



MANULIFE US REAL ESTATE INVESTMENT TRUST

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

NO CHANGES TO MANULIFE US REIT STRUCTURE ARE EXPECTED AS A RESULT OF US TAX REGULATIONS

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**"), previously on 2 January 2018 announced certain changes to its holding structure in order to address changes to the United States Internal Revenue Code ("**IRC**") generally effective from and after 1 January 2018. Specifically, among other changes, Manulife US REIT established a Barbados holding company structure for its intercompany financing of Hancock S-REIT Parent Corp. to address the potential impact of the newly-enacted Section 267A of the IRC ("**Section 267A**") on the deductibility of certain interest expense for taxable years beginning after 31 December 2017.

On 20 December 2018, the United States Department of the Treasury released proposed regulations under Section 267A (the "**Proposed 267A Regulations**"). Separately, on 20 November 2018, the Government of Barbados has announced that Barbados will converge its local and international tax rates. It was proposed that from 1 January 2019, domestic companies will pay the same tax rates as international companies, on a sliding scale of 5.5%, reducing to 1.0% as taxable income increases (the "**Proposed Barbados Tax Rates**"). The current tax paid or payable by Manulife US REIT in US and Barbados is approximately 1.5% of distributable income before income tax for the financial period from 1 January 2018 to 30 September 2018. Under the Proposed Barbados Tax Rates, the Manager expects the additional tax expense will not be more than 1% of the distributable income before income tax. The Manager will continue to review various tax planning alternatives to mitigate any future tax impact.

The Proposed 267A Regulations together with the Barbados Tax Changes are not expected to necessitate any further changes to Manulife US REIT's structure (including Barbados entities set-up on 1 January 2018) in order to preserve the deductibility of interest paid on Manulife US REIT's intercompany financing arrangements. As such, the Manager currently expects that the Proposed 267A Regulations together with the Barbados Tax Changes will not have any material impact on the consolidated net tangible assets or distributions per unit of Manulife US REIT.

Manulife US REIT cautions that the Proposed 267A Regulations are still in proposed form. Final regulations under Section 267A, expected to be effective as of 1 January 2018, could differ materially from the Proposed 267A Regulations and could result in additional costs. The United States Department of the Treasury has stated that it expects final regulations under Section 267A to be promulgated by 22 June 2019. Further, additional guidance or negative application of relevant tax laws related to Section 267A could have a material impact on the consolidated net tangible assets or distributions per unit of Manulife US REIT. The Manager will update unitholders of Manulife US REIT if there is any material impact on Manulife US REIT and/or its unitholders

arising from the issuance of final regulations, additional guidance, or other application of tax laws in the tax jurisdictions that Manulife US REIT operates.

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)

27 December 2018

IMPORTANT NOTICE

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

The value of units in Manulife US REIT (“**Units**”) and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by the Manager, DBS Trustee Limited (as trustee of Manulife US REIT) or any of their respective affiliates.

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units (“**Unitholders**”) have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Manulife US REIT is not necessarily indicative of the future performance of Manulife US REIT.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets and for potential changes to the tax or other laws are not necessarily indicative of the future or likely performance of Manulife US REIT. The forecast financial performance of Manulife US REIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.