

PARAGON REIT

(a real estate investment trust constituted on 9 July 2013
under the laws of the Republic of Singapore)

Times Properties Private Limited

(Company Registration No: 195900026E)
(Incorporated in the Republic of Singapore)

Managed by

PARAGON REIT Management Pte. Ltd.

(Company Registration No: 201305497E)
(Incorporated in the Republic of Singapore)

JOINT ANNOUNCEMENT

PROPOSED PRIVATISATION OF PARAGON REIT BY WAY OF A TRUST SCHEME OF ARRANGEMENT

1. INTRODUCTION

- 1.1 **The Scheme.** The respective boards of directors of PARAGON REIT Management Pte. Ltd., (in its capacity as manager of PARAGON REIT, the “**Paragon Manager**”), and Times Properties Private Limited (“**TPPL**” or the “**Offeror**”) (a wholly-owned subsidiary of Cuscaden Peak Pte. Ltd. (“**CP**”)), are pleased to announce the proposed privatisation of PARAGON REIT, which will be effected through the acquisition by TPPL of all the units in PARAGON REIT (the “**Units**”) held by the unitholders of PARAGON REIT (the “**Unitholders**”) other than CP and its subsidiaries (the “**PARAGON REIT Minority Unitholders**”), by way of a trust scheme of arrangement (the “**Scheme**”) in compliance with the Singapore Code on Take-overs and Mergers (the “**Code**”) and the Paragon Trust Deed,¹ as may be amended, supplemented or varied from time to time (including as may be amended by the Paragon Trust Deed Amendments (as defined in paragraph 4.4 below)).
- 1.2 **Implementation Agreement.** In connection with the Scheme, TPPL, the Paragon Manager and DBS Trustee Limited (in its capacity as trustee of PARAGON REIT, the “**Paragon Trustee**”) (each, a “**Party**” and collectively, the “**Parties**”) have today entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Parties will implement the Scheme.
- 1.3 **Amendment of Paragon Trust Deed.** In connection with the implementation of the Scheme, the Paragon Manager proposes to make certain amendments to the Paragon Trust Deed to include provisions to facilitate the implementation of the Scheme. Please refer to paragraph 4.4 of this Joint Announcement for further details.

¹ “**Paragon Trust Deed**” means the Deed of Trust dated 9 July 2013 constituting PARAGON REIT (formerly known as SPH REIT) entered into between the Paragon Manager and the Paragon Trustee, as supplemented by a first supplemental deed dated 7 November 2016, a second supplemental deed dated 6 January 2017, a third supplemental deed dated 29 July 2022, a fourth supplemental deed dated 3 January 2023 and as may be amended, supplemented or varied from time to time (including the Paragon Trust Deed Amendments (as defined in paragraph 4.4 below)).

1.4 **Scheme Consideration.**

**S\$0.9800 IN CASH FOR EACH UNIT
("SCHEME CONSIDERATION")**

In consideration of the transfer of the Units and subject to paragraph 1.5(c), TPPL will, subject to the Scheme becoming effective in accordance with its terms, pay or procure the payment of a sum of S\$0.9800 in cash (the "**Scheme Consideration**") for each Unit held by each of the PARAGON REIT Minority Unitholders as at the Record Date (as defined in paragraph 4.1(a) below) in accordance with the terms and conditions of the Implementation Agreement.

1.5 **2H FY2024 Distribution.**

- (a) The Paragon Manager has, on the date of this Joint Announcement (the "**Joint Announcement Date**"), declared a distribution of 2.33 Singapore cents for each Unit in cash (the "**2H FY2024 Distribution**"), in respect of the six (6) month period ended 31 December 2024 ("**2H FY2024**").
- (b) The Scheme Consideration will not be reduced or otherwise adjusted for the 2H FY2024 Distribution. Accordingly, in the event the Scheme becomes effective in accordance with its terms, the PARAGON REIT Minority Unitholders who have become entitled to the 2H FY2024 Distribution shall have the right to retain the 2H FY2024 Distribution in addition to the Scheme Consideration.
- (c) In the event that any distribution in excess of the 2H FY2024 Distribution is declared, made or paid by the Paragon Manager on or after the date hereof (the "**Excess Distribution**"), TPPL shall have the right to adjust the Scheme Consideration so as to reduce the amount of Scheme Consideration payable for each Unit by an amount equivalent to such Excess Distribution.

2. INFORMATION ON TPPL

2.1 **TPPL.** TPPL is a company incorporated in the Republic of Singapore. TPPL is a wholly-owned subsidiary of Cuscaden Peak Investments Private Limited ("**CPI**"), which is in turn a wholly-owned subsidiary of CP. The shareholders of CP are Adenium Pte. Ltd. (a wholly-owned subsidiary of CLA Real Estate Holdings Pte. Ltd.) and Mapletree Fortress Pte. Ltd. (an indirect wholly-owned subsidiary of Mapletree Investments Pte Ltd), each holding 50 per cent. of the ordinary shares of CP. The principal activities of TPPL include investment holding, letting properties and the provision of property management services. TPPL is the direct holding company of the Paragon Manager and holds, directly and indirectly through the Paragon Manager, approximately 21.5 per cent. of the issued Units as at the Joint Announcement Date.²

2.2 **TPPL Directors.** As at the Joint Announcement Date, the directors of TPPL are:

- (a) Mr. Yong Choon Miao, Gerald; and

² In this Joint Announcement, all unitholding percentages in PARAGON REIT are calculated based on a total number of 2,839,010,006 Units in issue as at the Joint Announcement Date.

(b) Ms. Chin Yean Cheng.

3. INFORMATION ON PARAGON REIT AND THE PARAGON MANAGER

3.1 **PARAGON REIT.** PARAGON REIT is a real estate investment trust (“REIT”) constituted under the Paragon Trust Deed on 9 July 2013 and was listed on the Mainboard of the SGX-ST on 24 July 2013. PARAGON REIT is a Singapore-based real estate investment trust established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes in Asia-Pacific, as well as real estate-related assets. As at the Joint Announcement Date, PARAGON REIT’s portfolio comprises Paragon (“Paragon”) and The Clementi Mall located in Singapore, and a 50 per cent. stake in Westfield Marion Shopping Centre located in Australia.

3.2 **Outstanding Units.** As at the Joint Announcement Date, PARAGON REIT has 2,839,010,006 Units in issue.

3.3 **Financial Information.** Based on the audited consolidated financial statements with respect to PARAGON REIT, its subsidiaries and any trusts and limited liability partnerships in which PARAGON REIT and/or its subsidiaries hold an interest (excluding any trusts listed on a stock exchange) (the “Paragon Group” and each such entity, a “Paragon Group Entity”) for the financial year ended 31 December 2024 (“FY2024”) (the “PARAGON REIT FY2024 Financial Statements”), certain key financial information with respect to the Paragon Group is set out as follows:

Paragon Group (as at 31 December 2024)	
Total assets (S\$’000)	4,314,524
Net asset value (“NAV”) (S\$’000)	2,674,849
NAV per Unit (S\$)	0.938
Distribution for 2H FY2024 (S\$’000)	66,149
Distribution per Unit (“DPU”) for 2H FY2024 (Singapore cents)	2.33
Adjusted NAV (S\$’000) ³	2,608,700
Adjusted NAV per Unit (S\$) ⁴	0.915

3.4 **The Paragon Manager.** PARAGON REIT is managed by the Paragon Manager, which was incorporated in Singapore on 1 March 2013 and currently holds a capital markets services licence for REIT management pursuant to the Securities and Futures Act 2001 of Singapore (the “SFA”).

As at the Joint Announcement Date:

- (a) the Paragon Manager has an issued and paid-up share capital of S\$1,000,000 comprising 1,000,000 ordinary shares in issue and no treasury shares;
- (b) the Paragon Manager is wholly-owned by TPPL, which is in turn an indirect wholly-owned subsidiary of CP. CPI (a wholly-owned subsidiary of CP) is the sponsor of

³ Adjusted for accrued but unpaid distributions for 2H FY2024.

⁴ Adjusted for accrued but unpaid distributions for 2H FY2024.

PARAGON REIT. Upon completion of the Scheme, it is envisaged that all the Units will be held by CP and its subsidiaries (including TPPL) (together, the “**Cuscaden Peak Group**”);

- (c) the directors of the Paragon Manager are:
- (i) Dr. Leong Horn Kee, Chairman, Non-Executive and Non-Independent Director;
 - (ii) Ms. Jennie Chua, Deputy Chairman, Non-Executive and Independent Director;
 - (iii) Mr. Eugene Lai, Non-Executive and Lead Independent Director;
 - (iv) Mrs. Trina Loh, Non-Executive and Independent Director;
 - (v) Ms. Hoo Sheau Farn, Non-Executive and Independent Director;
 - (vi) Mr. Bernard Phang, Non-Executive and Independent Director;
 - (vii) Mr. Ray Ferguson, Non-Executive and Independent Director;
 - (viii) Ms. Ginney Lim May Ling, Non-Executive and Non-Independent Director; and
 - (ix) Mr. Yong Choon Miao, Gerald, Non-Executive and Non-Independent Director.

4. KEY TERMS OF THE SCHEME

4.1 **The Scheme.** The Scheme is proposed to be effected in accordance with the Code and the Paragon Trust Deed (as amended by the Paragon Trust Deed Amendments), subject to the terms and conditions of the Implementation Agreement. Under the Scheme:

- (a) subject to the Scheme becoming effective and binding in accordance with its terms, all the Units held by the PARAGON REIT Minority Unitholders, as at a record date (to be announced before the Effective Date (as defined in paragraph 4.2 below) by the Paragon Manager on which the register of Unitholders will be closed in order to determine the entitlements of the PARAGON REIT Minority Unitholders in respect of the Scheme (the “**Record Date**”)), will be transferred to TPPL:
- (i) fully paid;
 - (ii) free from any charge, claim, hypothecation, lien, mortgage, power of sale, retention of title, or security interest of any kind over and in respect of such asset or real property, any right of pre-emption, first offer, first refusal, tag-along or drag-along of any kind to which any such asset or real property is subject or any right or option for the sale or purchase of any such asset or real property and any other third party rights and interests of any nature whatsoever or an agreement, arrangement or obligation to create any of the foregoing; and
 - (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain

all rights and distributions (if any) declared by the Paragon Manager on or after the Joint Announcement Date, except for the 2H FY2024 Distribution (as defined in paragraph 1.5 above),

such that on and from the date of the settlement of the Scheme Consideration (as defined in paragraph 1.4 above), the Cuscaden Peak Group will hold 100 per cent. of the Units; and

- (b) in consideration for such transfer of the Units and subject to the Scheme becoming effective in accordance with its terms, TPPL agrees to pay or procure the payment of the Scheme Consideration (as defined in paragraph 1.4 above) for each Unit held by each PARAGON REIT Minority Unitholder as at the Record Date, in accordance with the terms and conditions of the Implementation Agreement.

For the avoidance of doubt:

- (i) the Scheme Consideration will not be reduced by the 2H FY2024 Distribution and the PARAGON REIT Minority Unitholders who are entitled to the 2H FY2024 Distribution shall have the right to receive and retain the 2H FY2024 Distribution in addition to the Scheme Consideration; and
- (ii) in the event any Excess Distribution is declared, made or paid by the Paragon Manager on or after the date of the Implementation Agreement, TPPL shall have the right to adjust the Scheme Consideration so as to reduce the amount of Scheme Consideration payable for each Unit by an amount equivalent to such Excess Distribution.

4.2 **Effective Date.** The Scheme will become effective upon the written notification to the Monetary Authority of Singapore of the grant of the order of the Court⁵ (the “**Effective Date**”) sanctioning the Scheme under Order 32 of the Rules of Court 2021 of Singapore (the “**Scheme Court Order**”), which shall be effected by or on behalf of TPPL on a date to be mutually agreed in writing between TPPL and the Paragon Manager, being a date within 25 Business Days⁶ from the date on which the last of the Scheme Conditions (as defined in paragraph 6.1 below) set out in paragraphs 1, 2, 3, 8 and 9 of **Schedule 2** to this Joint Announcement is satisfied (or, where applicable, waived) in accordance with the terms of the Implementation Agreement, and provided that the Scheme Conditions set out in paragraphs 4, 5, 6 and 7 of **Schedule 2** are satisfied (or, where applicable, waived) on the date falling on the Business Day immediately preceding the Effective Date (the “**Relevant Date**”), as the case may be, in accordance with the terms of the Implementation Agreement.

4.3 **Delisting.** Upon completion of the Scheme, PARAGON REIT will be wholly-owned by the Cuscaden Peak Group and will, subject to the approval of the SGX-ST, be delisted and removed from the Official List of the SGX-ST.

⁵ “**Court**” means the General Division of the High Court of the Republic of Singapore or where applicable on appeal, the Appellate Division of the High Court of the Republic of Singapore and/or the Court of Appeal of the Republic of Singapore.

⁶ “**Business Day**” means a day (excluding Saturdays, Sundays and gazetted public holidays) on which commercial banks are open for business in Singapore for the transaction of normal banking business.

4.4 **Amendment of Paragon Trust Deed.** The Scheme is conditional upon, *inter alia*, amendments to the Paragon Trust Deed being effected, which amendments are required to facilitate the implementation of the Scheme. The approval of the Unitholders holding in aggregate 75.0 per cent. or more of the total number of votes held by the Unitholders present and voting either in person or by proxy cast for and against the resolution at a meeting of the Unitholders or (as the case may be) depositors named in the depository register as at 72 hours before the time of such meeting as certified by the depository to the Paragon Manager, is required to amend the Paragon Trust Deed to include provisions that will facilitate the implementation of the Scheme (the “**Paragon Trust Deed Amendments**”), in such form and substance as may be agreed by the Parties as may be included in the notice to Unitholders in relation to the extraordinary general meeting of the Unitholders to be convened immediately prior to the Scheme Meeting (as defined in paragraph 4.5 below) (the “**EGM**”) for the passing of the Paragon Trust Deed Amendments.

4.5 **Approval of the PARAGON REIT Minority Unitholders.** The Scheme will require, *inter alia*, the approval of a majority in number of the PARAGON REIT Minority Unitholders representing at least three-fourths in value of the Units held by the PARAGON REIT Minority Unitholders present and voting either in person or by proxy at the meeting of the PARAGON REIT Minority Unitholders to be convened pursuant to the order of the Court to approve the Scheme and any adjournment thereof (the “**Scheme Meeting**”).⁷

Further details in respect of the approvals required in connection with the Scheme are set out in paragraph 8 of this Joint Announcement.

4.6 **Scheme Document and Expected Indicative Timeline.** Detailed information on the Scheme and the terms and conditions upon which the Scheme will be implemented by the Paragon Manager and TPPL will be set out in the document to be issued by the Paragon Manager on behalf of PARAGON REIT to all Unitholders (the “**Scheme Document**”).

An expected indicative timeline (which is subject to change) is also set out in **Schedule 1** to this Joint Announcement.

4.7 **Switch Option.** Pursuant to the terms of the Implementation Agreement, in the event of a Competing Offer⁸ or an intention to make a Competing Offer is announced or reasonably expected to be announced (whether or not such Competing Offer is pre-conditional):

⁷ Please refer to paragraph 9 of this Joint Announcement on the persons who are required to abstain from voting on the Scheme.

⁸ “**Competing Offer**” under the Implementation Agreement means any expression of interest, offer or proposal by any person, acting together with its concert parties, other than TPPL involving: (a) a sale, conveyance, transfer, assumption or other disposal of any direct or indirect interest in some or all of the Units exceeding 5% of all the Units, whether in a single transaction or series of related transactions; (b) an allotment or issuance of the Units or securities in any Paragon Group Entity (or Convertible Securities in respect of such Units or securities) in each case exceeding 5% of all the Units or such securities, as the case may be, immediately after such allotment or issuance, whether in a single transaction or series of related transactions; (c) a Material Disposal of any real property, assets or securities in any Paragon Group Entity; (d) an offer (whether partial or otherwise) regulated under the Code for the Units; (e) a scheme of arrangement involving PARAGON REIT or any Paragon Group Entity or the merger of PARAGON REIT or any Paragon Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure, stapling or otherwise) provided that, in the case of any Paragon Group Entity (other than PARAGON REIT), such scheme of arrangement or merger is material to the Paragon Group (taken as a whole); (f) any agreement or other arrangement intended to achieve or having an effect similar to any of (a) to (e); or (g) a transaction or series of related transactions which would, or is reasonably likely to, preclude, restrict or frustrate, or delay or impede, the Scheme.

- (a) TPPL has the right at its discretion to elect at any time, subject to prior consultation with the Securities Industry Council of Singapore (the “**SIC**”), to proceed, either on its own or together with any joint offeror(s), by way of a voluntary general offer for or on behalf of TPPL to acquire all of the Units held by the PARAGON REIT Minority Unitholders on the terms and subject to the conditions which will be set out in the offer document issued for or on behalf of TPPL (the “**Offer**”) (in lieu of proceeding with the Scheme) (the “**Switch Option**”);
- (b) in such event, TPPL will, either on its own or together with any joint offeror(s), make the Offer on the same or better terms as those which apply to the Scheme or the Competing Offer (whichever is higher), including the same or a higher consideration than the Scheme Consideration or the consideration payable to the Unitholders under the Competing Offer (whichever is the higher) for each Unit and conditional upon any acceptance condition to the Offer being set at a level to be determined with SIC’s consent prior to the exercise of the Switch Option; and
- (c) if TPPL exercises the Switch Option, the Implementation Agreement (save for certain surviving provisions such as those relating to confidentiality, costs and expenses, and governing law) shall terminate with effect from the date of announcement by or on behalf of TPPL (or TPPL and the other joint offeror(s)) of a firm intention to make the Offer, and none of the Parties shall have any claim against the others under the Implementation Agreement (except for any claim in respect of any antecedent breaches and/or the surviving provisions).

5. **RATIONALE FOR THE SCHEME**

5.1 **PARAGON REIT faces trading conditions that constrain its potential for sustained growth**

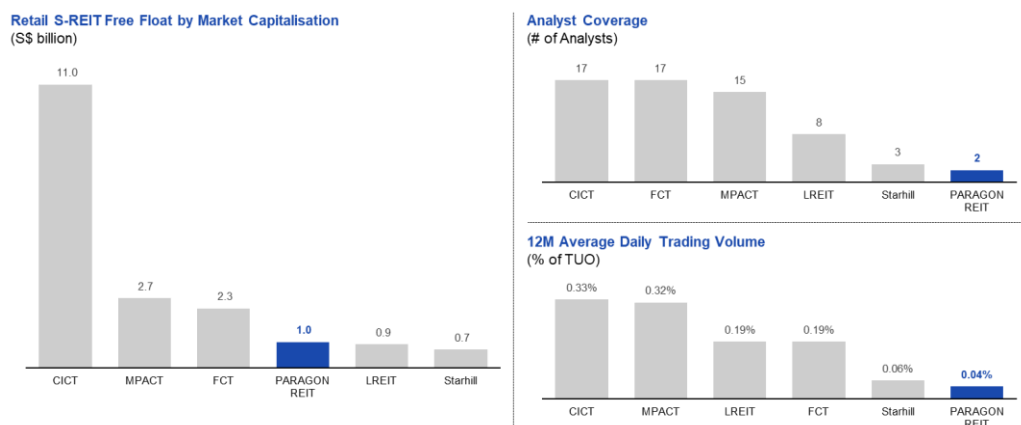
- (a) PARAGON REIT has one of the lowest free floats among its retail Singapore REIT (“**S-REIT**”) peers and has historically experienced low trading liquidity, with an average of 0.04% of Units outstanding (approximately S\$1.0 million) traded per day over the last

“**Convertible Securities**” under the Implementation Agreement means, in relation to any share or unit in the capital of any corporation or trust, any option, right, warrant or other securities exercisable into, convertible into or redeemable with any such shares or units, whether in whole or in part.

“**Excluded Disposal(s)**” under the Implementation Agreement means any and all sale, conveyance, transfer, assumption or disposal(s) (a) arising from any written notice of compulsory acquisition or intended acquisition by any Governmental Authority affecting any real property, assets or any part thereof to any extent or measure; and/or (b) which have been notified, prior to the date of the Implementation Agreement, to TPPL as a potential transaction which PARAGON REIT is contemplating or in the process of undertaking (including but not limited to the disposal of Figtree Grove Shopping Centre which was completed on 31 January 2025 as disclosed in the announcement on SGX-ST by PARAGON REIT dated 31 January 2025) (the “**Figtree Disposal**”).

“**Material Disposal**” under the Implementation Agreement means any sale, conveyance, transfer, assumption or disposal (“**disposal**”) of any real property, assets or securities in any entity, partnership or trust excluding any Excluded Disposal(s) by any Paragon Group Entity, the carrying value of which in the PARAGON REIT FY2024 Financial Statements, individually or when aggregated with the carrying value of other real property, assets or securities in the PARAGON REIT FY2024 Financial Statements disposed of in any and all other related disposals on or after the date hereof (excluding any Excluded Disposal), exceeds S\$150 million (or its equivalent in other currencies).

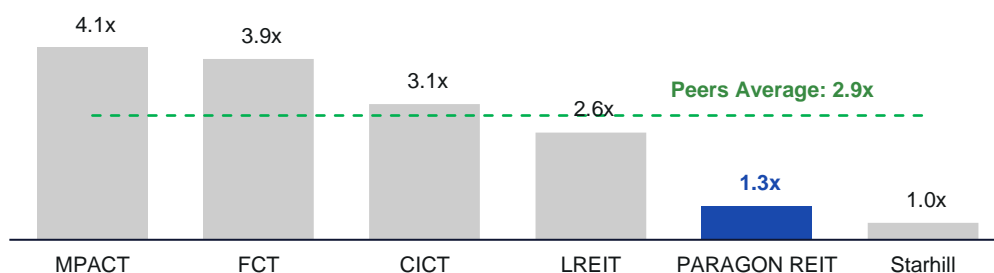
12 months.⁹ Despite its inclusion in the FTSE EPRA Nareit Developed Index on 20 September 2021, PARAGON REIT has the lowest analyst research coverage among peers and has attracted limited institutional investor flow compared to its retail S-REIT peers.



Source: Company Filings, FactSet as at 10 February 2025¹⁰

- (b) These trading conditions put PARAGON REIT at a disadvantage when looking to access capital markets compared to its retail S-REIT peers, and consequently may restrict its ability to expand its portfolio. Since its initial public offering (“IPO”) in July 2013, PARAGON REIT’s total assets have grown 1.3x, which, in comparison, is less than the 2.9x average of its retail S-REIT peers.

Retail S-REITs – Total Assets Growth Since 2013



Source: Company Filings
Notes: Assets growth from the latest available valuation as at Jul 2013 (since PARAGON REIT’s IPO) to 10 Feb 2025 taken. Asset growth of LREIT since its IPO in 2019 shown.

- (c) For the reasons above, the Offeror believes that despite its listed status, PARAGON REIT faces trading conditions that will continue to constrain its potential for sustained growth and long-term value creation.

⁹ For the period between 10 February 2024 and 10 February 2025.

¹⁰ Notes: Retail S-REIT comparables refer to S-REITs with a predominantly retail portfolio. CICT – CapitaLand Integrated Commercial Trust; MPACT – Mapletree Pan Asia Commercial Trust; FCT – Frasers Centrepoint Trust; LREIT – Lendlease Global Commercial REIT; Starhill – Starhill Global REIT. PARAGON REIT’s free float excludes Units held by the Cuscaden Peak Group and is computed based on the free float Units of 1,093 million multiplied by the closing price of the Units on 10 February 2025 of S\$0.890.

5.2 **PARAGON REIT's portfolio comprises three assets,¹¹ with Paragon accounting for 72% of value. However, Paragon's premier upscale status is being challenged with increased competition from (i) upcoming new retail malls in the surrounding catchment and (ii) existing competing malls undergoing major upgrades**

- (a) PARAGON REIT's portfolio is concentrated, with Paragon representing approximately 72% of PARAGON REIT's FY2024 total appraised value.¹² Therefore, PARAGON REIT's value is dependent on the performance of Paragon.
- (b) While Paragon continues to be one of the leading upscale retail malls in Singapore, the mall is over 30 years old and is facing increasing competition from the surrounding catchment.
- (c) Competing retail assets of a similar vintage in central Singapore have undergone major upgrades in recent times. Redevelopments in the nearby Tanglin area, such as Ming Arcade, Tanglin Shopping Centre, Forum The Shopping Mall, voco Orchard Singapore, and HPL House, are also expected to significantly ramp up competition in Orchard Road in the coming years once completed. In contrast, Paragon's last major upgrade was over 15 years ago in 2009, involving an approximately S\$82 million investment to mainly refresh Paragon's façade and expand retail space.
- (d) In addition to the increasing competitive pressures, the luxury retail environment may remain challenging in the near to medium term. International luxury spending is currently only at 74% of its 2019 peak.¹³ A persistent slowdown in luxury spending recovery would put further pressure on Paragon's performance – for FY2024, tenant sales declined approximately 5.5% year-on-year to S\$654 million (vs S\$692 million in the financial year ended 31 December 2023), indicating early signs of pressure.

5.3 **To future-proof Paragon's competitive positioning, the Offeror seeks to rejuvenate Paragon through a potential significant asset enhancement initiative ("Potential AEI")**

- (a) Having considered the above factors, the Offeror believes that a major Potential AEI for Paragon is necessary to maintain its long-term competitiveness as a leading upscale retail mall in Singapore.
- (b) The Offeror, as a significant unitholder of PARAGON REIT, intends to collaborate closely with PARAGON REIT to facilitate the implementation of such a Potential AEI, which it believes will also be for the benefit of tenants and shoppers.
- (c) The Offeror envisions that a Potential AEI could include significant upgrades to the exterior and interior of Paragon, and the potential scope of work could include:
 - (i) upgrades to façade and interiors;
 - (ii) reconfiguration and optimisation of retail and circulation spaces;

¹¹ Excluding Figtree Grove Shopping Centre and The Rail Mall.

¹² The Clementi Mall represents approximately 16% of PARAGON REIT's FY2024 total appraised value and PARAGON REIT's 50 per cent. stake in Westfield Marion Shopping Centre represents approximately 12% of PARAGON REIT's FY2024 total appraised value.

¹³ Source: Intercontinental Group of Department Stores (May 2024)

- (iii) improved connectivity and accessibility;
 - (iv) upgrades and replacement of Mechanical & Electrical (M&E) services and equipment; and
 - (v) other works that may be beneficial to improving and maintaining the long-term competitiveness of Paragon.
- (d) The Offeror does not intend to redevelop or change the underlying use of Paragon. A Potential AEI would also not increase the gross floor area (“GFA”) as the existing plot ratio has been fully utilised based on current permits and regulations.
- (e) Notwithstanding the above, Unitholders should note that concepts relating to a Potential AEI remain preliminary and will require, among other things, further feasibility assessments, an in-depth study of execution plausibility and timeline as well as regulatory approvals.

5.4 Given the execution risks associated with a significant Potential AEI, including uncertainties around cost and timing, a Potential AEI would be more suitably carried out in a private setting

- (a) The Offeror envisions that future-proofing Paragon through a Potential AEI could require a sizeable capital investment and potentially take three to four years¹⁴ to complete, with the potential for completion to be extended subject to delays in the construction project schedule. This capital investment would be in addition to potential business-as-usual capital expenditures that the Offeror believes will be required in the next few years for routine upgrades, end-of-life replacements, and compliance with the latest building codes.
- (b) Illustratively, based on precedent AEIs capital expenditure per square foot¹⁵ for retail and office properties in Singapore of approximately S\$330 – 590 psf, the Offeror believes a potential total capital expenditure for Paragon’s GFA could be approximately S\$300 million – S\$600 million (representing approximately 10 – 21% of Paragon’s appraised value for FY2024).
- (c) A Potential AEI carries significant execution risks that are inherent to such large-scale construction projects, including but not limited to ongoing business disruptions arising from the construction, uncertainties around cost and timing, and potential changes in market conditions that may impact leasing demand and/or rental rates. To minimise business disruptions, the Offeror believes a Potential AEI should be implemented in phases without a complete closure of Paragon.
- (d) Given that a Potential AEI is subject to further in-depth feasibility assessments, there is significant uncertainty as to the parameters for, and the impact of, such Potential AEI on PARAGON REIT. For illustrative and hypothetical purposes only, the Offeror has set out a sensitivity analysis in **Schedule 4** for the impact of variations in capital expenditure for a Potential AEI and fluctuations to the net property income of Paragon

¹⁴ In line with precedent office / retail S-REIT asset enhancement initiatives.

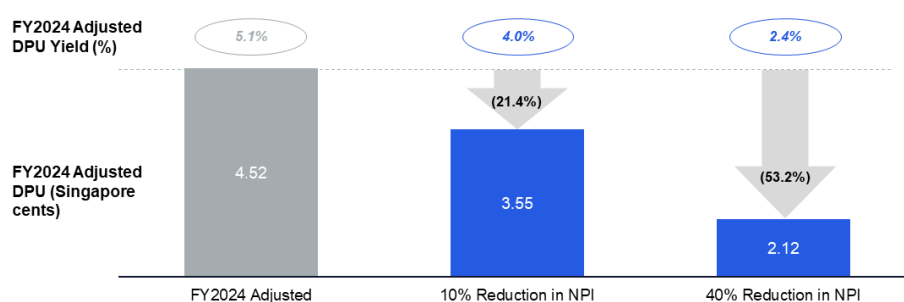
¹⁵ The range for capital expenditure per square foot of gross floor area has been derived based on office and retail asset enhancement initiative precedents, adjusted for capital expenditure inflation from the year of each asset enhancement initiatives to 2026 using the BCA Tender Price Index.

(“Paragon NPI”) on the Adjusted DPU, Adjusted DPU Yield and Adjusted Aggregate Leverage of PARAGON REIT for FY2024.¹⁶

(e) As an illustration (as prepared by the Offeror):

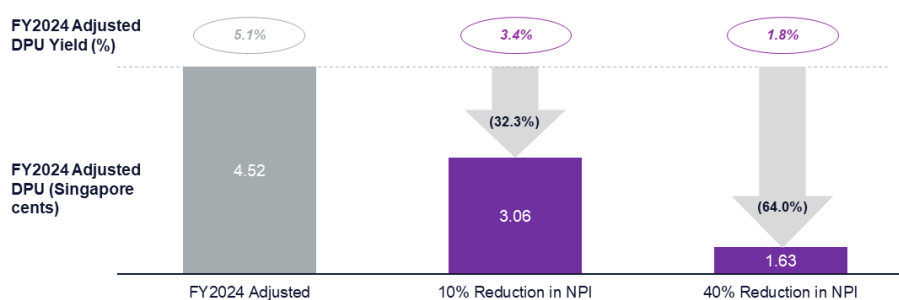
(i) assuming (A) a Potential AEI capital expenditure of S\$300 million is fully funded by debt and fully drawn down in FY2024 at an all-in finance cost of 4.4%,¹⁷ and (B) a fluctuation in the Paragon NPI for FY2024 of between 10% - 40%, which would collectively result in a decrease in net property income and an increase in interest expenses and consequentially reduce distributable income and DPU, PARAGON REIT’s DPU and DPU yield would have ranged between 2.12 - 3.55 Singapore cents and 2.4% - 4.0% respectively, representing a decrease of between 21.4% - 53.2% to the FY2024 Adjusted DPU;

Illustrative Impact of Potential AEI on FY2024 Adjusted DPU (Singapore cents)



(ii) assuming (A) a Potential AEI capital expenditure of S\$600 million is fully funded by debt and fully drawn down in FY2024 at an all-in finance cost of 4.4%¹⁸ and (B) a fluctuation in the Paragon NPI for FY2024 of between 10 - 40%, which would collectively result in a decrease in net property income and an increase in interest expenses and consequentially reduce distributable income and DPU, PARAGON REIT’s DPU and DPU yield would have ranged between 1.63 - 3.06 Singapore cents and 1.8% - 3.4% respectively, representing a decrease of between 32.3% and 64.0% to the FY2024 Adjusted DPU; and

Illustrative Impact of Potential AEI on FY2024 Adjusted DPU (Singapore cents)



¹⁶ Adjusted DPU, Adjusted DPU Yield and Adjusted Aggregate Leverage based on excluding the impact of divestments undertaken or announced by PARAGON REIT in 2024. Please refer to **Schedule 4** and **Schedule 5**.

¹⁷ Based on PARAGON REIT’s average cost of debt in FY2024.

¹⁸ Based on PARAGON REIT’s average cost of debt in FY2024.

- (iii) assuming a Potential AEI capital expenditure of S\$300 million – S\$600 million which is fully debt-funded and fully drawn down in FY2024, FY2024 Adjusted Aggregate Leverage¹⁹ would have increased from 34.2% to 38.5% - 42.4% (versus retail S-REIT peers²⁰ average of 38.6%).
- (f) The Offeror believes that PARAGON REIT's other assets, The Clementi Mall and Westfield Marion,²¹ would not be able to offset the potential impact on the DPU and DPU Yield given their relative size (approximately 28% of PARAGON REIT's FY2024 total appraised value) as compared to Paragon (approximately 72% of FY2024 total appraised value).
- (g) Taking into consideration the uncertainties inherent in a Potential AEI, the Offeror believes a major Potential AEI would be more suitably carried out in a private setting. If the Scheme is successful and a major Potential AEI is carried out, unitholders will not need to bear the volatility and execution risks associated with such an initiative.

5.5 The Scheme offers an opportunity for unitholders to fully monetise their investment in cash at an attractive premium

- (a) The Offeror believes that the privatisation will provide PARAGON REIT unitholders with the opportunity to realise their investment at an attractive value and receive 100% of the value of their units in cash, without exposure to future market risk and unit price movements.
- (b) The Offeror and the board of the Paragon Manager believe that the Scheme Consideration of S\$0.9800 is attractive for unitholders, based on the various metrics as outlined below:
 - (i) the Scheme Consideration represents a 7.1% premium to PARAGON REIT's adjusted NAV per unit ("**Adjusted NAV**") and an implied Price / Adjusted NAV of 1.07x; which represents an 8.4% premium to average Price / Adjusted NAV of precedent comparable privatisations²² of 0.99x;
 - (ii) the implied Price / Adjusted NAV of 1.07x represents a premium of 34.2% to the average Price / Adjusted NAV of 0.80x of Singapore retail REITs;
 - (iii) the implied Price / Adjusted NAV of 1.07x represents a premium of 11.9%, 7.1% and 8.3% to the historical 1-year, 3-year, 5-year average Price / Adjusted NAV;

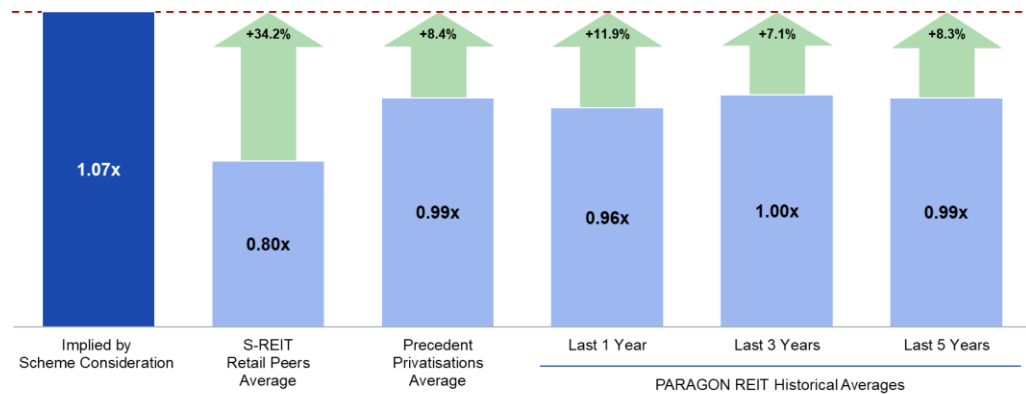
¹⁹ PARAGON REIT's FY2024 Aggregate Leverage of 35.3% has been adjusted to 34.2% ("**FY2024 Adjusted Aggregate Leverage**"). Refer to **Schedule 5** for detailed adjustments.

²⁰ Refers to Capitaland Integrated Commercial Trust, Mapletree Pan Asia Commercial Trust, Frasers Centrepoint Trust, Lendlease Global Commercial REIT and Starhill Global Commercial REIT.

²¹ PARAGON REIT has a 50% interest in Westfield Marion.

²² Based on precedent privatisations of property trusts and REIT mergers with all-cash options as consideration.

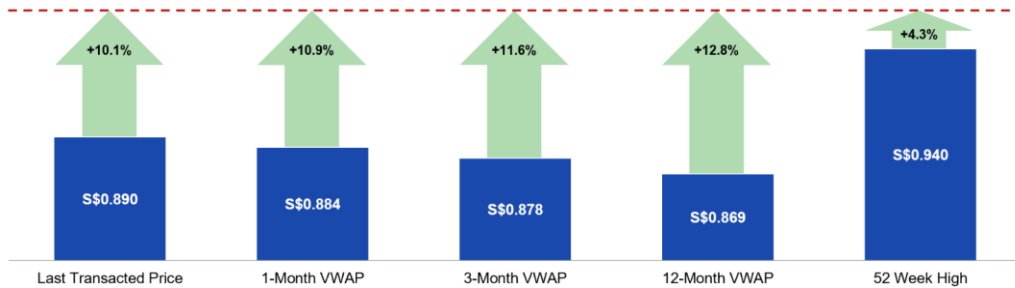
Price / Adjusted NAV



Source: Company Filings, FactSet as at 10 February 2025

- (iv) the Scheme Consideration represents 10.1%, 10.9%, 11.6% and 12.8% premium to the Last Transacted Price,²³ 1-month, 3-month and 12-month volume weighted adjusted price;

Scheme Consideration: S\$0.9800



Source: Bloomberg L.P. as at 10 February 2025

- (v) the Scheme Consideration exceeds the highest ever traded price over the last 2 years;
- (vi) the Scheme Consideration represents a premium of 4.3% to the 52-week high traded price of PARAGON REIT units; and
- (vii) premium of 9.0 Singapore cents per Unit to the Last Transacted Price represents ~2 years of distributions.²⁴
- (c) The Scheme offers an opportunity for Unitholders to realise their investment in cash with no trading cost and the ability to immediately redeploy the proceeds into other investment opportunities.

²³ "Last Transacted Price" refers to the last traded price per Unit on 10 February 2025, being the full trading day immediately prior to the Joint Announcement Date.

²⁴ Based on the last-twelve-months' declared distributions of 4.65 Singapore cents per Unit, excluding special dividends that are capital distributions in nature.

5.6 **If the Scheme is not approved, the Offeror intends to actively engage with PARAGON REIT to consider implementing a Potential AEI**

- (a) The proposed Scheme will be submitted to the vote of Unitholders of PARAGON REIT. The Offeror and its concert party group will abstain from voting.
- (b) In the event that the Scheme is not approved by Unitholders, the Offeror intends to continue to engage with PARAGON REIT to consider an appropriate plan, as it believes that a Potential AEI is critical for Paragon to remain competitive. Further engagement between the Offeror and PARAGON REIT would be required at the prevailing time.

6. **SCHEME CONDITIONS**

6.1 **Scheme Conditions.** The Scheme is conditional upon the satisfaction (or, where applicable, the waiver) of the conditions precedent (the “**Scheme Conditions**”) set out in the Implementation Agreement and reproduced in **Schedule 2** to this Joint Announcement.

6.2 **Benefit of Scheme Conditions.**

- (a) **TPPL Benefit.** TPPL may waive the Scheme Conditions in paragraphs 2(i), 2(ii), 3, 5(ii), 6(ii), 7 and 9 of **Schedule 2** to this Joint Announcement.
- (b) **PARAGON REIT’s Benefit.** The Paragon Trustee and the Paragon Manager may waive the Scheme Conditions in paragraphs 5(i) and 6(i) of **Schedule 2** to this Joint Announcement.
- (c) **Mutual Benefit and No Waiver.** The Parties may jointly waive the Scheme Conditions set out in paragraphs 4 and 8 of **Schedule 2** to this Joint Announcement.

For the avoidance of doubt, the Scheme Conditions set out in paragraphs 1(i), 1(ii), 2(iii) and 2 (iv) of **Schedule 2** to this Joint Announcement are not capable of being waived by any or all of the Parties.

7. **TERMINATION**

7.1 **Right to Terminate.** The Implementation Agreement (other than the surviving provisions) may be terminated at any time from the date of the Implementation Agreement to (and including) the Relevant Date:

- (a) **Regulatory Action.** by any Party, if there has been a decree, determination, injunction, judgement or other order (which is final and non-appealable) issued by any court of competent jurisdiction or by any Governmental Authority which has the effect of permanently enjoining, restraining or otherwise prohibiting the Scheme or any part thereof;²⁵

²⁵ “**Governmental Authority**” means any supranational, national, federal, state, municipal or local court, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity, or other governmental, semi-governmental or quasi-governmental entity or authority, or any securities exchange, wherever located;

- (b) **Breach of Warranties or Prescribed Occurrence.** by either:
- (i) the Paragon Manager and the Paragon Trustee, if (A) there is a breach of the warranties given by TPPL set out in the Implementation Agreement (the “**TPPL Warranties**”); or (B) an occurrence of the TPPL Prescribed Occurrence set out in **Part 1 of Schedule 3** to this Joint Announcement, and TPPL fails to remedy such breach or occurrence (if capable of remedy) within 14 days after being given notice by the Paragon Manager or the Paragon Trustee to do so; or
 - (ii) TPPL, if (A) there is a breach of the warranties given severally (and neither jointly nor jointly and severally) by the Paragon Manager and the Paragon Trustee set out in the Implementation Agreement (the “**Paragon Warranties**”); or (B) an occurrence of the Paragon Prescribed Occurrence set out in **Part 2 of Schedule 3** to this Joint Announcement, and the Paragon Manager or the Paragon Trustee fails to remedy such breach or occurrence (if capable of remedy) within 14 days after being given notice by TPPL to do so;
- (c) **Competing Offer.** by any Party, if a Competing Offer completes (or, in the case of a Competing Offer which is a general offer, becomes unconditional in all respects); or
- (d) **Paragon Material Adverse Effect.** by TPPL, if there has been an occurrence of a Paragon Material Adverse Effect (as defined in paragraph 7 of **Schedule 2** to this Joint Announcement),

in each case, provided that: (i) the relevant Party seeking to terminate the Implementation Agreement shall only terminate the Implementation Agreement with the prior consultation with the SIC, and subject to the SIC giving its approval for, and/or stating that it has no objection to, such termination of the Implementation Agreement and the Scheme not proceeding; and (ii) the Party seeking to terminate the Implementation Agreement provides written notice to all the other Parties to terminate the Implementation Agreement (other than the surviving provisions) promptly upon the SIC stating that it has no objection to such termination and the Scheme not proceeding.

7.2 **Switch Option.** If TPPL exercises the Switch Option, the Implementation Agreement (other than certain surviving provisions such as those relating to confidentiality, costs and expenses, and governing law) shall terminate with effect from the date of an announcement by or on behalf of TPPL (or TPPL and the other joint offeror(s)) of a firm intention to make the Offer.

7.3 **Non-fulfilment of Scheme Conditions.** The Implementation Agreement may be terminated (other than the surviving provisions):

- (a) in the event the Scheme Conditions in paragraphs 1(i), 1(ii), 2(iii), 2(iv) or 8 of **Schedule 2** to this Joint Announcement has not been satisfied (or, where applicable, has not been waived) by 11.59 p.m. on 11 August 2025 or such other date as the Parties may agree in writing (the “**Long-Stop Date**”), by any Party;

- (b) in the event the Scheme Conditions in paragraphs 2(i), 2(ii), 3 or 9 of **Schedule 2** to this Joint Announcement has not been satisfied (or, where applicable, has not been waived) by 11.59 p.m. on the Long-Stop Date, by TPPL;
- (c) in the event the Scheme Conditions in paragraphs 5(i) or 6(i) of **Schedule 2** to this Joint Announcement has not been satisfied (or, where applicable, has not been waived) on the Relevant Date, by the Paragon Manager and the Paragon Trustee;
- (d) in the event the Scheme Conditions in paragraphs 5(ii), 6(ii) and 7 of **Schedule 2** to this Joint Announcement has not been satisfied (or, where applicable, has not been waived) on the Relevant Date, by TPPL;
- (e) in the event the Scheme Conditions in paragraph 4 of **Schedule 2** to this Joint Announcement has not been satisfied (or, where applicable, has not been waived) on the Relevant Date, by any Party,

in each case, provided that (i) prior consultation with the SIC has been undertaken and the SIC has granted its approval for, and/or stated that it has no objection to, such termination of the Implementation Agreement and the Scheme not proceeding as a result of the non-satisfaction of such Scheme Condition; and (ii) the Party seeking to terminate the Implementation Agreement provides written notice to all the other Parties to terminate the Implementation Agreement (other than certain surviving provisions) promptly upon the SIC giving its approval for, and/or stating that it has no objection to such termination of the Implementation Agreement and the Scheme not proceeding as a result of the non-satisfaction of such Scheme Condition.

7.4 **Consultation with Other Parties.** In the event any Party intends to consult the SIC in relation to the termination of the Implementation Agreement, it shall give prior written notice of such intention to the other Parties.

7.5 **Effect of Termination.** In the event of termination of the Implementation Agreement by any Party pursuant and subject to the terms of the Implementation Agreement, the Implementation Agreement shall cease to have any further force or effect and no Party shall have any further liability or obligation to the other Parties (save for the surviving provisions). The termination of the Implementation Agreement shall not prejudice the rights of either Party which have accrued or arisen prior to such termination.

8. **APPROVALS REQUIRED**

8.1 **Scheme.** The Scheme will require, *inter alia*, the following approvals:

- (a) the approval of the Unitholders holding in aggregate not less than 75.0 per cent. of the total number of votes held by the Unitholders present and voting either in person or by proxy cast for and against the resolution at the EGM to be convened to approve the Paragon Trust Deed Amendments (the “**Paragon Trust Deed Amendments Resolution**”);
- (b) the approval of a majority in number of the PARAGON REIT Minority Unitholders representing at least 75.0 per cent. in value of the Units held by the Unitholders present and voting either in person or by proxy for and against the resolution at the Scheme

Meeting to be convened to approve the Scheme (the “**Paragon Scheme Resolution**”);
and

- (c) the Scheme Court Order being obtained.

The Paragon Scheme Resolution is contingent upon the approval of the Paragon Trust Deed Amendments Resolution at the EGM. In the event that the Paragon Trust Deed Amendments Resolution is not approved, the Paragon Manager will not proceed with the Scheme Meeting. This means that the Scheme cannot be implemented by the Paragon Manager unless both the Paragon Trust Deed Amendments Resolution and the Paragon Scheme Resolution are approved at the EGM and the Scheme Meeting respectively.

In addition, the Scheme will only come into effect if all the Scheme Conditions have been satisfied or, as the case may be, waived in accordance with the Implementation Agreement.

8.2 **SIC Confirmations.** Pursuant to the application made by TPPL to the SIC to seek SIC’s rulings and confirmations on certain matters in relation to the Scheme, the SIC has confirmed, *inter alia*, that:

- (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
 - (i) TPPL and its concert parties, as well as the common substantial shareholders of TPPL and its concert parties on one hand, and PARAGON REIT on the other hand, abstain from voting on the Scheme;
 - (ii) the directors of the Paragon Manager who are also directors of TPPL or who are acting in concert with those persons in sub-paragraph (i) above abstain from making a recommendation on the Scheme to the Unitholders;
 - (iii) the Scheme Document contains advice to the effect that by voting for the Scheme, the Unitholders are agreeing to TPPL and its concert parties acquiring or consolidating effective control of PARAGON REIT without having to make a general offer for PARAGON REIT;
 - (iv) the Scheme Document discloses the names of TPPL and its concert parties, their current voting rights in PARAGON REIT as of the latest practicable date (as defined in the Scheme Document) and their voting rights in PARAGON REIT after the Scheme;
 - (v) the Paragon Manager appointing an independent financial adviser to advise the independent directors of the Paragon Manager on the Scheme;
 - (vi) the Scheme is approved by a majority in number representing three-fourths in value of the Unitholders present and voting either in person or by proxy at the Scheme Meeting;

- (vii) the Paragon Manager obtains the approval of the Court for the Scheme under Order 32 of the Rules of Court 2021 of Singapore (which is derived from, or deals with the same subject matter as, Order 80 of the revoked Rules of Court 2014 of Singapore); and
 - (viii) the Scheme being completed within 6 months (unless extended with SIC's consent) from the date of the Implementation Agreement;
- (b) it has no objections to the Scheme Conditions. However, where the Scheme Conditions have been qualified as to materiality but have not been quantified, the test for materiality will be subject to a high standard. To satisfy such test, TPPL and/or the Paragon Manager would have to demonstrate that the relevant circumstances are of very considerable significance striking at the heart of the purpose of the Scheme; and
- (c) with respect to the Switch Option:
- (i) SIC has no objections to TPPL reserving its right to exercise the Switch Option, subject to:
 - (A) disclosure in the Joint Announcement and the Scheme Document of the fact that TPPL reserves the right to exercise the Switch Option in the event of a Competing Offer or in the event that an intention to make a Competing Offer is announced;
 - (B) the Offer being on the same or better terms as those which apply to the Scheme, including the same or higher consideration than the Scheme Consideration;
 - (C) the acceptance condition to the Offer being set at a level to be determined with SIC's consent prior to the exercise of the Switch Option; and
 - (D) consultation with SIC beforehand to determine the offer timetable that should apply to the Offer following the exercise of the Switch Option; and
 - (ii) the Scheme Conditions, to the extent applicable in the event of the Offer, may similarly be imposed as conditions to the Offer becoming unconditional in all respects, subject to TPPL consulting with SIC and seeking SIC's approval prior to invoking such Scheme Condition so as to cause the Offer to lapse.

8.3 **Other Regulatory Approvals.** The Scheme will also require other regulatory approvals, as described in **Schedule 2** to this Joint Announcement.

9. **ABSTENTION FROM VOTING**

9.1 **Abstention from Voting on the Paragon Scheme Resolution.**

- (a) In accordance with the SIC's rulings as set out in paragraph 8.2(a)(i) above, TPPL and its concert parties (including the Cuscaden Peak Group) will abstain from voting on the Paragon Scheme Resolution.
- (b) In addition, the Paragon Manager will abstain from voting on the Paragon Scheme Resolution pursuant to Rule 748(5) of the listing manual of the SGX-ST.

9.2 **Proxy Appointment.** Accordingly, each of the parties named above shall decline to accept appointment as proxy to attend and vote at the Scheme Meeting.

9.3 **Abstention from Recommendation.** In addition, the following directors of the Paragon Manager are exempted from making or assuming responsibility for any recommendation on the Scheme that the directors of the Paragon Manager who are considered independent for the purposes of the Scheme (the "**Paragon Independent Directors**") may make to Unitholders, in accordance with the terms of the exemption granted by the SIC for the reasons set out below:

- (a) Mr. Yong Choon Miao, Gerald is the Chief Executive Officer and director of CPI and CP, and a director of TPPL. He is also one of the non-independent directors nominated to the board of the Paragon Manager by CPI; and
- (b) Ms. Ginney Lim May Ling is a director of various entities in the Cuscaden Peak Group and is also one of the non-independent directors nominated to the board of the Paragon Manager by CPI.

Each of Mr. Yong Choon Miao, Gerald and Ms. Ginney Lim May Ling must, however, still assume responsibility for the accuracy of facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Paragon Manager in connection with the Scheme.

10. **FINANCIAL ADVISERS**

10.1 **Financial Adviser to the Paragon Manager.** Morgan Stanley Asia (Singapore) Pte. is the financial adviser to the Paragon Manager in respect of the Scheme.

10.2 **Financial Adviser to TPPL.** Citigroup Global Markets Singapore Pte. Ltd. ("**Citi**") is the financial adviser to TPPL in respect of the Scheme.

10.3 **Independent Financial Adviser to the Paragon Independent Directors and the Paragon Trustee.** An independent financial adviser (the "**Paragon IFA**") will be appointed by the Paragon Manager after the Joint Announcement Date to advise (i) the Paragon Independent Directors to make a recommendation to the PARAGON REIT Minority Unitholders in connection with the Scheme, and (ii) the Paragon Trustee on the Scheme.

Full details of the Scheme, including the recommendation of the Paragon Independent Directors along with the advice of the Paragon IFA (the "**Paragon IFA Letter**"), will be included in the Scheme Document.

11. CONFIRMATION OF FINANCIAL RESOURCES

Citi confirms that sufficient financial resources are available to TPPL to satisfy in full the aggregate Scheme Consideration payable by TPPL for all the Units to be acquired by TPPL pursuant to the Scheme.

12. SCHEME DOCUMENT

A copy of the notice of the Scheme Meeting to approve the Scheme will be included in the Scheme Document containing full details of the Scheme (including the recommendation of the Paragon Independent Directors along with the Paragon IFA Letter). The Scheme Document will be despatched or made available to the Unitholders in due course.

Unitholders are advised to refrain from taking any action in relation to their Units which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Paragon Independent Directors on the Scheme as well as the advice of the Paragon IFA set out in the Scheme Document.

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

13. DISCLOSURE OF INTERESTS

13.1 **Paragon Manager.** As at the Joint Announcement Date, based on the latest information available to the Paragon Manager, the interests in Units held by the directors of the Paragon Manager are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾
Dr. Leong Horn Kee	-	-	-	-
Ms. Chua Kheng Yeng, Jennie	100,000	0.004	-	-
Mr. Eugene Paul Lai Chin Look	-	-	-	-
Mrs. Trina Loh Soh Yong	-	-	-	-
Ms. Hoo Sheau Farn	-	-	-	-
Mr. Bernard Phang Sin Min	-	-	10,000	n.m. ⁽³⁾
Mr. Raymond John Ferguson	-	-	-	-
Ms. Ginney Lim May Ling	203,324	0.007	-	-
Mr. Yong Choon Miao, Gerald	-	-	-	-

Note:

- (1) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
- (2) All references to percentage shareholding of the issued Units in this paragraph 13.1 of this Joint Announcement are based on the total issued Units as at the Joint Announcement Date, being 2,839,010,006 Units in issue. Percentages are rounded to the nearest three (3) decimal places.
- (3) Not meaningful.

Save as disclosed in this Joint Announcement, no director of the Paragon Manager has any interest in the Scheme (other than by reason only of being a director of the Paragon Manager or a Unitholder).

13.2 TPPL.

- (a) **Holdings.** Save as disclosed in paragraph 13.2(b) below, as at the Joint Announcement Date, based on the latest information available to TPPL, none of (i) the Cuscaden Peak Group; (ii) the directors of TPPL, CP and CPI; and (iii) Citi, but not in respect of any other person acting or deemed to be acting in concert with TPPL in connection with the Scheme (each, a “**Relevant Person**” and collectively, the “**Relevant Persons**”) owns, controls or has agreed to acquire any Units, convertible securities, warrants, options or derivatives in respect of such Units or which carry voting rights in PARAGON REIT (collectively, the “**Paragon Securities**”).
- (b) **Holdings of Units.** As at the Joint Announcement Date, based on the latest information available to TPPL, the interests in the Units held by the Relevant Persons are set out below:

Relevant Person	Direct Interest		Deemed Interest ⁽¹⁾	
	No. of Units	% ⁽²⁾	No. of Units	% ⁽²⁾
Paragon Manager	148,283,599	5.22	-	-
TPPL	462,747,825	16.30	148,283,599	5.22
CPI	-	-	611,031,424	21.52
Cuscaden Peak Two Pte. Ltd. (“CP2”) ⁽⁴⁾	-	-	402,882,246	14.19%
CP ⁽⁴⁾	-	-	1,746,210,855	61.51
Ms. Chin Yean Cheng	-	-	-	-
Mr. Yong Choon Miao, Gerald	-	-	-	-
Ms. Sim Sin Ying	-	-	3,000	n.m. ⁽³⁾
Mr. Dulat Johan Marcel	-	-	-	-
Mr. Chua Tiow Chye	-	-	11,000 ⁽⁵⁾	n.m. ⁽³⁾
Citi	-	-	-	-

Notes:

- (1) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
- (2) All references to percentage shareholding of the issued Units in this paragraph 13.2(b) of this Joint Announcement are based on the total issued Units as at the Joint Announcement Date, being 2,839,010,006 Units. Percentages are rounded to the nearest two (2) decimal places.
- (3) Not meaningful.
- (4) 732,297,185 Units held by CP through DBS Nominees (Private) Limited, and 402,882,246 Units held by CP2 through DBS Nominees (Private Limited), have been charged to banks as security for loan facilities taken up by CP.
- (5) 11,000 Units held by Mr. Chua Tiow Chye’s spouse.
- (c) **Dealings.** None of the Relevant Persons has dealt in any Paragon Securities during the three (3)-month period prior to the Joint Announcement Date.

- (d) **PUA Awards.** As at the Joint Announcement Date, there are 1,395,476 outstanding awards granted under Paragon Manager's Performance Unit Award scheme (the "**PUA Scheme**"), pursuant to which a maximum of 2,093,214 Units may be granted to eligible employees of the Paragon Manager and Paragon Retail Property Management Services Pte. Ltd. (subject to final achievement factor and fulfilment of the terms and conditions set out in the PUA Scheme). All Units to be granted pursuant to the PUA Scheme are transferred from the Paragon Manager's own holdings of Units. The Paragon Manager intends to transfer up to 251,880 Units to satisfy the grants which will have vested as at 31 August 2024, and such transfer is expected to take place on or around 3 March 2025.²⁶ Subject to the Scheme becoming effective, it is expected that the remaining awards will either lapse or be encashed in accordance with the terms of the PUA Scheme.
- (e) **Other Arrangements.** As at the Joint Announcement Date and save as otherwise disclosed in this Joint Announcement, based on the latest information available to TPPL, none of the Relevant Persons has:
- (i) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of TPPL or the Units which might be material to the Scheme;
 - (ii) granted a security interest over any Paragon Securities to another person, whether through a charge, pledge or otherwise;
 - (iii) borrowed from another person any Paragon Securities (excluding borrowed securities which have been on-lent or on-sold); or
 - (iv) lent to another person any Paragon Securities.
- (f) **Irrevocable Undertaking.** As at the Joint Announcement Date, based on the latest information available to TPPL, none of the Relevant Persons has received any irrevocable commitment or undertakings from any party to vote and/or procure the voting of his/her/its Units to approve the Scheme and any other matter necessary or proposed to implement the Scheme.
- (g) **Confidentiality.** In the interests of confidentiality, save for the Relevant Persons, TPPL has not made any enquiries in respect of certain other parties who are or who may be deemed to be acting in concert with it in connection with the Scheme. Similarly, in the interests of confidentiality, Citi has not made any enquiries in respect of the other members of their respective groups. Further enquiries will be made of such persons subsequent to this Joint Announcement and the relevant disclosures will be made in due course and in the Scheme Document. Based on the responses received from these persons, if the aggregate number of Paragon Securities owned, controlled or agreed to be acquired by all parties acting or deemed to be acting in concert with TPPL in connection with the Scheme (other than the Relevant Persons) represent 0.5 per cent.

²⁶ The SIC has confirmed in its ruling dated 5 February 2025 that such a transfer will not constitute a breach of Rule 11.2 of the Code.

or more of the total number of Paragon Securities, TPPL will announce such holdings to the public based on the information disclosed.

14. OVERSEAS UNITHOLDERS

The applicability of the Scheme to PARAGON REIT Minority Unitholders whose addresses are outside Singapore, as shown on the Register of Unitholders of PARAGON REIT, or as the case may be, in the records of The Central Depository (Pte) Limited (each, an “**Overseas Unitholder**”), may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, all Overseas Unitholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.

Where there are potential restrictions on sending the Scheme Document and any related documents to any overseas jurisdiction, TPPL and the Paragon Manager reserve the right not to send such document to the Overseas Unitholders in such overseas jurisdiction. For the avoidance of doubt, the Scheme is being proposed to all PARAGON REIT Minority Unitholders (including the Overseas Unitholders), including those to whom the Scheme Document and any related documents will not be, or may not be, sent, provided that the Scheme Document and any related documents do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

Overseas Unitholders who are in doubt as to their positions should consult their own professional advisers in the relevant jurisdictions.

Further details in relation to the Overseas Unitholders will be contained in the Scheme Document.

15. DOCUMENTS FOR INSPECTION

A copy of the Implementation Agreement will be made available for inspection²⁷ by Unitholders during normal business hours at the office of the Paragon Manager in Singapore at 290 Orchard Road, #14-05/06, Paragon, Singapore 238859, from the Joint Announcement Date up until the Effective Date.

16. RESPONSIBILITY STATEMENTS

- 16.1 **TPPL.** The directors of TPPL (including those who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement are fair and accurate and that there are no other material facts not contained in this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading. Subject to the paragraph below, the directors of TPPL jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including PARAGON REIT and/or the

²⁷ Prior appointment is required. Please contact PARAGON REIT's Investors Relations team (telephone: +65 6631 8987).

Paragon Manager), the sole responsibility of the directors of TPPL has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of TPPL do not accept any responsibility for any information relating to PARAGON REIT and/or the Paragon Manager or any opinion expressed by PARAGON REIT and/or the Paragon Manager.

- 16.2 **Paragon Manager.** The directors of the Paragon Manager (including those who may have delegated detailed supervision of this Joint Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Joint Announcement (excluding information relating to TPPL or any opinion expressed by TPPL, including as set out in paragraphs 5.1(c), 5.3, 5.4, 5.5 and 5.6 and Schedule 4 and Schedule 5 to this Joint Announcement) are fair and accurate and that there are no other material facts not contained in this Joint Announcement, the omission of which would make any statement in this Joint Announcement misleading. Subject to the paragraph below, the directors of the Paragon Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including TPPL), the sole responsibility of the directors of the Paragon Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Joint Announcement. The directors of the Paragon Manager do not accept any responsibility for any information relating to TPPL or any opinion expressed by TPPL.

11 February 2025

BY ORDER OF THE BOARD

PARAGON REIT Management Pte. Ltd.
as Manager of PARAGON REIT
(Company Registration No. 201305497E)
(Incorporated in the Republic of
Singapore)

BY ORDER OF THE BOARD

Times Properties Private Limited
(Company Registration No: 195900026E)
(Incorporated in the Republic of Singapore)

Any queries relating to this Joint Announcement or the Scheme should be directed to one of the following:

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Forward-Looking Statements

All statements other than statements of historical facts included in this Joint Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the TPPL's and the Paragon Manager's current view of future events, and neither TPPL nor the Paragon Manager undertakes any obligation to update publicly or revise any forward-looking statements.

The value of the Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, TPPL, the Paragon Manager or any of their affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request TPPL or the Paragon Manager to redeem or purchase their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Joint Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of PARAGON REIT is not necessarily indicative of the future performance of PARAGON REIT.

Schedule 1

EXPECTED INDICATIVE TIMELINE

Key Event	Indicative timing
Expected date of first Court Hearing of the application to convene the Scheme Meeting ⁽¹⁾	▪ March 2025
Expected date of EGM	▪ April 2025
Expected date of Scheme Meeting	
Expected date of second Court Hearing for Court Approval of the Scheme ⁽¹⁾	▪ May 2025
Expected Effective Date of the Scheme	▪ May 2025
Expected payment of Scheme Consideration	▪ May 2025
Expected delisting of PARAGON REIT	▪ End May 2025

Note:

(1) The dates of the Court hearings of the application to (i) convene the Scheme Meeting and (ii) approve the Scheme will depend on the dates that are allocated by the Court.

All dates and times referred to above are to Singapore dates and times. Please note that the above timeline is indicative only and may be subject to change. Please refer to future SGXNet announcement(s) by TPPL and/or the Paragon Manager for the exact dates of these events.

Schedule 2

Scheme Conditions

All capitalised terms used and not defined in this Joint Announcement shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection during normal business hours at the office of the Paragon Manager in Singapore from the Joint Announcement Date up until the Effective Date.

The Scheme is conditional upon the following:

1. Unitholders' Approvals

The following approvals set out in **Column (1)** from the Unitholders having been obtained, based on the approval threshold set out in **Column (2)**, and such approvals not having been cancelled, revoked, withdrawn or expired on or prior to the Relevant Date:

No.	Column (1) – Approval	Column (2) – Approval Threshold
Unitholders		
(i)	The approval by the Unitholders to amend the Paragon Trust Deed to reflect the Paragon Trust Deed Amendments at the EGM to be convened.	Not less than 75% of the total number of votes held by the Unitholders present and voting either in person or by proxy cast for and against this resolution.
(ii)	Subject to paragraph 1(i) being approved, the approval by the PARAGON REIT Minority Unitholders for the Scheme at the Scheme Meeting to be convened.	A majority in number of the PARAGON REIT Minority Unitholders representing at least 75% in value of the Units held by the PARAGON REIT Minority Unitholders present and voting either in person or by proxy cast for and against this resolution.

2. Regulatory Approvals

The following regulatory approvals having been obtained, and such approvals not having been cancelled, revoked, withdrawn or expired, on or prior to the Relevant Date:

- (i) **MAS Approval for the Scheme:** confirmation from the MAS, that:
 - (a) the MAS would have no objection to the withdrawal of the authorisation of PARAGON REIT as an authorised collective investment scheme, and PARAGON REIT as a private trust would no longer be subject to the requirements governing collective investment schemes; and
 - (b) in the event the authorisation of PARAGON REIT as an authorised collective investment scheme is withdrawn pursuant to Section 288(7) of the SFA, the MAS would have no objections to granting PARAGON REIT an exemption from Section 295(2) of the SFA;

- (ii) **SIC Approval for the Scheme:** confirmations from the SIC, that:
 - (a) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the Scheme, subject to any conditions that the SIC may deem fit to impose;
 - (b) the SIC has no objections to the Scheme Conditions; and
 - (c) the SIC has no objections to the Switch Option;
- (iii) **Court Order:** the grant of the Scheme Court Order by the Court; and
- (iv) **SGX-ST Approval:** the clearance or approval-in-principle (as the case may be) from the SGX-ST for:
 - (a) the Scheme Document; and
 - (b) the proposed delisting of PARAGON REIT from the SGX-ST after the Scheme becomes effective and binding in accordance with its terms.

3. Tax Approvals

Confirmation from the IRAS (Comptroller of Stamp Duties) that stamp duty is not chargeable on the transfer of the Units to TPPL and such confirmation not having been cancelled, revoked, withdrawn or expired, on or prior to the Relevant Date.

4. No Legal or Regulatory Restraint

Between the date of the Implementation Agreement and up to the Relevant Date (both inclusive), there having been no decree, determination, injunction, judgement or other order (in each case, whether temporary, preliminary or permanent) issued by any court of competent jurisdiction or by any Governmental Authority which has the effect of enjoining, restraining or otherwise prohibiting the Scheme or any part thereof, and which remains in force and effect as at the Relevant Date.

5. No Prescribed Occurrence

- (i) Between the date of the Implementation Agreement and up to the Relevant Date (both inclusive), there having been no TPPL Prescribed Occurrence in relation to the TPPL which is material in the context of the Scheme.
- (ii) Between the date of the Implementation Agreement and up to the Relevant Date (both inclusive), there having been no Paragon Prescribed Occurrence in relation to the Paragon Group which is material in the context of the Scheme.

6. No Breach of Warranties

- (i) With respect to TPPL, there having been no breach of the TPPL Warranties which is material in the context of the Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date), except to the

extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date).

- (ii) With respect to PARAGON REIT, there having been no breach of the Paragon Warranties which is material in the context of the Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date), except to the extent any such warranty expressly relates to an earlier date (in which case, as of such earlier date).

7. No Paragon Material Adverse Effect

There having been no occurrence of any Paragon Material Adverse Effect from the date of the Implementation Agreement up to the Relevant Date (both inclusive).

“Paragon Material Adverse Effect” means any one or more fact, matter, event, circumstance, condition, effect, occurrence or change (including, for the avoidance of doubt, any and all sale, conveyance, transfer, assumption or disposal(s) arising from any written notice of compulsory acquisition or intended acquisition by any Governmental Authority affecting any real property, assets or any part thereof to any extent or measure) which, whether individually or in the aggregate, has or have the effect of causing:

- (A) a diminution in the consolidated net tangible assets of the Paragon Group by more than S\$267.5 million, being 10 per cent (10%) of the consolidated net tangible assets of the Paragon Group of S\$2,674.8 million as at 31 December 2024 as stated in the Paragon FY2024 Financial Statements, as determined by reference to (i) the latest publicly released unaudited consolidated financial statements of Paragon Group, or (ii) the latest available unaudited consolidated monthly management balance sheet of Paragon Group for the calendar month-end falling prior to the Relevant Date, in each case, prepared using the same accounting policies, procedures, practices and method of computation applied in the Paragon FY2024 Financial Statements; or
- (B) a diminution in the consolidated revenue of the Paragon Group by more than S\$30.1 million (being 10 per cent (10%) of the consolidated revenue of the Paragon Group of S\$301.0 million for the financial year ended 31 December 2024, as stated in the Paragon FY2024 Financial Statements), as determined by reference to the last 12-month revenue based on (i) the latest publicly released unaudited consolidated financial statements of Paragon Group or (ii) the latest available unaudited consolidated monthly management income statements of Paragon Group for the 12-month period ending on the calendar month-end falling prior to the Relevant Date, in each case, prepared using the same accounting policies, procedures, practices and method of computation applied in the Paragon FY2024 Financial Statements, provided that the effects and/or consequences arising from or in connection with the following items shall not be taken into account in determining the diminution in the consolidated revenue: (A) any disposal which was announced and/or completed in the financial year ended 31 December 2024 (including but not limited to the Figtree Disposal); (B) any disposal of assets approved by TPPL; (C) any rent reduction due to leasing vacancies arising from tenant remix approved by TPPL; and (D) asset enhancement initiatives approved by TPPL and the Paragon Directors.

For the avoidance of doubt, none of (a) the distributions which have been paid to the Unitholders prior to the date of the Implementation Agreement or the 2H FY2024 Distribution; and (b) any and all sale, conveyance, transfer, assumption or disposal(s) which have been announced or notified in writing to TPPL, prior to the date of the Implementation Agreement, as a potential transaction which PARAGON REIT is contemplating or in the process of undertaking (including but not limited to the Figtree Disposal) shall be taken into account in determining if there has been a Paragon Material Adverse Effect.

8. Authorisations and Consents

In addition to the approvals set out in paragraphs 2 and 3 above, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by any and all Parties under any and all applicable laws, from all Governmental Authorities, for or in respect of the implementation of the Scheme.

9. Third Parties

The receipt of all authorisations, consents, waivers, clearances, permissions and approvals as are necessary or required by PARAGON REIT from the Third Parties,²⁸ for or in respect of the implementation of the Scheme.

²⁸ **"Third Parties"** means certain financial institutions which have extended banking or credit facilities to any Paragon Group Entity or have entered into derivative arrangements with any Paragon Group Entity or otherwise have financial arrangements with any Paragon Group Entity.

Schedule 3

The Prescribed Occurrences

PART 1 – TPPL PRESCRIBED OCCURRENCE

For the purposes of the Implementation Agreement, “**TPPL Prescribed Occurrence**” means any of the following, save: (i) as required to give effect to or comply with the Implementation Agreement and/or the Scheme; (ii) as consented to in writing by PARAGON REIT (such consent not to be unreasonably withheld or delayed); or (iii) as required by applicable laws:

1. Cessation of Business

TPPL or CP ceases or threatens to cease for any reason to carry on business in the ordinary and usual course.

2. Resolution for Winding-Up

Any resolution that TPPL or CP be wound-up.

3. Appointment of Liquidator and Judicial Manager

The appointment of a liquidator, provisional liquidator, judicial manager or provisional judicial manager of TPPL or CP.

4. Order of Court for Winding-Up

The making of an order by a court of competent jurisdiction for TPPL or CP to be wound-up.

5. Composition

Entering into any arrangement or general assignment or composition for the benefit of the creditors generally of TPPL or CP.

6. Appointment of Receiver

The appointment of a receiver or a receiver and manager in relation to all or substantially all the property or assets of TPPL or CP.

7. Insolvency

TPPL or CP becoming or being deemed by applicable laws to be insolvent, or stops or suspends or defaults on or threatens to stop or suspend or default on, payment of its debts.

8. Analogous Event

Any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events, or any agreement or commitment by TPPL or CP to do any of the foregoing.

PART 2 – PARAGON PRESCRIBED OCCURRENCE

For the purposes of the Implementation Agreement, “**Paragon Prescribed Occurrence**” means any of the following, save: (i) as required to give effect to or comply with the Implementation Agreement and/or the Scheme; (ii) as consented to in writing by TPPL (such consent not to be unreasonably withheld or delayed); (iii) as disclosed in the disclosure letter from the Paragon Trustee and the Paragon Manager to TPPL on a private and confidential basis; or (iv) as required by applicable laws:

1. Amendment of Trust Deeds

The Paragon Manager making any amendment to the Paragon Trust Deed, save for amendments necessary, required or desirable to facilitate the implementation of, or to give effect to, the Scheme and the transactions contemplated by the Implementation Agreement or any other matter as may be agreed between the Parties.

2. Conversion of Units

The Paragon Manager sub-dividing or consolidating any or all of the Units into a larger or smaller number of Units.

3. Issuance of Units or Shares

The Paragon Manager (or any Paragon Group Entity) allotting or issuing, or granting an option to subscribe for, any Units, shares, units or equity securities of any Paragon Group Entity, or securities convertible into Units or into such shares, units or equity securities, save for any issuance of Units to the Paragon Manager as payment of fees (including base management fees, performance management fees and, if any, acquisition or divestment fees), as consistent with its usual policy of electing to receive Units in line with past practice.

4. Securities Buy-back

The Paragon Manager (or any Paragon Group Entity):

- (a) entering into a securities buy-back or repurchase agreement;
- (b) resolving to approve the terms of a securities buy-back or repurchase agreement under the relevant securities legislation or the Paragon Trust Deed (save for any unit buy-back mandate that may be approved at the annual general meeting of PARAGON REIT); or
- (c) buying-back or repurchasing any issued Units.

5. Distributions

Save for the 2H FY2024 Distribution, the Paragon Manager:

- (a) declaring, making or paying any distribution to the Unitholders other than in accordance with the ordinary and usual course of business, consistent with the prior practice in the period prior to the date of the Implementation Agreement; or
- (b) declaring, making or paying any distribution to the Unitholders from the proceeds of the Figtree Disposal.

6. Borrowings, Indebtedness

The Paragon Trustee (or any Paragon Group Entity):

- (a) issuing any bonds, notes or other debt securities (whether or not convertible or exchangeable into units and whether or not accounted as equity), whether under the Paragon Programme or otherwise; or
- (b) incurring any other borrowings or indebtedness, save for:
 - (i) drawdowns on existing debt facilities;
 - (ii) the refinancing of any debt obligations prior to their due date;
 - (iii) any borrowing or indebtedness incurred to fund any capital expenditure permitted in paragraph 9 below or any acquisition permitted in paragraph 10 below; and
 - (iv) any borrowing or indebtedness incurred in relation to working capital requirements not exceeding S\$1,000,000.

For the avoidance of doubt, this paragraph 6 does not prohibit the Paragon Trustee (or any Paragon Group Entity) from making any prepayment or early repayment of its existing debt facilities or any other borrowing or indebtedness in the ordinary course of business.

7. Guarantees, Indemnities

The Paragon Trustee (or any Paragon Group Entity):

- (a) entering into any guarantee, indemnity or other arrangement to secure any obligation of any Person (other than a Paragon Group Entity); or
- (b) creating any encumbrance over any of PARAGON REIT (or any Paragon Group Entity)'s assets or undertakings (including granting any rights or easements over any Paragon Property),

in each case, save in the ordinary course of business or in respect of any borrowings or indebtedness as permitted in paragraph 6 above.

“**Paragon Properties**” means the properties listed in the announcement titled “Notice of Valuation of Real Assets: Valuation of Paragon, The Clementi Mall and Westfield Marion” released by the Paragon Group on the SGXNet on or about the date of the Implementation Agreement, and “**Paragon Property**” means any one of them.

8. Hedging

The Paragon Trustee (or any Paragon Group Entity) entering into any material hedging and other derivative or off-balance sheet transactions, save with respect to any cash-flow hedging for an underlying exposure which is permitted in paragraph 6 above.

9. Capital Expenditure

The Paragon Trustee (or any Paragon Group Entity) making or incurring any capital expenditure, save for:

- (a) any Approved Capex, less any and all capital expenditure incurred or committed from 1 January 2025 until (and including) the date hereof; and
- (b) any capital expenditure arising from or relating to cases of emergency.

“**Approved Capex**” means (i) any capital expenditure; or (ii) any alteration or addition to any Paragon Property, which has been approved and budgeted for by PARAGON REIT as at the date of the Implementation Agreement, and which does not exceed S\$40 million (or its equivalent in other currencies) in the aggregate (the “**Approved Capex Budget**”). For the avoidance of doubt, any allocated Approved Capex may be re-allocated to any other capital expenditure and/or alteration or addition to any Paragon Property, so long as it falls within the Approved Capex Budget.

10. Acquisitions and Disposals

The Paragon Trustee (or any Paragon Group Entity):

- (a) entering into, undertaking or completing any Material Acquisition; or
- (b) entering into, undertaking or completing any Material Disposal.

11. Real Property

In relation to the Paragon Properties, the Paragon Trustee (or any Paragon Group Entity):

- (a) applying for any planning permission or sub-division of any Paragon Property, or implementing any planning permission or sub-division of any Paragon Property already obtained but not implemented, in each case which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the Paragon Group, taken as a whole (save in respect of any Approved Capex);
- (b) carrying out any alteration or addition to any Paragon Property which has not been approved or budgeted for as at the date of the Implementation Agreement, save for any fitting out works carried out by an Occupier pursuant to an Occupation Agreement, in each case which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the Paragon Group, taken as a whole (save in respect of any Approved Capex);
- (c) effecting any change of use of any Paragon Property which is reasonably likely to have a material adverse effect on the business, operations, assets or financial condition of the Paragon Group, taken as a whole;
- (d) amending, modifying or varying any Title Document, in each case, except as that which will not have a material adverse effect on the business, operations, assets or financial condition of the Paragon Group, taken as a whole;
- (e) releasing the lessor, grantor or issuer under any Title Document(s) from any of its obligations, failing to exercise any rights or powers of termination under any Title Document(s) or waiving any breaches of any Title Document(s), in each case, in any material respect; or

(f) renewing any leases other than in the ordinary course of business.

12. Investigations

If PARAGON REIT (or any Paragon Group Entity), the Paragon Trustee or the Paragon Manager or any of their respective directors is the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation or Proceeding.²⁹

13. Proceedings

The Paragon Trustee or the Paragon Manager (or any Paragon Group Entity) initiating, compromising, settling or making any offer to compromise, settle or pay any claim, legal action or Proceeding in excess of S\$1,000,000 (or its equivalent in other currencies) individually or in the aggregate with any and all other claims, legal actions or Proceedings, save in the ordinary course of business.

14. Cessation of Business

PARAGON REIT (or any Paragon Group Entity) ceases or threatens to cease for any reason to carry on business in the ordinary and usual course.

15. Amend Accounting Policies

PARAGON REIT (or any Paragon Group Entity) making any change to its accounting practices or policies (save for changes in accordance with FRS³⁰ or RAP 7,³¹ as applicable).

16. Resolution for Winding-Up

Any resolution that PARAGON REIT (or any Paragon Group Entity) be wound-up, save with respect to any Paragon Group Entity that is dormant.

17. Appointment of Liquidator and Judicial Manager

The appointment of a liquidator, provisional liquidator, judicial manager or provisional judicial manager of PARAGON REIT (or any Paragon Group Entity).

18. Order of Court for Winding-Up

The making of an order by a court of competent jurisdiction for PARAGON REIT (or any Paragon Group Entity) to be wound-up.

19. Composition

Entering into any arrangement or general assignment or composition for the benefit of the creditors generally of PARAGON REIT (or any Paragon Group Entity).

20. Appointment of Receiver

The appointment of a receiver or a receiver and manager in relation to all or substantially all the property or assets of PARAGON REIT (or any Paragon Group Entity).

²⁹ "Proceeding" means any action, claim, demand, appeal, litigation, arbitration or dispute resolution proceeding, or any disciplinary or enforcement proceeding, in any jurisdiction.

³⁰ "FRS" means the Singapore Financial Reporting Standards.

³¹ "RAP 7" means the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts".

21. Insolvency

PARAGON REIT (or any Paragon Group Entity) becoming or being deemed by applicable laws to be insolvent, or stops or suspends or defaults on or threatens to stop or suspend or default on, payment of its debts.

22. Analogous Event

Any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events, or any agreement or commitment by any Paragon Group Entity to do any of the foregoing.

Schedule 4

SENSITIVITY ANALYSIS

Unitholders should note that the Potential AEI remains preliminary and subject to further in-depth feasibility assessment. Accordingly, there remains significant uncertainty as to the parameters of, and the impact of the Potential AEI on PARAGON REIT if or when carried out. Therefore, the figures and analysis prepared by the Offeror below are purely hypothetical and provided for illustrative purposes only.

It should be noted that the analyses performed in this Schedule do not in any way constitute any form of profit guidance or forecast or forward statement by the Offeror on the financial position of PARAGON REIT (including, but not limited to, the DPU or DPU Yield). These analyses are for ILLUSTRATIVE PURPOSES ONLY.

(i) Illustrative Financial Impact of Capital Expenditure and Reduction in Paragon NPI in relation to a Potential AEI

Table A: Illustrative Impact on FY2024 Adjusted Distribution (S\$ million), FY2024 Adjusted DPU (Singapore cents) and DPU Dilution (%)

Table A below illustrates the impact on the Adjusted Distribution, Adjusted DPU and Adjusted DPU Yield³² of PARAGON REIT, assuming (a) a Potential AEI incurs capital expenditure of between S\$300 million to S\$600 million that is fully funded by debt with an all-in finance cost of 4.4%³³ and (b) a fluctuation in Paragon NPI for FY2024 of 10% to 40%, which would collectively result in a decrease in net property income, an increase in interest expenses and consequentially reduce distributable income and DPU.

Illustrative Impact on FY2024 Adjusted Distribution (S\$ million)

		Reduction in NPI			
		(10.0%)	(20.0%)	(30.0%)	(40.0%)
Capital Expenditure (S\$ million)	300	100.8	87.2	73.7	60.1
	400	96.2	82.6	69.0	55.5
	500	91.5	77.9	64.4	50.8
	600	86.9	73.3	59.7	46.2

Illustrative Impact on FY2024 Adjusted DPU (Singapore cents)

		Reduction in NPI			
		(10.0%)	(20.0%)	(30.0%)	(40.0%)
Capital Expenditure (S\$ million)	300	3.55	3.07	2.60	2.12
	400	3.39	2.91	2.43	1.95
	500	3.22	2.75	2.27	1.79
	600	3.06	2.58	2.10	1.63

Illustrative Impact on FY2024 Adjusted DPU Dilution (%)

		Reduction in NPI			
		(10.0%)	(20.0%)	(30.0%)	(40.0%)
Capital Expenditure (S\$ million)	300	(21.4%)	(32.0%)	(42.6%)	(53.2%)
	400	(25.1%)	(35.6%)	(46.2%)	(56.8%)
	500	(28.7%)	(39.3%)	(49.8%)	(60.4%)
	600	(32.3%)	(42.9%)	(53.5%)	(64.0%)

- Based on illustrative figures in Table A, the *pro forma* FY2024 Adjusted Distribution would have decreased to S\$46.2 - 100.8 million which would have resulted in the FY2024 Adjusted DPU decreasing to 1.63 - 3.55³⁴ Singapore cents (versus FY2024 Adjusted DPU of 4.52 Singapore cents), translating to up to 64.0% DPU dilution.

³² Please refer to **Schedule 5** for the adjustments relating to Adjusted Distribution, Adjusted DPU, Adjusted DPU Yield and Adjusted Aggregate Leverage.

³³ Based on PARAGON REIT's average cost of debt in FY2024.

³⁴ For illustrative purposes only, based on S\$300 million of capital expenditure fully funded by debt at an all-in finance cost of 4.4% and a 10% reduction in FY2024 NPI of Paragon, PARAGON REIT's FY2024 Adjusted Distribution would

Table B: Illustrative Impact on FY2024 Adjusted DPU Yield (%)

Table B below illustrates the impact on Adjusted DPU Yield assuming (a) a Potential AEI incurs capital expenditure of between S\$300 million to S\$600 million that is fully funded by debt with an all-in finance cost of 4.4%³⁵ and (b) a fluctuation in Paragon NPI for FY2024 of 10% to 40% which would collectively result in a decrease in net property income and an increase in interest expenses and consequentially reduce distributable income and DPU.

Illustrative Impact on FY2024 Adjusted DPU Yield (%)

		Reduction in Paragon NPI			
		(10.0%)	(20.0%)	(30.0%)	(40.0%)
Capital Expenditure (\$ million)	300	4.0%	3.5%	2.9%	2.4%
	400	3.8%	3.3%	2.7%	2.2%
	500	3.6%	3.1%	2.5%	2.0%
	600	3.4%	2.9%	2.4%	1.8%

- Based on illustrative figures in Table B, the *pro forma* FY2024 Adjusted DPU yield would have decreased to 1.8% - 4.0% (versus FY2024 Adjusted DPU yield of 5.1%) based on the Last Transacted Price of S\$0.890 per unit.

Table C: Illustrative Impact on FY2024 Adjusted Aggregate Leverage (%)

Table C shows the illustrative impact on FY2024 Adjusted Aggregate Leverage assuming a Potential AEI incurring capital expenditure of S\$300 million to S\$600 million that is fully funded by debt with an all-in finance cost of 4.4%³⁵ that would increase interest expenses.³⁶

	Capital Expenditure (\$ million)			
	300	400	500	600
FY2024 Adjusted Aggregate Leverage (%)	38.5	39.9	41.1	42.4

Based on the illustrative figures in Table C, a capital expenditure of between S\$300 million to S\$600 million would have resulted in a *pro forma* FY2024 Adjusted Aggregate Leverage from 34.2% to 38.5% - 42.4% (versus. retail S-REIT peers³⁷ average of 38.6%).

be reduced to approximately S\$100.8 million. Resultant FY2024 Adjusted DPU based on the applicable number of units as of FY2024 would be 3.55 Singapore cents, which corresponds to a 21.4% decline in DPU. Based on 3.55 Singapore cents, this implies a FY2024 Adjusted DPU Yield of 4.0% based on the Last Transacted Price of S\$0.890 per Unit. Accordingly, the aforementioned methodology has been applied across various scenarios as illustrated per the sensitivity analysis in Table A and B.

³⁵ Based on PARAGON REIT's average cost of debt in FY2024.

³⁶ For illustrative purposes only, based on S\$300 million of capital expenditure fully funded by debt, S\$300 million of debt has been added to total borrowing as of FY2024 as well as capitalised to the PARAGON REIT's deposited property as of FY2024 adjusted, on a pro forma basis, for the Adjustments (as defined in **Schedule 5**), resulting in a FY2024 Adjusted Aggregate Leverage of 38.5%. Accordingly, the aforementioned methodology has been applied across various scenarios as illustrated per the sensitivity analysis in Table C.

³⁷ Refers to Capitaland Integrated Commercial Trust, Mapletree Pan Asia Commercial Trust, Frasers Centrepoint Trust, Lendlease Global Commercial REIT and Starhill Global Commercial REIT.

(ii) Statement from Citi

Citi, acting in its capacity as financial adviser to the Offeror, has reviewed the rationale and supporting data for the assumptions and adjustments in this Schedule 4 and discussed the basis for these assumptions and adjustments with the Offeror. The rationale and supporting data have been provided by the Offeror and Citi has relied upon and assumed the accuracy and completeness of such information provided. Based on the foregoing, Citi concurs with the Offeror's view that the assumptions are reasonable for illustrating the hypothetical impact of a Potential AEI in this Schedule 4. Citi acts solely as the financial adviser of the Offeror, and it does not accept any responsibility to any other person in connection with its aforementioned assessment.

Schedule 5

ADJUSTED DPU, DPU YIELD AND ADJUSTED AGGREGATE LEVERAGE

Pro Forma Financial Effects on PARAGON REIT's FY2024 DPU, DPU Yield and Aggregate Leverage after Adjustments

References to Adjusted DPU, Adjusted DPU Yield and Adjusted Aggregate Leverage in this Joint Announcement refers to the DPU, DPU Yield and Aggregate Leverage of PARAGON REIT as prepared by the Offeror and as derived from PARAGON REIT's FY2024 Financial Statements, adjusted, on a *pro forma* basis, for the Adjustments (as defined below) and excluding any financial impact from a Potential AEI.

	FY2024	FY2024 Adjusted (Post Adjustments and excluding any Potential AEI)
Distribution to Unitholders (S\$'000)	132,014	128,334 ¹
Applicable Number of Units ('000)	2,839	2,839
DPU (Singapore cents)	4.65	4.52 ²
Illustrative DPU Yield³ (%)	5.2	5.1
Aggregate Leverage (%)	35.3	34.2 ⁴

Note:

- (1) Calculated based on FY2024 Distribution to Unitholders less Distribution to Unitholders attributable to The Rail Mall and Figtree Grove Shopping Centre (including reversal of net property income received, management fees paid and cost savings from finance cost paid due to loans related to The Rail Mall and Figtree Grove Shopping Centre)
- (2) Calculated based on Distribution to Unitholders divided by Applicable Number of Units
- (3) Calculated based on DPU by the Last Transacted Price of S\$0.890 per Unit
- (4) Calculated based on FY2024 Aggregate Leverage, taking into account the divestment of Figtree Grove Shopping Centre and repayment of loans related to Figtree Grove Shopping Centre

Adjustments

The *pro forma* adjustments (together, the "**Adjustments**") made to the PARAGON REIT FY2024 Financial Statements are as follows:

- (a) the following divestments by PARAGON REIT are assumed to have occurred on 1 January 2024:
 - (i) the divestment of The Rail Mall (which was completed on 15 August 2024); and
 - (ii) the divestment of Figtree Grove Shopping Centre (which was completed on 31 January 2025);

- (b) the special dividend from the divestment of The Rail Mall, given its one-off and non-recurring nature, has been excluded; and
- (c) the repayment of the perpetual securities issued in 2019 has been fully funded on and from 1 January 2024 by new banking facilities drawn in August 2024.