Capital Management

MLT adopts a disciplined and prudent approach in its capital management strategy to stay resilient amid a challenging economic environment. To deliver stable returns for its unitholders, the Manager prioritises maintaining a robust balance sheet and an efficient capital structure as well as employing effective hedging strategies which enabled MLT to mitigate the negative impact of interest rate and exchange rate volatilities to its distributable income. MLT's total debt outstanding increased by S$272.3 million year-on-year to about S$5,581.9 million largely due to additional loans drawn to fund its acquisitions, asset enhancement initiatives and capital expenditure. This was partially offset by proceeds from asset divestments and the Distribution Reinvestment Plan.

Key Financial Metrics and Indicators

	As at 31 March 2025	As at 31 March 2024
Total Borrowings, excluding lease liabilities (S$ million)[1]	5,581.9	5,309.6
Total Deferred Consideration (S$ million)	9.4	2.8
Total Assets (S$ million)	13,892.9	13,812.3
Aggregate Leverage[2]	40.7%	38.9%
Unencumbered Assets as % of Total Assets	93.5%	94.3%
	FY24/25	**FY23/24**
Average Cost of Debt	2.7%	2.5%
EBITDA (S$ million)	520.7	526.5
Interest Expenses (S$ million)	156.5	143.6
Interest Cover Ratio (ICR) (times)[3]	2.9	3.1

1 Total borrowings including lease liabilities is S$5,631.8 million and S$5,350.0 million as at 31 March 2025 and 31 March 2024, respectively.

2 As per Property Funds Appendix, the aggregate leverage includes proportionate share of borrowings and deposited property values of joint ventures as well as lease liabilities that are entered into in the ordinary course of MLT's business on or after 1 April 2019 in accordance with the Monetary Authority of Singapore guidance.

3 The ICR is based on trailing 12 months financial results (including perpetual securities distribution), in accordance with the guideline provided by the Monetary Authority of Singapore with effect from 28 November 2024.

	As at 31 March 2025
Sensitivity analysis on ICR:	
i. a 10% decrease in the EBITDA	2.6 times
ii. a 100 basis points increase in the weighted average interest rate	2.2 times

Robust Balance Sheet with Diversified Sources of Funding

MLT remains committed to maintaining ample liquidity and financial flexibility to meet its refinancing and working capital needs while supporting portfolio growth and asset enhancement initiatives. During the year, the Manager undertook several initiatives to strengthen its balance sheet and diversify funding sources.

Issuance of New Green Bond

In February 2025, MLT issued a S$50 million green bond under its S$3.0 billion Euro Medium Term Securities Programme. Priced at 3.298%, the green bond was raised via a private placement to refinance eligible green properties in accordance with its Green Finance Framework and serves to diversify MLT's investor base and further integrate sustainability into its financing strategy.

As of 31 March 2025, MLT has a total of S$841.3 million MTN in issuance. By tapping into the debt capital markets to secure long-term fixed rate financing, MLT is able to lock in stable interest costs while preserving additional credit facilities for strategic and operational needs.

Issuance of New Perpetual Securities

In August 2024, MLT issued a new S$180.0 million fixed-rate subordinated perpetual securities at a distribution rate of 4.3% per annum under its S$3.0 billion Euro Medium Term Notes Programme. The proceeds from the issuance were used for general corporate and working capital purposes, including the redemption of MLT's existing S$180.0 million of 5.2074% per annum fixed-rate subordinated perpetual securities, translating to a reduction in MLT's effective coupon rate on its perpetual securities.

Credit Facilities with Competitive Terms

MLT enjoys strong support from a global network of over 20 banking partners. In the last financial year, it entered into S$988.5 million of new credit facilities with tenures ranging from five to eight years. As of 31 March 2025, in aggregate, MLT has in place S$6,070.2 million of credit facilities at favourable terms and competitive pricing.

Since securing its first sustainability-linked financing in 2019, MLT's green and sustainability-linked loan portfolio has grown to S$1,328.7 million, now accounting for 24% of its total borrowings – demonstrating its continued commitment to sustainable financing practices.

Financial Resources and Liquidity	As at 31 March 2025 S$'million
Undrawn committed credit facilities	853.0
Undrawn uncommitted credit facilities	476.7
Total available credit facilities	1,329.7
Cash and cash equivalents[1]	299.0
Total	**1,628.7**
Issue Capacity under Euro Medium Term Notes Programme	**2,006.0**

1 Exclude restricted cash of S$8.6 million

Financial Flexibility with Ample Liquidity

MLT maintains a strong liquidity position, with S$853.0 million in available committed credit facilities as at 31 March 2025. Including available uncommitted credit facilities and cash on hand, MLT is well-positioned with S$1,628.7 million in total of financial resources. This positions the company well to seize potential acquisition opportunities and navigate any liquidity crunch that may arise in the credit markets.

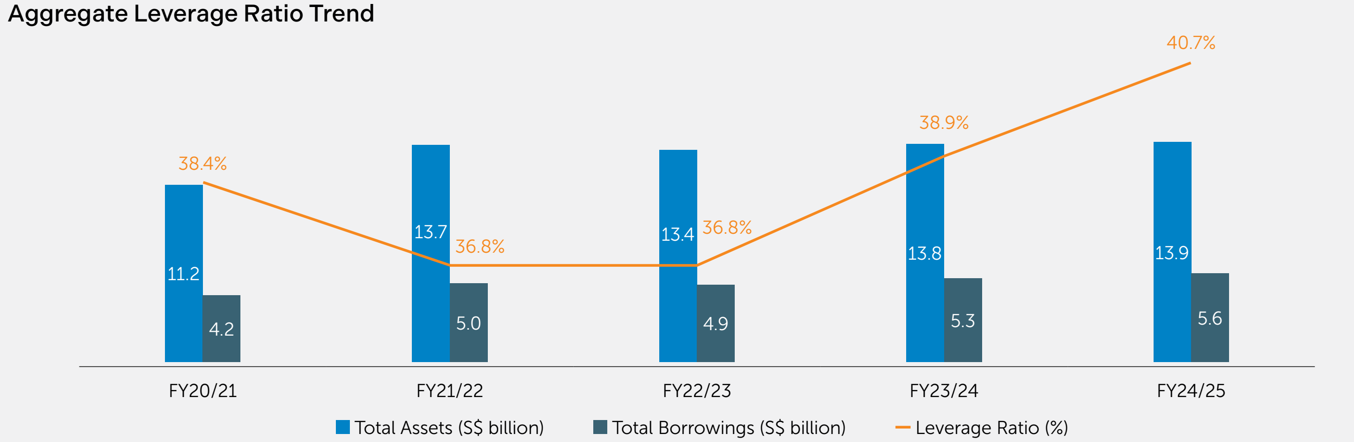
MLT has a current issuance capacity of S$2.0 billion under its S$3.0 billion Euro Medium Term Notes Programme. This programme enables the company to raise funds through MTNs and perpetual securities in various currencies, offering additional funding flexibility.

Aggregate Leverage Ratio and ICR Well Below Regulatory Limit

MLT's aggregate leverage ratio increased approximately 1.8% year-on-year to 40.7% as at 31 March 2025 mainly due to additional borrowings drawn to finance acquisitions and redevelopment expenditure. With an aggregate leverage of 40.7%, this translates to an estimated debt headroom of approximately S$2,574.0 million before MLT reaches the regulatory limit of 50.0%, providing the company with substantial capacity to optimise its capital structure and pursue potential growth through acquisitions. As both aggregate leverage and interest coverage ratio of 2.9 times remain well within the regulatory limits set by MAS and financial covenants, the Manager is of the view that the higher aggregate leverage will not have a material impact on the risk profile of MLT.

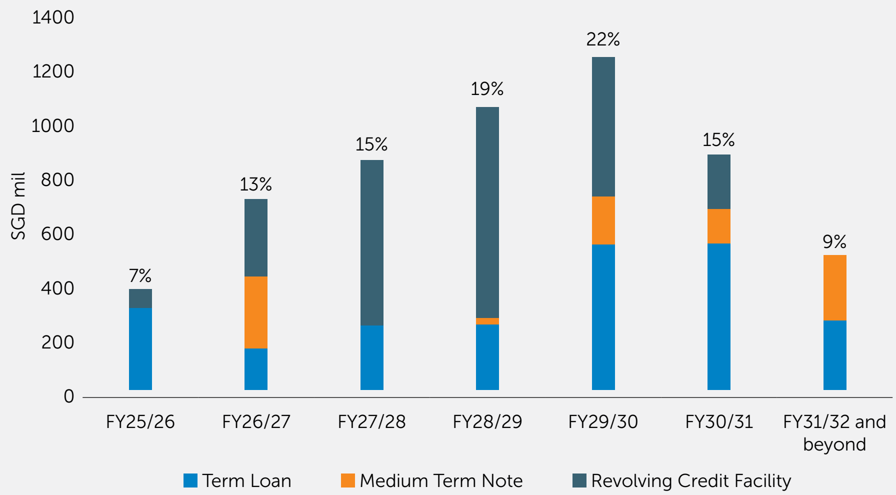
As part of its risk management process, the Manager will review and assess these ratios on a regular basis and remain prudent and disciplined in managing the overall leverage profile of MLT.

Aggregate Leverage Ratio Trend

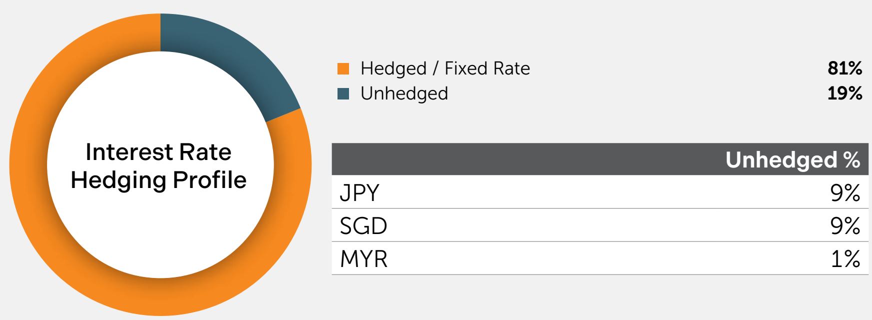


Capital Management

Debt Maturity Profile as at 31 March 2025 (% of Total Debt)



Interest Rate Hedging Profile
As at 31 March 2025



	Unhedged %
JPY	9%
SGD	9%
MYR	1%

Total debt (including perpetual securities) to net asset value ratio and total debt (including perpetual securities) less cash and cash equivalents to net asset value ratio as at 31 March 2025 was 85.2% and 85.1% respectively.

Well-Staggered Debt Maturity Profile with No Refinancing Risk

The Manager proactively manages its debt maturities by refinancing loans well in advance, engaging both existing and new banking partners to extend MLT Group's debt maturity profile and mitigate refinancing risks. Debt due in the next 12 months amounts to only S$373.8 million or 7% of total debt. With S$853.0 million of available committed credit facilities, MLT has more than sufficient capacity to meet its upcoming refinancing requirements.

Underpinned by its proactive debt management, MLT presents a well staggered debt maturity profile with no more than 22% of its total debt due in any single year. As at 31 March 2025, it achieved a healthy weighted average debt duration of 3.8 years. Additionally, around 92% of total debt is unsecured, with minimal financial covenants, offering further financial flexibility and resilience.

Investment Grade Credit Rating

In March 2025, Fitch affirmed a 'BBB+' long-term issuer default rating with a stable outlook to MLT and its Euro Medium Term Securities Programme of S$3.0 billion. The rating was underpinned by MLT's stable rental income generated from its diversified tenant base and its high quality and diversified portfolio of logistics assets spread across nine markets within Asia Pacific.

Prudent Hedging Strategies Amid a Challenging Environment

MLT's geographically diversified portfolio across nine regional markets exposes its operations to a variety of market risks, including interest rate and foreign exchange rate risks. To manage these exposures, it uses derivative financial instruments, including interest rate swaps, cross currency swaps and currency forwards.

Managing Interest Rate Risk

Despite elevated interest rates, MLT maintained a stable average cost of debt at 2.7% per annum throughout the whole of FY24/25, reflecting its resilience and sound financial strategy. MLT actively manages its interest costs by maintaining a prudent mix of fixed and floating rate debt. Interest rate exposures are mitigated through a combination of interest rate swaps, cross currency swaps, the issuance of fixed-rate MTNs, and the drawdown of fixed-rate loans. During the year, the Manager refinanced a portion of its USD, AUD and HKD borrowings which bear higher interest costs into CNH to increase MLT's natural hedge on its China-based assets and to benefit from interest cost savings. This allowed MLT to keep its weighted average interest rate stable, thus enabling it to record one of the lowest cost of debt among the S-REITS. With 81% of MLT's total debt effectively hedged into fixed rates, the impact of base rates fluctuations on interest expense and distribution income remains minimal.

Meanwhile, the unhedged floating rate portion of the debt offers flexibility, enabling MLT to repay borrowings through asset divestments or available cash, and to strategically rebalance its debt portfolio when required.

Interest Rate Sensitivity Analysis

A 0.25% movement in the base rate would have an estimated 0.04 SGD cent impact on DPU per annum.

Estimated DPU impact per annum (SGD cent)	
0.25% increase in interest rate	-0.04
0.25% decrease in interest rate	+0.04

Managing Foreign Exchange Rate Risk

To mitigate the impact of foreign exchange rate volatilities, the Manager adopts a range of hedging strategies including:

- The use of foreign currency-denominated borrowings to match the currency of the underlying assets as a natural hedge, where feasible, after taking into account cost, tax, and other considerations;
- The use of cross currency swaps where a portion of debt is converted from another currency into the currency of the underlying assets as a natural hedge; and
- The use of currency forward contracts to hedge the foreign currency income received or expected to be received into SGD.

During FY24/25, most of the foreign currencies which MLT has exposures to depreciated against the Singapore Dollar. MLT's proactive hedging strategy through the use of currency forward contracts has helped mitigate the negative impacts of foreign exchange volatility on its distributable income.

Looking ahead, 75% of MLT's projected distributable income for FY25/26 has been hedged into or is naturally derived in Singapore Dollar, providing support in its topline performance despite ongoing weakness in regional currencies.

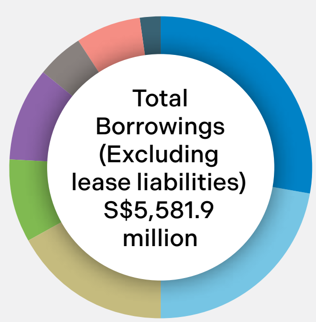
In managing the company's interest rate profile and foreign exchange exposures, the Manager continues to consider market outlook, expected operating cashflows and any plans for acquisitions or divestments.

Net Fair Value of Financial Derivatives

MLT's net derivative financial assets of S$206.3 million represented 2.85% of the net assets of MLT Group as at 31 March 2025. The fair value derivatives for FY24/25 is included in the financial statements as derivative financial instruments.

Foreign Exchange Rate Risk Management Profile
As at 31 March 2025

Debt Profile (Currency Breakdown)
As at 31 March 2025



Currency	S$ million	% of Total Debt
JPY	1,592	28%
RMB	1,216	22%
SGD	974	17%
KRW	548	10%
HKD	481	9%
MYR	387	7%
AUD	288	5%
USD	96	2%
Total	**5,582**	**100%**