CORPORATE LIQUIDITY AND CAPITAL RESOURCES

KEY FUNDING STATISTICS

As at 31 March (in S$ million unless otherwise stated)	2022	2023
Total borrowings outstanding	2,904.1	**2,848.4**
– Bank loans outstanding	2,499.1	**2,488.4**
– Debt securities outstanding	405.0	**360.0**
Weighted average tenor of debt	3.8 years	**3.7 years**
Average borrowing cost for the financial year	2.5%	**3.1%**
Interest coverage ratio for the financial year	6.4 times	**5.0 times**
Adjusted interest coverage ratio for the financial year	5.7 times	**4.6 times**
Interest rate hedge ratio	70.5%	**75.5%**
Weighted average tenor of interest rate hedges	3.6 years	**3.5 years**
Aggregate leverage ratio*		
– Based on deposited property	38.4%	**37.4%**
– Based on net assets	69.7%	**62.0%**
Bank facilities available for utilisation	1,202.6	**1,376.9**
MIT Issuer Default Rating by Fitch Ratings	BBB+ Stable	**BBB+ Stable**

* The aggregate leverage ratio included the proportionate share of the aggregate leverage and deposited property value of joint venture. As at 31 March 2023, the aggregate leverage including such proportionate share was S$3,403.1 million based on the exchange rate of US$1 to S$1.34608. The aggregate leverage including such proportionate share as at 31 March 2022 was S$3,467.2 million based on the exchange rate of US$1 to S$1.36444.

AGGREGATE LEVERAGE AND DEBT CAPACITY

Total borrowings outstanding of S$2,848.4 million as at 31 March 2023 was S$55.7 million lower than a year ago, as MIT completed the redemption of the Medium Term Note of S$45 million upon maturity in September 2022. The foreign exchange translation effect driven by 1.4% year-on-year US Dollar depreciation on US Dollar-denominated debts had also contributed to lower total borrowings outstanding which was expressed in Singapore Dollars. Including the proportionate share of the joint venture, the aggregate leverage as at 31 March 2023 was S$3,403.1 million. As at 31 March 2023, all borrowings remained fully unsecured with minimal financial covenants.

Correspondingly, the aggregate leverage ratio based on deposited property decreased from 38.4% a year ago to 37.4% as at 31 March 2023 mainly due to resumption of DRP for distributions from 3QFY21/22 to 3QFY22/23. MIT's adjusted interest coverage ratio for the trailing 12 months was 4.6 times as at 31 March 2023. Taking reference from the aggregate leverage limits set by MAS[1], the aggregate leverage ratio of 37.4% provides MIT with debt headroom of about S$686.5 million and S$1,140.9 million to the aggregate leverage ratios of 45% and 50% respectively. The relatively large headroom will provide sufficient support for MIT's investment growth activities and allow flexibility for capital management.

During the financial year, new onshore bank facilities of S$673.0 million and new Singapore bank facilities of S$384.6 million, including a sustainability-linked facility of US$100.0 million (S$134.6 million) were procured. Unutilised bank facilities increased to S$1,376.9 million as at 31 March 2023 from S$1,202.6 million as at 31 March 2022. Excluding facilities which would be expiring in FY23/24, about S$938.4 million of committed bank facilities were available to MIT, which would be sufficient to meet its committed funding and working capital requirements in FY23/24.

STRENGTHENED BALANCE SHEET

MIT raised total proceeds of about S$184 million from the resumption of DRP for distributions from 3QFY21/22 to 3QFY22/23 to finance the progressive funding needs of the redevelopment project at Kallang Way. A total of 76,467,606 new units had been issued, with issue price ranging from S$2.1500 to S$2.6097, representing an average take-up rate of 40.1%. Proceeds from this series of DRP have helped to strengthen MIT's balance sheet and accorded MIT greater financial flexibility to pursue growth opportunities.

[1] With effect from 1 January 2022, MAS allowed the aggregate leverage limit to exceed 45% (up to a maximum of 50%) if the adjusted interest coverage ratio is at least 2.5 times.

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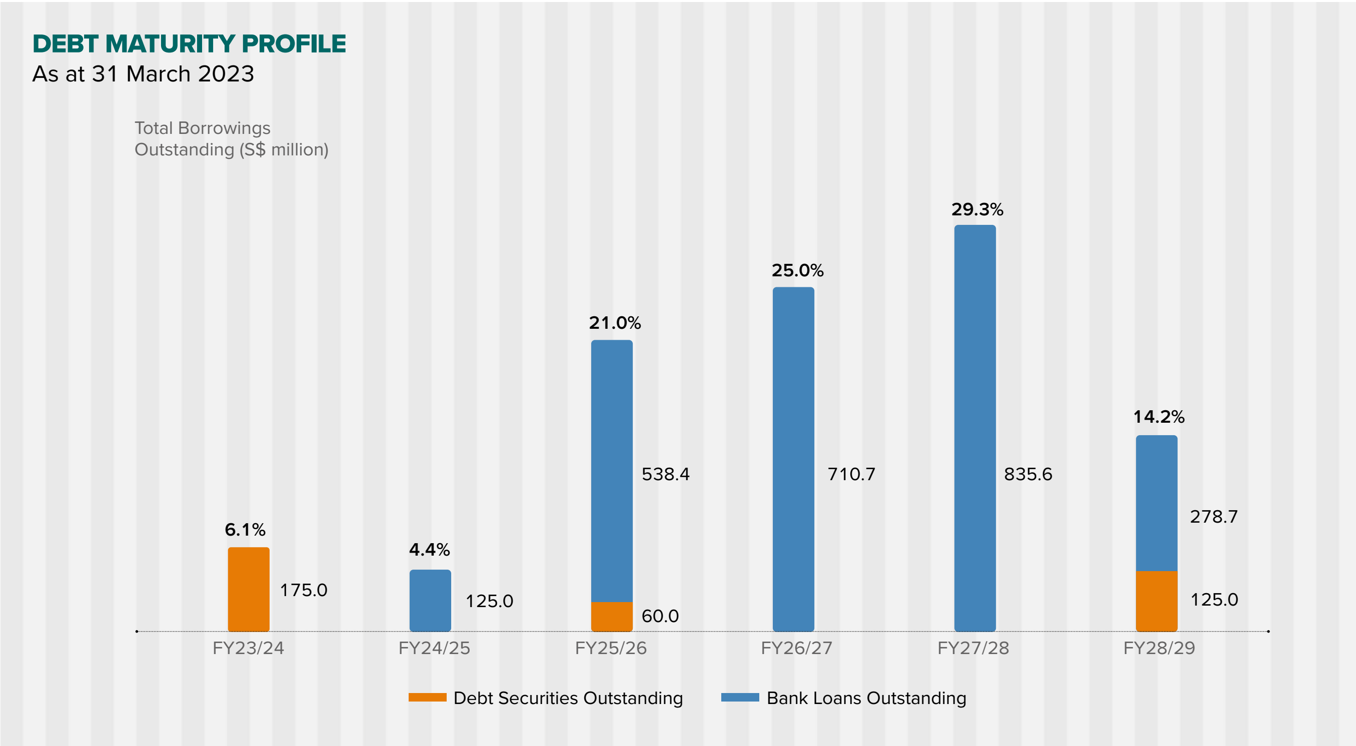
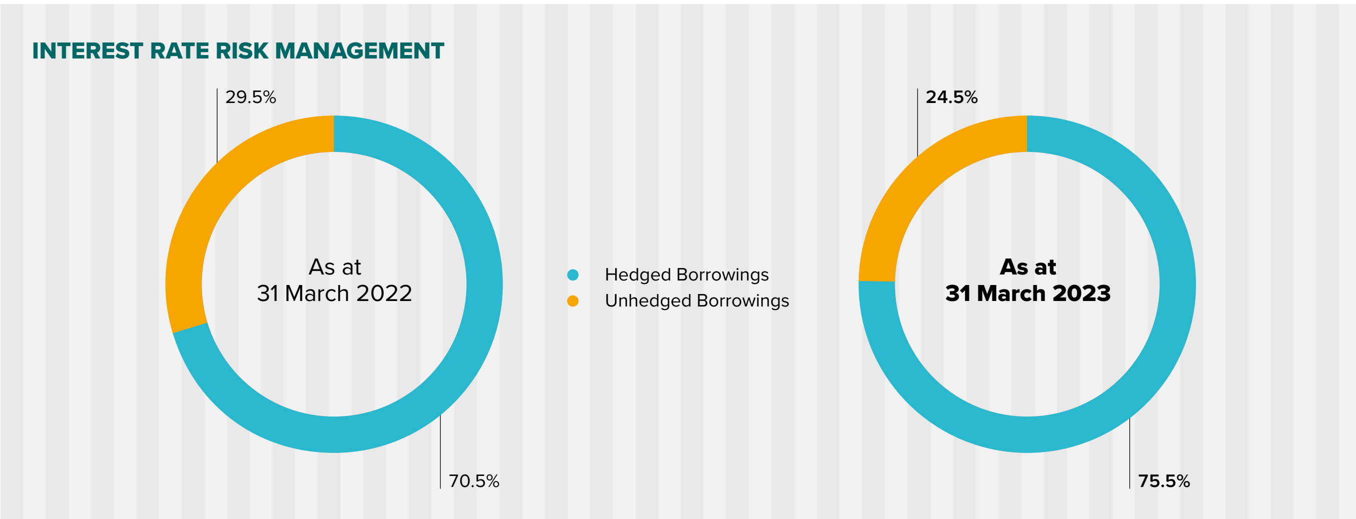


The debt maturity profile as at 31 March 2023 was well-diversified with a weighted average debt tenor of 3.7 years. Borrowings due in the coming financial year amount to only S$175.0 million or 6.1% of total borrowings and refinancing risk exposure in any one financial year is no more than 30% of total borrowings. Of these total borrowings, 87% were bank loans and 13% were debt securities issued to debt capital market investors. Based on the available committed bank facilities of about S$1,088.4 million, MIT had sufficient facilities to refinance the S$175.0 million borrowings due in the coming financial year.



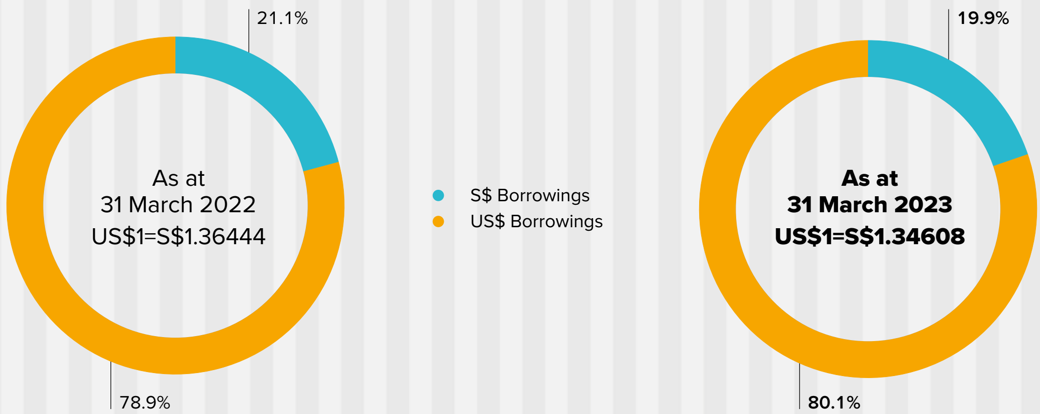
MIT hedges its exposure to interest rate volatilities through a combination of interest rate swaps and fixed rate debts. About 75.5% of the gross borrowings had been hedged as at 31 March 2023, which would help to contain the impact of interest rate fluctuations on distributions. The weighted average tenor of interest rate hedges as at 31 March 2023 was 3.5 years (31 March 2022: 3.6 years). As at 31 March 2023, the aggregate notional amount of interest rate hedges due to expire in FY23/24 was S$150.0 million. The average borrowing cost for the financial year was 3.1%, which was higher as compared to 2.5% for the preceding financial year mainly due to higher benchmark reference rates.

SENSITIVITY ANALYSIS

Based on unhedged borrowings as at 31 March 2023 and with all other variables being held constant, a 50 basis points change in base rates[2] would have an estimated impact of S$2.6 million or 0.09 SGD cent per annum on amount available for distribution or DPU respectively.

Change in base rates	Impact on amount available for distribution per annum (S$ million)	Impact on DPU per annum (SGD cent)[3]
+ 50 basis points	-2.6	-0.09
- 50 basis points	+2.6	+0.09

DEBT CURRENCY PROFILE



MIT's borrowings denominated in US Dollars provided a natural capital hedge to the foreign exchange rate exposure of its investments in the United States. The proportion of total borrowings denominated in US Dollars increased slightly to 80.1% as at 31 March 2023 from 78.9% a year ago. The capital hedge percentage of US Dollar loans over US Dollar assets under management (including proportionate share of joint venture) decreased slightly to 63.2% as at 31 March 2023 from 64.3% a year ago.

US DOLLAR INCOME HEDGING

As MIT received income denominated in US Dollars from its investments in the United States, foreign exchange forward contracts were entered into to hedge against foreign exchange rate volatility on distributable income. 85.8% of MIT's FY22/23 US Dollar-denominated net income was hedged into Singapore Dollars through such forward contracts.

[2] Base rates denote SGD Singapore Overnight Rate Average and USD Secured Overnight Financing Rate.
[3] Based on 2,740 million units as at 31 March 2023.