CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

FINANCIAL MARKET REVIEW

In 2023, the battle against inflation ensued with central banks prolonging heightened interest rates. The global economy remained resilient in the face of challenges such as the collapse of several banks and elevated ongoing conflicts.

Global growth slowed down slightly from 3.4% in 2022 to 3.2% in 2023. Singapore's economy expanded by 1.1%, moderating from 3.8% in 2022, while the United States (US) economy grew by 2.5% compared to 2.1% in 2022. The tightened global financial conditions continue to put pressure on the overall economic outlook, where recovery is expected on the back of monetary easing as inflationary pressure subsides.

The market expects a soft landing of the US economy this year with the start of monetary easing as early as 2H2024. However, with inflation remaining sticky, central banks are hesitant to commit to definitive rate cuts.

FINANCIAL RESOURCES AND LIQUIDITY

Against the backdrop of market volatility and geopolitical tensions, optimising capital management and prudent liquidity planning are vital.

In FY23/24, Mapletree continued to proactively build a strong base of funding resources. This enables Mapletree to not only meet its commitments but also capitalise on investment opportunities. On an ongoing basis, the Group monitors and manages its debt maturity profile, cost of funds, foreign exchange and interest rate exposures, as well as its overall liquidity position. To ensure sufficient financial flexibility, scenario analyses, including stress tests, are performed regularly to assess the potential impact of market conditions on its financial position.

Financial Capacity	S$ million
Cash[1]	1,298
Unutilised Facilities from Financial Institutions	10,926
Total	**12,224**
Issue Capacity under Euro/Medium Term Note Programmes	**10,660**

As at 31 March 2024, total cash reserves and undrawn banking facilities amounted to S$12,224 million.

To maintain its financial flexibility and further diversify its funding sources, the Group tapped on the debt capital market during the financial year. Through its subsidiary, Mapletree Pan Asia Commercial Trust (MPACT) issued S$200 million 3.90% fixed rate senior green notes in March 2024. Proceeds from the notes were used by MPACT and its subsidiaries to finance or refinance eligible green projects in accordance with the MPACT Green Finance Framework. This further demonstrated the Group's commitment to incorporate environmental, social and governance (ESG) practices as a long-term initiative throughout its business operations.

DEBT AND GEARING

As at 31 March 2024, the Group's Net Debt was S$14,506 million compared to S$20,128 million in the previous year. Net Debt/Total Equity Ratio was 59%, compared to 64.3% a year ago. Total Debt/Total Assets Ratio was 37%, compared to 38.4% during the same period last year.

The improved debt-to-equity ratio is attributed to the deconsolidation of Mapletree China Logistics Investment Private Fund (MCLIP) in October 2023 and Mapletree Logistics Trust (MLT) in March 2024. This further exemplifies the Group's business model as an active capital manager in the public and private markets.

	As at 31 March 2023 (S$ million)	**As at 31 March 2024 (S$ million)**
Total Debt[1,2]	21,853	15,804
Cash[1]	1,725	1,298
Net Debt	20,128	14,506

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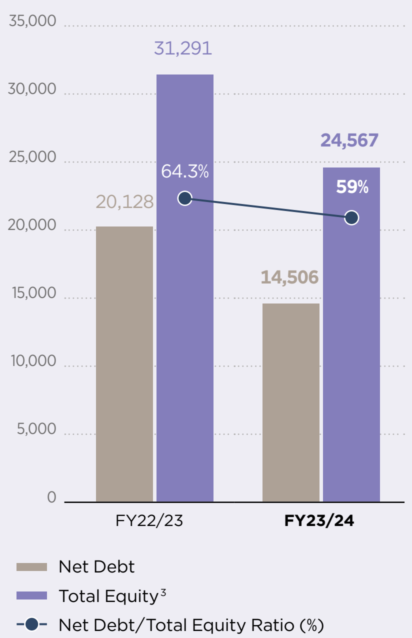
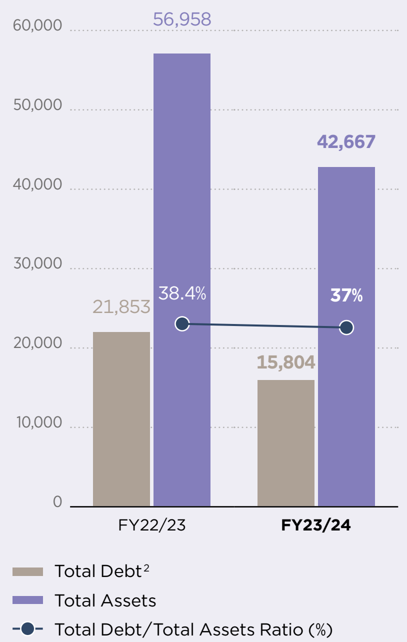
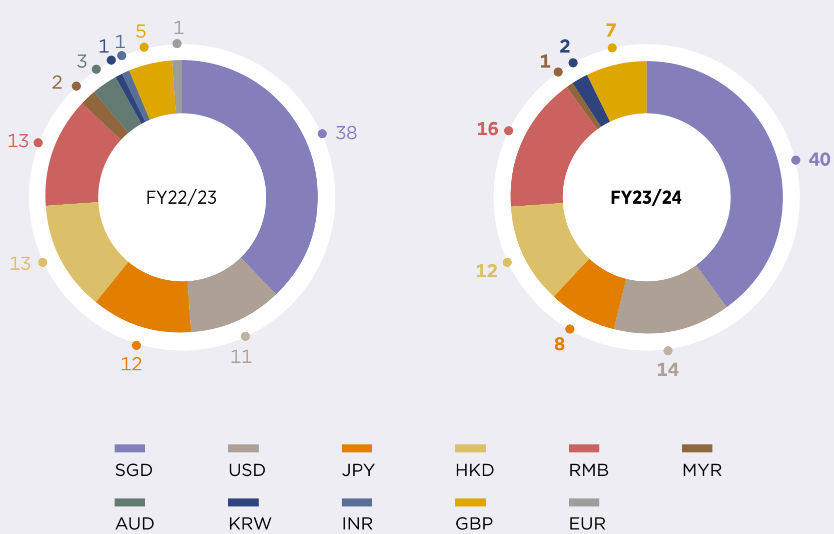
NET DEBT/TOTAL EQUITY
(S$ million)



TOTAL DEBT/TOTAL ASSETS
(S$ million)



DEBT PROFILE (CURRENCY BREAKDOWN) (%)

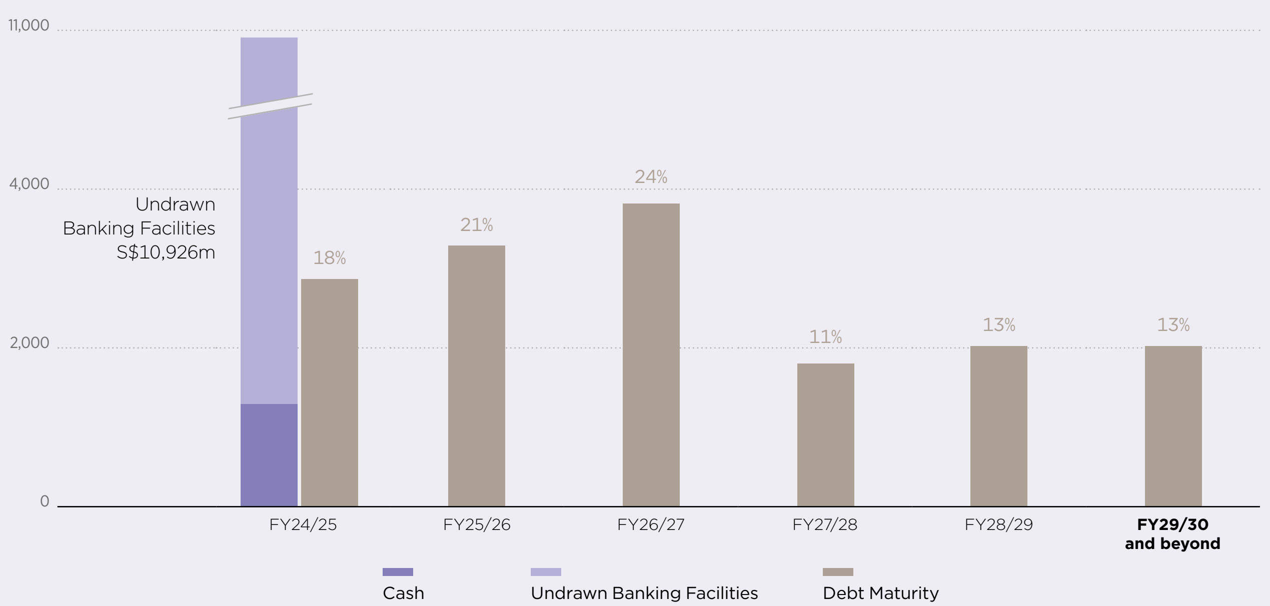


As at 31 March 2024, about 99.8% of the Group's debt was derived from committed banking facilities and medium- to long-term bond issuance. The remaining 0.2% was funded by short-term banking facilities to facilitate repayment flexibility arising from cash flows from operations or other activities.

The Group makes a conscious effort to diversify its funding sources and spread its debt maturity profile to reduce refinancing risk and to align with its cash flow plans. The average maturity of its existing gross debt portfolio was three years as at 31 March 2024, compared to 3.4 years a year ago. The Group has sufficient resources to support its refinancing needs for the next financial year.

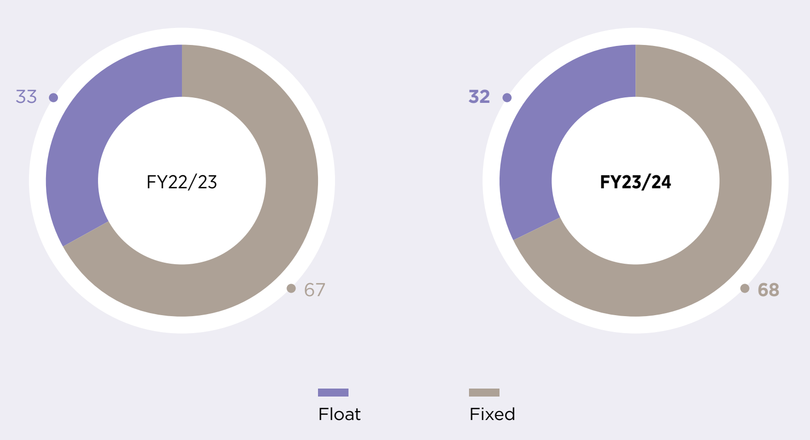
Mapletree maintains and builds active relationships with a vast global network of banks and life insurance companies. Diversifying financial institutions has enabled the Group to tap into their different strengths and competencies to support Mapletree's business strategy and growth worldwide.

MATURITY PROFILE AS AT 31 MARCH 2024 (S$ million)



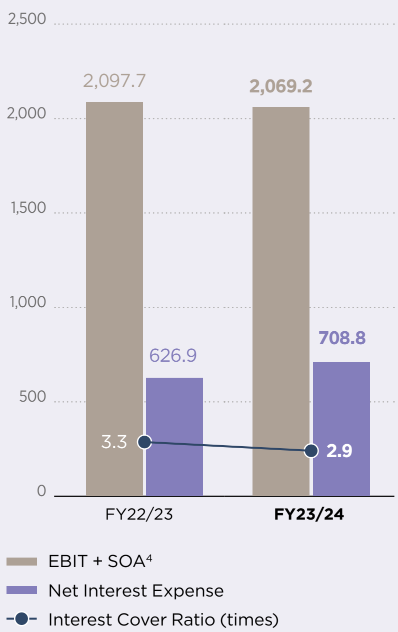
The Group manages its interest cost by maintaining a prudent mix of fixed and floating rate borrowings as part of its liability management strategy. Additionally, the Group uses derivative financial instruments to hedge its interest rate risks. Fixed-rate borrowings comprised 68% of the Group's total gross debt, with the balance from floating rates borrowings. Factors used in determining the interest rate fixed-float profile included the interest rate outlook, the investments' planned holding period, and the expected cash flows generated from business operations.

FIXED VS FLOAT (%)

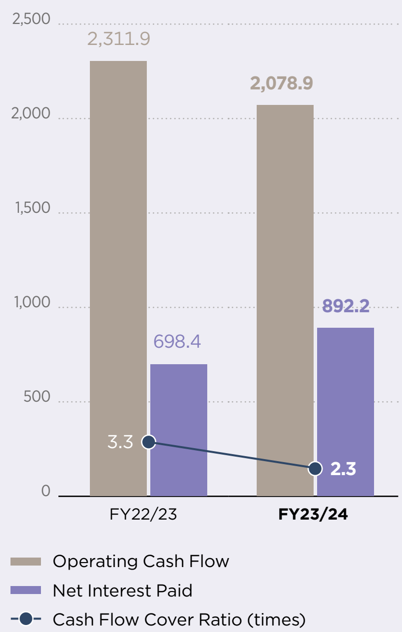


CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

INTEREST COVER RATIO
(S$ million)



CASH FLOW COVER RATIO
(S$ million)



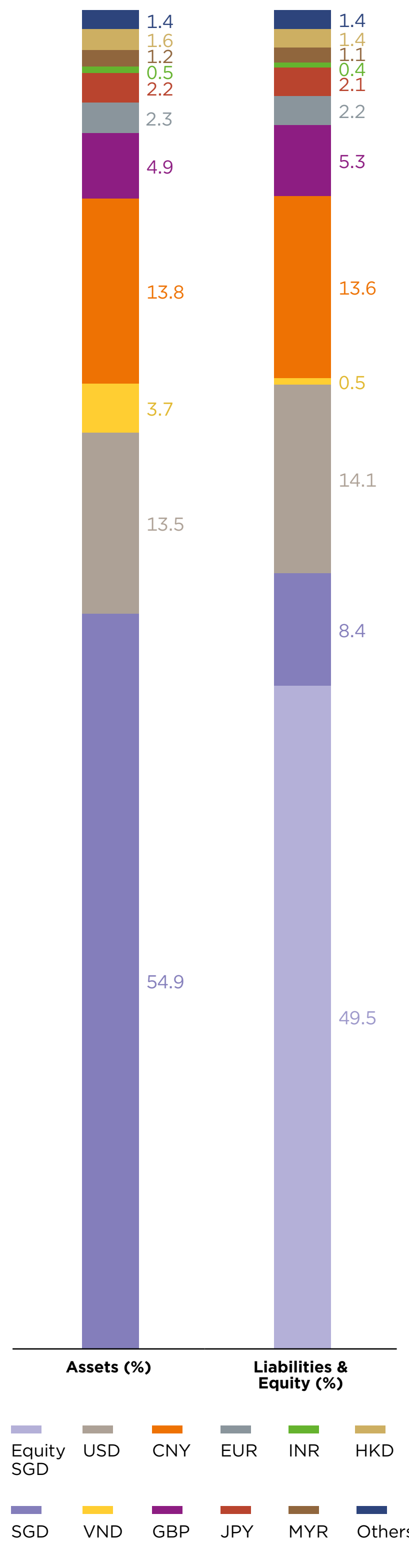
In FY23/24, the Group's interest cover ratio was at 2.9 times (FY22/23: 3.3 times) and cash flow cover ratio (including finance costs capitalised) was at 2.3 times (FY22/23: 3.3 times).

ASSET-LIABILITY MANAGEMENT

Where feasible, the Group adopts a natural hedge policy to mitigate risks from foreign exchange exposure. As at 31 March 2024, the Group has drawn foreign currency loans to fund investments denominated in the same currencies. The Group has also entered into foreign exchange derivatives to hedge the currency exposure of certain overseas investments. The breakdown of the Group's debt by currency is illustrated in the charts under the Debt and Gearing section.

The Singapore-listed real estate investment trusts (REITs) have their own Board Committees. The respective management companies of the REITs, guided by their Boards and Board Committees, manage their capital and treasury positions. This includes asset-liability management, which takes into account their strategies and returns to the unitholders.

Outside of the REITs, the Group closely monitors and manages its foreign exchange exposure by closely matching its assets and liabilities by currency. An analysis of the asset-liability breakdown by currency excluding the consolidation of the REITs as at 31 March 2024 is shown on the right.



1 Includes cash and borrowings accounted under disposal group held for sale.
2 Loans from non-controlling interests of subsidiaries have been excluded from the analysis.
3 Comprising shareholder's funds, perpetual securities and non-controlling interests.
4 Earnings before interest and tax (EBIT) plus share of operating profit or loss of associated companies and joint ventures (SOA), excluding residential profits, incentive fee from private funds' divestment, revaluation gains or losses, divestment gains or losses, foreign exchange and derivatives gains or losses.