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 PEACHTREE LOCATED IN ATLANTA, GEORGIA

*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 ATL LLC (the "**Seller**"), is selling the property known as Peachtree (the "**Peachtree Divestment**") located at 1100 Peachtree Street NE, Atlanta, Fulton County, Georgia 30309 (the "**Property**") to SSC VII INVESTOR, LLC, an unrelated third-party purchaser (the "**Purchaser**"), at a sale price of US$133.75 million.

2. INFORMATION ON THE PROPERTY

The Property, located in Atlanta, Georgia, is a freehold 28-storey Class A office building with net lettable area ("**NLA**") of 560,629 square feet as at 31 December 2024. As at 31 December 2024, the Property is 77.0% occupied with a weighted average leased to expiry of 5.0 years (by NLA).

3. PRINCIPAL TERMS OF THE PEACHTREE DIVESTMENT

3.1 Consideration and Valuation

The consideration of US$133.75 million (the "**Consideration**") is subject to the Seller's credit and customary closing prorations and adjustments. The Consideration of US$133.75 million, less the estimated Seller's credit of approximately US$12.6 million[1] for outstanding

1 As set out in PSA, the estimated seller's credit is subject to closing adjustments. The actual amount of seller's credit may reduce as payment continues to be made prior to completion. As at the date of this announcement, the estimated seller's credit is US$12.6 million, but the actual seller's credit on completion may be less than this.

tenant improvement allowances, capital expenditure costs, free rent and lease commissions (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 (the "**Valuer**"), to value the Property. Using the income capitalisation approach which consists of the discounted cash flow method and direct capitalisation method, the Valuer valued the Property at US$133.4 million as at 28 April 2025.

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$0.6 million, being 0.5% of the net Consideration of US$121.1 million.

The Peachtree Divestment is expected to complete within 2Q 2025. Upon completion, Manulife US REIT will own seven properties in the U.S. with an aggregate NLA of approximately 3.5 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 depositing an initial US$2.5 million deposit and an additional US$5.0 million following the expiration of the due diligence period;

(ii) the Purchaser shall forfeit its aggregate deposit of US$7.5 million should it 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 covenants, representations and warranties;

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

(iv) 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 representations of the PSA. In relation to the existing leases of the Property, the Seller and Purchaser have agreed under the PSA that prior to the close of the Peachtree Divestment, the Seller shall terminate the lease of a specified tenant in default of its lease, at the Seller's sole cost and expense; and

(v) to the extent that the Seller's representations, covenants and warranties under the PSA survive the closing, they will survive for a period of nine months, and Purchaser shall have the right to assert claims against the Seller arising out of any and all misrepresentations or breaches of any covenant or warranty by the Seller under the PSA or in any closing document if the actual losses or damages sustained by the Purchaser exceed US$100,000, up to a maximum aggregate amount of 1.5% of the Consideration.

3.3 Conditions Precedent

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 lenders to Manulife US REIT.

The above-mentioned approvals have not been obtained as at the date of this announcement.

Pursuant to the terms of the Master Restructuring Agreement dated 18 December 2023 as announced in the announcement titled "Entry into Master Restructuring Agreement" on 18 December 2023, it was provided that Manulife US REIT may sell up to two Tranche 2 Assets (as defined in the Circular dated 29 November 2023). As mentioned in the Circular, the sale of more than two Tranche 2 Assets would require the requisite approval of the lenders. Manulife US REIT had previously sold two Tranche 2 Assets, being Capitol and Plaza, and the Property is another Tranche 2 Asset. Accordingly, approval of all the lenders is required for the sale of the Property. The Manager is currently in discussions with the lenders to seek their approval for the sale of the Property. However, there is no assurance that approval would be obtained, or even if the approval is obtained, the lenders may require additional conditions, such as requiring additional amounts to repay the loans. The Manager will release further announcement(s) as and when required.

4. RATIONALE FOR THE PEACHTREE DIVESTMENT

The rationale for the Peachtree Divestment is as follows:

4.1 Net proceeds from the Peachtree Divestment will allow Manulife US REIT to repay additional loans

The Manager intends to fully utilise the net sales proceeds from the Peachtree Divestment to make an early partial repayment of Manulife US REIT's outstanding loans due in 2026. The proceeds will enable Manulife US REIT to pay down approximately 58% of the US$203.9 million of loans maturing in 2026. Including the repayment of US$40.0 million in March 2025 from the proceeds of the divestment of Plaza[2] (the "**Plaza Divestment**"), Manulife US REIT will be able to reduce a substantial portion (~78%) of its debts due in 2026, with approximately US$45.1 million of debt remaining.

2 For further information, please refer to the announcement titled "Completion of Divestment of Property Known as Plaza Located in Secaucus, New Jersey" dated 26 February 2025.

Along with the previous divestment of Capitol[3] (the "**Capitol Divestment**") and the Plaza Divestment, the repayment from the Peachtree Divestment as well as cash contribution from the balance sheet will bring the total debt repayment to close to US$290 million since November 2024. The Manager remains in active discussions on the divestment of additional properties. It is the Manager's intention to continue paying down outstanding loans to mitigate risk and improve financial flexibility amidst an uncertain environment.

4.2 Peachtree Divestment improves financial ratios on a pro forma basis

For illustrative purposes only, assuming that as at 31 December 2024, the Plaza Divestment and the Peachtree Divestment were completed with net sales proceeds fully used to repay existing loans, Manulife US REIT's pro forma aggregate leverage is expected to improve to 57.7% from 60.8% and pro forma weighted average interest cost is expected to reduce to 4.07% from 4.53%. The pro forma weighted average debt maturity will also be extended to 3.3 years from 2.9 years.

4.3 The Manager's top priority is risk management to enable Manulife US REIT to meet its debt obligations amidst challenging U.S. market conditions

The heightened economic uncertainty surrounding trade policies, on top of ongoing challenges which continue to hamper office transactions such as remote and hybrid work arrangements and lack of financing, have created a challenging commercial real estate environment. In view of these headwinds, the Manager believes that it would be in the interests of Unitholders to divest Peachtree as the Peachtree Divestment will provide Manulife US REIT with liquidity and the flexibility to make an early repayment of its upcoming debt maturities.

Following the Capitol Divestment and the Plaza Divestment, the Peachtree Divestment would enable Manulife US REIT to make a significant and positive step towards the 'recovery' phase of its strategic roadmap. It will allow the REIT to achieve ~82% of its minimum cumulative net sales proceeds target of US$328.7 million under the Master Restructuring Agreement ("**MRA**"), putting the REIT in a stronger position to negotiate a path for recovery and growth with its lenders.

The Manager plans to reposition the portfolio for growth through diversification by pursuing opportunities in other real estate sectors and permissible alternative real estate investments that offer attractive and accretive cash yields and are less capital intensive. The Manager will also leverage its Sponsor's global real estate platform and in-house capabilities to capitalise on value opportunities in the dislocated U.S. real estate market for the benefit of Unitholders.

(Please refer to paragraph 4 of the Letter to Unitholders in the Circular dated 29 November 2023 for further details on the rationale and benefits of the Peachtree Divestment pursuant to the Disposition Mandate as part of the Recapitalisation Plan.)

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3 For further information, please refer to the announcement titled "Completion of Divestment of Property Known as Capitol Located in Sacramento, California" dated 29 October 2024.

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

5.1 Use of sale proceeds

After taking into account the Peachtree Divestment related expenses, the net proceeds from the Peachtree Divestment are approximately US$118.8 million, resulting in an estimated net loss from the Peachtree Divestment of approximately US$52.5 million[4] for the financial year ending 31 December 2025. The net proceeds of the Peachtree Divestment will be fully used to repay debt.

5.2 *Pro forma* financial effects

The *pro forma* financial effects of the Peachtree 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 audited financial statements of Manulife US REIT for the financial year ended 31 December 2024 ("**FY 2024**", and the audited financial statements for FY 2024, the "**FY 2024 Audited Financial Statements**") and the respective assumptions set out below:

(i) the Peachtree Divestment had been completed with net proceeds of approximately US$118.8 million fully used to repay debt;

(ii) the Plaza Divestment had been completed, with net proceeds used to repay US$40.0 million debt (the "**Plaza Debt Repayment**"); and

(iii) the Capitol Divestment had been completed, with net proceeds and existing cash used to repay US$130.7 million of debt (the "**Capitol Debt Repayment**").

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4 The estimated net loss on disposal is calculated by subtracting the net proceeds from the Peachtree Divestment (after deducting the estimated divestment related expenses) from the book value of the Property of US$167.9 million as at 30 April 2025, adjusted for capital expenditure estimated up to the closing date of US$3.4 million.

(i) FY 2024 *Pro Forma* DPU

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

	FY 2024 Audited Financial Statements	After the Peachtree Divestment	After the Peachtree Divestment, Plaza Divestment and Debt Repayment, and Capitol Divestment and Debt Repayment
Income available for distribution to Unitholders ("**DI**") (US$ '000)	38,260	33,440	26,867
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	1.88	1.51
DPU dilution (%)[1]	-	(12.6)	(29.8)

Note:
(1) Subject to rounding difference.

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

The *pro forma* financial effects of the Peachtree Divestment with net proceeds used to fully repay debt, as well as the Plaza Divestment and Debt Repayment, as if the respective transactions were completed on 31 December 2024, are as follows:

	FY 2024 Audited Financial Statements	After the Peachtree Divestment	After the Peachtree Divestment, and Plaza Divestment and Debt Repayment
NAV (US$ '000)	430,632	384,449	380,454
Units in issue and to be issued ('000)	1,835,124	1,835,124	1,835,124
NAV per Unit (US$)	0.23	0.21	0.21

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

The *pro forma* financial effects of the Peachtree Divestment with net proceeds used to fully repay debt, as well as the Plaza Divestment and Debt Repayment, as if the respective transactions were completed on 31 December 2024, are as follows:

	FY 2024 Audited Financial Statements	After the Peachtree Divestment	After the Peachtree Divestment, and Plaza Divestment and Debt Repayment
Gross borrowings (US$ ’000)	745,014	626,264	586,264
Total assets (US$ ’000)	1,224,664	1,060,064	1,016,194
Aggregate leverage (%)	60.8	59.1	57.7

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 Peachtree Divestment.

6.2 Directors’ Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Peachtree Divestment or any other transactions contemplated in relation to the Peachtree 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 Peachtree Divestment using the applicable bases of comparison described above are set out in the table below.

Comparison of:	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	164.6	430.6(1)	38.2
Rule 1006(b) Net profits attributable to the asset disposed of, compared with Manulife US REIT's net profits	(5.0)	(178.1)(1)	2.8
Rule 1006(c) Aggregate value of the consideration to be received, compared with Manulife US REIT's market capitalisation	121.1(2)	110.9(3)	109.2

Notes:

(1) Based on the audited 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$12.6 million, excluding divestment related costs.

(3) Based on 1,776,565,421 Units in issue and the weighted average price of US$0.0624 per Unit on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on the market day preceding the date of this Announcement.

Based on the relative figures as computed on the bases set out in Rules 1006(a) and 1006(c) of the Listing Manual, the Peachtree Divestment is classified as a major transaction under Chapter 10 of the Listing Manual. The prior approval of the Unitholders is not required as the Manager is relying on the Disposition Mandate for the Peachtree 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.

Terms	Compliance
(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 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 (as defined in the Circular as the proposed divestment of Park Place)) as required by the Lenders under the terms of the restructuring of the Existing Facilities.	The Manager is divesting the Property to fulfil the objectives of the Disposition Mandate.
(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 is appointed by the Trustee and the Manager to value the Property as at 28 April 2025, 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).

Terms	Compliance
(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 Consideration from the Proposed Divestment (as defined in the Circular as the proposed divestment of Park Place)) exceed US$328.7 million; or (c) if the Early Reinstatement Conditions are achieved.	The 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.
(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 Peachtree Divestment is being conducted pursuant to the terms of the Disposition Mandate.

Terms	Compliance
(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

11 May 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.