



MANULIFE US REAL ESTATE INVESTMENT TRUST

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

COMPLETION OF ACQUISITION 10 EXCHANGE PLACE, JERSEY CITY, HUDSON COUNTY, NEW JERSEY, RIGHTS ISSUE USE OF PROCEEDS, AND ENTRY INTO MORTGAGE FACILITY

1. COMPLETION OF ACQUISITION

Further to the announcement dated 2 September 2017 in relation to the proposed acquisition of the property located at 10 Exchange Place in Jersey City, Hudson County, New Jersey (the “**Property**”), Manulife US Real Estate Management Pte. Ltd., as manager of Manulife US Real Estate Investment Trust (“**Manulife US REIT**” and as manager of Manulife US REIT, the “**Manager**”), is pleased to announce that the acquisition of the Property has been completed. The final purchase price for the 10 Exchange acquisition was US\$315.1 million comprising a base purchase price of US\$313.2 million and final purchase price adjustments of US\$1.9 million.

2. USE OF PROCEEDS

Further to the announcement dated 2 September 2017 and 26 October 2017 in relation to the underwritten and renounceable rights issue (“**Rights Issue**”) of 299,288,423 new units in Manulife US REIT, the Manager announces that the net proceeds from the Rights Issue of approximately US\$201.0 million has been used to partially fund the acquisition of the Property. Details of the use of proceeds from the Rights Issue are as follows:

	Intended use	Actual use of proceeds	Balance of proceeds
To partially fund the Acquisition	US\$200.7 million	US\$201.0 million	(US\$0.3 million)
To pay the estimated fees and expenses relating to Rights Issue	US\$7.3 million	US\$7.0 million	US\$0.3 million
Total	US\$208.0 million	US\$208.0 million	US\$-

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.

As the fees and expenses relating to the Rights Issue are less than the estimated fees and expenses relating to Rights Issue, the balance of the amount were used to partially fund the Acquisition. Save for the redeployment of such amounts to partially fund the Acquisition, the use of the gross proceeds from the Rights Issue is in accordance with the percentage of the gross proceeds of the Rights Issue allocated to such use. As at the date of this announcement, the Manager has fully disbursed all of the net proceeds from the Rights Issue.

3. ENTRY INTO MORTGAGE FACILITY FOR THE PROPERTY

Hancock S-REIT JCITY Corp. (the “**Sub-U.S. REIT**”), an indirect wholly owned subsidiary of Manulife US REIT, has entered into a loan agreement with Wells Fargo Bank, National Association and Royal Bank of Canada as lenders (the “**Mortgage Lenders**”) for an aggregate principal amount of up to US\$167.5 million (the “**Mortgage Facility**”) consisting of an initial funding of US\$125.1 million, as well as a good news facility of up to US\$42.4 million for Manulife US REIT’s future budgeted capital and leasing costs. The Mortgage Facility is secured by, among other collateral, a first mortgage on the Property.

Pursuant to Rule 704(31) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Mortgage Facility contains provisions that prohibit the further encumbrancing, junior financing, mezzanine financing, changing (directly or indirectly) the identity or control of the Sub-U.S. REIT and transferring an interest in the Property without prior consent by the Mortgage Lenders, a breach of which may result in, inter alia, an event of default and mandatory prepayment under the Mortgage Facility (“**Mortgage Facility Condition**”). Issuances and transfers of ownership interests in Hancock S-REIT Parent Corp. (“**Parent U.S. REIT**”) and any person holding a direct or indirect ownership in the Parent U.S. REIT will not be deemed a transfer of an interest in the Property requiring prior consent by the Mortgage Lenders provided that, among others conditions:

- (i) Manulife Financial Corporation or an affiliate of Manulife Financial Corporation remains as the manager of Manulife US REIT;
- (ii) employees of Manulife Financial Corporation or its affiliates hold a majority of the seats on the Sub-U.S. REIT’s and Parent US REIT’s boards of directors;
- (iii) Parent U.S. REIT continues to own all of the common ownership and voting interests in the Sub-U.S. REIT and Manulife US REIT Alpha (Singapore) Pte. Ltd. continues to own all of the common ownership and voting interests in Parent U.S. REIT; and
- (iv) no unitholder of Manulife US REIT owns 25.0% or more interest in Manulife US REIT.

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The aggregate level of facilities which may be affected by a breach of the Mortgage Facility Condition is US\$676.9 million¹. As at the date of this announcement, there has not been any breach of the Mortgage Facility Condition. Neither The Manufacturers Life Insurance Company (the “**Sponsor**”), which wholly owns the Manager, nor Manulife Financial Corporation, the parent corporation of the Sponsor, has entered into any share pledging arrangements in relation to the shareholding interest in the Manager or the unitholding interest in Manulife US REIT.

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)

1 Nov2017

¹ Assuming that all of the existing drawn and undrawn facilities of Manulife US REIT and its subsidiaries and the Mortgage Facility have been drawn down in full.

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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.