholders' funds		1,252,036	1,187,716	1,221,495	1,162,448
Net assets attributable to Unitholders		**1,252,036**	**1,187,716**	**1,221,495**	**1,162,448**
Units in issue and to be issued ('000)		**1,776,565**	**1,764,085**	**1,776,565**	**1,764,085**
Net asset value per Unit (US$) attributable to Unitholders[d]	9	**0.70**	**0.67**	**0.69**	**0.66**

Footnotes:

a. The decrease in trade and other receivables is mainly due to a decrease in trade receivables. Included in trade and other receivables is an allowance for ECL of US$1.3 million (31 December 2021: US$0.8 million).

b. This relates to the fair value of interest rate swaps entered into by the Group for hedging purposes.

c. As at 31 December 2021, current trade and other payables includes distribution payable for the advanced distribution for the period from 1 July 2021 to 8 December 2021 which was subsequently paid out in February 2022. Non-current trade and other payables relates to fees received in relation to lease amendments for certain tenants to be amortised over the remaining lease term.

d. The adjusted net asset value per Unit for the Group and Trust are US$0.68 (31 December 2021: US$0.67) and US$0.66 (31 December 2021: US$0.66) respectively after excluding distributable income.

The accompanying notes form an integral part of the condensed financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group 6 months ended 30 June 2022 US$'000	Group 6 months ended 30 June 2021 US$'000
Gross revenue[a]		100,418	90,799
Property operating expenses[b]		(42,796)	(34,730)
Net property income		**57,622**	**56,069**
Interest income		3	18
Manager's base fee[c]		(4,597)	(4,299)
Trustee's fee		(150)	(141)
Other trust expenses[d]		(1,462)	(1,302)
Finance expenses	10	(15,294)	(14,673)
Net income before tax and fair value changes		**36,122**	**35,672**
Net fair value change in derivatives[e]		32,798	4,207
Net fair value change in investment properties[f]		1,574	(37,304)
Net income for the period before tax		**70,494**	**2,575**
Tax (expense)/income[g]	11	(7,722)	4,128
Net income for the period attributable to Unitholders		**62,772**	**6,703**
Earnings per Unit ("EPU") (US cents)			
Basic and diluted EPU	12	3.56	0.42

Footnotes:

a. Gross revenue includes carpark income of US$6.3 million for 1H 2022 and US$3.6 million for 1H 2021.

b. Property operating expenses for 1H 2022 include provision for ECL of US$0.5 million. Property operating expenses for 1H 2021 include reversal of provision for ECL of US$2.8 million due to subsequent collections from tenants, partially offset by additional provision for ECL on trade receivables of US$0.7 million.

c. The Manager's base fee is based on 10% of distributable income. The Manager has elected to receive 100% of its base fee in the form of units for 1H 2022.

d. Other trust expenses consist of audit, tax compliance and other expenses.

e. The Group has entered into interest rate swaps to hedge against floating interest rates. For accounting purposes, the derivatives are carried at fair value on the balance sheet with changes in fair value recognised in profit or loss. No hedge accounting has been elected on the derivatives. Net fair value change in derivatives is not taxable or tax-deductible and has no impact on the distributable income to the Unitholders.

f. Prior to FY2022, Manulife US REIT obtained independent appraisals on a semi-annual basis. From FY2022, a full valuation will be obtained at least once a financial year, in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes. Net fair value change in investment properties for 1H 2022 largely relates to the effect of amortisation and straight-line rent accounting adjustments and has no impact on the distributable income to the Unitholders.

g. Tax expense consists of current tax expense and deferred tax expense. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and the amounts used for taxation purposes and arises mainly from tax depreciation for 1H 2022.

CONDENSED INTERIM DISTRIBUTION STATEMENT

	Group	
	6 months ended 30 June 2022 US$'000	6 months ended 30 June 2021 US$'000
Amount available for distribution to Unitholders at the beginning of the period	5,682	41,018
Net income for the period	62,772	6,703
Distribution adjustments (Note A)	(16,806)	36,287
Income available for distribution to Unitholders for the period	45,966	42,990
Amount available for distribution to Unitholders	51,648	84,008
Distributions to Unitholders:		
- Distribution of US 2.59 cents per Unit for the period from 1 July 2020 to 31 December 2020	-	(40,998)
- Distribution of US 0.32 cent per Unit for the period from 9 December 2021 to 31 December 2021	(5,613)	-
Total distributions to Unitholders	(5,613)	(40,998)
Amount available for distribution to Unitholders at the end of the period	**46,035**	**43,010**
Number of Units in issue at end of the period ('000)	**1,764,085**	**1,591,661**
Distribution per Unit ("DPU") (US cents)	**2.61**	**2.70**
Note A – Distribution adjustments comprise:		
- Property related non-cash items[1]	1,574	39
- Amortisation of upfront debt-related transaction costs[2]	844	916
- Manager's base fee paid/payable in Units	4,597	4,299
- Property Manager's management fee paid/payable in Units	2,564	2,234
- Trustee's fee	150	141
- Net fair value change in derivatives	(32,798)	(4,207)
- Net fair value change in investment properties	(1,574)	37,304
- Deferred tax expense/(income)	7,663	(4,254)
- Other items[3]	174	(185)
Distribution adjustments	**(16,806)**	**36,287**

Footnotes:

1 This includes straight-line rent adjustments and amortisation of tenant improvement allowance, leasing commissions and free rent incentives.

2 Upfront debt-related transaction costs are amortised over the life of the loans and borrowings.

3 This includes non-tax deductible items and other adjustments including rent-free reimbursements. The rent-free reimbursements were in relation to the vendors of certain properties that had granted rent-free periods to certain tenants under the existing lease arrangements. As part of the terms of the acquisitions, these vendors reimbursed Manulife US REIT the free rent under existing lease arrangements and the rent-free reimbursements are applied towards the distributable income.

CONDENSED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS

	Note	Attributable to Unitholders		
		Units in issue and to be issued US$'000	**(Accumulated losses) / Retained earnings US$'000**	**Total US$'000**
Group				
At 1 January 2022		1,228,500	(40,784)	1,187,716
Operations				
Net income for the period		-	62,772	62,772
Net increase in net assets resulting from operations		-	62,772	62,772
Unitholders' transactions				
Issue of new Units:				
- Manager's base fee paid/payable in Units		4,597	-	4,597
- Property Manager's management fee paid/payable in Units		2,564	-	2,564
Distributions[a]	8	(877)	(4,736)	(5,613)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		6,284	(4,736)	1,548
At 30 June 2022		1,234,784	17,252	1,252,036
Trust				
At 1 January 2022		1,228,500	(66,052)	1,162,448
Operations				
Net income for the period		-	57,499	57,499
Net increase in net assets resulting from operations		-	57,499	57,499
Unitholders' transactions				
Issue of new Units:				
- Manager's base fee paid/payable in Units		4,597	-	4,597
- Property Manager's management fee paid/payable in Units		2,564	-	2,564
Distributions[a]	8	(877)	(4,736)	(5,613)
Net increase/(decrease) in net assets resulting from Unitholders' transactions		6,284	(4,736)	1,548
At 30 June 2022		1,234,784	(13,289)	1,221,495

The accompanying notes form an integral part of the condensed financial statements.

CONDENSED INTERIM STATEMENTS OF CHANGES IN UNITHOLDERS' FUNDS (CONT'D)

	Note	Attributable to Unitholders		
		Units in issue and to be issued US$'000	**Retained earnings/ (Accumulated losses) US$'000**	**Total US$'000**
Group				
At 1 January 2021		1,138,312	19,576	1,157,888
Operations				
Net income for the period		-	6,703	6,703
Net increase in net assets resulting from operations		-	6,703	6,703
Unitholders' transactions				
Issue of new Units:				
- Manager's base fee paid/payable in Units		4,299	-	4,299
- Property Manager's management fee paid/payable in Units		2,234	-	2,234
Distributions[a]	8	(6,965)	(34,033)	(40,998)
Net decrease in net assets resulting from Unitholders' transactions		(432)	(34,033)	(34,465)
At 30 June 2021		1,137,880	(7,754)	1,130,126
Trust				
At 1 January 2021		1,138,312	(26,837)	1,111,475
Operations				
Net income for the period		-	27,956	27,956
Net increase in net assets resulting from operations		-	27,956	27,956
Unitholders' transactions				
Issue of new Units:				
- Manager's base fee paid/payable in Units		4,299	-	4,299
- Property Manager's management fee paid/payable in Units		2,234	-	2,234
Distributions[a]	8	(6,965)	(34,033)	(40,998)
Net decrease in net assets resulting from Unitholders' transactions		(432)	(34,033)	(34,465)
At 30 June 2021		1,137,880	(32,914)	1,104,966

Footnotes:

a. For 1H 2022, the amount comprises the distribution paid to Unitholders for the period from 9 December 2021 to 31 December 2021. For 1H 2021, the amount comprises the distribution paid to Unitholders for the period from 1 July 2020 to 31 December 2020.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		6 months ended 30 June 2022 US$'000	**6 months ended 30 June 2021 US$'000**
Cash flows from operating activities			
Net income for the period before tax		70,494	2,575
Adjustments for:			
Amortisation		1,574	39
Net change in provision for expected credit losses		510	(2,087)
Interest income		(3)	(18)
Finance expenses		15,294	14,673
Manager's base fee paid/payable in Units		4,597	4,299
Property Manager's management fee paid/payable in Units		2,564	2,234
Net fair value change in derivatives		(32,798)	(4,207)
Net fair value change in investment properties		(1,574)	37,304
Net unrealised foreign exchange losses		60	48
Operating income before working capital changes		**60,718**	**54,860**
Changes in working capital:			
Trade and other receivables		114	5,696
Prepayments		915	1,384
Trade and other payables		5,740	3,351
Security deposits		216	(2)
Rent received in advance		121	1,922
Cash from operating activities		**67,824**	**67,211**
Tax paid		(61)	(115)
Interest paid		(14,275)	(13,542)
Net cash from operating activities		**53,488**	**53,554**
Cash flows from investing activities			
Payment for capital expenditure and other costs related to investment properties[a]		(11,212)	(15,230)
Interest received		3	18
Net cash used in investing activities		**(11,209)**	**(15,212)**
Cash flows from financing activities			
Proceeds from issuance of preferred units	7	345	1,150
Redemption of preferred units	7	-	(125)
Payment of transaction costs relating to preferred units	7	(92)	(325)
Proceeds from loans and borrowings[b]		98,200	252,500
Repayment of loans and borrowings[b]		(90,000)	(233,800)
Payment of transaction costs relating to loans and borrowings		(518)	(1,357)
Distributions paid to Unitholders		(42,575)	(40,998)
Net cash used in financing activities		**(34,640)**	**(22,955)**
Net increase in cash and cash equivalents		**7,639**	**15,387**
Cash and cash equivalents at beginning of the period		**78,581**	**86,674**
Effect of exchange rate fluctuations on cash held in foreign currency		(53)	7
Cash and cash equivalents at the end of the period		**86,167**	**102,068**

Footnotes:

a. For 1H 2022, this includes capital expenditures (renovations or improvements) and leasing costs (including tenant improvement allowances) largely from Michelson, Peachtree and Capitol. For 1H 2021, this includes capital expenditures (renovations or improvements) and leasing costs (including tenant improvement allowances) largely from Figueroa, Plaza and Exchange.

b. The bridge financing drawn down to fund the acquisitions in December 2021 was refinanced in January 2022 and mortgage facilities related to Penn and Michelson were refinanced in April 2021, with credit facilities obtained by Manulife US REIT.

The accompanying notes form an integral part of the condensed financial statements.

CONDENSED INTERIM STATEMENT OF PORTFOLIO

	Tenure of Land	Occupancy Rates[1] as at 30 June 2022 %	Occupancy Rates[1] as at 31 December 2021 %	Fair value as at 30 June 2022[2] US$'000	Fair value as at 31 December 2021 US$'000	Percentage of total net assets as at 30 June 2022 %	Percentage of total net assets as at 31 December 2021 %
Group							
Commercial Office Properties							
Figueroa	Freehold	87.4	88.6	315,659	315,200	25.2	26.5
Michelson	Freehold	89.2	87.2	320,547	317,000	25.6	26.7
Peachtree	Freehold	89.1	90.8	214,720	212,900	17.1	17.9
Plaza	Freehold	96.7	96.7	106,140	106,000	8.5	8.9
Exchange	Freehold	85.4	97.7	324,802	324,000	25.9	27.2
Penn	Freehold	90.9	93.8	178,123	177,300	14.2	15.0
Phipps	Freehold	94.5	94.5	216,313	216,000	17.3	18.2
Centerpointe	Freehold	92.1	91.6	113,186	112,700	9.1	9.5
Capitol	Freehold	84.8	88.3	198,086	197,000	15.8	16.6
Tanasbourne	Freehold	100.0	100.0	34,400	34,400	2.7	2.9
Park Place	Freehold	100.0	100.0	106,760	106,900	8.6	9.0
Diablo	Freehold	85.7	85.7	64,907	65,000	5.2	5.5
Investment properties				**2,193,643**	**2,184,400**	**175.2**	**183.9**
Other assets and liabilities (net)				(941,607)	(996,684)	(75.2)	(83.9)
Net assets				**1,252,036**	**1,187,716**	**100.0**	**100.0**

1 Based on committed leases.

2 The fair values of the Group's investment properties as at 30 June 2022 were based on the fair values as at 31 December 2021, adjusted for capital expenditures, leasing costs (including tenant improvement allowances), acquisition costs and straight-line rent accounting adjustments incurred in 1H 2022. For more information, please refer to Note 5.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 General

Manulife US Real Estate Investment Trust (the "Trust" or "Manulife US REIT") is a Singapore real estate investment trust constituted pursuant to a trust deed dated 27 March 2015 (as amended and restated) (the "Trust Deed") made between Manulife US Real Estate Management Pte. Ltd. (the "Manager") and DBS Trustee Limited (the "Trustee"). The Trustee is under a duty to take into custody and hold the assets of the Trust and its subsidiaries in trust for the Unitholders of the Trust. The Trust and its subsidiaries are collectively referred to as the "Group" and individually as "Group entities".

The Trust was admitted to the Official List of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 May 2016.

The registered office and principal place of business of the Manager is located at 8 Cross Street, #16-03 Manulife Tower, Singapore 048424.

The principal activity of the Trust is investment holding. The principal activities of the Trust's subsidiaries are to own and invest, directly or indirectly, in a portfolio of income-producing office real estate in major markets in the United States, as well as real estate-related assets. The primary objective of the Group is to provide Unitholders with regular and stable distributions and to achieve long-term growth in distributions and the net asset value per Unit, while maintaining an appropriate capital structure.

The condensed interim consolidated financial statements relate to the Trust and its subsidiaries.

2 Basis of preparation

2.1 Statement of compliance

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

The condensed interim financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the Group's audited annual financial statements for the year ended 31 December 2021. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The Group has applied the same accounting policies and methods of computation consistent with those used in the audited financial statements for the financial year ended 31 December 2021 in the preparation of the consolidated financial statements for the current reporting period except for the adoption of revised IFRS (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2022. The adoption of these revised IFRS and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

The condensed interim financial statements are presented in United States Dollars ("US$" or "USD"), which is the functional currency of the Trust. All financial information presented has been rounded to the nearest thousand (US$'000), unless otherwise stated.

2 Basis of preparation (cont'd)

2.2 Use of estimates and judgements

The preparation of the Group's condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements and accounting estimates in applying accounting policies have the most significant effect on the amounts recognised in the financial statements in the following areas:

- Measurement of expected credit losses ("ECLs") for trade receivables
- Valuation of investment properties
- Fair value of derivatives

3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4 Segment reporting

An operating segment is a component of the Group:

- that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components;
- whose operating results are regularly reviewed by the Chief Executive Officer and the directors of the Manager to make decisions about resources to be allocated to the segment and assess its performance; and
- for which discrete financial information is available.

The Group's investment properties comprise commercial office properties located in the United States. Therefore, the Manager considers that the Group operates within a single business segment and within a single geographical segment in the United States. Accordingly, no segment information has been presented in these financial statements.

5 Investment properties

	Group	
	30 June 2022 US$'000	**31 December 2021 US$'000**
Consolidated Statement of Financial Position		
As at 1 January	2,184,400	1,992,800
Acquisitions[1]	-	204,563
Capital expenditure capitalised	9,243	31,392
Fair value changes in investment properties	-	(44,355)
As at 30 June / 31 December	2,193,643	2,184,400
Consolidated Statement of Comprehensive Income		
Fair value changes in investment properties	-	(44,355)
Net effect of amortisation and straight lining	1,574	1,932
Net fair value changes recognised in the statement of comprehensive income	1,574	(42,423)

[1] Includes acquisition fees and acquisition costs

Investment properties comprise commercial office properties which are leased to external tenants.

Certain investment properties are pledged as security to secure bank loans (see Note 6).

Measurement of fair value

The carrying amounts of the Group's investment properties as at 30 June 2022 were based on the fair values as at 31 December 2021, adjusted for capital expenditures, leasing costs (including tenant improvement allowances) and straight line rent accounting adjustments incurred in 1H 2022. Management has assessed that the key inputs used by the valuers in the valuation techniques for their valuation as at 31 December 2021 remain appropriate and reflect the current market conditions for the half-year ended 30 June 2022. A full valuation of the Group's investment properties will be performed for the financial year ending 31 December 2022, in line with the Property Fund Guidelines on annual valuation.

As at 31 December 2021, the investment properties, except for Tanasbourne, Park Place and Diablo, were stated at fair value based on independent valuations undertaken by CBRE, Inc. Tanasbourne, Park Place and Diablo were acquired in December 2021 and the carrying amounts were based on independent valuations obtained for the acquisitions as at 1 November 2021 for Tanasbourne and 9 November 2021 for Park Place and Diablo which were undertaken by Jones Lang LaSalle Americas, Inc. The independent valuers have the appropriate professional qualifications and recent experience in the location and category of the properties being valued.

The fair values were generally calculated using the income approach. The two primary income approaches that may be used are the Discounted Cash Flow ("DCF") and the Direct Capitalisation Method ("DCM"). DCF calculates the present values of future cash flows over a specified time period, including the potential proceeds of a deemed disposition, to determine the fair value. DCM measures the relationship of value to the stabilised net operating income, normally at the first year. Both the DCF and DCM approaches convert the earnings of a property into an estimate of value. The market or direct comparison approach may also be used, which is based on sound considerations for similarity and comparability between properties. Considerations may include geographic location, physical, legal, and revenue generating characteristics, market conditions and financing terms and conditions. The final step in the appraisal process involves the reconciliation of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property.

5 Investment properties (cont'd)

Measurement of fair value (cont'd)

The valuation methods used in determining the fair value involve certain estimates including those relating to discount rate, terminal capitalisation rate and capitalisation rate, which are unobservable. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates used are reflective of the current market conditions.

Certain valuers have highlighted in their valuation reports that the real estate market has been impacted by the uncertainty brought by the COVID-19 pandemic and a higher degree of caution is to be exercised when relying on the valuations. The valuations were based on the market conditions and information available as at the valuation dates. Values may change more rapidly and significantly subsequently as the future impact that COVID-19 pandemic might have on the real estate market remains unknown.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

Valuation techniques and significant unobservable inputs

The following table shows the significant unobservable inputs used in the measurement of fair value of investment properties as at 31 December 2021:

Valuation techniques	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flow approach	Rental rate per square foot per year US$17.00 - US$56.00	Higher rental rate would result in a higher fair value, while lower rates would result in a lower fair value.
	Discount rate 6.00% - 9.00%	Higher discount rate or terminal capitalisation rate would result in a lower fair value, while lower rates would result in a higher fair value.
	Terminal capitalisation rate 5.00% - 7.50%	
Direct capitalisation method	Rental rate per square foot per year US$17.00 - US$56.00	Higher rental rate would result in a higher fair value, while lower rates would result in a lower fair value.
	Capitalisation rate 5.50% - 7.50%	Higher capitalisation rate would result in a lower fair value, while lower rates would result in a higher fair value.
Market or Direct comparison approach	Price per square foot US$185 - US$624	Higher price per square foot would result in a higher fair value, while a lower price per square foot would result in a lower fair value.

6 Loans and borrowings

	Group		Trust	
	30 June 2022 US$'000	**31 December 2021 US$'000**	**30 June 2022 US$'000**	**31 December 2021 US$'000**
Current				
Secured bank loans	287,216	182,216	-	-
Less: Unamortised transaction costs	(265)	(373)	-	-
Secured revolving credit facilities ("RCF")	-	7,300	-	7,300
Unsecured RCF	33,000	107,500	33,000	107,500
	319,951	296,643	33,000	114,800
Non-current				
Secured bank loans	-	428,000	-	323,000
Unsecured bank loans	663,000	250,000	663,000	250,000
Less: Unamortised transaction costs	(3,132)	(3,350)	(3,132)	(3,158)
	659,868	674,650	659,868	569,842
	979,819	971,293	692,868	684,642

As at 30 June 2022, the Group had gross borrowings of US$983.2 million (31 December 2021: US$975.0 million) comprising of (i) US$287.2 million (31 December 2021: US$287.2 million) drawn from property-level mortgage facilities, and (ii) US$696.0 million (31 December 2021: US$687.8 million) drawn from Trust-level credit facilities.

The average interest rate on borrowings as at 30 June 2022 was 2.97% (31 December 2021: 2.82%) and aggregate leverage was 42.4% (31 December 2021: 42.8%). 85.7% (31 December 2021: 86.5%) of the gross borrowings had fixed interest rates, which reduces short-term cash flow volatility from floating interest rate movements. As at 30 June 2022, the interest coverage ratio was 3.5 times (31 December 2021: 3.4 times).

As at 30 June 2022, the weighted average debt maturity is 2.3 years (31 December 2021: 2.4 years) and 70.4% of the Group's properties (based on appraised values as at 31 December 2021) are unencumbered.

The Group is in a net current liabilities position mainly due to the mortgage loan facilities for Plaza, Exchange and Phipps, which are maturing in August 2022, October 2022 and June 2023 respectively. The Group has sufficient financing options to refinance the remaining borrowing that is maturing within the next 12 months. Subsequent to the period end, the Group refinanced the mortgage loan facilities for Plaza and Exchange with a Trust-level term loan.

6 Loans and borrowings (cont'd)

The details of credit facilities available and utilised as at 30 June 2022 and 31 December 2021 are set out below:

		30 June 2022		31 December 2021	
	Note	Facility available US$'000	Utilised US$'000	Facility available US$'000	Utilised US$'000
Group					
Secured					
Mortgage facilities	(a)	309,100	287,216	309,100	287,216
Trust-level term loans	(b)	-	-	323,000	323,000
US$50.0 million committed RCF ("First US$50.0 million Committed RCF")	(b)	-	-	50,000	-
US$50.0 million committed RCF ("Second US$50.0 million Committed RCF")	(b)	-	-	50,000	7,300
		309,100	287,216	732,100	617,516
Unsecured					
Trust-level term loans		663,000	663,000	340,000	250,000
Committed RCFs		100,000	33,000	-	-
US$200.0 million uncommitted RCF		200,000	-	200,000	107,500
		963,000	696,000	540,000	357,500
		1,272,100	983,216	1,272,100	975,016
Trust					
Secured					
Trust-level term loans	(b)	-	-	323,000	323,000
First US$50.0 million Committed RCF	(b)	-	-	50,000	-
Second US$50.0 million Committed RCF	(b)	-	-	50,000	7,300
		-	-	423,000	330,300
Unsecured					
Trust-level term loans		663,000	663,000	340,000	250,000
Committed RCFs		100,000	33,000	-	-
US$200.0 million uncommitted RCF		200,000	-	200,000	107,500
		963,000	696,000	540,000	357,500
		963,000	696,000	963,000	687,800

(a) Mortgage Facilities

The Mortgage Facilities are secured by, amongst other collateral:

(i) a first mortgage on each of Plaza, Exchange and Phipps respectively (each, the "Property");

(ii) an assignment of each of the U.S. Subs' rights, title and interest in present and future leases, subleases, licenses and all other agreements relating to the management, leasing and operation of the respective Property; and

(iii) an assignment of each of the U.S. Subs' right to all goods, building and other materials, supplies, inventory, equipment, machinery, fixtures, furniture and other personal property, together with all payments and other rents and security deposits in respect of the relevant Properties.

In addition, Hancock S-REIT Parent Corp., which directly holds each of the U.S. Subs, has granted a limited guarantee to the Mortgage Lenders in respect of certain obligations of the U.S. Subs under the mortgage facilities as well as a hazardous materials indemnity agreement.

Each of the mortgage facilities includes customary representations, warranties and covenants (including due-on-sale and due-on-encumbrance provisions) by the U.S. Subs in favour of the mortgage lenders. Each of the mortgage facilities is not cross-defaulted or cross-collateralised with the other mortgage facilities.

6 Loans and borrowings (cont'd)

(b) Trust-level Term Loans, First US$50.0 Million Committed RCF and Second US$50.0 Million Committed RCF

On 26 January 2022, Manulife US REIT and certain of its subsidiaries entered into deeds of release and discharge (“Deeds of Release and Discharge”) with the security agent to release the security granted in respect of the Trust-level term loans, the First US$50.0 Million Committed RCF and the Second US$50.0 Million Committed RCF.

Following the execution of the Deeds of Release and Discharge, these facilities are unsecured.

7 Preferred Units

	Group	
	30 June 2022 US$’000	**31 December 2021 US$’000**
As at 1 January	825	102
Issuance of preferred units (net of issuance costs)	253	825
Redemption of preferred units	-	(102)
As at 30 June / 31 December	1,078	825

On 26 January 2022, indirect subsidiaries of Manulife US REIT, Hancock S-REIT Portland LLC, Hancock S-REIT Chandler LLC and Hancock S-REIT Tempe LLC (the “Newly Incorporated U.S. Sub-REITS”), each issued 115 preferred units at US$1,000 per preferred unit to persons who are unrelated to The Manufacturers Life Insurance Company and the Group. The Newly Incorporated U.S. Sub-REITs were established to each hold Tanasbourne, Park Place and Diablo, which were acquired in December 2021.

On 7 January 2021, indirect subsidiaries of Manulife US REIT, Hancock S-REIT LA Corp., Hancock S-REIT Irvine Corp., Hancock S-REIT ATL LLC, Hancock S-REIT SECA LLC, Hancock S-REIT JCITY LLC, Hancock S-REIT DC 1750 LLC, Hancock S-REIT ATL Phipps LLC, Hancock S-REIT Centerpointe LLC and Hancock S-REIT Sacramento LLC (together with the Newly Incorporated U.S. Sub-REITs, the “U.S. Sub-REITs”), and Hancock S-REIT Parent Corp (“Parent U.S. REIT”) each issued 115 new preferred shares at US$1,000 per preferred share to persons who are unrelated to The Manufacturers Life Insurance Company and the Group.

The preferred shares issuance on 26 January 2022 and 7 January 2021 are required in order to meet one of the requirements for the Parent U.S. REIT and U.S. Sub-REITs to qualify for taxation as a real estate investment trust for U.S. federal income tax purposes under the United States Internal Revenue Code of 1986, as amended. Each of the preferred shares carries a fixed dividend of 12.0% per annum, are non-voting and are redeemable at the option of Parent U.S. REIT and each of the U.S. Sub-REITs.

Immediately before the preferred shares issuance on 7 January 2021, Parent U.S. REIT also redeemed all of its existing 125 units of preferred shares. The total redemption amount was approximately to US$0.1 million, which was funded from internal resources.

8 Units in issue and to be issued

	Group and Trust			
	30 June 2022		30 June 2021	
	No of Units ’000	US$’000	No of Units ’000	US$’000
Units in issue				
As at 1 January	1,754,155	1,221,878	1,582,933	1,131,815
Issuance of Units:				
- Manager’s base fee paid in Units	6,389	4,261	5,507	4,100
- Property Manager’s management fees paid in Units	3,541	2,361	3,221	2,397
Capital distribution	-	(877)	-	(6,965)
As at 30 June	1,764,085	1,227,623	1,591,661	1,131,347
Units to be issued				
Manager’s base fee payable in Units[a]	8,011	4,597	5,534	4,299
Property Manager’s management fees payable in Units[a]	4,469	2,564	2,876	2,234
	12,480	7,161	8,410	6,533
Total Units issued and to be issued as at 30 June	1,776,565	1,234,784	1,600,071	1,137,880

Footnotes:

a. There are 12,480,018 Units to be issued in satisfaction of the Manager’s base fee and Property Manager’s management fee for 1H 2022 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 June 2022 of US$0.5738. Actual Units from payment of property management fees may be different as it will be based on the higher of (i) volume weighted average price for last 10 Business Days immediately preceding 30 June 2022 or (ii) the closing price on the day of issuance of Units in payment of property management fees.

Manulife US REIT did not hold any treasury units as at 30 June 2022 and 31 December 2021. The total number of issued Units in Manulife US REIT as at 30 June 2022 and 31 December 2021 were 1,764,085,403 and 1,754,154,689 respectively.

9 Net asset value per Unit

		Group		Trust	
	Note	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Net asset value per Unit is based on:					
- Net assets (US$’000)[a]		1,252,036	1,187,716	1,221,495	1,162,448
- Total Units issued and to be issued at end of period (’000)	8	1,776,565	1,764,085	1,776,565	1,764,085

Footnotes:

a. Net asset value and net tangible asset are the same as there are no intangible asset as at 30 June 2022 and 31 December 2021.

10 Finance expenses

	Group	
	6 months ended 30 June 2022 US$'000	**6 months ended 30 June 2021 US$'000**
Interest expense on loans and borrowings	14,200	13,483
Amortisation of upfront debt-related transaction costs[a]	844	916
Dividends on preferred units	87	67
Redemption of preferred units[b]	-	23
Commitment and financing fees[c]	163	184
	15,294	14,673

Footnotes:

a. Upfront debt-related transaction costs are amortised over the life of the loans and borrowings.

b. Hancock S-REIT Parent Corp redeemed 125 preferred units on 7 January 2021, further to the restructuring in connection with the finalisation of certain U.S. tax regulations.

c. This includes the financing fees on trust-level committed lines of credit.

11 Tax expense/(income)

	Group	
	6 months ended 30 June 2022 US$'000	**6 months ended 30 June 2021 US$'000**
Current tax expense		
Income tax	59	126
	59	126
Deferred tax expense/(income)		
Movement in temporary differences	7,663	(4,254)
	7,722	(4,128)

12 Earnings per Unit ("EPU")

Basic earnings per Unit is based on:

	Group	
	6 months ended 30 June 2022	**6 months ended 30 June 2021**
Net income for the period (US$'000)	62,772	6,703

	30 June 2022 No. of Units	**30 June 2021 No. of Units**
Weighted average number of Units in issue and issuable ('000)	1,761,192	1,589,055

Basic EPU is calculated based on the weighted number of Units for the period. This is comprised of:
(i) the weighted average number of Units in issue for the period; and
(ii) the estimated weighted average number of Units issuable as payment of the Manager's base fees and Property Manager's management fees for the period.

Diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

13 Fair value of assets and liabilities

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

a) Level 1: for unadjusted price quoted in active markets for identical assets or liabilities;
b) Level 2: for inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
c) Level 3: for inputs that are based on unobservable market data. These unobservable inputs reflect the Group's own assumptions about the assumptions that market participants would use in pricing the asset or liability, and are developed based on the best information available in the circumstances (which might include the Group's own data).

		Group				Trust			
	Note	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
30 June 2022									
Financial assets									
Financial derivatives		-	33,709	-	33,709	-	33,709	-	33,709
Financial liabilities									
Loans and borrowings	6	-	-	982,656	982,656	-	-	696,000	696,000
Preferred units	7	-	-	1,495	1,495	-	-	-	-
31 December 2021									
Financial assets									
Financial derivatives		-	5,653	-	5,653	-	5,653	-	5,653
Financial liabilities									
Loans and borrowings	6	-	-	980,398	980,398	-	-	687,800	687,800
Preferred units	7	-	-	1,150	1,150	-	-	-	-
Financial derivatives		-	4,742	-	4,742	-	4,742	-	4,742

13 Fair value of assets and liabilities (cont'd)

Measurement of fair values

The following is a description of the valuation techniques and inputs used in the measuring Level 2 and Level 3 fair values.

Financial instruments measured at fair value

Financial derivatives

The fair value of interest rate swaps are based on valuations provided by the financial institutions that are the counterparties of the transactions. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Financial instruments not measured at fair value

Loans and borrowings

The fair values of loans and borrowings are calculated using the discounted cash flow technique based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

14 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant related party transactions were carried out at terms agreed between the parties and included in the Group’s profit before tax:

	Group	
	6 months ended 30 June 2022 US$’000	6 months ended 30 June 2021 US$’000
Rental received/receivable from a related party	466	450
Manager’s base fee paid/payable	4,597	4,299
Property manager’s management fee paid/payable	2,564	2,234
Trustee’s fee paid/payable	150	141
Leasing fees to a related party	324	411
Construction supervision fee to a related party	7	44
Reimbursements to a related party	213	1,957
Settlement of liabilities including withholding taxes	384	175

15 Financial ratios

	Group	
	6 months ended 30 June 2022 %	**6 months ended 30 June 2021 %**
Ratio of expenses to weighted average net assets[1]		
- including performance component of the Manager's management fees	1.00	0.94
- excluding performance component of the Manager's management fees	1.00	0.94
Portfolio turnover rate[2]	–	–

1 The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property expenses, finance expenses, net foreign exchange differences and income tax expense.

2 The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value in accordance with the formulae stated in the CIS Code.

16 Subsequent events

Loans and borrowings

On 5 July 2022, Manulife US REIT obtained a new unsecured sustainability-linked loan facility of US$225.0 million, mainly to refinance the mortgage loan facilities for Plaza and Exchange, and the RCF.

Distribution

On 4 August 2022, the Manager announced a distribution of US 2.61 cents per Unit for the period from 1 January 2022 to 30 June 2022.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

I SALES, TRANSFERS, CANCELLATION AND/OR USE OF TREASURY UNITS AND SUBSIDIARY HOLDINGS

(a) Treasury units

There were no sales, transfers, cancellation and/or use of treasury units as at the end of the current financial period ended 30 June 2022.

(b) Subsidiary holdings

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period ended 30 June 2022.

II AUDIT STATEMENT

(a) Whether the figures have been audited or reviewed, and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

(b) Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

III REVIEW OF PERFORMANCE OF THE GROUP

	1H 2022 US$'000	1H 2021 US$'000	Change %
Consolidated Statement of Comprehensive Income			
Gross revenue	100,418	90,799	10.6
Property operating expenses	(42,796)	(34,730)	23.2
Net property income	**57,622**	**56,069**	**2.8**
Interest income	3	18	(83.3)
Manager's base fee	(4,597)	(4,299)	6.9
Trustee's fee	(150)	(141)	6.4
Other trust expenses	(1,462)	(1,302)	12.3
Finance expenses	(15,294)	(14,673)	4.2
Net income before tax and fair value changes	**36,122**	**35,672**	**1.3**
Net fair value change in derivatives	32,798	4,207	>100
Net fair value change in investment properties	1,574	(37,304)	N.M.
Net income for the period before tax	**70,494**	**2,575**	**>100**
Tax (expense)/income	(7,722)	4,128	N.M.
Net income for the period attributable to Unitholders	**62,772**	**6,703**	**>100**
Distribution Statement			
Net income for the period	62,772	6,703	>100
Distribution adjustments	(16,806)	36,287	N.M.
Income available for distribution to Unitholders	**45,966**	**42,990**	**6.9**

N.M.: Not meaningful

1H 2022 vs 1H 2021

Gross revenue for 1H 2022 was US$100.4 million, an increase of US$9.6 million or 10.6% from 1H 2021. The increase was mainly due to contributions from newly acquired properties, Tanasbourne, Park Place and Diablo acquired in December 2021, higher carpark income and lower rent abatements provided to tenants affected by COVID-19, partly offset by lower rental income from existing properties as the result of higher vacancies.

Property operating expenses for 1H 2022 was US$42.8 million, an increase of US$8.1 million or 23.2% from 1H 2021, mainly due to the newly acquired properties, provision for ECL of US$0.5 million compared to net reversal of provision for ECL of US$2.1 million in 1H 2021, and increase in operating expenses such as repair and maintenance, and utilities. As a result, the net property income for 1H 2022 was US$57.6 million, an increase of US$1.6 million or 2.8% from 1H 2021.

Other trust expenses consist of audit, tax compliance and other expenses. Other trust expenses have increased compared to 1H 2021 mainly due to higher tax compliance and additional administrative and professional fees arising from properties acquired in December 2021.

Finance expenses for 1H 2022 was US$15.3 million, an increase of US$0.6 million or 4.2% from 1H 2021, largely due to additional borrowings drawn to partially fund the acquisitions in December 2021, capital expenditure and leasing costs. The increase was partially offset by interest savings from refinancing of Penn and Michelson at a lower interest rate in April 2021.

Net fair value gain on derivatives of US$32.8 million recognised in 1H 2022 was attributable to the fair valuation of interest rate swaps entered into to hedge against interest rate exposures.

Net fair value gain on investment properties of US$1.6 million in 1H 2022 was largely due to the effect of amortisation and straight-line rent accounting adjustments.

Tax expense of US$7.7 million was mainly due to deferred tax expense from tax depreciation.

Due to the effects of the above, the Group recorded a net income of US$62.8 million, an increase from US$6.7 million for 1H 2021. After adjusting for net fair value gain and other distribution adjustments, income available for distribution to Unitholders for 1H 2022 was US$46.0 million, 6.9% higher than 1H 2021.

IV VARIANCE BETWEEN ACTUAL AND PROJECTION

Where a forecast, or prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

V OUTLOOK AND PROSPECTS

Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The US economy slowed over the first half of 2022, with US real GDP declining for two consecutive quarters at an annual rate of -1.6% and -0.9% in Q1 and Q2 2022, respectively. The labor market remains relatively healthy despite the GDP figures with unemployment remaining flat QoQ at 3.6% and 1.1 million jobs being added during Q2.

On the back of factors including rising commodity prices, labor shortages and supply chain disruption, the consumer price index rose 9.1% year-over-year in June, the fastest acceleration in over 40 years. Inflation combined with the lowest consumer sentiment levels ever recorded in the US and Federal Reserve policy rates increasing by a further 75 basis points in July are largely responsible for the first half’s economic slowdown in the US.

According to JLL, the US office market experienced 47.2 million square feet of gross leasing activity in the second quarter, reflecting a 0.1% increase over the first quarter. This level of volume equates to just 75% of pre-COVID-19 levels.

After showing positive net absorption in the fourth quarter of 2021, the US office market has experienced two consecutive quarters of negative net absorption to start 2022 after Q1 and Q2 registered -5.4 and -7.8 million square feet, respectively.

With committed occupancy of 90.0%, a long WALE of 5.0 years and only 4.8% of leases by NLA due to expire over the remainder of 2022, the portfolio remains well positioned to weather any further market uncertainty from a slowing economy. The Manager continues to focus on asset, lease, and capital management, in addition to its commitment to sustaining and enhancing environmental, social and governance (ESG), and will selectively seek investment opportunities that deliver long term value to Unitholders.

VI DISTRIBUTION

(a) Current financial period

Any distribution declared for the current period? — Yes – US 2.61 cents per Unit for the period from 1 January 2022 to 30 June 2022

Distribution period	1 January 2022 to 30 June 2022
Distribution type/rate	Distribution of US 2.61 cents per Unit comprising of two components: 1. Tax-exempt income: US 2.21 cents 2. Capital: US 0.40 cent (being 100% of Manulife US REIT's Distributable Income for the period)
Tax rate	Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Manulife US REIT Units, the amount of capital distribution will be applied to reduce the cost base of their Manulife US REIT Units for Singapore income tax purpose.
Date payable	27 September 2022
Book closure date	15 August 2022

Unitholders who have not submitted the required U.S. tax forms completely and accurately will be subject to 30.626% withholding taxes on the tax-exempt income distribution. The U.S. tax forms are required to be reviewed and validated by the appointed processing agent by 5 September 2022. To ensure the forms can be validated by 5 September 2022, Unitholders are reminded to submit the completed tax forms to Manulife US REIT's Unit Registrar – Boardroom Corporate & Advisory Services Pte Ltd by 29 August 2022.

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the current period? — Yes – US 2.70 cents per Unit for the period from 1 January 2021 to 30 June 2021

Distribution period	1 January 2021 to 30 June 2021
Distribution type/rate	Distribution of US 2.70 cents per Unit comprising of two components: 1. Tax exempt income: US 2.18 cents 2. Capital: US 0.52 cent (being 100% of Manulife US REIT's Distributable Income for the period)
Tax rate	Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. Capital distribution represents a return of capital to Unitholders for Singapore income tax purpose and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Manulife US REIT Units, the amount of capital distribution will be applied to reduce the cost base of their Manulife US REIT Units for Singapore income tax purpose.

VII GENERAL MANDATE RELATING TO INTERESTED PERSON TRANSACTIONS

If the group has obtained a general mandate from unitholders for interested person transactions ("IPT"), the aggregate value of such transactions are required under rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from Unitholders for interested person transactions.

VIII CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

The Board of Directors of Manulife US Real Estate Management Pte. Ltd. (as manager of Manulife US Real Estate Investment Trust) (the "Manager") hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Manager which may render the unaudited financial results of Manulife US REIT for the financial period ended 30 June 2022, to be false or misleading, in any material aspect.

IX CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Manager confirms that it has procured undertakings from all its Directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

On behalf of the Board

MANULIFE US REAL ESTATE MANAGEMENT PTE. LTD.
AS MANAGER OF MANULIFE US REIT
(Company registration no. 201503253R)

Hsieh Tsun-Yan Director	Veronica Julia McCann Director

This announcement 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 similar developments, shifts in expected levels of office rental revenue, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

The value of units in Manulife US REIT ("Units") and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of Manulife US REIT) or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units ("Unitholders") have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (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.

By Order of the Board

Ling Chui Shee
Company Secretary
MANULIFE US REAL ESTATE MANAGEMENT PTE. LTD.
AS MANAGER OF MANULIFE US REIT
(Company registration no. 201503253R)
4 August 2022