MANULIFE US REAL ESTATE INVESTMENT TRUST

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

DIVESTMENT OF PROPERTY KNOWN AS PLAZA LOCATED IN SECAUCUS, NEW JERSEY

*Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in Manulife US Real Estate Investment Trust's Circular to Unitholders dated 29 November 2023 (the "**Circular**").*

1. INTRODUCTION

Manulife US Real Estate Management Pte. Ltd., as manager of Manulife US Real Estate Investment Trust ("**Manulife US REIT**", and the manager of Manulife US REIT, the "**Manager**") refers to the Circular pursuant to which a Disposition Mandate (as defined in the Circular) was obtained for the disposal of Existing Properties.

Pursuant to the Disposition Mandate, the Manager is pleased to announce that Manulife US REIT, through its indirect wholly owned subsidiary, Hancock S-REIT SECA LLC (the "**Seller**"), is selling the property known as Plaza (the "**Plaza Divestment**") located in Secaucus, New Jersey[1] (the "**Property**" or "**Plaza**") to 500 Plaza Ground Lessor LLC, an unrelated third-party purchaser (the "**Purchaser**"), at a sale price of US$51.75 million.

The Plaza Divestment, along with other ongoing asset sale discussions, will contribute towards the Manager's plan to repay 2026 debts of approximately US$204 million by 30 June 2025. The Manager will continue repositioning the portfolio through growth and diversification by pursuing opportunities in other real estate sectors, alternative real estate investments and creative deal structures. It seeks to make accretive investments which will enhance distributions and grow the net asset value of the portfolio. The Sponsor's global real estate platform will be instrumental in supporting MUST's pivot strategy into recovery and growth.

2. INFORMATION ON THE PROPERTY

The Property is an 11-storey Class A office building located in the Meadowlands section of Secaucus, New Jersey, with net lettable area ("**NLA**") of 468,049 square feet as at 31 December 2024. As at 31 December 2024, the Property is 71.5% occupied with a weighted average leased to expiry of 8.2 years (by NLA).

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1 The full address of the Property is 500 and 600 Plaza Drive, Secaucus, New Jersey, United States 07094, comprising the office building located at 500 Plaza Drive and the parking garage located at 600 Plaza Drive.

3. PRINCIPAL TERMS OF THE PLAZA DIVESTMENT

3.1 Consideration and Valuation

The consideration of US$51.75 million (the "**Consideration**") is subject to the Seller's credit and customary closing prorations and adjustments. The Consideration of US$51.75 million, less the estimated Seller's credit of approximately US$11.3 million for outstanding tenant improvement allowances, lease commissions, free rent, capital work, tax appeal, New Jersey "mansion tax" and certain transaction expenses (subject to closing adjustments), was arrived at on a willing-buyer willing-seller basis, taking into account the independent valuation of the Property. DBS Trustee Limited, in its capacity as trustee of Manulife US REIT (the "**Trustee**"), and the Manager commissioned an independent property valuer, Cushman & Wakefield of New Jersey, LLC (the "**Valuer**"), to value the Property. Using the income capitalisation approach which consists of the discounted cash flow method, the Valuer valued the Property at US$43.7 million as at 31 December 2024.

In accordance with the trust deed constituting Manulife US REIT dated 27 March 2015 (as amended, supplemented and/or restated from time to time) (the "**Trust Deed**"), the Manager is entitled to a divestment fee of approximately US$0.2 million, being 0.5% of the net Consideration of US$40.5 million.

Completion of the Plaza Divestment is expected to be in 1Q 2025. Upon completion, Manulife US REIT will own eight properties in the U.S. with an aggregate NLA of approximately 4.1 million square feet.

3.2 Principal Terms of the PSA

Pursuant to the purchase and sale agreement (the "**PSA**") entered into between the Seller and the Purchaser, the Seller agreed to sell, and the Purchaser agreed to purchase the Property. The principal terms of the PSA include, amongst others, the following:

(i) the Purchaser has paid a deposit of US$3.5 million, which will be forfeited should the Purchaser not proceed with the acquisition of the Property, subject to customary termination rights of the Purchaser, including non-satisfaction of the conditions precedent to the Purchaser's obligation to close the acquisition or the Seller's breach of Seller's covenants, representations and warranties on or prior to the closing date;

(ii) customary provisions relating to the Plaza Divestment, including customary representations and warranties, indemnities and pre-completion covenants;

(iii) the Property is sold subject to, among others, existing licences, leases and the Permitted Exceptions (as defined in the PSA) for the Property, and with the Property in its "as-is, where is" condition subject to the express terms of the PSA; and

(iv) to the extent that the Seller's representations and warranties under Article 5 of the PSA survive the closing, they will survive for a period of six months, and Purchaser shall have the right to assert claims against the Seller arising out of any and all misrepresentations or breaches of any warranty by the Seller under the PSA or in any closing document if the actual losses or damages sustained by the Purchaser exceed US$50,000, up to a maximum aggregate amount of US$1.0 million.

In addition, the PSA contains, among others, the following conditions precedent to the Seller's obligation to sell the Property:

(i) approval of the Board of Directors of the Manager;

(ii) approval of the Trustee of Manulife US REIT; and

(iii) approval of the certain lenders to Manulife US REIT being The Manufacturers Life Insurance Company and certain other banks and financial institutions.

The above-mentioned approvals have been fully obtained on 19 February 2025.

4. RATIONALE FOR THE PLAZA DIVESTMENT

The rationale for the Plaza Divestment is as follows:

4.1 Net proceeds from the Plaza Divestment will contribute to the repayment of loans due in 2026

The Manager intends to fully utilise the net sales proceeds of approximately US$39 million (subject to closing adjustments) from the Plaza Divestment to make an early partial repayment of the outstanding loans due in 2026. This will contribute towards Manulife US REIT's objectives of paying down 2026 debt maturities of US$204 million by 30 June 2025 to mitigate risks.

4.2 Plaza divestment improves financial ratios on a pro forma basis

Together with the divestment of Capitol[2] (the "**Capitol Divestment**"), the Plaza Divestment is a positive step for the 'Recovery' phase of Manulife US REIT's strategic roadmap.

For illustrative purposes only, assuming that as at 31 December 2024, the Plaza Divestment was completed and the net sale proceeds were fully used to repay existing loans, Manulife US REIT's pro forma aggregate leverage is expected to improve to 59.8% from 60.8% and pro forma weighted average interest cost is expected to reduce to 4.44% from 4.53%. The pro forma weighted average debt maturity will also be extended to 3.0 years from 2.9 years.

4.3 Plaza, being one of the oldest assets in Manulife US REIT's portfolio, requires significant future capital outlay which would cause a drag on the REIT's returns

Plaza is a Class A office completed in 1985 and has attracted several tenants to locate their headquarters in the property. The Manager estimates that the Property will require significant capital of more than US$14 million over the next three years, to maintain the building's Class A condition to continue to attract tenants to lease.

The Northern New Jersey suburban market, where Plaza is located, has continued to see negative net absorption and leasing and capital costs have remained elevated. According

2 See announcement of Manulife US REIT dated 30 September 2024 titled "Divestment of Property known as Capitol located in Sacramento, California" for further details of the Capitol Divestment, and the announcement dated 29 October 2024 titled "Completion of Divestment of Property known as Capitol located in Sacramento, California" for further details on the completion of the Capitol Divestment.

to Cushman & Wakefield's Q4 2024 report, overall office vacancy rate in Northern New Jersey stood at 23.1% and year-to-date net absorption was -1.8 million sq ft[3].

The Manager believes that it would be in the interest of Unitholders to dispose Plaza as the Plaza Divestment will provide Manulife US REIT with liquidity and the flexibility to make an early repayment of the upcoming debt maturities and redirect capital that would otherwise be used for the Property to execute accretive leasing deals to drive leasing activity and strengthen the quality of the other assets that it plans to hold.

(Please refer to paragraph 4 of the Letter to Unitholders in the Circular for further details on the rationale and benefits of the Plaza Divestment pursuant to the Disposition Mandate as part of the Recapitalisation Plan.)

5. USE OF SALE PROCEEDS AND FINANCIAL EFFECTS OF THE PLAZA DIVESTMENT

5.1 Use of sale proceeds

After taking into account the Plaza Divestment related expenses, the net proceeds from the Plaza Divestment are approximately US$38.8 million, resulting in an estimated net loss from the Plaza Divestment of approximately US$4.9 million[4]. The net proceeds of the Plaza Divestment will be fully used to repay debt.

5.2 ***Pro forma*** **financial effects**

The *pro forma* financial effects of the Plaza Divestment on the income available for distribution to Unitholders per unit of Manulife US REIT ("**Unit**", and the income available for distribution per Unit, the "**DPU**") and the net asset value ("**NAV**") per Unit presented below are strictly for illustrative purposes only and are prepared based on the latest unaudited financial statements of Manulife US REIT for the financial year ended 31 December 2024 ("**FY 2024**", and the unaudited financial statements of Manulife US REIT for FY 2024, the "**FY 2024 Unaudited Financial Statements**") and the respective assumptions set out below.

3 Source: Cushman & Wakefield, MarketBeat, Northern New Jersey, Office Q4 2024.

4 The estimated net loss on disposal is calculated by subtracting the net proceeds from the Plaza Divestment (after deducting the estimated divestment related expenses) from the appraised value of the Property of US$43.7 million as at 31 December 2024.

5.2.1 FY 2024 *Pro Forma* Financial Effects

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Plaza Divestment, assuming that (i) the net proceeds from the Plaza Divestment were fully used to repay existing debt, and (ii) the Capitol Divestment was completed and approximately US$130.7 million of outstanding loans maturing in 2025 were repaid using the net proceeds from the Capitol Divestment as well as existing cash (the "**Capitol Debt Repayment**"), are strictly for illustrative purposes only and were prepared based on the FY 2024 Unaudited Financial Statements.

(i) FY 2024 *Pro Forma* DPU

The *pro forma* financial effects of (i) the Plaza Divestment with the net proceeds fully used to repay existing debt, as well as (ii) the Capitol Divestment and the Capitol Debt Repayment, on the DPU as if the respective transactions were completed on 1 January 2024, are as follows:

	FY 2024 Unaudited Financial Statements	After the Plaza Divestment	After the Capitol Divestment, Capitol Debt Repayment and Plaza Divestment
Income available for distribution to Unitholders ("**DI**") (US$ '000)	38,260	34,587	31,640
Units in issue ('000)	1,776,565	1,776,565	1,776,565
DPU based on DI over Units in issue (US cents)	2.15	1.95	1.78
DPU dilution (%)(1)	-	(9.6)	(17.3)

Note:

(1) Subject to rounding difference.

(ii) *Pro Forma* NAV per Unit as at 31 December 2024

The *pro forma* financial effects of the Plaza Divestment with the net proceeds fully used to repay existing debt, on the NAV per Unit, as if the transaction was completed on 31 December 2024, are as follows:

	FY 2024 Unaudited Financial Statements	After the Plaza Divestment
NAV (US$ '000)	430,632	425,632
Units in issue and to be issued ('000)	1,835,124	1,835,124
NAV per Unit (US$)	0.23	0.23

(iii) *Pro Forma* Aggregate Leverage as at 31 December 2024

The *pro forma* financial effects of the Plaza Divestment with the net proceeds fully used to repay existing debt, as if the transaction was completed on 31 December 2024, are as follows:

	FY 2024 Unaudited Financial Statements	**After the Plaza Divestment**
Gross borrowings (US$ '000)	745,014	706,211
Total assets (US$ '000)	1,224,664	1,180,964
Aggregate leverage (%)	60.8	59.8

6. OTHER INFORMATION

6.1 Interests of Directors and Controlling Unitholders

Save for the unitholding interests in Manulife US REIT held by certain directors of the Manager and the controlling Unitholders, and based on information available to the Manager as at the date of this announcement, none of the directors of the Manager or the controlling Unitholders has an interest, direct or indirect, in the Plaza Divestment.

6.2 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Plaza Divestment or any other transactions contemplated in relation to the Plaza Divestment.

6.3 Disclosure under Rule 1006 of the Listing Manual

Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**") governs the acquisition or divestment of assets, including options to acquire or dispose of assets, by Manulife US REIT. Such transactions are classified into the following categories: (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, *inter alia*, the following bases or comparison set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual:

(a) NAV of the assets to be disposed of, compared with the issuer's NAV;

(b) the net profits attributable to the assets disposed of, compared with the issuer's net profits; and

(c) the aggregate value of the consideration received, compared with the issuer's market capitalisation.

The relative figures for the Plaza Divestment using the applicable bases of comparison described above are set out in the table below.

Comparison of:	Plaza Divestment (US$ million)	Manulife US REIT (US$ million)	Relative figure (%)
Rule 1006(a) NAV of the asset to be disposed of, compared with Manulife US REIT's NAV	43.7	430.6[(1)]	10.1
Rule 1006(b) Net profits attributable to the asset disposed of, compared with Manulife US REIT's net profits	(15.7)	(178.1)[1)]	8.8
Rule 1006(c) Aggregate value of the consideration to be received, compared with Manulife US REIT's market capitalisation	40.5[(2)]	169.3[(3)]	23.9

Notes:

(1) Based on the unaudited consolidated financial statements of Manulife US REIT Group for the financial year ended 31 December 2024.

(2) For the purposes of computation under Rule 1006(c), the aggregate consideration received by Manulife US REIT is the aggregate sale consideration for the Property less the estimated Seller's credit of approximately US$11.3 million, excluding divestment related costs.

(3) Based on 1,776,565 Units in issue and the weighted average price of US$0.0953 per Unit on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on the market day preceding the date of this announcement.

The Manager is relying on the Disposition Mandate and no further approval of Unitholders will be sought for the Plaza Divestment.

6.4 Disposition Mandate

The table below sets out the compliance with the requirements of the salient terms of the Disposition Mandate as set out in paragraph 7.3 of the Letter to Unitholders in the Circular.

Terms	Compliance
(i) All the Existing Properties are subject to the terms of the Disposition Mandate, and not just the Tranche 1 Assets and the Tranche 2 Assets.	The Property is one of the Tranche 2 Assets.
(ii) The objective of the Disposition Mandate is to provide the Manager with the needed flexibility to execute business plans and asset dispositions that are essential to the Recapitalisation Plan but also essential to	The Manager is divesting the Property to fulfil the objectives of the Disposition Mandate.

Terms		Compliance
	preserve long-term Unitholder value and to raise the minimum aggregate net sale proceeds of US$328.7 million from the sale of the Existing Properties (on a cumulative basis, but for the avoidance of doubt, does not include the Divestment Consideration from the Proposed Divestment (each as defined in the Circular in relation to the proposed divestment of Park Place)) as required by the Lenders under the terms of the restructuring of the Existing Facilities.	
(iii)	At the relevant point of sale and prior to the signing of the definitive agreements in each disposition transaction relating to any Existing Property, the Manager and the Trustee shall arrange for a valuation of such asset by an independent valuer, with the valuation being no earlier than two months prior to the entry into the sale and purchase agreement for such asset, to ascertain the market value of such asset (or in respect of a Tranche 1 Asset, the Prevailing Market Price) (which is based on such formal valuation report). The independent valuer shall be appointed by the Trustee to maintain independence.	As stated in paragraph 3.1 above, the Valuer has been appointed by the Trustee and the Manager to value the Property as at 31 December 2024, being no earlier than two months prior to the entry into the PSA.
(iv)	Each of the Existing Properties may be sold at no less than 90% of the independent valuation obtained in accordance with sub-paragraph (iii) above.	The Property is being sold at no less than 90% of the Valuer's independent valuation of the Property (see paragraph 3.1 above).
(v)	If approved by the Unitholders at the EGM, the authority conferred by the Disposition Mandate will continue in force for a period commencing from and including the day following the day of the EGM until (whichever is earliest): (a) 31 December 2025; (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	The Plaza Divestment is authorised under the Disposition Mandate which continues to be in force before 31 December 2025, and the aggregate net sale proceeds have not exceeded US$328.7 million nor have the Early Reinstatement Conditions been achieved.

Terms	Compliance
Consideration from the Proposed Divestment (each as defined in the Circular in relation to the proposed divestment of Park Place)) exceed US$328.7 million; or (c) if the Early Reinstatement Conditions are achieved.	
(vi) If Manulife US REIT is not able to dispose of one or more of the Existing Properties in accordance with the terms of the Disposition Mandate, the Manager will revert to the Unitholders for a fresh mandate or a specific approval for the transaction if required pursuant to Chapter 10 of the Listing Manual.	The Plaza Divestment is being conducted pursuant to the terms of the Disposition Mandate.
(vii) Notwithstanding the rest of the terms of the Disposition Mandate, the Disposition Mandate does not cover a sale to interested person(s) of Manulife US REIT. If a transaction with interested person(s) of Manulife US REIT is equal to or exceeds the thresholds prescribed in Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, the Manager shall seek specific Unitholders' approval and/or make an immediate announcement in respect of such transaction in accordance with Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix.	The Purchaser is an unrelated third-party and not an interested person of Manulife US REIT.

6.5 Documents Available for Inspection

The PSA and the valuation report of the Valuer are available for in-person inspection with prior appointment during normal business hours at the registered office of the Manager at 8 Cross Street, #16-03, Manulife Tower, Singapore 048424 from the date of this announcement up to and including the date falling three months after the date of this announcement.

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

BY ORDER OF THE BOARD
John Casasante
Chief Executive Officer & Chief Investment Officer

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

20 February 2025

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Manulife US REIT in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of 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, the Trustee 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. 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 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.

This announcement may contain forward-looking statements that involve 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 property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s view of future events.