

PARAGON REIT
Incorporated in the Republic of Singapore
(A Real Estate Investment Trust Constituted
Under The Laws Of The Republic Of Singapore
Pursuant To A Trust Deed Dated 9 July 2013 (As Amended))

MINUTES OF THE TENTH ANNUAL GENERAL MEETING OF PARAGON REIT

Minutes of the Tenth Annual General Meeting of unitholders of PARAGON REIT held at Orchid Junior Ballroom, Level 4, Sands Expo & Convention Centre, 10 Bayfront Ave, Singapore 018956 on Monday, 25 March 2024, at 3.30 p.m.

PRESENT

Board of Directors

Dr Leong Horn Kee	Chairman, Non-Executive and Non-Independent Director
Ms Jennie Chua	Deputy Chairman, Non-Executive and Independent Director
Mr Eugene Lai	Non-Executive and Lead Independent Director
Mrs Trina Loh	Non-Executive and Independent Director
Ms Hoo Sheau Farn	Non-Executive and Independent Director
Mr Bernard Phang	Non-Executive and Independent Director
Mr Ray Ferguson	Non-Executive and Independent Director
Mr Gerald Yong	Non-Executive and Non-Independent Director
Ms Ginney Lim	Non-Executive and Non-Independent Director

Unitholders

As per attendance records maintained by the Company Secretary

IN ATTENDANCE

Mr Brent Huang	Company Secretary
Ms Susan Leng	Chief Executive Officer (CEO)
Ms Woo Yeng Yeng	Chief Financial Officer (CFO) & Head, Investor Relations
Ms Belinda Zheng	Investment Manager
Mr Marc Ang	Asset Manager

Representatives from (i) DBS Trustee Limited (the trustee of PARAGON REIT) ("**Trustee**"), (ii) KPMG LLP, the auditor of PARAGON REIT, (iii) Boardroom Corporate & Advisory Services Pte Ltd, the unit registrar of PARAGON REIT, (iv) Trusted Services Pte Ltd, the polling agent for the AGM, and (v) RHT Governance, Risk & Compliance (Singapore) Pte Ltd, the scrutineer for the AGM, were present at the AGM.

1. The Chairman welcomed unitholders of PARAGON REIT ("**Unitholders**") to the Annual General Meeting of PARAGON REIT ("**AGM**") and called the meeting to order. The Chairman opened the meeting by presenting the key highlights of the financial year ended 31 December 2023 ("**FY2023**"). He then invited the CEO, Ms Susan Leng, to address Unitholders.
2. The CEO gave a presentation on PARAGON REIT's performance for FY2023.
3. The Company Secretary confirmed that there was sufficient quorum to constitute the meeting as required under Paragraph 6 in Schedule 1 of the Deed of Trust constituting PARAGON REIT dated 9 July 2013 (as amended).

NOTICE OF MEETING

4. The notice dated 4 March 2024 convening the AGM was agreed to be taken as read.
5. In line with PARAGON REIT's commitment towards promoting greater corporate transparency, the Chairman informed the meeting that all resolutions at the AGM would be put to the vote by way of a poll.
6. Accordingly, the Chairman exercised his right under Paragraph 10 in Schedule 1 of the Deed of Trust constituting PARAGON REIT dated 9 July 2013 (as amended) to demand a poll in respect of each of the resolutions to be put to the vote of Unitholders at the AGM.
7. The Chairman informed the meeting that polling would be conducted in a paperless manner using mobile devices, and invited the Company Secretary to brief the meeting on the poll voting process before commencing discussion on the AGM Agenda.
8. The Company Secretary briefed the Unitholders on the poll voting process. RHT Governance, Risk & Compliance (Singapore) Pte Ltd was the Scrutineer. Trusted Services Pte Ltd, which provided the electronic poll voting services for the AGM, gave a short presentation explaining the voting process. A test resolution was conducted to familiarise Unitholders with the poll voting process.
9. The Chairman informed all Unitholders that as Chairman of the AGM, he had been appointed as proxy to vote for and against the resolutions to be tabled at the AGM.

AGENDA ITEM NO. 1: REPORT OF DBS TRUSTEE LIMITED, STATEMENT BY PARAGON REIT MANAGEMENT PTE LTD AND AUDITED FINANCIAL STATEMENTS

10. The Chairman referred the Unitholders to the Report of DBS Trustee Limited, the statement by PARAGON REIT Management Pte Ltd as manager of PARAGON REIT (the "**Manager**") and the Audited Financial Statements of PARAGON REIT for the financial year ended 31 December 2023.
11. The Chairman then proposed:-

"That the Report of DBS Trustee Limited, as trustee of PARAGON REIT, the statement by PARAGON REIT Management Pte Ltd, as manager of PARAGON REIT and the Audited Financial Statements of PARAGON REIT for the financial year ended 31 December 2023 together with the Auditors' Report thereon be, and are hereby approved and adopted."
12. The Chairman then invited comments or questions from Unitholders. Questions were raised by Unitholders and answered by the Chairman, Chief Executive Officer and Chief Financial Officer of the Manager. Below is the summary of the answers to relevant and substantial questions raised by the Unitholders at the meeting:

Question 1

The Annual Report discloses negative rental reversions and lower valuations for Westfield Marion and Figtree Grove compared to last financial year. Given the challenging circumstances in Australia, what is PARAGON REIT's strategy for its Australia properties going forward?

At the point of acquisition of Westfield Marion and Figtree Grove, PARAGON REIT was at a low gearing with capacity for expansion. In addition, at the point of acquisition of the Australia properties, Australia was an attractive geography to invest in, the acquisitions were yield accretive, and enabled PARAGON REIT to diversify its portfolio.

More recently, many factors (including the weakening of the Australian dollar against the Singapore dollar) have made Australia less attractive. The Manager will continue to take an opportunistic approach and consider Australia assets carefully with these factors in mind, as and when opportunities come our way.

Question 2

Referencing page 39 of the Annual Report, PARAGON REIT's gearing ratio looks good, but the interest coverage ratio ("ICR") is now 3.5x compared to 6.8x from last financial year. If we include the perpetual securities, ICR will come down to 2.9x. Annualised all-in interest rates have also gone up to 4.3%. How is PARAGON REIT managing this financial risk? Are the perpetual securities going to be rolled over?

Interest rates have risen significantly in the past few years, and this has affected the entire S-REIT market as a whole. However, PARAGON REIT's lower gearing ratio compared to peers has been advantageous in the high interest rate environment.

In order to manage interest rate risks, the Manager has proactively increased PARAGON REIT's fixed rate hedging to 85% to mitigate the increased interest costs. Moving forward, the interest rate outlook for FY2024 is expected to improve, and if interest rates are to improve, this would benefit the unhedged portion of our loans.

PARAGON REIT's perpetual securities are due in August 2024. The indicative coupon rate upon roll over will be approximately 6%, compared to PARAGON REIT's average cost of debt in FY2023 of approximately 4%. The Manager will review the perpetual securities closer to the renewal date to determine if it should redeem the perpetual securities via debt, which is likely to be the cheapest cost of financing.

Question 3

Why has your net property income ("NPI") decreased significantly compared to the last financial year?

The figures are not comparable because they relate to different periods – 16-month vs 12-month figures. Last year's annual report was prepared based on a 16-month period ended 31 December 2022 due to the change in PARAGON REIT's financial year-end from 31 August to 31 December.

On a like-for-like 12-month comparison basis, PARAGON REIT's NPI has increased. This is reflected in page 36 of the Annual Report.

Question 4

How will you manage the credit risk in relation to the impairment losses noted on page 189 of the Annual Report? If tenants fail to pay us, how will you manage the credit risk?

Debtors' balance has decreased year-on-year from S\$4.3 million to S\$3.7 million. The profile of debtors' aging has also improved year-on-year. The Manager works very closely with the property manager to ensure that debts are collected. When entering into new leases, there is a rigorous process in place to understand the business, reputation, profile, and credit background of prospective tenants. The Manager collects rental deposits from tenants to mitigate such risks, and also keeps close tabs on its tenants to ensure that they are operating well, and looks closely at tenants' profiles when renewing leases.

The Manager also highlighted that the impairment losses in the Annual Report have not crystallised. While provisions are made for such amounts in the accounts as a matter of prudence, the Manager will still continue to recover these debts, and will only write off amounts which are not expected to be collected from the tenant.

Question 5

Given the current market conditions, where do you see the risks and opportunities in 2024, and what is your strategy to mitigate risk and capture these opportunities? Barring any unforeseen circumstances, are we expecting this year to be similar?

The Manager anticipates that 2024 will be a stable year for PARAGON REIT, as tourist arrivals in Singapore are expected to increase and interest rates are also expected to stabilise. However, the Manager is mindful that the global geopolitical environment is not as stable as it once was, and will monitor global and regional developments with an eye towards minimising the impact of any such developments on PARAGON REIT.

In the meantime, the Manager will continue to adopt an opportunistic approach and assess potential acquisitions carefully should such opportunities arise.

13. As there were no more questions, the Chairman put the resolution to the meeting and, based on the polling results, declared it carried. The results of the poll are as follows:

Ordinary Resolution 1 To receive and adopt the Report of DBS Trustee Limited, as trustee of PARAGON REIT (the "Trustee"), the statement by PARAGON REIT Management Pte. Ltd., as manager of PARAGON REIT (the "Manager"), and the Audited Financial Statements of PARAGON REIT for the financial year ended 31 December 2023 together with the Auditors' Report thereon.	For		Against	
	Number of Units	Percentage (%)	Number of Units	Percentage (%)
	1,973,040,575	99.93	1,460,609	0.07

AGENDA ITEM NO. 2: RE-APPOINTMENT OF AUDITORS

14. The Chairman proposed:-

"That KPMG LLP be and are hereby re-appointed Auditors of PARAGON REIT until the conclusion of the next Annual General Meeting and that the Manager be authorised to fix their remuneration."

15. There being no questions, the Chairman put the resolution to the meeting and, based on the polling results, declared it carried. The results of the poll are as follows:

Ordinary Resolution 2 To re-appoint KPMG LLP as the Auditors of PARAGON REIT to hold office until the conclusion of the next Annual General Meeting of PARAGON REIT, and to authorise the Manager to fix their Remuneration.	For		Against	
	Number of Units	Percentage (%)	Number of Units	Percentage (%)
	1,973,090,472	99.90	1,896,147	0.10

**AGENDA ITEM NO. 3:
SPECIAL BUSINESS
AUTHORITY TO ISSUE UNITS**

16. The Chairman explained that the purpose of Agenda item 3 was to allow the Manager to issue units in PARAGON REIT (“Units”) up to a limit of 50 per cent, of which the total number of Units to be issued other than on a pro-rata basis shall not exceed 20 per cent.

17. The Chairman proposed: -

“That pursuant to Clause 5 of the trust deed constituting PARAGON REIT (the “Trust Deed”) and the listing rules of Singapore Exchange Securities Trading Limited (the “SGX-ST”), authority be and is hereby given to the Manager to:

- (a) (i) issue units in PARAGON REIT (“Units”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
- (b) issue Units in pursuance of any Instruments made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (A) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below);
- (B) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:
 - (i) any new Units arising from the conversion or exercise of any Instruments which are outstanding or subsisting at the time this Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of Units;
- (C) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (D) unless revoked or varied by Unitholders in a general meeting of Unitholders, the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next Annual General Meeting of PARAGON REIT or (ii) the date by which the next Annual General Meeting of PARAGON REIT is required by applicable regulations to be held, whichever is earlier;

- (E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (F) the Manager, any director of the Manager, and the Trustee, be and are hereby severally authorised to complete and to do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager, or, as the case may be, the Trustee may consider expedient or necessary or in the interest of PARAGON REIT to give effect to the authority conferred by this Resolution.”

18. There being no questions, the Chairman put the resolution to the meeting and, based on the polling results, declared it carried. The results of the poll are as follows:

Ordinary Resolution 3 To authorise the Manager to issue Units and to make or grant convertible instruments.	For		Against	
	Number of Units	Percentage (%)	Number of Units	Percentage (%)
	1,941,429,328	98.40	31,538,381	1.60

TERMINATION OF MEETING

19. On behalf of PARAGON REIT, the Chairman thanked Unitholders for their attendance at the AGM and their support.
20. There being no other business, the AGM was declared closed.

Confirmed

Chairman