

FINANCIAL & CAPITAL MANAGEMENT REVIEW

	FY22/23 (S\$'000)	FY21/22 (S\$'000)	Variance (%)
Gross revenue	826,185	499,475	65.4
Property operating expenses	(194,243)	(110,794)	(75.3)
Net property income	631,942	388,681	62.6
Finance income	1,603	284	N.M.
Finance expenses	(163,762)	(72,575)	(125.6)
Manager's management fees	(48,633)	(37,765)	(28.8)
Trustee's fees	(1,652)	(1,039)	(59.0)
Other trust expenses	(2,823)	(1,388)	(103.4)
Foreign exchange (loss)/gain	(3,746)	8,926	N.M.
Net change in fair value of financial derivatives	19,159	(8,390)	N.M.
Profit before tax and fair value change in investment properties and share of profit of a joint venture	432,088	276,734	56.1
Net change in fair value of investment properties	43,511	70,290	(38.1)
Share of profit of a joint venture	9,425	–	N.M.
Profit before tax	485,024	347,024	39.8
Income tax credit/(expense)	1,725	(5)	N.M.
Profit after tax	486,749	347,019	40.3
Income available for distribution to Unitholders	445,598	301,229	47.9
Amount available for distribution to Unitholders	445,598	316,982¹	40.6
DPU (Singapore cents)			
– Taxable income distribution	7.15	8.60	(16.9)
– Capital distribution	0.64	0.61 ¹	4.9
– Tax-exempt income distribution	1.82	0.32	N.M.
Total DPU	9.61	9.53¹	0.8
Total DPU (excluding release of retained cash)	9.61	9.06	6.1

N.M.: Not meaningful

¹ In view of the COVID-19 uncertainty, the Manager made capital allowance claims and retained capital distribution totalling S\$43.7 million in 4Q FY19/20. Of this, S\$28.0 million of this retained cash was released as distributions to Unitholders in FY20/21. The remaining S\$15.7 million of retained cash was released as distribution to Unitholders in FY21/22.

On 21 July 2022, the merger with MNACT was completed by way of a trust scheme of arrangement ("Trust Scheme"). Following this, MNACT Group's financials were consolidated into MPACT Group from 21 July 2022.

Gross Revenue

Gross revenue was 65.4% higher at S\$826.2 million for FY22/23 as compared to FY21/22. This was largely due to the contribution from the overseas properties acquired through the merger and higher contribution from VivoCity and MBC.

Excluding the effect of the merger, gross revenue was 9.2% higher yoy. As Singapore continued to recover from the COVID-19 pandemic, positive contributions across all major revenue categories including fixed rent, turnover rent, carpark income and advertising and promotion income, were observed for the Singapore properties. The increase was partially offset by lower compensation sum received from the pre-termination of leases in FY22/23 compared to FY21/22.

Property Operating Expenses

Property operating expenses were 75.3% higher at S\$194.2 million

for FY22/23 as compared to FY21/22. This was mainly due to the property operating expenses incurred by the overseas properties acquired through the merger.

Property operating expenses for the Singapore properties were 11.5% higher yoy. Higher expenses were observed across all operating expenses categories which moved in tandem with the increase in activities in FY22/23 as well as higher utility rates.

Net Property Income

NPI was S\$631.9 million, 62.6% higher as compared to FY21/22. Excluding the contribution from the overseas properties acquired through the merger, NPI was S\$421.7 million in FY22/23, 8.5% higher as compared to FY21/22.

Finance Expenses

Finance expenses were 125.6% higher at S\$163.8 million for FY22/23 as compared to FY21/22 mainly due to the interest expenses incurred by the overseas properties, the interest expenses incurred on the acquisition debt, as well as higher interest rates on the existing Singapore dollar borrowings.

Income Available for Distribution and Distribution Per Unit (Excluding Release of Retained Cash in FY21/22)

Income available for distribution was S\$445.6 million for FY22/23. This was 47.9% higher compared to the S\$301.2 million for FY21/22. Correspondingly, FY22/23 DPU of 9.61 Singapore cents was 6.1% higher than the DPU of 9.06 Singapore cents in FY21/22.

Amount Available for Distribution and Distribution Per Unit (Including Release of Retained Cash in FY21/22)

Including the release of S\$15.7 million of retained cash in FY21/22, the amount available for distribution and DPU was 40.6% and 0.8% higher as compared to FY21/22, respectively.

Pursuant to the merger, 1,018,382,531 preferential offering units were issued on 28 July 2022 to fund the cash component of the scheme consideration, and 885,734,587 units were issued on 29 July 2022 to MNACT unitholders as consideration units. Prior to these issuances, a one-time clean-up distribution of 3.04 Singapore cents per Unit for the period from 1 April 2022 to 20 July 2022 was declared and paid to eligible MCT unitholders.

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Change in Reporting Frequency

MPACT has resumed a quarterly reporting framework with effect from 3Q FY22/23. Consequently, distributions to Unitholders are also on a quarterly basis with effect from 3Q FY22/23. The breakdown of the DPU in Singapore cents for FY22/23 as compared to FY21/22 is as follows:

FY22/23	1 April 2022 to 20 July 2022	21 July 2022 to 30 September 2022	1 October 2022 to 31 December 2022	1 January 2023 to 31 March 2023	Total
DPU (Singapore cents)	3.04 (clean-up distribution)	1.90	2.42	2.25	9.61
FY21/22	1 April 2021 to 30 September 2021		1 October 2021 to 31 March 2022		Total
DPU (Singapore cents)	4.39		5.14 (includes 0.47 Singapore cents from the distribution of retained cash)		9.53

Note: DPU from 21 July 2022 onwards was based on an enlarged number of Units mostly resulting from the issuance of 1,018,382,531 preferential offering units to fund the cash component of the scheme consideration, and 885,734,587 consideration units issued to MNACT unitholders in relation to the merger.

Adoption of Manager's Management Fee Structure Pegged to Distributable Income and DPU Growth

With effect from 21 July 2022, MPACT has adopted a revised management fee structure that is pegged to distributable income and DPU growth. The revised fee structure enables closer alignment of interests with Unitholders by incentivising sustainable distributable income and DPU growth. Under the revised management fee structure,

the management fees payable to the Manager will constitute:

- (i) base fee comprising 10.0% of the distributable income of the Group (calculated before accounting for the base fee and performance fee); and
- (ii) performance fee comprising 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the performance fee, but after

accounting for the base fee in that financial year), multiplied by the weighted average number of units in issue for such financial year.

For avoidance of doubt, the acquisition fee and the divestment fee structure, as well as the Manager's ability to elect to receive the base fee and performance fee in cash or Units or a combination of cash and Units (as it may in its sole discretion determine), remain unchanged.

Net Assets Attributable to Unitholders

	As at 31 March 2023	As at 31 March 2022	Change (%)
Total Assets (S\$ million)	16,828.8	8,984.5	87.3
Total Liabilities (S\$ million)	7,346.4	3,191.0	130.2
Net Assets (S\$ million)	9,482.4	5,793.5	63.7
Net Assets Attributable To:			
- Unitholders (S\$ million)	9,220.3	5,793.5	59.1
- Perpetual Securities Holders (S\$ million)	249.4	-	N.M.
- Non-controlling Interest (S\$ million)	12.7	-	N.M.
Number of Units in Issue (million)	5,239.3	3,323.5	57.6
NAV per Unit (S\$)	1.76	1.74	1.1
Adjusted NAV per Unit (S\$)	1.74	1.69	3.0

Total assets value and total liabilities increased by S\$7,844.3 million and S\$4,155.4 million from their respective balances of S\$8,984.5 million and S\$3,191.0 million as at 31 March 2022 largely due to the effect of the merger.

Correspondingly, net assets attributable to Unitholders increased by 59.1% to S\$9,220.3 million as compared to the previous financial year, reflecting a higher NAV per Unit of S\$1.76 as at 31 March 2023.

The adjusted NAV per Unit (excluding the distributable amount payable for 4Q FY22/23) was S\$1.74.

Valuation of Assets

As at 31 March 2023, MPACT's total portfolio (including MPACT's 50% effective interest in The

Pinnacle Gangnam) was valued at S\$16,575.7 million. This comprised the Singapore properties valued at S\$8,879.0 million, and the overseas properties (including MPACT's 50% effective interest in The Pinnacle Gangnam) valued at S\$7,696.7 million. The total portfolio valuation was 87.9% higher than a year ago primarily due to the expansion in investment properties resulting from the merger. In addition, the Singapore properties posted a slight increase in valuation, largely driven by VivoCity's improved operational performance.

Comparing the total portfolio valuation at the end of FY22/23 to that at the merger's effective date, the majority of the properties maintained stable valuations in their respective local currencies.

The capitalisation rates applied by the independent valuers also remained consistent across all properties. Excluding the effect of foreign exchange movement, the portfolio recorded a negative valuation impact of S\$43.1 million.

The stronger Singapore dollar resulted in a further decrease in the value of the overseas properties when the valuations in their respective local currencies were converted into Singapore dollars, resulting in a total valuation variance of S\$398.1 million. The effect of foreign exchange movement on the value of the overseas properties in Singapore dollar is included in the net currency translation differences in other comprehensive income in accordance with the relevant accounting standard.

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	As at 31 March 2023 ¹		As at 31 March 2022 ²	As at the Effective Date of Merger	Variance (comparing as at 31 March 2023 against as at the Effective Date of Merger)		
	(million)	Capitalisation Rate ³	(million)	(million)	Total (million)	Valuation Impact (million)	Foreign Exchange Impact (million)
VivoCity	S\$3,232.0	4.60%	S\$3,182.0	S\$3,182.0	S\$50.0	S\$50.0	–
MBC I	S\$2,250.0	Office: 3.75% Business Park: 4.85%	S\$2,249.0	S\$2,249.0	S\$1.0	S\$1.0	–
MBC II	S\$1,552.0	Retail: 4.75% Business Park: 4.80%	S\$1,551.0	S\$1,551.0	S\$1.0	S\$1.0	–
mTower	S\$753.0	Office: 4.00% Retail: 4.75%	S\$747.0	S\$747.0	S\$6.0	S\$6.0	–
Mapletree Anson	S\$752.0	3.35%	S\$752.0	S\$752.0	–	–	–
BOAHF	S\$340.0	3.75%	S\$340.0	S\$340.0	–	–	–
Singapore Properties	S\$8,879.0		S\$8,821.0	S\$8,821.0	S\$58.0	S\$58.0	–
Festival Walk	HKD25,060.0 / S\$4,299.0 ⁴	4.15% (Gross)	–	HKD25,565.0 / S\$4,570.8 ⁷	(HKD505.0) / (S\$271.7)	(HKD505.0) / (S\$86.6)	(S\$185.1)
Gateway Plaza	RMB6,236.0 / S\$1,220.6 ⁴	5.50% (Gross)	–	RMB6,343.0 / S\$1,327.5 ⁷	(RMB107.0) / (S\$106.9)	(RMB107.0) / (S\$20.9)	(S\$85.9)
Sandhill Plaza	RMB2,420.0 / S\$473.7 ⁴	5.00% (Gross)	–	RMB2,423.0 / S\$507.1 ⁷	(RMB3.0) / (S\$33.4)	(RMB3.0) / (S\$0.6)	(S\$32.8)
Japan Properties ⁵	JPY144,300.0 / S\$1,449.1 ⁴	3.40% - 4.40%	–	JPY143,670.0 / S\$1,481.2 ⁷	JPY630.0 / (S\$32.1)	JPY630.0 / S\$6.3	(S\$38.5)
The Pinnacle Gangnam ⁵ (50% interest)	KRW 247,450.0 / S\$254.3 ⁴	3.20% ⁶	–	KRW246,700.0 / S\$266.2 ⁷	KRW750.0 / (S\$12.0)	KRW750.0 / S\$0.8	(S\$12.7)
Overseas Properties	S\$7,696.7		–	S\$8,152.8	(S\$456.1)	(S\$101.1)	(S\$355.1)
Total Portfolio	S\$16,575.7		S\$8,821.0	S\$16,973.8	(S\$398.1)	(S\$43.1)	(S\$355.1)

Note: Total may not add up due to rounding differences.

¹ The valuation for VivoCity was conducted by CBRE Pte. Ltd., the valuations for MBC I, MBC II, mTower, Mapletree Anson and BOAHF were conducted by Jones Lang LaSalle Property Consultants Pte Ltd, the valuations for Festival Walk, Gateway Plaza and Sandhill Plaza were conducted by Knight Frank Petty Limited, the valuations for the Japan Properties were conducted by Colliers International Japan KK and the valuation for The Pinnacle Gangnam was conducted by Colliers International (Hong Kong) Limited.

² The valuation for VivoCity was conducted by CBRE Pte. Ltd. while the valuations for MBC I, MBC II, mTower, Mapletree Anson and BOAHF were conducted by Jones Lang LaSalle Property Consultants Pte Ltd.

³ The capitalisation rates are reported on a net basis unless otherwise stated.

⁴ Based on 31 March 2023 exchange rates S\$1 = HKD5.8292, S\$1 = RMB5.1088, S\$1 = JPY99.5808 and S\$1 = KRW973.2360.

⁵ There was a change in the values for the independent valuation of the Japan properties and The Pinnacle Gangnam.

⁶ Capitalisation rate for The Pinnacle Gangnam was reported on a gross basis last year.

⁷ Based on exchange rates S\$1 = HKD5.5932, S\$1 = RMB4.7781, S\$1 = JPY96.9951 and S\$1 = KRW926.6982. These were the adopted exchange rates for accounting on completion of the merger with MNACT.

Capital Management

We continue to proactively manage MPACT's capital structure by adopting a disciplined approach in addressing funding requirements, managing refinancing, interest rate and foreign exchange rate risks.

As at 31 March 2023, MPACT's total gross debt outstanding was S\$6.9 billion¹, comprising S\$5.9 billion in bank borrowings and S\$1.0 billion of bonds and notes. Green borrowings accounted for close to one-third of the total gross debt as at 31 March 2023.

In FY22/23, MPACT secured approximately S\$2.7 billion of new

bank facilities and S\$150.0 million of green notes for financing, refinancing, as well as for financial flexibility. Throughout the financial year, MPACT remained well-capitalised with sufficient financial flexibility.

As at 31 March 2023, approximately S\$1.6 billion of cash and undrawn committed facilities were available to meet working capital and financial obligations. Notably, there is no refinancing risk for FY23/24.

Due to the merger, gearing increased from 33.5% as at 31 March 2022 to 40.9% as at 31 March 2023, and this is not

expected to have a significant impact on MPACT's risk profile. The total gross debt outstanding including perpetual securities to net asset value ratio was 77.9% as at 31 March 2023. Taking reference from the aggregate leverage limit set by MAS of up to 50%², the debt headroom was approximately S\$3.1 billion.

During the reporting year, Moody's concluded its review of MPACT's issuer rating. It confirmed MPACT's Baa1 issuer rating and revised the rating outlook to stable from rating under review.

Key Financial Metrics and Indicators

	As at 31 March 2023	As at 31 March 2022
Total Gross Debt Outstanding (S\$ million)	6,940.8 ³	3,014.0
Aggregated Leverage Ratio	40.9% ⁴	33.5%
Adjusted Interest Coverage Ratio ("ICR")	3.5 times	4.8 times
% of Fixed Rate Debt	75.5%	80.3%
Weighted Average All-In Cost of Debt (per annum) ⁵	2.68%	2.40%
Average Term to Maturity of Debt	3.0 years	3.3 years
Unencumbered Assets as % of Total Assets	89.8%	100%
MPACT Corporate Rating (by Moody's)	Baa1 (stable)	Baa1 (rating under review)

Healthy Capital Structure & Liquidity

Total Gross Debt

S\$6.9B³

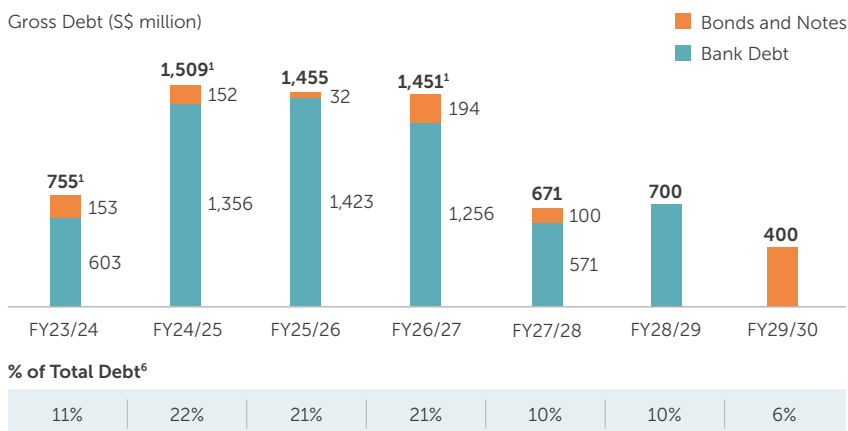
Available Liquidity

~S\$1.6B

of cash and undrawn committed facilities

Well-Distributed Debt Maturity Profile

(As at 31 March 2023)



¹ Total does not add up due to rounding differences.

² With effect from 1 January 2022, MAS allowed the aggregate leverage limit to exceed 45% (up to a maximum of 50%) if the adjusted ICR is at least 2.5 times.

³ Includes share attributable to non-controlling interest and MPACT's proportionate share of joint venture's gross debt.

⁴ Based on total gross debt divided by total deposited property (excludes share attributable to non-controlling interest and includes MPACT's proportionate share of joint venture's gross debt and deposited property value).

⁵ Include amortised transaction costs.

⁶ Total does not add up to 100% due to rounding differences.

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Diversified Sources of Funding

During the financial year, MPACT launched a S\$5.0 billion Euro Medium Term Securities Programme ("2022 EMTN Programme") and updated its Green Finance Framework.

In March 2023, MPACT tapped on this 2022 EMTN Programme and issued its maiden S\$150.0 million fixed rate senior green notes. The proceeds from the green notes were used to refinance eligible green projects in accordance with the Green Finance Framework.

Equity Fund Raising and Use of Proceeds

The merger with MNACT was funded through a combination of allotment and issuance of consideration units, bank borrowings and proceeds from the preferential offering exercise conducted in July 2022.

The preferential offering comprises an issuance of 1,018,382,531 preferential offering units at an issue price of S\$2.0039 per unit on 28 July 2022, raising a total of S\$2,040.7 million. The proceeds were fully disbursed to partially fund the cash component of the scheme consideration as set out in the Circular dated 29 April 2022.

To demonstrate its conviction and support for the merger, MIPL, the Sponsor, undertook to subscribe for the maximum units

of the preferential offering of up to S\$2.2 billion at an issue price of S\$2.0039 per unit. Pursuant to this undertaking, MIPL accepted and subscribed for 1,008,629,340 preferential offering units, representing the aggregate of MIPL's valid acceptances of its pro rata provisional allotment and excess applications.

On 29 July 2022, an aggregate of 885,734,587 consideration units were issued at the issue price of S\$2.0039 per unit in connection with the settlement of the scrip component of the scheme consideration.

Prudent Hedging Strategies

MPACT's diversified geographic presence across the five key gateway markets of Asia subjects the Group to various market risks,

including interest rate and foreign exchange rate risks, amongst others. Derivative financial instruments were used to hedge against these risks.

Interest Rate Risk Management

We manage MPACT's interest rate risk by maintaining a mix of fixed and floating rate debt. As at 31 March 2023, approximately 75.5% of the gross debt has been fixed through fixed rate debt, interest rate swaps and cross-currency interest rate swaps.

Based on unhedged debt as at 31 March 2023, if benchmark rates were to increase/decrease by 50 basis points, with all other variables being held constant, DPU on a full-year basis would be approximately 0.16 Singapore cents lower/higher.

~75% of Total Debt Hedged or Fixed



Foreign Exchange Risk Management

We manage MPACT’s foreign exchange risk through natural and forward hedges.

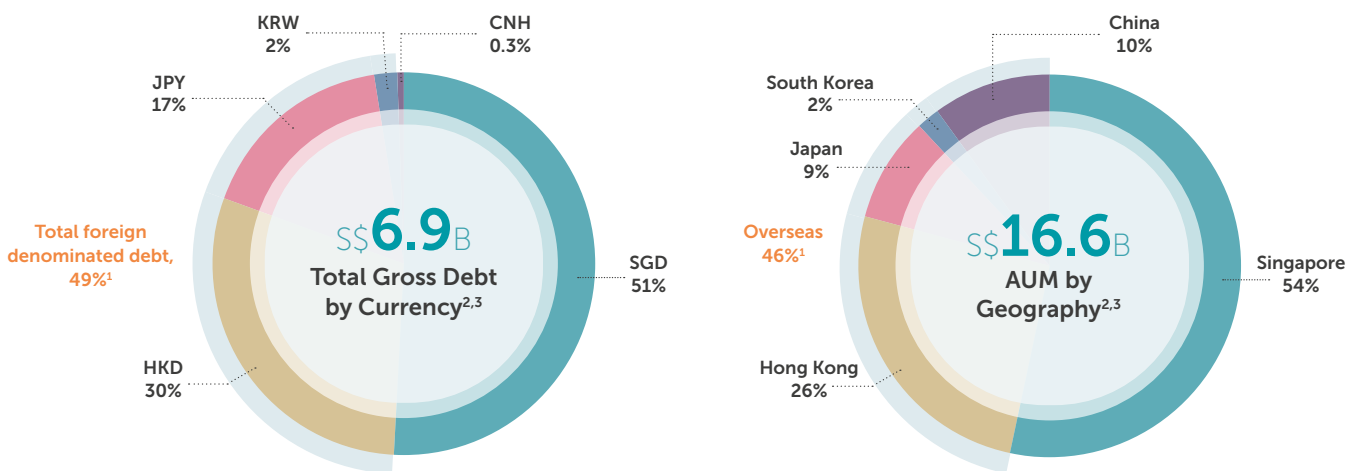
Where practicable, the Manager maintains a natural hedge by

matching MPACT’s debt mix with the geographical composition of the AUM. As at 31 March 2023, about 49% of the total gross debt was denominated in foreign currencies, with 30% in Hong Kong Dollar (“HKD”), 17% in Japanese Yen (“JPY”) and the balance of 2% in other foreign

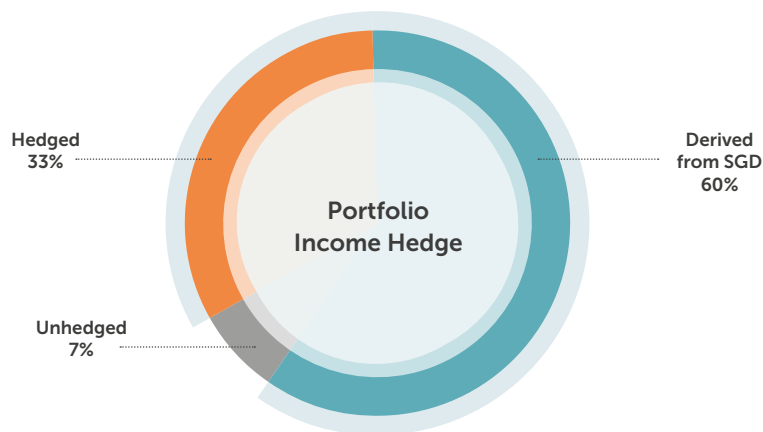
currencies such as Korean Won (“KRW”) and Renminbi (“CNH”).

At the end of FY22/23, about 93% of the expected distributable income (based on rolling four quarters) was derived from or hedged into Singapore Dollar (“SGD”).

Maintains Natural Hedge by Matching Debt Mix with AUM Composition



~93% of Expected Distributable Income (based on rolling four quarters) was derived from or hedged into SGD



¹ Total does not add up due to rounding differences.
² Total does not add up to 100% due to rounding differences.
³ Include MPACT’s 50% effective interest in The Pinnacle Gangnam’s investment property and gross debt.