

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 DECEMBER 2022 AND YEAR TO DATE FROM 1 APRIL 2022 TO 31 DECEMBER 2022

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Summary Results of Mapletree Industrial Trust Group¹ (“MIT Group”)

	3QFY22/23	2QFY22/23	Variance %	3QFY21/22	Variance %
Gross revenue (S\$'000) ²	170,449	175,512	(2.9)	162,352	5.0
Net property income (S\$'000) ²	128,807	130,325	(1.2)	122,735	4.9
Amount available for distribution (S\$'000) ²	90,760	91,359	(0.7)	91,887	(1.2)
- to perpetual securities holders	2,382	2,382	-	2,382	-
- to Unitholders	88,378	88,977	(0.7)	89,505	(1.3)
Distribution to Unitholders (S\$'000)	92,332 ^{3, 4}	90,857 ³	1.6	92,845 ³	(0.6)
No. of units in issue ('000)	2,723,663 [*]	2,704,074 [*]	0.7	2,660,320	2.4
Distribution per unit (cents)	3.39 ^{3, 4}	3.36 ³	0.9	3.49 ³	(2.9)

	YTD FY22/23	YTD FY21/22	Variance %
Gross revenue (S\$'000) ²	513,766	445,971	15.2
Net property income (S\$'000) ²	389,035	347,774	11.9
Amount available for distribution (S\$'000) ²	276,613	266,660	3.7
- to perpetual securities holders	7,120	6,084	17.0
- to Unitholders	269,493	260,576	3.4
Distribution to Unitholders (S\$'000)	277,003 ^{3, 4}	267,442 ³	3.6
No. of units in issue ('000)	2,723,663 [*]	2,660,320	2.4
Distribution per unit (cents)	10.24 ^{3, 4}	10.31 ³	(0.7)

* Includes new units issued pursuant to the Distribution Reinvestment Plan (“DRP”).

Notes:

1. MIT Group comprises Mapletree Industrial Trust (“MIT”) and its wholly-owned subsidiaries.
2. Gross revenue and net property income do not include MIT’s interests in the North American joint venture with Mapletree Investments Pte Ltd (“MIPL”), which is equity accounted. Amount available for distribution includes distribution declared by the joint venture.
3. Includes the distribution of net divestment gain of S\$15.7 million from 26A Ayer Rajah Crescent over eight quarters from 2QFY21/22 to 1QFY23/24.
4. Includes the distribution of tax-exempt income of S\$6.6 million withheld in 4QFY19/20 over three quarters from 3QFY22/23 to 1QFY23/24.

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Introduction

MIT is a real estate investment trust listed on the Main Board of Singapore Exchange. The principal activity of MIT and its subsidiaries (the “Group”) is to invest in income-producing real estate used primarily for industrial purposes in Singapore and as data centres worldwide beyond Singapore, as well as real estate-related assets, with the primary objective of achieving sustainable returns from rental income and long-term capital growth.

MIT’s property portfolio includes Data Centres (Singapore), Data Centres (North America), Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

On 21 April 2022, Mapletree Singapore Industrial Trust (“MSIT”), a wholly-owned subsidiary of MIT, completed the divestment of investment property at 19 Changi South Street 1, Singapore at a sale price of S\$13.0 million.

On 9 June 2022, MIT through its wholly-owned subsidiary, completed the divestment of 19675 West Ten Mile Road, Southfield, Michigan located in United States of America at a sale price of US\$10.0 million.

Following completion of the abovementioned divestments, MIT’s property portfolio comprised 85 properties in Singapore and 56 properties in North America (including 13 data centres held through the joint venture with MIPL).

As at 31 December 2022, MIT’s total assets under management was S\$8.8 billion.

MIT’s distribution policy is to distribute at least 90.0% of its taxable income, comprising substantially rental income from the letting of its properties and related property services income after deduction of allowable expenses, as well as interest income from the periodic placement of cash surpluses in bank deposits.

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1.1 Consolidated Statement of Profit or Loss

	3Q FY22/23 (S\$'000)	3Q FY21/22 (S\$'000)	Variance %	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)	Variance %
Gross revenue	170,449	162,352	5.0	513,766	445,972	15.2
Property operating expenses	(41,642)	(39,617)	5.1	(124,731)	(98,198)	27.0
Net property income	128,807	122,735	4.9	389,035	347,774	11.9
Interest income	240	16	>100.0	429	45	>100.0
Borrowing costs	(26,060)	(19,240)	35.4	(69,777)	(51,878)	34.5
Manager's management fees						
- Base fees	(10,317)	(9,852)	4.7	(30,644)	(26,939)	13.8
- Performance fees	(4,643)	(4,404)	5.4	(14,028)	(12,539)	11.9
Trustee's fees	(260)	(247)	5.3	(766)	(688)	11.3
Other trust expenses	(1,064)	(1,086)	(2.0)	(3,756)	(2,643)	42.1
Net foreign exchange (loss)/gain	(1,851)	2,283	**	(1,680)	5,881	**
Gain on divestment of investment properties ¹	-	2,130	**	3,759	2,637	42.5
Net change in fair value of financial derivatives	1,536	-	**	1,030	(72)	**
Share of joint venture's results	10,372	9,399	10.4	28,759	27,324	5.3
Profit for the period before tax	96,760	101,734	(4.9)	302,361	288,902	4.7
Income tax expense	(1,352)	(2,883)	(53.1)	(9,413)	(7,578)	24.2
- Current income tax	(580)	(893)	(35.1)	(6,698)	(2,337)	>100.0
- Deferred tax	(772)	(1,990)	(61.2)	(2,715)	(5,241)	(48.2)
Profit for the period	95,408	98,851	(3.5)	292,948	281,324	4.1
Attributable to:						
Unitholders	93,026	96,469	(3.6)	285,828	275,240	3.8
Perpetual securities holders ²	2,382	2,382	-	7,120	6,084	17.0
Profit for the period	95,408	98,851	(3.5)	292,948	281,324	4.1
Earnings per unit ("EPU")						
- Basic and Diluted	3.52	3.72		10.88	10.89	

** Not meaningful

Notes:

- Gain on divestment of investment properties arose from the divestments of 19 Changi South Street 1 and 19675 West Ten Mile Road, Southfield for YTD FY22/23. Divestment gain in YTD FY21/22 arose from the divestment of 26A Ayer Rajah Crescent and compensation received for the compulsory acquisition of part of the land at 2 and 4 Loyang Lane for public use.

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1.1 Consolidated Statement of Profit or Loss (continued)

Notes (continued):

- The perpetual securities have no fixed redemption date, with the redemption at the option of MIT on 11 May 2026 and each distribution payment date thereafter, and will bear an initial rate of distribution of 3.15% per annum for the first five years. Distributions are payable semi-annually at the discretion of MIT and will be non-cumulative.

1.2 Distribution Statement

	3Q FY22/23 (S\$'000)	3Q FY21/22 (S\$'000)	Variance %	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)	Variance %
Profit for the period attributable to Unitholders	93,026	96,469	(3.6)	285,828	275,240	3.8
Adjustment for net effect of non-tax chargeable items and other adjustments ¹	(12,763)	(13,862)	(7.9)	(37,333)	(34,463)	8.3
Distribution declared by joint venture	8,115	6,898	17.6	20,998	19,799	6.1
Amount available for distribution to Unitholders	88,378	89,505	(1.3)	269,493	260,576	3.4

Note:

- Non-tax chargeable items and other adjustments include share of joint venture's results, adjustments for rental incentives, income tax expense, management fees paid/payable in units, trustee's fees, financing related costs and other adjustments.

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1.3 Consolidated Statement of Comprehensive Income

	3Q FY22/23 (S\$'000)	3Q FY21/22 (S\$'000)	Variance %	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)	Variance %
Profit for the period	95,408	98,851	(3.5)	292,948	281,324	4.1
Other comprehensive income/(loss):						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Cash flow hedges:						
- Fair value (loss)/gain ¹	(6,970)	6,471	**	89,152	162	>100.0
- Reclassification to profit or loss	(8,949)	6,272	**	(7,552)	17,672	**
Share of hedging reserve of joint venture ¹	(7,595)	6,593	**	9,551	4,131	>100.0
Net translation differences relating to financial statements of foreign joint venture and foreign subsidiaries	(61,945)	12,558	**	(17,940)	18,926	**
Net translation differences relating to shareholder's loan	(14,778)	5,661	**	(3,988)	5,508	**
Net currency translation differences on borrowings designated as net investment hedge of foreign operations	15,667	2,655	>100.0	4,227	4,590	(7.9)
Other comprehensive (loss)/profit, net of tax for the period	(84,570)	40,210	**	73,450	50,989	44.1
Total comprehensive income for the period	10,838	139,061	(92.2)	366,398	332,313	10.3
Attributable to:						
Unitholders	8,456	136,679	(93.8)	359,278	326,229	10.1
Perpetual securities holders	2,382	2,382	-	7,120	6,084	17.0
Total comprehensive income for the period	10,838	139,061	(92.2)	366,398	332,313	10.3

** Not meaningful

Note:

- These reflect the fair value changes of the interest rate swaps and currency forwards. The Group enters into interest rate swaps and currency forwards to manage its exposure to interest rate risks and currency risks.

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1.4 Statements of Financial Position

	MIT Group		MIT	
	31 December 2022 (\$'000)	31 March 2022 (\$'000)	31 December 2022 (\$'000)	31 March 2022 (\$'000)
Current assets				
Cash and cash equivalents	154,018	149,638	37,834	59,487
Trade and other receivables	29,174	26,835	42,015	37,133
Other current assets	5,720	2,777	405	1,009
Loan to a subsidiary	-	-	-	272,888
Derivative financial instruments ¹	2,195	197	1,667	197
	191,107	179,447	81,921	370,714
Investment property held for sale ²	-	13,608	-	-
Total current assets	191,107	193,055	81,921	370,714
Non-current assets				
Investment properties	7,489,021	7,515,735	3,736,925	3,731,202
Investment property under development	225,730	144,900	225,730	144,900
Plant and equipment	107	154	107	154
Investments in:				
- subsidiaries	-	-	1,050,074	1,050,074
- joint venture	574,874	564,454	394,377	394,377
Loan to subsidiaries ³	-	-	683,060	697,547
Derivative financial instruments ¹	139,122	61,673	40,263	22,688
Total non-current assets	8,428,854	8,286,916	6,130,536	6,040,942
Total assets	8,619,961	8,479,971	6,212,457	6,411,656
Current liabilities				
Trade and other payables	141,972	142,554	78,155	89,345
Borrowings	413,605	387,382	373	353
Loan from a subsidiary	-	-	74,993	44,995
Derivative financial instruments ¹	635	2,860	635	319
Current income tax liabilities	1,337	2,372	-	-
Total current liabilities	557,549	535,168	154,156	135,012
Non-current liabilities				
Other payables	50,816	49,646	45,508	45,628
Borrowings	2,474,509	2,552,343	604,808	861,855
Loan from a subsidiary	-	-	283,992	360,064
Derivative financial instruments ¹	10	113	10	113
Deferred tax liabilities ⁴	65,789	63,843	-	-
Total non-current liabilities	2,591,124	2,665,945	934,318	1,267,660
Total liabilities	3,148,673	3,201,113	1,088,474	1,402,672
Net assets	5,471,288	5,278,858	5,123,983	5,008,984

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1.4 Statements of Financial Position (continued)

	MIT Group		MIT	
	31 December 2022 (S\$'000)	31 March 2022 (S\$'000)	31 December 2022 (S\$'000)	31 March 2022 (S\$'000)
Represented by:				
Unitholders' funds	5,171,816	4,977,056	4,824,511	4,707,182
Perpetual securities	299,472	301,802	299,472	301,802
	5,471,288	5,278,858	5,123,983	5,008,984
Net asset value per unit (S\$)	1.90	1.86	1.77	1.76

Notes:

1. Derivative financial instruments reflect the fair value of the interest rate swaps and currency forwards entered into by the Group and MIT to manage its interest rate risks and currency risks.
2. Relates to the divestment of 19 Changi South Street 1 which was completed on 21 April 2022.
3. Includes MIT's loans to subsidiaries, which are intended to be a long-term source of funding for the respective entities.
4. Relates to deferred tax expense recognised on operations and investment properties from the wholly-owned North American portfolio in accordance with the accounting standards.

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1.5 Consolidated Statement of Cash Flows

	3QFY22/23 (S\$'000)	3QFY21/22 (S\$'000)	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)
Cash flows from operating activities				
Profit for the period	95,408	98,851	292,948	281,324
Adjustments for:				
- Borrowing costs	26,060	19,240	69,777	51,878
- Income tax expense	1,352	2,883	9,413	7,578
- Manager's management fees paid/payable in units	1,489	1,777	4,543	3,726
- Bad debts written off	161	-	234	256
- Net change in fair value of financial derivatives	(1,536)	-	(1,030)	72
- Depreciation	14	15	47	51
- Interest income	(240)	(16)	(429)	(45)
- Net foreign exchange differences	(5,730)	1,086	(3,931)	670
- (Write back)/Allowance for impairment of trade receivables	(161)	77	(757)	537
- Amortisation of rental incentives	(1,339)	(5,273)	(7,608)	(13,730)
- Gain on divestment of investment properties	-	(2,130)	(3,759)	(2,637)
- Share of joint venture's results	(10,372)	(9,399)	(28,759)	(27,324)
Operating cash flows before working capital changes	105,106	107,111	330,689	302,356
Changes in operating assets and liabilities				
- Trade and other receivables	4,924	(3,301)	(1,017)	(7,662)
- Trade and other payables	(8,893)	21,861	(12,221)	24,538
- Other current assets	365	566	(132)	46,158
Cash generated from operations	101,502	126,237	317,319	365,390
Interest received	277	15	423	48
Income tax paid	(982)	(1,244)	(4,414)	(1,597)
Net cash provided by operating activities	100,797	125,008	313,328	363,841
Cash flows from investing activities				
Additions to investment properties and investment property under development	(37,928)	(28,084)	(87,552)	(1,859,447)
Net proceeds from divestment of investment properties	-	2,130	26,057	122,437
Distributions received from joint venture	6,849	6,382	20,205	19,700
Net cash used in by investing activities	(31,079)	(19,572)	(41,290)	(1,717,310)

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1.5 Consolidated Statement of Cash Flows (continued)

	3QFY22/23 (S\$'000)	3QFY21/22 (S\$'000)	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)
Cash flows from financing activities				
Repayment of bank loans	(107,977)	(1,069,150)	(522,053)	(1,814,806)
Redemption of medium term note	-	-	(45,000)	-
Payment of financing related costs	(3,833)	(1,512)	(5,727)	(8,747)
Gross proceeds from bank loans	107,977	1,105,650	542,663	2,513,085
Net proceeds from issuance of perpetual securities	-	-	-	298,152
Net proceeds from issuance of new units	-	-	-	810,338
Distributions to Unitholders ¹	(50,028)	(92,291)	(169,061)	(252,165)
Interest paid	(21,721)	(14,461)	(56,785)	(45,120)
Payment of lease liabilities ²	(745)	(1,009)	(2,221)	(2,326)
Distribution to perpetual securities holders	(4,764)	(4,764)	(9,450)	(4,764)
Net cash (used in)/provided by financing activities	(81,091)	(77,537)	(267,634)	1,493,647
Net (decrease)/increase in cash and cash equivalents	(11,373)	27,899	4,404	140,178
Cash and cash equivalents at beginning of financial period	165,480	172,750	149,638	60,464
Effects of currency translation on cash and cash equivalents	(89)	36	(24)	43
Cash and cash equivalents at end of financial period	154,018	200,685	154,018	200,685

Notes:

1. This amount excludes S\$109.0 million distributed through the issuance of 43,325,541 new units in MIT as part payment of distributions for the period from 1 January 2022 to 30 September 2022, pursuant to the DRP. For YTD FY21/22, the amount of S\$252.2 million includes advance distribution of S\$52.0 million or 2.21 cents per unit declared to eligible Unitholders on 31 May 2021. This advance distribution represents distribution for the period 1 April 2021 to 31 May 2021 to Unitholders existing as at 31 May 2021 and prior to the issuance of the new units pursuant to the private placement and preferential offering.
2. Includes payment of finance cost for lease liabilities.

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1.6 (i) Statements of Movements in Unitholders' Funds (MIT Group)

	3QFY22/23 (S\$'000)	3QFY21/22 (S\$'000)	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)
OPERATIONS				
Balance at beginning of the period	1,075,961	1,003,513	1,070,399	984,616
Profit attributable to Unitholders	93,026	96,469	285,828	275,240
Distributions	(90,861)	(92,291)	(278,101)	(252,165) ¹
Balance at end of the period	1,078,126	1,007,691	1,078,126	1,007,691
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of the period	3,841,976	3,728,080	3,770,715	2,915,794
Issue of new units arising from:				
- Settlement of manager's management fees	1,489	1,777	4,543	3,726
- Private placement	-	-	-	512,938
- Preferential offering	-	-	-	310,402
- Distribution Reinvestment Plan ²	40,833	-	109,040	-
Issue expenses	-	-	-	(13,003)
Balance at end of the period	3,884,298	3,729,857	3,884,298	3,729,857
HEDGING RESERVE				
Balance at beginning of the period	233,948	10,410	119,283	7,781
Fair value (loss)/gain	(6,970)	6,471	89,152	162
Reclassification to profit or loss	(8,949)	6,272	(7,552)	17,672
Share of hedging reserve of a joint venture	(7,595)	6,593	9,551	4,131
Balance at end of the period	210,434	29,746	210,434	29,746
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance at beginning of the period	60,014	(5,041)	16,659	(13,191)
Net translation differences relating to financial statements of a foreign joint venture and foreign subsidiaries	(61,945)	12,558	(17,940)	18,926
Net translation differences relating to shareholder's loan	(14,778)	5,661	(3,988)	5,508
Net currency translation differences on borrowings designated as net investment hedge of foreign operations	15,667	2,655	4,227	4,590
Balance at end of the period	(1,042)	15,833	(1,042)	15,833
Total Unitholders' funds at end of the period	5,171,816	4,783,127	5,171,816	4,783,127

MAPLE TREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 DECEMBER 2022 AND YEAR TO DATE FROM 1 APRIL 2022 TO 31 DECEMBER 2022

1.6 (i) Statements of Movements in Unitholders' Funds (MIT Group) (continued)

	3QFY22/23 (S\$'000)	3QFY21/22 (S\$'000)	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)
PERPETUAL SECURITIES				
Balance at the beginning of the period	301,854	301,854	301,802	-
Proceeds from the issuance of perpetual securities		-	-	300,000
Issue expenses		-	-	(1,848)
Profit attributable to perpetual securities holders	2,382	2,382	7,120	6,084
Distribution	(4,764)	(4,764)	(9,450)	(4,764)
Balance at the end of the period	299,472	299,472	299,472	299,472

Notes:

1. The amount of S\$252.2 million includes advance distribution of S\$52.0 million or 2.21 cents per unit declared to eligible Unitholders on 31 May 2021. This advance distribution represents distribution for the period 1 April 2021 to 31 May 2021 to Unitholders existing as at 31 May 2021 and prior to the issuance of the new units pursuant to the private placement and preferential offering.
2. MIT Group issued 45,325,541 new units in MIT amounting to S\$109.0 million in YTD FY22/23 as part payment of distributions for the period from 1 January 2022 to 30 September 2022, pursuant to the DRP.

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1.6 (ii) Statements of Movements in Unitholders' Funds (MIT)

	3QFY22/23 (S\$'000)	3QFY21/22 (S\$'000)	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)
OPERATIONS				
Balance at beginning of the period	902,576	971,795	914,515	971,171
Profit attributable to Unitholders	87,579	84,771	262,880	245,269
Distributions	(90,861)	(92,291)	(278,101)	(252,165) ¹
Balance at end of the period	899,294	964,275	899,294	964,275
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of the period	3,841,976	3,728,080	3,770,715	2,915,794
Issue of new units arising from:				
- Settlement of manager's management fees	1,489	1,777	4,543	3,726
- Private placement	-	-	-	512,938
- Preferential offering	-	-	-	310,402
- Distribution Reinvestment Plan ²	40,833	-	109,040	-
Issue expenses	-	-	-	(13,003)
Balance at end of the period	3,884,298	3,729,857	3,884,298	3,729,857
HEDGING RESERVE				
Balance at beginning of the period	42,475	(9,124)	21,952	(8,943)
Fair value gain	1,871	6,124	22,991	1,929
Reclassification to profit or loss	(3,427)	1,854	(4,024)	5,868
Balance at end of the period	40,919	(1,146)	40,919	(1,146)
Total Unitholders' funds at end of the period	4,824,511	4,692,986	4,824,511	4,692,986
PERPETUAL SECURITIES				
Balance at the beginning of the period	301,854	301,854	301,802	-
Proceeds from the issuance of perpetual securities	-	-	-	300,000
Issue expenses	-	-	-	(1,848)
Profit attributable to perpetual securities holders	2,382	2,382	7,120	6,084
Distribution	(4,764)	(4,764)	(9,450)	(4,764)
Balance at the end of the period	299,472	299,472	299,472	299,472

Notes:

- The amount of S\$252.2 million includes advance distribution of S\$52.0 million or 2.21 cents per unit declared to eligible Unitholders on 31 May 2021. This advance distribution represents distribution for the period 1 April 2021 to 31 May 2021 to Unitholders existing as at 31 May 2021 and prior to the issuance of the new units pursuant to the private placement and preferential offering.
- MIT Group issued 45,325,541 new units in MIT amounting to S\$109.0 million in YTD FY22/23 as part payment of distributions for the period from 1 January 2022 to 30 September 2022, pursuant to the DRP.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 DECEMBER 2022 AND YEAR TO DATE FROM 1 APRIL 2022 TO 31 DECEMBER 2022

2 Notes to the Interim Condensed Financial Statement

2.1 Basis of preparation

The interim condensed financial statements for the three months ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The interim condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant for an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 March 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The interim condensed financial statements are presented in Singapore Dollars ("S\$"), which is MIT's functional currency, and rounded to the nearest thousand.

The preparation of the interim condensed financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The area involving a higher degree of judgment, where assumptions and estimates are significant, is investment properties as disclosed in Note 2.8.

2.2 New and amended standards adopted by the Group

The accounting policies and methods of computation applied in the financial statements for the current reporting period are consistent with those used in the audited financial statements for the financial year ended 31 March 2022.

The Group has adopted new and revised SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I)s that are mandatory for application from 1 April 2022. The adoption of these SFRS(I)s and SFRS(I) Interpretations and amendments to SFRS(I)s did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

The Group has adopted the principles of the Interest Rate Benchmark Reform ("IBOR") (Amendments to SFRS(I) 9 and SFRS(I) 7). As at 31 December 2022, the Group has commenced the transition of its Singapore Swap Offer Rate ("SOR") and US Dollar London Inter-bank Offer Rate ("USD LIBOR") linked borrowings.

The management had assessed and determined that the change is necessary as a direct consequence of IBOR reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis immediately preceding the changes. The Group has adopted the hedge accounting relief on these contracts. The effects of applying the reliefs and practical expedient allow the Group to continue hedge accounting without discontinuation of existing hedging relationship and adjusting the effective interest rate of the borrowings with no immediate gain or loss recognised in the comprehensive income. The transition should not have material effect on the financials for the current and prior financial years.

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2.2 New and amended standards adopted by the Group (continued)

The Group is currently monitoring its IBOR reform transition for its SOR and USD LIBOR linked borrowings and interest rate swaps, which includes assessing the impact of existing IBOR related financial products and executing amendments required as a result of IBOR reform with its counterparties.

2.3 Gross revenue

	3QFY22/23 (S\$'000)	3QFY21/22 (S\$'000)	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)
Rental income and service charges	153,403	146,802	456,434	405,290
Other operating income	17,046	15,550	57,332	40,719
	170,449	162,352	513,766	446,009
Government grant income	-	-	-	9
Less: Government grant expense – rent concessions	-	-	-	(46)
	-	-	-	(37)
Gross revenue	170,449	162,352	513,766	445,972

Gross revenue is generated by the Group's investment properties.

Other operating income comprises car park revenue and other income attributable to the operations of the properties. Majority of the Group's gross revenue is earned over time.

MIT Group's revenue is derived in Singapore and North America. Details of disaggregation of revenue by geographical area are disclosed in Note 2.4.

Government grant income relates to property tax rebates and cash grant received from the Singapore Government to help businesses deal with the impact from COVID-19. The relevant rental rebates granted to tenants are reflected as Government grant expenses in accordance with the accounting standards.

2.4 Segment information

The Manager considers the business from a business segment perspective; managing and monitoring the business based on property types and geographies.

The Manager assesses the performance of the operating segments based on a measure of Net Property Income. Interest income and borrowing costs (excluding finance cost on lease liabilities) are not allocated to segments, as the treasury activities are centrally managed by the Manager. In addition, the Manager monitors the non-financial assets as well as financial assets directly attributable to each segment when assessing segment performance.

Segment results include items directly attributable to a segment.

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2.4 Segment information (continued)

The segment information provided to the Manager for the reportable segments for the financial year-to-date **31 December 2022** is as follows:

Asset segment	Data Centres	Data Centres	Hi-Tech	Business	Flatted	Stack-	Light	Total
	Singapore	North	Buildings	Park	Factories	up/Ramp-up	Industrial	
Country	Singapore	America	Singapore	Singapore	Singapore	Singapore	Singapore	S\$'000
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross revenue	19,146	201,515	97,962	35,839	119,116	35,855	4,333	513,766
Net property income	17,608	151,335	73,755	23,774	89,903	29,163	3,497	389,035
Interest income								429
Borrowing costs								(69,777)
Manager's management fees								(44,672)
Trustee's fees								(766)
Other trust expenses								(3,756)
Net foreign exchange loss								(1,680)
Net change in fair value of financial derivatives								1,030
Gain/(loss) on divestment of investment properties	-	3,825	-	-	-	-	(66)	3,759
Share of joint venture's results	-	28,759	-	-	-	-	-	28,759
Profit before income tax								302,361
Current income tax	-	(6,698)	-	-	-	-	-	(6,698)
Deferred tax	-	(2,715)	-	-	-	-	-	(2,715)
Profit after income tax								292,948

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2.4 Segment information (continued)

The segment information provided to the Manager for the reportable segments for the financial year-to-date **31 December 2021** is as follows:

Asset segment	Data Centres	Data Centres North	Hi-Tech Buildings	Business Park Buildings	Flatted Factories	Stack-up/Ramp-up Buildings	Light Industrial Buildings	Total
Country	Singapore S\$'000	America S\$'000	Singapore S\$'000	Singapore S\$'000	Singapore S\$'000	Singapore S\$'000	Singapore S\$'000	S\$'000
Gross revenue	20,980	144,283	95,654	34,190	111,925	34,416	4,524	445,972
Net property income	19,393	113,039	76,894	23,007	84,723	27,383	3,335	347,774
Interest income								45
Borrowing costs								(51,878)
Manager's management fees								(39,478)
Trustee's fees								(688)
Other trust expenses								(2,643)
Net foreign exchange gain								5,881
Net change in fair value of financial derivatives								(72)
Gain on divestment of investment properties	507	-	-	-	2,130	-	-	2,637
Share of joint venture's results	-	27,324	-	-	-	-	-	27,324
Profit before income tax								288,902
Current income tax	-	(2,337)	-	-	-	-	-	(2,337)
Deferred tax	-	(5,241)	-	-	-	-	-	(5,241)
Profit after income tax								281,324

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2.5 Profit before tax

	3Q FY22/23 (S\$'000)	3Q FY21/22 (S\$'000)	Variance %	YTD FY22/23 (S\$'000)	YTD FY21/22 (S\$'000)	Variance %
Property operating expenses include:						
- Write back/ (Allowance) for impairment of trade receivables	161	(77)	**	757	(537)	**
- Bad debts written off	(161)	-	**	(234)	(256)	(8.6)
- Depreciation	(14)	(15)	(6.7)	(47)	(51)	(7.8)
Borrowing costs include:						
- Interest on borrowings	(25,245)	(18,432)	37.0	(67,444)	(49,880)	35.2
- Finance cost on lease liabilities	(437)	(405)	7.9	(1,214)	(1,059)	14.6

** Not meaningful

Related party transactions

Management fees and trustee fees have been paid or are payable to the Manager and the Trustee respectively, as noted in the consolidated statement of profit or loss.

2.6 Taxation

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. Accordingly, the major components of income tax expense are disclosed in the consolidated statement of profit or loss.

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2.7 Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")

	3QFY22/23	3QFY21/22	YTD FY22/23	YTD FY21/22
Weighted average number of units	2,708,379,186 ¹	2,660,084,048 ²	2,693,163,648 ¹	2,582,787,075 ²
Earnings per unit ("EPU") – Basic and Diluted³ Based on the weighted average number of units in issue (cents)	3.52	3.72	10.88	10.89
No. of units in issue at end of period	2,723,663,250	2,660,320,491	2,723,663,250	2,660,320,491
Distribution per unit ("DPU") Based on number of units in issue at end of each relevant period (cents)	3.39	3.49	10.24	10.31

Notes:

1. Weighted average number of units has been adjusted to take into account the new units issued pursuant to the DRP and part payment of base fee to the Manager.
2. Weighted average number of units has been adjusted to take into account the new units issued pursuant to the private placement, preferential offering and part payment of base fee to the Manager.
3. Diluted earnings per unit were the same as the basic earnings per unit as there were no dilutive instruments in issue. The EPU were calculated using the total profit after tax and the weighted average number of units in issue during the respective periods.

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2.8 Investment properties

MIT's investment properties are held for long-term rental yields and/or capital appreciation including right-of-use relating to leasehold land. Investment property under development includes property that is being constructed for future use as an investment property. Investment properties are stated at fair value based on valuations performed by independent professional valuers annually at the end of financial year, or whenever there is any objective evidence or indication that these properties may require revaluation.

	<u>Group</u>		<u>MIT</u>	
	Investment properties S\$'000	Investment property under development S\$'000	Investment properties S\$'000	Investment property under development S\$'000
31 December 2022				
Beginning of period	7,515,735	144,900	3,731,202	144,900
Additions during the period	19,128	80,830	5,723	80,830
Divestments during the period	(9,471)	-	-	-
Currency translation difference	(36,371)	-	-	-
End of period	7,489,021	225,730	3,736,925	225,730
31 March 2022				
Beginning of financial year	5,583,774	107,800	3,736,897	107,800
Additions during the year	1,854,917	59,371	13,292	59,371
Transfer to investment property held for sale	(13,608)	-	-	-
Currency translation difference	42,940	-	-	-
Net fair value gain/(loss)	47,712	(22,271)	(18,987)	(22,271)
End of financial year	7,515,735	144,900	3,731,202	144,900

The fair values are generally derived using the following methods – income capitalisation, discounted cash flow and residual land value. Key unobservable inputs applied in these valuation methods to derive fair values are capitalisation rate and discount rate. All properties within MIT and the Group's portfolio are classified within Level 3 of the fair value hierarchy, where fair values are determined based on significant unobservable inputs.

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2.8 Investment properties (continued)

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties and investment property under development categorised under Level 3 of the fair value hierarchy:

(i) Investment properties in Singapore

Property segment	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Data Centres	Income capitalisation	Capitalisation rate	From 6.00% to 6.50% (31 March 2022: From 6.00% to 6.50%)
	Discounted cash flow	Discount rate	7.75% (31 March 2022: 7.75%)
Hi-Tech Buildings	Income capitalisation	Capitalisation rate	From 5.25% to 6.75% (31 March 2022: From 5.25% to 6.75%)
	Discounted cash flow	Discount rate	From 7.00% to 7.75% (31 March 2022: From 7.00% to 7.75%)
	Residual land value	Gross development value	The same capitalisation rate as disclosed for this property segment have been applied in determining the gross development value.
Business Park Buildings	Income capitalisation	Capitalisation rate	5.75% (31 March 2022: 5.75%)
	Discounted cash flow	Discount rate	7.50% (31 March 2022: 7.50%)
Flatted Factories	Income capitalisation	Capitalisation rate	From 6.00% to 7.25% (31 March 2022: From 6.00% to 7.25%)
	Discounted cash flow	Discount rate	From 7.75% to 8.00% (31 March 2022: From 7.75% to 8.00%)
Stack-up/ Ramp-up Buildings	Income capitalisation	Capitalisation rate	6.50% (31 March 2022: 6.50%)
	Discounted cash flow	Discount rate	7.75% (31 March 2022: 7.75%)

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2.8 Investment properties (continued)

(i) Investment properties in Singapore (continued)

Property segment	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Light Industrial Buildings	Income capitalisation	Capitalisation rate	From 6.00% to 6.50% (31 March 2022: From 6.00% to 6.50%)
	Discounted cash flow	Discount rate	7.75% (31 March 2022: 7.75%)

(ii) Investment properties in North America

Property segment	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Data Centres	Income capitalisation	Capitalisation rate	From 5.00% to 6.75% (31 March 2022: From 5.00% to 6.75%)
	Discounted cash flow	Discount rate	From 6.25% to 8.00% (31 March 2022: From 6.25% to 8.00%)

An increase in capitalisation rate or discount rate would result in decrease in fair value of the investment properties.

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2.9 Borrowings

	MIT Group		MIT	
	31 December 2022 (S\$'000)	31 March 2022 (S\$'000)	31 December 2022 (S\$'000)	31 March 2022 (S\$'000)
Current				
Bank loans (unsecured)	337,428	341,110	-	-
Less: Transaction costs to be amortised ¹	(6)	(196)	-	-
	337,422	340,914	-	-
Medium Term Notes ("MTN") (unsecured)	75,000	45,000	-	-
Less: Transaction costs to be amortised ¹	(7)	(5)	-	-
	74,993	44,995	-	-
Lease liabilities	1,190	1,473	373	353
Loan from a subsidiary	-	-	75,000	45,000
Less: Transaction costs to be amortised ¹	-	-	(7)	(5)
	-	-	74,993	44,995
Borrowings - Current	413,605	387,382	75,366	45,348
Non-current				
Bank loans (unsecured)	2,157,131	2,157,949	594,167	850,816
Less: Transaction costs to be amortised ¹	(6,676)	(6,720)	(1,177)	(810)
	2,150,455	2,151,229	592,990	850,006
MTN (unsecured)	285,000	360,000	-	-
Change in fair value of hedge item ²	(635)	530	-	-
Less: Transaction costs to be amortised ¹	(373)	(466)	-	-
	283,992	360,064	-	-
Lease liabilities	40,062	41,050	11,818	11,849
Loan from a subsidiary	-	-	285,000	360,000
Change in fair value of hedged item ²	-	-	(635)	530
Less: Transaction costs to be amortised ¹	-	-	(373)	(466)
	-	-	283,992	360,064
Borrowings – Non-current	2,474,509	2,552,343	888,800	1,221,919
Total borrowings	2,888,114	2,939,725	964,166	1,267,267
Represented by:				
Bank loans and MTN	2,846,862	2,897,202	592,990	850,006
Lease liabilities	41,252	42,523	12,191	12,202
Loan from a subsidiary	-	-	358,985	405,059
	2,888,114	2,939,725	964,166	1,267,267

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2.9 Borrowings (continued)

Notes:

1. Related transaction costs are amortised over the tenors of the MTN and bank loan facilities.
2. Relates to the changes in fair value of the S\$75.0 million MTN issued on 11 May 2015, the Group has adopted a fair value hedge on this MTN.

(a) Carrying amount and fair value of non-current borrowings

The carrying amounts of the borrowings approximate their fair values except for the following fixed rate non-current borrowings:

	Carrying amounts		Fair value	
	31 December 2022 (S\$'000)	31 March 2022 (S\$'000)	31 December 2022 (S\$'000)	31 March 2022 (S\$'000)
Group				
Medium term notes	285,000	360,000	275,763	366,092

The fair values are within Level 2 of the fair value hierarchy.

(b) Ratios

	Group	
	31 December 2022	31 March 2022
Aggregate leverage	37.2%	38.4%
Interest coverage (times) ¹	5.3	6.4
Adjusted interest coverage (times) ²	4.8	5.7

Notes:

1. Computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees.
2. Computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on perpetual securities.

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2.10 Derivative financial instruments

The assets and liabilities recognised and measured at fair value and classified by level of the following fair value measurement hierarchy are presented as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivative financial instruments

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The fair values of currency forwards are based on valuations provided by the banks. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

	Group		MIT	
	31 December 2022 (S\$'000)	31 March 2022 (S\$'000)	31 December 2022 (S\$'000)	31 March 2022 (S\$'000)
<u>Level 2</u>				
Assets				
Derivative financial instruments				
- Interest rate swaps	139,650	61,654	40,263	22,669
- Currency forwards	1,667	216	1,667	216
	141,317	61,870	41,930	22,885
Liabilities				
Derivative financial instruments				
- Interest rate swaps	635	2,654	635	113
- Currency forwards	10	319	10	319
	645	2,973	645	432

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2.11 Units in issue

Movement in the number of units issued is as follows:

	3QFY22/23	3QFY21/22	YTD FY22/23	YTD FY21/22
Balance as at beginning of the period	2,704,073,886	2,659,698,983	2,676,561,626	2,351,158,090
<u>New units issued</u>				
Settlement of manager's management fees ¹	612,555	621,508	1,776,083	1,326,794
Private placement ²	-	-	-	190,259,000
Preferential offering ³	-	-	-	117,576,607
Distribution reinvestment plan ⁴	18,976,809	-	45,325,541	-
Total issued units at end of the period⁵	2,723,663,250	2,660,320,491	2,723,663,250	2,660,320,491

2.11 Units in issue (continued)

Notes:

1. The Manager has elected, in accordance with the Trust Deed, for new units to be issued as part payment of base fee and acquisition fee to the Manager.
2. New units were issued at issue price of S\$2.696 on 1 June 2021.
3. New units were issued at issue price of S\$2.640 on 21 June 2021.
4. Pursuant to the DRP, new units were issued at the issue price of S\$2.5520, S\$2.6097, S\$2.1500 as part payment of distributions for the periods 1 January 2022 to 31 March 2022, 1 April to 30 June 2022 and 1 July to 30 September 2022 respectively.
5. There were no convertibles, treasury units and units held by MIT and its subsidiaries as at 31 December 2022 and 31 December 2021.

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2.12 Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit

	MIT Group		MIT	
	31 December 2022	31 March 2022	31 December 2022	31 March 2022
NAV and NTA per unit (S\$) ¹	1.90	1.86	1.77	1.76

Note:

1. Net tangible asset per unit was the same as net asset value per unit as there were no intangible assets as at the reporting dates.

2.13 Event occurring after the reporting period

Subsequent to the reporting period, the Manager announced a distribution of 3.39 cents per unit for the period from 1 October 2022 to 31 December 2022.

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3 Other information

3.1 Review of interim condensed consolidated financial statement

The interim condensed consolidated financial position of Mapletree Industrial Trust and its subsidiaries as at 31 December 2022 and the related statement of profit or loss, statement of other comprehensive income, distribution statement and statement of cash flows for the three-month period then ended, statement of financial position of MIT as at 31 December 2022 and explanatory notes have not been audited or reviewed by the auditors.

3.2 Review of performance

(a) 3QFY22/23 versus 3QFY21/22

Gross revenue for 3QFY22/23 was S\$170.4 million, 5.0% (or S\$8.1 million) higher compared to the corresponding quarter last year. Property operating expenses were S\$41.6 million, 5.1% (or S\$2.0 million) higher than the corresponding quarter last year. As a result, net property income for 3QFY22/23 increased by 4.9% (or S\$6.1 million) to S\$128.8 million. This was mainly due to the contributions from new leases across various clusters in the Singapore portfolio.

After taking into account the distribution adjustments, the amount available for distribution to Unitholders in 3QFY22/23 was S\$88.4 million, 1.3% (or S\$1.1 million) lower than the corresponding quarter last year.

The lower amount available for distribution to Unitholders, despite an increase in net property income was mainly due to higher borrowing costs and manager's management fees. The higher borrowing costs were attributed to the higher interest rates in 3QFY22/23 compared to the comparative period. Higher manager's management fees were due to better portfolio performance and increase in value of assets under management.

Distribution per unit for 3QFY22/23 was 3.39 cents, 2.9% lower than 3.49 cents in 3QFY21/22.

(b) YTD FY22/23 versus YTD FY21/22

Gross revenue for YTD FY22/23 was S\$513.8 million, 15.2% (or S\$67.8 million) higher compared to YTD FY21/22. Property operating expenses were S\$124.7 million, 27.0% (or S\$26.5 million) higher than YTD FY21/22. As a result, net property income for YTD FY22/23 increased by 11.9% (or S\$41.3 million) to S\$389.0 million. This was largely due to the contribution from the 29 data centres located in the United States of America acquired in July 2021 ("New Portfolio").

After taking into account the distribution adjustments, the amount available for distribution to Unitholders in YTD FY22/23 was S\$269.5 million, 3.4% (or S\$8.9 million) higher than YTD FY21/22.

The higher amount available for distribution to Unitholders was mainly due to higher net property income partially offset by higher borrowing costs and manager's management fees. The higher borrowing costs were attributed to the higher interest rate environment and additional interest arising from acquisition of the New Portfolio. Higher manager's management fees were due to better portfolio performance and increase in value of assets under management.

Distribution per unit for YTD FY22/23 was 10.24 cents, 0.7% lower than 10.31 cents in YTD FY21/22.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 DECEMBER 2022 AND YEAR TO DATE FROM 1 APRIL 2022 TO 31 DECEMBER 2022

3.2 Review of performance (continued)

(c) 3QFY22/23 versus 2QFY22/23

	3QFY22/23 (S\$'000)	2QFY22/23 (S\$'000)	Variance %
Gross revenue	170,449	175,512	(2.9)
Property operating expenses	(41,642)	(45,187)	(7.8)
Net property income	128,807	130,325	(1.2)
Interest income	240	92	>100.0
Borrowing costs	(26,060)	(23,770)	9.6
Manager's management fees			
- Base fees	(10,317)	(10,281)	0.4
- Performance fees	(4,643)	(4,680)	(0.8)
Trustee's fees	(260)	(257)	1.2
Other trust expenses	(1,064)	(1,061)	0.3
Net foreign exchange (loss)/gain	(1,851)	195	**
Net change in fair value of financial derivatives	1,536	(506)	**
Share of joint venture's results	10,372	9,054	14.6
Profit for the period before tax	96,760	99,111	(2.4)
Income tax expense	(1,352)	(2,643)	(48.8)
- Current income tax	(580)	(1,988)	(70.8)
- Deferred tax	(772)	(655)	17.9
Profit for the period	95,408	96,468	(1.1)
Attributable to:			
Unitholders	93,026	94,086	(1.1)
Perpetual securities holders	2,382	2,382	-
Profit for the period	95,408	96,468	(1.1)
Profit for the period attributable to Unitholders	93,026	94,086	(1.1)
Net effects of non-tax chargeable items and other adjustments	(12,763)	(11,958)	6.7
Distribution declared by joint venture	8,115	6,849	18.5
Amount available for distribution to Unitholders	88,378	88,977	(0.7)
Distribution per unit (cents)	3.39	3.36	0.9

** Not meaningful

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 DECEMBER 2022 AND YEAR TO DATE FROM 1 APRIL 2022 TO 31 DECEMBER 2022

3.2 Review of performance (continued)

(c) 3QFY22/23 versus 2QFY22/23 (continued)

Net property income for 3QFY22/23 was S\$128.8 million, 1.2% (or S\$1.5 million) lower compared to 2QFY22/23. Borrowing costs was higher by S\$2.3 million on the back of higher interest rates.

After taking into account the distribution adjustments, the amount available for distribution to Unitholders in 3QFY22/23 was S\$88.4 million, 0.7% (or S\$1.6 million) lower than 2QFY22/23.

Distribution per unit for 3QFY22/23 was 3.39 cents, 0.9% higher than 3.36 cents in 2QFY22/23.

Statement of Financial Position

31 December 2022 versus 31 March 2022

The net assets increased 3.6% from S\$5,278.9 million as at 31 March 2022 to S\$5,471.3 million as at 31 December 2022 mainly due to increase in fair value of derivative financial instruments and new units issued pursuant to the DRP.

The Group reported a net current liabilities position as at 31 December 2022 mainly due to the reclassification of long-term borrowings which will mature in the next 12 months. The Group has sufficient banking facilities available to refinance the current borrowings and meet its current obligations as and when they fall due.

3.3 Variance from Previous Forecast / Prospect Statement

MIT has not disclosed any financial forecast.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 DECEMBER 2022 AND YEAR TO DATE FROM 1 APRIL 2022 TO 31 DECEMBER 2022

3.4 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting and the next 12 months

Singapore

According to advance estimates from the Ministry of Trade and Industry on 3 January 2023¹, the Singapore economy grew by 2.2% year-on-year (“Y-o-Y”) in the fourth quarter of 2022 (“4Q2022”), moderating from the 4.2% growth in the previous quarter. The manufacturing sector contracted by 3.0% Y-o-Y in 4Q2022, a reversal from the 1.4% growth in the previous quarter. This was attributed to output contractions in the electronics, chemicals and biomedical manufacturing clusters, which outweighed output expansions in the precision engineering, transport engineering and general manufacturing clusters. The Singapore economy grew by 3.8% in 2022, slower than the 7.6% growth in 2021.

The quarterly Singapore Commercial Credit Bureau’s Business Optimism Index² has moderated for the fourth consecutive quarter and fell to a one-year low for 1Q2023. This was primarily due to the ongoing downside risks from geopolitical uncertainties, higher inflationary risks and a deterioration in external demand conditions, specifically in the wholesale trade sector. However, sentiments within the transportation and construction sectors were upbeat³.

North America

According to CBRE⁵, demand for data centre capacity in North America tripled Y-o-Y in 1H2022. Total wholesale colocation inventory grew by 20% Y-o-Y to 3.71 gigawatt (“GW”) in 1H2022 in primary data centre markets (Northern Virginia, Silicon Valley, Chicago, New York Tri-State, Dallas, Phoenix and Atlanta), with an additional 1.6 GW under construction⁶.

Average monthly asking rent grew by 5.9% Y-o-Y in 1H2022. Supply constraints, combined with robust demand, specifically from the hyperscale operators, are expected to maintain the tailwinds for growth in rental rates in 2023.

Outlook

2023 is expected to be a challenging year as the main engines of global growth – the United States of America, Europe and China – experience weakening economic activity while about one-third of the world’s economy is expected to contract⁴. Numerous risks, such as geopolitical fragmentation, inflation, higher interest rates and new COVID-19 variants, could weigh on the global economy.

The uncertain global outlook and the lacklustre manufacturing momentum may persist in the year ahead. Increasing property operating expenses and borrowing costs will continue to exert pressure on distributions. The Manager will manage these pressures through cost-mitigating measures and focus on tenant retention to maintain stable portfolio occupancy.

¹ Source: Singapore’s GDP Grew by 2.2 Per Cent in the Fourth Quarter of 2022 and by 3.8 Per Cent in 2022, Ministry of Trade and Industry, 3 January 2023.

² Source: Singapore Commercial Credit Bureau, 1Q2023.

³ Source: The Business Times, Singapore business confidence hits one-year low for Q1 2023: SCCB, 13 December 2022.

⁴ Source: The Straits Times, Global economy faces tougher year in 2023, IMF head Georgieva warns, 2 January 2023.

⁵ Source: CBRE U.S. Real Estate Market Outlook 2023.

⁶ Source: CBRE North America Data Centre Outlook 2022.

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3.5 Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 49th distribution for the period from 1 October 2022 to 31 December 2022

Distribution types: Income / Tax-exempt income / Other gain

Distribution rate: Period from 1 October 2022 to 31 December 2022
Taxable Income: 2.37 cents per unit
Tax-exempt Income: 0.95 cent per unit
Other Gain: 0.07 cent per unit

Par value of units: Not applicable

Tax rate: Taxable Income Distribution
Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying non-resident non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution
Tax-Exempt Income Distribution is exempt from tax in the hands of all Unitholders.

Other Gain Distribution
Distribution of Other Gain is not a taxable distribution to the Unitholders.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 DECEMBER 2022 AND YEAR TO DATE FROM 1 APRIL 2022 TO 31 DECEMBER 2022

3.5 Distributions (continued)

(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period? Yes

Name of distribution: 45th distribution for the period from 1 October 2021 to 31 December 2021

Distribution types: Income / Capital / Tax-exempt income / Other gain

Distribution rate: Period from 1 October 2021 to 31 December 2021
Taxable Income: 1.97 cents per unit
Capital Distribution: 0.01 cent per unit
Tax-exempt Income: 1.44 cents per unit
Other Gain: 0.07 cent per unit

Par value of units: Not applicable

Tax rate: Taxable Income
Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying non-resident non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Capital Distribution
Capital Distribution represents a return of capital to Unitholders for Singapore income tax purposes. The amount of capital distribution will reduce the cost of MIT Units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from sale of MIT Units, the reduced cost base of their MIT Units will be used to calculate the taxable trading gains when the MIT Units are disposed of.

Tax-Exempt Income Distribution
Tax-Exempt Income Distribution is exempt from tax in the hands of all Unitholders.

Other Gain Distribution
Distribution of Other Gain is not a taxable distribution to the Unitholders.

(c) Date payable: 14 March 2023

(d) Record date: 3 February 2023

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2022 TO 31 DECEMBER 2022 AND YEAR TO DATE FROM 1 APRIL 2022 TO 31 DECEMBER 2022

3.6 If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

MIT Group has not obtained a general mandate from Unitholders for any Interested Person Transactions.

3.7 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all its directors and executive officers, in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

3.8 Confirmation by the Board

The Board of Directors of the Manager has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these financial results to be false or misleading in any material respect.

This release may contain forward-looking statements that involve risks and uncertainties. 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 other companies and venues for the sale/ distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employees wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

By Order of the Board
Wan Kwong Weng
Joint Company Secretary
Mapletree Industrial Trust Management Ltd.
(Company Registration No. 201015667D)
As Manager of Mapletree Industrial Trust

26 January 2023