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Manulife

US REIT

MANULIFE US REAL ESTATE INVESTMENT TRUST

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

ACQUISITION OF 10 EXCHANGE PLACE, JERSEY CITY, HUDSON COUNTY, NEW JERSEY AND THE RIGHTS ISSUE

1. INTRODUCTION

1.1 The Acquisition

Manulife US Real Estate Management Pte. Ltd., in its capacity as manager of Manulife US Real Estate Investment Trust ("**Manulife US REIT**", and the manager of Manulife US REIT, the "**Manager**"), is pleased to announce that Manulife US REIT, through its indirect wholly owned subsidiary, has entered into a sale and purchase agreement ("**Purchase Agreement**") with John Hancock Life Insurance Company (U.S.A.) (the "**JHUSA**") to acquire the property located at 10 Exchange Place in Jersey City, Hudson County, New Jersey (the "**Property**") (the "**Acquisition**").

1.2 The Rights Issue

To finance the Acquisition, the Manager proposes to undertake an underwritten and renounceable rights issue (the "**Rights Issue**") of 299,288,423 new units in Manulife US REIT ("**Rights Units**") to raise gross proceeds of approximately US$208.0 million.

DBS Bank Ltd. and Deutsche Bank AG, Singapore Branch have been appointed as the joint lead managers and underwriters for the Rights Issue (the "**Joint Lead Managers and Underwriters**").

DBS Bank Ltd. was the Sole Financial Adviser and Issue Manager for the initial public offering of Manulife US Real Estate Investment Trust (the "**Offering**"). DBS Bank Ltd., China International Capital Corporation (Singapore) Pte. Limited, Credit Suisse (Singapore) Limited and Deutsche Bank AG, Singapore Branch were the Joint Bookrunners and Underwriters for the Offering.

To demonstrate its support for Manulife US REIT and the Rights Issue, each of Manulife (International) Limited ("**MIL**") and Manufacturers Life Reinsurance Limited ("**MLRL**"), which are wholly owned subsidiaries of The Manufacturers Life Insurance Company (the "**Sponsor**"), has on 2 September 2017 provided an irrevocable undertaking (the "**Manulife Irrevocable Undertakings**") to each of (a) the Manager and (b) the Joint Lead Managers and Underwriters that it will accept and/or procure its nominees(s) or custodian(s) of MIL or MLRL (the "**Relevant Entities**") to subscribe and pay in full for their total provisional allotment of Rights Units.

This commitment by MIL and MLRL represents in aggregate approximately 7.43% of the Rights Units to be issued pursuant to the Rights Issue.

It should be noted that the Manulife Irrevocable Undertakings may be terminated upon the occurrence of certain events, including if performing MIL's or MLRL's respective obligations under the Manulife Irrevocable Undertakings will cause MIL or MLRL to be in breach of applicable laws, regulations or order of court or regulatory body issued after the date of Manulife Irrevocable Undertakings.

2. INFORMATION ON THE PROPERTY

The Property is a 30-storey Class A office building located at 10 Exchange Place in Jersey City, Hudson County, New Jersey, with an NLA of 730,598 sq ft. The Property enjoys prominent frontage along the Hudson River waterfront, facing the financial district of midtown Manhattan. It is situated in a "live, work, play" environment, with around-the-clock amenities, street life, and recently constructed residential developments.

Various facilities are available to the tenants of the Property, including a newsstand, on-site food service options, as well as in-building parking located on the second to sixth floors with a total of 467 parking lots.

The Property has outstanding access to public transportation infrastructure. The Exchange Place PATH[1] Station is located adjacent to the Property and provides direct access to the World Trade Center Station in lower Manhattan. The Hudson-Bergen Light Rail train runs along Hudson Street, immediately behind the Property and the New York Waterways Ferries terminal, which provides ferry services to Manhattan, is within walking distance of the Property. As such, the Property is attractive to tenants who desire close proximity to Manhattan but do not want to pay Manhattan-level rents for their operations.

The Property is a 2011 "The Outstanding Building of the Year (TOBY)" award winner[2].

1 Port Authority Trans-Hudson ("**PATH**") is a rapid transit system serving Newark, Harrison, Hoboken, and Jersey City in metropolitan northern New Jersey, as well as lower and midtown Manhattan in New York City. The PATH is operated by, and named after, the Port Authority of New York and New Jersey. PATH trains run 24 hours a day and 7 days a week.

2 Awarded by the Building Owners and Managers Association (New Jersey).

Purchase Consideration	US$317.2 million(1)
Net Lettable Area (sq ft)	730,598
Number of Storeys	30
Year Built	1988
Committed Occupancy (as at 31 July 2017)	93.1%
Number of Tenants (as at 31 July 2017)	25
WALE by Net Lettable Area (as at 31 July 2017)	5.7 years

Note:

(1) The Purchase Consideration comprises the purchase price of US$313.2 million and settlement adjustments estimated at US$4.0 million. The settlement adjustments include, among other items, purchase price impact of new leases at the Property under negotiation and capital improvements (if any) and leasing costs that have been paid by JHUSA and are to be reimbursed by Manulife US REIT to JHUSA, which will be paid at the closing of the Acquisition. The settlement adjustment of US$4.0 million is based on estimates as at 28 August 2017. The final settlement adjustments may differ from the estimates provided above.

3. DETAILS OF THE ACQUISITION

3.1 Purchase Consideration and Valuation

The purchase consideration payable to JHUSA in connection with the Acquisition is US$317.2 million (comprising the purchase price of US$313.2 million and settlement adjustments[1] estimated at US$4.0 million) (the "**Purchase Consideration**") and was negotiated on a willing-buyer and willing-seller basis after taking into account the two independent valuations of the Property by the Independent Valuers (as defined below).

The Manager has commissioned an independent property valuer, RERC, LLC ("**RERC**"), and DBS Trustee Limited, in its capacity as trustee of Manulife US REIT (the "**Trustee**") has commissioned another independent property valuer, Colliers International Valuation & Advisory Services, LLC ("**Colliers**", and together with RERC, the "**Independent Valuers**"), to value the Property.

The Independent Valuers have valued the Property primarily based on the income capitalisation approach to value and supported by the sales comparison approach. The income capitalisation approach consisted of a discounted cash flow analysis and a direct capitalisation method.

The following table sets out the appraised values of the Property, the respective dates of such appraisal and the Purchase Consideration:

1 Settlement adjustments include, among other items, purchase price impact of new leases at the Property under negotiation and capital improvements (if any) and leasing costs that have been paid by JHUSA and are to be reimbursed by Manulife US REIT to JHUSA, which will be paid at the closing of the Acquisition. The settlement adjustment of US$4.0 million is based on estimates as at 28 August 2017. The final settlement adjustments may differ from the estimates provided above.

Appraised Value		Purchase Consideration (excluding the settlement adjustments)[(1)] (US$ million)
By RERC as at 11 July 2017 (US$ million)	By Colliers as at 18 July 2017 (US$ million)	
336.0	330.0	313.2

Note:

(1) Settlement adjustments are estimated at US$4.0 million. The settlement adjustments include, among other items, purchase price impact of new leases at the Property under negotiation, and capital improvements (if any) and leasing costs that have been paid by JHUSA and are to be reimbursed by Manulife US REIT to JHUSA, which will be paid at the closing of the Acquisition. The settlement adjustment of US$4.0 million is based on estimates as at 28 August 2017. The final settlement adjustments may differ from the estimates provided above.

The purchase price of the property at US$313.2 million represents a discount of 6.8% to RERC's appraised value of US$336.0 million and a discount of 5.1% to Colliers' appraised value of US$330.0 million. These discounts exclude the impact of settlement adjustments amounting to US$4.0 million.

3.2 Estimated Total Acquisition Cost

The total cost of the Acquisition (the "**Total Acquisition Cost**") is currently estimated to be approximately US$332.0 million, comprising:

3.2.1 the Purchase Consideration of US$317.2 million payable to JHUSA in connection with the Acquisition, comprising the purchase price of US$313.2 million and settlement adjustments[1] estimated at US$4.0 million;

3.2.2 an acquisition fee of approximately US$2.4 million (the "**Acquisition Fee**") payable in units of Manulife US REIT ("**Units**") to the Manager pursuant to the Trust Deed dated 27 March 2015 constituting Manulife US REIT (as amended and restated)[2];

3.2.3 acquisition-related expenses (including title insurance, land transfer taxes and other costs) of US$4.0 million; and

3.2.4 the estimated professional and other transaction fees and expenses of approximately US$8.4 million incurred or to be incurred by Manulife US REIT in connection with the financing and equity fund raising related expenses.

3.3 Method of Financing

The current intention of the Manager is to finance the Total Acquisition Cost with debt financing and proceeds from the Rights Issue. However, the Acquisition Fee in relation to the Acquisition is to be paid in the form of Units.

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1 The settlement adjustments include, among other items, purchase price impact of new leases at the Property under negotiation and capital improvements (if any) and leasing costs that have been paid by JHUSA and are to be reimbursed by Manulife US REIT to JHUSA, which will be paid at the closing of the Acquisition. The settlement adjustment of US$4.0 million is based on estimates as at 28 August 2017. The final settlement adjustments may differ from the estimates provided above.

2 As the Acquisition will constitute an "**interested party transaction**" under Appendix 6 of the Code on Collective Investment Schemes (the "**Property Funds Appendix**"), the Acquisition Fee is payable to the Manager in Units, and the Acquisition Fee Units shall not be sold within one year from the date of issuance in accordance with Paragraph 5.7 of the Property Funds Appendix.

The final decision regarding the proportion of equity and debt financing for funding the proposed Acquisition will be made by the Manager at the appropriate time taking into account the then prevailing market conditions and interest rate environment, availability of alternative funding options, the impact on Manulife US REIT's capital structure, distributions per Unit ("**DPU**") and debt expiry profile and the covenants and requirements associated with each financing option.

3.4 Establishment of Subsidiaries

In connection with the Acquisition, Manulife US REIT has established the following entities:

3.4.1 Manulife US REIT Beta 3 (Singapore) Pte. Ltd.[1]; and

3.4.2 Hancock S-REIT JCITY Corp. (the "**Sub US REIT**")[2].

3.5 Purchase Agreement

The key terms of the Purchase Agreement include the following:

3.5.1 Under the Purchase Agreement, the Sub US REIT will acquire the real estate, buildings, improvements and other related assets constituting the Property.

3.5.2 The Sub US REIT has until 22 September 2017 at 5:00 p.m. Eastern Daylight Time to perform due diligence with respect to the Property including certain environmental diligence and review of JHUSA provided property-level documentation such as surveys, title insurance policies, leases and other contracts affecting the Property, and environmental reports and property information. The Sub US REIT will also conduct its own review of title during the same period.

3.5.3 The Sub US REIT has the right to terminate the Purchase Agreement for any reason prior to 22 September 2017 at 5:00 p.m. Eastern Daylight Time. The Sub US REIT may also terminate the Purchase Agreement, upon notice and subject to certain cure rights by the vendor to elect to attempt to repair the damage, if 5% or more of the net rentable area of the Property is rendered completely untenantable due to damage caused by fire, lightning or other casualty or eminent domain.

3.5.4 The Purchase Agreement conveys the Property "AS IS, WHERE IS" with limited representations and warranties by each of the parties. The Sub US REIT's right to make a claim as a result of a breach of a representation by the vendor will be subject to certain limitations, including a maximum aggregate cap on damages of up to US$5,000,000 for most breaches.

3.5.5 The Sub US REIT's obligation to acquire the Property is subject to certain conditions, including: performance of the vendor's obligations under the Purchase Agreement in all material respects; delivery of tenant estoppels acceptable to the Sub US REIT from or for specified major tenants and not less than 75% of the total rental square footage of the Property; subject to agreed-to exceptions, the accuracy of the vendor's representations in all material respects; the irrevocable

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1 Issue and paid-up capital of US$2.00.

2 The Sub US REIT will form a taxable REIT subsidiary, Hancock S-REIT JCITY TRS Corp. prior to the completion of the Acquisition.

commitment by the specified title company to issue a title insurance policy for the Property insuring that fee simple title to the Property is vested in the Sub US REIT subject only to agreed-to exceptions; no major tenant bankruptcies, no uncured events of default or failure to pay rent by any major tenant; approval by Unitholders for the Acquisition at an extraordinary general meeting of Unitholders; Sub US REIT obtaining debt financing in an amount sufficient to fund the Acquisition; and no event or fact that materially affects an equity fund raising by Manulife US REIT prior to completion of the Acquisition.

3.5.6 The vendor's obligation to sell the Property is also subject to certain conditions, including: (i) performance of the Sub US REIT's obligations under the Purchase Agreement in all material respects; (ii) the accuracy of the Sub US REIT's representations in all material respects; and (iii) the Sub US REIT obtaining debt financing in an amount sufficient to fund the Acquisition.

3.6 Property Management Agreement

Upon Completion of the Acquisition, property management services in respect of the Property will be performed by JHUSA as property manager of Manulife US REIT, pursuant to the master property management agreement entered into between JHUSA and Hancock S-REIT Parent Corp., a wholly owned subsidiary of Manulife US REIT, on 26 June 2015 (as amended) (the "**Master Property Management Agreement**"). The property management fees payable in relation to the Property will be 2.5% of the gross income (excluding non-cash items) from the Property for each month, payable in arrears. Please refer to the prospectus of Manulife US REIT dated 12 May 2016 for further details of the terms of the Master Property Management Agreement.

4. THE RIGHTS ISSUE

4.1 Principal Terms of the Rights Issue

Pursuant to the Rights Issue, 299,288,423 Rights Units will be offered at the rights ratio ("**Rights Ratio**") of 41 Rights Units for every 100 existing units in Manulife US REIT ("**Existing Units**") held as at the time and date on which the transfer books and register of unitholders of Manulife US REIT ("**Unitholders**") will be closed to determine the provisional allotments of Rights Units to the Eligible Unitholders (as defined below) (the "**Rights Issue Books Closure Date**") (fractional entitlements to be disregarded).

The Rights Issue would provide Unitholders with the opportunity to subscribe for their *pro rata* entitlement to the Rights Units at an issue price of US$0.695 per Rights Unit ("**Issue Price**"), which represents a discount of:

(i) approximately 28.0% to the closing price of US$0.965 per Unit on the SGX-ST on 31 August 2017, being the last trading day of the Units prior to the announcement of the Rights Issue ("**Closing Price**"); and

(ii) approximately 21.6% to the theoretical ex-rights price ("**TERP**") of US$0.886 per Unit which is calculated as follows:

$$\text{TERP} = \frac{\text{Market capitalisation of Manulife US REIT based on the Closing Price} + \text{Gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}$$

The Manager is seeking the approval of Unitholders for the proposed issue of 299,288,423 Rights Units (representing approximately 41.0% of the 729,971,765 Units in issue as at 28 August 2017) under the Rights Issue pursuant to Rule 805(1) of the Listing Manual of the SGX-ST (the "**Listing Manual**"). For the avoidance of doubt, the Manager will not be relying on the general mandate that was obtained by the Manager from Unitholders at the annual general meeting of Unitholders held on 24 April 2017 to issue the Rights Units.

The Rights Units will, upon allotment and issue, rank *pari passu* in all respects with the Existing Units in issue as at the date of issue of the Rights Units, including the right to any distributions which may accrue for the period from 29 June 2017 to 31 December 2017 as well as all distributions thereafter.

4.2 Use of Proceeds

The Rights Issue will raise gross proceeds of US$208.0 million and net proceeds of US$200.7 million. The Manager expects to use the gross proceeds from the Rights Issue as follows:

(i) approximately US$200.7 million (which is equivalent to 96.5% of the gross proceeds of the Rights Issue) to partially fund the Acquisition; and

(ii) approximately US$7.3 million (which is equivalent to 3.5% of the gross proceeds of the Rights Issue) for the total costs and expenses relating to the Rights Issue.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Rights Issue at its absolute discretion for other purposes, including without limitation, to repay existing indebtedness.

Pending deployment, the net proceeds from the Rights Issue may be deposited with banks and/or financial institutions, or used for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements via SGXNET on the utilisation of the proceeds from the Rights Issue as and when such funds are materially utilised and provide a status report on the use of the proceeds from the Rights Issue in the annual reports of Manulife US REIT. Where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

4.3 Costs of the Rights Issue

If Manulife US REIT proceeds with the Rights Issue, the Manager estimates that Manulife US REIT will have to bear the following costs and expenses in relation to the Rights Issue:

(i) underwriting commission and related expenses of US$3.6 million which the Manager will pay to the Joint Lead Managers and Underwriters upon completion of the Rights Issue; and

(ii) professional and other fees and expenses, of approximately US$3.7 million in connection with the Rights Issue.

4.4 Commitment by MIL and MLRL

MIL and MLRL, which are wholly owned subsidiaries of the Sponsor, have direct interests in 46,781,299 Units ("**MIL Initial Units**") (representing approximately 6.41% of the issued Units) and 7,429,165 Units ("**MLRL Initial Units**") (representing approximately 1.02% of the issued Units) respectively as at 28 August 2017.

To demonstrate the Sponsor's support for Manulife US REIT and the Rights Issue, each of MIL and MLRL, has, on 2 September 2017, provided the Manulife Irrevocable Undertakings to each of (a) the Manager and (b) the Joint Lead Managers and Underwriters that:

(i) as at the Rights Issue Books Closure Date, MIL and MLRL (as the case may be) will have an interest (either actual or deemed) in not less than the number of MIL Initial Units and MLRL Initial Units respectively credited to securities accounts with the CDP which are held in MIL's or MLRL's name or, as the case may be, the Relevant Entities (each with registered addresses with CDP in Singapore);

(ii) in accordance with the terms and conditions of the Rights Issue and in any case not later than the last day for acceptance and payment of the Rights Units ("**Closing Date**"), MIL and MLRL will accept, subscribe and pay in full for and/or procure that the Relevant Entities accept, subscribe and pay in full for, the Relevant Entities' total provisional allotment of Rights Units;

(iii) MIL and MLRL will not, on or before the Closing Date, sell, transfer or otherwise dispose of Units (or any interest therein) held by them as at 2 September 2017, other than to their wholly-owned subsidiaries; and

(iv) unless required by applicable law or regulations or by an order of a court of competent jurisdiction, MIL and MLRL will not, during the period commencing from the date of the announcement of the launch of the Rights Issue up to and including the date of the listing of the Rights Units, make any public statement or announcement regarding the Rights Issue, without first obtaining the prior written consent of the Manager and the Joint Lead Managers and Underwriters (such consent not to be unreasonably withheld or delayed).

It should be noted that the Manulife Irrevocable Undertakings may be terminated upon the occurrence of certain events, including if performing MIL's or MLRL's respective obligations under the Manulife Irrevocable Undertakings will cause MIL or MLRL to be in breach of applicable laws, regulations or order of court or regulatory body issued after the date of Manulife Irrevocable Undertakings.

4.5 Underwriting of the Rights Issue

The Rights Units (less the Rights Units to be subscribed under the Manulife Irrevocable Undertakings) will be underwritten by DBS Bank Ltd. and Deutsche Bank AG, Singapore Branch in the proportion of 80.0% and 20.0% respectively, pursuant to the terms and subject to the conditions contained in the management and underwriting agreement entered into by the Manager and the Joint Lead Managers and Underwriters on 2

September 2017 (the "**Management and Underwriting Agreement**"), including the approval of Unitholders for the Rights Issue. The Management and Underwriting Agreement contains such representations, warranties, indemnities and terms as are customary for a transaction of this nature.

Under the Management and Underwriting Agreement, the Joint Lead Managers and Underwriters will be entitled to an underwriting commission of 1.75% of the Issue Price multiplied by the total number of Rights Units offered under the Rights Issue (less the number of Rights Units subscribed for by MIL and MLRL pursuant to the Manulife Irrevocable Undertakings). It should be noted that the Management and Underwriting Agreement may be terminated upon the occurrence of certain events, but the Joint Lead Managers and Underwriters are not entitled to rely on *force majeure* to terminate the Management and Underwriting Agreement on or after the date on which ex-rights trading commences (in compliance with Rule 818 of the Listing Manual).

Upon the Rights Issue being approved by Unitholders, the Manager will make the appropriate announcement(s) in due course to inform Unitholders of the Rights Issue Books Closure Date.

The actual terms and conditions of the Rights Issue will be set out in the offer information statement in connection with the Rights Issue to be lodged with the MAS and issued to Eligible Unitholders ("Offer Information Statement").

The Rights Issue is further conditional upon the lodgement of the Offer Information Statement with the MAS.

4.6 Approval in-Principle

The SGX-ST has on 31 August 2017 given its approval in-principle for the listing and quotation of the Rights Units on the Main Board of the SGX-ST.

The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the Rights Issue, the Rights Units, the Rights Entitlements, the Units, the Manager, Manulife US REIT and/or its subsidiaries.

The listing approval is subject to the following conditions:

(i) compliance with the SGX-ST's listing requirements;

(ii) Unitholders' approval for the Rights Issue;

(iii) a written undertaking from the Manager that it will comply with Listing Rules 704(30), 815 and 1207(20) in relation to the use of the proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in Manulife US REIT's announcements on use of proceeds and in the annual report;

(iv) a written undertaking from the Manager that it will comply with the confirmation given in Listing Rule 877(10) with regards to the allotment of any excess Rights Units; and

(v) a written confirmation from financial institution(s) as required under Listing Rule 877(9) that the undertaking Unitholders who have given the irrevocable undertakings have sufficient financial resources to fulfil their obligations under its undertakings.

4.7 Eligibility to Participate in the Rights Issue

4.7.1 Eligible Unitholders

Eligible Unitholders are Unitholders with Units standing to the credit of their Securities Accounts and whose registered addresses with The Central Depository (Pte) Limited ("**CDP**") are in Singapore as at the Rights Issue Books Closure Date or who have, at least three Market Days prior to the Rights Issue Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore.

Eligible Unitholders are at liberty to accept in part or in full, decline or otherwise renounce or trade (during the "nil-paid" rights trading period prescribed by the SGX-ST) their Rights Entitlements[1] and are eligible to apply for Excess Rights Units[2].

The procedures for acceptance, excess applications and payment by Eligible Unitholders will be set out in the Offer Information Statement.

For the avoidance of doubt, Eligible Unitholders who hold less than 100 Existing Units as at the Rights Issue Books Closure Date will be provisionally allotted their Rights Entitlements on a *pro rata* basis based on the Rights Ratio, fractional entitlements to be disregarded. Eligible Unitholders who hold odd lots of Units (that is, lots other than board lots of 100 Units) and who wish to trade in odd lots are able to trade odd lots of Units on the SGX-ST's Unit Share Market[3].

4.7.2 Ineligible Unitholders

No Rights Entitlements will be provisionally allotted to Unitholders who are not Eligible Unitholders ("**Ineligible Unitholders**") and no purported acceptance thereof or application for Excess Rights Units therefor by Ineligible Unitholders will be valid.

The offer, sale and delivery of the Rights Units and the Rights Entitlements may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP, the Rights Issue will not be extended to Ineligible Unitholders.

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1 "**Rights Entitlements**" means the "nil-paid" provisional allotment of Rights Units to Eligible Unitholders under the Rights Issue.

2 "**Excess Rights Units**" means the Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the "nil-paid" rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein) which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renouncees of the Rights Entitlements or the purchasers of Rights Entitlements.

3 "**Unit Share Market**" refers to the ready market of the SGX-ST for trading of odd lots of Units with a minimum size of one Unit.

If it is practicable to do so, the Manager may, in its absolute discretion, arrange for Rights Entitlements which would otherwise have been allotted to Ineligible Unitholders to be sold "nil-paid" on the SGX-ST as soon as practicable after dealings in the Rights Entitlements commence. Such sales may, however, only be effected if the Manager, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account all expenses to be incurred in relation thereto.

Where such Rights Entitlements are sold "nil-paid" on the SGX-ST, they will be sold at such price or prices as the Manager may, in its absolute discretion, decide and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Trustee, the Joint Lead Managers and Underwriters or CDP or their respective officers in respect of such sales or the proceeds thereof, the Rights Entitlements or the Rights Units represented by such provisional allotments.

The net proceeds from all such sales, after deducting all expenses therefrom, will be pooled and thereafter distributed to Ineligible Unitholders in proportion to their respective unitholdings as at the Rights Issue Books Closure Date and sent to them at their own risk by ordinary post, without interest or any share of revenue or other benefit arising therefrom, provided that where the amount of net proceeds to be distributed to any single Ineligible Unitholder is less than S$10.00, the Manager shall be entitled to retain or deal with such net proceeds as the Manager may, in its absolute discretion, deem fit for the sole benefit of Manulife US REIT and no Ineligible Unitholder shall have any claim whatsoever against the Manager, the Joint Lead Managers and Underwriters, the Trustee or CDP in connection herewith.

If such Rights Entitlements cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the Rights Entitlements, the Rights Units represented by such Rights Entitlements will be issued to satisfy applications for Excess Rights Units or dealt with in such manner as the Manager may, in its absolute discretion, deem fit in the interest of Manulife US REIT and no Ineligible Unitholder or persons acting for the account or benefit of any such persons, shall have any claim whatsoever against the Manager, the Trustee, the Joint Lead Managers and Underwriters or CDP and their respective officers in connection therewith.

4.7.3 Excess Rights Units

The Rights Units represented by the provisional allotments (A) of (i) Eligible Unitholders who decline, do not accept, and elect not to renounce or sell their Rights Entitlements under the Rights Issue (during the "nil-paid" rights trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders which have not been sold during the Rights Entitlements trading period or (B) that have not been validly taken up by the original allottees, renouncees of the Rights Entitlements or the purchasers of Rights Entitlements will be aggregated and used to satisfy Excess Rights Units applications (if any) or disposed of or otherwise dealt with in such manner as the Manager may, in their absolute discretion, deem fit.

In the allotment of Excess Rights Units, preference will be given to the rounding of odd lots (if any) followed by allotment to the Unitholders who are neither Directors nor Substantial Unitholders. Directors and Substantial Unitholders who have control or influence over Manulife US REIT or the Manager in connection with the day-to-day affairs of Manulife US REIT or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of Directors, will rank last in priority for the rounding of odd lots and allotment of Excess Rights Units. The Manager reserves the right to refuse any application for Excess Rights Units, in whole or in part, without assigning any reason whatsoever therefor. In the event that the number of Excess Rights Units allotted to an Eligible Unitholder is less than the number of Excess Rights Units applied for, the Eligible Unitholder shall be deemed to have accepted the number of Excess Rights Units actually allotted to him.

The Sponsor may directly and/or through its subsidiaries, choose to apply for Excess Rights Units.

Unitholders and all other persons should note that they are prohibited from directly or indirectly owning in excess of 9.8% of the outstanding Units ("Unit Ownership Limit"), subject to any increase or waiver pursuant to the terms of the Trust and on the recommendation of the Manager. Please refer to the prospectus of Manulife US REIT dated 12 May 2016 for further details on the Unit Ownership Limit.

4.8 Offer Information Statement

In connection with the Rights Issue, the Manager will, following the lodgement of the Offer Information Statement with the MAS, issue and despatch the Offer Information Statement to Unitholders setting out, among other things, the details of the Rights Issue.

5. RATIONALE FOR AND KEY BENEFITS OF THE ACQUISITION AND THE RIGHTS ISSUE

The Acquisition is in line with Manulife US REIT's principal investment mandate, strategy and business model. The Manager believes that the Acquisition will bring the following key benefits to Unitholders:

5.1 Exposure to a Prime Office Submarket Minutes from New York City

5.1.1 Prime Location within the Hudson Waterfront District of Northern New Jersey

The Hudson Waterfront District sits directly across the Hudson River from Manhattan and is sometimes referred to as "Wall Street West" or New York's "Sixth-Borough" for its attractive office market and mass transit system. According to Cushman & Wakefield of New Jersey, Inc. ("**C&W**"), the Independent Market Research Consultant, the Hudson Waterfront is the fastest developing submarket in Northern New Jersey and should see substantial growth moving forward.

The area is a cost-effective alternative to downtown Manhattan, and over the last decade has attracted numerous financial institutions from Wall Street choosing to relocate but remain within close proximity and accessibility to Manhattan. In the recent years, the market also continues to mature and attract other types of businesses, including technology and internet businesses.

Furthermore, the Hudson Waterfront District is emerging as a popular destination for residential real estate, which could influence the office market. Over the past few years, the development of condominiums and apartment towers across the eastern waterfront offers new residential opportunities to young professionals looking for affordable alternatives to city life and white-collar commuters looking to escape the congestion of New York City thereby growing the “live, work, play” environment. The introduction of a new mass transit option, the Hudson-Bergen Light Rail, has also sparked development of numerous multi-family properties throughout the Hudson Waterfront District.

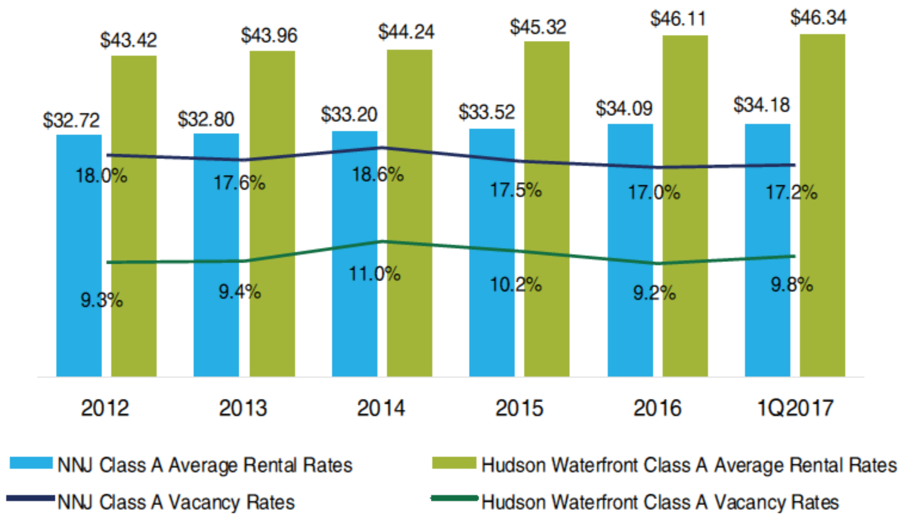
5.1.2 Desirable Office Submarket with Strong Performance

According to C&W, the Hudson Waterfront District is considered to be the strongest office market within Northern New Jersey, having historically outperformed the greater regional market in terms of occupancy levels and rental rates. The Hudson Waterfront District continues to be the highest priced submarket in the State of New Jersey due to both its “live, work, play” environment and its close proximity to New York City.

Class A buildings within the Hudson Waterfront District, command a higher asking average rent of US$46.34 per sq ft, compared to Class A buildings in the wider Northern New Jersey region at US$34.18 per sq ft.

Over the near term, new construction activity is not expected to exceed absorption, and this is expected to continue to support the rental and occupancy rates going forward. Furthermore, no new office projects are scheduled for delivery within the next five years.

Class A Average Asking Rents and Vacancy Rates for Northern New Jersey and Hudson Waterfront



(See the Independent Market Research Report by C&W in Appendix C of the circular to Unitholders dated 2 September 2017 in connection with the Acquisition and the Rights Issue (the "**Circular**").)

5.1.3 Strategic Location with Excellent Connectivity

The Property enjoys prominent frontage along the Hudson River waterfront and offers convenient access to Manhattan through the following public transportation options:

(i) The Exchange Place PATH Station, which provides 24-hours a day, seven days a week convenient access into New York City within 10 minutes. The World Trade Center Station is only one stop away.

(ii) The New York Waterways Ferries terminal, which provides access to midtown Manhattan with a crossing time of 8 to 10 minutes, is located within walking distance from the Property.

(iii) The newly developed Hudson-Bergen Light Rail System runs directly behind the Property, linking all of the Hudson County Waterfront projects to the PATH and New Jersey Transit train systems.

The Property also benefits from convenient access to the New Jersey Turnpike extension (also known as the I-78), which leads directly into the Holland Tunnel, providing vehicular access to New York City in under 20 minutes. The Property, being located in the Waterfront District in northern New Jersey is in close proximity to the metropolitan area's three major airports being Newark International, Kennedy International and LaGuardia.

Given its excellent accessibility, the Property tends to attract tenants that either do not require a Manhattan location for their operations but still desire close proximity to Manhattan or tenants that have an office in Manhattan but choose to house their "back office" personnel in a less expensive location.

5.2 High-Quality Waterfront Property at an Attractive Discount

5.2.1 High-Quality Class A Waterfront Property

The Property is a freehold Class A, 30-storey office tower located in Jersey City, New Jersey, directly on the Hudson River waterfront, with unobstructed views of the Manhattan skyline. With its glass façade, bowed front and tall spire, the Property is one of the most recognisable buildings in the district. The Hudson River waterfront offers a “live, work, play” environment, with around-the-clock amenities, street life, and recently constructed residential developments.

Various facilities are available to the tenants of the Property, including a newsstand, coffee house and on-site food service options, as well as in-building parking located on the second to sixth floors with a total of 467 parking lots.

The Property has large, efficient floor plates ranging from approximately 39,000 sq ft at the base to approximately 24,000 sq ft at the top, with minimal supporting columns. Much of the Property provides unobstructed views of the Manhattan skyline, which is an attractive selling point to potential tenants.

The Property is a 2011 “The Outstanding Building of the Year (TOBY)” award winner[1].

5.2.2 Strong Tenant Base with High Occupancy

The Property has a tenant base of 25 tenants. The top five tenants (by Cash Rental Income as at 31 July 2017) are Amazon Corporation Corporate LLC; Rabo

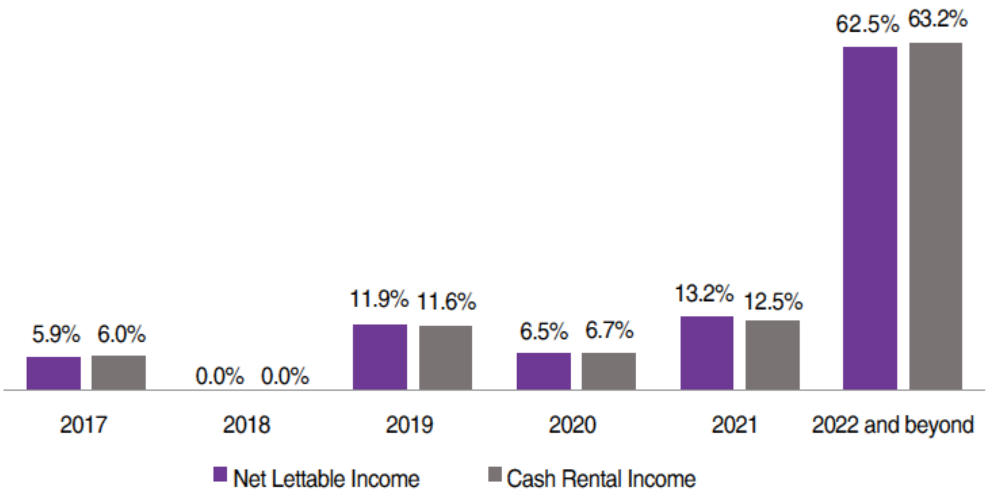
1 Awarded by the Building Owners and Managers Association (New Jersey).

Support Services, Inc; ACE American Insurance Company; Kuehne & Nagel Inc. and Opera Solutions LLC. As at 31 July 2017, the Property is 93.1% leased[1].

5.2.3 Favourable and Defensive Lease Expiry Profile

The Property's leases are long-tenured, with 90.4%[2] of the leases structured with original tenures of more than 9 years. As at 31 July 2017, the weighted average lease expiry (the "**WALE**") is approximately 5.7 years (by NLA). Approximately 62.5% and 63.2% of lease expiries by NLA and Cash Rental Income respectively, will occur in 2022 and beyond.

Lease Expiry Profile of the Property (as at 31 July 2017)



5.2.4 Organic Growth from Built-In Rental Escalation as Well as Opportunity for Rental Reversions

The majority of the leases at the Property have built-in rental escalation providing organic growth to the rental revenues. Typically, these leases are structured to reflect significant mid-term or periodic escalations.

The average asking rental rates for Class A buildings in the submarket is US$46.34 as of first quarter 2017 and this is projected to increase going forward due to the strong demand for the submarket[3]. As such, there is an opportunity for rental reversion in future leases, given that the average in-place rent of the Property is US$38.18 as of 31 July 2017.

5.2.5 Purchase Price Represents an Attractive Discount from Appraised Value

The agreed-upon purchase price of the Property of US$313.2 million represents a discount of 6.8% to RERC's appraised value of US$336.0 million and a discount

1 Includes a committed lease from Advisor Group, which commences on 1 July 2017 and from Appeagle Inc, which commences on 17 July 2017.

2 By Cash Rental Income as at 31 July 2017.

3 See the Independent Market Research Report by C&W in Appendix C of the Circular for more details.

of 5.1% to Colliers' appraised value of US$330.0 million[1]. The acquisition of the Property at an attractive discount from the independent appraised value presents good value for Unitholders.

5.3 Solidify Geographical Diversification and Expansion of Tenant Base

5.3.1 Expand Manulife US REIT's Well-Diversified Tenant Base

The Property is expected to contribute positively to Manulife US REIT's current portfolio (the "**Current Portfolio**") well-diversified tenant base and will further reduce Manulife US REIT's concentration risk to any single tenant. In the Enlarged Portfolio[2], no single tenant accounts for more than 6.7% of Cash Rental Income. Furthermore, together with the completion of the acquisition of Plaza, the Top 10 Tenants of the Enlarged Portfolio by Cash Rental Income will now contribute 47.7% of Cash Rental Income, compared to 64.1% by Cash Rental Income based on the tenants from the IPO Portfolio[3]. New large tenants with long term leases in the Enlarged Portfolio also contribute to a longer WALE (by Cash Rental Income) of the Top 10 Tenants of 7.0 years, as compared to 5.9 years based on the IPO Portfolio's Top 10 tenants.

Top 10 Tenants

by Cash Rental Income (as at 31 July 2017)

IPO Portfolio	
Tenant	**%**
Kilpatrick	10.6%
TCW	10.1%
Hyundai Capital America	8.9%
Quinn Emanuel	8.2%
Gibson Dunn	7.1%
LA Fitness	4.8%
Bryan Cave	4.1%
Jones Day	3.8%
Greenberg Traurig	3.4%
Allen Matkins	3.1%
Total Top 10 Tenants	**64.1%**

Enlarged Portfolio	
Tenant	**%**
Kilpatrick	6.7%
TCW	6.4%
Hyundai Capital America	5.6%
The Children's Place	5.4%
Quinn Emanuel	5.2%
Gibson Dunn	4.5%
Amazon Corporate LLC	4.4%
Quest Diagnostics	3.5%
LA Fitness	3.0%
Rabo Support Services, Inc.	3.0%
Total Top 10 Tenants	**47.7%**

Note: In the Enlarged Portfolio, The Children's Place and Quest Diagnostics are tenants from Plaza while Amazon Corporate LLC and Rabo Support Services, Inc. are tenants from the Property.

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1 These discounts to appraised values are based on the Purchase Consideration excluding settlement adjustments amounting to US$4.0 million. See paragraph 3 of this announcement for further details.

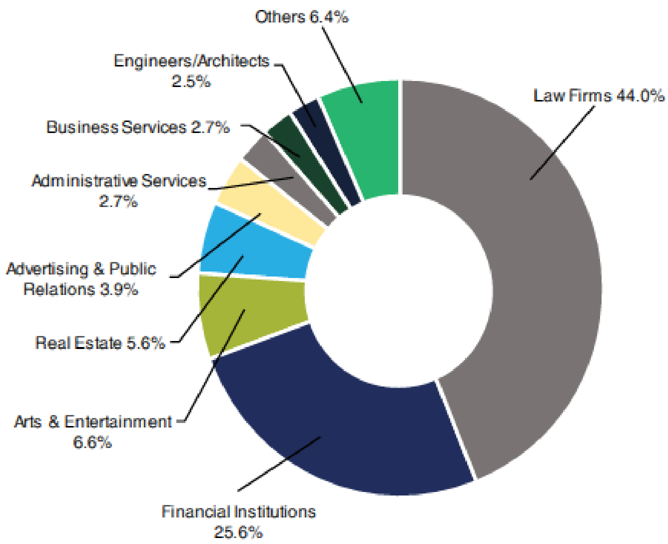
2 "**Enlarged Portfolio**" means the Current Portfolio and the Property.

3 "**IPO Portfolio**" means the portfolio of properties held by Manulife US REIT immediately following the completion of the initial public offering of Manulife US REIT.

The Acquisition will also improve Manulife US REIT's tenant diversification with the introduction of new tenants in two new trade sectors: (1) Transportation & Warehousing and (2) Professional & Technical Services. In addition, the Enlarged Portfolio will have a lower concentration of Law Firm sector tenants, decreasing from 36.7% in the Current Portfolio to 27.8% in the Enlarged Portfolio.

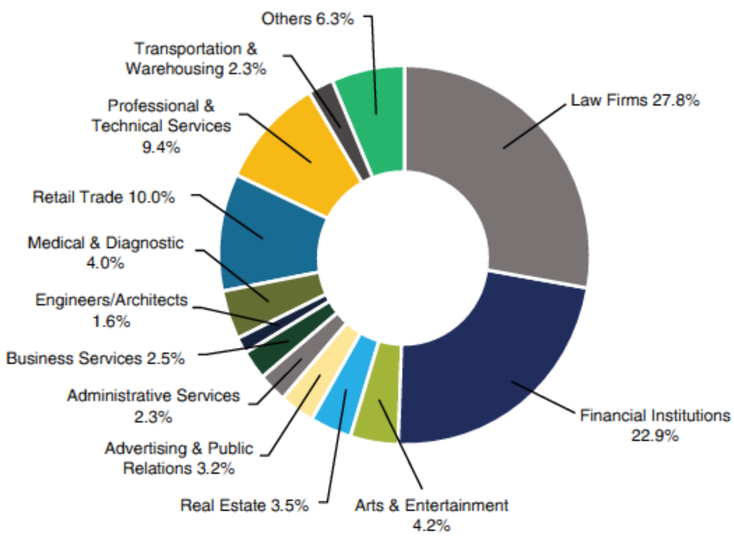
IPO Portfolio Breakdown of Tenants by Trade Sector

(by Cash Rental Income as at 31 July 2017)



Enlarged Portfolio Breakdown of Tenants by Trade Sector

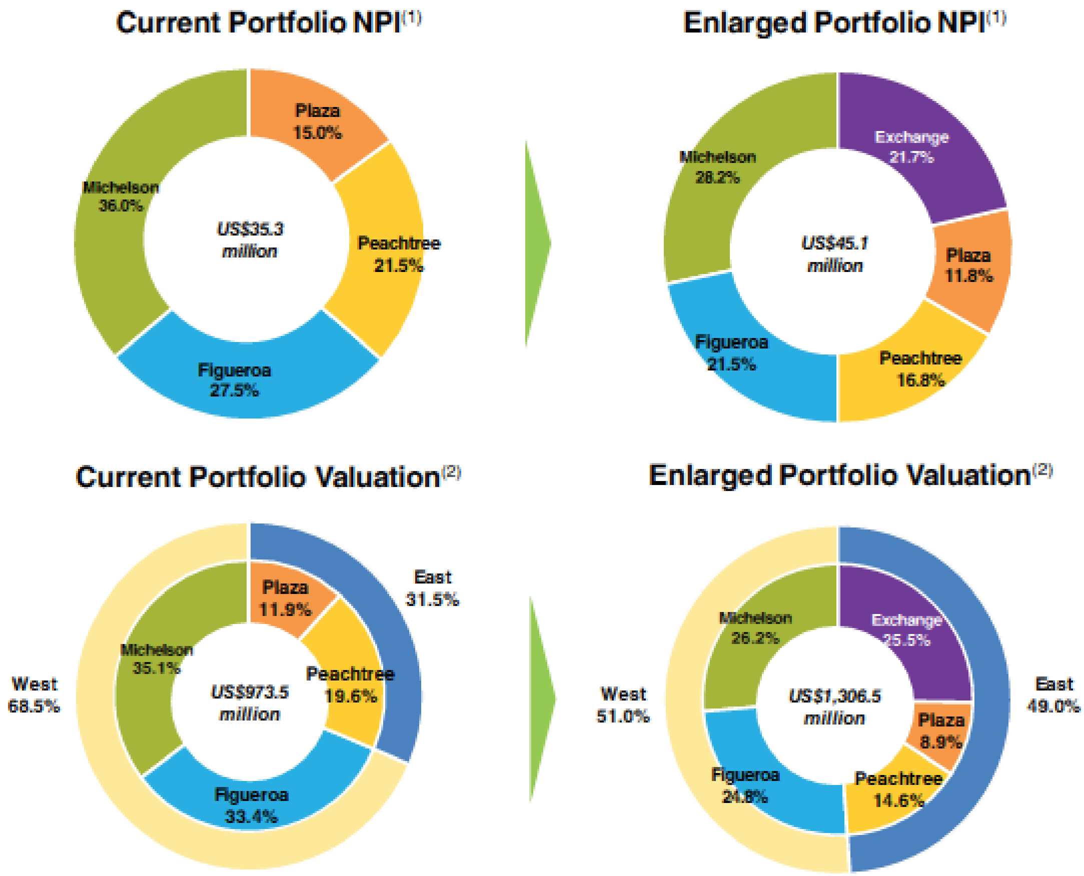
(by Cash Rental Income as at 31 July 2017)



5.3.2 Solidify Diversification of Manulife US REIT's Portfolio

Following the Acquisition, no single property will contribute more than 28.2% and 26.2% of Manulife US REIT's Enlarged Portfolio's NPI and valuation respectively.

Portfolio Breakdown by NPI and Valuation

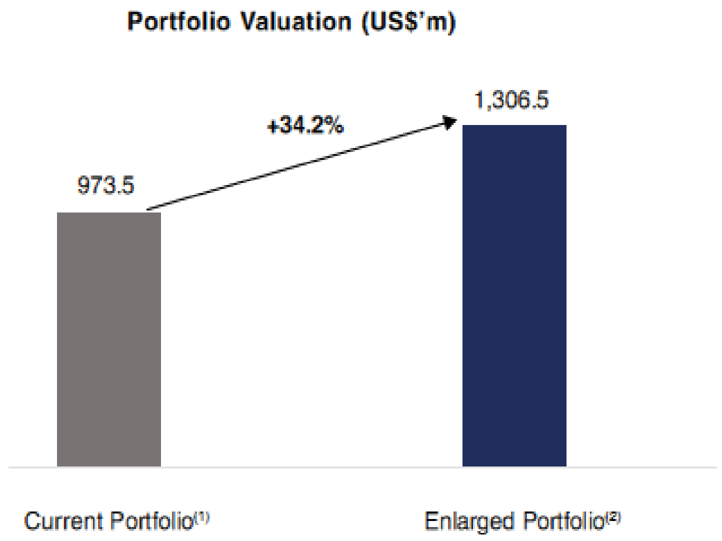


Notes:

(1) Based on audited financial information for the IPO Portfolio and unaudited financial information for Plaza and the Property, for the period from 20 May 2016 to 31 December 2016.

(2) Valuation for Current Portfolio as at 30 June 2017 (save for Plaza which was valued as at 2 June 2017); Valuation for the Property is based on the average of the independent valuations by RERC and Colliers as at 11 July 2017 and 18 July 2017 respectively.

Upon completion of the Acquisition, Manulife US REIT's aggregate valuation and NLA will be enlarged by 34.2% and 32.5%, respectively.



Notes:

(1) Valuation for Current Portfolio as at 30 June 2017 (save for Plaza which was valued as at 2 June 2017).

(2) Valuation for the Property is based on the average of the independent valuations by RERC and Colliers as at 11 July 2017 and 18 July 2017 respectively.

5.4 Accretive Acquisition Funded by a Rights Issue

5.4.1 Accretive Acquisition that Improves DPU Yield to Unitholders

FOR ILLUSTRATIVE PURPOSES ONLY: Assuming the Acquisition was completed on 20 May 2016 (the date of listing of Manulife US REIT) and Manulife US REIT held and operated the Property in FY2016, the pro forma DPU yield of the Enlarged Portfolio[1] would increase by 2.2% to approximately 6.23% compared to the pro forma DPU yield of the Current Portfolio[2] of approximately 6.10%.

5.4.2 Opportunity for Existing Unitholders to Participate in an Equity Fund Raising Exercise

The Rights Issue provides an opportunity for Eligible Unitholders to subscribe for their Rights Entitlements at an Issue Price of US$0.695 which is at a discount of 21.6% to TERP.

The Rights Entitlements are renounceable, and Eligible Unitholders who do not wish to subscribe for their Rights Entitlements may sell their "nil-paid" rights and crystallise the value of the rights discount.

1 Based on TERP of US$0.886 per Unit.

2 Based on Closing Price of US$0.965 per Unit.

5.4.3 Increased Free Float Trading Value and Liquidity

The Rights Issue will increase Manulife US REIT's free float[1] trading value by 29.5%, from US$652.1 million[2] to US$844.2 million[3] and potentially result in improved trading liquidity thus benefiting Unitholders. Manulife US REIT's market capitalisation will increase from US$704.4 million[20] to US$911.9 million[21].

5.5 Capitalise on Growth Opportunities in Line with Long Term Strategy

With the accretive acquisition of the Property, Manulife US REIT will demonstrate its ability to grow inorganically and further enhance Unitholders' returns. Through a proactive asset enhancement strategy, Manulife US REIT is able to achieve growth in Gross Revenue and NPI while maintaining optimal occupancy levels.

Through the acquisition of the Property, Manulife US REIT will affirm the benefits arising from its Sponsor's large real estate portfolio in the U.S., which provides a secondary source of potential property acquisitions.

Manulife US REIT is also able to demonstrate sound capital management, by employing an appropriate mix of debt and equity to optimise the risk-adjusted returns to Unitholders.

6. PRO FORMA FINANCIAL EFFECTS OF THE ACQUISITION AND THE RIGHTS ISSUE

6.1 Pro Forma Financial Effects of the Acquisition and the Rights Issue

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition and the Rights Issue on the DPU and net asset value ("**NAV**") per Unit presented below are strictly for illustrative purposes and were prepared based on the audited financial statements of Manulife US REIT and its subsidiaries (the "**Manulife US REIT Group**") for the financial period from 20 May 2016 (being the date of listing of Manulife US REIT) to 31 December 2016 ("**FY2016**", and the audited financial statements of the Manulife US REIT Group for FY2016, "**FY2016 Audited Financial Statements**"), the unaudited management accounts of the Plaza property acquired by Manulife US REIT which was announced on the SGX-ST on 19 June 2017, the unaudited management accounts of the Property, and assuming that:

- the Acquisition Fee payable in Units to the Manager is paid through the issuance of approximately 2.7 million new Units at theoretical ex-rights price of US$0.886 per Unit;
- the Acquisition is assumed to be funded by gross proceeds of US$208.0 million from Rights Issue and remaining amount by debt financing; and
- acquisition related expenses (including title insurance, land transfer and other costs) and estimated professional and other transaction fees and expenses incurred, or to be incurred, in connection with the financing and equity fund raising

1 Assuming for illustrative purposes, MIL's and MLRL's ownership percentage in Manulife US REIT remained constant before and after the Acquisition.

2 Based on Closing Price of US$0.965 per Unit.

3 Based on TERP and assuming for illustrative purposes, MIL's and MLRL's ownership percentage in Manulife US REIT remained constant before and after the Acquisition.

related expenses of approximately US$12.4 million.

6.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition on Manulife US REIT's DPU for FY2016, as if the Acquisition was completed on 20 May 2016 (the date of listing of Manulife US REIT) and Manulife US REIT held and operated the Property in FY2016 are as follows:

	Pro forma Financial Effects for FY2016[(1)]			
	FY2016 Audited Financial Statements	**After the acquisition of Plaza[(2)] only (adjusted for Quest Diagnostics lease[(3)]) (taking into account the 2017 Private Placement[(4)])**	**After the acquisition of 10 Exchange Place only (taking into account the Rights Issue)**	**After the acquisition of Plaza[(3)] and 10 Exchange Place (taking into account the 2017 Private Placement and the Rights Issue)**
Distributable Income (US$ million)	22.3	26.4	31.0	35.1
Issued and to be issued Units ('000)	627,863	725,322	930,658[(5)]	1,028,117[(6)]
DPU (US cents)	3.55	3.63	3.33[(4)]	3.41[(4)]
Annualised DPU Yield (%)	5.96 [(7)]	6.10[(7)]	6.09[(8)]	6.23[(8)]
Annualised DPU Yield (%) based on Issue price	N.A	N.A	7.77[(9)]	7.95[(9)]

Notes:

(1) FY2016 refers to the financial period from 20 May 2016 (being the date of listing of Manulife US REIT) to 31 December 2016.

(2) Plaza located in Secaucus, New Jersey, was acquired on 19 July 2017, and was funded by private placement proceeds and debt financing.

(3) One of the major tenants, Quest Diagnostics, commenced its lease on 1 November 2016. The net property income of the proposed acquisition for the period from 20 May 2016 to 31 December 2016 only included two months of income from Quest Diagnostics in 2016. As a result, the DPU is lower after acquisition due to late commencement of the Quest Diagnostics lease. Therefore, it has been assumed that the Quest Diagnostics lease commenced on 20 May 2016, and would be income producing and cash generating from 20 May 2016. The Manager had elected to receive 100% of its base and property management fees in Units.

(4) JHUSA had granted rent free periods to certain tenants of the Property under the existing lease arrangements. As part of the Property Settlement adjustment, Manulife US REIT would have been reimbursed for the amount of rent which would otherwise have been payable by the tenants to the landlord if such rent free periods were not granted ("**Rent Free Reimbursement**"). Assuming the Property was acquired on 20 May 2016, the illustrative pro forma financial effects assume of the Rent Free Reimbursement would have been approximately US$1.5 million and is based on the already agreed rent free period incentives which JHUSA had contractually made available to the relevant tenants under the lease arrangements which were in place for the Property on 20 May 2016, in order to reflect the normalised cash flows of the Property. The Rent Free Reimbursement would be credited against the purchase consideration for the Property and would go towards the distributable income of Manulife US REIT. The pro forma distributable

income for FY2016 includes Rent Free Reimbursement of US$1.5 million.

(5) The Units issued and to be issued as at 31 December 2016 include (i) approximately 299.3 million Rights Units; (ii) approximately 2.7 million new Units issued to the Manager as payment for the acquisition fees; and (iii) approximately 3.1 million new Units that are issuable to the Manager and Property Manager for management fees and property management fees.

(6) The Units issued and assumed to be issued as at 31 December 2016 include (i) approximately 299.3 million Rights Units; (ii) approximately 97.0 million of new Units issued in the private placement which was launched on 19 June 2017 ("**2017 Private Placement**"); (iii) approximately 2.7 million new Units issued to the Manager as payment for the acquisition fees; and (iv) approximately 3.6 million new Units that are issuable to the Manager and Property Manager for management fees and property management fees.

(7) Based on Closing Price of US$0.965 per Unit.

(8) Based on TERP of US$0.886 per Unit.

(9) Based on Issue Price of US$0.695 per Unit.

6.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSES ONLY: The pro forma financial effects of the Acquisition and Rights Issue on the NAV per Unit as at 31 December 2016, as if the Acquisition was completed on 31 December 2016, are as follows:

	Pro forma Financial Effects as at 31 December 2016			
	FY2016 Audited Financial Statements	**After the acquisition of Plaza only (taking into account the 2017 Private Placement)**	**After the acquisition of 10 Exchange Place only (taking into account the Rights Issue)**	**After acquisition of Plaza and 10 Exchange Place (taking into account the 2017 Private Placement and the Rights Issue)**
NAV (US$ million)	547.0	624.0	750.5	827.5
Issued Units ('000)	629,619(1)	726,622(2)	931,591(3)	1,028,594(4)
NAV per Unit (US$)	0.87	0.86	0.81	0.80

Notes:

(1) Number of Units issued and assumed to be issued as at 31 December 2016.

(2) Including existing Units issued and to be issued as at 31 December 2016 and 97.0 million new Units issued in the 2017 Private Placement at an issue price of US$0.83 per new Unit.

(3) The units issued and assumed to be issued as at 31 December 2016 include (i) approximately 299.3 million Rights Units; and (ii) approximately 2.7 million new Units issued to the Manager as payment for the acquisition fees.

(4) The units issued and assumed to be issued as at 31 December 2016 include (i) approximately 299.3 million Rights Units; (ii) approximately 97.0 million new Units issued in the 2017 Private Placement; and (iii) approximately 2.7 million Units issued to Manager as payment for the acquisition fees.

6.1.3 Pro Forma Capitalisation

FOR ILLUSTRATIVE PURPOSES ONLY:

The pro forma capitalisation of Manulife US REIT as at 31 December 2016, as if the Acquisition were completed on 31 December 2016, is as follows:

	Pro forma Financial Effects as at 31 December 2016			
	FY2016 Audited Financial Statements	**After the acquisition of Plaza only (taking into account the 2017 Private Placement)**	**After the acquisition of 10 Exchange Place only (taking into account the Rights Issue)**	**After the acquisition of Plaza and 10 Exchange Place (taking into account the 2017 Private Placement and the Rights Issue)**
<u>**Current**</u> Secured loans and borrowings (US$ million)[(1)]	-	-	-	-
<u>**Non-Current**</u> Unsecured loans and borrowings (US$ million)[(1)]	-	-	-	-
Secured loans and borrowings (US$ million)[(1)]	294.2	333.8	415.2	454.8
Total loans and borrowings (US$ million)	**294.2**	**333.8**	**415.2**	**454.8**
Unitholders' funds (US$ million)	547.0	624.0	750.5	827.5
Total Capitalisation (US$ million)	**841.2**	**957.8**	**1,165.7**	**1,282.3**

Note:

(1) Stated net of unamortised transaction costs.

7. OPINION OF THE AUDIT AND RISK COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

With the approval of the independent directors of the Manager (the "**Independent Directors**"), the Manager has appointed the independent financial adviser, namely Deloitte & Touche Corporate Finance Pte Ltd (the "**IFA**"), to advise the Independent Directors, the Audit and Risk Committee and the Trustee in relation to the Acquisition. A copy of the letter from the IFA, containing its advice in relation to the Acquisition (the "**IFA Letter**") will be set out in the Circular and Unitholders are advised to read the IFA Letter carefully. The Independent Directors (which includes the Audit and Risk Committee) will obtain the IFA's opinion before forming their view, which will be disclosed in the Circular, as to whether the Acquisition is on normal commercial terms and would not be prejudicial to the interests of Manulife US REIT and its minority Unitholders.

8. OTHER INFORMATION

8.1 Disclosure under Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual governs the acquisition and divestment of assets, including options to acquire or dispose of assets, by an issuer. Such transactions are classified into the following categories:

(a) non-discloseable transactions;

(b) discloseable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A transaction by an issuer may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

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

(ii) the net profits attributable to the assets acquired, compared with the issuer's net profit;

(iii) the aggregate value of the consideration given, compared with the issuer's market capitalisation; and

(iv) the number of Units issued by the issuer as consideration for an acquisition, compared with the number of Units previously in issue.

The relative figures for the Acquisition using the applicable bases of comparison in Rule 1006 of the Listing Manual are set out in the table below.

Comparison of	The Acquisition (US$ million)	Manulife US REIT (US$ million)	Relative figure (%)
Rule 1006(b) Net profits attributable to the assets acquired compared to Manulife US REIT's net profits (including fair value change in investment properties)	6.0	74.1	8.1
Rule 1006(b) Net profits attributable to the assets acquired compared to Manulife US REIT's net profits (excluding fair value change in investment properties)	6.1	21.7	28.2
Rule 1006(c) Aggregate value of consideration(1) to be given compared with Manulife US REIT's market capitalisation(2)	317.2	701.5	45.2

Notes:

(1) For the purposes of computation under Rule 1006(c), the aggregate consideration given by Manulife US REIT is the purchase consideration for the Property.

(2) Based on 729,971,765 Units in issue and the weighted average price of US$0.961 per Unit on the SGX-ST on 31 August 2017, being the market day preceding the date of the Purchase Agreement.

Where any of the relative figures computed on the bases set out above is 20.0% or more, the transaction is classified as a major transaction under Rule 1014 of the Listing Manual which would be subject to the approval of Unitholders, unless such transaction is in the ordinary course of Manulife US REIT's business.

The Manager is of the view that the Acquisition is within Manulife US REIT's ordinary course of business as it is within the investment mandate of Manulife US REIT and the Property is of the same class as Manulife US REIT's existing properties and within the same geographical markets that Manulife US REIT targets. As such, the Acquisition is, therefore, not subject to Chapter 10 of the Listing Manual. However, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

8.2 Interest of Directors and Substantial Unitholders[1]

As at the date of this announcement, certain director(s) of the Manager collectively hold an aggregate direct and indirect interest in 892,800 Units. Further details of the interests in Units of Directors and Substantial Unitholders are set out below.

Mr Hsieh Tsun-Yan is the Chairman and a Non-Executive Director of the Manager and an Independent Director of Manulife Financial Corporation ("**MFC**"). Mr Kevin Adolphe is a Non-Executive Director of the Manager and holds several senior executive positions within MFC, including the President and Chief Executive Officer of Manulife Asset Management Private Markets and President and Chief Executive Officer of Manulife Real Estate. Mr Michael Dommermuth is a Non-Executive Director of the Manager and holds several senior executive positions within MFC, including executive vice president, head of wealth and asset management, Asia. Based on the Register of Directors' Unitholdings maintained by the Manager and save as disclosed in the table below, none of the Directors currently holds a direct or deemed interest in the Units as at 28 August 2017:

	Direct Interest		Deemed Interest			
Name of Directors	**No. of Units**	**%(1)**	**No. of Units**	**%(1)**	**Total No. of Units held**	**%(1)**
Hsieh Tsun-Yan	547,800 (2)	0.075	-	-	547,800 (2)	0.075
Ho Chew Thim	100,000	0.014	-	-	100,000	0.014
Veronica McCann	245,000 (3)	0.034	-	-	245,000(3)	0.034
Davy Lau	-	-	-	-	-	-
Dr Choo Kian Koon	-	-	-	-	-	-
Kevin Adolphe	-	-	-	-	-	-
Michael Dommermuth	-	-	-	-	-	-

Notes:

(1) The percentage is based on 729,971,765 Units in issue as at the date of this announcement.

(2) The 547,800 Units are jointly owned by Mr Hsieh Tsun-Yan and his spouse, Mrs Hsieh Siauyih Goon.

(3) The 245,000 Units are jointly owned by Ms Veronica McCann and her spouse, Mr Steven John Baggott.

1 A "**Substantial Unitholder**" means a person who has an interest in Units constituting not less than 5.0% of the total number of Units in issue.

As at the date of this announcement, Mr Hsieh Tsun-Yan, Mr Kevin Adolphe and Mr Michael Dommermuth hold certain non-material interests in the shares of MFC.

Based on the information available to the Manager, the Substantial Unitholders and their interests in the Units as at 28 August 2017 are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	%(1),(2)
	No. of Units	%(1)	No. of Units	%(1)		
DBS Bank Ltd.	40,000,000	5.48	-	-	40,000,000	5.48
DBS Group Holdings Ltd.(3)	-	-	40,000,000	5.48	40,000,000	5.48
Temasek Holdings (Private) Limited (4)	-	-	40,000,000	5.48	40,000,000	5.48
Manulife (International) Limited	46,781,299	6.41	-	-	46,781,299	6.41
Manulife International Holdings Limited(5)	-	-	46,781,299	6.41	46,781,299	6.41
Manulife Financial Asia Limited(5)	1	n.m.(6)	54,210,464	7.43	54,210,465	7.43
Manulife Holdings (Bermuda) Limited(5)	-	-	54,210,465	7.43	54,210,465	7.43
The Sponsor(4)	-	-	54,210,465	7.43	54,210,465	7.43
MFC(4)	-	-	54,210,465	7.43	54,210,465	7.43

Notes:

(1) The percentage is based on 729,971,765 Units in issue as at 28 August 2017.

(2) For the avoidance of doubt, the percentage of interests in the Units in this column are not cumulative.

(3) DBS Group Holdings Ltd. ("**DBSH**") wholly owns DBS Bank Ltd. and is deemed interested in the 40,000,000 Units directly held by DBS Bank Ltd.

(4) Temasek Holdings (Private) Limited ("**Temasek**") owns more than 20% interest in DBSH and is deemed interested in the 40,000,000 Units directly held by DBS Bank Ltd. DBSH is an independently managed Temasek portfolio company. Temasek is not involved in its business or operating decisions, including those regarding the Units.

(5) The deemed interest arises from 46,781,299 Units and 7,429,165 Units directly held by Manulife (International) Limited ("**MIL**") and Manufacturers Life Reinsurance Limited ("**MLRL**") respectively. MIL is a wholly-owned subsidiary of Manulife International Holdings Limited ("**MIHL**"). Both MIHL and MLRL are wholly-owned subsidiaries of Manulife Financial Asia Limited ("**MFAL**"). MFAL is a wholly-owned subsidiary of Manulife Holdings (Bermuda) Limited ("**MHBL**"), which in turn is a wholly-owned subsidiary of the Sponsor. The Sponsor is a wholly-owned subsidiary of MFC, which is a publicly listed entity.

(6) Not meaningful.

Save as disclosed above and based on information available to the Manager as at the date of this announcement, none of the Directors or the Substantial Unitholders has an interest, direct or indirect, in the Acquisition.

8.3 Interested Person Transaction[1] and Interested Party Transaction[2]

Under Chapter 9 of the Listing Manual, where Manulife US REIT proposes to enter into a

1 "**Interested Person Transaction**" means a transaction between an entity at risk and an Interested Person (as defined below).

2 "**Interested Party Transaction**" has the meaning ascribed to it in Paragraph 5 of the Property Funds Appendix.

transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other Acquisition, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of Manulife US REIT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction. Based on the FY2016 Audited Financial Statements, the NTA of Manulife US REIT was US$547.0 million as at 31 December 2016. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by Manulife US REIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of US$27.4 million, such a transaction would be subject to Unitholders' approval.

Paragraph 5 of the Property Funds Appendix also imposes a requirement for Unitholders' approval for an interested party transaction by Manulife US REIT whose value exceeds 5.0% of Manulife US REIT's latest audited NAV. Based on the FY2016 Audited Financial Statements, the NAV of Manulife US REIT was US$547.0 million as at 31 December 2016. Accordingly, if the value of a transaction which is proposed to be entered into by Manulife US REIT with an interested party is equal to or greater than US$27.4 million, such a transaction would be subject to Unitholders' approval.

The aggregate value of (i) the Purchase Consideration for the Acquisition, comprising the purchase price of US$313.2 million and settlement adjustments[1] estimated at US$4.0 million and (ii) acquisition and transaction costs reimbursed to the Sponsor and/or its affiliates, up to an aggregate amount of approximately US$2.4 million, equates to approximately 58.4% of the latest audited NTA and the NAV of Manulife US REIT as at 31 December 2016. As this value exceeds 5.0% of the NTA and the NAV of Manulife US REIT, the Manager will be seeking the approval of Unitholders by way of an Ordinary Resolution for the Acquisition, pursuant to Chapter 9 of the Listing Manual.

As at 28 August 2017, the Sponsor holds an aggregate interest in 54,210,465 Units, which is equivalent to approximately 7.43% of the total number of Units in issue. However, the Manager is a wholly owned subsidiary of the Sponsor and the Sponsor is, therefore, regarded as a "controlling shareholder"[2] of the Manager under both the Listing Manual and the Property Funds Appendix.

As JHUSA is a wholly owned subsidiary of the Sponsor, for the purposes of Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Appendix, JHUSA (being a subsidiary of a "controlling shareholder" of the Manager) is (for the purpose of the Listing Manual) an "interested person"[3] and (for the purpose of the Property Funds Appendix) an

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1 The settlement adjustments include, among other items, purchase price impact of new leases at the Property under negotiation and capital improvement (if any) and leasing costs that have been paid by JHUSA and are to be reimbursed by Manulife US REIT to JHUSA, which will be paid at the closing of the Acquisition. The settlement adjustment of US$4.0 million is based on estimates as at 28 August 2017. The final settlement adjustments may differ from the estimates provided above.

2 "**Controlling Shareholder**" means a person who:

(a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company; or

(b) in fact exercises control over a company.

3 "**Interested Person**" means:

"interested party"[1] of Manulife US REIT.

Therefore, the Acquisition will constitute an "interested person transaction" under Chapter 9 of the Listing Manual as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the approval of Unitholders is required.

Unitholders should note that the resolution to approve the Acquisition and the resolution to approve the Rights Issue are inter-conditional. This means that if any of the resolution to approve the Acquisition or the resolution to approve the Rights Issue is not approved, the other resolution would not be carried.

Prior to the date of this announcement, Manulife US REIT had entered into one interested person transactions with the Sponsor's subsidiary during the course of the current financial year ("**Existing Interested Person Transactions**"), amounting to US$0.1 million[2] which comprises 0.02% of the audited NTA of Manulife US REIT as at 31 December 2016. Save as described above, there were no other interested person transactions entered into with MFC and its subsidiaries and associates or any other interested persons of Manulife US REIT during the course of the current financial year. The Sponsor is wholly owned by MFC.

8.4 Directors' Service Contracts

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

9. INDICATIVE TIMETABLE

Event	Date and Time
Notice of extraordinary general meeting ("**EGM**")	2 September 2017
EGM to approve the Acquisition and the Rights Issue	19 September 2017
Notice of Rights Issue Books Closure Date to determine rights entitlement	19 September 2017

(a) In the case of a company, "interested person" means:
  (i) a director, chief executive officer, or controlling shareholder of the issuer; or
  (ii) an associate of any such director, chief executive officer, or controlling shareholder; and
(b) in the case of a REIT, shall have the meaning defined in the Code on Collective Investment Schemes issued by the MAS.

1 "**Interested Party**" means:
(a) a director, chief executive officer or controlling shareholder of the manager, or the manager, the trustee or controlling unitholder of the property fund; or
(b) an associate of any director, chief executive officer or controlling shareholder of the manager, or an associate of the manager, the trustee or any controlling unitholder of the property fund.

2 This excludes the fees and charges paid by Manulife US REIT to the Manager under the Manulife US REIT Trust Deed and to JHUSA under the Master Property Management Agreement and the Property Management as these form part of the Exempted Agreements as set out in Manulife US REIT's Prospectus dated 12 May 2016. Accordingly, such transactions are not included in the aggregate value of total interested person transactions as governed by Rule 905 and 906 of the Listing Manual.

Event	Date and Time
Last day of "cum-rights" trading for the Rights Issue	22 September 2017
First day of "ex-rights" trading for the Rights Issue	25 September 2017
Rights Issue Books Closure Date to determine rights entitlement	27 September 2017
Lodgement of the Offer Information Statement with the MAS	27 September 2017
Despatch of Offer Information Statement (together with the application forms) to Eligible Unitholders	2 October 2017
Commencement of trading of Rights Entitlements	2 October 2017
Last day of trading of Rights Entitlements	10 October 2017
Closing Date:	
Last date and time for acceptance of the Rights Entitlements and payment for Rights Units	16 October 2017 at 5.00 p.m.[(1)] (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for application and payment for Excess Rights Units	16 October 2017 at 5.00 p.m.[(1)] (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)
Last date and time for acceptance of and payment by the renouncee	16 October 2017 at 5.00 p.m.
Expected date of issue of Rights Units	25 October 2017
Expected date for commencement of trading of Rights Units on the SGX-ST	26 October 2017

Note:

(1) If acceptances of the Rights Entitlements and (if applicable) applications for Excess Rights Units, as the case may be, are made through CDP in accordance with the ARE and the ARS.

The Manager may, in consultation with the Joint Lead Managers and Underwriters and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via SGXNET. However, as at the date of this announcement, subject to the approval of Unitholders for the Acquisition and the Rights Issue at the EGM, the Manager does not expect the above timetable to be modified.

10. DOCUMENTS FOR INSPECTION

A copy of the following is available for inspection during normal business hours at the registered office of the Manager located at 51 Bras Basah Road, Level 11 Manulife Centre, Singapore 189554 for a period of three months commencing from the date of this announcement, prior appointment would be appreciated:

(i) the Purchase Agreement;

(ii) the IFA Letter;

(iii) the valuation report on the Property issued by RERC;

(iv) the valuation report on the Property issued by Colliers;

(v) the independent market research report issued by the Independent Market Research Consultant;

(vi) the FY2016 Audited Financial Statements; and

(vii) the written consents of each of the IFA, the Independent Valuers and the Independent Market Research Consultant.

11. FURTHER DETAILS

The Circular, together with a notice of the EGM to be convened, will be dispatched to Unitholders in due course. Approval has been received from the SGX-ST in relation to the Circular.

BY ORDER OF THE BOARD
Jill Smith
Chief Executive Officer

Manulife US Real Estate Management Pte. Ltd.
(Company registration no. 201503253R)
(as manager of Manulife US Real Estate Investment Trust)

2 September 2017

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.

Any offering of Rights Units will be made in and accompanied by the Offer Information Statement. A potential investor should read the Offer Information Statement before deciding whether to subscribe for Rights Units under the Rights Issue. The Offer Information Statement may be accessed online at the website of the Monetary Authority of Singapore ("**MAS**") at <https://eservices.mas.gov.sg/opera/> when it is lodged with the MAS. The MAS assumes no responsibility for the contents of the Offer Information Statement. The availability of the Offer Information Statement on the MAS website does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The MAS has not, in any way, considered the investment merits of Manulife US REIT. This announcement is qualified in its entirety by, and should be read in conjunction with the full text of the Offer Information Statement when it is lodged with the MAS.

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.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia) and is not to be distributed or circulated outside Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of other jurisdictions. The nil-paid rights and Rights Units referred to herein have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. No public offering of the securities is being made in the United States.