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MANULIFE US REAL ESTATE INVESTMENT TRUST

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

ANNOUNCEMENT

RESULTS OF THE PRIVATE PLACEMENT AND PRICING OF NEW UNITS UNDER THE PRIVATE PLACEMENT AND THE PREFERENTIAL OFFERING

*Capitalised terms used herein, unless otherwise defined, shall have the meanings ascribed to them in the announcement of Manulife US Real Estate Investment Trust ("**Manulife US REIT**") dated 19 September 2019 titled "Launch of Fully Underwritten Equity Fund Raising to Raise Gross Proceeds of approximately US\$142.1 million" (the "**Launch Announcement**").*

1. INTRODUCTION

Further to the Launch Announcement, Manulife US Real Estate Management Pte. Ltd., in its capacity as manager of Manulife US REIT (the "**Manager**"), wishes to announce that Citigroup Global Markets Singapore Pte. Ltd and DBS Bank Ltd., as the joint lead managers and underwriters for the Equity Fund Raising (the "**Joint Lead Managers and Underwriters**"), have in consultation with the Manager, closed the books of orders for the Private Placement on Thursday, 19 September 2019.

The Private Placement was more than 7 times covered at the top end of the Private Placement Issue Price Range and saw strong participation from new and existing institutional and other accredited investors.

The issue price per New Unit under the Private Placement has been fixed at US\$0.876 per New Unit (the "**Private Placement Issue Price**"), as agreed between the Manager and the Joint Lead Managers and Underwriters, following a book-building process and the issue price per New Unit under the Preferential Offering has been fixed at US\$0.860 per New Unit (the "**Preferential Offering Issue Price**").

The Private Placement Issue Price represents a discount of:

- (i) 3.6% to the volume weighted average price (the "**VWAP**") of US\$0.9089 per Unit

of all trades in the Units on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the full Market Day¹ on Wednesday, 18 September 2019, being the market day preceding the date on which the Underwriting Agreement (as defined below) was signed; and

- (ii) (for illustrative purposes only) 2.0% to the adjusted VWAP (the “**Adjusted VWAP**”²) of US\$0.8942 per Unit.

The Preferential Offering Issue Price represents a discount of:

- (i) 5.4% to the VWAP of US\$0.9089 per Unit; and
- (ii) (for illustrative purposes only) 3.8% to the Adjusted VWAP of US\$0.8942 per Unit.

A total of 91,325,000 New Units will be issued pursuant to the Private Placement and a total of 72,855,530 New Units will be issued pursuant to the Preferential Offering.

The Preferential Offering ratio is fixed on the basis of 52 New Units for every 1,000 existing Units in Manulife US REIT (the “**Existing Units**”). The upsize option to issue additional New Units in relation to the Private Placement was fully exercised. Accordingly, the total gross proceeds of the Equity Fund Raising will be approximately US\$142.7 million comprising approximately US\$80.0 million from the Private Placement and approximately US\$62.7 million from the Preferential Offering.

2. STATUS OF NEW UNITS

2.1 Entitlement to Advanced Distribution

Manulife US REIT’s policy is to distribute its distributable income on a semi-annual basis to Unitholders.

In connection with the Private Placement, the Manager intends to declare, in respect of the Existing Units, an advanced distribution for the period from 1 July 2019 to the date immediately prior to the date on which the New Units are issued pursuant to the Private Placement (the “**Advanced Distribution**”). The quantum of Advanced Distribution per Existing Unit is currently estimated to range from 1.37 US cents to 1.57 US cents³. A further announcement on the actual quantum of the Advanced Distribution will be made by the Manager in due course.

The New Units pursuant to the Private Placement are expected to be issued on or around Monday, 30 September 2019. The Advanced Distribution is intended to ensure that the distribution accrued by Manulife US REIT from 1 July 2019 up to the day immediately preceding the date of issue of the New Units pursuant to the Private Placement (which at this point, will be entirely attributable to the Existing Units) is only distributed in respect of

1 “**Market Day**” means a day on which the SGX-ST is open for securities trading.

2 The “**Adjusted VWAP**” is computed based on the VWAP of all trades in the Units on the SGX-ST for the full Market Day on 18 September 2019 and subtracting the estimated Advanced Distribution (as defined in paragraph 2.1 above) of approximately 1.47 US cents per Unit. This amount is only an estimate based on information currently available to the Manager and the actual Advanced Distribution may differ and will be announced at a later date.

3 This amount is an estimate only based on information currently available to the Manager and the Manager’s estimate of Manulife US REIT’s revenue and expenses, and the actual Advanced Distribution may differ.

the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

The next distribution following the Advanced Distribution will comprise Manulife US REIT's distributable income for the period from the day the New Units are issued pursuant to the Private Placement to 31 December 2019 (the "**Relevant Period Distribution**"). Semi-annual distributions will resume thereafter.

2.2 Status of New Units issued pursuant to the Private Placement

The New Units issued pursuant to the Private Placement will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued pursuant to the Private Placement, including the right to Manulife US REIT's distributable income from the day of issuance of the New Units pursuant to the Private Placement as well as all distributions thereafter, other than in respect of the Advanced Distribution and the eligibility to participate in the Preferential Offering.

For the avoidance of doubt, the holders of the New Units to be issued pursuant to the Private Placement will not be entitled to the Advanced Distribution and will not be eligible to participate in the Preferential Offering.

2.3 Status of New Units issued pursuant to the Preferential Offering

The New Units issued pursuant to the Preferential Offering will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the New Units are issued pursuant to the Preferential Offering including the right to the Relevant Period Distribution as well as distributions thereafter, other than in respect of the Advanced Distribution.

For the avoidance of doubt, the holders of the New Units to be issued pursuant to the Preferential Offering will not be entitled to the Advanced Distribution.

3. USE OF PROCEEDS

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately US\$142.7 million from the Equity Fund Raising in the following manner:

- (i) approximately US\$135.4 million (which is equivalent to approximately 94.9% of the gross proceeds of the Equity Fund Raising) to finance part of the total acquisition cost of the Proposed Acquisition;
- (ii) approximately US\$7.3 million (which is equivalent to approximately 5.1% of the gross proceeds of the Equity Fund Raising) to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by Manulife US REIT in connection with the Proposed Acquisition and the Equity Fund Raising,

with the balance of the gross proceeds of the Equity Fund Raising, if any, to be used for general corporate and/or working capital purposes.

Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Equity Fund Raising at its absolute discretion

for other purposes, including and without limitation, acquisitions, the repayment of existing indebtedness and for funding capital expenditures or other general corporate purposes.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. 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 the use of proceeds and in Manulife US REIT's annual report and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

Pending the deployment of the net proceeds of the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, or be used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

4. **AUTHORITY TO ISSUE NEW UNITS**

The New Units will be issued pursuant to a general mandate (the "**General Mandate**") given to the Manager at the annual general meeting (the "**AGM**") held on 24 April 2019.

Pursuant to the General Mandate, the Manager may, during the period from 24 April 2019 to (i) the conclusion of the next annual general meeting of Manulife US REIT or (ii) the date by which the next AGM of Manulife US REIT is required by applicable laws or regulations to be held, whichever is earlier, issue new Units and/or warrants, options, debentures or other instruments convertible into Units (the "**Convertible Securities**") such that the number of new Units (and/or Units into which the Convertible Securities may be converted) does not exceed 50.0% of the total number of Units in issue as at 24 April 2019 (the "**Base Figure**"), of which the aggregate number of new Units (and/or Units into which the Convertible Securities may be converted) issued other than on a *pro rata* basis to existing Unitholders, shall not be more than 20.0% of the Base Figure.

The Base Figure, being the number of units in issue as at 24 April 2019, is 1,280,114,375.

The number of Units that can be issued under the General Mandate on a *pro rata* basis to existing Unitholders is 640,057,187 Units, of which no more than 256,022,875 Units may be issued on a non *pro rata* basis. The Manager has issued 120,953,523 Units since 24 April 2019 on a non *pro rata* basis.

91,325,000 New Units to be issued pursuant to the Private Placement would constitute 7.1% of the Base Figure, which is within the 20.0% limit for issue of new Units other than on a *pro rata* basis. The amount of New Units to be issued pursuant to the Preferential Offering (together with the New Units to be issued pursuant to the Private Placement) would constitute 12.8% of the Base Figure, which is within the 50.0% limit for issue of new Units. Accordingly, the prior approval of the Unitholders is not required for the issue of the New Units under the Equity Fund Raising.

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)

20 September 2019

Important Notice:

This announcement is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of 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 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

This announcement is not an offer for sale of securities in Manulife US REIT in the United States or any other jurisdiction. The securities in Manulife US REIT 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 and in compliance with any applicable state securities laws. There is no intention to register any portion of the offering in the United States or to conduct a public offering of securities in the United States.

This announcement is not to be distributed or circulated outside of Singapore. Any failure to comply with this restriction may constitute a violation of United States securities laws or the laws of any other jurisdiction.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore: The New Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).