Manulife US REIT

MANULIFE US REAL ESTATE INVESTMENT TRUST
Unaudited Condensed Interim Consolidated Financial Statements
For the Half Year Ended 30 June 2025

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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 7 office properties (the “**Properties**”) in the United States, with an aggregate net lettable area of 3.5 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;
- 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;
- 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 2025 to 30 June 2025 (“**1H 2025**”).

Distribution Policy

Manulife US REIT’s distribution policy is to distribute at least 90% of its annual distributable income as set out in the Trust Deed. This distribution policy is also subject to the conditions as stipulated in Appendix 6 to the Code on Collective Investment Schemes (“Property Fund Appendix”), in that, if Manulife US REIT were to declare a distribution in excess of profits, the Manager should be able to certify, in consultation with the Trustee, that it is able to satisfy on reasonable grounds that, immediately after making the distribution, Manulife US REIT will be able to fulfil, from the deposited property of the property fund, the liabilities of Manulife US REIT as they fall due.

However, pursuant to the recapitalisation plan set out in the circular to Unitholders dated 29 November 2023 (the “Recapitalisation Plan”) and the entry into the master restructuring agreement (the “Master Restructuring Agreement” or the “MRA”), Manulife US REIT halted distributions to Unitholders till 31 December 2025, unless the early reinstatement conditions (the “Early Reinstatement Conditions”) as set out in the circular to Unitholders dated 29 November 2023 are met earlier.

SUMMARY OF RESULTS

	1H 2025 US$'000	1H 2024 US$'000	Change %
Gross Revenue[(1)]	60,365	86,740	(30.4)
Net Property Income[(2)]	30,166	42,799	(29.5)
Net (Loss)/Income for the period[(3)]	(48,575)	15,854	N.M.
Income Available for Distribution to Unitholders[(4)(5)]	14,925	22,853	(34.7)
Income Available for Distribution to Unitholders per Unit[(6)] (US cents)	0.84	1.29	(34.9)

N.M.: Not meaningful

Footnotes:

(1) Gross revenue of US$60.4 million for 1H 2025 was lower by 30.4%, mainly due to the divestment of Capitol in October 2024, Plaza in February 2025 and Peachtree in May 2025, in addition to lower rental and recoveries income as a result of higher portfolio vacancy rate as well as lower recoveries income due to a reduction in current and prior years' property tax.

(2) Net property income of US$30.2 million for 1H 2025 was lower by 29.5% due to the divested properties partially offset by lower property operating expenses, mainly due to a reduction in current and prior years' property tax at Figueroa and Michelson.

(3) Net loss for 1H 2025 was US$48.6 million compared to the net income of US$15.9 million for 1H 2024. This is primarily due to higher fair value loss and loss on disposal of investment properties in 1H 2025 as well as lower interest income, partially offset by lower Manager's base fees and lower finance costs in 1H 2025.

(4) Income available for distribution to Unitholders for 1H 2025 was lower by 34.7% mainly due to lower net property income, partially offset by lower finance expenses.

(5) Pursuant to the Recapitalisation Plan and the entry into the Master Restructuring Agreement, Manulife US REIT has halted distributions to Unitholders till 31 December 2025, unless the Early Reinstatement Conditions are achieved earlier.

(6) Income available for distribution to Unitholders per Unit, computed based on Income available for Distribution to Unitholders divided by the total number of Units in issue.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

		Group		Trust	
	Note	30 June 2025 US$'000	31 December 2024 US$'000	30 June 2025 US$'000	31 December 2024 US$'000
Current assets					
Cash and cash equivalents[a]		66,884	65,243	50,248	45,641
Asset held for sale[b]		-	43,700	-	-
Prepayments[c]		407	1,990	85	165
Trade and other receivables[d]		4,114	5,569	133	183
Financial derivatives[e]		8,163	2,706	8,163	2,706
		79,568	119,208	58,629	48,695
Non-current assets					
Investment properties	5	937,685	1,093,500	-	-
Investment in subsidiaries[f]		-	-	922,007	1,128,057
Financial derivatives[e]		-	11,956	-	11,956
		937,685	1,105,456	922,007	1,140,013
Total assets		**1,017,253**	**1,224,664**	**980,636**	**1,188,708**
Current liabilities					
Trade and other payables[g]		34,589	32,860	10,971	12,378
Security deposits		611	728	-	-
Rent received in advance		5,607	6,459	-	-
		40,807	40,047	10,971	12,378
Non-current liabilities					
Trade and other payables[g]		3,620	3,949	-	-
Loans and borrowings	6	587,837	745,952	587,837	745,952
Financial derivatives[e]		19	-	19	-
Security deposits		2,254	3,262	-	-
Preferred units	7	659	822	-	-
		594,389	753,985	587,856	745,952
Total liabilities		**635,196**	**794,032**	**598,827**	**758,330**
Net assets attributable to Unitholders		**382,057**	**430,632**	**381,809**	**430,378**
Represented by:					
Unitholders' funds		382,057	430,632	381,809	430,378
Net assets attributable to Unitholders		**382,057**	**430,632**	**381,809**	**430,378**
Units in issue and to be issued ('000)	8	**1,835,124**	**1,835,124**	**1,835,124**	**1,835,124**
Net asset value per Unit (US$) attributable to Unitholders	9	**0.21**	**0.23**	**0.21**	**0.23**

Footnotes:

a. As at 30 June 2025, cash and cash equivalents include short-term fixed deposits at the Trust of US$11.8 million (31 December 2024: US$38.7 million), all of which (31 December 2024: US$17.7 million) is maintained as interest reserve.

b. The Manager announced the divestment of Plaza on 20 February 2025 and the property was reclassified to asset held for sale as at 31 December 2024. The divestment was subsequently completed on 25 February 2025 (U.S. time).

c. The decrease in prepayments was mainly due to the utilisation of prepaid insurance.

d. An allowance for expected credit losses of US$1.6 million (31 December 2024: US$1.7 million) has been included in the Group's trade and other receivables. The decrease in trade and other payables is mainly arising from the divested properties.

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

f. Included in investment in subsidiaries is an accumulated allowance for impairment loss of US$756.9 million (31 December 2024: US$719.3 million).

g. Trade and other payables comprise mainly:
- trade payables
- accruals mainly for property operating expenses (including property management fee payable) and capital expenditures
- deferred revenue for lease termination and amendment fees which are amortised over the remaining lease period
- base fee payable to the Manager and interest payable at the Trust

As at 30 June 2025, this includes property management fee payable of US$8.4 million, deferred revenue of US$4.2 million (current: US$0.6 million, non-current: US$3.6 million), and base fee payable of US$5.9 million.

As at 31 December 2024, this includes property management fee payable of US$6.8 million, deferred revenue of US$4.7 million (current: US$0.8 million, non-current: US$3.9million), base fee payable of US$4.3 million and fee payable in relation to the MRA of US$2.3 million.

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group 1H 2025 US$'000	Group 1H 2024 US$'000
Gross revenue[a]		60,365	86,740
Property operating expenses[b]		(30,199)	(43,941)
Net property income		**30,166**	**42,799**
Interest income[c]		859	1,799
Manager's base fee[d]		(1,658)	(2,539)
Trustee's fee		(95)	(115)
Other trust expenses[e]		(1,014)	(1,378)
Finance expenses	10	(18,595)	(22,270)
Net income before tax and fair value changes		**9,663**	**18,296**
Net fair value change in derivatives[f]		(6,518)	(5,128)
Net fair value change in investment properties[g]		(48,155)	3,824
Loss on disposal of investment properties[h]		(3,323)	-
Net (loss)/income before tax		**(48,333)**	**16,992**
Tax expense[i]	11	(242)	(1,138)
Net (loss)/income attributable to Unitholders		**(48,575)**	**15,854**
Earnings per Unit ("EPU") (US cents)			
Basic and diluted EPU	12	(2.65)	0.86

Footnotes:

a. Gross revenue includes carpark income of US$5.0 million for 1H 2025 (1H 2024: US$6.9 million).

b. Property operating expenses include a reversal of provision for expected credit losses of US$0.1 million for 1H 2025 (1H 2024: provision for expected credit losses of US$0.3 million).

c. Interest income comprises mainly interest earned from short-term fixed deposits.

d. The Manager's base fee is based on 10% of distributable income (calculated before accounting for Manager's base fee and performance fee). The Manager has elected to receive 100% of its base fee in the form of cash for 1H 2025 and 1H 2024.

e. Other trust expenses consist of audit, regulatory and tax compliance, legal, foreign exchange differences and other expenses.

f. 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.

g. Net fair value change in investment properties for 1H 2025 mainly arose from the divestments of Plaza and Peachtree during the period in addition to the effect of amortisation and straight-line rent accounting adjustments, while the amount in 1H 2024 relates to the effect of amortisation and straight-line rent accounting adjustments.

   Net fair value change in investment properties has no impact on the income available for distribution to the Unitholders. Manulife US REIT will obtain independent appraisals at least once a financial year in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes.

h. The loss on disposal of investment properties arose from the divestments of Plaza and Peachtree, which were completed on 25 February 2025 (U.S. time) and 27 May 2025 (U.S. time) respectively.

i. Tax expense consists of current tax, which includes income tax and withholding tax, and deferred tax, which is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. 1H 2025 tax expense mainly comprises withholding tax incurred from halting distributions while 1H 2024 tax expense mainly comprises withholding tax incurred from halting distributions and deferred tax expense from tax depreciation.

CONDENSED INTERIM DISTRIBUTION STATEMENT

	Group	
	1H 2025	**1H 2024**
	US$'000	**US$'000**
Amount available for distribution to Unitholders at the beginning of the period	112,608	74,348
Net (loss)/income for the period	(48,575)	15,854
Distribution adjustments (Note A)	63,500	6,999
Income available for distribution to Unitholders for the period	14,925	22,853
Amount available for distribution to Unitholders at the end of the period	**127,533**	**97,201**
Distribution amount to Unitholders at the end of the period[1]	-	-
Number of Units in issue at end of the period ('000)	**1,776,565**	**1,776,565**
Distribution per Unit[1] **(US cents)**	-	-
Note A – Distribution adjustments comprise:		
- Property related non-cash items[2]	4,818	3,824
- Amortisation of upfront debt-related transaction costs[3]	879	1,039
- Trustee's fee	95	115
- Net fair value change in derivatives	6,518	5,128
- Net fair value change in investment properties	48,155	(3,824)
- Loss on disposal of investment properties	3,323	-
- Deferred tax expense	-	695
- Other items[4]	(288)	22
Distribution adjustments	**63,500**	**6,999**

Footnotes:

1 Pursuant to the Recapitalisation Plan and the Master Restructuring Agreement, Manulife US REIT has halted distributions to Unitholders till 31 December 2025, unless the Early Reinstatement Conditions are achieved earlier.

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

3 Upfront debt-related transaction costs and costs incurred in relation to the Master Restructuring Agreement are amortised over the remaining term of the loans and borrowings.

4 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

	2025			2024		
	Units in issue and to be issued US$'000	Accumulated losses US$'000	Total US$'000	Units in issue and to be issued US$'000	Accumulated losses US$'000	Total US$'000
Group						
At 1 January	**1,240,845**	**(810,213)**	**430,632**	**1,240,845**	**(632,210)**	**608,635**
Operations						
Net (loss)/income for the period	-	(48,575)	(48,575)	-	15,854	15,854
Net (decrease)/increase in net assets resulting from operations	**-**	**(48,575)**	**(48,575)**	**-**	**15,854**	**15,854**
At 30 June	**1,240,845**	**(858,788)**	**382,057**	**1,240,845**	**(616,356)**	**624,489**
Trust						
At 1 January	**1,240,845**	**(810,467)**	**430,378**	**1,240,845**	**(632,517)**	**608,328**
Operations						
Net loss for the period	-	(48,569)	(48,569)	-	(7,418)	(7,418)
Net decrease in net assets resulting from operations	**-**	**(48,569)**	**(48,569)**	**-**	**(7,418)**	**(7,418)**
At 30 June	**1,240,845**	**(859,036)**	**381,809**	**1,240,845**	**(639,935)**	**600,910**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group 1H 2025 US$'000	Group 1H 2024 US$'000
Cash flows from operating activities			
Net (loss)/income for the period before tax		(48,333)	16,992
Adjustments for:			
Amortisation		4,818	3,824
Net change in provision for expected credit losses		(107)	267
Interest income		(859)	(1,799)
Finance expenses		18,595	22,270
Net fair value change in derivatives		6,518	5,128
Net fair value change in investment properties	5	48,155	(3,824)
Loss on disposal of investment properties		3,323	-
Net unrealised foreign exchange (gains)/losses		(87)	56
Operating income before working capital changes		**32,023**	**42,914**
Changes in working capital:			
Trade and other receivables		1,562	8,575
Prepayments		1,583	1,500
Trade and other payables		3,929	4,657
Security deposits		(90)	(142)
Rent received in advance		(798)	(2,770)
Cash from operating activities		**38,209**	**54,734**
Tax paid		(40)	(160)
Interest paid		(17,515)	(19,113)
Net cash from operating activities		**20,654**	**35,461**
Cash flows from investing activities			
Proceeds from disposal of investment property (net of transaction costs)[a]		161,073	-
Payment for capital expenditure and other costs related to investment properties[b]		(19,797)	(19,740)
Interest received		859	1,799
Net cash from/(used in) investing activities		**142,135**	**(17,941)**
Cash flows from financing activities			
Redemption of preferred units	7	(230)	-
Repayment of loans and borrowings[c]		(161,000)	(50,000)
Movement in interest reserve accounts[d]		5,916	4,248
Net cash used in financing activities		**(155,314)**	**(45,752)**
Net increase/(decrease) in cash and cash equivalents		**7,475**	**(28,232)**
Cash and cash equivalents at beginning of the period		**47,556**	**104,726**
Effect of exchange rate fluctuations on cash held in foreign currency		82	(52)
Cash and cash equivalents at the end of the period		**55,113**	**76,442**

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	30 June 2025	**30 June 2024**
	US$'000	**US$'000**
Cash and cash equivalents in the consolidated statement of financial position	**66,884**	**94,613**
Less: Interest reserves[d]	(11,771)	(18,171)
Cash and cash equivalents in the consolidated statement of cash flows	**55,113**	**76,442**

Footnotes:

a. The divestment of Plaza and Peachtree were completed on 25 February 2025 (U.S. time) and 27 May 2025 (U.S. time) respectively with total net proceeds of US$163.6 million after factoring in transaction costs. After closing prorations and adjustments of US$2.5 million, cash received from the divestments amounted to US$161.1 million.

b. For 1H 2025, this includes capital expenditures (renovations or improvements) and leasing costs (including tenant improvement allowances) largely from Peachtree, Michelson and Diablo. For 1H 2024, this includes capital expenditures (renovations or improvements) and leasing costs (including tenant improvement allowances) largely from Figueroa, Peachtree, Plaza and Capitol.

c. Manulife US REIT utilised net proceeds from its divestments to repay US$40.0 million of debt in February 2025 and US$121.0 million of debt in June 2025. In March 2024, the REIT also utilised existing cash to repay US$50.0 million of debt on a *pari passu* basis.

d. Manulife US REIT is required, under the Recapitalisation Plan and Master Restructuring Agreement, to maintain interest reserve accounts comprising an interest reserve of six months for its outstanding loans, including the Sponsor-Lender Loan. The interest reserve accounts are cash collaterals charged in favour to the lenders.

CONDENSED INTERIM STATEMENT OF PORTFOLIO

Description of Property	Tenure of Land	Occupancy Rate[1] as at 30 June 2025 %	Occupancy Rate[1] as at 31 December 2024 %	Fair Value[2] as at 30 June 2025 US$'000	Fair Value as at 31 December 2024 US$'000	Percentage of Total Net Assets as at 30 June 2025 %	Percentage of Total Net Assets as at 31 December 2024 %
Group							
Commercial Office Properties							
Figueroa	Freehold	44.5	46.6	117,620	117,000	30.8	27.2
Michelson	Freehold	81.4	81.4	222,287	219,500	58.2	51.0
Peachtree[3]	Freehold	-	77.0	-	164,600	-	38.2
Exchange	Freehold	73.9	73.8	212,890	211,600	55.7	49.1
Penn	Freehold	90.0	90.0	79,103	79,100	20.7	18.4
Phipps	Freehold	85.9	80.4	181,255	180,200	47.4	41.8
Centerpointe	Freehold	75.1	68.2	77,000	75,900	20.2	17.6
Diablo	Freehold	37.8	98.2	47,530	45,600	12.4	10.6
Total investment properties				**937,685**	**1,093,500**	**245.4**	**253.9**
Asset held for sale – Plaza[4]	Freehold	-	71.5	-	43,700	-	10.2
Other assets and liabilities (net)				(555,628)	(706,568)	(145.4)	(164.1)
Net assets				**382,057**	**430,632**	**100.0**	**100.0**

1 Based on committed leases.
2 The fair values of the Group's investment properties as at 30 June 2025 were based on the independent valuations as at 31 December 2024, adjusted for capital expenditures, leasing costs (including tenant improvement allowances) and straight-line rent accounting adjustments incurred in 1H 2025. For more information, please refer to Note 5.
3 The divestment of Peachtree was completed on 27 May 2025 (U.S. time).
4 The Manager announced the divestment of Plaza on 20 February 2025, and the property was reclassified to asset held for sale as at 31 December 2024. The divestment was completed on 25 February 2025 (U.S. time).

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 2025 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 2024. 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 2024.

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 2024 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 2025. 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 Going concern basis of preparation of financial statements

The Group reported a net loss of US$48.6 million for the period ended 30 June 2025, which is largely attributed by the net fair value loss of US$48.2 million.

As disclosed in Note 6, the decrease in the fair value of the investment properties (Note 5) contributed to the Group's breach of a financial covenant imposed by the Group's lenders and limited the Group's ability to raise further debt funding. In response to these, the Group has undergone a restructuring of existing credit facilities through the Recapitalisation Plan.

Under the terms and conditions of the Recapitalisation Plan and MRA, the Group is required to procure the sale of certain of the Group's properties and to achieve minimum cumulative net sale proceeds targets (each a "Minimum Sale Target") by certain dates as follows:

(i) on a best endeavours basis by 31 December 2024: Minimum cumulative net sale proceeds of US$230.0 million (the "2024 Net Proceeds Target")
(ii) by 30 June 2025 (the "Disposal Deadline"): Minimum cumulative net sale proceeds of US$328.7 million ("2025 Net Proceeds Target") (inclusive of the above 2024 Net Proceeds Target)

Pursuant to the disposition mandate approved by the Unitholders as part of the Recapitalisation Plan (the "Disposition Mandate"), the Manager has been authorised to dispose the Group's existing investment properties until it achieves net sale proceeds exceeding US$328.7 million, 31 December 2025 or if the Early Reinstatement Conditions are achieved, whichever is earliest.

During the financial year ended 31 December 2024, the Group completed the sale of its property i.e., Capitol and the net sale proceeds of US$109.5 million, as well as existing cash of US$21.2 million, were used to repay US$130.7 million of loans and borrowings maturing in 2025. As the 2024 Net Proceeds Target had not been achieved, the Group incurred a fee of US$2.3 million which was paid to the lenders under the Master Restructuring Agreement.

During the half year ended 30 June 2025, the Group completed the sale of two additional properties i.e., Plaza in February 2025 and Peachtree in May 2025. The sale of Plaza and Peachtree generated net sale proceeds of US$163.6 million, which the Group utilised to repay US$40.0 million of loans in March 2025 and US$121.0 million of loans in June 2025 following each divestment. In addition, the Manager obtained the consent of the lenders to extend the Disposal Deadline from 30 June 2025 to 31 December 2025 which would coincide with the expiry of the Disposition Mandate, as well as the approval for an additional repayment of US$25.0 million of loans due between 2026 to 2028 using its existing cash (the "Additional Debt Repayment"). The Additional Debt Repayment was completed on 2 July 2025.

The condensed interim consolidated financial statements of the Group have been prepared on a going concern basis in view of the following factors considered by the Manager:

(i) The Group does not have any outstanding loans due and payable in 2025. During the period, the Group made an early repayment of US$161.0 million of loans due in 2026. After the Additional Debt Repayment, only US$35.6 million of loans remain due in July 2026.
(ii) The Group has continued to generate positive cash flows from operating activities during the current and prior years and is expected to meet its operating cash flow requirements through cash flows from its existing and future lease agreements with tenants. Based on the Group's cash flow forecast for the next 12 months, the Manager believes the Group will be able to meet its obligations as and when they fall due based on the contractual due dates of the existing loans.
(iii) With the completion of the divestment of Capitol, Plaza and Peachtree, the Group has achieved approximately 83% of 2025 Net Proceeds Target as at 30 June 2025. The Group will continue to pursue opportunities to dispose of non-core assets from the Tranche 1 Assets (as defined herein) to enable further repayment of debt and re-deployment of capital to achieve portfolio diversification and growth.

2 Basis of preparation (cont'd)

In the event the Group is unable to meet the 2025 Net Proceeds Target by the Disposal Deadline, the majority lenders under each facility agreement have the contractual right to demand immediate repayment of the outstanding loan. If the Group is unable to continue as a going concern, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.3 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 2024.

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:

- Basis of measurement and use of going concern assumption
- Measurement of expected credit losses 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 2025 US$'000	**31 December 2024 US$'000**
Consolidated Statement of Financial Position		
As at 1 January	1,093,500	1,411,800
Capital expenditure capitalised	20,403	33,450
Disposal of investment property	(125,366)	(111,129)
Fair value changes in investment properties	(50,852)	(196,921)
Reclassification to asset held for sale	-	(43,700)
As at 30 June / 31 December	937,685	1,093,500
Consolidated Statement of Comprehensive Income		
Fair value changes in investment properties	(50,852)	(196,921)
Fair value change in asset held for sale	(2,121)	-
Net effect of amortisation and straight lining	4,818	8,985
Net fair value changes recognised in the statement of comprehensive income	(48,155)	(187,936)

Pursuant to the Disposition Mandate, during the financial year ended 31 December 2024, the Group completed the divestment of the investment property named Capitol for a consideration of US$117.0 million less seller credits, to an unrelated third-party purchaser on 28 October 2024 (U.S. time). In addition, the Manager announced the divestment of Plaza on 20 February 2025 for a consideration of US$51.8 million less seller credits and the sale was completed on 25 February 2025 (U.S. time). Plaza, with carrying amount of US$43.7 million, was classified as asset held for sale in the Group's statement of financial position as at 31 December 2024. The Group further completed the divestment of Peachtree for a consideration of US$133.8 million less seller credits on 27 May 2025 (U.S. time).

As set out in Note 2.2, the Group is required to procure, the sale of the Group's properties prioritised by specified tranches, and to achieve minimum cumulative net sale proceeds targets by specified dates (i.e., the 2024 Net Proceeds Target and the 2025 Net Proceeds Target) under the terms and conditions of the Recapitalisation Plan and Master Restructuring Agreement.

The minimum cumulative net sale proceeds shall be made up from the sale of up to four of the following assets, being Centerpointe, Diablo, Figueroa and Penn (collectively, the "Tranche 1 Assets") and Capitol, Exchange, Peachtree and Plaza (collectively, the "Tranche 2 Assets"), of which not more than two may be Tranche 2 Assets. Under the Master Restructuring Agreement, the sale of Michelson and/or Phipps is subject to the necessary consents under each of the respective facility agreements. In relation to the sale of Peachtree, the third Tranche 2 Asset which was sold, the requisite consent of lenders was obtained for the disposal of up to three Tranche 2 Assets.

As the 2024 Net Proceeds Target had not been achieved, the Group paid a fee of US$2.3 million, based on the higher of (A) a flat fee of 1% on the shortfall amount between the 2024 Net Proceeds Target and the cumulative net sale proceeds actually received, and (B) an additional interest margin payment, at a rate of 0.75% per annum on the outstanding amounts under the existing facilities as at 31 December 2024 for a period of 180 days.

For details, please refer to the key terms of the Recapitalisation Plan in paragraph 3.1 of the circular dated 29 November 2023, the announcement on "Update On Restructuring Of The Existing Facilities" dated 13 December 2023, as well as the announcement on "Amendments To The Terms Of Master Restructuring Agreement" dated 23 May 2025.

5 Investment properties (cont'd)

Details on the Group's plans, progress and expectations in meeting the 2025 Net Proceeds Target, and the implications of not meeting the 2025 Net Proceeds Target are disclosed in Note 2.2.

Measurement of fair value

The carrying amounts of the Group's investment properties as at 30 June 2025 were based on the independent valuations as at 31 December 2024, adjusted for capital expenditures, leasing costs (including tenant improvement allowances) and straight line rent accounting adjustments incurred in 1H 2025. The Manager has utilised the services of asset managers and a third-party valuation specialist to assess the key assumptions and inputs used in the valuations as at 31 December 2024. Based on their assessment, the Manager concluded that the assumptions and inputs remain appropriate for the half year ended 30 June 2025, and the carrying values of investment properties approximate their fair values. A full valuation of the Group's investment properties will be performed for the financial year ending 31 December 2025, in line with the Property Fund Guidelines on annual valuation.

As at 31 December 2024, the investment properties, were stated at fair value based on independent valuations undertaken by Cushman and Wakefield of Texas, Inc. 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.

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.

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.

5 Investment properties (cont'd)

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 2024:

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 31 December 2024: US$15.00 - US$55.00	Higher rental rate would result in a higher fair value, while lower rates would result in a lower fair value.
	Discount rate 31 December 2024: 8.25% - 11.25% Terminal capitalisation rate 31 December 2024: 6.00% - 8.25%	Higher discount rate or terminal capitalisation rate would result in a lower fair value, while lower rates would result in a higher fair value.
Direct capitalisation method	Rental rate per square foot per year 31 December 2024: US$15.00 - US$55.00	Higher rental rate would result in a higher fair value, while lower rates would result in a lower fair value.
	Capitalisation rate 31 December 2024: 6.50% - 8.25%	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 31 December 2024: US$96 - US$410	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 and Trust	
	30 June 2025 US$'000	**31 December 2024 US$'000**
Non-current		
Unsecured bank loans	447,014	608,014
Unsecured Sponsor-Lender Loan	137,000	137,000
Accrual for Sponsor-Lender Loan exit premium	5,827	3,821
Less: Unamortised transaction costs	(2,004)	(2,883)
	587,837	745,952

The Property Funds Appendix states that the aggregate leverage limit is not considered to be breached if exceeding the limit is due to circumstances beyond the control of the Manager. As a decline in the valuation of investment properties has resulted in the aggregate leverage of Manulife US REIT exceeding 50%, there is no breach of the aggregate leverage limit as defined by the Property Funds Appendix.

6 Loans and borrowings (cont'd)

As at 30 June 2025, the Group had gross borrowings of US$584.0 million (31 December 2024: US$745.0 million), an aggregate leverage ratio of 57.4% (31 December 2024: 60.8%) and interest coverage ratio ("ICR"), as defined by the Property Funds Appendix, of 1.6 times (31 December 2024: 1.7 times). 88.5% of the gross borrowings have fixed interest rates or have been hedged (31 December 2024: 69.4%), which reduces short-term cash flow volatility from floating interest rate movements.

Pursuant to the Recapitalisation Plan, the approval of the resolutions during the Extraordinary General Meeting held on 14 December 2023, and the Master Restructuring Agreement, the Sponsor granted an unsecured loan of US$137.0 million for a period of six-years at an interest rate of 7.25% paid quarterly (the "Sponsor-Lender Loan") with an exit premium of up to 21.16%.

The weighted average interest rate on borrowings as at 30 June 2025 was 4.03% (31 December 2024: 4.53%) per annum, and the weighted average debt maturity was 2.8 years (31 December 2024: 2.9 years). Including the exit premium on the Sponsor-Lender Loan, the weighted average interest rate on borrowings as at 30 June 2025 was 4.67% (31 December 2024: 5.03%).

All of the Group's properties are unencumbered as at 30 June 2025 and 31 December 2024.

Loan covenants

The majority of existing loans of Manulife US REIT contain a financial covenant which states that Manulife US REIT must at all times ensure and procure that the ratio of consolidated total unencumbered debt to consolidated total assets (the "Unencumbered Gearing Ratio") for any measurement period (being a period of 12 months ending on the last day of each financial half-year of Manulife US REIT) is not more than 60:100, and ratio of Consolidated EBITDA to Consolidated Interest Expense (the "Bank Interest Coverage Ratio"), as defined in the facility agreements, is no less than 2.0 times. As announced on 18 July 2023, the Unencumbered Gearing Ratio as at 30 June 2023 was 60.2:100 as a result of the decline in valuation of investment properties and the breach of the financial covenant has triggered a cross default under all of the Group's loan facilities and interest rate swaps.

As part of the Master Restructuring Agreement, Manulife US REIT obtained a waiver of the breach in addition to an extension of all loan maturities of the existing facilities by one year, and a temporary amendment of financial covenants such that Unencumbered Gearing Ratio for any measurement period (being a period of 12 months ending on the last day of each financial year of Manulife US REIT) is not more than 80:100 and Bank Interest Coverage Ratio shall be no less than 1.5 times, till 31 December 2025, unless the Early Reinstatement Conditions are achieved earlier. The Group has complied with the amended financial covenants as at 30 June 2025 and expects to continue complying with these amended covenants up till 31 December 2025, when the temporary amendment will cease and the covenants will revert to the original thresholds specified within the facility agreements. Prior to this, the Manager expects to renegotiate the financial covenants under the facility agreements to remain compliant with these covenants.

As disclosed in Notes 2.2 and 5, along with the amended covenants mentioned above, Manulife US REIT is also required to meet the 2025 Net Proceeds Target by the Disposal Deadline. The Manager announced on 23 May 2025 that it had obtained consent from the lenders to extend the Disposal Deadline to 31 December 2025, as well as the approval for the Additional Debt Repayment which was completed on 2 July 2025.

For details on the Group's plans, progress and expectations in meeting the 2025 Net Proceeds Target, and the implications of not meeting the 2025 Net Proceeds Target, refer to Note 2.2.

6 Loans and borrowings (cont'd)

Interest coverage ratio

As set out in the revised CIS Code effective from 28 November 2024, the ICR is calculated by dividing the trailing 12 months' earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation) (the "EBITDA"), by the trailing 12 months' interest expense, borrowing-related fees and distributions on hybrid securities. During the period ended 30 June 2025, the Group did not have any hybrid securities.

A sensitivity analysis for the Group's ICR is set out in the table below:

	30 June 2025	Assuming 10% decrease in EBITDA	Assuming 100 basis points increase in weighted average interest rate
Interest coverage ratio (times)	1.6	1.4	1.4
Interest coverage ratio, excluding Sponsor-Lender exit premium and one-off fee in relation to the MRA 2024 Net Proceeds Target (times)	1.9	1.7	1.6

Excluding the Sponsor-Lender exit premium and the one-off fee incurred in relation to the MRA 2024 Net Proceeds Target, the Group's ICR would have been 1.9 times. The Manager will continue to maintain prudent capital management and will seek to improve the Group's interest coverage ratio through various strategies, including:

- Continue repaying loans and reinvesting the capital into higher-yielding asset classes;
- Focusing on leasing and asset management strategies to improve EBITDA;
- Exploring refinancing options for higher-interest debt; and
- Managing interest rate risk in line with the Group's hedging policy.

The details of credit facilities as at 30 June 2025 and 31 December 2024 are set out below:

	30 June 2025		31 December 2024	
	Facility amount US$'000	Utilised US$'000	Facility amount US$'000	Utilised US$'000
Group and Trust				
Unsecured				
Trust-level term loans	665,000	447,014	850,000	608,014
Sponsor-Lender Loan	137,000	137,000	137,000	137,000
Committed revolving credit facility	50,000	-	50,000	-
	852,000	584,014	1,037,000	745,014

7 Preferred units

	Group	
	30 June 2025 US$'000	31 December 2024 US$'000

As at 1 January	822	904
Redemption of preferred units (net of transaction costs)	(163)	(82)
As at 30 June / 31 December	659	822

7 Preferred units (cont'd)

In connection with the divestments of Plaza and Peachtree during the financial period ended 30 June 2025, Hancock S-REIT SECA LLC, which held the Plaza property, and Hancock S-REIT ATL LLC, which held the Peachtree property, redeemed all outstanding preferred units held by the preferred unitholders on 10 March 2025 and 11 June 2025 respectively. The total cash paid for the redemption of approximately US$0.2 million was funded from internal resources.

In connection with the divestment of Capitol during the financial year ended 31 December 2024, Hancock S-REIT Sacramento LLC, which held the Capitol property, redeemed all outstanding preferred units held by the preferred unitholders on 21 November 2024 and the total cash paid for the redemption of approximately US$0.1 million was funded from internal resources.

8 Units in issue and to be issued

	Group and Trust			
	2025		2024	
	No of Units ’000	US$’000	No of Units ’000	US$’000
Units in issue				
As at 1 January/30 June	1,776,565	1,227,728	1,776,565	1,227,728
Units to be issued				
Manager’s base fee payable in Units[a][b]	35,541	7,985	35,541	7,985
Property management fees payable in Units[a][b]	23,018	5,132	23,018	5,132
	58,559	13,117	58,559	13,117
Total Units issued and to be issued as at 30 June	1,835,124	1,240,845	1,835,124	1,240,845

Footnotes:

a. The Manager deferred the issuance of units in Manulife US REIT in relation to the Manager’s base fee and the Property Manager’s management fee for the periods from 1 July 2022 to 31 December 2022 (“2H 2022”) and 1 January 2023 to 30 June 2023 (“1H 2023”) to a date where the Manager is satisfied that such issuance would be in compliance with the unit ownership limit of 9.8% prescribed in the Trust Deed.

b. There are 21,859,395 Units to be issued in satisfaction of the Manager’s base fee and Property Manager’s management fee for 2H 2022 based on the volume weighted average price for the last 10 Business Days immediately preceding 31 December 2022 of US$0.3118, and 36,699,067 Units to be issued in satisfaction of the Manager’s base fee and Property Manager’s management fee for 1H 2023 based on the volume weighted average price for the last 10 Business Days immediately preceding 30 June 2023 of US$0.1717. 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 31 December 2022 and 30 June 2023 respectively, 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 2025 and 31 December 2024. The total number of issued Units in Manulife US REIT as at 30 June 2025 and 31 December 2024 was 1,776,565,421.

9 Net asset value per Unit

	Note	Group		Trust	
		30 June 2025	31 December 2024	30 June 2025	31 December 2024
Net asset value per Unit is based on:					
- Net assets (US$'000)[a]		382,057	430,632	381,809	430,378
- Total Units issued and to be issued at end of period ('000)	8	1,835,124	1,835,124	1,835,124	1,835,124

Footnotes:

a. Net asset value and net tangible asset are the same as there are no intangible asset as at 30 June 2025 and 31 December 2024.

10 Finance expenses

	Group	
	1H 2025 US$'000	1H 2024 US$'000
Interest expense on loans and borrowings	15,396	19,215
Amortisation of upfront debt-related transaction costs[a]	879	1,039
Exit premium on Sponsor-Lender Loan	2,006	1,803
Dividends on preferred units	64	76
Redemption of preferred units[b]	67	-
Commitment and financing fees[c]	183	137
	18,595	22,270

Footnotes:

a. Upfront debt-related transaction costs, including costs in relation to the Master Restructuring Agreement, are amortised over the remaining term of the loans and borrowings.

b. Following the completion of the divestment of Peachtree and Plaza, Hancock S-REIT ATL LLC, which held the Peachtree property, and Hancock S-REIT SECA LLC, which held the Plaza property, each redeemed all outstanding preferred units held by the preferred unitholders on 11 June 2025 and 10 March 2025 respectively.

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

11 Tax expense

	Group	
	1H 2025 US$'000	1H 2024 US$'000
Current tax expense		
Income tax	63	170
Withholding tax[a]	179	273
	242	443
Deferred tax expense		
Movement in temporary differences	-	695
	242	1,138

Footnotes:

a. Withholding tax is incurred as a result of halting distributions, allocable to Unitholders who fail to submit a valid U.S. tax form.

12 Earnings per Unit ("EPU")

Basic earnings per Unit is based on:

	Group	
	1H 2025	**1H 2024**
Net (loss)/income for the period (US$'000)	(48,575)	15,854

	30 June 2025 No. of Units	**30 June 2024 No. of Units**
Weighted average number of Units in issue and issuable ('000)	1,835,124	1,835,124

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 2025									
Financial assets									
Financial derivatives		-	8,163	-	8,163	-	8,163	-	8,163
Financial liabilities									
Loans and borrowings	6	-	-	590,488	590,488	-	-	590,488	590,488
Financial derivatives		-	19	-	19	-	19	-	19
Preferred units	7	-	-	920	920	-	-	-	-
31 December 2024									
Financial assets									
Financial derivatives		-	14,662	-	14,662	-	14,662	-	14,662
Financial liabilities									
Loans and borrowings	6	-	-	745,928	745,928	-	-	745,928	745,928
Preferred units	7	-	-	1,150	1,150	-	-	-	-

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:

	Group	
	1H 2025 US$'000	1H 2024 US$'000
Rental received/receivable from a related party	226	338
Interest expense paid/payable pursuant to the Sponsor-Lender Loan	4,994	5,040
Manager's divestment fee paid/payable	835	-
Manager's base fee paid/payable	1,658	2,539
Property manager's management fee paid/payable	1,600	2,156
Trustee's fee paid/payable	114[1]	115
Leasing fees to a related party	85	350
Construction supervision fees to a related party	31	196
Reimbursements to a related party	125	180

1 Including fees for the disposal of investment properties

15 Financial ratios

	Group	
	1H 2025 %	1H 2024 %
Ratio of expenses to weighted average net assets[1]		
- including performance component of the Manager's management fees	1.19	1.44
- excluding performance component of the Manager's management fees	1.19	1.44
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.

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 2025.

(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 2025.

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 2025 US$'000	**1H 2024 US$'000**	**Change %**
Consolidated Statement of Comprehensive Income			
Gross revenue	60,365	86,740	(30.4)
Property operating expenses	(30,199)	(43,941)	(31.3)
Net property income	**30,166**	**42,799**	**(29.5)**
Interest income	859	1,799	(52.3)
Manager's base fee	(1,658)	(2,539)	(34.7)
Trustee's fee	(95)	(115)	(17.4)
Other trust expenses	(1,014)	(1,378)	(26.4)
Finance expenses	(18,595)	(22,270)	(16.5)
Net income before tax and fair value changes	**9,663**	**18,296**	**(47.2)**
Net fair value change in derivatives	(6,518)	(5,128)	27.1
Net fair value change in investment properties	(48,155)	3,824	N.M.
Loss on disposal of investment property	(3,323)	-	N.M.
Net (loss)/income before tax	**(48,333)**	**16,992**	**N.M.**
Tax expense	(242)	(1,138)	(78.7)
Net (loss)/income attributable to Unitholders	**(48,575)**	**15,854**	**N.M.**

	1H 2025 US$'000	1H 2024 US$'000	Change %
<u>**Distribution Statement**</u>			
Net (loss)/income for the period	(48,575)	15,854	N.M.
Distribution adjustments	63,500	6,999	>100
Income available for distribution to Unitholders	**14,925**	**22,853**	**(34.7)**
Distribution amount to Unitholders	**-**	**-**	**N.M.**

N.M.: Not meaningful

1H 2025 vs 1H 2024

Gross revenue of US$60.4 million for 1H 2025 was lower by US$26.4 million or 30.4%, of which US$18.5 million was due to the divestment of Capitol, Plaza and Peachtree in October 2024, February 2025 and May 2025 respectively. This was in addition to lower revenue as a result of higher vacancies, specifically at Diablo, as well as lower recoveries income on the back of a reduction in current and prior years' property tax.

Property operating expenses for 1H 2025 was US$30.2 million, a decrease of US$13.7 million or 31.3% from 1H 2024, of which US$9.2 million was due to the divested properties. In addition, property operating expenses for the remaining properties was lower compared to 1H 2024, mainly due to a reduction in current and prior years' property tax at Figueroa and Michelson as a result of successful appeals.

As a result of the above, the net property income for 1H 2025 was US$30.2 million, a decrease of US$12.6 million or 29.5% from 1H 2024.

Interest income of US$0.9 million for 1H 2025 was US$0.9 million or 52.3% lower than 1H 2024 as a result of lower interest rates earned on interest-bearing bank accounts and lower balances placed in short-term deposits. Finance expenses for 1H 2025 was US$18.6 million, which is a decrease of US$3.7 million or 16.5% from 1H 2024 mainly due to loan repayments using divestment proceeds in November 2024, March 2025 and June 2025.

The Manager's base fee was US$1.7 million or 34.7% lower than 1H 2024 due to a decrease in income available for distribution to Unitholders.

Net fair value loss on derivatives of US$6.5 million recognised in 1H 2025 was attributable to the fair valuation of interest rate swaps entered into to hedge against interest rate exposures.

Net fair value loss of US$48.2 million and realised loss on disposal of US$3.3 million in 1H 2025 was mainly due to the divestment of Plaza and Peachtree in February 2025 and May 2025 respectively, while the net fair value gain of US$3.8 million in 1H 2024 resulted mainly from the effect of amortisation and straight-line rent accounting adjustments.

Tax expense of US$0.2 million for 1H 2025 relates mainly to withholding tax expense incurred in relation to the halting of distributions. Compared to 1H 2024, this was lower by US$0.9 million or 78.7% mainly due to the absence of deferred tax expense.

Due to the effects of the above, the Group recorded a net loss of US$48.6 million in 1H 2025, compared to the net income of US$15.9 million in 1H 2024. After adjusting for net fair value changes and other distribution adjustments, income available for distribution to Unitholders for 1H 2025 was US$14.9 million, 34.7% lower than 1H 2024. Pursuant to the Recapitalisation Plan and the Master Restructuring Agreement, Manulife US REIT has halted distributions to Unitholders till 31 December 2025, unless the Early Reinstatement Conditions are achieved earlier.

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

As we progress through 2025, U.S. economic indicators continue to demonstrate resilience. Real GDP growth rebounded to a robust 3.0% growth rate in Q2 2025 from -0.5% for Q1 2025. Inflation remains stable at 2.7% in July 2025, with notable contributions from rises in food and energy prices as captured in the Consumer Price Index. The labour market slowed in the last three months, with the 3-month average nonfarm job gains expected to be 35,000 in July 2025, compared to 127,000 in April 2025. As of July 2025, unemployment rate was 4.2%. The Federal Reserve has opted to hold rates steady, reflecting a cautious "wait and see" approach amidst ongoing tariff and inflationary pressures linked to President Trump’s recent trade negotiations with Japan, the European Union, and China. Despite global economic uncertainties, U.S. equities markets are sustaining near-record levels, offering an optimistic outlook for the remainder of 2025.

In the realm of commercial real estate, the office leasing market is making notable strides in its post-pandemic recovery, per insights from JLL. Active space requirements have surged by 5.8% quarter-over-quarter, reaching demand levels not seen since Q4 2021. While some occupancy losses persist, there is a marked improvement in downsizing rates over the past year. Larger tenants approaching lease expirations have trimmed their footprints by a mere 2.8% over the past year, a significant reduction from the over 11% seen in the prior year. Office leasing volume for Q2 stood at 49.2 million square feet, reflecting a modest decline of 2.2%. This dip (-1.6% QoQ) is largely attributable to cautious sentiments driven by trade policy and federal budget changes, impacting certain industries disproportionately. Nonetheless, availability rates have declined for the fourth consecutive quarter, with an additional reduction of 10 basis points in Q2, suggesting a gradual tightening in market conditions.

Manulife US REIT’s committed occupancy of 68.4% and a long WALE of 4.6 years provide some buffer to withstand additional market uncertainty from a choppy economy and recovering occupational market in the office sector, but the portfolio remains susceptible to secular reductions in overall demand from office tenants. With the Recapitalisation Plan in place, the Manager will be able to leverage on the disposition mandate adopted during the EGM to optimise Manulife US REIT’s portfolio. At the same time, the Manager will continue to focus on asset, lease and capital management in addition to its commitment to sustaining and enhancing environmental, social and governance (ESG).

VI DISTRIBUTION

(a) Current financial period
(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the current period or the corresponding period of the immediately preceding financial period?	Pursuant to the Recapitalisation Plan, the approval of the resolutions during the EGM, and the entry into the Master Restructuring Agreement, Manulife US REIT has halted distributions to Unitholders till 31 December 2025, unless the Early Reinstatement Conditions are achieved earlier.

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 2025, 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)

Marc Feliciano Director	Professor Francis Koh 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

Daphne Chua
Company Secretary
MANULIFE US REAL ESTATE MANAGEMENT PTE. LTD.
AS MANAGER OF MANULIFE US REIT
(Company registration no. 201503253R)
14 August 2025