MANULIFE US REAL ESTATE INVESTMENT TRUST (“MANULIFE US REIT”)
(Constituted in the Republic of Singapore pursuant to a
Trust Deed dated 27 March 2015 (as amended and restated))

MINUTES OF EXTRAORDINARY GENERAL MEETING

PLACE	:	Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7 One Marina Boulevard, Singapore 018989
DATE	:	Thursday, 14 December 2023
TIME	:	2.30 p.m.
PRESENT	:	**<u>Directors of Manulife US Real Estate Management Pte. Ltd., as manager of Manulife US REIT (the “Manager”)</u>** **<u>In Attendance</u>** Mr Marc Lawrence Feliciano – Chairman and Non-Executive Director Prof Koh Cher Chiew Francis – Lead Independent and Non-Executive Director Ms Veronica Julia McCann – Independent Non-Executive Director Dr Choo Kian Koon – Independent Non-Executive Director **<u>Via Video-conference:</u>** Mrs Karen Tay-Koh – Independent Non-Executive Director **<u>Management of the Manager (“Management”)</u>** **<u>In Attendance</u>** Mr William David Gantt III – Chief Executive Officer (“**CEO**”) Ms Caroline Fong Meng Yuet – Deputy CEO, Chief Investor Relations and Sustainability Officer Mr Robert Wong Teck Ling – Chief Financial Officer Mr Patrick Arthur Browne – Chief Investment Officer Mr Chong Chia Yee – Head of Finance Ms Daphne Chua – Chief Compliance Officer
UNITHOLDERS AND INVITEES	:	As set out in the attendance record maintained by Manulife US REIT
CHAIRMAN	:	Mr Marc Lawrence Feliciano

QUORUM

As a quorum was present, the Chairman of the Manager (“**Chairman**”) declared the Extraordinary General Meeting of Manulife US REIT (the “**EGM**”) opened at 2.30 p.m. and introduced the Directors and Management who were present at the meeting.

PRESENTATION BY CEO TO HOLDERS OF UNITS IN MANULIFE US REIT (“UNITS”, AND THE HOLDERS OF UNITS, “UNITHOLDERS”)

The CEO of the Manager, Mr William David Gantt III, shared a presentation on the key terms for the waiver of the breach of the financial covenant and the restructuring of the existing facilities of Manulife US REIT pursuant to the holistic funding plan put together by the Manager to revitalise and reinforce

Manulife US REIT, comprising:

(a) aggregate funding by The Manufacturers Life Insurance Company (the "**Sponsor**") of US$235.7 million via:

    (1) the acquisition through John Hancock Life Insurance Company (U.S.A.) (the "**Purchaser**"), an indirect, wholly-owned subsidiary of the Sponsor, of the property known as Park Place located at 1650 & 1700 South Price Road, Chandler, Arizona, United States 85286 (the "**Property**") for US$98.7 million (the "**Proposed Divestment**"), as an interested party transaction; and

    (2) the granting of an unsecured loan of US$137.0 million by the Sponsor or an affiliate (the "**Sponsor-Lender Loan**"), as an interested person transaction;

(b) utilisation of US$50.0 million from Manulife US REIT's own cash holdings; and

(c) raising minimum aggregate net sale proceeds of US$328.7 million from the asset dispositions pursuant to a disposition mandate to authorise the Manager to dispose of certain existing properties of Manulife US REIT (the "**Disposition Mandate**").

Following the CEO's presentation, the Chairman proceeded with the business of the EGM.

NOTICE

With the consent of the Unitholders present, the notice of EGM dated 29 November 2023 ("**Notice of EGM**") was taken as read.

INTRODUCTION

The Chairman thanked Unitholders who submitted their questions in advance of the EGM. Manulife US REIT had addressed and provided its response to the questions received from the Unitholders in relation to the resolutions tabled at the EGM in its announcement dated 8 December 2023 published on SGXNet. The responses are also available on Manulife US REIT's website.

The Chairman also informed the meeting that:

(i) All the resolutions tabled at the EGM (the "**Resolutions**") would be voted by way of poll, in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**", and the Listing Manual of the SGX-ST, the "**Listing Manual**").

(ii) The polling for all the Resolutions would be conducted electronically via wireless handheld and the voting would take place immediately after the motion had been duly proposed by the chairman of the meeting.

(iii) The Q&A session would be opened to the floor upon the motion had been proposed by the chairman of the meeting.

QUESTION AND ANSWER

The summarised questions and the responses are set out in the attached **Appendix A**.

RESOLUTIONS

The Chairman informed the meeting that:

(i) as set out in paragraph 15 of the circular to Unitholders dated 29 November 2023 (the "**Circular**") and in the interest of good corporate governance, the Chairman had abstained from the voting on Resolutions 1 and 2 as set out in the Notice of EGM, and Professor Francis Koh, in his capacity as the Lead Independent Director of the Manager, will take over as chairman of the meeting to conduct the voting for Resolutions 1 and 2. Accordingly, in his capacity as chairman of the meeting, Professor Francis Koh had been appointed as proxy by Unitholders and would be voting in accordance with their wishes for the motions as set out in Resolutions 1 and 2 and the Chairman had been appointed as proxy by Unitholders and would be voting in accordance with their wishes for the motions as set out in Resolution 3;

(ii) the following Resolutions, as set out in the Notice of EGM, were tabled at the EGM:

(1) **Resolution 1**: the Proposed Divestment of the Property, as an interested person transaction;

(2) **Resolution 2**: the proposed Sponsor-Lender Loan granted by the Sponsor or an affiliate, as an interested person transaction; and

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

(iii) As the Manager is an indirect wholly-owned subsidiary of the Sponsor, the Sponsor is therefore regarded as a controlling shareholder of the Manager under both the Listing Manual and the Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "**Property Funds Appendix**"). As the Purchaser is an indirect wholly-owned subsidiary of the Sponsor, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Purchaser (being an associate of a controlling shareholder of the Manager) and the Sponsor (being a controlling shareholder of the Manager) are (for the purpose of the Listing Manual) "interested persons" and (for the purpose of the Property Funds Appendix) and "interested parties" of Manulife US REIT. Accordingly, (i) the Proposed Divestment and (ii) the Sponsor-Lender Loan will constitute "interested person transactions" as defined under Chapter 9 of the Listing Manual as well as "interested party transactions" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

(iv) The details of the Proposed Divestment are set out at paragraph 5 of the Circular, the details of the Sponsor-Lender Loan are set out at paragraph 6 of the Circular, the details of the Disposition Mandate are set out at paragraph 7 of the Circular and the rationale and benefits of the Recapitalisation Plan, which includes the Proposed Divestment, the Sponsor-Lender Loan and the Disposition Mandate, are as set out in paragraph 4 of the Circular.

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

Resolution 1 as set out in the Notice of EGM was proposed by Professor Francis Koh, the motion was put to vote and the results of the poll for Resolution 1 were as follows:

FOR		AGAINST		TOTAL	
No. of Units	As a percentage of total no. of votes for the resolution (%)	No. of Units	As a percentage of total no. of votes against the resolution (%)	Total no. of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)
545,606,348	97.74	12,614,867	2.26	558,221,215	100.00

Based on the results of the poll, the motion was declared carried by Professor Francis Koh and it was RESOLVED that:

"*(i)* *approval be and is hereby given for the proposed divestment (the "**Proposed Divestment**") of the property known as Park Place located at 1650 & 1700 South Price Road, Chandler, Arizona, United States 85286 (the "**Property**") from Hancock S-REIT Chandler LLC (the "**Vendor**"), an indirect wholly-owned subsidiary of Manulife US REIT,* *to John Hancock Life Insurance Company (U.S.A.) (the "**Purchaser**"), an indirect wholly-owned subsidiary of The Manufacturers Life Insurance Company, on the terms and conditions set out in the purchase and sale agreement entered into between the Vendor and the Purchaser for an estimated divestment consideration of US$98.7 million (the "**Divestment Consideration**"), on the basis set out in the Circular;*

(ii) approval be and is hereby given for the payment of all fees and expenses relating to the Proposed Divestment; and

*(iii) Manulife US Real Estate Management Pte. Ltd. (as manager of Manulife US REIT) (the "**Manager**"), any director of the Manager ("**Director**"), and DBS Trustee Limited, in its capacity as trustee of Manulife US REIT (the "**Trustee**"), be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of Manulife US REIT to give effect to the Proposed Divestment and all transactions therewith, and in this connection, the board of directors of the Manager (the "Board") be hereby authorised to delegate such authority to such persons as the Board deems fit.*"

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

Resolution 2 as set out in the Notice of EGM was proposed by Professor Francis Koh, the motion was put to vote and the results of the poll for Resolution 2 were as follows:

FOR		AGAINST		TOTAL	
No. of Units	As a percentage of total no. of votes for the resolution (%)	No. of Units	As a percentage of total no. of votes against the resolution (%)	Total no. of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)
543,887,048	97.55	13,674,638	2.45	557,561,686	100.00

Based on the results of the poll, the motion was declared carried by Professor Francis Koh and it was RESOLVED that:

"*(i) approval be and is hereby given for the proposed granting of an unsecured loan of US$137.0 million by The Manufacturers Life Insurance Company or an affiliate to Manulife US REIT (the "**Sponsor-Lender Loan**"), on the basis set out in the Circular;*

(ii) approval be and is hereby given for the payment of all fees and expenses relating to the Sponsor-Lender Loan (if any); and

(iii) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of Manulife US REIT to give effect to the Sponsor-Lender Loan and all transactions therewith, and in this connection, the Board be hereby authorised to delegate such authority to such persons as the Board deems fit."

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

Resolution 3 as set out in the Notice of EGM was proposed by the Chairman, the motion was put to vote and the results of the poll for Resolution 3 were as follows:

FOR		AGAINST		TOTAL	
No. of Units	As a percentage of total no. of votes for the resolution (%)	No. of Units	As a percentage of total no. of votes against the resolution (%)	Total no. of units represented by votes for and against the resolution	As a percentage of total no. of votes for and against the resolution (%)
701,329,290	98.07	13,778,038	1.93	715,107,328	100.00

Based on the results of the poll, the motion was declared carried by the Chairman and it was RESOLVED that:

"*(i)* *approval be and is hereby given, for the purposes of Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), for the Manager to dispose of any of the Existing Properties to the extent mandated and according to the terms under the Disposition Mandate as described in the Circular;*

(ii) *the authority conferred by this Resolution shall continue in force for a period commencing from and including the day following the day of the EGM until (whichever is earliest):*

(a) *31 December 2025[1];*

(b) *the aggregate net sale proceeds from the sale of any of the Existing Properties (on a cumulative basis, but for the avoidance of doubt, does not include the Divestment Consideration from the Proposed Divestment) exceed US$328.7 million[2]; or*

(c) *if the Early Reinstatement Conditions are achieved; and*

(iii) *the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of Manulife US REIT to give effect to the Sponsor-Lender Loan and all transactions therewith, and in this connection, the Board be hereby authorised to delegate such authority to such persons as the Board deems fit."*

CONCLUSION

There being no other business, the Chairman declared the EGM of Manulife US REIT closed at 4.47 p.m. and thanked everyone for their attendance.

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

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

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

MARC LAWRENCE FELICIANO
CHAIRMAN

APPENDIX A

MANULIFE US REAL ESTATE INVESTMENT TRUST ("Manulife US REIT")

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

SUMMARY OF QUESTIONS AND ANSWERS DEALT DURING EXTRAORDINARY GENERAL MEETING HELD ON THURSDAY, 14 DECEMBER 2023 (the "EGM")

*Unless otherwise defined herein, all capitalised terms used in this Appendix A shall have the meanings ascribed to them in the circular to Unitholders dated 29 November 2023 (the "**Circular**").*

RESOLUTION 1: TO APPROVE THE PROPOSED DIVESTMENT OF THE PROPERTY KNOWN AS PARK PLACE LOCATED AT 1650 & 1700 SOUTH PRICE ROAD, CHANDLER, ARIZONA, UNITED STATES AS AN INTERESTED PERSON TRANSACTION

Question 1	:	**Noting that the Manager will be waiving its divestment fee in respect of the Proposed Divestment. Will the Manager also similarly waive its divestment fee in respect of future asset dispositions pursuant to the Disposition Mandate?**
Response (Tripp Gantt)	:	The Manager will waive its divestment fee in respect of asset dispositions to interested parties (i.e. with the Sponsor). The Manager has currently no plans to waive its divestment fee in respect of future third party asset dispositions pursuant to the Disposition Mandate but will consider this going forward.
Question 2	:	**After the Recapitalisation Plan has been carried through, what is the estimated size and *pro forma* value of the Existing Properties? What is the likely projected distributable income of Manulife US REIT's portfolio post-Recapitalisation Plan?**
Response (Robert Wong)	:	As set out at pages 60 and 61 of the Circular, the aggregate leverage of Manulife US REIT is expected to reduce from 56.7% to about 49.4%, assuming the Recapitalisation Plan has been carried through, the net proceeds from the Proposed Divestment and US$50.0 million from Manulife US REIT's own cash holdings have been utilised for debt repayment and taking into account the estimated aggregate net sale proceeds from the sale of the Tranche 1 Assets of approximately US$328.7 million. Based on 1H 2023 proforma, DPU is expected to reduce from 2.14 U.S. cents to 1.06 U.S. cents for 1H FY2023 half-yearly distributions, mainly due to 2 factors (i) disposal of higher yielding assets identified in Tranche 1 Assets relative to the cost of debt of being repaid and (ii) lower repayment of debt due to lower assumed selling price for Tranche 1 Assets and retention of funds for essential capex. NAV is expected to reduce from 40.0 U.S. cents to 34.0 U.S. cents, which is reflective of the Tranche 1 Assets disposed at the stipulated minimum sale prices as a *pro forma*. Given time, we hope to be able to realise the Tranche 1 Assets at prices higher than what were presented in the Circular.

Question 3	**:**	**There have been optimistic signals in respect of lowering U.S. interest rates, and the main issue faced by Manulife US REIT is in respect of rising interest rates which led to asset devaluations and affected capitalisation rates. Employers are also urging employees to return to office and there are higher expected occupancy rates, with U.S. REITS showing signs of rebounding. Is Manulife US REIT better placed to execute its strategy going forward?**
Response (Tripp Gantt)	:	The moderation of the U.S. interest rates will be helpful for Manulife US REIT and in particular, the stability of the U.S. interest rates is the most important. While the Manager would wish to see a reduction in U.S. interest rates as much as possible, real estate has historically operated fine in high interest rate environments. The stabilisation of interest rates is most important to Manulife US REIT since it increases liquidity in the market and allows the market players to finally realise the value of REIT assets. The effect of stabilisation of interest rates on the global markets will also affect Manulife US REIT's tenants and Manulife US REIT's tenant demand. We do feel we have very competitive properties and are able to capture tenant demand going forward. On your question on capitalisation rates, the stabilisation of U.S. interest rates and capitalisation rates will hopefully have a positive impact on valuations. I would also like to highlight that for 3Q 2023, we did see a lot of leasing interest demand, and while this has not yet translated into leases, there may be more potential pipeline and the highest potential increase in occupancy rates in the recent years as potential tenants have a better understanding of their space needs going forward. We are seeing stabilisation in that aspect and also stabilisation in the capital market aspect.
Question 4	**:**	**Regarding the Proposed Divestment, why did Manulife US REIT choose the property known as Park Place located at 1650 & 1700 South Price Road, Chandler, Arizona, United States 85286 ("Park Place") for disposal when there are high opportunities for growth in this area? As a follow-up, did the Sponsor select this asset since it is located in Arizona?**
Response (Patrick Browne)	:	We had confidence in Park Place as an asset at the time of acquisition in 2021. At this moment in time however, the Manager needs to manage various factors and expectations and is of the view that Park Place is a suitable asset for disposition given the sale price proposed by the Sponsor is the higher of the two independent valuations and given that the price would not be as high should Park Place be offered to the open market. The Manager is of the opinion that the Proposed Divestment is a lucrative transaction and represents a meaningful level of Sponsor support. At the property level, there are activities occurred that the Manager views in the best interest for Manulife US REIT and Unitholders for Park Place to be

disposed. For instance, the largest tenant is currently subleasing all their spaces which gives an indication of their long-term space needs.

The weighted average lease expiry ("**WALE**") of six years for Park Place is strong currently, and there would be downside risk for future valuations of Park Place. The Manager therefore weighed multiple factors in the assessment as regards the Proposed Divestment and is of the opinion that the Proposed Divestment is the most prudent thing to do to holistically undertake the Recapitalisation Plan.

(Marc Feliciano) : On the selection of asset for disposition to the Sponsor, as a result of discussion between the Lenders, the Sponsor and the Manager, there was a very deliberate and tight review of the Manulife US REIT assets. After discussion, it was decided that it was in the best interest of the Unitholders for Park Place, which is also aligned with the interest of the Lenders, to be sold, as opposed to categorisation as a Tranche 1 Asset, Tranche 2 Asset or Tranche 3 Asset. Nevertheless, by the definition set out in the Circular, Park Place would be categorised as a Tranche 2 Asset.

Question 5 : What is the end game for Manulife US REIT? Does it intend to sell all the assets held by Manulife US REIT and liquidate Manulife US REIT?

Response (Tripp Gantt) : We think that the liquidation of the portfolio now will yield much lesser than the NAV, asset dispositions in the current market conditions will be challenging and the Recapitalisation Plan is much preferable as opposed to liquidation, which will be very harmful to the Unitholders. As to the long-term plan, this is the first step going forward for Manulife US REIT. As some point, the Manager will need to undertake an equity fund raising to fund future asset acquisitions and pay down debt (as appropriate) and will also require time to obtain the returns required to raise the valuations of certain Existing Properties. The Manager believes that the Tranche 2 Assets and Tranche 3 Assets have that potential. This step one is for stabilisation and recovery before an equity fund raising could be taken to reduce the aggregate leverage of Manulife US REIT and to fund further acquisitions of Manulife US REIT, and additional time would be required.

Question 6 : Has Manager reduced its management fees?

Response (Tripp Gantt) : As the Manager's management fees are a percentage of Manulife US REIT's distributable income, the decrease in distributable income will result in a decrease in management fees accordingly. As more asset dispositions are undertaken, distributable income will reduce further, and the Manager's management fees will reduce accordingly. In the short term, the Sponsor has stepped in to fund any operational shortfalls of the Manager.

Question 7	**:**	**As compared to other U.S. SREITs, why is it that Manulife US REIT is underperforming in comparison?**
Response (Tripp Gantt)	:	It is difficult to compare Manulife US REIT to other U.S.-based REITs since the asset classes are different and given the struggles faced by Manulife US REIT, e.g. the exceeding of the aggregate leverage limit set out in the Property Funds Appendix, such factors may contribute to why Manulife US REIT is trading lower compared to other U.S.-based REITs.
(Robert Wong)	:	In terms of the DPU, the main reason for the decline in DPU over the years is due to a combination of two factors. Reduction in occupancy rates impact on property income and spikes in interest rates effecting Manulife US REIT, as well as other REITs.
Question 8	**:**	**Noting that Park Place is the youngest property in Manulife US REIT's portfolio with the second longest WALE and yields stable returns. Will the Manager consider disposing other Existing Properties instead, for example, Figueroa? What will be left in Manulife US REIT in the long-term after the series of asset dispositions pursuant to the Disposition Mandate?** **In terms of performance versus its peers, the unit price and DPU of Manulife US REIT has declined by ~90% and ~15% respectively from 2019 YTD, more than its peers.** **How much stake does the Manager have in Manulife US REIT going forward?**
Response (Tripp Gantt)	:	As explained earlier, we would probably place Park Place as a Tranche 2 Asset. It is an asset that falls nicely within the scope of the Sponsor support package, being within the US$100 million bracket. While Park Place is a relatively straightforward asset which valuation has weathered the storm relatively well, it does have certain risks that impacted the assessment as to why it is likely a Tranche 2 Asset rather than a Tranche 3 Asset.
(Patrick Browne)	:	I would like to add that there are some risks to Park Place. The WALE is being exhausted, the tenants are sub-leasing Park Place and there are key risks in the Phoenix market and cyclical issues that may result in downward valuation of Park Place going forward. After the in-depth assessment of the portfolio undertaken by the Manager, the Manager is of the opinion that there may be better returns in Phipps as opposed to Park Place. We are of the opinion that given the risks in the short to medium term relating to Park Place, such as depressed rent reversion, Park Place is ideal for sale to the Sponsor as part of the Sponsor package compared to the Existing Properties.

(Caroline Fong) : There were multiple reasons that led to the volatility of the Unit price. When the COVID-19 pandemic started, Manulife US REIT attempted an acquisition of three business parks in 2021. COVID-19 has shown that work-from-home arrangements will be an issue, and Manulife US REIT's tenant base was highly dependent on financial and legal tenants with large floor plates. The Manager undertook an equity fund raising but the amount raised was lower than expected due to COVID. In addition, multiple asset dispositions attempt in 2022 to bring down gearing did not come to fruition due to weakness in credit market. All these resulted in the aggregate leverage increasing to approximately 49% by the end of 2022 when the valuation of Manulife US REIT's portfolio was updated.

In view of the challenges faced, we brought in a financial adviser to conduct a strategic review of Manulife US REIT's portfolio with the constraint of the 9.8% limit on the Sponsor's stake. The Manager has also stepped in to provide support for the REIT. After the exclusivity period with Mirae lapsed, the Sponsor entered into a letter of intent for the acquisition of Phipps in May 2023. However, due to breach in the Bank covenants in July, that was put on hold as the Sponsor entered into negotiations with the Lenders. The event of default brought immerse uncertainty and pressure to the Unit Price as investors were concerned on how the negotiations with the Lenders will turn out.

In September 2023, Manulife US REIT has been excluded from the FTSE EPRA Nareit Developed Index and from the MSCI Singapore Small Cap Index. This year, our institutional investor base has fallen, from 55% retail investors and 45% institutional investors to 67% retail investors and 33% institutional investors. All these contributed to the volatility of the Unit price, and we hope that the proposed Resolutions will be passed as a first step of path to recovery.

Question 9 : **What was the rationale for obtaining the mid-year valuation of Manulife US REIT's portfolio in 2023? Looking at other U.S. SREITs, they have not done a similar portfolio re-valuation.**

Response
(Tripp Gantt) : Obtaining the 2023 mid-year valuation of Manulife US REIT portfolio was a difficult decision; the Manager is required to sign as part of its mid-year financial reports that there has not been any material change in the value of its assets as opposed to the year-end valuations. In doing such appraisal, the Manager did realise that there had been a material change, being a significant decrease in the valuations. Additionally, given the high aggregate leverage and ICR, while we cannot speak for other U.S. SREITs, the Manager thought it was only right and as a matter of transparency to conduct the re-valuation despite having to effectively force Manulife US REIT to face these issues.

(Caroline Fong) : To add on, in May 2023, as the Sponsor intended to purchase Phipps, a letter of intent was entered into and a valuation for Phipps was obtained accordingly. When the preliminary valuation of Phipps, the best property in the Manulife US REIT portfolio, indicated a decline larger than expected, the Manager took the difficult decision to obtain updated valuations of the entire portfolio.

RESOLUTION 2: TO APPROVE THE PROPOSED SPONSOR-LENDER LOAN GRANTED BY THE MANUFACTURERS LIFE INSURANCE COMPANY OR AN AFFILIATE, AS AN INTERESTED PERSON TRANSACTION

Question 1 : **Noting that the Sponsor has an interest of 9.8% in Manulife US REIT and is the shareholder of the Manager. While the Sponsor has its own shareholders and interests to consider, why is the Sponsor extending the Sponsor-Lender Loan to Manulife US REIT at such exorbitant rates?**

Response (Marc Feliciano) : Because of what The Manufacturers Life Insurance Company ("**MLI**") is, there will be other moments in the cycle that MLI can provide as sponsor that others cannot, and there is just the reality that MLI does have a limit in terms of the unitholdings in Manulife US REIT and balance sheet restriction. There is very limited to no available financing options for U.S. properties at the present, and if there is, it will usually be mortgage financing instead of unsecured financing. The negotiation for the Recapitalisation Plan had been complicated since it includes the involvement of other stakeholders such as the Sponsor-Lender and the Lenders.

The Sponsor is offering the Sponsor-Lender Loan in a market climate where interest rates in general is between 15% and 20%. There is an absence of viable financing options for any borrower, including Manulife US REIT, in the open market. The Sponsor has offered an offer where the utility value is higher beyond the price and is aligned with the 10% interest rate computation assessed by the Independent Financial Adviser being a reasonable rate. The interest rates in the open market are significantly higher in the areas that Manulife US REIT operates in. Part of the reason why loan financing is required in the Recapitalisation Plan is that there has to be some skin in the game from the Sponsor for the other Lenders.

The first step for the stabilisation for Manulife US REIT in the interest of Unitholders is to reach an agreement with the Lenders. The Sponsor is committed to the long-term goal of Manulife US REIT, and the Sponsor-Lender is last in line in the event of any sale of asset under the Disposition Mandate and the Sponsor is committed to see the execution of this strategy plan in the upcoming six years.

Question 2	**:**	**What would be left for Unitholders after the asset dispositions and the debt repayment has been completed, and what is the net realisation value of Manulife US REIT's properties?**
Response (Tripp Gantt)	:	We are looking at selling assets in a liquidation scenario and the Lenders recognise this as well, as the Pre-Approved Pricing for each Tranche 1 Asset as disclosed in the Circular is at approximately 25% discount to book value and the Manager need not obtain additional Lender approval for the sale of such Tranche 1 Asset at or above the Pre-Approved Pricing. If the assets are sold at 37% discount to book value, this would be equivalent to the value of the outstanding debt and Unitholders' interest would be extinguished.
Question 3	**:**	**With the general perception that the peak interest rates in the market have been reached, does Manulife US REIT has the option to pay back the Sponsor-Lender Loan Amount of US$137.0 million or a portion of it, or must it reach the six-year tenor?**
Response (Marc Feliciano)	:	In the U.S., Europe and Asia-Pacific markets, when a fixed-rate loan is granted, there is usually a prepayment penalty for early repayment. What the Sponsor-Lender has provided is that there is no prepayment penalty and what the Sponsor-Lender Loan provides is that it is a graduated payment table starting from 3.5% after the first anniversary. If the interest rate reduces, the Borrower has an option to repay the Sponsor-Lender Loan Amount ahead of the tenor without a prepayment penalty. However, this will be subject to Lenders' approval in order to have the Sponsor keep its skin in the game. We note that the Lenders have acted rationally in the negotiation for the Sponsor-Lender Loan and expect that they continue to do so going forward when interest rates reduce and refinancing is viable.
Question 4	**:**	**If the bank interest rates reduce, will Manulife US REIT actively approach banks for external loans to repay the Sponsor-Lender Loan and to dispose off the remaining Existing Properties?**
Response (Robert Wong)	:	Should market situation improve, we will explore refinancing opportunities to lower debt cost where feasible, including that of the Sponsor-Lender Loan which is subject to Lenders' consent.

(Marc Feliciano) : Effectively, the Manager seeks to create a longer runway to address the downside risks and capture the potential increase in property valuations. As the Chief Executive Officer of the Manager has presented earlier, the Manager has approximately 24 months from end 2023 to deal with the breach of financial covenants, such that where the Early Reinstatement Conditions are achieved, certain arrangements of the Recapitalisation Plan may cease. The Manager also promised to employ tighter strategies in the management of Manulife US REIT, comprising the equity fund raising strategy, the asset level strategy and the proactive portfolio strategy.

Question 5 : **As the Sponsor-Lender-Loan comprises a six-year unsecured loan, does it mean that once Unitholders approve this, it will subsist at an unchanged interest rate till 2029? Assuming the interest rates does not fall, there is a hefty amount that Manulife US REIT has to repay if the Manager is unable to complete the sale of Manulife US REIT's identified properties.**

Response (Robert Wong) : The Sponsor-Lender Loan is effectively 10% per annum. The loan can be repaid without any prepayment fee, subject to Lenders' approval. There is also the Early Reinstatement Conditions, that once fulfilled, the requirements under the Sponsor-Lender Loan and the Master Restructuring Agreement fall away and Manulife US REIT is free to refinance the Sponsor-Lender Loan based on the existing interest rate at that time.

Currently, approx. 69% of Manulife US REIT's loans are hedged, and with loan repayment funded by Park Place sale proceeds and Manulife US REIT's own cash balance of US$50.0 million, the percentage hedged should increase to ~96%. Overall, there should not be material change in weighted average interest rate as the Sponsor-Lender Loan only accounts for ~16% of Manulife US REIT's loan weightage after undertaking the restructuring process.

Question 6 : **What is the relative status of the Sponsor-Lender vis-à-vis the Lenders?**

Response (Marc Feliciano) : In the absence of a default, repayment of the Sponsor-Lender-Loan will be on a *pari passu* basis, and in the situation of default, it will be *pari passu* as well.

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

Question 1 : **In terms of asset valuations going forward, do the increased Unencumbered Gearing and Bank ICR affect the sale of assets and what is the Manager's approach towards asset dispositions pursuant to the Disposition Mandate?**

Response (Patrick Browne) : The Manager will take a flexible approach and be agile in evaluating the different asset strategies and be reactive, but the various categorisation of Tranche 1 Assets, Tranche 2 Assets and Tranche 3 Assets will be a strong basis on the Manager's conviction on the sale of assets going forward. Manager will engage with other professional advisers on considering each asset disposition and be reactive to market conditions.

That means that the Manager will be focusing on dispositions of the Tranche 1 Assets while being cognisant of potential dispositions of Tranche 2 Assets and Tranche 3 Assets. In terms of the timeline, the Manager will commence to engage with the market on the asset sales pursuant to the Disposition Mandate in January 2024.

Question 2 : **Strategically, was it necessary to divide the Existing Properties to various tranches, if the Manager has flexibility to undertake asset dispositions of Tranche 2 Assets and Tranche 3 Assets anyway?**

Response (Tripp Gantt) : The basis for asset dispositions pursuant to the Disposition Mandate is that potential buyers may not be able to accept the EGM process and may likely discount the sale price further. The basis of the Disposition Mandate is that this allows the Manager to execute the asset sales quickly. While the Disposition Mandate confers a certain extent of power to the Manager, this power is not unchecked and there are additional restrictions and safeguards in place. For instance, on the sale prices, while the Manager will not need to reach out to Unitholders for additional EGMs, there are price floors imposed that Manulife US REIT will be able to undertake the asset dispositions without obtaining separate Lenders' approval.

Secondly, due to Manulife US REIT's current market capitalisation constraints, it is not viable and will be cumbersome to subject asset dispositions pursuant to the Disposition Mandate to the EGM process.

(Marc Feliciano) : We recognise that there are certain trade-offs but would like to highlight that Manulife US REIT has had good hires and employees with good track record that will be highly focused on asset dispositions going forward and thereafter, pivoting to the growth phase after stabilisation to grow Manulife US REIT's portfolio.

		Another added layer of governance that Manulife US REIT has, is that the other directors on the Board are Independent Directors.
(Tripp Gantt)	:	To add on, the sale price will also be based on the latest independent valuation obtained by the Trustee. This will ensure that the eventual sale price is a reasonable price at the time of sale. In terms of timeline, we will commence looking for potential buyers in January 2024.
(Patrick Browne)	:	The market sentiment is challenged, there is little liquidity and the Manager will need time to engage the market. It is in our interest to start earlier but we will balance our interests and act judiciously.
Question 3	**:**	**Why are the minimum aggregate net sale proceeds of US$328.7 million from the sale of any of the Existing Properties pursuant to the Disposition Mandate to be raised even though only US$221.2 million from the Tranche 1 Asset Dispositions will be used to repay debt? With the U.S. property market is depressed now, for the third year, what about undertaking asset sales to fund distributions?**
Response (Robert Wong)	:	As part of the Recapitalisation Plan, sale proceeds will be prioritised towards funding pre-approved capital expenditure of Manulife US REIT, and any balance will be used to repay outstanding debt owing to the Lenders under the Existing Facilities. As for distribution, this is calculated based on respective half-year results. That said, while distributions are slated to be halted until 31 December 2025 as set out in the Circular dated 29 November 2023, distributions may resume earlier if reinstatement conditions are achieved.
(Marc Feliciano)	:	The differential of US$100.0 million is about 50 basis points on the aggregate leverage. We will need to check on how the property budgets and the capital expenditure will be affected depending on the asset dispositions pursuant to the Disposition Mandate.
Question 4	**:**	**What happens if Manulife US REIT does not manage to meet the Minimum Sale Targets, will it have to negotiate with Lenders and convene an EGM again?**
Response (Marc Feliciano)	:	Yes, if the Minimum Sale Targets under the Master Restructuring Agreement are not met, Manulife US REIT will have to obtain Lenders' approval to refinance the Existing Facilities. However, as Lenders have been acting rationally in the negotiations, we will expect the same going forward as well.

Question 5	**:**	**Is there a possibility of postponing Resolution 3?**
Response (Marc Feliciano)	:	It is a condition to the Recapitalisation Plan that the Resolutions be inter-conditional.