

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and on the basis of the assumptions and accounting policies set out in Appendix B “Reporting Auditor’s Report on the Unaudited Pro Forma Financial Information”, and hence, may not give a true picture of the actual profit or loss and financial position of Manulife US REIT. The Unaudited Pro Forma Financial Information should be read together with these assumptions and accounting policies.

Unaudited Pro Forma Consolidated Statement of Financial Position⁽¹⁾

	As at 31 December 2015 US\$'000
Current assets	
Cash and cash equivalents	24,567
Other receivables	1,639
Prepaid expenses	698
	26,904
Non-current assets	
Investment properties	777,450
	804,354
Total assets	
Current liabilities	
Security deposits	93
Rent received in advance	4,245
Accrued expenses and other payables	10,629
	14,967
Non-current liabilities	
Loans and borrowings	294,000
Security deposits	1,240
Preferred units	410
Accrued expenses and other payables	3,448
	299,098
	314,065
Total liabilities	
Net assets attributable to Unitholders	
	490,289
Number of Units in issue ('000)	625,540
Net asset value per Unit (US\$)	0.78

Note:

(1) Based on the Offering Price of US\$0.83 per Unit (equivalent to S\$1.13 per Unit).

Unaudited Pro Forma Consolidated Statements of Comprehensive Income⁽¹⁾

	FY2013	FY2014	FY2015
	US\$'000	US\$'000	US\$'000
Gross Revenue	69,845	70,048	70,945
Property expenses	(26,484)	(26,578)	(26,782)
Net Property Income	43,361	43,470	44,163
Manager's Base Fee	(3,221)	(3,344)	(3,543)
Manager's Performance Fee	–	(227)	(412)
Trustee's fee	(158)	(159)	(161)
Other trust expenses	(1,526)	(1,549)	(1,593)
Finance expenses	(9,132)	(9,299)	(9,590)
Net income before tax and fair value change in investment properties	29,324	28,892	28,864
Fair value change in investment properties	(5,145)	(3,553)	(1,539)
Net income before tax	24,179	25,339	27,325
Tax expense	(1,320)	(1,333)	(1,354)
Net income after tax and fair value change in investment properties	22,859	24,006	25,971

Note:

(1) Based on the Offering Price of US\$0.83 per Unit (equivalent to S\$1.13 per Unit).

Unaudited Pro Forma Consolidated Statement of Cash Flows⁽¹⁾

	Year ended 31 December 2015 US\$'000
Cash flows from operating activities	
Net income before tax	27,493
Adjustments for:	
Amortisation of lease incentives	2,104
Manager's Base Fee paid/payable in Units	3,785
Property management fee paid/payable in Units	1,597
Foreign exchange loss	134
Finance expenses ⁽²⁾	9,214
Loss on revaluation of investment properties	2,104
Operating income before working capital changes	46,431
Changes in working capital:	
Other receivables and prepaid expenses	337
Other payables	(182)
Rent received in advance	(4,245)
Accrued expenses and other payables	(10,628)
Security deposits	135
Net cash from operating activities	31,848
Cash flows from investing activities	
Acquisition of investment properties and related assets and liabilities	(758,971)
Payment for capital expenditures and other costs related to investment properties	(10,393)
Net cash used in investing activities	(769,364)
Cash flows from financing activities	
Proceeds from issue of Units	519,198
Payment of transaction costs relating to issuance of Units	(28,343)
Proceeds from Preferred Units	410
Proceeds from borrowings	306,393
Payment of transaction costs relating to borrowings	(2,000)
Finance expenses paid	(8,691)
Distribution to Unitholders	(17,606)
Net cash from financing activities	769,361
Net increase in cash and cash equivalents	31,845
Cash and cash equivalents at beginning of the year	–
Effect of exchange rate fluctuations on cash held	(134)
Cash and cash equivalents at end of the year	31,711

Notes:

- (1) Based on the Offering Price of US\$0.83 per Unit (equivalent to S\$1.13 per Unit).
- (2) Comprises finance expenses incurred on borrowings, dividends on Preferred Units, amortisation of debt-related transaction costs and commitment fee.