

MAPLETREE INDUSTRIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 30 SEPTEMBER 2023 AND FIRST HALF FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

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

	2QFY23/24	1QFY23/24	Variance %	2QFY22/23	Variance %
Gross revenue (S\$'000) ²	174,118	170,628	2.0	175,512	(0.8)
Net property income (S\$'000) ²	128,560	130,844	(1.7)	130,325	(1.4)
Amount available for distribution (S\$'000) ²	96,731	92,234	4.9	91,359	5.9
- to Perpetual securities holders	2,382	2,356	1.1	2,382	-
- to Unitholders	94,349 ^{5, 6}	89,878	5.0	88,977	6.0
Distribution to Unitholders (S\$'000)	94,072 ^{5, 6}	93,742 ^{3, 4}	0.4	90,857 ³	3.5
No. of units in issue ('000)	2,833,484	2,832,977	***	2,704,074*	4.8
Distribution per unit (cents)	3.32 ^{5, 6}	3.39 ^{3, 4}	(2.1)	3.36 ³	(1.2)
Comprising:					
- Advance distribution for the period from 1 April 2023 to 5 June 2023		2.48			
- Balance distribution from 6 June 2023 to 30 June 2023		0.91			

	1HFY23/24	1HFY22/23	Variance %
Gross revenue (S\$'000) ²	344,746	343,317	0.4
Net property income (S\$'000) ²	259,404	260,228	(0.3)
Amount available for distribution (S\$'000) ²	188,965	185,853	1.7
- to perpetual securities holders	4,738	4,738	-
- to Unitholders	184,227 ^{5, 6}	181,115	1.7
Distribution to Unitholders (S\$'000)	187,813 ^{3,4,5,6}	184,671 ³	1.7
No. of units in issue ('000)	2,833,484	2,704,074*	4.8
Distribution per unit (cents)	6.71 ^{3,4, 5, 6}	6.85 ³	(2.0)

* Includes new units issued pursuant to the Distribution Reinvestment Plan (“DRP”)

** Not meaningful

*** Less than 0.1%

Notes:

- MIT Group comprises Mapletree Industrial Trust (“MIT”) and its wholly-owned subsidiaries.
- 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.
- Includes the distribution of net divestment gain of S\$15.7 million from 26A Ayer Rajah Crescent over eight quarters from 2QFY21/22 to 1QFY23/24.
- Includes the distribution of tax-exempt income of S\$6.6 million withheld in 4QFY19/20 over three quarters from 3QFY22/23 to 1QFY23/24.

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

5. Includes the distribution of compensation received for compulsory acquisition of part of the land at 2 and 4 Loyang Lane of S\$2.1 million, which was withheld in 3QFY21/22, over two quarters from 2QFY23/24 to 3QFY23/24. Please refer to the Financial Statement and Distribution Announcement for the period from 1 October 2021 to 31 December 2021.
6. Includes the distribution of net divestment gain of S\$4.2 million from 65 Tech Park Crescent over two quarters from 2QFY23/24 to 3QFY23/24. 65 Tech Park Crescent was divested on 20 July 2017.

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 (Asia), Data Centres (North America), Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

On 25 May 2023, MIT through its subsidiary, Yuri Tokutei Mokuteki Kaisha (“Yuri TMK”) entered into a conditional trust beneficial interest purchase and sale agreement to acquire a data centre located in Osaka, Japan (the “Acquisition”) at a purchase consideration of JPY52.0 billion (approximately S\$507.9 million¹). The construction of the building and the first phase of fitting-out works were completed in November 2022. The remaining phases will be completed in progressive stages and the final phase is expected to be completed in May 2025. Portions of the purchase consideration are to be paid out progressively upon the substantial completion of each phase. The Acquisition was completed on 28 September 2023. MIT has an effective economic interest of 98.47% in Yuri TMK.

With the acquisition of data centre in Osaka, the segmental results for the Group’s data centres in Singapore and Japan would be reported under a new segment named “Data Centres (Asia)”.

In connection with the Acquisition, MIT conducted an Equity Fund Raising (“EFR”) exercise via a private placement. On 6 June 2023, MIT issued 92,593,000 new units at the issue price of S\$2.212 per unit through a private placement. Pursuant to the private placement, the total number of units in issue was 2,832,977,083 as of 6 June 2023. Gross proceeds of approximately S\$204.8 million were raised from the private placement.

On 27 June 2023, MIT issued JPY6.5 billion (approximately S\$61.4 million²) and JPY10.0 billion (approximately S\$94.5 million²) in principal amount of 1.686% and 1.85% fixed rate notes due in 2035 and 2038 respectively. The notes were issued under the S\$2,000,000,000 Euro Medium Term Securities Programme.

As at 30 September 2023, MIT’s total assets under management was S\$9.2 billion, which comprised 56 properties in North America (including 13 data centres held through the joint venture with Mapletree Investments Pte Ltd), 85 properties in Singapore and 1 property in Japan.

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.

¹ Based on the exchange rate of JPY102.38 to S\$1.00, applied in the announcement dated 22 May 2023.

² Based on the exchange rate at transaction date of JPY105.81 to S\$1.00.

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1.1 Consolidated Statement of Profit or Loss

	2Q FY23/24 (S\$'000)	2Q FY22/23 (S\$'000)	Variance %	1H FY23/24 (S\$'000)	1H FY22/23 (S\$'000)	Variance %
Gross revenue	174,118	175,512	(0.8)	344,746	343,317	0.4
Property operating expenses	(45,558)	(45,187)	0.8	(85,342)	(83,089)	2.7
Net property income	128,560	130,325	(1.4)	259,404	260,228	(0.3)
Interest income	781	92	>100.0	1,661	189	>100.0
Borrowing costs	(26,292)	(23,770)	10.6	(52,718)	(43,717)	20.6
Manager's management fees						
- Base fees	(10,780)	(10,281)	4.9	(20,750)	(20,327)	2.1
- Performance fees	(4,613)	(4,680)	(1.4)	(9,413)	(9,385)	0.3
Trustee's fees	(285)	(257)	10.9	(517)	(506)	2.2
Other trust expenses	(1,806)	(1,061)	70.2	(2,811)	(2,692)	4.4
Net foreign exchange gain	1,551	195	>100.0	1,628	171	>100.0
Gain on divestment of investment properties ¹	-	-	-	-	3,759	**
Net change in fair value of financial derivatives ²	(919)	(506)	81.6	(2,224)	(506)	>100.0
Share of joint venture's results	9,515	9,054	5.1	18,605	18,387	1.2
Profit for the period before tax	95,712	99,111	(3.4)	192,865	205,601	(6.2)
Income tax expense	(2,289)	(2,643)	(13.4)	(5,401)	(8,061)	(33.0)
- Current income tax	(2,060)	(1,988)	3.6	(4,844)	(6,118)	(20.8)
- Deferred tax	(229)	(655)	(65.0)	(557)	(1,943)	(71.3)
Profit for the period	93,423	96,468	(3.2)	187,464	197,540	(5.1)
Attributable to:						
Unitholders	91,054	94,086	(3.2)	182,739	192,802	(5.2)
Perpetual securities holders ³	2,382	2,382	-	4,738	4,738	-
Non-controlling interest ⁴	(13)	-	**	(13)	-	**
Profit for the period	93,423	96,468	(3.2)	187,464	197,540	(5.1)

** Not meaningful

Notes:

- Gain on divestment of investment properties arose from the divestments of 19 Changi South Street 1 and 19675 West Ten Mile Road, Southfield.
- 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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1.1 Consolidated Statement of Profit or Loss (continued)

3. 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.
4. This represents 1.53% effective interest in Yuri TMK.

1.2 Distribution Statement

	2Q FY23/24 (S\$'000)	2Q FY22/23 (S\$'000)	Variance %	1H FY23/24 (S\$'000)	1H FY22/23 (S\$'000)	Variance %
Profit for the period attributable to Unitholders	91,054	94,086	(3.2)	182,739	192,802	(5.2)
Adjustment for net effect of non-tax chargeable items and other adjustments ¹	(5,155)	(11,958)	(56.9)	(12,002)	(24,570)	(51.2)
Distribution declared by joint venture	8,450	6,849	23.4	13,490	12,883	4.7
Amount available for distribution to Unitholders	94,349	88,977	6.0	184,227	181,115	1.7

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, financing related costs and other adjustments.

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1.3 Consolidated Statement of Comprehensive Income

	2Q FY23/24 (S\$'000)	2Q FY22/23 (S\$'000)	Variance %	1H FY23/24 (S\$'000)	1H FY22/23 (S\$'000)	Variance %
Profit for the period	93,423	96,468	(3.2)	187,464	197,540	(5.1)
Other comprehensive income/(loss):						
Items that may be reclassified subsequently to profit or loss:						
Cash flow hedges:						
- Fair value gain	26,178	70,499	(62.9)	73,043	96,122	(24.0)
- Reclassification to profit or loss	(17,342)	(2,074)	>100.0	(33,507)	1,397	**
Share of hedging reserve of joint venture	(1,939)	12,164	**	1,638	17,146	(90.4)
Net translation differences:						
- financial statements of foreign joint venture and foreign subsidiaries	3,303	33,241	(90.1)	10,634	44,005	(75.8)
- shareholder's loan	4,678	8,202	(43.0)	4,970	10,790	(53.9)
- borrowings designated as net investment hedge of foreign operations	12,913	(8,696)	**	7,105	(11,440)	**
Other comprehensive profit/(loss), net of tax for the period	27,791	113,336	(75.5)	63,883	158,020	(59.6)
Total comprehensive income for the period	121,214	209,804	(42.2)	251,347	355,560	(29.3)
Attributable to:						
Unitholders	118,845	207,422	(42.7)	246,622	350,822	(29.7)
Perpetual securities holders	2,382	2,382	-	4,738	4,738	-
Non-controlling interest	(13)	-	**	(13)	-	**
Total comprehensive income for the period	121,214	209,804	(42.2)	251,347	355,560	(29.3)

** Not meaningful

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1.4 Statements of Financial Position

	MIT Group		MIT	
	30 September 2023 (S\$'000)	31 March 2023 (S\$'000)	30 September 2023 (S\$'000)	31 March 2023 (S\$'000)
Current assets				
Cash and cash equivalents	132,471	146,611	16,568	31,212
Trade and other receivables ¹	69,920	26,946	36,400	35,522
Other current assets	5,563	2,832	792	370
Derivative financial instruments ²	3,250	2,614	3,250	2,614
Total current assets	211,204	179,003	57,010	69,718
Non-current assets				
Investment properties	8,118,128	7,658,715	3,979,592	3,977,899
Plant and equipment	69	95	69	95
Investments in:				
- subsidiaries	-	-	1,447,367	1,050,074
- a joint venture	613,617	598,892	394,377	394,377
Loans to subsidiaries ³	-	-	620,775	615,805
Derivative financial instruments ²	146,979	110,097	32,446	32,774
Total non-current assets	8,878,793	8,367,799	6,474,626	6,071,024
Total assets	9,089,997	8,546,802	6,531,636	6,140,742
Current liabilities				
Trade and other payables	142,052	158,787	76,923	92,842
Borrowings	101,458	176,077	390	381
Loans from a subsidiary	-	-	99,983	174,963
Derivative financial instruments ²	815	205	815	205
Current income tax liabilities	1,932	3,126	-	-
Total current liabilities	246,257	338,195	178,111	268,391
Non-current liabilities				
Other payables	59,019	50,489	51,346	44,775
Borrowings	3,058,524	2,704,960	714,741	603,540
Loans from a subsidiary	-	-	336,947	184,490
Derivative financial instruments ²	5	217	5	-
Deferred tax liabilities ⁴	78,622	77,006	-	-
Total non-current liabilities	3,196,170	2,832,672	1,103,039	832,805
Total liabilities	3,442,427	3,170,867	1,281,150	1,101,196
Net assets	5,647,570	5,375,935	5,250,486	5,039,546
Represented by:				
Unitholders' funds	5,339,667	5,074,133	4,948,632	4,737,744
Perpetual securities	301,854	301,802	301,854	301,802
Non-controlling interest ⁵	6,049	-	-	-
	5,647,570	5,375,935	5,250,486	5,039,546
Net asset value per unit (S\$)	1.88	1.85	1.75	1.73

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1.4 Statements of Financial Position (continued)

Notes:

1. Includes consumption tax receivables in relation to the acquisition of a data centre located in Osaka, Japan.
2. 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.
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.
5. This relates to the 1.53% effective interest in Yuri TMK held by Godo Kaisha Mapletree Japan Investor.

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1.5 Consolidated Statement of Cash Flows

	2QFY23/24 (S\$'000)	2QFY22/23 (S\$'000)	1HFY23/24 (S\$'000)	1HFY22/23 (S\$'000)
Cash flows from operating activities				
Profit for the period	93,423	96,468	187,464	197,540
Adjustments for:				
- Borrowing costs	26,292	23,770	52,718	43,717
- Income tax expense	2,289	2,643	5,401	8,061
- Manager's management fees paid/payable in units	1,130	1,520	2,334	3,054
- Bad debts written off	9	70	9	73
- Net change in fair value of financial derivatives	919	506	2,224	506
- Depreciation	13	16	26	33
- Interest income	(781)	(92)	(1,661)	(189)
- Net foreign exchange differences	(4,097)	1,964	(5,367)	1,799
- Write back for impairment of trade receivables	(50)	(156)	(77)	(596)
- Amortisation of rental incentives	(3,985)	(3,056)	(4,843)	(6,269)
- Gain on divestment of investment properties	-	-	-	(3,759)
- Share of joint venture's results	(9,515)	(9,054)	(18,605)	(18,387)
Operating cash flows before working capital changes	105,647	114,599	219,623	225,583
Changes in operating assets and liabilities				
- Trade and other receivables	(44,734) ¹	(5,169)	(42,016) ¹	(5,941)
- Trade and other payables	22,635	16,932	(2,476)	(3,328)
- Other current assets	(4,738)	1,434	(2,731)	(497)
Cash generated from operations	78,810	127,796	172,400	215,817
Interest received	800	71	1,667	146
Income tax paid	(1,856)	(1,456)	(3,382)	(3,432)
Net cash provided by operating activities	77,754	126,411	170,685	212,531
Cash flows from investing activities				
Additions to investment properties and investment property under development	(304,390)	(34,566)	(356,001)	(49,624)
Net proceeds from divestment of investment properties	-	-	-	26,057
Distributions received from joint venture	5,040	6,034	12,594	13,356
Net cash used in by investing activities	(299,350)	(28,532)	(343,407)	(10,211)

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1.5 Consolidated Statement of Cash Flows (continued)

	2QFY23/24 (S\$'000)	2QFY22/23 (S\$'000)	1HFY23/24 (S\$'000)	1HFY22/23 (S\$'000)
Cash flows from financing activities				
Repayment of bank loans	(169,191)	(103,086)	(473,053)	(414,076)
Redemption of medium term note	-	(45,000)	(75,000)	(45,000)
Payment of financing related costs	(1,081)	(1,189)	(2,289)	(1,894)
Gross proceeds from bank loans	130,050	103,086	592,936	434,686
Gross proceeds from issuance of medium term notes	-	-	155,933	-
Net proceeds from issuance of new units	-	-	201,557	-
Contribution from non-controlling interest	-	-	6,225	-
Distributions to Unitholders ²	(93,742)	(53,572)	(184,979)	(119,033)
Distribution to perpetual securities holders	-	-	(4,686)	(4,686)
Interest paid	(31,132)	(20,566)	(56,607)	(35,064)
Payment of lease liabilities ³	(749)	(740)	(1,495)	(1,476)
Net cash (used in)/provided by financing activities	(165,845)	(121,067)	158,542	(186,543)
Net (decrease)/increase in cash and cash equivalents	(387,441)	(23,188)	(14,180)	15,777
Cash and cash equivalents at beginning of financial period	519,874	188,619	146,611	149,638
Effects of currency translation on cash and cash equivalents	38	49	40	65
Cash and cash equivalents at end of financial period	132,471	165,480	132,471	165,480

Notes:

1. Includes consumption tax receivables in relation to the acquisition of a data centre located in Osaka, Japan.
2. This amount of S\$185.0 million includes an advance distribution of S\$68.0 million or 2.48 cents per unit declared to eligible Unitholders on 6 June 2023 and paid on 6 July 2023. This advance distribution represents distribution for the period 1 April 2023 to 5 June 2023 to Unitholders existing as at 5 June 2023 and prior to issuance of the new units pursuant to the private placement. For 1HFY22/23, this amount of S\$119.0 million 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.
3. Includes payment of finance cost for lease liabilities.

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

	2QFY23/24 (S\$'000)	2QFY22/23 (S\$'000)	1HFY23/24 (S\$'000)	1HFY22/23 (S\$'000)
OPERATIONS				
Balance at beginning of the period	914,108	1,075,695	981,622	1,070,399
Profit attributable to Unitholders	91,054	94,086	182,739	192,802
Distributions	(25,780) ¹	(93,820)	(184,979) ¹	(187,240)
Balance at end of the period	979,382	1,075,961	979,382	1,075,961
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of the period	4,124,702	3,800,208	3,921,941	3,770,715
Issue of new units arising from:				
- Settlement of manager's management fees	1,130	1,520	2,334	3,054
- Private placement	-	-	204,816	-
- Distribution Reinvestment Plan ²	-	40,248	-	68,207
Issue expenses	-	-	(3,259)	-
Balance at end of the period	4,125,832	3,841,976	4,125,832	3,841,976
HEDGING RESERVE				
Balance at beginning of the period	210,097	153,359	175,820	119,283
Fair value gain	26,178	70,499	73,043	96,122
Reclassification to profit or loss	(17,342)	(2,074)	(33,507)	1,397
Share of hedging reserve of a joint venture	(1,939)	12,164	1,638	17,146
Balance at end of the period	216,994	233,948	216,994	233,948
FOREIGN CURRENCY TRANSLATION RESERVE				
Balance at beginning of the period	(3,435)	27,267	(5,250)	16,659
Net translation differences relating to financial statements of a foreign joint venture and foreign subsidiaries	3,303	33,241	10,634	44,005
Net translation differences relating to shareholder's loan	4,678	8,202	4,970	10,790
Net currency translation differences on borrowings designated as net investment hedge of foreign operations	12,913	(8,696)	7,105	(11,440)
Balance at end of the period	17,459	60,014	17,459	60,014
Total Unitholders' funds at end of the period	5,339,667	5,211,899	5,339,667	5,211,899

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

	2QFY23/24 (S\$'000)	2QFY22/23 (S\$'000)	1HFY23/24 (S\$'000)	1HFY22/23 (S\$'000)
PERPETUAL SECURITIES				
Balance at the beginning of the period	299,472	299,472	301,802	301,802
Profit attributable to perpetual securities holders	2,382	2,382	4,738	4,738
Distribution	-	-	(4,686)	(4,686)
Balance at the end of the period	301,854	301,854	301,854	301,854
NON-CONTROLLING INTEREST				
Balance at the beginning of the period	6,225	-	-	-
Contribution from non-controlling interest	-	-	6,225	-
Loss attributable to non-controlling interest	(13)	-	(13)	-
Net currency translation differences relating to financial statements of foreign subsidiaries	(163)	-	(163)	-
Balance at the end of the period	6,049	-	6,049	-
Total	5,647,570	5,513,753	5,647,570	5,513,753

Notes:

1. This amount of S\$185.0 million includes an advance distribution of S\$68.0 million or 2.48 cents per unit declared to eligible Unitholders on 6 June 2023. This advance distribution represents distribution for the period 1 April 2023 to 5 June 2023 to Unitholders existing as at 5 June 2023 and prior to issuance of new units pursuant to the private placement.
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)

	2QFY23/24 (S\$'000)	2QFY22/23 (S\$'000)	1HFY23/24 (S\$'000)	1HFY22/23 (S\$'000)
OPERATIONS				
Balance at beginning of the period	704,312	909,001	781,914	914,515
Profit attributable to Unitholders	131,219	87,395	212,816	175,301
Distributions	(25,780) ¹	(93,820)	(184,979) ¹	(187,240)
Balance at end of the period	809,751	902,576	809,751	902,576
UNITHOLDERS' CONTRIBUTION				
Balance at beginning of the period	4,124,702	3,800,208	3,921,941	3,770,715
Issue of new units arising from:				
- Settlement of manager's management fees	1,130	1,520	2,334	3,054
- Private placement	-	-	204,816	-
- Distribution Reinvestment Plan ²	-	40,248	-	68,207
Issue expenses	-	-	(3,259)	-
Balance at end of the period	4,125,832	3,841,976	4,125,832	3,841,976
HEDGING RESERVE				
Balance at beginning of the period	37,617	29,288	33,889	21,952
Fair value gain	3,379	14,455	12,057	21,120
Reclassification to profit or loss	(27,947)	(1,268)	(32,897)	(597)
Balance at end of the period	13,049	42,475	13,049	42,475
Total Unitholders' funds at end of the period	4,948,632	4,787,027	4,948,632	4,787,027
PERPETUAL SECURITIES				
Balance at the beginning of the period	299,472	299,472	301,802	301,802
Profit attributable to perpetual securities holders	2,382	2,382	4,738	4,738
Distribution	-	-	(4,686)	(4,686)
Balance at the end of the period	301,854	301,854	301,854	301,854
Total	5,250,486	5,088,881	5,250,486	5,088,881

Notes:

1. This amount of S\$185.0 million includes an advance distribution of S\$68.0 million or 2.48 cents per unit declared to eligible Unitholders on 6 June 2023. This advance distribution represents distribution for the period 1 April 2023 to 5 June 2023 to Unitholders existing as at 5 June 2023 and prior to issuance of new units pursuant to the private placement.
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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2 Notes to the Condensed Interim Financial Statements

2.1 Basis of preparation

The condensed interim financial statements for the three months ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim 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 2023.

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 condensed interim financial statements are presented in Singapore Dollars ("S\$"), which is MIT's functional currency, and rounded to the nearest thousand.

The preparation of the condensed interim 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 2023.

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 2023. 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.

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2.3 Gross revenue

	2QFY23/24 (S\$'000)	2QFY22/23 (S\$'000)	1HFY23/24 (S\$'000)	1HFY22/23 (S\$'000)
Rental income and service charges	165,296	154,407	326,794	303,031
Other operating income	8,822	21,105	17,952	40,286
Gross revenue	174,118	175,512	344,746	343,317

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 Asia and North America. Details of disaggregation of revenue by geographical area are disclosed in Note 2.4.

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.

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2.4 Segment information (continued)

The segment information provided to the Manager for the reportable segments for the financial year-to-date **30 September 2023** is as follows:

Asset segment	Data Centres	Data Centres	Hi-Tech	Business	Flatted	Stack-	Light	Total
	Asia ¹	North	Buildings	Park	Factories	up/Ramp-up	Industrial	
Geography	S\$'000	America	Singapore	Singapore	Singapore	Singapore	Singapore	S\$'000
		S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross revenue	13,114	128,586	71,675	22,661	82,222	24,681	1,807	344,746
Net property income	11,980	93,965	53,583	14,853	63,898	20,139	986	259,404
Interest income								1,661
Borrowing costs								(52,718)
Manager's management fees								(30,163)
Trustee's fees								(517)
Other trust expenses								(2,811)
Net foreign exchange gain								1,628
Net change in fair value of financial derivatives								(2,224)
Share of joint venture's results	-	18,605	-	-	-	-	-	18,605
Profit before income tax								192,865
Current income tax	(4)	(4,840)	-	-	-	-	-	(4,844)
Deferred tax	-	(557)	-	-	-	-	-	(557)
Profit after income tax								187,464

¹With the acquisition of data centre in Osaka, Japan on 28 September 2023, Data Centres Asia comprises of the Group's data centres in Singapore and Japan.

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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 Geography	Data Centres	Data Centres North	Hi-Tech Buildings	Business Park Buildings	Flatted Factories	Stack- up/Ramp-up Buildings	Light Industrial Buildings	Total S\$'000
	Asia S\$'000	America S\$'000	Singapore S\$'000	Singapore S\$'000	Singapore S\$'000	Singapore S\$'000	Singapore 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

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2.5 Profit before tax

	2Q FY23/24 (S\$'000)	2Q FY22/23 (S\$'000)	Variance %	1H FY23/24 (S\$'000)	1H FY22/23 (S\$'000)	Variance %
Property operating expenses include:						
- Write back for impairment of trade receivables	50	156	(67.9)	77	596	(87.1)
- Bad debts written off	(9)	(70)	(87.1)	(9)	(73)	(87.7)
- Depreciation	(13)	(16)	(18.8)	(26)	(33)	(21.2)
Borrowing costs include:						
- Interest on borrowings	(25,586)	(22,932)	11.6	(50,898)	(42,199)	20.6
- Finance cost on lease liabilities	(459)	(437)	5.0	(855)	(777)	10.0

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.

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

	2QFY23/24	2QFY22/23	1HFY23/24	1HFY22/23
Weighted average number of units	2,833,296,893 ²	2,692,137,825 ¹	2,799,636,873 ²	2,685,514,307 ¹
Earnings per unit ("EPU") – Basic and Diluted³ Based on the weighted average number of units in issue (cents)	3.24	3.58	6.53	7.36
No. of units in issue at end of period	2,833,484,368	2,704,073,886	2,833,484,368	2,704,073,886
Distribution per unit ("DPU") Based on number of units in issue at end of each relevant period (cents)	3.32	3.36	6.71 ⁴	6.85

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 as well as 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.
4. DPU was computed based on weighted number of units for the period. On 6 June 2023, an advance distribution of 2.48 cents per unit for the period from 1 April 2023 to 5 June 2023 was declared to eligible Unitholders. Payment of the advance distribution was made on 6 July 2023. The DPU for the enlarged units in issue, pursuant to issuance of new units in the Private Placement on 6 June 2023, was 0.91 cent per unit.

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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 2023				
Beginning of period	7,658,715	-	3,977,899	-
Additions during the period	428,388 ¹	-	1,693	-
Currency translation difference	31,025	-	-	-
End of period	8,118,128	-	3,979,592	-
31 March 2023				
Beginning of financial year	7,515,735	144,900	3,731,202	144,900
Additions during the year	30,546	124,027	23,876	124,027
Divestment during the year	(9,471)	-	-	-
Transfer during the year	268,927	(268,927)	268,927	(268,927)
Currency translation difference	(45,049)	-	-	-
Net fair value loss	(101,973)	-	(46,106)	-
End of financial year	7,658,715	-	3,977,899	-

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.

Note:

1. Includes the portion of purchase consideration paid out for the data centre in Osaka, Japan and first phase of fitting-out works as at 30 September 2023.

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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 Asia

Property segment	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Data Centres	Income capitalisation	Capitalisation rate	30 September 2023: From 4.00% to 6.50% (31 March 2023: From 6.00% to 6.50%)
	Discounted cash flow	Discount rate	30 September 2023: 3.30% to 7.75% (31 March 2023: 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	30 September 2023: From 5.25% to 7.00% (31 March 2023: From 5.25% to 7.00%)
	Discounted cash flow	Discount rate	30 September 2023: From 6.50% to 8.25% (31 March 2023: From 6.50% to 8.25%)

(iii) Investment properties in Singapore

Property segment	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Hi-Tech Buildings	Income capitalisation	Capitalisation rate	30 September 2023: From 5.25% to 6.75% (31 March 2023: From 5.25% to 6.75%)
	Discounted cash flow	Discount rate	30 September 2023: From 7.00% to 7.75% (31 March 2023: From 7.00% to 7.75%)

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2.8 Investment properties (continued)

(iii) Investment properties in Singapore (continued)

Property segment	Valuation techniques	Key unobservable inputs	Range of unobservable inputs
Business Park Buildings	Income capitalisation	Capitalisation rate	30 September 2023: 5.75% (31 March 2023: 5.75%)
	Discounted cash flow	Discount rate	30 September 2023: 7.50% (31 March 2023: 7.50%)
Flatted Factories	Income capitalisation	Capitalisation rate	30 September 2023: From 6.00% to 7.25% (31 March 2023: From 6.00% to 7.25%)
	Discounted cash flow	Discount rate	30 September 2023: From 7.75% to 8.00% (31 March 2023: From 7.75% to 8.00%)
Stack-up/Ramp-up Buildings	Income capitalisation	Capitalisation rate	30 September 2023: 6.50% (31 March 2023: 6.50%)
	Discounted cash flow	Discount rate	30 September 2023: 7.75% (31 March 2023: 7.75%)
Light Industrial Buildings	Income capitalisation	Capitalisation rate	30 September 2023: From 6.00% to 6.50% (31 March 2023: From 6.00% to 6.50%)
	Discounted cash flow	Discount rate	30 September 2023: 7.75% (31 March 2023: 7.75%)

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 2023 (S\$'000)	31 March 2023 (S\$'000)	30 September 2023 (S\$'000)	31 March 2023 (S\$'000)
Current				
Bank loans (unsecured)	-	-	-	-
Less: Transaction costs to be amortised ¹	-	-	-	-
	-	-	-	-
Medium Term Notes ("MTN") (unsecured)	100,000	175,000	-	-
Less: Transaction costs to be amortised ¹	(17)	(37)	-	-
	99,983	174,963	-	-
Lease liabilities	1,475	1,114	390	381
Loans from a subsidiary	-	-	100,000	175,000
Less: Transaction costs to be amortised ¹	-	-	(17)	(37)
	-	-	99,983	174,963
Borrowings - Current	101,458	176,077	100,373	175,344
Non-current				
Bank loans (unsecured)	2,625,631	2,488,406	704,499	593,125
Less: Transaction costs to be amortised ¹	(7,432)	(7,885)	(1,470)	(1,403)
	2,618,199	2,480,521	703,029	591,722
MTN (unsecured)	337,653	185,000	-	-
Change in fair value of hedge item ²	-	(196)	-	-
Less: Transaction costs to be amortised ¹	(706)	(314)	-	-
	336,947	184,490	-	-
Lease liabilities	103,378	39,949	11,712	11,818
Loans from a subsidiary	-	-	337,653	185,000
Change in fair value of hedged item ²	-	-	-	(196)
Less: Transaction costs to be amortised ¹	-	-	(706)	(314)
	-	-	336,947	184,490
Borrowings – Non-current	3,058,524	2,704,960	1,051,688	788,030
Total borrowings	3,159,982	2,881,037	1,152,061	963,374
Represented by:				
Bank loans and MTN	3,055,129	2,839,974	703,029	591,722
Lease liabilities	104,853	41,063	12,102	12,199
Loans from a subsidiary	-	-	436,930	359,453
	3,159,982	2,881,037	1,152,061	963,374

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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 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 2023 (S\$'000)	31 March 2023 (S\$'000)	30 September 2023 (S\$'000)	31 March 2023 (S\$'000)
Group				
Medium term notes	337,653	185,000	333,576	179,558

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

(b) Ratios

	Group	
	30 September 2023	31 March 2023
Aggregate leverage	37.9% ¹	37.4%
Interest coverage (times) ²	4.6	5.0
Adjusted interest coverage (times) ³	4.3	4.6

Notes:

1. Computed based on portion of purchase consideration paid out for the data centre in Osaka, Japan and first phase of the fitting-out works as at 30 September 2023. Assuming completion of all fitting-out works, the aggregate leverage ratio would be 38.8%.
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 and borrowing-related fees.
3. 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.

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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
- (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 2023 (S\$'000)	31 March 2023 (S\$'000)	30 September 2023 (S\$'000)	31 March 2023 (S\$'000)
Level 2				
Assets				
Derivative financial instruments				
- Interest rate swaps	150,114	110,612	35,581	33,289
- Currency forwards	115	2,099	115	2,099
	150,229	112,711	35,696	35,388
Liabilities				
Derivative financial instruments				
- Interest rate swaps	-	413	-	196
- Currency forwards	820	9	820	9
	820	422	820	205

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2.11 Units in issue

Movement in the number of units issued is as follows:

	2QFY23/24	2QFY22/23	1HFY23/24	1HFY22/23
Balance as at beginning of the period	2,832,977,083	2,688,073,490	2,739,869,793	2,676,561,626
<u>New units issued</u>				
Settlement of manager's management fees ¹	507,285	592,165	1,021,575	1,163,528
Private placement ²	-	-	92,593,000	-
Distribution reinvestment plan ³	-	15,408,231	-	26,348,732
Total issued units at end of the period⁴	2,833,484,368	2,704,073,886	2,833,484,368	2,704,073,886

Notes:

1. The Manager has elected, in accordance with the Trust Deed, for new units to be issued as part payment of base fee to the Manager.
2. New units were issued at an issue price of S\$2.212 on 6 June 2023.
3. Pursuant to the DRP, new units were issued at the issue price of S\$2.5530 as part payment of distributions for the periods 1 January 2022 to 31 March 2022 and S\$2.6097 per unit as part payment of distributions for the period from 1 April 2022 to 30 June 2022.
4. There were no convertibles, treasury units and units held by MIT and its subsidiaries as at 30 September 2023 and 30 September 2022.

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

	MIT Group		MIT	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
NAV and NTA per unit (S\$) ¹	1.88	1.85	1.75	1.73

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 3.32 cents per unit for the period from 1 July 2023 to 30 September 2023.

MAPLETREE INDUSTRIAL TRUST UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 JULY 2023 TO 30 SEPTEMBER 2023 AND FIRST HALF FROM 1 APRIL 2023 TO 30 SEPTEMBER 2023

3 Other information

3.1 Review of condensed interim consolidated financial statements

The condensed interim consolidated financial position of Mapletree Industrial Trust and its subsidiaries as at 30 September 2023 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 2023 and explanatory notes have not been audited or reviewed by the auditors.

3.2 Review of performance

(a) 2QFY23/24 versus 2QFY22/23

Gross revenue for 2QFY23/24 was S\$174.1 million, 0.8% (or S\$1.4 million) lower compared to the corresponding quarter last year. Property operating expenses were S\$45.6 million, 0.8% (or S\$0.4 million) higher than the corresponding quarter last year. As a result, net property income for 2QFY23/24 decreased by 1.4% (or S\$1.8 million) to S\$128.6 million. This was partially due to the weakening of the USD and loss of income from non renewal of leases which were offset by new leases across the Group's portfolio.

Notwithstanding the decrease in net property income, after taking into account the distribution adjustments, distribution to Unitholders in 2QFY23/24 was S\$94.1 million, 3.5% (or S\$3.2 million) higher than the corresponding quarter last year. This was mainly due to higher distribution declared by joint venture and distribution of compensation received from 2 & 4 Loyang Lane and net divestment gain from 65 Tech Park Crescent previously withheld, offset by higher borrowing costs. Higher borrowing costs were attributed to higher interest rates in 2QFY23/24 compared to the comparative period, as well as additional interest incurred in relation to the Acquisition.

Distribution per unit for 2QFY23/24 was 3.32 cents, 1.2% lower than 3.36 cents in 2QFY22/23, on an enlarged unit base.

(b) 1HFY23/24 versus 1HFY22/23

Gross revenue for 1HFY23/24 was S\$344.7 million, 0.4% (or S\$1.4 million) higher compared to 1HFY22/23. This was largely due to the contributions from new leases across various clusters.

Property operating expenses for 1HFY23/24 were S\$85.3 million, 2.7% (or S\$2.3 million) higher compared to 1HFY22/23, mainly attributable to higher property maintenance expenses incurred and higher property taxes.

As a result, net property income for 1HFY23/24 was S\$259.4 million, 0.3% (or S\$0.8 million) lower compared to 1HFY22/23.

The distribution to Unitholders in 1HFY23/24 was S\$187.8 million, 1.7% (or S\$3.1 million) higher than 1HFY22/23 mainly due to higher distribution declared by joint venture and higher distribution from compensation received and divestment that was completed in previous financial years, partially offset by higher borrowing costs. The higher borrowing costs were attributed to the higher interest rate environment and additional interest incurred in relation to the Acquisition.

Distribution per unit for 1HFY23/24 was 6.71 cents, 2.0% lower than 6.85 cents in 1HFY22/23.

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3.2 Review of performance (continued)

(c) 2QFY23/24 versus 1QFY23/24

	2QFY23/24 (S\$'000)	1QFY23/24 (S\$'000)	Variance %
Gross revenue	174,118	170,628	2.0
Property operating expenses	(45,558)	(39,784)	14.5
Net property income	128,560	130,844	(1.7)
Interest income	781	880	(11.3)
Borrowing costs	(26,292)	(26,426)	(0.5)
Manager's management fees			
- Base fees	(10,780)	(9,970)	8.1
- Performance fees	(4,613)	(4,800)	(3.9)
Trustee's fees	(285)	(232)	22.8
Other trust expenses	(1,806)	(1,005)	79.7
Net foreign exchange gain	1,551	77	>100.0
Net change in fair value of financial derivatives	(919)	(1,305)	(29.6)
Share of joint venture's results	9,515	9,090	4.7
Profit for the period before tax	95,712	97,153	(1.5)
Income tax expense	(2,289)	(3,112)	(26.4)
- Current income tax	(2,060)	(2,784)	(26.0)
- Deferred tax	(229)	(328)	(30.2)
Profit for the period	93,423	94,041	(0.7)
Attributable to:			
Unitholders	91,054	91,685	(0.7)
Perpetual securities holders	2,382	2,356	1.1
Non-controlling interest	(13)	-	**
Profit for the period	93,423	94,041	(0.7)
Profit for the period attributable to Unitholders	91,054	91,685	(0.7)
Net effects of non-tax chargeable and other adjustments	(5,155)	(6,847)	(24.7)
Distribution declared by joint venture	8,450	5,040	67.7
Amount available for distribution to Unitholders	94,349	89,878	5.0
Distribution per unit (cents)	3.32	3.39	(2.1)

** Not meaningful

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3.2 Review of performance (continued)

(c) 2QFY23/24 versus 1QFY23/24 (continued)

Net property income for 2QFY23/24 was S\$128.6 million, 1.7% (or S\$2.3 million) lower compared to 1QFY23/24. The decrease in net property income was mainly attributable to higher property operating expenses. Property operating expenses for 2QFY23/24 increased by 14.5% (or S\$5.8 million) to S\$45.6 million compared to 1QFY23/24, mainly attributable to higher utilities incurred.

After taking into account the distribution adjustments, distribution to Unitholders in 2QFY23/24 was S\$94.1 million, 0.4% (or S\$0.3 million) higher than 1QFY23/24. The higher distribution was largely due to higher distribution declared by joint venture.

Distribution per unit for 2QFY23/24 was 3.32 cents, 2.1% lower than 3.39 cents in 1QFY23/24.

Statement of Financial Position

30 September 2023 versus 31 March 2023

Total assets increased mainly due to the acquisition of a data centre in Osaka, Japan.

The net assets increased 5.1% from S\$5,375.9 million as at 31 March 2023 to S\$5,647.6 million as at 30 September 2023 mainly due to cash raised from new units issued pursuant to the private placement on 6 June 2023.

The Group and MIT reported a net current liabilities position as at 30 September 2023 mainly due to the reclassification of non-current borrowings which will mature in March 2024. The Group has sufficient banking facilities available to refinance the remaining 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 13 October 2023¹, the Singapore economy grew by 0.7% year-on-year (“Y-o-Y”) in the third quarter of 2023 (“3Q2023”), extending the 0.5% growth in the previous quarter. The manufacturing sector contracted by 5.0% Y-o-Y in 3Q2023, following the 7.7% contraction in the previous quarter. The weak performance of the sector was due to output declines across all manufacturing clusters, except for the transport engineering cluster.

The quarterly Singapore Commercial Credit Bureau’s Business Optimism Index² rebounded after six consecutive quarters of decline in the fourth quarter of 2023. The slight rebound in business sentiment was largely due to moderate growth within the construction, transportation, and tourism-related sectors. However, the outlook might remain lukewarm with the prolonged slowdown in external demand within the manufacturing sector and tighter global financial conditions³.

North America

Supply in data centre primary markets in North America (Northern Virginia, Silicon Valley, Chicago, New York Tri State area, Dallas, Phoenix, Hillsboro and Atlanta) increased by 491.5 MW in the first 6 months of 2023, for a total inventory of 4,588.6 MW. Secondary markets (Central Washington, Austin, Southern California, Seattle, Houston, Denver, Minneapolis, Charlotte), meanwhile, had about 959.8 MW of inventory as of 1H2023.⁴

Overall vacancy rates for primary markets remain near a record low of 3.3%, with a total of 468.8 MW of net absorption recorded in 1H2023. An all-time high of 2,287.6 MW (25% YoY increase) of data centre inventory was under construction, out of which 73.1% has been preleased. Asking rates for wholesale colocation data centre space recorded a 7.2% increase to reach 147.81 kW/month.

While strong demand continues to act as a tailwind for the data centre asset class, lack of power availability and extended lead times for critical equipment remain major constraints on new data centre development. CBRE estimates that lead times for new construction have been extended by 24 to 48 months due to these issues. These supply constraints are expected to favour rental rates.

While rents and demand have increased, the higher cost of debt has also put upward pressure on cap rates¹. While top-tier assets with strong credit tenancies remain in demand, vacant and second-generation enterprise data centres with little market appeal are often trading at a discount to replacement costs.

Outlook

The global recovery from the COVID-19 pandemic and the Russian Federation’s invasion of Ukraine remained slow and uneven. Global growth was projected to slow from 3.5% in 2022 to 3.0% in 2023 and to 2.9% in 2024⁵. There would be little margin for error on the policy front. Central banks would need to restore price stability while using policy tools to relieve financial stress when needed.

¹ Source: Singapore’s GDP Grew by 0.7 Per Cent in the Third Quarter of 2023, Ministry of Trade and Industry, 13 October 2023.

² Source: Singapore Commercial Credit Bureau, 4Q2023.

³ Source: Business sentiment rebounds slightly in 4Q2023: SCCB, 6 September 2023.

⁴ Source: CBRE North America Data Center Trends 1H2023

⁵ Source: International Monetary Fund, World Economic Outlook, October 2023.

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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 (continued)

Outlook (continued)

Numerous risks, such as further global financial stress, persistent inflation and geopolitical tensions, conflict and social unrest could cause the global growth projection to tilt to the downside. The global recovery would continue to slow down amid widening divergences among regions. Persistence in global inflation could warrant higher-for-longer policy rates, which could in turn trigger a correction in financial markets and capital flow volatility¹. Rising property operating expenses and increases in borrowing costs from higher benchmark reference rates as well as replacement of expiring interest rate swaps could continue to exert pressure on distributions. The Manager will adopt cost-mitigating measures while focusing on tenant retention to maintain a stable portfolio occupancy level as well as prudent capital management to balance the risks and costs in the elevated interest rate environment.

3.5 Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 55th distribution for the period from 1 July 2023 to 30 September 2023

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

Distribution rate: Period from 1 July 2023 to 30 September 2023

Taxable Income: 2.37 cents per unit

Capital Distribution: 0.03 cent per unit

Tax-exempt Income: 0.85 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 non-resident 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%.

¹ Source: International Monetary Fund, World Economic Outlook, October 2023.

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3.5 Distributions (continued)

(a) Current financial period (continued)

Capital Distribution

Capital Distribution represents a return of capital to Unitholders for Singapore income tax purposes. The amount of capital distribution will reduce the cost of MIT Units for Singapore income tax purposes. For Unitholders who are liable to Singapore income tax on profits from sale of MIT Units, the reduced cost base of their MIT Units will be used to calculate the taxable trading gains when the MIT Units are disposed of.

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.

(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: 50th 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 non-resident 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.

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3.5 Distributions (continued)

(b) Corresponding period of the preceding financial period (continued)

Other Gain Distribution

Distribution of Other Gain is not a taxable distribution to the Unitholders.

(c) Date payable: 5 December 2023

(d) Record date: 2 November 2023

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.

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 Additional information required pursuant to Rule 706A of the Listing Manual

Incorporation of entities and acquisition of a data centre in Japan

Name	Purpose	Date of formation	Paid up capital JPY
Godo Kaisha Yuri 3	Investment holding	20 April 2023	50,000
Yuri Tokutei Mokuteki Kaisha	Property investment	26 April 2023	100,000

On 28 September 2023, Yuri TMK completed the acquisition of a data centre in Osaka, Japan. Please refer to the announcements dated 25 May 2023 and 28 September 2023 for more information on this acquisition.

Incorporation of a entity in the United States of America

Name	Purpose	Date of formation	Paid up capital USD
Crestone DC Asset LLC	Property investment	31 July 2023	100

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3.9 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

25 October 2023