Corporate Liquidity & **Financial Resources**

The Manager adopts a disciplined capital management approach to maintain a healthy balance sheet and a diversified base of funding sources. On an ongoing basis, besides working to achieve a balanced debt maturity profile and to minimise the cost of funding, the Manager also actively manages the exposure to interest rate and foreign exchange fluctuations.

Funding and Liquidity Position

The Manager actively manages MLT's capital structure to address refinancing requirements and to ensure flexibility for funding investment opportunities, capital expenditure and working capital requirements.

MLT's debt portfolio is diversified by source and maturity. As at 31 March 2015, MLT had in place S$2.1 billion in debt facilities from 16 banks, of which S$683.7 million were unutilised. In addition, under MLT's existing S$1.0 billion Medium Term Notes ("MTN") Programme, approximately S$262.9 million had been issued as at financial year end, leaving S$737.1 million available for future issuance.

In FY14/15, the Manager continued to implement the Distribution Reinvestment Plan ("DRP") whereby Unitholders are given the option of receiving their distributions in units and/or cash. This provides Unitholders with the opportunity to increase their investment in MLT in a cost effective manner while enabling MLT to raise additional capital to fund investments and/or general corporate needs. Approximately S$27.5 million of cash was retained via the DRP with 24.4 million units issued during the year. The DRP proceeds were deployed towards funding MLT's capital expenditure requirements.

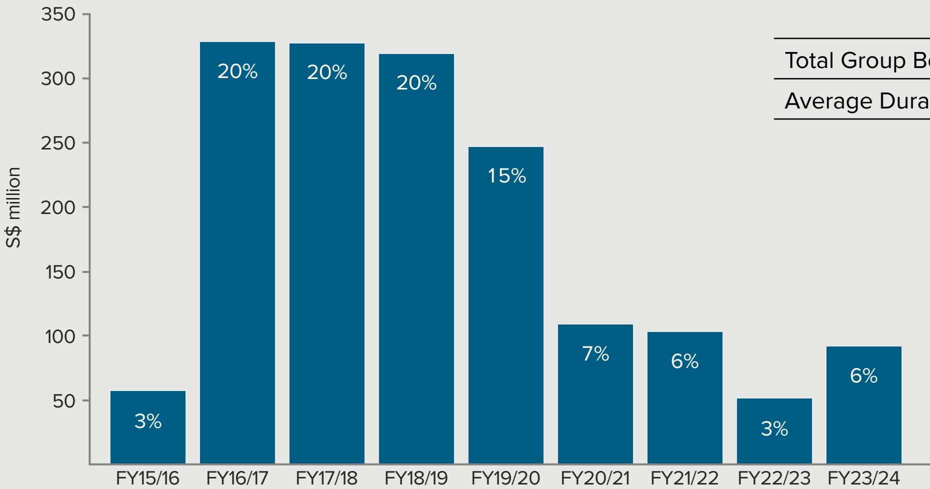
During the year, the Manager procured loans and issued medium term notes of approximately S$336.4 million with tenures of 3 to 8 years to finance acquisitions and for refinancing purposes. This enabled MLT to achieve a well staggered debt maturity profile with weighted average debt maturity of approximately 3.6 years as at 31 March 2015.

About S$90 million loans due in FY15/16 were refinanced ahead of their maturity during this year. Consequently, total debt due in the coming financial year had been reduced to approximately S$56.7 million or about 3% of total debt. Based on available cash and committed credit facilities on hand, MLT has more than sufficient liquidity to meet the maturing debt obligations. As part of its prudent capital management strategy, the Manager continues to actively explore refinancing plans for loans ahead of their maturities, to extend the debt maturity profile and mitigate refinancing risks.

Financial Resources and Liquidity (S$ million)	As at 31 March 2015
Undrawn banking facilities	683.7
Issue capacity under MTN Programme	737.1
Cash	106.9
Total	1,527.7

Debt Maturity Profile (% of Total Debt)

(As at 31 March 2015)



	As at 31 March 2015
Total Group Borrowings	S$1,631.9 million
Average Duration	3.6 years

	As at 31 March 2015	As at 31 March 2014
Leverage ratio		
Total Group borrowings (S$ million)	1,631.9	1,455.4
Total Group deferred consideration (S$ million)	8.3	7.3
Total Group assets (S$ million)	4,787.7	4,397.0
Aggregate Leverage	34.3%	33.3%
	FY14/15	FY13/14
Effective interest rate for the financial year	2.1%	1.9%
Interest service ratio		
Earnings before interest, tax, depreciation and amortisation (S$ million)	237.9	241.2
Interest expenses (S$ million)	31.6	27.7
Interest cover ratio (times)	7.5	8.7

Borrowings and Aggregate Leverage

Total debt outstanding increased by S$176.5 million to S$1,631.9 million as at 31 March 2015 due to additional debt taken to fund acquisitions and capital expenditure. The increase in debt is less than the S$271.1 million additional investments in acquisitions and capital expenditure incurred during the year, partly due to lower translated Japanese Yen borrowings, offset by higher translated Hong Kong Dollar borrowings. Additionally, the investments were partially funded by proceeds from DRP and working capital.

The aggregate leverage stood at 34.3% as at 31 March 2015, well within the cap of 60% stipulated in the Monetary Authority of Singapore's Property Funds Guidelines for rated REITs.

The weighted average interest rate increased to 2.1% per annum in FY14/15, from 1.9% in the previous year, mainly due to higher interest rates incurred for the additional borrowings taken to fund overseas acquisitions completed during the year. The interest cover ratio for FY14/15 was 7.5 times.

All borrowings continue to be unsecured with minimal financial covenants. MLT's issuer rating by Moody's Investor Service stands at 'Baa1' with stable outlook.

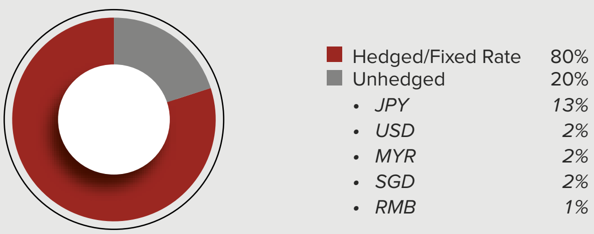
Hedging Profile

The Manager continues to implement measures to mitigate the impact of foreign exchange and interest rate fluctuations on distributable income. As of 31 March 2015, about 80% of MLT's income stream for FY15/16 had been hedged into or will be derived in Singapore Dollar, of which 93% of the income stream from Japan had been hedged. About 80% of MLT's debts were hedged into fixed rates through interest rate swaps or drawn on fixed rate basis as at 31 March 2015, an increase from 75% a year ago.

Where feasible, after taking into account cost, tax and other considerations, the Manager will borrow in the same currency as the underlying assets to provide some natural hedge, or hedge through cross currency swaps for its overseas investments. As at 31 March 2015, about 55% of MLT's loans were denominated in Japanese Yen, 39% in other foreign currencies such as Hong Kong Dollar, Korean Won, US Dollar, Malaysian Ringgit and Chinese Renminbi, and the balance 6% in Singapore Dollar.

Interest Rate Hedging Profile

(As at 31 March 2015)



Debt Profile (Currency Breakdown)

(As at 31 March 2015)