



## **MANULIFE US REAL ESTATE INVESTMENT TRUST**

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

*Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the announcements of Manulife US REIT dated 1 December 2025 titled “The Growth and Value Up Plan and the MRA Concessions” (the “**Transaction Announcement**”) and the circular of Manulife US REIT dated 1 December 2025 (the “**Circular**”).*

- (I) **UPDATES IN RELATION TO THE GROWTH AND VALUE UP PLAN AND THE MRA CONCESSIONS; AND**
- (II) **RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS**

### **1. UPDATES IN RELATION TO THE GROWTH AND VALUE UP PLAN AND THE MRA CONCESSIONS**

#### **1.1 Lenders’ Approval for the MRA Concessions**

Further to the Transaction Announcement and the Circular, the Manager is pleased to announce that it has obtained the approval of six out of seven lenders in relation to the MRA Concessions:

- (i) an extension of the Disposal Deadline from 31 December 2025 to 30 June 2026; and
- (ii) an extension of the temporary relaxation of the financial covenants as follows: (a) the Unencumbered Gearing being not more than 80% (compared to 60%) from 31 December 2025 to 30 June 2026 and (b) the Bank ICR2 being no less than 1.5 times (compared to 2.0 times) from 31 December 2025 to 31 December 2026.

The remaining Lender who has not yet obtained the necessary approval is still in the process of obtaining their internal approval based on their meeting schedule. In the event that the remaining Lender does not obtain its internal approval, the MRA Concessions will not be granted. In such a situation, the Lenders have the right to accelerate the payment of all of the loans immediately if the Minimum Sale Target is not met by the Disposal Deadline. While the Manager is currently targeting to obtain the approval of the remaining Lender before the EGM, such approval may come in after the EGM. As stated in the Circular, while no assurance can be given, nothing has come to the attention of the Manager that the remaining Lender has issues with the granting of the MRA Concessions.

#### **1.2 The Growth and Value Up Plan**

In negotiating with the Lenders in relation to their consent to the MRA Concessions, the basis of the discussions was on the ability of the Manager to implement the Growth and Value Up Plan, through the Disposition Mandate and the Acquisition Mandate. The goal of

the Growth and Value Up Plan is to revitalise Manulife US REIT's portfolio to improve diversification and long-term value creation. This will lower the aggregate leverage of Manulife US REIT as well as provide Manulife US REIT with a future runway for growth.

As part of the Growth and Value Up Plan, the Manager is seeking Unitholders' approval for the proposed adoption of the following mandates from and including 1 January 2026:

- (a) the Disposition Mandate to authorise the Manager to dispose of up to three of the Existing Properties, with the aggregate Net Proceeds raised from the sale of the Existing Properties pursuant to the Disposition Mandate not exceeding US\$350.0 million<sup>1</sup>; and
- (b) the Acquisition Mandate to authorise acquisitions and investments in one or more Initial Focus Assets, with the aggregate Agreed Property Value not exceeding US\$600.0 million.

Please refer to the Transaction Announcement and the Circular for further information relating to the terms of the Disposition Mandate and the Acquisition Mandate.

To facilitate the funding of acquisitions under the Acquisition Mandate, the Manager has applied for a waiver from compliance with paragraph 9.4 of the Property Funds Appendix<sup>2</sup>.

The MAS has granted a waiver from compliance with paragraph 9.4 of the Property Funds Appendix (the "**Waiver**"), subject to the following conditions:

- (i) the board of directors of the Manager providing a confirmation that a waiver from paragraph 9.4 of the Property Funds Appendix allowing Manulife US REIT to incur additional borrowings for asset acquisitions is in the best interests of the Unitholders, as well as their reasons for stating so;
- (ii) the Manager disclosing its plans to manage the leverage ratio of Manulife US REIT and providing updates on the plans periodically, as appropriate;
- (iii) the Unitholders approving the Acquisition Mandate;
- (iv) Manulife US REIT complying with all the terms and conditions of the Acquisition Mandate, including, but not limited to, ensuring that each acquisition made under the Acquisition Mandate is funded with a capital structure of no more than 40% debt;
- (v) the Waiver ceasing on 30 April 2027; and
- (vi) the Manager disclosing this Waiver and its conditions, including the confirmation under paragraph 1.2(i) above.

The board of directors of the Manager confirms that a waiver from paragraph 9.4 of the Property Funds Appendix allowing Manulife US REIT to incur additional borrowings for asset acquisitions is in the best interests of the Unitholders for the following reasons:

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1 For the avoidance of doubt, in the event that the sale of any Existing Property would result in the aggregate Net Proceeds increasing from an amount below US\$350.0 million to an amount exceeding US\$350.0 million, the sale of such Existing Property is also deemed approved by this Disposition Mandate.

2 Paragraph 9.4 of the Property Funds Appendix states that the aggregate leverage limit of 50% is not considered to be breached if it is due to circumstances beyond the control of the Manager, such as when there is a depreciation in the asset value of the REIT. In such an event, it further requires the Manager to not incur additional borrowing or enter into further deferred payment arrangements.

- (a) Through the acquisition of new properties or portfolios at lower leverage ratios, Manulife US REIT can lower its overall aggregate leverage, improve its liquidity and strengthen its balance sheet. The Acquisition Mandate will allow for a more efficient recycling of capital to enable Manulife US REIT to (i) achieve risk adjusted diversified income and total returns and (ii) recover its unitholder value through value-adding acquisitions.
- (b) Without the Waiver, Manulife US REIT can only acquire assets with 100% equity. This would make it more difficult to bring down the aggregate leverage of Manulife US REIT as (i) it would limit the value of assets which Manulife US REIT can purchase and this may make the REIT lose out on acquisitions which are in the interest of Manulife US REIT and (ii) the overall time needed to reduce the aggregate leverage may be extended.

### **1.3 Extraordinary General Meeting**

The EGM will be held on 16 December 2025 at Stephen Riady Auditorium @ NTUC, NTUC Centre, Level 7, One Marina Boulevard, Singapore 018989 on 16 December 2025 (Tuesday) at 2.00 p.m. (Singapore time). Proxy Forms must be received by Manulife US REIT by 13 December 2025 (Saturday), 2.00 p.m. (being 72 hours before the time appointed for the holding of the EGM).

The Manager seeks Unitholders' votes to support the Growth and Value Up Plan and looks forward to meeting the Unitholders at the EGM to discuss more on the Growth and Value Up Plan.

## **2. RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS FROM UNITHOLDERS**

The Manager wishes to thank the Unitholders for submitting their questions in advance of the EGM to be held on 16 December 2025.

Please refer to the attached Appendix A for the Manager's responses to the substantial and relevant questions which have been submitted by Unitholders.

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

11 December 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 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.

## Appendix A

Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the Circular.

Responses to Unitholders' Questions		
NO.	QUESTIONS	ANSWERS
1.	<p><b>When will you start to pay DPU to unitholders? Unitholders have suffered huge losses and have been waiting for years for distributions to resume, and now you want unitholders' approval to acquire more properties. The Fed has already cut interest rates. What is management's plan to repay unitholders who have been waiting patiently for DPU payout?</b></p> <p><b>The previous MUST team had shared that the restructuring plan was to resume some form of dividend payment after FY2025. Why is the new team proposing a change of its investment strategy, without mentioning anything about dividend distribution?</b></p> <p><b>If the two resolutions of this EGM are implemented, will MUST still resume distribution payment to unitholders latest with effect from 1H 2026?</b></p>	<p>The distribution halt was a condition imposed by the Original Lenders under the Master Restructuring Agreement ("<b>MRA</b>") which was executed in December 2023. The Manager's focus currently is to meet the Minimum Sale Target, which is one of the requirements under the MRA.</p> <p>Manulife US REIT would also need to meet the Early Reinstatement Conditions<sup>1</sup> in order to be released from its obligations under the MRA, and the Manager intends to achieve this through the execution of the Growth and Value Up Plan.</p> <p>The Manager understands the importance of distributions to Unitholders but is also cognisant that it is important for distributions to be sustainable. Upon meeting the requirements of the MRA, and as Manulife US REIT improves its cashflows and credit profile through acquisitions at lower leverage ratios of 40% and below, the Manager will proceed to assess the suitability of distributions and to resume sustainable cash distributions, underpinned by a more resilient portfolio and cash position.</p>
2.	<p><b>Will there be disclosures on the DPU and NAV impact of each and every transaction?</b></p>	<p>Yes, the Manager will disclose the pro forma financial impact (including the DPU and NAV impact) as long as transactions crosses the 5% threshold under Rule 1006 of the Listing Manual, and is classified as a "discloseable" transaction under Chapter 10 of the Listing Manual.</p>

<sup>1</sup> As defined in the 2023 Circular.

3.	<p><b>Noting that the acquisition mandate criteria states that the target asset must be profitable and the enlarged group must have positive cash flows from operating activities, does positive cashflow refer specifically only to net property income or extend down to distributable income?</b></p>	<p>The criteria for positive cash flows extends to distributable income as well.</p>
4.	<p><b>Who will manage the assets and provide on-the-ground operational and asset management expertise, given that they are not the office asset class that the REIT is used to?</b></p>	<p>The Chairman, CEO and CFO of the Manager as well as the Sponsor have expertise and experience in managing the Initial Focus Assets.</p> <p>Firstly, Mr Marc Lawrence Feliciano, the Chairman of the Manager and Global Head of Real Estate, Private Markets at Manulife IM Real Estate, has over 33 years of experience across multiple asset classes including office, industrial, living sector and retail asset. Mr John Casasante, in his dual role as CEO and CIO of the Manager, has over 30 years of commercial real estate experience in industrial, office, retail and living sector assets. Mr Mushtaque Ali, the CFO of the Manager, has over 27 years of experience in finance and accounting and specialises in financial management and oversight of real estate portfolios across diverse asset classes, including office, industrial, retail and living sector.</p> <p>Secondly, the Manager will leverage on the expertise and resources within Manulife IM Real Estate's fully integrated real estate management platform that oversees the Sponsor's real estate portfolio. Manulife IM Real Estate currently manages US\$19.4 billion in real estate equity and credit, diversified across sectors including office, industrial, living sector, retail and other ancillary sectors, and spanning markets in the U.S., Canada, and Asia-Pacific.</p>

		Please refer to Appendix A of the <a href="#">Circular</a> for more information about the capabilities of the Manager and the Sponsor.
5.	<b>I recall SGX has a rule for REITs where if their leverage ratio is more than 50%, the REIT will be unable to take on more borrowings for acquisition. This seems conflicting because this means Manulife US REIT would not have been able to acquire properties. How does the REIT manager plan to finance acquisitions with 40% funding by debt in a situation where its leverage already exceeds 50%?</b>	The Manager has obtained a waiver from the MAS from compliance with paragraph 9.4 <sup>1</sup> of the Property Funds Appendix, subject to certain conditions as set out in paragraph 1.2 of this announcement. This allows Manulife US REIT to take on additional debt provided that (i) the overall aggregate leverage of Manulife US REIT shall decrease post-acquisition, (ii) the total debt incurred by Manulife US REIT shall not exceed US\$800.0 million, (iii) the interest coverage ratio of each acquisition must be more than or equal to 1.6 times so long as the aggregate leverage of Manulife US REIT is more than 50% and (iv) each acquisition made under the Acquisition Mandate is funded with a capital structure of no more than 40% debt.
6.	<b>The ICR for the terms of “1.6 times” seems very lenient to future sellers of properties to the REIT. In the SGX rulebook, if a REIT’s ICR falls below 1.8 times, it has to start explaining how it intends to improve it; 1.5 times ICR is the hard cap where REITs are unable to fall below. A 1.6 times ICR acquisition will mean that the REIT’s purchase would have little room for error. Could the REIT manager consider amending it to 1.8 times?</b>	The ICR requirement of 1.6 times for each acquisition is a minimum threshold set by the Manager given that Manulife US REIT’s ICR as at 30 September 2025 was at 1.6 times. Having a lower ICR threshold will provide the Manager with more room to explore various acquisition opportunities, which are value accretive to the REIT. Nevertheless, a higher ICR would be a favourable factor which will be taken into consideration by the Manager when evaluating the various acquisition opportunities.

<sup>1</sup> As set out in Paragraph 9.4 of the Property Funds Appendix, the Manager should not incur additional borrowings or enter into further deferred payment arrangements if the aggregate leverage limit of 50% is exceeded.

<p>7.</p>	<p><b>During the last restructuring, many minority shareholders were questioning why the Sponsor Manulife is charging such a high interest rate compared to what the banks are charging? Was the Recapitalisation Plan not a rescue plan that Manulife should not be making interest from? As interest rates are declining, MUST should work with its Sponsor to reduce the interest rate for the remaining period.</b></p>	<p>The loan from the Sponsor was part of a support package from the Sponsor that formed part of the Recapitalisation Plan and MRA with the Original Lenders. It is worth noting that the Sponsor has provided support in the form of the US\$33.5 million acquisition of Tanasbourne in April 2023, together with its aggregate capital injection of US\$235.7 million via its acquisition of Park Place (US\$98.7m) and the Sponsor-Lender Loan (US\$137.0m). The total quantum of the Sponsor's commitment and support is US\$269.2 million.</p> <p>The Sponsor is aligned with the Manager in the focus of the execution of Manulife US REIT's strategic plan to enhance its financial position and help ensure its long-term success.</p> <p>Back in 2023, the Exit Premium of ~3% per annum (cumulative up to 21.16% payable at the end of 6 years) was negotiated as a means of reducing the interest rate payable annually to help Manulife US REIT with its cashflows in the challenging near-term market conditions and in light of debt servicing obligations on its existing facilities. While the loan is a fixed rate loan for a six-year duration, it can be repaid early after MUST exits from the MRA. The exit premium at the time of early prepayment would be based on the corresponding exit premium set out in the loan agreement.</p> <p>The Manager has appointed Deloitte &amp; Touche Corporate Finance Pte Ltd in 2023 as the Independent Financial Adviser pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the Independent Directors, the Audit and Risk Committee and the Trustee in relation to the Sponsor-Lender Loan. Having considered the factors and the assumptions set out in the Independent Financial Adviser Letter, and subject to the qualifications set out</p>
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<p>8.</p>	<p><b>The recovery is taking too long while the MUST Manager team continues to receive its management fees, at the expense of unitholders. Why doesn't MUST sell all its properties and delist since it is no longer achieving the deliverables of a REIT? Selling and delisting would fetch at least 10 cents per unit.</b></p> <p><b>I would like to know that in the scenario of liquidation, do I get back anything at all?</b></p> <p><b>Why is MUST not selling its existing asset portfolio, returning the proceeds to unitholders, and closing down MUST instead? How will implementing the two resolutions that MUST's Board has tabled be a better outcome for retail unitholders, keeping in mind the costs involved?</b></p>	<p>Liquidation of the portfolio now will yield much lesser than the NAV, as asset dispositions in current market conditions continue to be challenging. Liquidation through the legal process will be public knowledge, thus, any potential buyer of MUST's assets would be aware of the distressed sale, resulting in significant discounts to book value. Proceeds will also be used to repay MUST's US\$559.0 million of debt first. A liquidation would more than likely result in no returns for Unitholders' investment, it also offers no future returns if the market turns around subsequently. Furthermore, liquidation is a lengthy and costly process fraught with uncertainty.</p> <p>If both resolutions are approved and we are able to execute the Growth and Value Up Plan, we believe there will be upside to MUST's current unit price at US\$0.079 as at 10 Dec 2025. Based on the 30 June 2025 NAV per Unit of US\$0.21, the properties would need to be realised at a discount of less than 20% to 2024 appraisal values to achieve a net asset value of US\$0.10 per Unit (assuming no other changes). If we allow the existing portfolio to participate in continued recovery, the unit price could improve in tandem.</p> <p>The Growth and Value Up Plan is important, because it paves the way for MUST to be released from its obligations under the MRA, and this would send a strong signal to the market and improve negotiations with buyers as they would no longer take the view that they are negotiating with a distressed seller. The Growth and Value Up Plan is also in the interest of Unitholders because MUST's cashflows and credit profile is expected to improve through the acquisition of the Initial Focus Assets, and this will enable the Manager to resume sustainable cash distributions, underpinned by a more resilient portfolio and cash position.</p>
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9.	<b>At the moment, is MUST reaching any new agreement(s) with any buyer(s) to buy any more of MUST's existing office assets?</b>	We have continual interest for some of our assets from off-market buyers and we are exploring these opportunities to see if they are aligned with our strategy.
10.	<b>Why is MUST diversifying its portfolio from U.S. office assets to other property sectors (namely industrial, living sector and retail assets) in U.S. and Canada only? Why not include Asia too?</b>	<p>Canada has been selected as an additional market besides the U.S., given its strong alignment with U.S. real estate fundamentals and the Sponsor's established local presence and assets in Canada. Manulife IM Real Estate operates regional offices across both countries, led by our Chairman, Marc Feliciano, supported by a full spectrum of expertise—from research and valuation to asset and portfolio management.</p> <p>Currently, approximately 78% of the Sponsor's US\$19.4 billion portfolio comprises assets in the U.S. and Canada. As Manulife US REIT acquires higher-yielding assets in these two countries, which are also the two largest countries in North America by value of their commercial real estate sectors, it can attract investors seeking exposure to real estate in North America.</p> <p>As part of our ongoing portfolio optimisation strategy, we will continue to assess our portfolio to achieve the most effective mix of asset classes and geographic exposure. Asia may be a potential target market for future opportunities. There are selective opportunities throughout Asia which we continue to monitor as part of the Sponsor's global real estate platform, and to the extent that these opportunities make sense for MUST, we will evaluate an expansion of our investment mandate in the future. For now, we will remain focused on the more homogenous property markets across the U.S. and Canada.</p>