Corporate Liquidity and Capital Resources

Key Financial Metrics and Indicators

As at 31 March (in S$ million unless otherwise stated)	2023	2024
Total borrowings outstanding	2,848.4	**2,984.4**
– Bank borrowings outstanding	2,488.4	**2,600.7**
– Debt securities outstanding	360.0	**383.7**
Aggregate leverage ratio*		
– Based on deposited property	37.4%	**38.7%**
– Based on net assets	62.0%	**65.8%**
Weighted average tenor of debt	3.7 years	**3.8 years**
Average borrowing cost for the financial year	3.1%	**3.2%**
Interest coverage ratio for the financial year	5.0 times	**4.6 times**
Adjusted interest coverage ratio for the financial year	4.6 times	**4.3 times**
Interest rate hedge ratio	75.5%	**84.6%**
Weighted average tenor of interest rate hedges	3.5 years	**3.7 years**
Bank facilities available for utilisation	1,376.9	**1,617.8**
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 2024, the aggregate leverage including such proportionate share was S$3,533.4 million. The aggregate leverage including such proportionate share as at 31 March 2023 was S$3,403.1 million.

Total borrowings outstanding of S$2,984.4 million as at 31 March 2024 was S$136.0 million higher than a year ago. This was due mainly to additional Japanese Yen ("JPY") borrowings drawn for the acquisition of the Osaka Data Centre, partly offset by loan repayments during the financial year. Including the proportionate share of the joint venture, the aggregate leverage as at 31 March 2024 was S$3,533.4 million. As at 31 March 2024, the borrowings were largely unsecured with minimal financial covenants.

Diversified Sources of Funding

As at 31 March 2024, about 87% of the total borrowings outstanding were bank borrowings. The remaining 13% was from the debt capital market.

MIT funded the acquisition of Osaka Data Centre with a combination of equity, debt securities and bank borrowings. On 25 May 2023, MIT launched an equity fund raising exercise in conjunction with the acquisition by way of a private placement and raised gross proceeds of approximately S$204.8 million at an issue price of S$2.212 per new unit, representing a discount of approximately 1.5% to the adjusted volume weighted average price of all trades in the units done for the preceding Market Day on 24 May 2023. The private placement was approximately 4.5 times covered at the top end of the issue price range, with strong participation from new and existing institutional, accredited, and other investors. The proceeds were fully disbursed in accordance with the stated use and percentage allocated as set out in the announcement dated 6 June 2023.

On 27 June 2023, two series of JPY Medium Term Notes amounting to JPY16.5 billion (S$148.8 million[1]) were issued under the Euro Medium Term Securities Programme. This was part of the financing plan to put in place JPY-denominated debt of long tenors that will provide a natural capital hedge for the Osaka Data Centre.

On 16 February 2024, MIT issued S$50 million 3.751% three-year fixed rate notes due 2027. This was in line with MIT's prudent capital management strategy to manage interest rate risk and to diversify sources of funding.

Aggregate Leverage and Debt Capacity

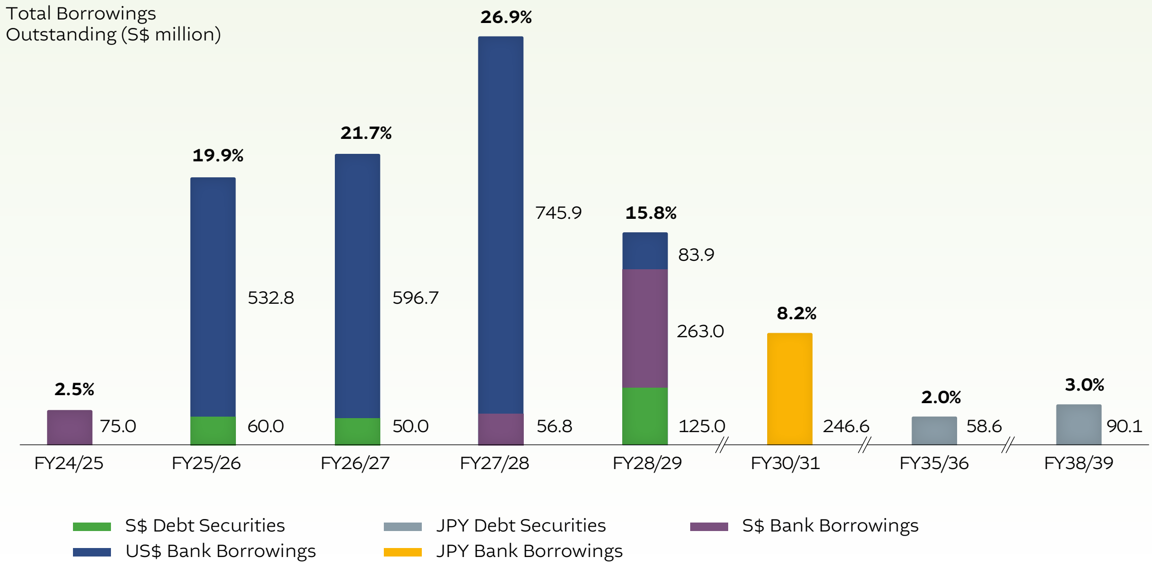
The aggregate leverage ratio based on deposited property increased from 37.4% a year ago to 38.7% as at 31 March 2024 mainly due to revaluation loss on investment properties and higher borrowings. The increased aggregate leverage ratio remains within the aggregate leverage limit of 50% and is not expected to have any impact on MIT's risk profile. MIT's adjusted interest coverage ratio for the trailing 12 months was 4.3 times as at 31 March 2024. Taking reference from the aggregate leverage limits set by MAS[2], the aggregate leverage ratio of 38.7% provides MIT with debt headroom of about S$577.0 million and S$1,033.7 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 JPY bank facilities of S$378.6 million and new Singapore bank facilities of

[1] Based on the exchange rate of S$1 to JPY110.9 as at 31 March 2024.
[2] 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.

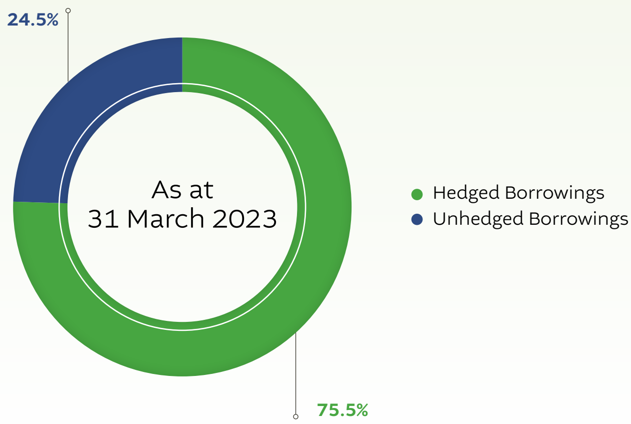
S$655.3 million, including a sustainability-linked facility of US$140 million (S$186.5 million[3]), were procured. Unutilised bank facilities increased to S$1,617.8 million as at 31 March 2024 from S$1,376.9 million as at 31 March 2023. Excluding facilities which would be expiring in FY24/25, about S$846.6 million of committed bank facilities were available to MIT which would be sufficient to meet its committed funding and working capital requirements, as well as to fund any potential investment opportunity.

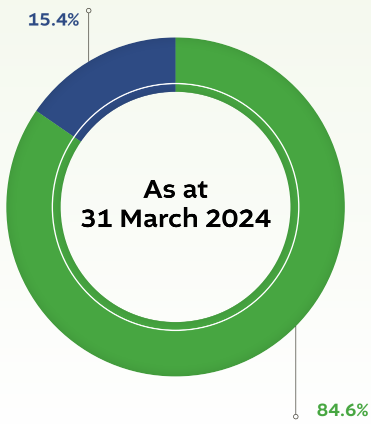
Debt Maturity Profile
As at 31 March 2024



The debt maturity profile as at 31 March 2024 remained well-staggered with a weighted average debt tenor of 3.8 years. Only S$75.0 million or 2.5% of total borrowings are due in the coming financial year. In addition, refinancing risk exposure in any financial year is no more than 30% of total borrowings.

Interest Rate Risk Management





MIT hedges its exposure to interest rate volatilities through a combination of both interest rate swaps and fixed rate debts. About 84.6% of the gross borrowings had been hedged as at 31 March 2024, 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 2024 was 3.7 years (31 March 2023: 3.5 years). As at 31 March 2024, the aggregate notional amount of interest rate hedges due to expire in FY24/25 was S$223.4 million.

[3] Based on exchange rate of US$1 to S$1.33191 as at 31 March 2024.

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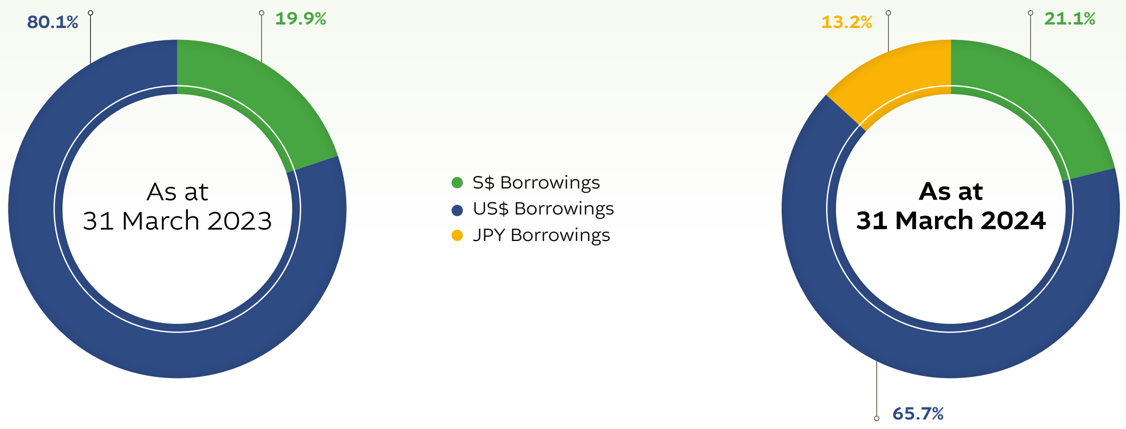
Sensitivity Analysis

Based on unhedged borrowings as at 31 March 2024 and with all other variables being held constant, a 50 basis points change in base rates[4] would have an estimated impact of S$1.8 million or 0.06 Singapore 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 (Singapore cent)[5]
+ 50 basis points	- 1.8	- 0.06
- 50 basis points	1.8	0.06

Debt Currency Profile



MIT's borrowings denominated in US$ and JPY provided a natural capital hedge to the foreign exchange rate exposure of its investments in the United States and Japan, respectively. The proportion of total borrowings denominated in US$ decreased to 65.7% as at 31 March 2024 from 80.1% a year ago as MIT rebalanced the debt composition and added JPY borrowings. The capital hedge percentage of US$ loans over US$ assets under management (including proportionate share of joint venture) decreased to 58.3% as at 31 March 2024 from 63.2% a year ago.

Foreign Currency Income Hedging

As MIT received income denominated in US$ and JPY from its investments in the United States and Japan, respectively, foreign exchange forward contracts were entered into to hedge against foreign exchange rate volatility on distributable income. About 77.0% of MIT's FY23/24 foreign currency denominated net income was hedged into S$ through such forward contracts.

4 Base rate denotes S$ Singapore Overnight Rate Average and US$ Secured Overnight Financing Rate.
5 Based on 2,835 million units as at 31 March 2024.