



NEWS RELEASE

For immediate release

CapitaLand Ascendas REIT develops its first green-certified logistics distribution property in the United States for S\$94.8 million
Development will expand CLAR's footprint in the high-growth logistics sector on the East Coast with a new asset

Singapore, 15 November 2024 – CapitaLand Ascendas REIT Management Limited, as the manager (the “**Manager**”) of CapitaLand Ascendas REIT (“**CLAR**”), is pleased to announce the acquisition (the “**Acquisition**”) of a parcel of land at 178 & 179 Quality Drive in the city of Summerville, a submarket of Charleston, South Carolina, in the United States (“**US**”). The land will be developed into a new logistics property to be known as Summerville Logistics Center (the “**Property**”) at an estimated total investment cost of approximately S\$94.8 million¹ (US\$70.5 million) (the “**Total Investment Cost**”).

Mr William Tay, Executive Director and Chief Executive Officer of the Manager said, “This development of a prime best-in-class green-certified logistics distribution property aligns with our strategy to expand our logistics portfolio to capture the growth potential in this sector. CLAR’s logistics assets under management in the US will increase by 27.9% to S\$434.1 million. Marking our first development in the US, this opportunity will also enhance the quality of our portfolio with a new asset which generates long-term value for Unitholders. We will continue to identify opportunities to scale up in the US, riding on on/reshoring trends, as well as targeting key growth cities and established industrial markets to serve the growing demand for quality logistics assets.”

Rationale and Merits of the Acquisition

1. Strategically located near Charleston, the largest city in the state of South Carolina

Summerville Logistics Center is strategically located on the US East Coast near Charleston, South Carolina. The Property sits in the established industrial submarket of Dorchester County, which hosts manufacturing and assembly facilities for many large American and multinational corporations. Renowned manufacturing and logistics companies in Charleston include The Boeing Company, Volvo Car USA, Mercedes-Benz Vans, UPS and FedEx².

It is situated along US Highway 78, offering strong interstate connectivity and access to other transportation networks along the US East Coast. This includes easy access to

¹ An illustrative exchange rate of US\$1.0000 : S\$1.3438 is used for all conversions from US Dollar amounts into Singapore Dollar amounts in this news release.

² Source: Charleston Regional Development Alliance.

Interstate 26, a major highway linking the Port of Charleston in South Carolina to the states of North Carolina and Tennessee, and Interstate 95, the major highway on the US East Coast linking Maine in the north to Florida in the south. The Port of Charleston, Downtown Charleston and the Charleston International Airport are all less than 50 kilometres away from the Property.

2. New best-in-class logistics distribution property

Comprising two single-storey buildings, the Property will feature best-in-class building specifications and green certification, allowing it to capture demand from a wide range of users. Key building features include high ceilings with a clear height of 9.8 metres (32 feet), a rear loading configuration and varying unit sizes for efficiency and leasing flexibility. The Property will increase the proportion of CLAR's modern logistics assets in the US to 21.8% of CLAR's US logistics assets under management ("AUM")³.

The Property is targeting a LEED (Leadership in Energy and Environmental Design) Silver certification. This will increase the number of CLAR's green-certified properties in the US to 10 out of 49 properties or 26% of the gross floor area of the US portfolio⁴.

3. Property serves the wider hinterland

Charleston's coastal location provides easy access to the Southeastern state of South Carolina.

South Carolina's economy is supported by various businesses with key industries including manufacturing, wholesale & retail trade, finance & insurance, real estate and the government⁵. The advanced & light manufacturing industries, particularly automotive & electric vehicles, aerospace, defence and alternative energy & fuels, are expected to benefit from the ongoing supply chain diversification and on/reshoring trends in the US⁶.

South Carolina Ports is the eighth largest container port in the US and has the deepest harbour along the East Coast to accommodate mega container ships. Recent investments have expanded port capacity and for the three months ended September 2024, the port saw cargo volumes increasing 5% year-on-year⁷. Planned future investments to add capacity, increase efficiency and enhance rail infrastructure will drive the growth of South Carolina's logistics sector.

Increasing domestic consumption alongside healthy economic, population and job growth also help to underpin logistics demand in South Carolina. Its GDP grew at an annual rate of 4.5% in 2Q 2024, higher than the US national rate of 3.0%⁵. In 2023, its population

³ On a *pro forma* basis as at 30 June 2024.

⁴ On a *pro forma* basis as at 30 September 2024.

⁵ Source: US Bureau of Economic Analysis.

⁶ CBRE Figures Charleston Industrial Sector Q2 2024.

⁷ Source: South Carolina Ports Authority.

growth was the fastest in the US at 1.7% compared to a total population growth of 0.5%⁸. The job openings rate was 6.0% in August 2024, above the US national rate of 4.8%⁹.

4. Well aligned with CLAR's strategic focus to grow and diversify its US logistics portfolio

The Acquisition is well aligned with CLAR's strategy to increase the portfolio exposure towards the growing logistics sector.

On a *pro forma* basis¹⁰, the Property will increase the value of CLAR's logistics AUM in the US by 27.9% to approximately S\$434.1 million.

5. Attractive net property income ("NPI") yield

The stabilised NPI yield¹¹ for the first year is approximately 7.6% pre-transaction costs and 7.2% post-transaction costs.

CLAR will finance the Total Investment Cost through its internal resources and/or existing debt facilities. The *pro forma* impact on the DPU for the financial year ended 31 December 2023 is expected to be an improvement of approximately 0.041 Singapore cents or a DPU accretion of 0.3%, assuming the Acquisition was completed on 1 January 2023¹².

Details of the Acquisition

The land will be acquired from Summerville Logistics Center Owner (SC), LLC (the "**Vendor**"). The Vendor is indirectly wholly-owned by PTLI Summerville Member, LLC, which will develop the Property (the "**Developer**"). The Developer is an affiliate of Portman Industrial, LLC, an experienced real estate development firm headquartered in the US with an established track record in developing industrial assets.

CLAR, through its indirect wholly owned subsidiary, Charleston 1 LLC, has entered into a joint venture ("**JV**") agreement with the Developer. CLAR holds a 95% interest in the JV company with the remaining 5% interest held by the Developer for alignment of interests. The development of the Property is expected to be completed in 4Q 2025. CLAR intends to acquire the remaining 5% interest when the Property is stabilised.

The Total Investment Cost is expected to be approximately S\$94.8 million (US\$70.5 million) comprising CLAR's investment in the initial 95% interest (including land cost of approximately S\$8.2 million (US\$6.1 million)), the estimated costs of acquiring the Developer's 5% interest at fair market valuation, and other transaction-related fees and expenses. The development

⁸ Source: US Census Bureau.

⁹ Source: US Bureau of Labor Statistics.

¹⁰ As at 30 June 2024.

¹¹ The NPI yield is based on a stabilised basis as set out in the valuation report.

¹² The estimated *pro forma* impact is calculated based on the following assumptions: (i) CLAR had completed the Proposed Acquisition on 1 January 2023 and held the Property through 31 December 2023; (ii) the Proposed Acquisition was funded based on a funding structure of 100% debt; and (iii) the Manager elects to receive its base fee 80% in cash and 20% in units of CLAR.

management and acquisition fees payable to the Manager are estimated to be S\$2.6 million (US\$1.9 million)¹³. The valuation of the land on which Summerville Logistics Center would be developed is valued at S\$8.5 million (US\$6.4 million) on a 100% basis¹⁴.

Please refer to the Annex for more details on the Property.

¹³ The development management fee is 3.0% of the total development cost based on CLAR's initial 95% interest. The acquisition fee is 1.0% of the estimated costs of acquiring the Developer's 5% interest at fair market valuation.

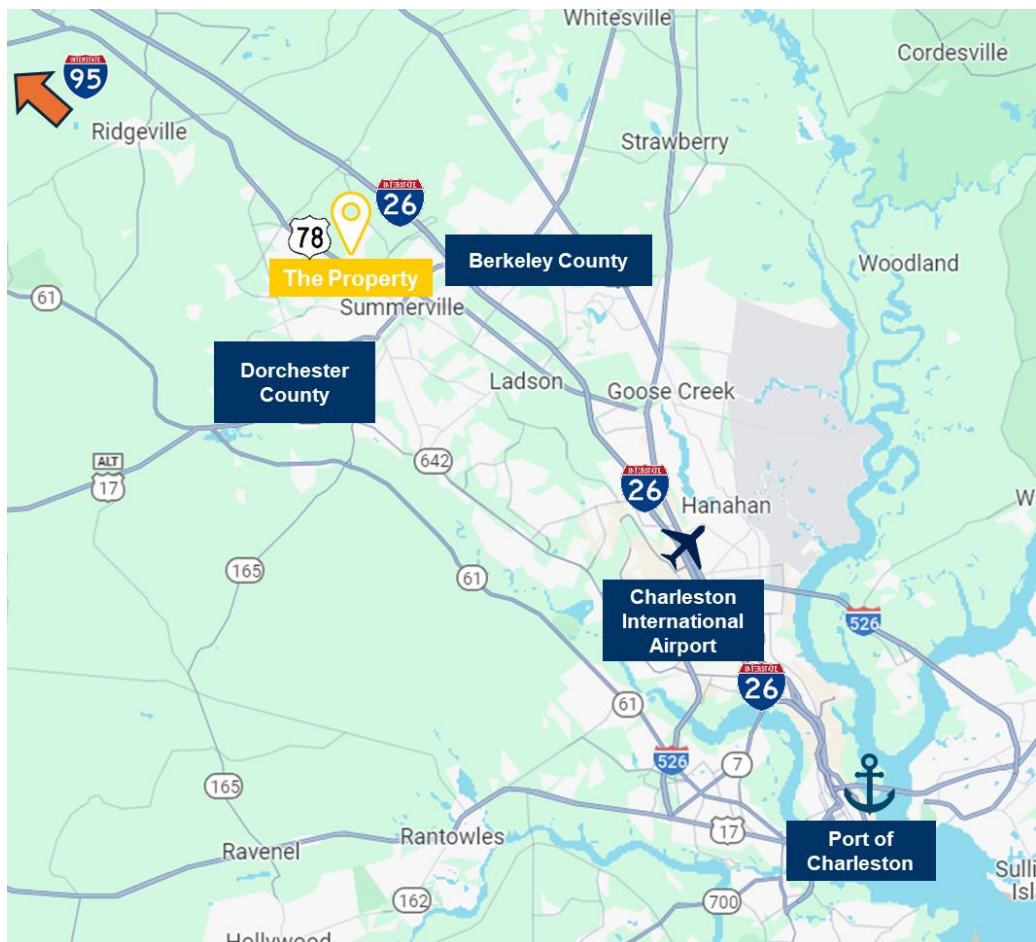
¹⁴ The valuation as at 28 August 2024 was commissioned by the Manager and HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of CLAR, and was carried out by CBRE Valuation & Advisory Services using the land sales comparison approach.

ANNEX

Summary of the Property:

Address	178 & 179 Quality Drive, Summerville, South Carolina 29483
Description	A new, best-in-class logistics distribution property comprising two single-storey buildings
Land Area	138,362 sq m
Land Tenure	Freehold
Total Lettable Area	50,991 sq m
Estimated completion of development of Property	4Q 2025

Location:



About CapitaLand Ascendas REIT (www.capitaland-ascendasreit.com)

CapitaLand Ascendas REIT (CLAR) is Singapore's first and largest listed business space and industrial real estate investment trust. It was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in November 2002.

CLAR has since grown to be a global REIT anchored in Singapore, with a strong focus on tech and logistics properties in developed markets. As at 30 September 2024, its investment properties under management stood at S\$16.8 billion. It owns a total of 229 properties across three segments, namely Business Space & Life Sciences; Industrial & Data Centres; and Logistics. These properties are in the developed markets of Singapore, the United States, Australia, and the United Kingdom/Europe.

These properties house a tenant base of approximately 1,790 international and local companies from a wide range of industries and activities, including data centres, information technology, engineering, logistics & supply chain management, biomedical sciences, financial services (backroom office support), electronics, government and other manufacturing and services industries. Major tenants include Singtel, DSO National Laboratories, SEA Group, Stripe, Entserve UK, DBS Bank, Seagate Singapore, Citibank, Pinterest and DFI Retail Group.

CLAR is listed on several indices. These include the FTSE Straits Times Index, the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250. CLAR has an issuer rating of 'A3' by Moody's Investors Service.

CLAR is managed by CapitaLand Ascendas REIT Management Limited, a wholly owned subsidiary of CapitaLand Investment Limited, a leading global real asset manager with a strong Asia foothold.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real asset manager with a strong Asia foothold. As at 30 September 2024, CLI had S\$134 billion of assets under management, as well as S\$102 billion of funds under management held via six listed real estate investment trusts and business trusts and a suite of private real asset vehicles that invest in thematic and tactical strategies. Its diversified real estate asset classes include retail, office, lodging, industrial, logistics, business parks, wellness, self-storage, data centres, private credit and special opportunities.

CLI aims to scale its fund management, lodging management and commercial management businesses globally and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for Scope 1 and 2 by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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