

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 JULY 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

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

	2QFY22/23	1QFY22/23	Variance %	2QFY21/22	Variance %
Gross revenue (S\$'000) ²	175,512	167,805	4.6	155,560	12.8
Net property income (S\$'000) ²	130,325	129,903	0.3	120,320	8.3
Amount available for distribution (S\$'000) ²	91,359	94,494	(3.3)	90,784	0.6
- to perpetual securities holders	2,382	2,356	1.1	2,407	(1.0)
- to Unitholders	88,977	92,138	(3.4)	88,377	0.7
No. of units in issue ('000)	2,704,074*	2,688,073*	0.6	2,659,699	1.7
Distribution per unit (cents)	3.36 ³	3.49 ³	(3.7)	3.47 ³	(3.2)

	1HFY22/23	1HFY21/22	Variance %
Gross revenue (S\$'000) ²	343,317	283,619	21.0
Net property income (S\$'000) ²	260,228	225,039	15.6
Amount available for distribution (S\$'000) ²	185,853	174,775	6.3
- to perpetual securities holders	4,738	3,702	28.0
- to Unitholders	181,115	171,073	5.9
No. of units in issue ('000)	2,704,074*	2,659,699	1.7
Distribution per unit (cents)	6.85 ³	6.82 ³	0.4

* 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 gains of S\$15.7 million from 26A Ayer Rajah Crescent over eight quarters from 2QFY21/22 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 above mentioned 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 30 September 2022, MIT’s total assets under management was S\$8.9 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

	2Q FY22/23 (S\$'000)	2Q FY21/22 (S\$'000)	Variance %	1H FY22/23 (S\$'000)	1H FY21/22 (S\$'000)	Variance %
Gross revenue	175,512	155,560	12.8	343,317	283,619	21.0
Property operating expenses	(45,187)	(35,240)	28.2	(83,089)	(58,580)	41.8
Net property income	130,325	120,320	8.3	260,228	225,039	15.6
Interest income	92	31	>100.0	189	29	>100.0
Borrowing costs	(23,770)	(17,400)	36.6	(43,717)	(32,638)	33.9
Manager's management fees						
- Base fees	(10,281)	(9,294)	10.6	(20,327)	(17,087)	19.0
- Performance fees	(4,680)	(4,353)	7.5	(9,385)	(8,135)	15.4
Trustee's fees	(257)	(235)	9.4	(506)	(441)	14.7
Other trust expenses	(1,061)	(851)	24.7	(2,692)	(1,557)	72.9
Net foreign exchange gain	195	4,052	(95.2)	171	3,598	(95.2)
Gain on divestment of investment properties ¹	-	-	-	3,759	507	>100.0
Net change in fair value of financial derivatives	(506)	(72)	>100.0	(506)	(72)	>100.0
Share of joint venture's results	9,054	8,945	1.2	18,387	17,925	2.6
Profit for the period before tax	99,111	101,143	(2.0)	205,601	187,168	9.8
Income tax expense	(2,643)	(3,281)	(19.4)	(8,061)	(4,695)	71.7
- Current income tax	(1,988)	(1,329)	49.6	(6,118)	(1,444)	>100.0
- Deferred tax	(655)	(1,952)	(66.4)	(1,943)	(3,251)	(40.2)
Profit for the period	96,468	97,862	(1.4)	197,540	182,473	8.3
Attributable to:						
Unitholders	94,086	95,455	(1.4)	192,802	178,771	7.8
Perpetual securities holders ²	2,382	2,407	(1.0)	4,738	3,702	28.0
Profit for the period	96,468	97,862	(1.4)	197,540	182,473	8.3
Earnings per unit ("EPU") – Basic and Diluted	3.58	3.68		7.36	7.17	

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 1HFY22/23. Divestment gain in 1HFY21/22 arose from the divestment of 26A Ayer Rajah Crescent.
- 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.

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1.2 Distribution Statement

	2Q FY22/23 (S\$'000)	2Q FY21/22 (S\$'000)	Variance %	1H FY22/23 (S\$'000)	1H FY21/22 (S\$'000)	Variance %
Profit for the period attributable to Unitholders	94,086	95,455	(1.4)	192,802	178,771	7.8
Adjustment for net effect of non-tax chargeable items and other adjustments ¹	(11,958)	(13,352)	(10.4)	(24,570)	(20,600)	19.3
Distribution declared by joint venture	6,849	6,274	9.2	12,883	12,902	(0.1)
Amount available for distribution to Unitholders	88,977	88,377	0.7	181,115	171,073	5.9

** Not meaningful

Note:

1. 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 and financing related costs.

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1.3 Consolidated Statement of Comprehensive Income

	2Q FY22/23 (S\$'000)	2Q FY21/22 (S\$'000)	Variance %	1H FY22/23 (S\$'000)	1H FY21/22 (S\$'000)	Variance %
Profit for the period	96,468	97,862	(1.4)	197,540	182,473	8.3
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges:						
- Fair value gain/(loss) ¹	70,499	1,071	>100.0	96,122	(6,309)	**
- Reclassification to profit or loss	(2,074)	6,492	**	1,397	11,400	(87.7)
Share of hedging reserve of joint venture ¹	12,164	(702)	**	17,146	(2,462)	**
Net translation differences relating to financial statements of foreign joint venture and foreign subsidiaries	33,241	7,237	>100.0	44,005	6,368	>100.0
Net translation differences relating to shareholder's loan	8,202	5,587	46.8	10,790	(153)	**
Net currency translation differences on borrowings designated as net investment hedge of foreign operations	(8,696)	166	**	(11,440)	1,935	**
Other comprehensive profit/(loss), net of tax for the period	113,336	19,851	>100.0	158,020	10,779	>100.0
Total comprehensive income for the period	209,804	117,713	78.2	355,560	193,252	84.0
Attributable to:						
Unitholders	207,422	115,306	79.9	350,822	189,550	85.1
Perpetual securities holders	2,382	2,407	(1.0)	4,738	3,702	28.0
Total comprehensive income for the period	209,804	117,713	78.2	355,560	193,252	84.0

** 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	
	30 September 2022 (\$'000)	31 March 2022 (\$'000)	30 September 2022 (\$'000)	31 March 2022 (\$'000)
Current assets				
Cash and cash equivalents	165,480	149,638	45,600	59,487
Trade and other receivables	32,869	26,835	41,195	37,133
Other current assets	3,314	2,777	1,849	1,009
Loan to a subsidiary	-	-	-	272,888
Derivative financial instruments ¹	1,742	197	-	197
	203,405	179,447	88,644	370,714
Investment property held for sale ²	-	13,608	-	-
Total current assets	203,405	193,055	88,644	370,714
Non-current assets				
Investment properties	7,616,855	7,515,735	3,733,221	3,731,202
Investment property under development	190,952	144,900	190,952	144,900
Plant and equipment	121	154	121	154
Investments in:				
- subsidiaries	-	-	1,050,074	1,050,074
- joint venture	602,391	564,454	394,377	394,377
Loan to subsidiaries ³	-	-	697,838	697,547
Derivative financial instruments ¹	156,261	61,673	45,405	22,688
Total non-current assets	8,566,580	8,286,916	6,111,988	6,040,942
Total assets	8,769,985	8,479,971	6,200,632	6,411,656
Current liabilities				
Trade and other payables	145,953	142,554	79,091	89,345
Borrowings	427,274	387,382	369	353
Loan from a subsidiary	-	-	74,989	44,995
Derivative financial instruments ¹	3,747	2,860	3,747	319
Current income tax liabilities	7,038	2,372	3,139	-
Total current liabilities	584,012	535,168	161,335	135,012
Non-current liabilities				
Other payables	49,969	49,646	44,835	45,628
Borrowings	2,554,418	2,552,343	621,261	861,855
Loan from a subsidiary	-	-	284,169	360,064
Derivative financial instruments ¹	151	113	151	113
Deferred tax liabilities ⁴	67,682	63,843	-	-
Total non-current liabilities	2,672,220	2,665,945	950,416	1,267,660
Total liabilities	3,256,232	3,201,113	1,111,751	1,402,672
Net assets	5,513,753	5,278,858	5,088,881	5,008,984

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1.4 Statements of Financial Position (continued)

	MIT Group		MIT	
	30 September 2022 (S\$'000)	31 March 2022 (S\$'000)	30 September 2022 (S\$'000)	31 March 2022 (S\$'000)
Represented by:				
Unitholders' funds	5,211,899	4,977,056	4,787,027	4,707,182
Perpetual securities	301,854	301,802	301,854	301,802
	5,513,753	5,278,858	5,088,881	5,008,984
Net asset value per unit (S\$)	1.93	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. This relates to the divestment of 19 Changi South Street 1 at a sale price of S\$13.0 million as at 31 March 2022, 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

	2QFY22/23 (S\$'000)	2QFY21/22 (S\$'000)	1HFY22/23 (S\$'000)	1HFY21/22 (S\$'000)
Cash flows from operating activities				
Profit for the period	96,468	97,862	197,540	182,473
Adjustments for:				
- Borrowing costs	23,770	17,400	43,717	32,638
- Income tax expense	2,643	3,281	8,061	4,695
- Manager's management fees paid/payable in units	1,520	932	3,054	1,948
- Bad debts written off	70	50	73	256
- Net change in fair value of financial derivatives	506	72	506	72
- Depreciation	16	16	33	36
- Interest income	(92)	(31)	(189)	(29)
- Net foreign exchange differences	1,964	(3,864)	1,799	(415)
- (Write back)/Allowance for impairment of trade receivables	(156)	479	(596)	460
- Amortisation of rental incentives	(3,056)	(5,262)	(6,269)	(8,457)
- Gain on divestment of investment properties	-	-	(3,759)	(507)
- Share of joint venture's results	(9,054)	(8,945)	(18,387)	(17,925)
Operating cash flows before working capital changes	114,599	101,990	225,583	195,245
Changes in operating assets and liabilities				
- Trade and other receivables	(5,169)	(4,248)	(5,941)	(4,361)
- Trade and other payables	16,932	5,408	(3,328)	2,677
- Other current assets	1,434	98,468	(497)	45,592
Cash generated from operations	127,796	201,618	215,817	239,153
Interest received	71	32	146	33
Income tax paid	(1,456)	(353)	(3,432)	(353)
Net cash provided by operating activities	126,411	201,297	212,531	238,833
Cash flows from investing activities				
Additions to investment properties and investment property under development	(34,566)	(1,827,630)	(49,624)	(1,831,363)
Net proceeds from divestment of investment properties	-	-	26,057	120,307
Distributions received from joint venture	6,034	7,132	13,356	13,318
Net cash used in by investing activities	(28,532)	(1,820,498)	(10,211)	(1,697,738)

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1.5 Consolidated Statement of Cash Flows (continued)

	2QFY22/23 (S\$'000)	2QFY21/22 (S\$'000)	1HFY22/23 (S\$'000)	1HFY21/22 (S\$'000)
Cash flows from financing activities				
Repayment of bank loans	(103,086)	(49,303)	(414,076)	(745,656)
Redemption of medium term note	(45,000)	-	(45,000)	-
Payment of financing related costs	(1,189)	(6,957)	(1,894)	(7,235)
Gross proceeds from bank loans	103,086	1,159,950	434,686	1,407,435
Net proceeds from issuance of perpetual securities	-	-	-	298,152
Net proceeds from issuance of new units	-	-	-	810,338
Distributions to Unitholders ¹	(53,572)	(30,317)	(119,033)	(159,874)
Interest paid	(20,566)	(18,142)	(35,064)	(30,659)
Payment of lease liabilities ²	(740)	(708)	(1,476)	(1,317)
Distribution to perpetual securities holders	-	-	(4,686)	-
Net cash (used in)/provided by financing activities	(121,067)	1,054,523	(186,543)	1,571,184
Net (decrease)/increase in cash and cash equivalents	(23,188)	(564,678)	15,777	112,279
Cash and cash equivalents at beginning of financial period	188,619	737,393	149,638	60,464
Effects of currency translation on cash and cash equivalents	49	35	65	7
Cash and cash equivalents at end of financial period	165,480	172,750	165,480	172,750

Notes:

1. This amount excludes S\$68.2 million distributed through the issuance of 26,348,732 new units in MIT as part payment of distributions for the period from 1 January 2022 to 30 June 2022, pursuant to the DRP. For 1HFY21/22, the amount of S\$159.9 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)

	2QFY22/23 (S\$'000)	2QFY21/22 (S\$'000)	1HFY22/23 (S\$'000)	1HFY21/22 (S\$'000)
OPERATIONS				
Balance at beginning of the period	1,075,695	938,375	1,070,399	984,616
Profit attributable to Unitholders	94,086	95,455	192,802	178,771
Distributions	(93,820)	(30,317)	(187,240)	(159,874) ¹
Balance at end of the period	1,075,961	1,003,513	1,075,961	1,003,513
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of the period	3,800,208	3,727,147	3,770,715	2,915,794
Issue of new units arising from:				
- Settlement of manager's management fees	1,520	933	3,054	1,949
- Private placement	-	-	-	512,938
- Preferential offering	-	-	-	310,402
- Distribution Reinvestment Plan ²	40,248	-	68,207	-
Issue expenses	-	-	-	(13,003)
Balance at end of the period	3,841,976	3,728,080	3,841,976	3,728,080
HEDGING RESERVE				
Balance at beginning of the period	153,359	3,549	119,283	7,781
Fair value gain/(loss)	70,499	1,071	96,122	(6,309)
Reclassification to profit or loss	(2,074)	6,492	1,397	11,400
Share of hedging reserve of a joint venture	12,164	(702)	17,146	(2,462)
Balance at end of the period	233,948	10,410	233,948	10,410
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance at beginning of the period	27,267	(18,031)	16,659	(13,191)
Net translation differences relating to financial statements of a foreign joint venture and foreign subsidiaries	33,241	7,237	44,005	6,368
Net translation differences relating to shareholder's loan	8,202	5,587	10,790	(153)
Net currency translation differences on borrowings designated as net investment hedge of foreign operations	(8,696)	166	(11,440)	1,935
Balance at end of the period	60,014	(5,041)	60,014	(5,041)
Total Unitholders' funds at end of the period	5,211,899	4,736,962	5,211,899	4,736,962

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

	2QFY22/23 (S\$'000)	2QFY21/22 (S\$'000)	1HFY22/23 (S\$'000)	1HFY21/22 (S\$'000)
PERPETUAL SECURITIES				
Balance at the beginning of the period	299,472	299,447	301,802	-
Proceeds from the issuance of perpetual securities	-	-	-	300,000
Issue expenses	-	-	-	(1,848)
Profit attributable to perpetual securities holders	2,382	2,407	4,738	3,702
Distribution	-	-	(4,686)	-
Balance at the end of the period	301,854	301,854	301,854	301,854

Notes:

1. The amount of S\$159.9 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 26,348,732 new units in MIT amounting to S\$68.2 million in 1HFY22/23 as part payment of distributions for the period from 1 January 2022 to 30 June 2022, pursuant to the DRP.

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

	2QFY22/23 (S\$'000)	2QFY21/22 (S\$'000)	1HFY22/23 (S\$'000)	1HFY21/22 (S\$'000)
OPERATIONS				
Balance at beginning of the period	909,001	914,889	914,515	971,171
Profit attributable to Unitholders	87,395	87,223	175,301	160,498
Distributions	(93,820)	(30,317)	(187,240)	(159,874) ¹
Balance at end of the period	902,576	971,795	902,576	971,795
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of the period	3,800,208	3,727,147	3,770,715	2,915,794
Issue of new units arising from:				
- Settlement of manager's management fees	1,520	933	3,054	1,949
- Private placement	-	-	-	512,938
- Preferential offering	-	-	-	310,402
- Distribution Reinvestment Plan ²	40,248	-	68,207	-
Issue expenses	-	-	-	(13,003)
Balance at end of the period	3,841,976	3,728,080	3,841,976	3,728,080
HEDGING RESERVE				
Balance at beginning of the period	29,288	(10,580)	21,952	(8,943)
Fair value gain/(loss)	14,455	(565)	21,120	(4,195)
Reclassification to profit or loss	(1,268)	2,021	(597)	4,014
Balance at end of the period	42,475	(9,124)	42,475	(9,124)
Total Unitholders' funds at end of the period	4,787,027	4,690,751	4,787,027	4,690,751
PERPETUAL SECURITIES				
Balance at the beginning of the period	299,472	299,447	301,802	-
Proceeds from the issuance of perpetual securities	-	-	-	300,000
Issue expenses	-	-	-	(1,848)
Profit attributable to perpetual securities holders	2,382	2,407	4,738	3,702
Distribution	-	-	(4,686)	-
Balance at the end of the period	301,854	301,854	301,854	301,854

Notes:

- The amount of S\$159.9 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 26,348,732 new units in MIT amounting to S\$68.2 million in 1HFY22/23 as part payment of distributions for the period from 1 January 2022 to 30 June 2022, pursuant to the DRP.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

2 Notes to the Interim Condensed Financial Statement

2.1 Basis of preparation

The financial statements for the three months ended 30 September 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The 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 financial statements are presented in Singapore Dollars ("S\$"), which is MIT's functional currency, and rounded to the nearest thousand.

The preparation of the 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 30 September 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 allows 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.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

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

	2QFY22/23 (S\$'000)	2QFY21/22 (S\$'000)	1HFY22/23 (S\$'000)	1HFY21/22 (S\$'000)
Rental income and service charges	154,407	139,964	303,031	258,487
Other operating income	21,105	15,596	40,286	25,169
	175,512	155,560	343,317	283,656
Government grant income	-	-	-	9
Less: Government grant expense – rent concessions	-	-	-	(46)
	-	-	-	(37)
Gross revenue	175,512	155,560	343,317	283,619

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.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

2.4 Segment information (continued)

The segment information provided to the Manager for the reportable segments for the financial year-to-date **30 September 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	12,721	135,914	65,058	23,902	79,139	23,703	2,880	343,317
Net property income	11,714	100,445	49,415	16,222	60,742	19,304	2,386	260,228
Interest income								189
Borrowing costs								(43,717)
Manager's management fees								(29,712)
Trustee's fees								(506)
Other trust expenses								(2,692)
Net foreign exchange gain								171
Net change in fair value of financial derivatives								(506)
Gain/(loss) on divestment of investment properties	-	3,825	-	-	-	-	(66)	3,759
Share of joint venture's results	-	18,387	-	-	-	-	-	18,387
Profit before income tax								205,601
Current income tax	-	(6,118)	-	-	-	-	-	(6,118)
Deferred tax	-	(1,943)	-	-	-	-	-	(1,943)
Profit after income tax								197,540

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

2.4 Segment information (continued)

The segment information provided to the Manager for the reportable segments for the financial year-to-date **30 September 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	14,683	81,832	63,499	22,875	74,686	22,913	3,131	283,619
Net property income	13,645	64,809	51,849	15,880	58,143	18,389	2,324	225,039
Interest income								29
Borrowing costs								(32,638)
Manager's management fees								(25,222)
Trustee's fees								(441)
Other trust expenses								(1,557)
Net foreign exchange gain								3,598
Net change in fair value of financial derivatives								(72)
Gain on divestment of investment property	507	-	-	-	-	-	-	507
Share of joint venture's results	-	17,925	-	-	-	-	-	17,925
Profit before income tax								187,168
Current income tax	-	(1,444)	-	-	-	-	-	(1,444)
Deferred tax	-	(3,251)	-	-	-	-	-	(3,251)
Profit after income tax								182,473

MAPLE TREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

2.5 Profit before tax

	2Q FY22/23 (S\$'000)	2Q FY21/22 (S\$'000)	Variance %	1H FY22/23 (S\$'000)	1H FY21/22 (S\$'000)	Variance %
Property operating expenses include:						
- Write back/ (Allowance) for impairment of trade receivables	156	(479)	**	596	(460)	**
- Bad debts written off	(70)	(50)	40.0	(73)	(256)	(71.5)
- Depreciation	(16)	(16)	-	(33)	(36)	(8.3)
Borrowing costs include:						
- Interest on borrowings	(22,932)	(16,863)	36.0	(42,199)	(31,448)	34.2
- Finance cost on lease liabilities	(437)	(362)	20.7	(777)	(654)	18.8

** 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.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

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

	2QFY22/23	2QFY21/22	1HFY22/23	1HFY21/22
Weighted average number of units	2,692,137,825 ¹	2,659,572,975 ²	2,685,514,307 ¹	2,543,927,394 ²
Earnings per unit ("EPU") – Basic and Diluted³ Based on the weighted average number of units in issue (cents)	3.58	3.68	7.36	7.17
No. of units in issue at end of period	2,704,073,886	2,659,698,983	2,704,073,886	2,659,698,983
Distribution per unit ("DPU") Based on number of units in issue at end of each relevant period (cents)	3.36	3.47	6.85	6.82

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.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

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
30 September 2022				
Beginning of period	7,515,735	144,900	3,731,202	144,900
Additions during the period	12,257	46,052	2,019	46,052
Divestments during the period	(9,471)	-	-	-
Currency translation difference	98,334	-	-	-
End of period	7,616,855	190,952	3,733,221	190,952
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%)

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

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	
	30 September 2022 (S\$'000)	31 March 2022 (S\$'000)	30 September 2022 (S\$'000)	31 March 2022 (S\$'000)
Current				
Bank loans (unsecured)	351,075	341,110	-	-
Less: Transaction costs to be amortised ¹	(78)	(196)	-	-
	350,997	340,914	-	-
Medium Term Notes ("MTN") (unsecured)	75,000	45,000	-	-
Less: Transaction costs to be amortised ¹	(11)	(5)	-	-
	74,989	44,995	-	-
Lease liabilities	1,288	1,473	369	353
Loan from a subsidiary	-	-	75,000	45,000
Less: Transaction costs to be amortised ¹	-	-	(11)	(5)
	-	-	74,989	44,995
Borrowings - Current	427,274	387,382	75,358	45,348
Non-current				
Bank loans (unsecured)	2,236,014	2,157,949	609,834	850,816
Less: Transaction costs to be amortised ¹	(6,579)	(6,720)	(486)	(810)
	2,229,435	2,151,229	609,348	850,006
MTN (unsecured)	285,000	360,000	-	-
Change in fair value of hedge item ²	(433)	530	-	-
Less: Transaction costs to be amortised ¹	(398)	(466)	-	-
	284,169	360,064	-	-
Lease liabilities	40,814	41,050	11,913	11,849
Loan from a subsidiary	-	-	285,000	360,000
Change in fair value of hedged item ²	-	-	(433)	530
Less: Transaction costs to be amortised ¹	-	-	(398)	(466)
	-	-	284,169	360,064
Borrowings – Non-current	2,554,418	2,552,343	905,430	1,221,919
Total borrowings	2,981,692	2,939,725	980,788	1,267,267
Represented by:				
Bank loans and MTN	2,939,590	2,897,202	609,348	850,006
Lease liabilities	42,102	42,523	12,282	12,202
Loan from a subsidiary	-	-	359,158	405,059
	2,981,692	2,939,725	980,788	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 series of 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	
	30 September 2022 (S\$'000)	31 March 2022 (S\$'000)	30 September 2022 (S\$'000)	31 March 2022 (S\$'000)
Group				
Medium term notes	285,000	360,000	295,192	366,092

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

(b) Ratios

	Group	
	30 September 2022	31 March 2022
Aggregate leverage	37.8%	38.4%
Interest coverage (times) ¹	5.8	6.4
Adjusted interest coverage (times) ²	5.2	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.

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

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2.10 Derivative financial instruments (continued)

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 (continued):

- (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	
	30 September 2022 (S\$'000)	31 March 2022 (S\$'000)	30 September 2022 (S\$'000)	31 March 2022 (S\$'000)
Level 2				
Assets				
Derivative financial instruments				
- Interest rate swaps	158,003	61,654	45,405	22,669
- Currency forwards	-	216	-	216
	158,003	61,870	45,405	22,885
Liabilities				
Derivative financial instruments				
- Interest rate swaps	433	2,654	433	113
- Currency forwards	3,465	319	3,465	319
	3,898	2,973	3,898	432

2.11 Units in issue

Movement in the number of units issued is as follows:

	2QFY22/23	2QFY21/22	1HFY22/23	1HFY21/22
Balance as at beginning of the period	2,688,073,490	2,659,367,761	2,676,561,626	2,351,158,090
<u>New units issued</u>				
Settlement of manager's management fees ¹	592,165	331,222	1,163,528	705,286
Private placement ²	-	-	-	190,259,000
Preferential offering ³	-	-	-	117,576,607
Distribution reinvestment plan ⁴	15,408,231	-	26,348,732	-
Total issued units at end of the period⁵	2,704,073,886	2,659,698,983	2,704,073,886	2,659,698,983

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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. New units were issued at issue price of S\$2.5530 per unit as part payment of distributions for the period from 1 January 2022 to 31 March 2022 and \$2.6097 per unit as part payment of distributions for the period from 1 April 2022 to 30 June 2022, pursuant to the DRP.
5. There were no convertibles, treasury units and units held by MIT and its subsidiaries as at 30 September 2022 and 30 September 2021.

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

	MIT Group		MIT	
	30 September 2022	31 March 2022	30 September 2022	31 March 2022
NAV and NTA per unit (S\$) ¹	1.93	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 3.36 cents per unit for the period from 1 July 2022 to 30 September 2022.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

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 30 September 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 30 September 2022 and explanatory notes have not been audited or reviewed by the auditors.

3.2 Review of performance

(a) 2QFY22/23 versus 2QFY21/22

Gross revenue for 2QFY22/23 was S\$175.5 million, 12.8% (or S\$20.0 million) higher compared to the corresponding quarter last year. Property operating expenses were S\$45.2 million, 28.2% (or S\$9.9 million) higher than the corresponding quarter last year. As a result, net property income for 2QFY22/23 increased by 8.3% (or S\$10.0 million) to S\$130.3 million. This was largely due to the contribution from 29 data centres located in the United States of America (the "New Portfolio") acquired in July 2021.

After taking into account the distribution adjustments, the amount available for distribution to Unitholders in 2QFY22/23 was S\$89.0 million, 0.7% (or S\$0.6 million) higher than the corresponding quarter last year.

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 rates 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 2QFY22/23 was 3.36 cents, 3.2% lower than 3.47 cents in 2QFY21/22.

(b) 1HFY22/23 versus 1HFY21/22

Gross revenue for 1HFY22/23 was S\$343.3 million, 21.0% (or S\$59.7 million) higher compared to the corresponding period last year. Property operating expenses were S\$83.1 million, 41.8% (or S\$24.5 million) higher than the corresponding period last year. As a result, net property income for 1HFY22/23 increased by 15.6% (or S\$35.2 million) to S\$260.2 million. This was largely due to the contribution from the New Portfolio.

After taking into account the distribution adjustments, the amount available for distribution to Unitholders in 1HFY22/23 was S\$181.1 million, 5.9% (or S\$10.0 million) higher than the corresponding period last year.

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 1HFY22/23 was 6.85 cents, 0.4% higher than 6.82 cents in 1HFY21/22.

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3.2 Review of performance (continued)

(c) 2QFY22/23 versus 1QFY22/23

	2QFY22/23 (S\$'000)	1QFY22/23 (S\$'000)	Variance %
Gross revenue	175,512	167,805	4.6
Property operating expenses	(45,187)	(37,902)	19.2
Net property income	130,325	129,903	0.3
Interest income	92	97	(5.2)
Borrowing costs	(23,770)	(19,947)	19.2
Manager's management fees			
- Base fees	(10,281)	(10,046)	2.3
- Performance fees	(4,680)	(4,705)	(0.5)
Trustee's fees	(257)	(249)	3.2
Other trust expenses	(1,061)	(1,631)	(34.9)
Net foreign exchange gain/(loss)	195	(24)	**
Net change in fair value of financial derivatives	(506)	-	**
Gain on divestment of investment properties	-	3,759	**
Share of joint venture's results	9,054	9,333	(3.0)
Profit for the period before tax	99,111	106,490	(6.9)
Income tax expense	(2,643)	(5,418)	(51.2)
- Current income tax	(1,988)	(4,130)	(51.9)
- Deferred tax	(655)	(1,288)	(49.1)
Profit for the period	96,468	101,072	(4.6)
Attributable to:			
Unitholders	94,086	98,716	(4.7)
Perpetual securities holders	2,382	2,356	1.1
Profit for the period	96,468	101,072	(4.6)
Profit for the period attributable to Unitholders	94,086	98,716	(4.7)
Net effects of non-tax chargeable items and other adjustments	(11,958)	(12,612)	(5.2)
Distribution declared by joint venture	6,849	6,034	13.5
Amount available for distribution to Unitholders	88,977	92,138	(3.4)
Distribution per unit (cents)	3.36	3.49	(3.7)

** Not meaningful

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3.2 Review of performance (continued)

(c) 2QFY22/23 versus 1QFY22/23 (continued)

Net property income for 2QFY22/23 was S\$130.3 million, 0.3% (or S\$0.4 million) higher compared to 1QFY22/23. Borrowing costs was higher by S\$ S\$3.8 million on the back of higher interest rates.

After taking into account the distribution adjustments, the amount available for distribution to Unitholders in 2QFY22/23 was S\$89.0 million, 3.4% (or S\$3.2 million) lower than 1QFY22/23.

Distribution per unit for 2QFY22/23 was 3.36 cents, 3.7% lower than 3.49 cents in 1QFY22/23.

Statement of Financial Position

30 September 2022 versus 31 March 2022

The net assets increased 4.4% from S\$5,278.9 million as at 31 March 2022 to S\$5,513.8 million as at 30 September 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 30 September 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.

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 14 October 2022¹, the Singapore economy grew by 4.4% year-on-year (“Y-o-Y”) in the third quarter of 2022 (“3Q2022”), easing slightly from the 4.5% growth in the previous quarter. The manufacturing sector expanded by 1.5% Y-o-Y in 3Q2022, slower than the 5.7% growth in the previous quarter. Growth during the quarter was supported by output expansions in the transport engineering, general manufacturing and precision engineering clusters, which outweighed output declines in the electronics and chemicals clusters.

The quarterly Singapore Commercial Credit Bureau’s Business Optimism Index² continued to decline for the third consecutive quarter as the outlook for services and wholesale sectors deteriorated slightly in 4Q2022. The lukewarm outlook for local businesses was attributed to weakening external demand, escalating geopolitical tensions and slower pace of global growth. However, visible improvements were seen in transportation and construction sectors due to the strong recovery in international air travel and a pickup in consumer-facing services³.

North America

According to CBRE⁴, net absorption across the primary U.S. data centre markets of Northern Virginia, Dallas, Silicon Valley, Chicago, Phoenix, New York Tri-State and Atlanta tripled Y-o-Y in 1H2022 to 453.4 megawatts (“MW”) as large hyperscale users procured cloud capacity for long-term growth. Vacancy rates fell from a year ago across all primary markets. While demand is being driven largely by hyperscale users, enterprise users are becoming more active in certain markets like Silicon Valley. Supply in primary markets increased by 352.9 MW in 1H2022, contributing to a 20% year-over-year increase of 627.3 MW. 73% of the 1,601.5 MW of under-construction capacity across primary markets in 1H2022 was already preleased. CBRE believes continued strong hyperscale demand is expected to fuel an uptick in partial interest trades and forward sales of new construction. In addition, rising interest rates likely will create sale-leaseback opportunities for enterprises eager to raise capital.

Outlook

The global economy is experiencing challenges across multiple fronts. Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia’s invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook⁵. Global growth is projected to slow to 3.2% in 2022 and 2.7% in 2023. Numerous risks, such as geopolitical fragmentation, inflation, and debt distress induced by tighter global financial conditions, could cause the global growth forecast to decline further.

Against the backdrop of an uncertain global outlook, the increasing concern of an oncoming recession has dampened business confidence. At the same time, increasing property operating expenses and borrowing costs continue to exert pressure on distributions. The Manager will adopt cost-mitigating measures while focusing on tenant retention to maintain a stable portfolio occupancy.

¹ Source: Singapore’s Economy Expanded by 4.4 Per Cent in the Third Quarter of 2022, Ministry of Trade and Industry, 14 October 2022.

² Source: Singapore Commercial Credit Bureau, 4Q2022.

³ Source: The Business Times, Local business sentiment moderates further for Q4: SCCB, 13 September 2022.

⁴ Source: CBRE Research, October 2022

⁵ Source: World Economic Outlook, International Monetary Fund, October 2022.

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3.5 Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 48th distribution for the period from 1 July 2022 to 30 September 2022

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

Distribution rate: Period from 1 July 2022 to 30 September 2022
Taxable Income: 2.40 cents per unit
Tax-exempt Income: 0.89 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 foreign 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.

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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: 44th distribution for the period from 1 July 2021 to 30 September 2021

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

Distribution rate: Period from 1 July 2021 to 30 September 2021
Taxable Income: 2.43 cents per unit
Tax-exempt Income: 0.97 cent 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 foreign 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.

(c) Date payable: 12 December 2022

(d) Record date: 3 November 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.

MAPLETREE INDUSTRIAL TRUST UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENT AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022 AND FIRST HALF FROM 1 APRIL 2022 TO 30 SEPTEMBER 2022

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 October 2022