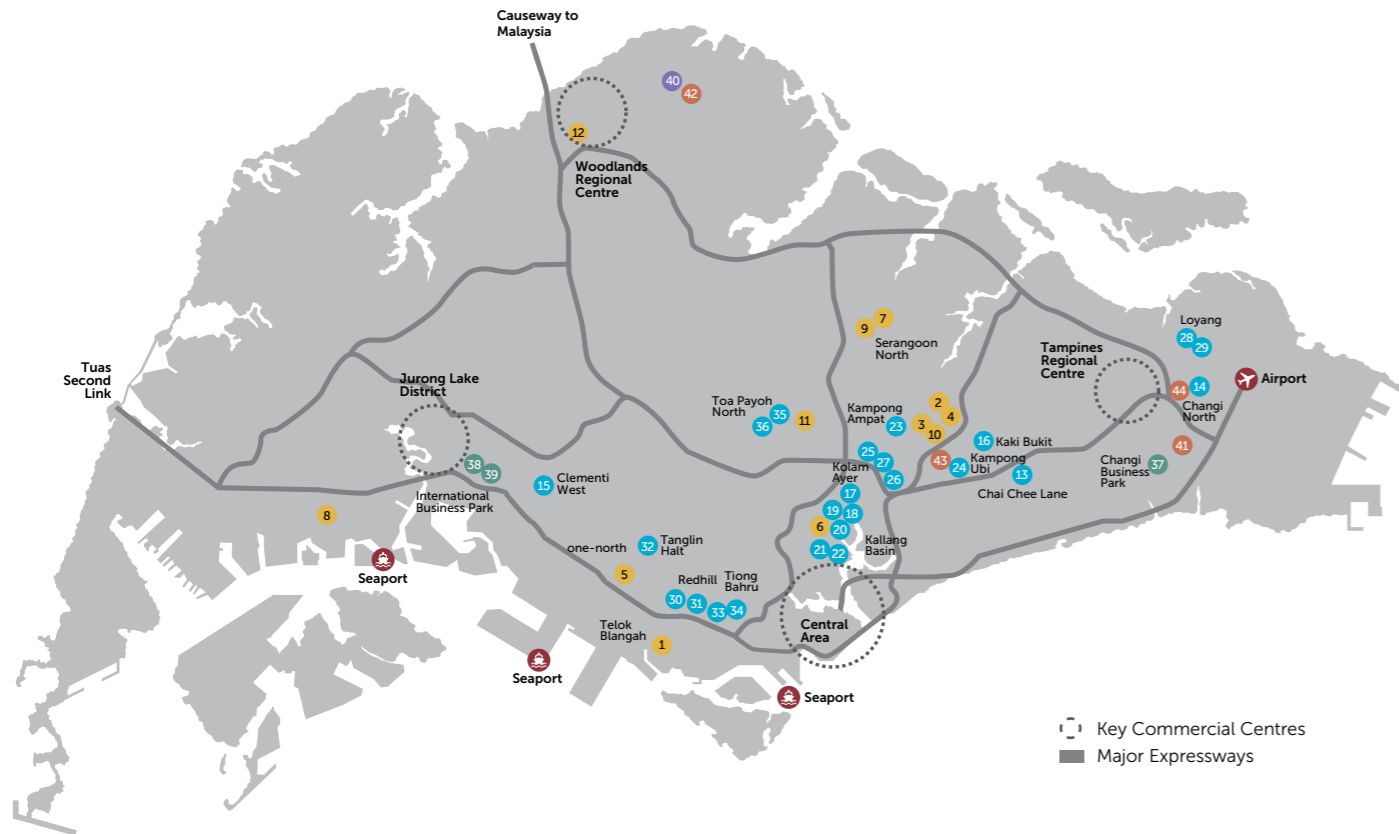


# STRATEGIC LOCATIONS ACROSS SINGAPORE AND THE UNITED STATES

**87 industrial properties**  
in Singapore across 44 clusters



## PROPERTY CLUSTERS<sup>1</sup>

### Hi-Tech Buildings

- |                      |                              |                      |
|----------------------|------------------------------|----------------------|
| 1 1 & 1A Depot Close | 5 26A Ayer Rajah Crescent    | 9 Serangoon North    |
| 2 7 Tai Seng Drive   | 6 30A Kallang Place          | 10 STT Tai Seng 1    |
| 3 18 Tai Seng        | 7 K&S Corporate Headquarters | 11 Toa Payoh North 1 |
| 4 19 Tai Seng Drive  | 8 Mapletree Sunview 1        | 12 Woodlands Central |

### Flatted Factories

- |                    |                      |
|--------------------|----------------------|
| 13 Chai Chee Lane  | 25 Kolam Ayer 1      |
| 14 Changi North    | 26 Kolam Ayer 2      |
| 15 Clementi West   | 27 Kolam Ayer 5      |
| 16 Kaki Bukit      | 28 Loyang 1          |
| 17 Kallang Basin 1 | 29 Loyang 2          |
| 18 Kallang Basin 2 | 30 Redhill 1         |
| 19 Kallang Basin 3 | 31 Redhill 2         |
| 20 Kallang Basin 4 | 32 Tanglin Halt      |
| 21 Kallang Basin 5 | 33 Tiong Bahru 1     |
| 22 Kallang Basin 6 | 34 Tiong Bahru 2     |
| 23 Kampong Ampat   | 35 Toa Payoh North 2 |
| 24 Kampong Ubi     | 36 Toa Payoh North 3 |

### Business Park Buildings

- 37 The Signature 38 The Strategy 39 The Synergy

### Stack-up/Ramp-up Buildings

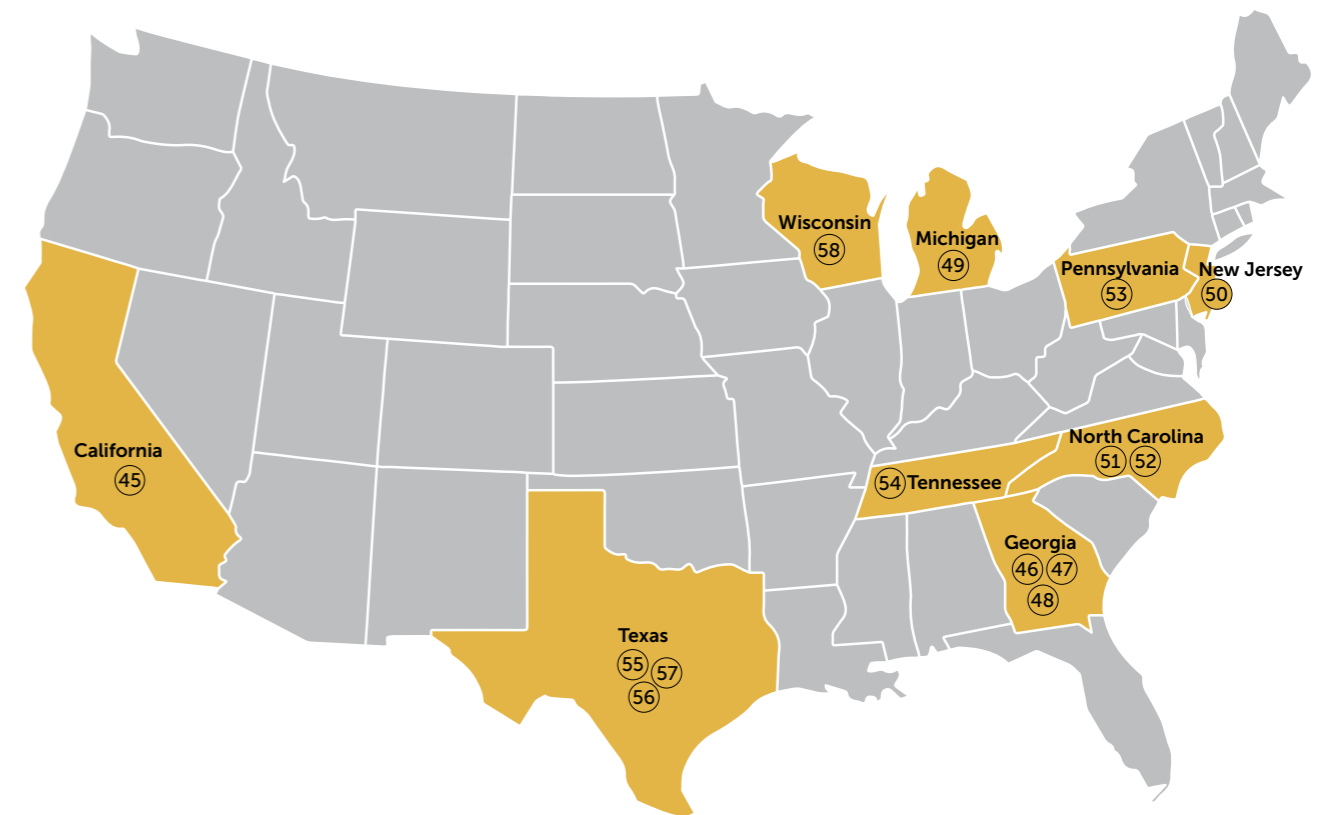
- 40 Woodlands Spectrum 1 & 2

### Light Industrial Buildings

- |                             |                             |
|-----------------------------|-----------------------------|
| 41 19 Changi South Street 1 | 43 45 Ubi Road 1            |
| 42 26 Woodlands Loop        | 44 2A Changi North Street 2 |

<sup>1</sup> A property "cluster" consists of one or more individual buildings situated on the same land lot or adjoining land lots.

**14 data centres**  
in the United States<sup>2</sup>



## Hi-Tech Buildings<sup>2</sup>

- |  |   |   |
|--|---|---|
| <b>California</b><br>45 7337 Trade Street, San Diego   | <b>New Jersey</b><br>50 2 Christie Heights, Leonia  | <b>Tennessee</b><br>54 402 Franklin Road, Brentwood   |
| <b>Georgia</b><br>46 180 Peachtree, Atlanta<br>47 1001 Windward Concourse, Alpharetta<br>48 2775 Northwoods Parkway, Atlanta | <b>North Carolina</b><br>51 1805 Center Park Drive, Charlotte<br>52 5150 McCrimmon Parkway, Morrisville | <b>Texas</b><br>55 1221 Coit Road, Plano<br>56 3300 Essex Drive, Richardson<br>57 5000 Bowen, Arlington |
| <b>Michigan</b><br>49 19675 W Ten Mile Road, Southfield  | <b>Pennsylvania</b><br>53 2000 Kubach Road, Philadelphia  | <b>Wisconsin</b><br>58 N15W24250 Riverwood Drive, Pewaukee  |

<sup>2</sup> Relates to MIT's 40% interest of the joint venture with the Sponsor in a portfolio of 14 data centres in the United States.

# FOCUS ON RESHAPING AND BUILDING A PORTFOLIO OF ASSETS FOR HIGHER VALUE USES THROUGH

- 3 Asset Enhancement Initiatives
- 4 Build-to-Suit Projects
- 5 Acquisitions



GROWTH OF ASSETS UNDER MANAGEMENT AT CAGR OF **10.2%**

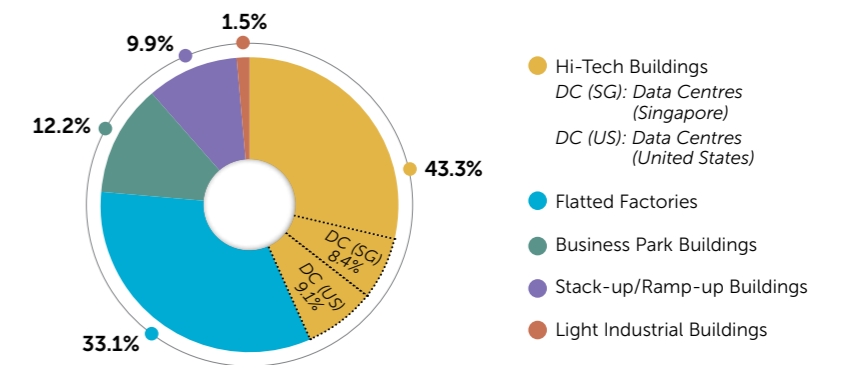


**43.3%** HI-TECH BUILDINGS AS THE LARGEST PROPERTY SEGMENT

## ASSETS UNDER MANAGEMENT<sup>1</sup>

**S\$4.8 BILLION**

As at 31 March 2019



1 Includes MIT's 40% interest of the joint venture with the Sponsor in a portfolio of 14 data centres in the United States.  
 2 Refers to assets under management as at 31 March at end of each financial year.  
 3 All values of investment projects are per the announcements.  
 4 Acquired through a joint venture with the Sponsor.  
 5 This includes the purchase consideration of 7 Tai Seng Drive at S\$68.0 million.



# OPERATIONS REVIEW



Centrally located in the Paya Lebar iPark, 18 Tai Seng is the sole property which is directly connected to Tai Seng MRT station by an underground pedestrian link.

## DELIVERING ON THE STRATEGY

FY18/19 marked another year of significant progress in delivering on the strategy of growing the Hi-Tech Buildings segment. The Manager acquired a seven-storey industrial property located at 7 Tai Seng Drive from Mapletree Logistics Trust at a purchase consideration of S\$68.0 million in June 2018, which will be upgraded to a data centre for Equinix Singapore. The purchase consideration of 7 Tai Seng Drive was not more than the higher of the two independent valuations conducted by Cushman & Wakefield VHS Pte Ltd ("Cushman") and Savills Valuation and Professional Services (S) Pte Ltd ("Savills") in April 2018 at \$68.0 million and S\$70.0 million respectively<sup>6</sup>. Upon the completion of the upgrading works in the second half of 2019, the property will be fully leased to Equinix Singapore for an initial term of 25 years with annual rental escalations. The total cost of the acquisition and upgrading works is expected to be S\$95 million<sup>5</sup>.

The Manager completed its third BTS data centre development, Mapletree Sunview 1 in July 2018. With GFA of about 242,000 sq ft, the six-storey purpose-built data centre is fully leased to an established data centre operator for an initial lease term of more than 10 years with staggered rental escalations.

In January 2019, the Manager successfully obtained Unitholders' approval at the extraordinary general meeting to acquire 18 Tai Seng from Mapletree Tai Seng Pte. Ltd., an indirect wholly-owned subsidiary of the Sponsor, through the acquisition of all the units of Marina Trust<sup>7</sup>, which holds 18 Tai Seng. The agreed property value of S\$268.3 million was in line with Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers") (appointed by the Trustee) and represented a discount of about 0.6% discount to Savills' valuation of S\$270.0 million (appointed by the Manager)<sup>8</sup>.

Centrally located in the Paya Lebar iPark, 18 Tai Seng is the sole property which is directly connected to Tai Seng MRT station by an underground pedestrian link. The nine-storey high-specification mixed-use industrial development comprises Business 2 industrial, office and retail spaces with a total GFA of about 443,810 sq ft. With an expected net property income yield of 6.8%, the acquisition has enlarged the portfolio's tenant base to include multinational companies in the high value-added automotive, medical, information and communications technology sectors.

These expansions in the Hi-Tech Buildings segment underscore the Manager's strategy in reshaping and building a portfolio of assets for higher value uses, which will cater to the changing needs of industrialists and attract users from new growth segments. As at 31 March 2019, the Hi-Tech Buildings segment represented the largest property segment at 43.3% of the portfolio by valuation, up from 14.8% six years ago when the segment was first introduced.



Third BTS data centre development, Mapletree Sunview 1

## PORTFOLIO OVERVIEW

### PROPERTY PORTFOLIO STATISTICS

	As at 31 March 2019	As at 31 March 2018
Number of properties	<b>101 Properties</b> 87 in Singapore 14 in United States	<b>99 Properties</b> 85 in Singapore 14 in United States
Net lettable area ("NLA") (million sq ft)	18.6 <sup>9</sup>	18.0 <sup>9</sup>
Portfolio valuation (S\$ million)	4,771.0 <sup>1</sup>	4,321.4 <sup>1</sup>
Average portfolio occupancy for the financial year (%)	88.4 <sup>1</sup>	89.6 <sup>1</sup>

MIT's property portfolio comprises 87 properties in Singapore and 14 data centres in the United States. The broad spectrum of industrial properties in Singapore are strategically located in established industrial estates and business parks, which are

well-served by public transportation networks. As at 31 March 2019, MIT's assets under management was S\$4,771.0 million, with properties in Singapore and United States accounting for 90.9% and 9.1% of the portfolio respectively.

<sup>6</sup> Two independent valuations were obtained from Cushman (appointed by the Trustee) and Savills (appointed by the Manager). Cushman had used the Income Capitalisation and Discounted Cash Flow methods. Savills had used the Income Capitalisation, Discounted Cash Flow and Residual Land Value methods and used the Comparison method as a check.  
<sup>7</sup> Marina Trust has been renamed "MIT Tai Seng Trust" upon the completion of the acquisition on 1 February 2019.  
<sup>8</sup> Both independent valuers relied on the Income Capitalisation method and Discounted Cash Flow analysis and used the Comparison method as a check.  
<sup>9</sup> Excludes the parking decks (150 Carnegie Way and 171 Carnegie Way) at 180 Peachtree, Atlanta.

# OPERATIONS REVIEW

## WELL-STAGGERED LEASE EXPIRY PROFILE

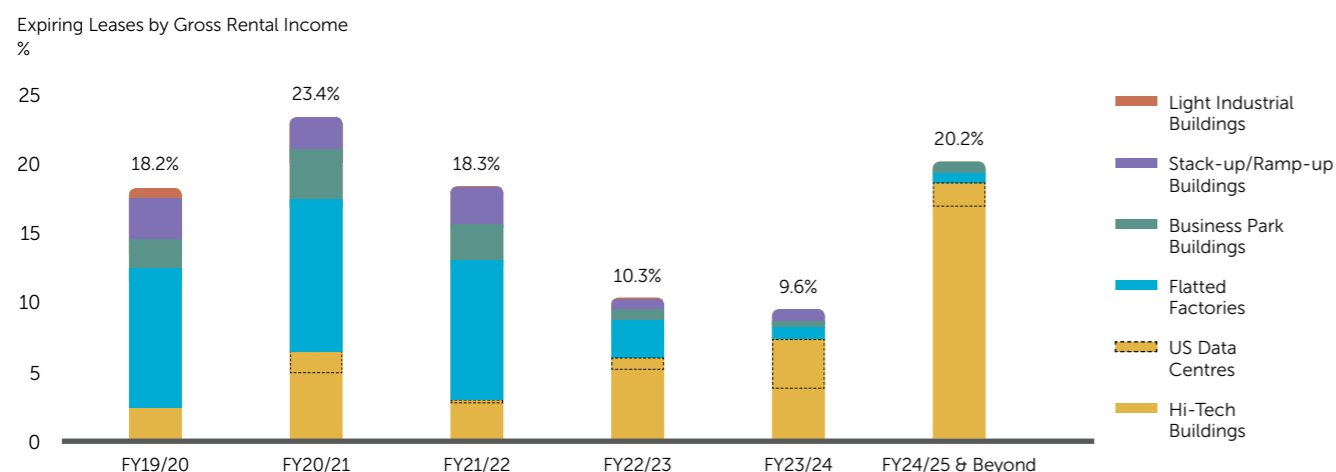
The Manager continues to engage tenants for renewal negotiations at least six months ahead of the lease expirations. As at 31 March 2019, the portfolio's weighted average lease to expiry ("WALE") on a committed basis (by gross rental income) was 3.6 years, with approximately 18.2% of the leases expiring in FY19/20. The portfolio's lease expiry profile is well-staggered with no more than 25% of the leases expiring in any financial year.

### WALE ON A COMMITTED BASIS (BY GROSS RENTAL INCOME)

WALE (in Years)	As at 31 March 2019	As at 31 March 2018
Singapore Portfolio	3.5	3.6
US Portfolio	5.0	6.0
Overall <sup>1</sup>	3.6	3.8

### LEASE EXPIRY PROFILE (BY GROSS RENTAL INCOME)<sup>1</sup>

As at 31 March 2019



As at 31 March 2019, the WALE for new and renewal leases that commenced in FY18/19 was 3.2 years. This accounted for 21.1% of the portfolio's gross rental income.

Based on the date of commencement of leases, the portfolio's WALE was 3.5 years as at 31 March 2019. The WALE (based on the date of commencement of leases) for the Singapore Portfolio and the US Portfolio stood at 3.3 years and 5.0 years respectively as at 31 March 2019.

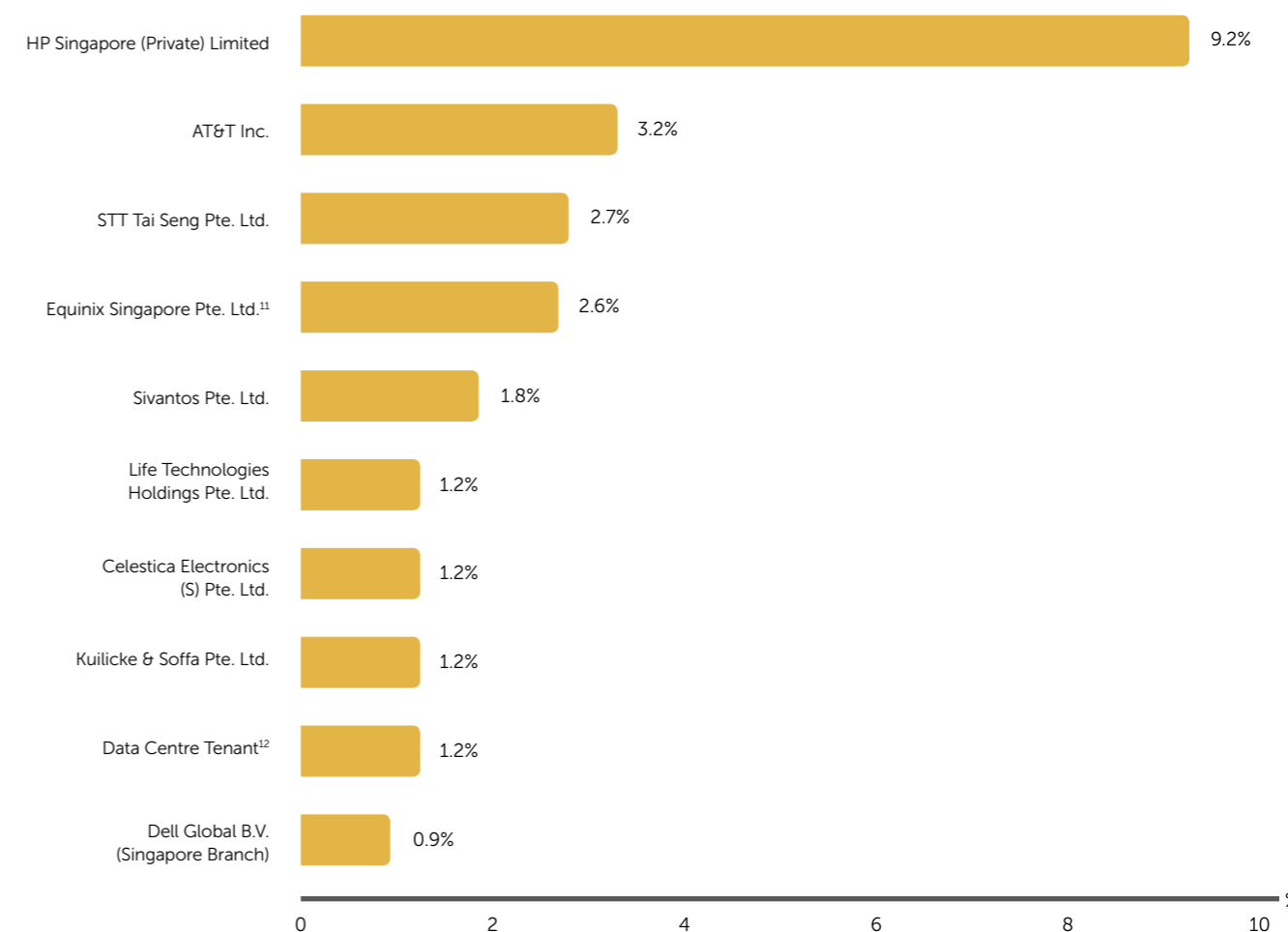
## LARGE AND WELL-DIVERSIFIED TENANT BASE

MIT has a large and well-diversified tenant base that underpins the stability of its portfolio. As at 31 March 2019, there were 2,223<sup>10</sup> tenants with 3,029 leases in MIT's portfolio.

As at 31 March 2019, the top 10 tenants contributed 25.2% of the portfolio's monthly gross rental income. Sivantos Pte. Ltd. was the latest entrant to the list of top 10 tenants upon the completion of the acquisition of 18 Tai Seng on 1 February 2019. Another new entrant was the data centre tenant following the completion of BTS data centre development at Mapletree Sunview 1.

## TOP 10 TENANTS (BY GROSS RENTAL INCOME)<sup>1</sup>

As at 31 March 2019



No single tenant and trade sector accounted for more than 10% and 21% of the portfolio's monthly gross rental income respectively. The tenant diversification across trade sectors and low dependence on any particular tenant enabled MIT to mitigate its concentration risk and enhance its portfolio resilience.

<sup>10</sup> The total number of tenants in the portfolio is lower than the aggregate number of tenants in all five property segments as there are some tenants who have leases in more than one property segment or geographical location.

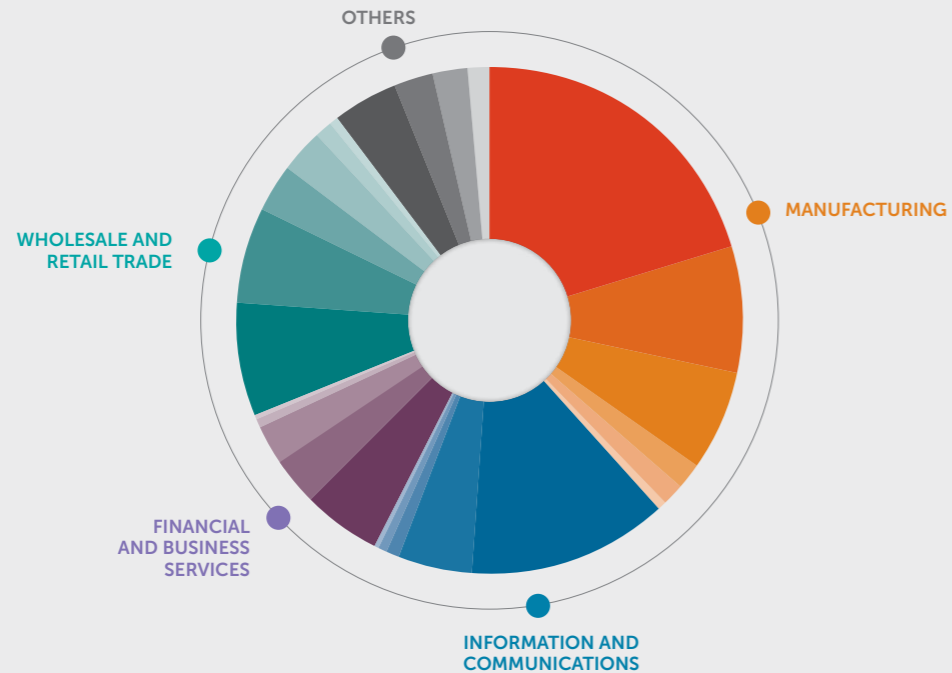
<sup>11</sup> Included the contribution from Equinix Inc. at 180 Peachtree, Atlanta.

<sup>12</sup> The identity of the tenant cannot be disclosed due to the strict confidentiality obligations under the lease agreement.



# OPERATIONS REVIEW

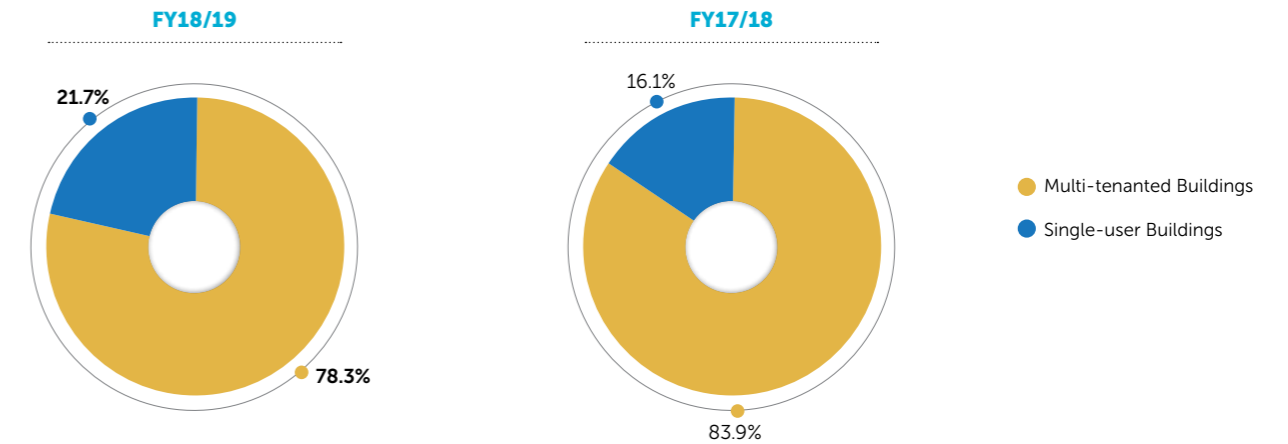
TENANT DIVERSIFICATION ACROSS TRADE SECTORS (BY GROSS RENTAL INCOME)<sup>1</sup>  
As at 31 March 2019



MANUFACTURING	40.45%	FINANCIAL AND BUSINESS SERVICES	11.35%
Precision Engineering, Machinery and Transportation Products	20.51%	Professional, Scientific and Technical Activities	5.08%
Printing, Recorded Media, Apparels and Other Essential Products	9.83%	Financial Services	3.04%
Computer, Electronic and Optical Products	6.25%	Admin and Support Services	2.36%
Coke, Refined Petroleum Products and Chemicals	1.79%	Real Estate	0.75%
Food, Beverage and Tobacco Products	1.44%	Public Administration and Defence	0.12%
Pharmaceuticals and Biological Products	0.63%		
WHOLESALE AND RETAIL TRADE	19.01%	WHOLESALE AND RETAIL TRADE	19.01%
General Wholesale Trade and Services	7.20%	General Wholesale Trade and Services	7.20%
Wholesale of Machinery, Equipment and Supplies	4.28%	Wholesale of Machinery, Equipment and Supplies	4.28%
Wholesale Trade	3.05%	Wholesale Trade	3.05%
Retail Trade	3.01%	Retail Trade	3.01%
Specialised Wholesale	0.93%	Specialised Wholesale	0.93%
Wholesale of Food and Beverage	0.54%	Wholesale of Food and Beverage	0.54%
INFORMATION AND COMMUNICATIONS	18.98%	OTHERS	10.21%
Telecommunications	12.70%	Education, Health and Social Services, Arts, Entertainment and Recreation	4.28%
Computer Programming and Consultancy	4.76%	Accommodation and Food Services	2.39%
Publishing	0.81%	Construction and Utilities	2.19%
Other Infomedia	0.61%	Transportation and Storage	1.35%
Radio and TV Broadcasting	0.10%		

About 21.7% of the portfolio (by gross revenue) constitutes as single-user buildings. The leases in single-user buildings are generally longer with built-in rental escalations, which offer portfolio stability. The remaining 78.3% of the portfolio comprises multi-tenanted buildings, which provide organic rental revenue growth potential due to the shorter lease durations.

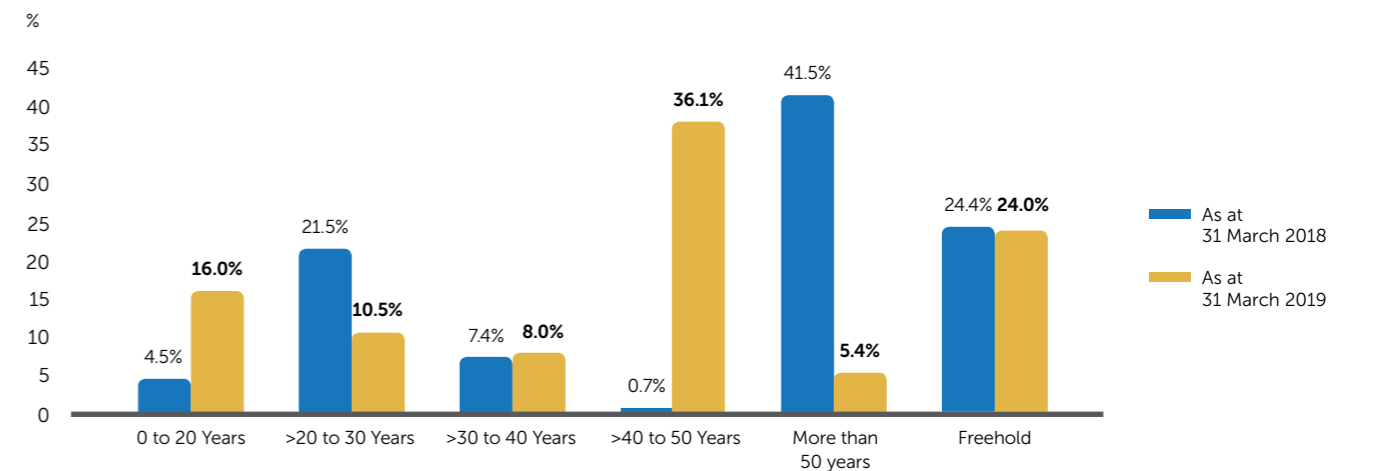
SPLIT BETWEEN MULTI-TENANTED BUILDINGS AND SINGLE-USER BUILDINGS (BY GROSS REVENUE)<sup>1</sup>



## STABILITY FROM EXTENDED LEASES

The weighted average unexpired lease term for underlying leasehold land for the properties was 37.2 years as at 31 March 2019. All data centres in the United States are sited on freehold land<sup>13</sup>, which accounted for 24.0% of the portfolio (by land area).

REMAINING YEARS TO EXPIRY ON UNDERLYING LAND LEASES<sup>14</sup> (BY LAND AREA)



## PORTFOLIO OCCUPANCY AND RENTAL RATES

The large supply of industrial space and the uneven recovery in the manufacturing sector continued to affect the performance of the Singapore Portfolio. The Singapore Portfolio occupancy rate decreased to 87.9% in FY18/19 from 89.1% in FY17/18. This was due to lower occupancies registered across most property segments, except the Hi-Tech Buildings and Light Industrial Buildings segments. The positive leasing momentum and completion of investment projects improved the occupancy rate of the Hi-Tech Buildings segment. The US Portfolio occupancy rate remained unchanged at 97.4% in FY18/19. Consequently, MIT's average portfolio occupancy rate fell to 88.4% in FY18/19 from 89.6% in the preceding year.

<sup>13</sup> Except for the parking deck (150 Carnegie Way) at 180 Peachtree, Atlanta. As at 31 March 2019, the parking deck has a remaining land lease tenure of approximately 36.7 years, with an option to renew for an additional 40 years.

<sup>14</sup> Exclude the options to renew.

# OPERATIONS REVIEW

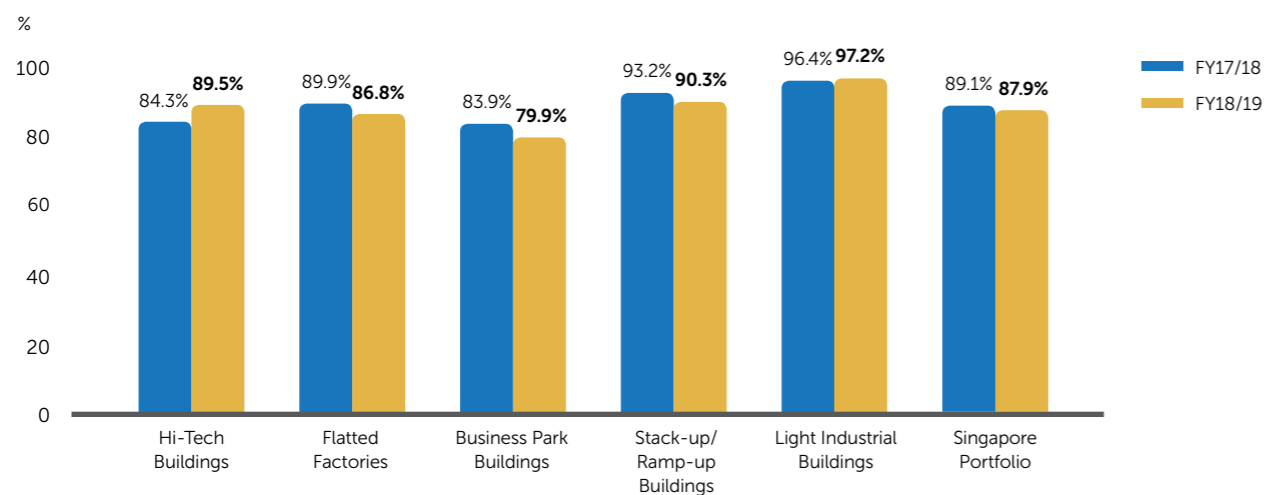
## AVERAGE PORTFOLIO OCCUPANCY AND RENTAL RATES

	Average Portfolio Occupancy (%)			Average Passing Rental Rate (\$ psf/mth)	
	Singapore Portfolio	US Portfolio	Overall <sup>1</sup>	Singapore Portfolio	US Portfolio
<b>FY18/19</b>	<b>87.9</b>	<b>97.4</b>	<b>88.4</b>	<b>S\$2.04</b>	<b>US\$2.03</b>
FY17/18	89.1	97.4	89.6	S\$1.96	US\$2.01

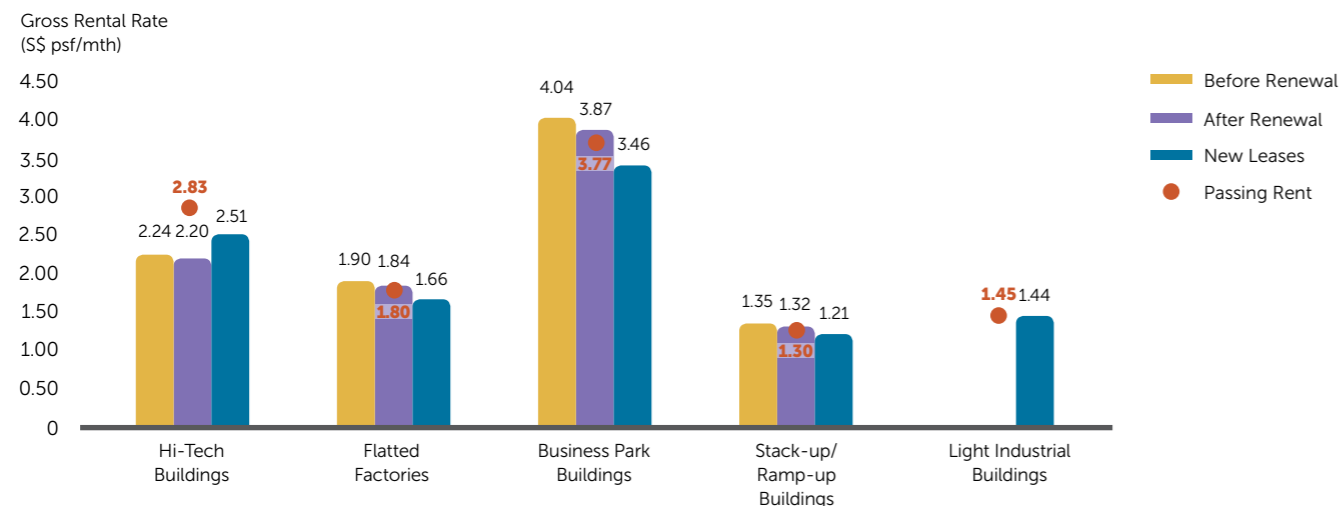
The average passing rental rate for Singapore Portfolio increased 4.1% to S\$2.04 per square foot per month ("psf/mth") in FY18/19 from S\$1.96 psf/mth in the preceding year. This was attributed to higher rental rates for new leases secured at the completed AEI, 30A Kallang Place as well as high average rental rate of 18 Tai Seng, which was acquired on 1 February 2019.

The average passing rental rate for the US Portfolio also increased to US\$2.03 psf/mth in FY18/19 from US\$2.01 psf/mth in the preceding year.

## SEGMENTAL OCCUPANCY RATES (SINGAPORE)



## RENTAL REVISIONS<sup>15</sup> FOR FY18/19 (SINGAPORE)

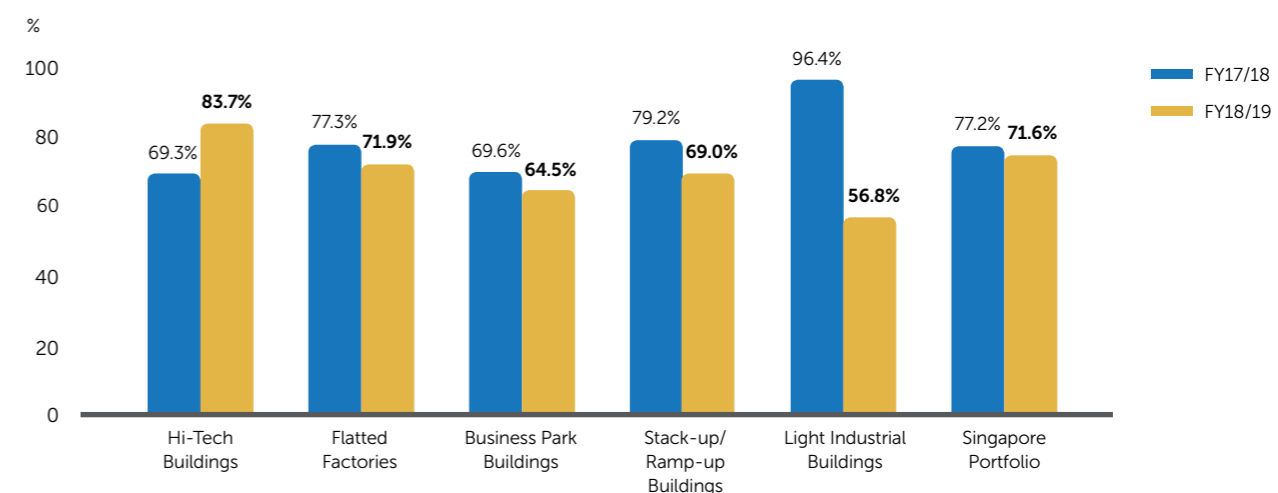


<sup>15</sup> Gross Rental Rates figures exclude short-term leases of less than three years; except Passing Rent figures which include all leases.

## FOCUS ON TENANT RETENTION

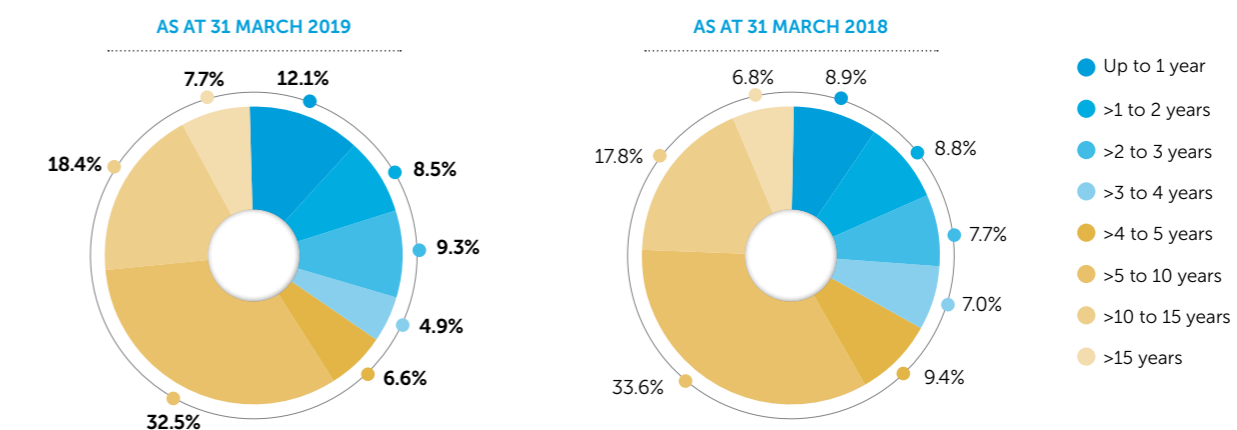
The Manager continues to focus on tenant retention to maintain a stable portfolio occupancy in order to address the leasing challenges from an impending large supply of industrial space. The retention rate for the Singapore Portfolio stood at a healthy level of 71.6% as a result of the recalibration of rental rates in response to market conditions and the active engagement with the tenants ahead of their lease expirations.

## RETENTION RATE<sup>16</sup> (SINGAPORE)



MIT's tenants continued to demonstrate a high degree of stickiness to the portfolio. As at 31 March 2019, 26.1% of the tenants have remained in the portfolio for more than 10 years and 65.2% have been leasing space in the portfolio for more than four years.

## LONG STAYING TENANTS (SINGAPORE)



## TENANT CREDIT RISK MANAGEMENT

To minimise tenant credit risk, the Manager's Credit Control Committee, which comprises representatives from Asset Management, Property Management, Finance, Legal, Marketing and Lease Management Departments, meets fortnightly to review payment trends of tenants. This enables the Manager to adopt a disciplined approach in anticipating and initiating necessary actions to address potential arrears cases. The total arrears outstanding as at 31 March 2019 remained low at approximately 0.3% of gross revenue for FY18/19.

<sup>16</sup> Based on NLA.