

PARAGON REIT announces divestment of The Rail Mall for S\$78.5 million

SINGAPORE, 20 June 2024 – PARAGON REIT Management Pte. Ltd. (“PARAGON RM” or the “Manager”), the Manager of PARAGON REIT, is pleased to announce that PARAGON REIT has entered into a sale and purchase agreement (“SPA”) for the divestment of The Rail Mall (the “Property”) for a cash consideration (the “Consideration”) of S\$78.5 million (the “Divestment”), which was arrived at on a willing buyer willing seller basis taking into account the projected net property income of the Property, the retail market outlook and the property yield.

The Divestment is part of the Manager’s proactive portfolio management strategy and is in line with its objective to unlock value in PARAGON REIT’s portfolio. The valuation of the Property was S\$62 million as at 31 December 2023¹. The net proceeds from the Divestment will be deployed to pare down outstanding debt obligations, finance potential acquisitions and asset enhancement initiatives, and/or make distributions to unitholders.

The Divestment is not expected to have a material impact on PARAGON REIT’s net asset value and distribution per unit for the financial year ending 31 December 2024.

The Divestment is scheduled for completion in 2H FY2024. Upon completion of the Divestment, PARAGON REIT’s portfolio will comprise four assets in Singapore and Australia. Singapore, underpinned by core assets, Paragon and The Clementi Mall, will remain a significant component of PARAGON REIT’s portfolio, contributing approximately 80% to PARAGON REIT’s net property income and assets under management.

PARAGON REIT remains well positioned to seek yield-accretive opportunities for future growth.

¹ Please refer to the valuation announcement dated 6 February 2024 for details of the valuation of the Property as at 31 December 2023.

About the Property

The Property is a strip mall with 43 shop units and its adjacency to the iconic Rail Corridor nature trail also serves as a dining option for hikers and cyclists. The Property has a total net lettable area of 49,886 sq ft.

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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 five 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, a 99-year leasehold interest in The Clementi Mall that commenced on 31 August 2010 and a 99-year leasehold interest in The Rail Mall that commenced on 18 March 1947. These Singapore properties have an aggregate net lettable area of approximately 960,000 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 also owns an 85% interest in Figtree Grove Shopping Centre, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. Both Australian properties have an aggregate gross lettable area of approximately 1.7 million sq. ft. Visit PARAGON REIT's website at www.paragonreit.com.sg for more details.

ABOUT THE REIT MANAGER: PARAGON REIT MANAGEMENT PTE. LTD.

PARAGON REIT is managed by PARAGON REIT Management Pte. Ltd., a wholly-owned subsidiary of Cuscaden Peak Investments Private Limited. The Manager's key objective for PARAGON REIT is to provide Unitholders with regular and stable distributions, and sustainable long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure. The Manager endeavours to be a good corporate citizen, committed to its social and environmental responsibilities, contributing to a sustainable world.

ABOUT THE SPONSOR: CUSCADEN PEAK INVESTMENTS PRIVATE LIMITED

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"), a consortium made up of three shareholders - Hotel Properties Limited, Mapletree Investments Pte. Ltd., and CLA Real Estate Holdings Pte. Ltd. It has businesses in Retail & Commercial, Aged Care and Events Management Businesses.

On the retail and commercial front, Cuscaden Peak owns an ~61% stake in PARAGON REIT, whose portfolio comprises three properties in Singapore, namely Paragon, The Clementi Mall and The Rail Mall. In Australia, PARAGON REIT holds an 85% stake in Figtree Grove Shopping Centre and a 50% stake in Westfield Marion Shopping Centre. Cuscaden Peak Investments also has a joint venture stake in an integrated development consisting of The Woodleigh Residences and The Woodleigh Mall.

For more information, please visit:

Website: www.cuscadenpeak.com

LinkedIn: [linkedin.com/company/cuscadenpeak](https://www.linkedin.com/company/cuscadenpeak)

Instagram: @cuscadenpeakinvestments



Important Notice

This release may contain forward-looking statements that involve 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of PARAGON REIT Management Pte. Ltd. (as the manager of PARAGON REIT) on future events.

This press release is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of PARAGON REIT is not necessarily indicative of the future performance of PARAGON REIT.