CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

FINANCIAL MARKET REVIEW

In 2022, the world transitioned towards recovery from the Covid-19 pandemic. Driven by the United States (US) Federal Reserve, other major central banks across the world undertook coordinated hawkish monetary policy to combat rising inflation. However, the tightening of fiscal conditions amid rising interest rates, recession fears and the Russia-Ukraine conflict will continue to weigh on global economic activity and impact growth in the coming year.

In mid-March 2023, financial turmoil from the collapse of two regional banks in the US and Swiss bank Credit Suisse Group further triggered new challenges for the global economic situation.

Global growth slowed in 2022 to 3.4% from 6% in 2021, while Singapore's economy expanded by 3.6%, moderating from 8.9% in 2021. The US economy grew 2.1% in 2022, down from 5.7% in 2021 and is projected to decelerate further on the back of tightening fiscal conditions. On the other hand, growth in China is projected to pick up in tandem with the country's easing of "zero-Covid" policy measures.

FINANCIAL RESOURCES AND LIQUIDITY

Against the backdrop of heightened market uncertainty and geopolitical tensions, prudent capital management and liquidity planning are imperative.

In FY22/23, Mapletree continued to proactively build a strong base of funding resources. This enabled Mapletree to not only meet its commitments but also to capitalise on investment opportunities. The Group continues to regularly monitor and manage 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	1,725
Unutilised Facilities from Financial Institutions	12,501
Total	**14,226**
Issue Capacity under Euro/Medium Term Note Programmes	**13,064**

As at 31 March 2023, total cash reserves and undrawn banking facilities amounted to S$14,226 million.

To maintain its financial flexibility and further diversify its funding sources, the Group tapped into the debt capital market during the financial year. This includes:

- Mapletree Logistics Trust (MLT), via its subsidiary, issued S$50 million 3.51% fixed rate notes in April 2022. The proceeds were applied towards general corporate purposes, including refinancing MLT's existing borrowings;

- Mapletree Pan Asia Commercial Trust (MPACT), the merged entity of Mapletree Commercial Trust and Mapletree North Asia Commercial Trust, established a S$5 billion Euro Medium Term Securities Programme in September 2022. Thereafter, in March 2023, MPACT, via its subsidiary, issued S$150 million 4.25% fixed rate senior green notes. The proceeds from the notes issued 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 incorporating environmental, social and governance (ESG) practices as a long-term initiative throughout its business operations;

- In December 2022, Mapletree China Logistics Investment Private Fund (MCLIP), a Mapletree-sponsored open-ended private fund focused on China logistics, established a US$5 billion dual currency loan programme. In the same month, it launched its initial dual currency US$950 million series, comprising both term and revolving credit facilities. MCLIP was seeded with 43 Grade A logistics properties comprising 19 completed properties and 24 development projects. MCLIP will undertake a capital recycling strategy to optimise the fund's portfolio on a regular basis in order to potentially realise development profits and/or capital appreciation.

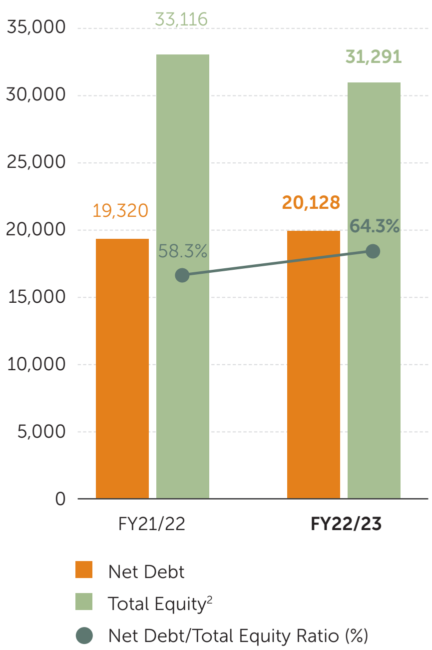
DEBT AND GEARING

As at 31 March 2023, the Group's Net Debt was S$20,128 million, compared to S$19,320 million in the previous year. Net Debt/Total Equity Ratio was 64.3%, compared to 58.3% a year ago. Total Debt/Total Assets Ratio was 38.4%, compared to 36.7% during the same period.

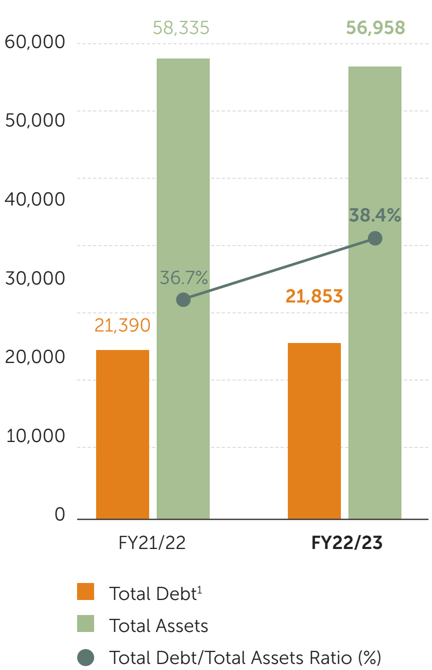
	As at 31 March 2022 S$ million	**As at 31 March 2023 S$ million**
Total Debt[1]	21,390	**21,853**
Cash	2,070	**1,725**
Net Debt	19,320	**20,128**

CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

NET DEBT/TOTAL EQUITY (S$ million)



TOTAL DEBT/TOTAL ASSETS (S$ million)

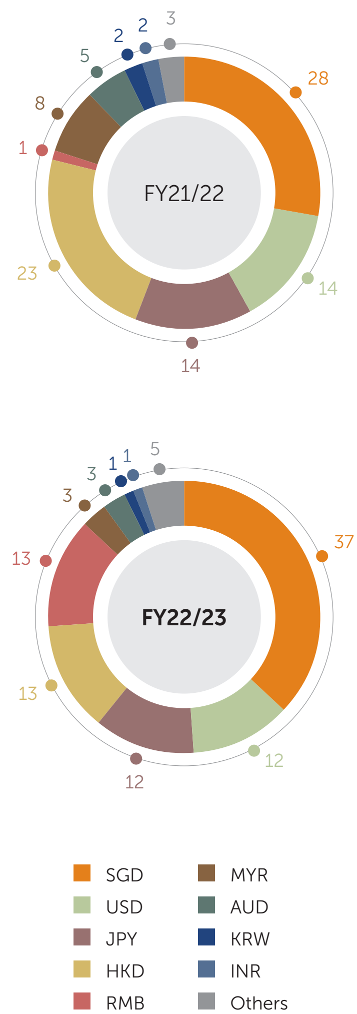


As at 31 March 2023, about 99.8% of the Group's debt was derived from committed banking facilities and medium- to long-term bond issuance. The remaining 0.2% was funded by short-term banking facilities to facilitate repayment flexibility arising from cash flows from operations or other activities.

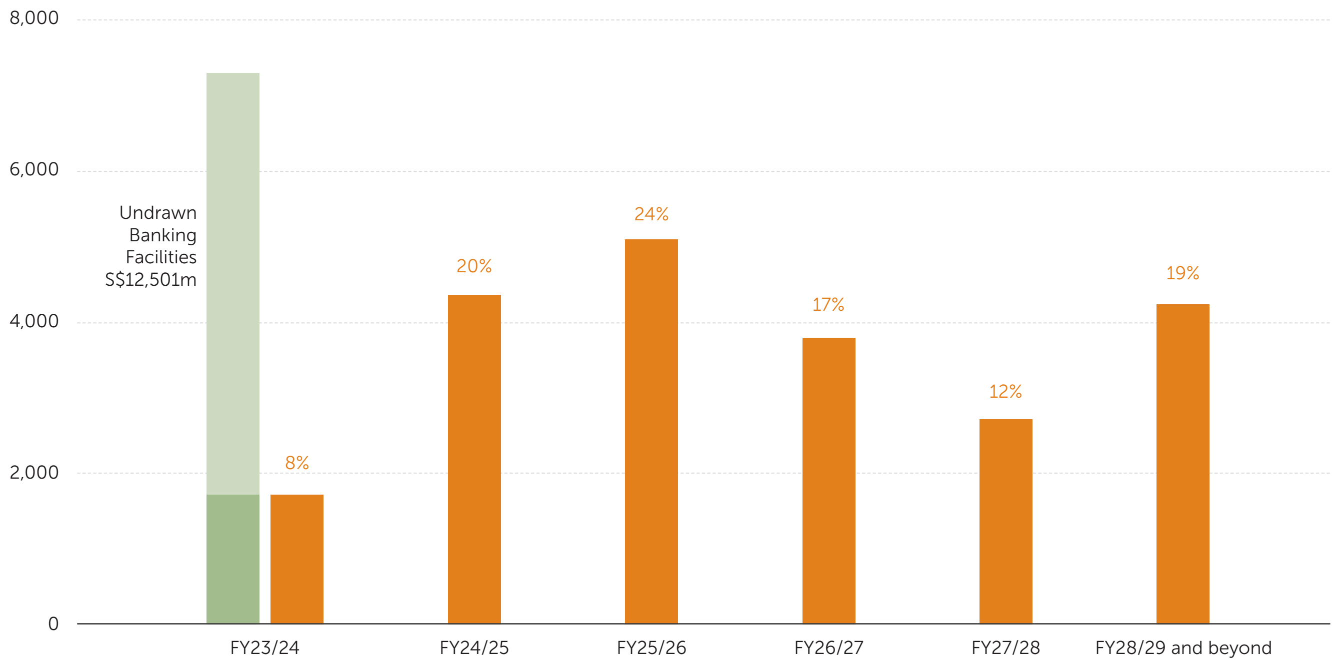
The Group makes a conscious effort to diversify its funding sources and spread its debt maturity profile to reduce refinancing risk and to align with its cash flow plans. The average maturity of its existing gross debt portfolio was 3.5 years as at 31 March 2023, compared to 3.2 years a year ago. The Group has sufficient resources to support its refinancing needs for the next financial year.

Mapletree continues to maintain and build active relationships with an extensive global network of banks and life insurance companies. The diversification of financial institutions has enabled the Group to tap into their different strengths and competencies to support Mapletree's business strategy and growth across the globe.

DEBT PROFILE (CURRENCY BREAKDOWN) (%)

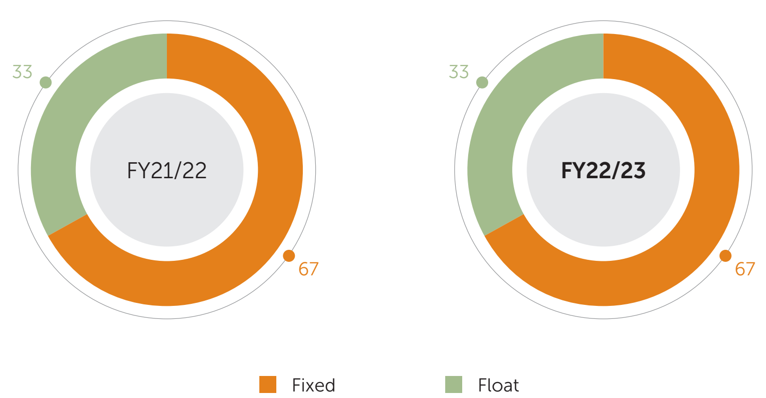


MATURITY PROFILE AS AT 31 MARCH 2023 (S$ million)



The Group manages its interest cost by maintaining a prudent mix of fixed and floating rate borrowings as part of its liability management strategy. In addition, the Group uses derivative financial instruments to hedge its interest rate risks. Fixed rate borrowings comprised 67% of the Group's total gross debt with the balance from floating rate borrowings. Factors used to determine the interest rate fixed-float profile included the interest rate outlook, the investments' planned holding period, and the expected cash flows from business operations.

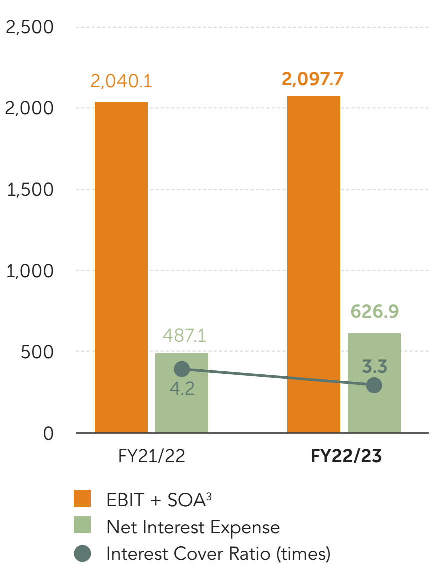
FIXED VS FLOAT (%)



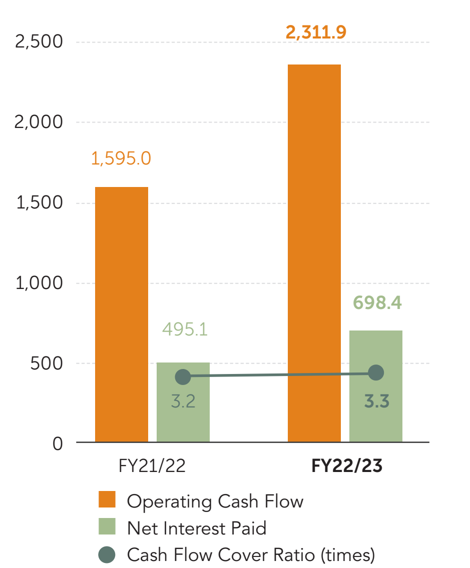
CORPORATE LIQUIDITY AND FINANCIAL RESOURCES

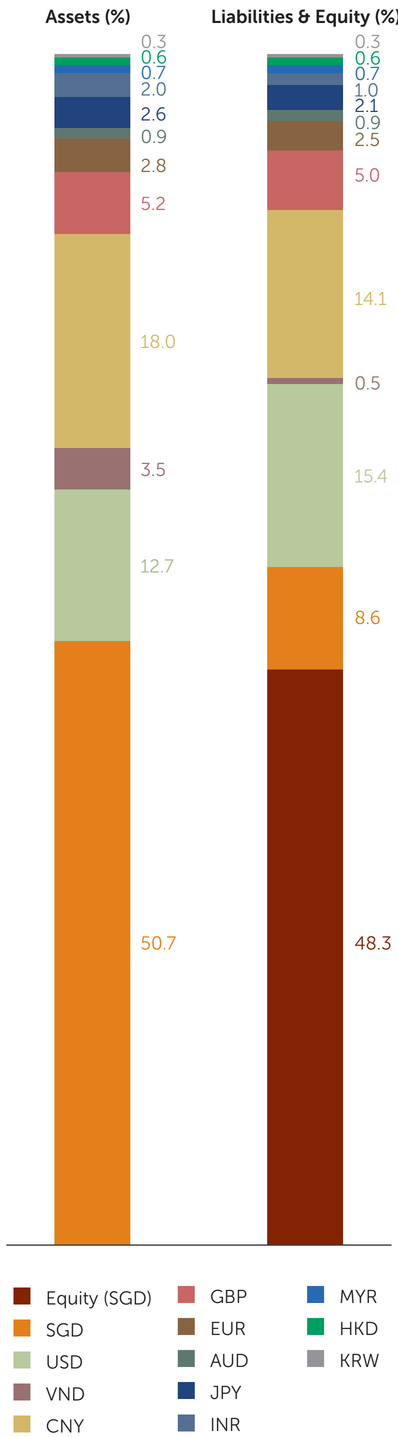
In FY22/23, the Group's interest cover ratio was at 3.3 times (FY21/22: 4.2 times) and cash flow cover ratio (including finance costs capitalised) was at 3.3 times (FY21/22: 3.2 times).

INTEREST COVER RATIO (S$ million)



CASH FLOW COVER RATIO (S$ million)





ASSET-LIABILITY MANAGEMENT

Where feasible, the Group adopts a natural hedge policy to mitigate risks from foreign exchange exposure. The Group has drawn foreign currency loans to fund investments denominated in the same currencies and 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 as at 31 March 2023 is illustrated in the charts titled Debt Profile (Currency Breakdown) on page 46.

The Group also closely monitors and manages its foreign exchange exposure by closely matching its assets and liabilities by currency. The chart on the left is an analysis of the asset-liability breakdown by currency, excluding the consolidation of the real estate investment trusts (REITs) as at 31 March 2023.

The Singapore-listed REITs have their own Boards and Board Committees. The respective management companies of the REITs, guided by their Boards and Board Committees, manage their capital and treasury positions, including asset-liability management, taking into account, among other things, their strategies and returns to the unitholders.

1 Loans from non-controlling interests of subsidiaries have been excluded from the analysis.
2 Comprising shareholder's funds, perpetual securities and non-controlling interests.
3 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.