CORPORATE LIQUIDITY AND **CAPITAL RESOURCES**

Key Funding Statistics (As at 31 March)

	2017	2016
Total outstanding debt (S$ million)	**1,107.9**	1,022.4
Bank facilities (S$ million)		
Bank loans outstanding	**702.9**	717.4
Unutilised bank facilities	**686.0**	487.5
Debt securities issued and capacity (S$ million)		
Debt securities outstanding	**405.0**	305.0
Debt securities capacity	**595.0**	695.0
Ratios		
Aggregate leverage	**29.2%**	28.2%
Weighted average tenor of debt	**3.5 years**	4.0 years
Average borrowing cost for the financial year	**2.6%**	2.4%
Interest cover ratio for the financial year	**7.9 times**	8.2 times
Hedged borrowings	**74.9%**	88.0%
Weighted average hedge tenor	**4.0 years**	2.7 years

The Manager adopts a prudent approach to proactively manage the capital resources of MIT efficiently. As funding requirements in FY16/17 were fully funded by debt, total outstanding debt increased by about S$85.5 million to S$1,107.9 million as at 31 March 2017 from S$1,022.4 million one year ago. The aggregate leverage ratio as at 31 March 2017 increased to 29.2% from 28.2% as at 31 March 2016 due to the higher amount of total outstanding debt. All borrowings continue to be unsecured and bear minimal financial covenants. The Issuer Default Rating of MIT by Fitch Ratings remains 'BBB+' with a Stable Outlook.

In FY16/17, additional bank facilities were procured which contributed to an increase in available bank facilities to S$686.0 million as at 31 March 2017, compared to S$487.5 million as at 31 March 2016. Such bank facilities can be readily utilised to meet the financing requirements of development projects and debt refinancing requirements; as well as any other investment opportunities.

The Manager constantly looks to diversify its sources of financing to facilitate a smooth execution of its long-term and sustainable business strategy. Bank facilities form a major part of the funding sources of MIT; to achieve diversity, bank facilities were procured from a diversified panel of 11 relationship banks; with continual efforts made to cultivate stronger relationships with an expanding network of banks. The Manager also taps on the debt capital markets through its S$1 billion multicurrency Medium Term Note Programme. Issued debt securities form about 36.6% of total outstanding debt, increased from 29.8% as at the prior financial year end.

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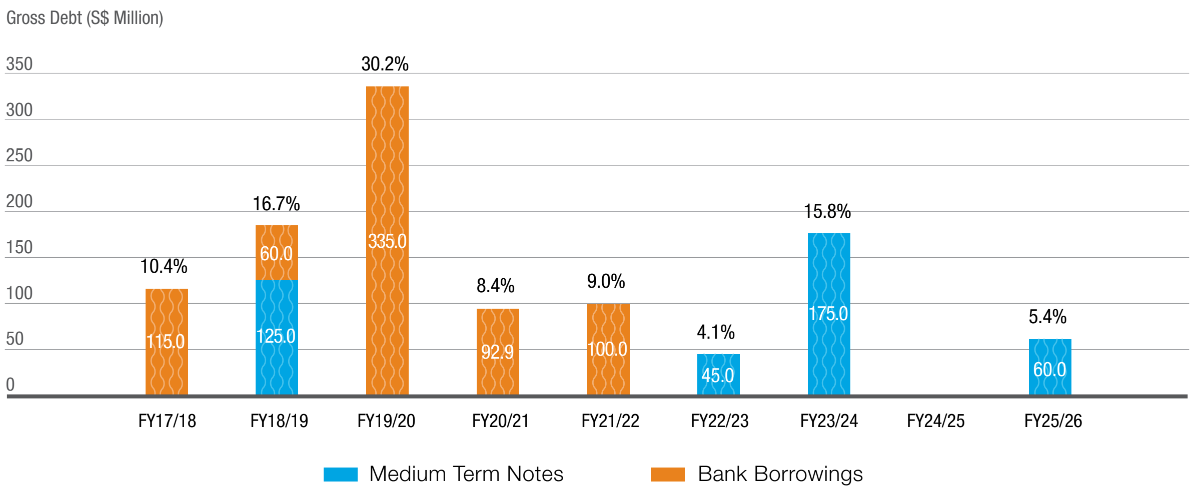
Debt Maturity Profile



The Manager seeks to maintain a robust financial structure with a diversified and well-spread debt maturity profile, through a combination of varied debt tenors in both bank debts and capital market issuances.

In March 2017, S$100 million 7-year medium term notes bearing a coupon rate of 3.16% were issued. Proceeds from the issued notes were used to refinance debt maturing in FY17/18. As at 31 March 2017, the weighted average tenor of debt was 3.5 years.

Hedging Profile

To ensure stability of distributions to its Unitholders, MIT hedged against interest rate fluctuations through interest rate swaps and fixed rate debt. About 74.9% of debt was hedged through interest rate swaps or was drawn on fixed rate basis as at 31 March 2017. As a result of the issued medium term notes and the replacement of interest rate swaps in FY16/17, the weighted average hedge tenor lengthened to about 4.0 years as at 31 March 2017 from about 2.7 years as at 31 March 2016. Though no interest rate swaps are expiring in FY17/18, the Manager will continue to monitor the money market to lock in additional hedges against future interest rate volatility and to capitalise on windows of opportunity that may arise amid market uncertainties.