

FOR IMMEDIATE RELEASE

All capitalised terms which are used in this press release but not otherwise defined herein shall have the meanings ascribed to them in the Joint Announcement dated 11 February 2025. This press release should be read in conjunction with the Joint Announcement, a copy of which is available on <http://www.sgx.com>.

**CUSCADEN PEAK AND PARAGON REIT JOINTLY ANNOUNCE
PROPOSED SCHEME OF ARRANGEMENT TO PRIVATISE
PARAGON REIT**

- **Scheme Consideration of S\$0.9800 in cash per Unit delivers attractive value**
 - Price / Adjusted NAV of 1.07x, an 8.4% premium to precedent privatisations¹
 - 10.9% and 12.8% premium to the 1-month and 12-month VWAP
- **PARAGON REIT will also pay 2H FY2024 cash distribution of 2.33 Singapore cents per Unit**
 - Scheme Consideration will not be reduced by this amount
- **Offeror proposes a privatisation to pave way for a major AEI to future-proof Paragon**
 - Paragon is experiencing increasing competition from surrounding malls
 - Major AEI necessary to maintain long-term competitiveness but could take several years
 - Privatisation will allow a Potential AEI to be implemented without subjecting Unitholders to execution risks, as well as DPU and unit price volatility

SINGAPORE, 11 February 2025 – PARAGON REIT Management Pte. Ltd. (the “**REIT Manager**”), as manager of PARAGON REIT, and **Times Properties Private Limited** (the “**Offeror**”), a wholly owned subsidiary of Cuscaden Peak Investments Private Limited, the sponsor of PARAGON REIT (the “**Sponsor**”), have today jointly announced the proposed privatisation and delisting of PARAGON REIT to be effected by way of a trust scheme of arrangement (the “**Scheme**”) in accordance with the Singapore Code of Take-overs and Mergers.

The Sponsor is a wholly owned subsidiary of Cuscaden Peak Pte. Ltd. (“**Cuscaden Peak**”), which is in turn jointly owned by Adenium Pte. Ltd., a wholly owned subsidiary of CLA Real Estate Holdings Pte. Ltd., and Mapletree Fortress Pte. Ltd., a wholly owned subsidiary of Mapletree Investments Pte. Ltd., each holding 50% of the ordinary shares.

¹ Based on precedent privatisation of property trusts and REIT mergers with an all-cash option as consideration.

Scheme Delivers Attractive Value to Unitholders

The Scheme Consideration of S\$0.9800 in cash per Unit provides attractive value to Unitholders:

- a) Represents a 7.1% premium to Adjusted NAV² which translates to a Price / Adjusted NAV multiple of 1.07x, which exceeds peer benchmarks and historical averages:
 - 8.4% premium to precedent privatisations of property trusts (*average: 0.99x*)
 - 34.2% premium to current trading multiples of Singapore retail REITs (*average: 0.80x*)
 - 8.3% premium to PARAGON REIT's historical Price / Adjusted NAV over the last 5 years (*average: 0.99x*);
- b) Represents premiums of 10.9% and 12.8% to the 1-month and 12-month volume-weighted average price, respectively; and
- c) Exceeds the highest ever traded price over the last 2 years.

In addition, PARAGON REIT has announced it will pay 2H FY2024 cash distributions of 2.33 Singapore cents per Unit. The Scheme Consideration will not be reduced by this amount.

The Scheme allows Unitholders to realise their investment in cash at an attractive valuation, with no trading costs, and the ability to immediately reinvest proceeds into other opportunities.

Rationale for the Scheme

PARAGON REIT faces trading conditions that constrain potential for sustained growth, and relies heavily on Paragon

PARAGON REIT has faced low free float and trading liquidity, as well as limited analyst coverage and institutional investor flow relative to its retail S-REIT peers, which have constrained its ability to access capital markets and expand its portfolio. In that context, PARAGON REIT's total assets have grown 1.3 times since its initial public offering in July 2013, compared to the average of 2.9 times for other retail S-REITs.

PARAGON REIT's portfolio also relies heavily on Paragon, an upscale mall that is more than 30 years old and that accounts for 72% of the REIT's appraised value. However, Paragon's premier upscale status is being challenged by malls undergoing major upgrades and upcoming redevelopments in the surrounding catchment (e.g. Ming Arcade, Tanglin Shopping Centre, Forum The Shopping Mall, voco Orchard Singapore, and HPL House), which are expected to significantly ramp up competition once completed.

² Based on FY2024 NAV per Unit of S\$0.9385 less 2H FY2024 Distributions per Unit of S\$0.0233.

In addition to these competitive pressures, a persistent slowdown in luxury spending post-pandemic, with international luxury spending at 74%³ of its 2019 peak, has also weighed on Paragon's performance.

Offeror believes a major Potential AEI is necessary to maintain Paragon's long-term competitiveness

Against this backdrop, the Offeror believes that a potential significant asset enhancement initiative ("**Potential AEI**") is necessary to maintain Paragon's long-term competitiveness and intends to collaborate closely with PARAGON REIT to facilitate the implementation of such a Potential AEI.

While concepts relating to a Potential AEI are preliminary at this stage, the scope may include various initiatives, including upgrades to Paragon's façade and interiors, reconfiguration and optimisation of retail and circulation spaces, improved connectivity and accessibility, mechanical & electrical upgrades, and other works that may be beneficial to improving and maintaining the long-term competitiveness of Paragon. To minimise business disruptions, it is envisioned that the works be implemented in phases, without the complete closure of Paragon. There are no intentions to redevelop or change the underlying use of Paragon or increase the gross floor area ("**GFA**").

The Offeror envisions that future-proofing Paragon through a Potential AEI could require a sizeable capital investment, potentially taking three to four years to complete, and carrying significant execution risks such as cost and timing uncertainties. During that period, potential changes in market conditions may also impact leasing demand and/or rental rates. Illustratively, based on precedent AEIs' capital expenditure per square foot for retail and office properties in Singapore⁴, a potential total capital expenditure for Paragon's GFA could be approximately S\$300 – 600 million (representing 10 – 21% of Paragon's FY2024 appraised value).

The Offeror believes that PARAGON REIT's other assets, The Clementi Mall and Westfield Marion⁵, would not be able to offset the potential impact of a Potential AEI for Paragon on PARAGON REIT's overall performance given their relative size (28% of PARAGON REIT's appraised value) as compared to Paragon. Consequently, this could result in fluctuations and volatility in net property income ("**NPI**"), distributable income, distribution per Unit ("**DPU**"), DPU yield and unit price for Unitholders.

³ Intercontinental Group of Department Stores (May 2024).

⁴ For retail and office properties in Singapore of approximately S\$330 – 590 per square foot.

⁵ PARAGON REIT has a 50% interest in Westfield Marion.

A Potential AEI would be more suitably carried out in a private setting, so Unitholders do not bear the associated execution risks as well as potential distributable income, DPU and unit price volatility.

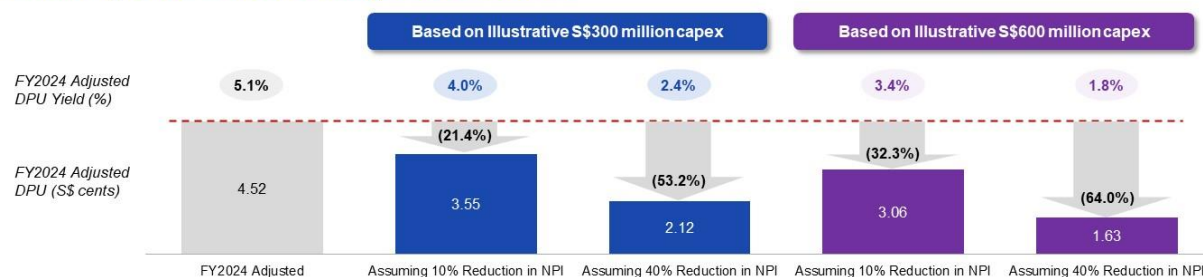
Based on the Offeror's analysis:

Illustrative Impact of Potential AEI on FY2024 Adjusted DPU:

As a Potential AEI remains preliminary and is still subject to further in-depth feasibility assessment, the parameters for and the impact of such an AEI on PARAGON REIT are still uncertain. Illustratively, if PARAGON REIT undertook a Potential AEI, and (a) incurred capital expenditure between S\$300 million and S\$600 million (fully debt-funded and fully drawn down in FY2024 at an all-in finance cost of 4.4%), and (b) experienced a decrease in Paragon's NPI of between 10% and 40% for FY2024 due to potential business disruptions, this would collectively result in a decrease in net property income and an increase in interest expenses, and consequently reduce distributable income and DPU for PARAGON REIT.

Based on these parameters and illustratively had this occurred in FY2024, PARAGON REIT's proforma FY2024 Adjusted DPU and DPU yield would have fallen to 1.63 - 3.55 Singapore cents and 1.8% - 4.0% respectively, representing a decrease of between 21.4% - 64.0% to FY2024 Adjusted DPU⁶.

Illustrative Impact of Potential AEI on FY2024 Adjusted DPU and DPU Yield



Given the above, the Offeror and the Board of the REIT Manager believe that the proposal put forth is attractive to Unitholders and will allow them to immediately realise their investment in cash at an attractive premium.

Mr. Gerald Yong, Chief Executive Officer of the Sponsor and Director of the Offeror, said, "Given the increasingly competitive retail landscape, we believe that a major Potential AEI for Paragon is necessary to maintain its competitiveness as a leading upscale retail mall in Singapore. We intend to work closely with PARAGON REIT to implement a Potential AEI, which would also be for the long-term benefit of tenants and shoppers. In the face of the uncertainties in the execution and extent of such an initiative, it would be more suitably carried out with PARAGON REIT as a private entity."

⁶ Adjusted DPU and Adjusted DPU Yield refers to the DPU and DPU Yield of the REIT FY2024 as adjusted for several items, as set out in Schedule 6 of the Joint Announcement.

Dr. Leong Horn Kee, Chairman of the REIT Manager, said, “We recognise both the challenges and opportunities facing PARAGON REIT and believe it is important that Paragon maintains its status as a premier upscale retail mall. The Board believes that the Scheme Consideration is attractive and is pleased to present the Scheme to Unitholders for their consideration.”

Approvals Required

The Scheme will require, amongst others, the following approvals:

- **Amendments to the PARAGON REIT Trust Deed:** Approval of Unitholders holding not less than 75% of the voting rights of all Unitholders present and voting in person or by proxy at the extraordinary general meeting (“EGM”); and
- **Approval for the Scheme:** Approval of more than 50% of the number of Unitholders representing at least 75% in value of the Units held by Unitholders present and voting in person or by proxy at the Scheme Meeting to approve the Scheme.

Cuscaden Peak and its subsidiaries holding 61.5% in PARAGON REIT will abstain from voting on the Scheme.

The EGM and Scheme Meeting are expected to be convened by April 2025. Subject to the necessary approvals, it is expected that the Scheme will become effective by end-May 2025.

In the event the Scheme is not approved by Unitholders, the Offeror intends to actively engage with PARAGON REIT to consider an appropriate plan for Paragon, as it strongly believes that a Potential AEI is critical for Paragon to remain competitive.

Appointment of Independent Financial Adviser and Despatch of Scheme Document

The directors of the REIT Manager who are considered independent for the purpose of the Offer will appoint an Independent Financial Adviser (“IFA”) to advise such directors, in respect of the Scheme.

Full details of the Scheme including the recommendation of the PARAGON REIT Independent Directors and the advice of the IFA will be included in the Scheme Document to be sent to PARAGON REIT Unitholders in due course.

Citigroup Global Markets Singapore Pte. Ltd. is the financial advisor to the Offeror. Morgan Stanley Asia (Singapore) Pte. is the financial advisor to PARAGON REIT.

About PARAGON REIT

PARAGON REIT is a Singapore-based real estate investment trust established principally to invest in a portfolio of income-producing real estate primarily for retail purposes in Asia Pacific, as well as real estate-related assets. PARAGON REIT has a portfolio of three assets in Singapore and Australia.

Its portfolio of properties in Singapore comprises a 99-year leasehold interest in Paragon that commenced on 24 July 2013 and a 99-year leasehold interest in The Clementi Mall that commenced on 31 August 2010. These Singapore properties have an aggregate net lettable area of approximately 914,000 sq. ft. In Australia, PARAGON REIT owns a 50% freehold interest in Westfield Marion Shopping Centre, the largest regional shopping centre in Adelaide, South Australia.

PARAGON REIT is managed by PARAGON REIT Management Pte. Ltd., a wholly owned subsidiary of Cuscaden Peak Investments Private Limited.

Visit PARAGON REIT's website at www.paragonreit.com.sg for more details.

About Cuscaden Peak

Cuscaden Peak Investments Private Limited (formerly known as Singapore Press Holdings Limited before it was privatised on 13 May 2022) is a wholly owned subsidiary of Cuscaden Peak Pte. Ltd. ("**Cuscaden Peak**"), which is jointly held by Adenium Pte.Ltd., a subsidiary of CLA Real Estate Holdings Pte.Ltd. and Mapletree Fortress Pte. Ltd, a subsidiary of Mapletree Investments Pte. Ltd., each holding 50% of the ordinary shares.

Cuscaden Peak owns and operates businesses in Retail & Commercial, Aged Care and Events Management. On the retail and commercial front, Cuscaden Peak owns a ~61% stake in PARAGON REIT and joint venture stakes in an integrated development consisting of The Woodleigh Residences and The Woodleigh Mall.

For more information, please visit www.cuscadenpeak.com.

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Responsibility Statements

REIT Manager. The directors of the REIT Manager (including those who may have delegated detailed supervision of this press release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this press release (other than those relating to or expressed by the Offeror) are fair and accurate and that there are no other material facts not contained in this press release, the omission of which would make any statement in this press release misleading. Subject to the paragraph below, the directors of the REIT 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 the Offeror), the sole responsibility of the directors of the REIT 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 press release. The directors of the REIT Manager do not accept any responsibility for any information relating to the Offeror or any opinion expressed by the Offeror.

Offeror. The directors of the Offeror (including those who may have delegated detailed supervision of this press release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this press release are fair and accurate and that there are no other material facts not contained in this press release, the omission of which would make any statement in this press release misleading. Subject to the paragraph below, the directors of the Offeror 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 REIT Manager), the sole responsibility of the directors of the Offeror 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 press release. The directors of the Offeror do not accept any responsibility for any information relating to PARAGON REIT and/or the REIT Manager or any opinion expressed by PARAGON REIT and/or the REIT Manager.

Forward-Looking Statements

This press release may contain forward-looking statements that involve assumptions, risks and uncertainties. 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 other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. None of the Offeror, PARAGON REIT, the REIT Manager, their respective affiliates or any of their respective directors, officers, partners, employees, agents, representatives, advisers

or legal advisers assumes any responsibility to amend, modify, revise or update publicly any forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the view of the Offeror and/or the REIT Manager of future events.