



MANULIFE US REAL ESTATE INVESTMENT TRUST

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

REDEMPTION OF PREFERRED SHARES BY U.S. REITS AND PROPOSED ESTABLISHMENT OF WHOLLY-OWNED ENTITIES

Manulife US Real Estate Management Pte. Ltd., as manager of Manulife US Real Estate Investment Trust ("**Manulife US REIT**", and the manager of Manulife US REIT, the "**Manager**"), refers to the recently announced tax changes reforming the United States Internal Revenue Code ("**IRC**") introduced by the United States Government, and the resulting enactment of the US Tax Act¹.

The US Tax Act amends the IRC generally from and after 1 January 2018. One of the effects of the US Tax Act is that it impacts the deductibility of certain interest expense for taxable years beginning after 31 December 2017.

To address such effects:

- (i) the preferred shares issued by each of Hancock S-REIT LA Corp., Hancock S-REIT Irvine Corp., Hancock S-REIT ATL Corp., Hancock S-REIT SECA Corp. and Hancock S-REIT JCITY Corp. (collectively, the "**Sub-U.S. REITs**") have been redeemed by the Sub-U.S. REITs (the "**Redemption**"). The total redemption amount is approximately US\$0.7 million, which was funded from internal resources; and
- (ii) each of Manulife US REIT Beta (Singapore) Pte. Ltd., Manulife US REIT Beta 2 (Singapore) Pte. Ltd. and Manulife US REIT Beta 3 (Singapore) Pte. Ltd., all of which are wholly owned subsidiaries of Manulife US REIT, has commenced a process of its own restructuring (the "**Restructuring**"). Each of Manulife US REIT Beta (Singapore) Pte. Ltd., Manulife US REIT Beta 2 (Singapore) Pte. Ltd. and Manulife US REIT Beta 3 (Singapore) Pte. Ltd. has established directly and indirectly wholly-owned companies and a partnership in Barbados². The respective Barbados partnership has become the lender to Hancock S-REIT Parent

1 The "**US Tax Act**" refers to the United States legislation titled An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018, commonly known as "The Tax Cuts and Jobs Act of 2017".

2 The following companies have been incorporated - (i) MUSREIT HoldCo (Barbados) 1 SRL (with a paid-up capital of US\$218,940), (ii) MUSREIT HoldCo (Barbados) 2 SRL (with a paid-up capital of US\$48,125), (iii) MUSREIT HoldCo (Barbados) 3 SRL (with a paid-up capital of US\$132,833), (iv) MUSREIT Intermediary (Barbados) 1 SRL (with a paid-up capital of US\$100), (v) MUSREIT Intermediary (Barbados) 2 SRL (with a paid-up capital of US\$100) and (vi) MUSREIT Intermediary (Barbados) 3 SRL (with a paid-up capital of US\$100). The following partnerships have been formed - (i) MUSREIT (Barbados) 1 LP (with a paid-up capital of US\$218,840,065), (ii) MUSREIT (Barbados) 2 LP (with a paid-up capital of US\$48,024,889) and (iii) MUSREIT (Barbados) 3 LP (with a paid-up capital of US\$132,732,872).

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.

Corp. in place of each of Manulife US REIT Beta (Singapore) Pte. Ltd., Manulife US REIT Beta 2 (Singapore) Pte. Ltd. and Manulife US REIT Beta 3 (Singapore) Pte. Ltd..

Manulife US REIT will incur some costs to effect the Redemption and the Restructuring. In addition, future tax costs may result from the Restructuring, for example, (i) on account of the US Tax Act's amendments to the IRC including, without limitation, any regulations issued thereunder, or (ii) on account of the tax laws of Barbados with regard to the new companies and partnerships. Notwithstanding the foregoing, the Manager presently expects that:

- (a) absent any additional guidance or negative applications of relevant tax laws; and
- (b) upon completing and giving effect to the Redemption and the Restructuring,

all such costs are not expected to have a material impact on the consolidated net tangible assets or distributions per unit of Manulife US REIT.

However, legislative technical corrections, regulations or administrative guidance addressing the new provisions of the US Tax Act may be enacted or issued in the future. In addition, certain tax rulings need to be obtained.

The Manager will update unitholders of Manulife US REIT if there is a material impact on Manulife US REIT and/or its unitholders arising from:

- (i) the Restructuring, for example, due to any negative applications of relevant tax laws or any issues obtaining appropriate tax rulings; and/or
- (ii) the enactment or issuance of additional corrections, interpretations, regulations or administrative guidance with respect to the US Tax Act.

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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 January 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.