

Corporate Liquidity and Capital Resources

KEY FUNDING STATISTICS

(As at 31 March)

	2018	2017
Total outstanding debt (S\$ million)	1,219.8	1,107.9
Bank facilities (S\$ million)		
Bank loans outstanding	814.8	702.9
Unutilised bank facilities	532.1	686.0
Debt securities issued and capacity (S\$ million)		
Debt securities outstanding	405.0	405.0
Debt securities capacity	595.0	595.0
Ratios		
Aggregate leverage		
- Based on deposited property	33.1%¹	29.2%
- Based on net assets	49.3%¹	43.7%
Weighted average tenor of debt	3.3 years	3.5 years
Average borrowing cost for the financial year	2.9%	2.6%
Interest cover ratio for the financial year	7.1 times	7.9 times

¹ The aggregate leverage ratio includes MIT's proportionate share of borrowings and assets of the joint venture. As at 31 March 2018, total debt including MIT's proportionate share of joint venture debt was S\$1,457.1 million. (Exchange rate applied: US\$1 to S\$1.31839)

The Manager's proactive approach to capital management aims at maintaining a strong balance sheet as well as achieving efficiency with respect to capital resources. Total outstanding debt increased by about S\$111.9 million to S\$1,219.8 million as at 31 March 2018 from S\$1,107.9 million one year ago. Including MIT's 40% share of the borrowings and deposited property values of the joint venture, the aggregate leverage ratio as at 31 March 2018, computed based on total assets, increased to 33.1% from 29.2% as at 31 March 2017.

The development capital expenditure incurred during the year and the equity investment into the joint venture for the US Acquisition were funded partly by debt and equity. As at 31 March 2018, about 13.1% of its total debt outstanding were denominated in US\$.

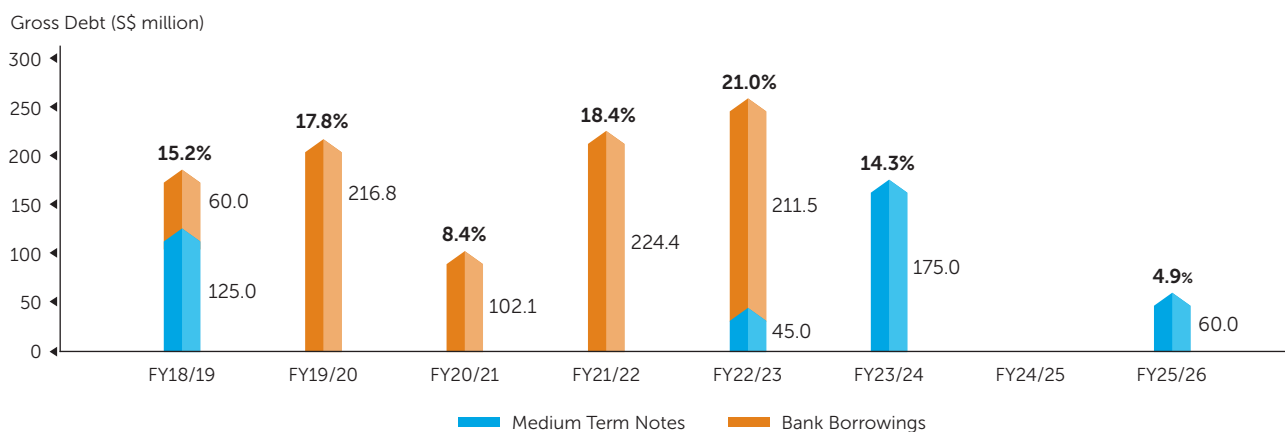
The Manager successfully raised a total of S\$155.7 million in October 2017 through a private placement with 81,968,000 new units issued at the issue price of S\$1.90. The exercise was well supported by the investors at approximately 3.3 times covered at the top end of the issue price range of S\$1.90 per new unit, and the upsize option was exercised in full. The issue price represented a discount of approximately 1.2% to the adjusted volume weighted average price. The use of the gross proceeds of S\$155.7 million from the private placement was in accordance with the stated use and percentage allocated as set out in the announcement dated 25 October 2017 in relation to the close of the private placement. As at 31 March 2018, the gross proceeds had been fully disbursed.

All borrowings remain unsecured with minimal financial covenants. The Issuer Default Rating of MIT by Fitch Ratings remains unchanged at 'BBB+' with a Stable Outlook.

As at 31 March 2018, bank facilities of about S\$532.1 million were available to address refinancing needs and support potential investment opportunities. MIT's funding sources were also augmented with its S\$1 billion Multicurrency Medium Term Note Programme. Medium term notes of S\$405.0 million, forming about 33.2% of total outstanding debt as at 31 March 2018, were issued to debt capital market investors.

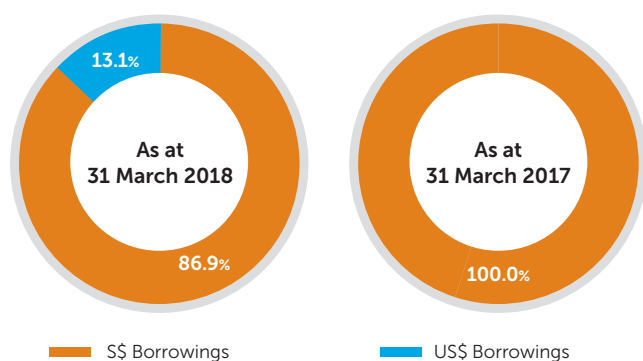
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DEBT MATURITY PROFILE



Through a combination of bank borrowings and Medium Term Notes with varying debt tenors, the debt maturity profile is well-diversified and well-spread. As at 31 March 2018, the highest debt concentration is in FY22/23, with about 21% of the total outstanding debt.

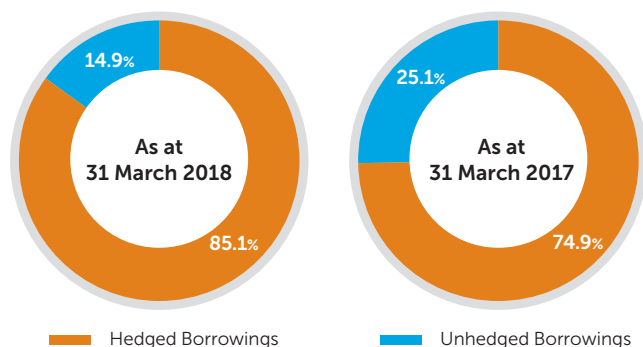
DEBT CURRENCY BREAKDOWN PROFILE



INTEREST RATE HEDGING

The Manager has procured interest rate swaps as well as fixed rate debt to hedge fluctuations in interest rates. As at 31 March 2018, about 85.1% of total debt was either borrowed on fixed rate basis or hedged with interest rate swaps (31 March 2017: 74.9%), and the weighted average tenor of such interest rate hedges was about 2.9 years (31 March 2017: 4.0 years). In view of the US\$ interest rate hikes effected to date and expected hikes to come, the Manager had hedged the interest rate exposure of about 99.3% of the US\$ debt. About S\$225.0 million of S\$ interest rate hedges will expire in the second half of FY18/19; the Manager will proactively seek to replace expiring interest rate hedges and/or take on additional hedges to protect against future interest rate volatility.

INTEREST RATE HEDGING PROFILE



FOREIGN EXCHANGE RATE HEDGING

MIT's investment in the joint venture was funded by US\$ debt, which provided a natural hedge on the foreign exchange rate fluctuation that may arise on the Balance Sheet. Arising from its US Portfolio, a part of MIT's income stream will be received in US\$. To hedge against the foreign exchange rate volatility, the Manager uses currency forwards to hedge expected US\$ income; considering the currency forwards executed to date, 100% of the FY17/18 net income stream were derived in and/or had been hedged into S\$.