Message from the Chairman and CEO

Ms Jean Kam
Executive Director and CEO

Mr Lee Chong Kwee
Non-Executive Chairman and Director

Dear Unitholders,

The past year has been a turbulent one, marked by a series of challenges that placed significant pressure on S-REITs and the warehousing and logistics industry. Persistent geopolitical conflicts, escalating trade tensions, and the prospect of delayed US rate cuts have contributed to an uncertain global growth outlook, dampening both business and consumer confidence. FY24/25 concluded with heightened volatility and uncertainty, following the return of the Trump administration, which introduced sweeping tariffs on most of America's trading partners, sparking concerns of an escalating trade war and global economic slowdown.

Amidst the strong headwinds in FY24/25, our team remained committed to our value creation strategies, delivering a resilient operational performance, albeit tempered by softer financial results. We advanced our portfolio rejuvenation strategy with S$227 million of accretive acquisitions and S$209 million of strategic divestments, further enhancing our diversified portfolio that helped offset weakness in the China market. Alongside active asset management, we remained disciplined in capital management to mitigate risks from rising interest rates and currency fluctuations. We are equally focused on advancing our green agenda to build a future-ready portfolio that delivers sustainable returns through economic and market cycles.

Resilient, Diversified Portfolio Anchors Operational Performance

The strength and stability of our underlying operational performance is anchored by our portfolio of 180 high-quality and well-located assets across nine key logistics markets: Singapore, Hong Kong SAR, China, Japan, South Korea, Australia, Malaysia, Vietnam and India. Underpinned by its strong attributes, our portfolio continues to attract healthy tenant demand and achieved consistently robust operating metrics through the year.

In China, the leasing market for warehouse space continued to be soft owing to subdued domestic consumption and rising trade tensions. In addition, the supply of new warehouse space has remained elevated, weighing down on occupancy and rental rates. In this difficult environment, we have been pragmatic in our approach to leasing, accepting lower rents and shorter leases where it makes sense to maintain stable occupancy. Through proactive leasing and strong tenant retention efforts, we improved China's portfolio occupancy rate to 94.0% as at 31 March 2025, compared to 93.2% in the previous year. Average rental reversion for our China portfolio was -11.4%, compared to -7.9% in the same period last year.

While leasing conditions in China remained difficult in FY24/25, our eight other markets recorded positive operating results. Excluding China, the portfolio achieved a high occupancy rate of 97.4% and healthy positive rental reversion of +4.9%. Including China, MLT's overall portfolio occupancy remained healthy at 96.2%, with rental reversion at +2.1%.

Gross revenue for FY24/25 declined 0.9% to S$727.0 million from S$733.9 million in FY23/24, mainly due to lower contributions from China, the absence of income from divested properties, and the depreciation of several regional currencies against the Singapore Dollar. The decline was partially offset by stronger performance in Singapore, Australia and Hong Kong SAR markets, and contribution from acquisitions completed during the year. Accordingly, net property income ("NPI") fell 1.5% to S$625.3 million from S$634.9 million in the year-ago period. On a constant currency basis, revenue would have risen by 0.7% while NPI would be flat.

The amount distributable to Unitholders declined 9.1% to S$406.4 million in FY24/25, reflecting the impact of higher borrowing costs which increased 7.5% or S$11.0 million from the prior year, and lower divestment gains of S$27.0 million as compared to S$41.6 million in FY23/24. Distribution per unit for FY24/25 was 8.053 cents on an enlarged issued unit basis, compared to 9.003 cents in the year-ago period.

MLT's portfolio of 180 properties was valued at S$13.3 billion as at 31 March 2025, an increase of 0.8% or S$0.1 billion compared to S$13.2 billion in the previous year. The increase was primarily due to the acquisition of three assets during the year, capital expenditure on existing assets and a property under redevelopment in Singapore. This increase was partially offset by the divestment of 10 properties in FY24/25, a currency translation loss of S$116.0 million, and a net fair value loss of S$62.0 million. The latter was mainly attributable to valuation losses in China, South Korea and Singapore, offset by valuation gains in all other markets. As a result, net asset value per unit declined 5.1% to S$1.31, compared to S$1.38 in the previous year.

Building Resilience Through Portfolio Rejuvenation

As part of our portfolio rejuvenation strategy, we regularly assess the long-term value creation potential of each asset and take appropriate actions to maximise investment value. This disciplined approach enables us to maintain a resilient portfolio that supports sustainable income and total returns for our Unitholders.

In FY24/25, we acquired S$227 million of modern, Grade A assets in Vietnam and Malaysia, strengthening our presence in two fast growing markets set to benefit from structural trends such as supply chain diversification and rising consumption. Strategically located in key logistics hubs near major cities, these assets are well-supported by a diverse tenant base, including international third-party logistics operators and multinational end-users from the e-commerce and consumer sectors.

During the year, we also divested 10 properties with older specifications across Singapore, Malaysia, Japan, and China and announced another four divestments which are pending completion. Totalling a sale value of approximately S$209 million, these selective divestments have been executed at an average premium to valuation of 17%, underscoring the Manager's ability to unlock value. The capital released will provide the Manager with greater financial flexibility to reinvest in modern, high-specification logistics facilities with stronger growth potential. To attract and better serve tenants in a dynamic business environment, we continue to modernise our portfolio through strategic asset enhancement initiatives. In Singapore, the ongoing redevelopment project at 5A Joo Koon Circle (formerly known as 51 Benoi Road) was recently completed in May 2025. Designed with modern features including cross-docks and rooftop solar systems, the six-storey ramp-up logistics facility has a gross floor area ("GFA") of 82,400 square metres ("sqm"), representing a 2.3 times increase from before. The project has received healthy interest from a broad range of industrialists seeking quality logistics space and is to-date 46% pre-leased with another 30% of space under active negotiation.

Proactive and Disciplined Capital Management

We proactively manage MLT's debt profile and adopt a disciplined multi-year hedging strategy to mitigate the impact of rising interest rates and regional currency volatility on distributions. We also prioritise our agility by maintaining a stable gearing ratio, ensuring a healthy balance sheet, and building ample financial flexibility to achieve our goals of long-term growth and value creation.

Where feasible, we will optimise our debt mix to manage the impact of higher borrowing costs. For instance, some of the higher cost US Dollar, Australian Dollar and Hong Kong Dollar loans were replaced with cheaper Chinese Yuan loans during the year. Through such efforts, we maintained a stable average cost of debt at 2.7% in FY24/25, which is amongst the lowest for S-REITs.

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Message from the Chairman and CEO

Separately, we also issued S$180 million of 4.30% fixed rate perpetual securities. The proceeds were used for general corporate and working capital purposes, including the redemption of an existing S$180 million tranche bearing a higher rate of 5.2074%.

Besides interest rates, MLT's revenue and distributable income is also affected by the currency exchange rates of our regional markets as over 70% of revenue is derived from overseas markets. During FY24/25, most of MLT's foreign currency exposures depreciated against the Singapore Dollar. At the distribution level, the impact of weakening foreign currencies was largely mitigated through currency forward contracts to hedge the income from our regional markets.

As at 31 March 2025, 81% of our debt has been hedged into fixed rates, while approximately 75% of our income stream for the next 12 months has been hedged into or derived in Singapore Dollar.

Building on the success of our inaugural green bond – a S$75 million issuance with a 3.81% coupon and 7-year maturity in March 2024, we issued a second 7-year green bond in February 2025, raising S$50 million with a 3.298% coupon. Both issuances were made under MLT's Green Finance Framework, which expands our funding channels while reinforcing our commitment to sustainable financing. As at 31 March 2025, green and sustainable financing totalled S$1.3 billion, accounting for 24% of MLT's total borrowings.

At the close of FY24/25, our gearing level stood at 40.7%, comfortably below the regulated leverage limit of 50%. Our debt maturity profile remains well-diversified with an average debt duration of 3.8 years. With committed credit facilities totalling approximately S$853 million and an interest cover ratio of 2.9 times, we remain well-positioned to refinance approximately S$374 million or 7% of our total debt expiring in FY25/26. In March 2025, Fitch affirmed MLT with a credit rating at BBB+ with a Stable Outlook.

Commitment to Sustainability

As a major logistics real estate owner and manager, we recognise our responsibility to operate efficiently and sustainably in the interest of our stakeholders. More importantly, we view ESG as a key competitive advantage and have embedded it into our business strategy to future-proof our portfolio. In FY24/25, we made significant progress against all areas of our sustainability targets, reaffirming our commitment to achieve carbon neutrality for Scope 1 and 2 emissions by 2030 and attaining net zero emissions by 2050.

Mapletree Logistics Hub - Jubli Shah Alam

During the year, we achieved green certification for 23 properties across China, Malaysia, Singapore and Vietnam, raising the proportion of green certified space to 56% of MLT's total portfolio GFA. Notably, our portfolios in Japan, India and Vietnam are around 90% green certified. These milestones bring us closer to our target of achieving 80% green certified GFA across our portfolio by 2030.

In our operations, leveraging onsite renewable energy generation is a critical component of our decarbonisation pathway and we remain committed to achieving our target of 100 MWp self-funded solar generating capacity by 2030. To this end, 11 new solar projects were completed in FY24/25, increasing our self-funded solar generating capacity by 31% year-on-year to 47.5 MWp. Including third-party funded solar systems on our assets, MLT's total solar generating capacity has increased to 71.1 MWp, which is the largest among S-REITs reported to-date.

With this progress, China and Hong Kong SAR as a combined market has reached carbon neutrality for Scope 2 emissions, a notable achievement in MLT's sustainability journey.

Since implementing green leases for all new and renewal leases two years ago in our bid to gain tenants' support in sustainability and data collection, we have made significant progress on this front. Green lease coverage has increased from 1% in FY22/23 to 51% of total portfolio lettable area in FY24/25. Covering approximately 4.1 million sqm of our portfolio, this has substantially enhanced our ability to collect quality Scope 3 data.

Longer term, it is our view that many of the macro trends that have informed our strategy will accelerate...All these play well to MLT's portfolio of modern logistics assets, which are strategically located in key logistics hubs in the region

Diversity is a key attribute of a leading sustainable company, driving innovation, resilience, and balanced decision-making. In recognition of our efforts, the Manager was recognised in the 2025 Singapore Board Diversity Index[1] for exhibiting exemplary diversity standards.

We remain committed to delivering long-term value to our stakeholders by actively decarbonising our portfolio and operations, equitably sharing benefits across stakeholder groups, and managing our sustainability impacts with transparency and accountability. We invite you to explore MLT's sustainability approach and progress in the Sustainability Report 2024/25, published together with this Annual Report.

Looking Ahead

We are cognisant of the challenges ahead. Ongoing geopolitical conflicts, rising trade tensions, and the prospect of slower US interest rate cuts continue to create uncertainty around the global growth outlook. These factors are dampening business and consumer sentiment, which could in turn affect demand for logistics space across Asia. In the latest World Economic Outlook issued in April 2025, the International Monetary Fund lowered its global output growth estimate to 2.8%, down from 3.3% in its January outlook.

Against this backdrop, the resilience of our tenant base and the stability of their businesses provide a degree of assurance. While some tenants have adopted a more cautious stance on expansion, we have not observed any significant lease terminations or space returns following the introduction of the US tariffs. With approximately 85% of our revenue derived from tenants focused on local consumption, we believe that our direct exposure to US-bound trade flows is limited. Nonetheless, it is early days and the potential second-order effects arising from broader demand softness remain difficult to assess.

Longer term, it is our view that many of the macro trends that have informed our strategy will accelerate. For instance, realignment of supply chains and resilience-building are expected to intensify amidst an evolving geopolitical landscape. This shift may further support intra-Asia trade and reinforce demand for warehouse space. We also expect demand to polarise towards properties which are well-located, efficient and sustainable. All these play well to MLT's portfolio of modern logistics assets, which are strategically located in key logistics hubs in the region.

We will closely monitor evolving trade policies under the Trump administration, particularly the potential impact of US tariffs on global trade flows, supply chain dynamics, and the broader logistics sector. At the same time, we will keep a close watch on the Chinese government's response to the US tariffs and its ongoing stimulus measures aimed at revitalising economic activity.

The continued strength of the Singapore Dollar against regional currencies is expected to persist in the near term and may continue to impact our financial results. Additionally, rising borrowing costs will put pressure on MLT's distributions, as maturing loans and hedges are refinanced at rates higher than existing levels. Against this backdrop, we will remain focused on executing our disciplined multi-year hedging strategy, which has helped contain MLT's effective cost of debt and mitigate the impact of regional currency depreciation.

We will continue to adopt a prudent and disciplined approach to capital management in this period of heightened macroeconomic uncertainty. This includes retaining divestment gains to strengthen financial flexibility, enabling us to seize accretive investment or asset enhancement opportunities that may arise.

We will also stay the course on our portfolio rejuvenation strategy. This entails the selective divestment of properties with older specifications and reinvesting the proceeds into modern, higher-specification properties that enhance portfolio resilience and support sustainable long-term growth.

A Word of Appreciation

On behalf of the Board, we extend our sincere appreciation to our management and employees for their dedication and steadfast commitment during this challenging period. Our performance is a testament to the efforts of our talented and experienced team, whose tireless work has been instrumental in reinforcing MLT's position as the landlord of choice. We also extend our heartfelt thanks to our valued Unitholders, Sponsor, tenants, and partners for their continued trust and steadfast support.

We look forward to your continued support as we strive to create value and build a high-quality portfolio that delivers resilient performance and ensures a sustainable future for MLT and our stakeholders.

Lee Chong Kwee
Non-Executive Chairman and Director

Jean Kam
Executive Director and CEO

1 Developed by WTW (Willis Towers Watson plc), in partnership with the Singapore Institute of Directors and James Cook University.