

## FINANCIAL & CAPITAL MANAGEMENT REVIEW

	FY23/24 (S\$'000)	FY22/23 <sup>1</sup> (S\$'000)	Variance (%)
Gross revenue	958,088	826,185	16.0
Property operating expenses	(230,159)	(194,243)	(18.5)
<b>Net property income</b>	<b>727,929</b>	<b>631,942</b>	<b>15.2</b>
Finance income	2,512	1,603	56.7
Finance expenses	(227,994)	(163,762)	(39.2)
Manager's management fees	(49,848)	(48,633)	(2.5)
Trustee's fees	(1,819)	(1,652)	(10.1)
Other trust expenses	(3,933)	(2,823)	(39.3)
Foreign exchange gain/(loss)	4,923	(3,746)	N.M.
Net change in fair value of financial derivatives	2,598	19,159	(86.4)
<b>Profit before tax and fair value change in investment properties and share of profit of a joint venture</b>	<b>454,368</b>	<b>432,088</b>	<b>5.2</b>
Net change in fair value of investment properties	141,804	43,511	N.M.
Share of profit of a joint venture	6,380	9,425	(32.3)
<b>Profit before tax</b>	<b>602,552</b>	<b>485,024</b>	<b>24.2</b>
Income tax (expense)/credit	(19,482)	1,725	N.M.
<b>Profit after tax</b>	<b>583,070</b>	<b>486,749</b>	<b>19.8</b>
<b>Amount available for distribution to Unitholders</b>	<b>468,569</b>	<b>445,598</b>	<b>5.2</b>
<b>DPU (Singapore cents)</b>			
– Taxable distribution	6.09	7.15	(14.8)
– Capital distribution	1.15	0.64	79.7
– Tax-exempt income distribution	1.67	1.82	(8.2)
<b>Total DPU</b>	<b>8.91</b>	<b>9.61</b>	<b>(7.3)</b>

N.M.: Not meaningful.

### Gross Revenue

Gross revenue was 16.0% higher at S\$958.1 million for FY23/24 as compared to FY22/23. This was largely due to the full-year contribution from the overseas properties acquired through the merger<sup>1</sup> and higher contribution from the Singapore properties.

Excluding the contribution from the overseas properties, gross revenue was 5.4% higher yoy. Positive contributions across all major revenue categories including fixed 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 FY23/24 compared to FY22/23.

### Property Operating Expenses

Property operating expenses were 18.5% higher at S\$230.2 million for FY23/24 as compared to FY22/23. This was mainly due to the property operating expenses incurred by the overseas properties for the full year in FY23/24.

Property operating expenses for the Singapore properties were 8.7% higher yoy mainly due to the full-year impact from higher utility expenses as a result of the higher contracted rates, partially offset by a refund of prior year's property tax.

### Net Property Income

NPI was S\$727.9 million, 15.2% higher as compared to FY22/23. Excluding the contribution from the overseas properties, NPI was S\$440.4 million in FY23/24, 4.4% higher as compared to FY22/23.

### Finance Expenses

Finance expenses were 39.2% higher at S\$228.0 million for FY23/24 as compared to FY22/23 mainly due to the full-year interest expenses incurred by the overseas properties and the acquisition debt, as well as higher interest rates on the existing SGD and HKD borrowings.

### Amount Available for Distribution and Distribution Per Unit

The amount available for distribution was S\$468.6 million for FY23/24. This was 5.2% higher compared to the S\$445.6 million for FY22/23.

FY23/24 DPU of 8.91 Singapore cents was 7.3% lower than the DPU of 9.61 Singapore cents in FY22/23.

<sup>1</sup> On 21 July 2022, the merger with MNACT was completed by way of a trust scheme of arrangement. Following this, MNACT Group's financials were consolidated into MPACT Group from 21 July 2022.

The breakdown of DPU in Singapore cents for FY23/24 as compared to FY22/23 is as follows:

FY23/24	1 April 2023 to 30 June 2023	1 July 2023 to 30 September 2023	1 October 2023 to 31 December 2023	1 January 2024 to 31 March 2024	Total
<b>DPU (Singapore cents)</b>	2.18	2.24	2.20	2.29	<b>8.91</b>
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
<b>DPU (Singapore cents)</b>	3.04 (clean-up distribution)	1.90	2.42	2.25	<b>9.61</b>

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.

### Project Management Fees

MPMPL was contracted to carry out project management for the AEI at VivoCity and Mapletree Anson.

The AEI at VivoCity relates to the reconfiguration of a portion of the Level 1 space previously occupied by TANGS into a new cluster of F&B and specialty shops, and the upgrading of common area

and toilets. The AEI at Mapletree Anson relates to the upgrading of toilets. The project management fees payable represents 3% of the total construction costs of the AEIs. The quantum of the project management fees are within market norms and reasonable range as assessed by WT Partnership (S) Pte Ltd in its opinions issued on 19 December 2023.

The total project management fees paid/payable to MPMPL in relation to the AEIs at VivoCity and Mapletree Anson were S\$1.2 million, and were capitalised in investment properties.

The fees and disclosure are in accordance with the Manager's undertaking as disclosed in the MCT IPO prospectus.

### Net Assets Attributable to Unitholders

	As at 31 March 2024	As at 31 March 2023	Change (%)
Total Assets (S\$ million)	<b>16,662.3</b>	16,828.8	(1.0)
Total Liabilities (S\$ million)	<b>7,191.1</b>	7,346.4	(2.1)
Net Assets (S\$ million)	<b>9,471.2</b>	9,482.4	(0.1)
Net Assets Attributable to:			
- Unitholders (S\$ million)	<b>9,209.2</b>	9,220.3	(0.1)
- Perpetual Securities Holders (S\$ million)	<b>249.3</b>	249.4	(0.1)
- Non-controlling Interest (S\$ million)	<b>12.8</b>	12.7	0.6
Number of Units in Issue (million)	<b>5,253.0</b>	5,239.3	0.3
NAV per Unit (S\$)	<b>1.75</b>	1.76	(0.6)
Adjusted NAV per Unit (S\$)	<b>1.73</b>	1.74	(0.6)

Total assets decreased by 1.0% to S\$16,662.3 million as at 31 March 2024 largely due to the decrease in investment properties as a result of the strengthening of SGD against HKD, RMB and JPY. This decrease was mitigated by the increase in valuation of the Singapore properties.

Total liabilities decreased by 2.1% to S\$7,191.1 million as at 31 March 2024 largely due to lower borrowings as a result of the strengthening of SGD against HKD, RMB and JPY and net loan repayment during the year.

Correspondingly, net assets attributable to Unitholders was

marginally down by 0.1% to S\$9,209.2 million as compared to the previous financial year, resulting to a lower NAV per Unit of S\$1.75 as at 31 March 2024.

The adjusted NAV per Unit (excluding the distributable amount payable for 4Q FY23/24) was S\$1.73.

## FINANCIAL & CAPITAL MANAGEMENT REVIEW

### Valuation of Assets

In compliance with the Property Funds Appendix, which states that a valuer should not value the same property for more than two consecutive financial years, new valuers were appointed for the independent valuations of all properties as at 31 March 2024.

As at 31 March 2024, MPACT's total portfolio (including MPACT's 50% effective interest in The Pinnacle Gangnam) was valued S\$16,499.5 million. This comprised

the Singapore properties valued at S\$9,118.0 million, and the overseas properties (including MPACT's 50% effective interest in The Pinnacle Gangnam) valued at S\$7,381.5 million.

The total portfolio valuation was marginally lower by 0.5% than a year ago primarily due to the decrease in valuation of the overseas properties as a result of the strengthening of the SGD against HKD, RMB and JPY. This decrease was mitigated by

the increase in valuation of the Singapore properties, largely driven by VivoCity's improved operational performance.

Comparing the total portfolio valuation at the end of FY23/24 to that at the end of FY22/23, the majority of the properties maintained stable valuations in their respective local currencies. The operational valuation impact of S\$40.3 million for the overseas assets represents a small portion of the total valuation variance for the

	As at 31 March 2024 <sup>1</sup>		As at 31 March 2023 <sup>2</sup>		Variance	
	(million)	Capitalisation Rate <sup>3</sup>	(million)	Total (million)	Valuation Impact (million)	Foreign Exchange Impact (million)
VivoCity	S\$3,358.0	4.50%	S\$3,232.0	S\$126.0	S\$126.0	–
MBC I	S\$2,287.0	Office: 3.75% Business Park: 4.85%	S\$2,250.0	S\$37.0	S\$37.0	–
MBC II	S\$1,568.0	Retail: 4.75% Business Park: 4.80%	S\$1,552.0	S\$16.0	S\$16.0	–
mTower	S\$790.0	Office: 4.00% Retail: 4.75%	S\$753.0	S\$37.0	S\$37.0	–
Mapletree Anson	S\$765.0	3.35%	S\$752.0	S\$13.0	S\$13.0	–
BOAHF	S\$350.0	3.75%	S\$340.0	S\$10.0	S\$10.0	–
<b>Singapore Properties</b>	<b>S\$9,118.0</b>		<b>S\$8,879.0</b>	<b>S\$239.0</b>	<b>S\$239.0</b>	<b>–</b>
Festival Walk	HKD25,080.0 / S\$4,270.6 <sup>4</sup>	4.20% (Gross)	HKD25,060.0 / S\$4,299.0 <sup>5</sup>	HKD20.0 / (S\$28.4)	HKD20.0 / S\$3.4	(S\$31.8)
Gateway Plaza	RMB6,157.0 / S\$1,140.5 <sup>4</sup>	4.50%	RMB6,236.0 / S\$1,220.6 <sup>5</sup>	(RMB79.0) / (S\$80.1)	(RMB79.0) / (S\$14.6)	(S\$65.5)
Sandhill Plaza	RMB2,350.0 / S\$435.3 <sup>4</sup>	4.75%	RMB2,420.0 / S\$473.7 <sup>5</sup>	(RMB70.0) / (S\$38.4)	(RMB70.0) / (S\$13.0)	(S\$25.4)
Japan Properties	JPY142,470.0 / S\$1,284.4 <sup>4</sup>	3.40% - 4.30%	JPY144,300.0 / S\$1,449.1 <sup>5</sup>	(JPY1,830.0) / (S\$164.7)	(JPY1,830.0) / (S\$16.5)	(S\$148.2)
The Pinnacle Gangnam (50% interest)	KRW247,800.0 / S\$250.6 <sup>4</sup>	4.30%	KRW247,450.0 / S\$254.3 <sup>5</sup>	KRW350.0 / (S\$3.6)	KRW350.0 / S\$0.4	(S\$4.0)
<b>Overseas Properties</b>	<b>S\$7,381.5</b>		<b>S\$7,696.7</b>	<b>(S\$315.2)</b>	<b>(S\$40.3)</b>	<b>(S\$274.9)</b>
<b>Total Portfolio</b>	<b>S\$16,499.5</b>		<b>S\$16,575.7</b>	<b>(S\$76.2)</b>	<b>S\$198.7</b>	<b>(S\$274.9)</b>

<sup>1</sup> The valuation of VivoCity was conducted by Savills Valuation and Professional Services (S) Pte Ltd, the valuations of MBC I, MBC II, mTower, Mapletree Anson and BOAHF were conducted by CBRE Pte. Ltd., the valuation of Festival Walk was conducted by CBRE Limited, the valuations of Gateway Plaza and Sandhill Plaza were conducted by CBRE (Shanghai) Management Limited, the valuations of Japan properties were conducted by Savills Japan Valuation G.K. and the valuation of TPG was conducted by Savills Korea Co., Ltd.

<sup>2</sup> The valuation of VivoCity was conducted by CBRE Pte. Ltd., the valuations of MBC I, MBC II, mTower, Mapletree Anson and BOAHF were conducted by Jones Lang LaSalle Property Consultants Pte Ltd, the valuations of Festival Walk, Gateway Plaza and Sandhill Plaza were conducted by Knight Frank Petty Limited, the valuations of Japan properties were conducted by Colliers International Japan KK and the valuation of TPG was conducted by Colliers International (Hong Kong) Limited.

<sup>3</sup> The capitalisation rates are reported on a net basis unless otherwise stated.

<sup>4</sup> Based on 31 March 2024 exchange rates S\$1 = HKD5.8727, S\$1 = RMB5.3984, S\$1 = JPY110.9238 and S\$1 = KRW988.7285.

<sup>5</sup> Based on 31 March 2023 exchange rates S\$1 = HKD5.8292, S\$1 = RMB5.1088, S\$1 = JPY99.5808 and S\$1 = KRW973.2360.

overseas assets. Excluding the effect of foreign exchange movement, the portfolio recorded a positive valuation impact of S\$198.7 million.

The stronger SGD led to the decrease in the value of the overseas properties when the valuations in their respective local currencies were converted into SGD, which resulted in a total negative valuation variance of S\$76.2 million. The effect of foreign exchange movement on the value of the overseas properties in SGD is included in the net currency translation differences in other comprehensive income in accordance with the relevant accounting standards.

### Capital Management

We continue to proactively manage MPACT's capital structure by adopting a disciplined approach in addressing funding requirements and managing

refinancing, interest rate risks and foreign exchange rate risks.

As at 31 March 2024, MPACT's total gross debt outstanding and gross perpetual securities outstanding were S\$6.8 billion and S\$250.0 million, respectively. The total gross debt outstanding comprised S\$5.7 billion in bank borrowings and S\$1.1 billion of bonds and notes. Green borrowings accounted for more than one-third of the total gross debt outstanding as at 31 March 2024.

In FY23/24, MPACT secured approximately S\$1.4 billion of new bank facilities and S\$200.0 million of green notes for refinancing, as well as for financial flexibility. Throughout the financial year, MPACT remained well-capitalised with sufficient financial flexibility.

As at 31 March 2024, approximately S\$1.5 billion of cash and undrawn facilities were available to meet working capital and financial obligations. The aggregate leverage ratio decreased marginally from 40.9% as at 31 March 2023 to 40.5% as at 31 March 2024, due to lower gross borrowings as a result of the depreciating JPY, RMB and HKD against SGD. Taking reference from the 50% aggregate leverage limit set by MAS,<sup>1</sup> the debt headroom was approximately S\$3.2 billion. The total gross debt outstanding including perpetual securities to net asset value ratio was 76.5% as at 31 March 2024.

As at 31 March 2024, MPACT was assigned a Baa1 credit rating with negative outlook by Moody's.

### Key Financial Metrics and Indicators

	As at 31 March 2024	As at 31 March 2023
Total Gross Debt Outstanding <sup>2</sup> (S\$ million)	6,803.0	6,940.8
Aggregated Leverage Ratio <sup>3</sup>	40.5%	40.9%
Adjusted ICR	2.9 times	3.5 times
% of Fixed Rate Debt	77.1%	75.5%
Weighted Average All-In Cost of Debt (per annum) <sup>4</sup>	3.35%	2.68%
Average Term to Maturity of Debt	3.0 years	3.0 years
Unencumbered Assets as % of Total Assets	90.7%	89.8%
MPACT Issuer Rating (by Moody's)	Baa1 (negative)	Baa1 (stable)

<sup>1</sup> With effect from 1 January 2022, MAS allowed a REIT's aggregate leverage limit to exceed 45% (up to a maximum of 50%) if its adjusted ICR is at least 2.5 times.

<sup>2</sup> Includes share attributable to non-controlling interest and MPACT's proportionate share of joint venture's gross debt.

<sup>3</sup> Based on total gross debt divided by total deposited property (excludes share attributable to non-controlling interests and includes MPACT's proportionate share of joint venture's gross debt and deposited property value).

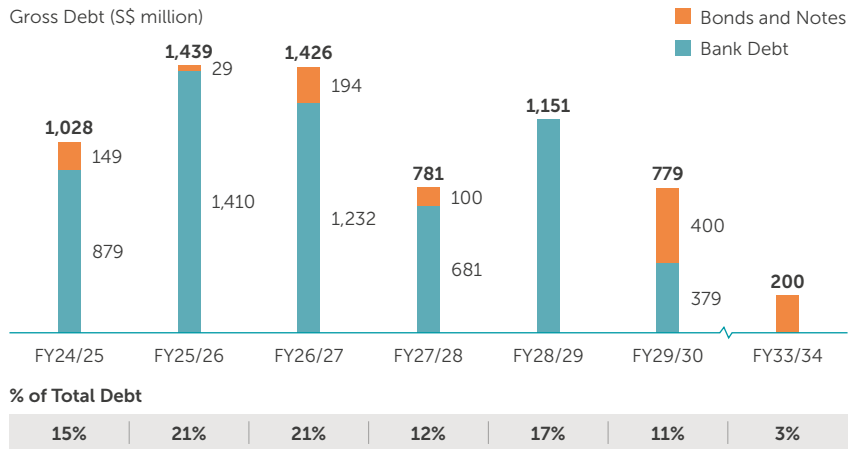
<sup>4</sup> Include amortised transaction costs.

# FINANCIAL & CAPITAL MANAGEMENT REVIEW

## Healthy Capital Structure & Liquidity



## Well-Distributed Debt Maturity Profile (As at 31 March 2024)



## Diversified Sources of Funding

In March 2024, MPACT tapped on its Euro Medium Term Securities Programme and issued its second series S\$200 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.

## 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 2024, 77.1% of the gross

debt was in fixed rate debt, or fixed through interest rate swaps and cross-currency interest rate swaps.

Based on unhedged debt as at 31 March 2024, 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 0.13 Singapore cents lower/higher.

## ~77% of Total Debt Hedged or Fixed



<sup>1</sup> Includes share attributable to non-controlling interest and MPACT's proportionate share of joint venture's gross debt.

**Foreign Exchange Risk Management**

We manage MPACT’s foreign exchange risk through natural and derivative hedging.

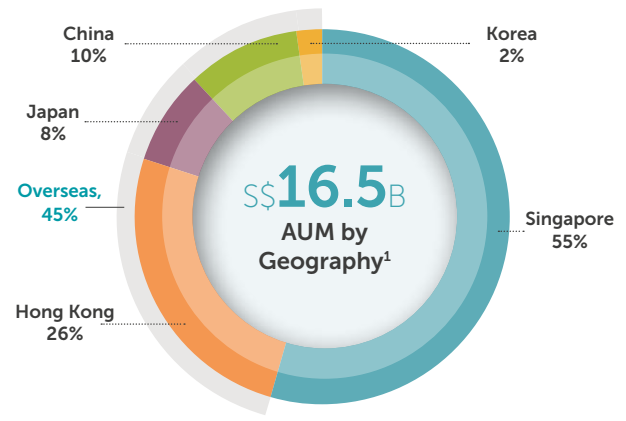
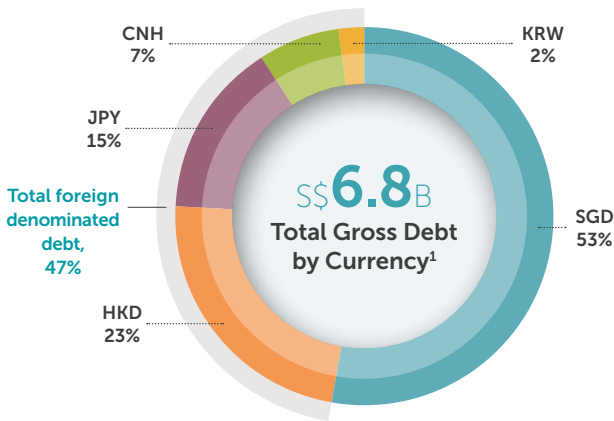
Where practicable, the Manager maintains a natural hedge by matching MPACT’s debt mix with the geographical composition

of the AUM. During the financial year, a portion of HKD loans was swapped into CNH, reducing the HKD component from 30% to 23% and increasing the CNH component from 0.3% to 7% of the total debt. This adjustment resulted in a closer alignment of MPACT’s debt mix with the AUM composition, delivering risk management and interest rate benefits.

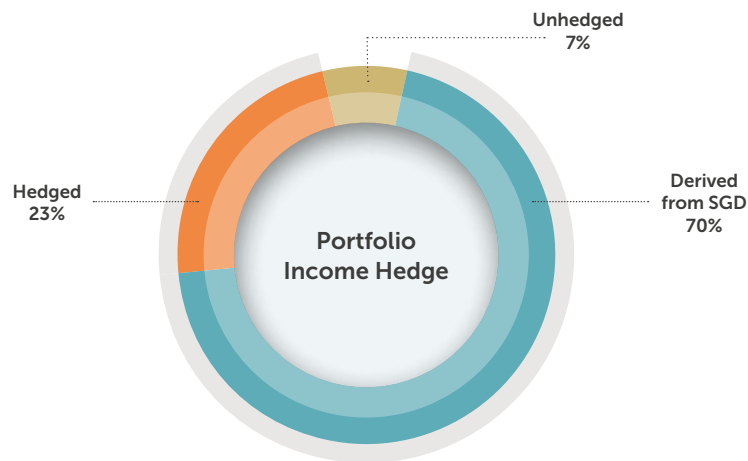
As at 31 March 2024, about 47% of the total gross debt was denominated in foreign currencies, with 23% in HKD, 15% in JPY, 7% in CNH, and the balance of 2% in KRW.

At the end of FY23/24, about 93% of the expected distributable income (based on rolling four quarters) was derived from or hedged into SGD.

**Maintains Natural Hedge by Matching Debt Mix with AUM Composition**



**~93% of Expected Distributable Income<sup>2</sup> Derived from or Hedged into SGD**



<sup>1</sup> Include MPACT’s 50% effective interest in The Pinnacle Gangnam’s investment property and gross debt.

<sup>2</sup> Based on rolling four quarters of distributable income.