

# FINANCIAL REVIEW

	FY18/19 S\$'000	FY17/18 S\$'000	Change %
Gross revenue	376,101	363,230	3.5
Property operating expenses	88,331	85,627	3.2
<b>Net property income</b>	<b>287,770</b>	<b>277,603</b>	<b>3.7</b>
<b>Distribution declared by joint venture</b>	<b>15,192</b>	<b>3,234</b>	<b>369.8</b>
<b>Amount available for distribution</b>	<b>231,759</b>	<b>215,848</b>	<b>7.4</b>
<b>Distribution per Unit (Singapore cents)</b>	<b>12.16</b>	<b>11.75</b>	<b>3.5</b>

## GROSS REVENUE

Gross revenue for FY18/19 was S\$376.1 million, an increase of S\$12.9 million or 3.5% from FY17/18. The revenue growth was mainly attributed to new revenue contribution from the Phase Two of the BTS project for HP Singapore (Private) Limited ("HP Phase Two"), 18 Tai Seng, Mapletree Sunview 1 and 30A Kallang Place, partially offset by the lower portfolio occupancy in FY18/19.

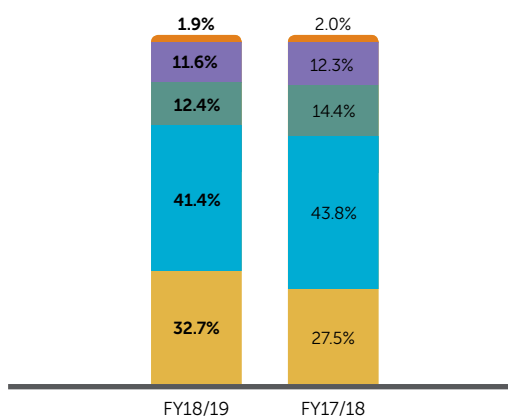
## NET PROPERTY INCOME

Net property income was S\$287.8 million in FY18/19, which was S\$10.2 million or 3.7% higher compared to S\$277.6 million in FY17/18 due to higher gross revenue, partially

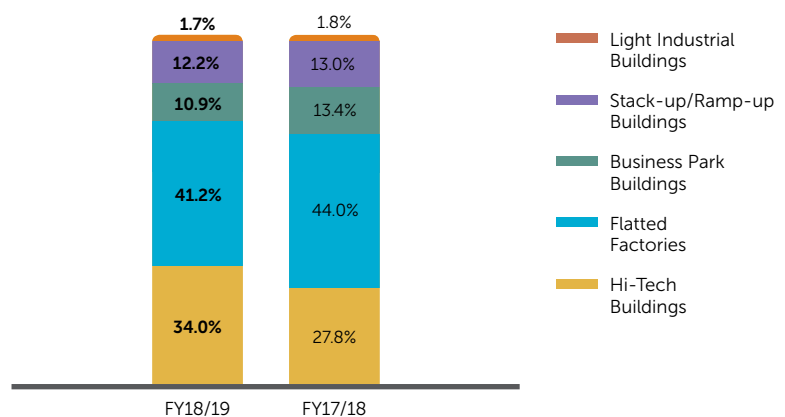
offset by higher property operating expenses. Property operating expenses for FY18/19 was S\$88.3 million, S\$2.7 million or 3.2% higher than FY17/18. The increase in property operating expenses was mainly due to higher property taxes and property maintenance expenses, partially offset by lower utilities and marketing commission.

Flatted Factories segment remained the largest contributor, accounting for 41.2% of the net property income, followed by the Hi-Tech Buildings segment, which accounted for 34.0% of the net property income. The contribution from the Hi-Tech Buildings segment increased in FY18/19 due to the new contribution from HP Phase Two, 18 Tai Seng, Mapletree Sunview 1 and 30A Kallang Place.

## GROSS REVENUE (BY SEGMENT)



## NET PROPERTY INCOME (BY SEGMENT)



# FINANCIAL REVIEW

Percentage of total operating expenses to net assets	FY18/19 S\$'000	FY17/18 S\$'000
Property operating expenses	88,331	85,627
Manager's management fees	30,893	29,209
Trustee's fees	581	546
Other trust expenses	2,001	1,322
<b>Total operating expenses</b>	<b>121,806</b>	<b>116,704</b>
<b>Net assets</b>	<b>3,047,526</b>	<b>2,780,072</b>
Percentage of total operating expenses to net assets (%)	4.0	4.2

## DISTRIBUTIONS TO UNITHOLDERS

Amount available for distribution for FY18/19 was S\$231.8 million, an increase of S\$15.9 million or 7.4% from S\$215.8 million in FY17/18, mainly due to higher net property income and full-year distribution declared by the joint venture, partially offset by higher borrowing costs and higher manager's management fees. The higher borrowing costs were due to interest expense on debt borrowed to fund the investment in joint venture, acquisition of 18 Tai Seng, as well as interest incurred in relation to HP Phase Two, Mapletree Sunview 1 and 30A Kallang Place which were being expensed (instead of being capitalised) upon obtaining Temporary Occupation Permit. The weighted

average interest rate for FY18/19 was 3.0% as compared to 2.9% in FY17/18. Higher manager's management fees were due to better portfolio performance and increased value of assets under management.

During FY18/19, 135,893,787 new Units were issued in respect of a private placement, the distribution reinvestment plan as well as the payment of manager's management fees and acquisition fees in Units. The total number of units in issue as at 31 March 2019 was 2,021,111,388.

Correspondingly, DPU for FY18/19 was 3.5% higher at 12.16 Singapore cents as compared to 11.75 Singapore cents in FY17/18.

## UNITS ISSUED IN FY18/19

New Units arising from	Number of Units	Issued price (S\$)
Private placement	103,360,000	1.945
Distribution reinvestment plan	29,239,867	1.8612 to 1.9434
Manager's management fees	1,609,789	1.8978 to 2.0159
Manager's acquisition fees	1,684,131	1.9941 to 2.0079
<b>Total</b>	<b>135,893,787</b>	

## QUARTERLY DISTRIBUTION PER UNIT

Singapore (cents)	1Q	2Q	3Q	4Q	Full Year
<b>FY18/19</b>	<b>3.00</b>	<b>3.01</b>	<b>3.07</b>	<b>3.08<sup>1</sup></b>	<b>12.16</b>
FY17/18	2.92	3.00	2.88 <sup>2</sup>	2.95	11.75
% Change year-on-year	2.7	0.3	6.6	4.4	3.5

- DPU was computed based on weighted average number of units for the period. An advanced distribution of 1.71 Singapore cents per Unit was paid to eligible Unitholders for the period from 1 January 2019 to 19 February 2019, the day immediately prior to the date on which the private placement new Units were issued. The DPU for the enlarged units in issue for the remaining period from 20 February 2019 to 31 March 2019 was 1.37 Singapore cents per Unit.
- DPU was computed based on weighted average number of units for the period. An advanced distribution of 0.99 Singapore cent per Unit was paid to eligible Unitholders for the period from 1 October 2017 to 1 November 2017, the day immediately prior to the date on which the private placement new Units were issued. The DPU for the enlarged units in issue for the remaining period from 2 November 2017 to 31 December 2017 was 1.89 Singapore cents per Unit.

## NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

As at 31 March

	2019 S\$'000	2018 S\$'000	Change %
Total assets	4,607,064	4,154,320	10.9
Total liabilities	1,559,538	1,374,248	13.5
<b>Net assets attributable to Unitholders</b>	<b>3,047,526</b>	<b>2,780,072</b>	<b>9.6</b>
<b>Net asset value per Unit (S\$)</b>	<b>1.51</b>	<b>1.47</b>	<b>2.7</b>

Total assets increased by 10.9% from S\$4,154.3 million as at 31 March 2018 to S\$4,607.1 million as at 31 March 2019, primarily attributed to the increase in portfolio value. The increase in portfolio value comprised a portfolio revaluation gain of S\$30.8 million and capitalised cost of S\$397.2 million mainly from the acquisitions of 18 Tai Seng and 7 Tai Seng

Drive. Net assets attributable to Unitholders increased by 9.6% to S\$3,047.5 million over the previous year, reflecting a higher net asset value per Unit of S\$1.51 as at 31 March 2019 mainly due to net fair value gain recognised on the Group's portfolio and new Units issued pursuant to the private placement and distribution reinvestment plan.

## VALUATION OF PROPERTIES AND ASSETS UNDER MANAGEMENT

As at 31 March

	2019		2018	
	S\$ million	Capitalisation Rate	S\$ million	Capitalisation Rate
Hi-Tech Buildings	1,628.8	5.70% to 7.05%	1,215.6	6.25% to 7.00%
Flatted Factories	1,578.0	6.50% to 7.75%	1,580.2	6.50% to 7.75%
Business Park Buildings	581.0	5.90%	570.0	6.00%
Stack-up/Ramp-up Buildings	473.0	6.50%	467.0	6.50%
Light Industrial Buildings	75.5	6.50% to 7.00%	75.5	6.50% to 7.00%
<b>Valuation of Singapore Portfolio</b>	<b>4,336.3</b>		<b>3,908.3</b>	
<b>Valuation of MIT's 40% interest in US Portfolio</b>	<b>434.7<sup>1</sup></b>	<b>6.00% to 8.50%</b>	<b>413.1<sup>2</sup></b>	<b>6.00% to 8.50%</b>
<b>Assets under management</b>	<b>4,771.0</b>		<b>4,321.4</b>	

As at 31 March 2019, MIT's 87 properties in Singapore were valued at S\$4,336.3 million by Knight Frank Pte Ltd and Colliers International Consultancy & Valuation (Singapore) Pte Ltd<sup>5</sup>.

The US Portfolio held through MRDCT was valued at US\$801.3 million (approximately S\$1,086.7 million)<sup>1</sup> as at 31 March 2019<sup>4</sup>. This represented an overall increase of US\$17.9 million (approximately S\$24.3 million) over the previous valuation of US\$783.4 million (approximately S\$1,032.8 million)<sup>2</sup> as at 31 March 2018. MIT's 40% interest in the US Portfolio was US\$320.5 million (approximately S\$434.7 million) as at 31 March 2019.

MIT's total assets under management increased by 10.4% from S\$4,321.4 million as at 31 March 2018 to S\$4,771.0 million as at 31 March 2019.

## ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standards Council (Singapore), relevant requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed.

MAS has granted a waiver to the Group from complying with the requirement under Paragraph 4.3 of Appendix 6 to the Code on Collective Investment Schemes (the "CIS Code") to prepare its financial statements in accordance with the Singapore Financial Reporting Standards ("SFRS"). The Group has adopted SFRS(I) for the financial year beginning 1 April 2018 and the financial statements of the Group have been prepared in accordance with SFRS(I).

1 Based on applicable March 2019 month end exchange rate of US\$1 to S\$1.35612.

2 Based on applicable March 2018 month end exchange rate of US\$1 to S\$1.31839.

3 18 Tai Seng was valued by Colliers International Consultancy & Valuation (Singapore) Pte Ltd while the remaining 86 properties in Singapore were valued by Knight Frank Pte Ltd.

4 The US Portfolio held through MRDCT was valued by Newmark Knight Frank Valuation & Advisory using the sales comparison and income capitalisation approach.