



PARAGON REIT

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

Managed by

PARAGON REIT MANAGEMENT PTE. LTD.

(Registration No: 201305497E)

(Incorporated in the Republic of Singapore)

PROPOSED PRIVATISATION OF PARAGON REIT BY WAY OF A TRUST SCHEME OF ARRANGEMENT – RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS IN ADVANCE OF THE EXTRAORDINARY GENERAL MEETING AND SCHEME MEETING

1. INTRODUCTION

The board of directors of PARAGON REIT Management Pte. Ltd. (in its capacity as manager of PARAGON REIT, the "**Paragon Manager**") refers to the scheme document (the "**Scheme Document**") dated 27 March 2025 issued by the Paragon Manager to the unitholders of PARAGON REIT (the "**Unitholders**") in relation to the proposed privatisation of PARAGON REIT, which will be effected through the acquisition by Times Properties Private Limited (a wholly-owned subsidiary of Cuscaden Peak Pte. Ltd. ("**CP**")) of all the units in PARAGON REIT (the "**Units**") held by the Unitholders other than CP and its subsidiaries, by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers and the Paragon Trust Deed, as may be amended, supplemented or varied from time to time.

All capitalised terms used but not defined in this announcement ("**Announcement**") shall have the meanings ascribed to them in the Scheme Document.

2. RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

- 2.1 The Paragon Manager would like to thank Unitholders for submitting their questions in advance of the EGM and the Scheme Meeting to be held on **22 April 2025 at 2.30 p.m.** (in the case of the EGM), and **3.00 p.m. or as soon as thereafter following the conclusion of the EGM** (in the case of the Scheme Meeting) at Simpor Junior Ballroom, Level 4, Sands Expo & Convention Centre, 10 Bayfront Avenue, Singapore 018956.
- 2.2 The Paragon Manager has compiled the questions submitted by Unitholders up to the deadline of 2.30 p.m. on 15 April 2025 (the "**Submission of Questions Deadline**"), as well as the relevant questions asked during the SIAS-PARAGON REIT Dialogue Session held by the Paragon Manager in conjunction with the Securities Investors Association (Singapore) on 7 April 2025. Unitholders who were unable to meet the Submission of Questions Deadline or have additional questions are invited to pose your questions at the EGM and the Scheme Meeting.
- 2.3 The Paragon Manager's responses to the substantial and relevant questions from Unitholders (the "**Paragon Manager's Responses**") are set out in the Appendix to this Announcement. Where questions from Unitholders overlap or are closely related, they have been merged and rephrased for clarity. The questions set out in the Appendix to this Announcement are in addition to the frequently asked questions uploaded on the [corporate website of PARAGON REIT](#).

- 2.4 Unitholders are encouraged to read the Paragon Manager's Responses in conjunction with the Scheme Document. Unitholders may also wish to refer to the list of frequently asked questions published on the website of PARAGON REIT at <https://www.paragonreit.com.sg/proposed-privatisation/>.

3. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Paragon Manager (including those who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this 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 Announcement. The directors of the Paragon Manager do not accept any responsibility for any information relating to TPPL or any opinion expressed by TPPL.

17 April 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)

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

For investor queries, please contact:

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Forward-Looking Statements

All statements other than statements of historical facts included in this 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 Paragon Manager's current view of future events, and the Paragon Manager does not undertake 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 the Paragon 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 have no right to request 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.

APPENDIX

THE PARAGON MANAGER'S RESPONSES

Question No. 1

Is it mandatory for every existing unitholder to vote or submit written forms if one is in favour of the privatisation? If the voting is voluntary, would the outcome be applicable to all existing unitholders, including those who have not taken any action?

We would like to encourage all Unitholders to exercise their rights and vote accordingly. It is important that Unitholders express their decision by casting their votes. You may do so by:

- (a) **submitting both Proxy Form A (EGM) and Proxy Form B (Scheme Meeting)**, either:
- (i) via e-mail to srs.proxy@boardroomlimited.com; or
 - (ii) via post to the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632,
- in either case, by **19 April 2025 at 2.30 p.m.** (for Proxy Form A (EGM)) **and 3.00 p.m.** (for Proxy Form B (Scheme Meeting)). Proxy Form A (EGM) can be downloaded [here](#). Proxy Form B (Scheme Meeting) can be downloaded [here](#); or
- (b) **attending the EGM and the Scheme Meeting in person** at Simpor Junior Ballroom, Level 4, Sands Expo & Convention Centre, 10 Bayfront Avenue, Singapore 018956 on **22 April 2025 at 2.30 p.m.** (in the case of the EGM) **and 3.00 p.m. or as soon thereafter following conclusion of the EGM** (in the case of the Scheme Meeting).

Regarding the proposed privatisation and delisting of PARAGON REIT, the Scheme will require, *inter alia*, the following approval from Unitholders (in addition to other conditions, such as Court and regulatory approvals):

- (a) the approval by 75% or more of the total number of votes cast by Unitholders present and voting in person at the EGM to approve the Paragon Trust Deed Amendments Resolution; and
- (b) the approval by more than 50% in number of Minority Unitholders representing 75% or more in value of the Units held by the Minority Unitholders present and voting either in person or by proxy at the Scheme Meeting to approve the Paragon Scheme Resolution.

As Cuscaden Peak and its subsidiaries (including the Offeror), which collectively own approximately 61.5% of the Units, will abstain from voting on the Paragon Trust Deed Amendments Resolution and the Paragon Scheme Resolution, the outcome of the EGM and the Scheme Meeting will rest entirely in the hands of the Minority Unitholders.

If the Scheme becomes effective, it will be binding on all Unitholders, whether or not they were present in person or by proxy or voted at the Scheme Meeting.

Question No. 2

Where can I find a copy of the IFA report on the proposed privatisation of PARAGON REIT?

The Paragon IFA Letter is set out in **Appendix A** to the Scheme Document. The recommendation of the Paragon IFA should be considered in the context of the entirety of the Paragon IFA Letter and the Scheme Document.

The Scheme Document may be accessed on SGXNet at <https://www.sgx.com/securities/company-announcements> and the website of PARAGON REIT at <https://www.paragonreit.com.sg/proposed-privatisation/>.

Question No. 3

There are approximately five months between FY2024 and the delisting date. Will Unitholders be entitled to their share of distributions for this five-month period?

PARAGON REIT pays out distributions on a half-yearly basis. The change in policy to paying half-yearly distributions (from quarterly previously) was announced by the Paragon Manager in February 2023.

Unitholders will receive the Scheme Consideration of S\$0.98 per Unit only if the Scheme becomes effective. Should the Paragon Manager declare and pay any distribution for the first half-year period ending 30 June 2025, the Offeror will be entitled to reduce the Scheme Consideration by an equal amount.

Question No. 4

In the event the Scheme does not go through, how does PARAGON REIT intend to fund the Potential AEI?

Before PARAGON REIT can examine the funding options, the scope, size and timing of the Potential AEI must be determined. Given the Potential AEI remains preliminary, it is too early to determine the method of funding.

Question No. 5

Apart from the Potential AEI, what are the Offeror's plans for the properties post-privatisation?

We are not in a position to comment or speculate on the Offeror's plans for the properties post-privatisation.

For more information, please refer to paragraph 3.7 (*Offeror's Future Intentions for PARAGON REIT*) of the Offeror's Letter to the Unitholders as set out in **Appendix B** to the Scheme Document.

Question No. 6

If the privatisation goes through, would there be a possibility for PARAGON REIT to be listed again?

We are not in a position to comment or speculate on PARAGON REIT's future listing plans.

Question No. 7

The Scheme Document states that PARAGON REIT faces low free float and trading liquidity, as well as limited analyst coverage and institutional investor flow. Please explain what PARAGON REIT has done to address the above issues.

PARAGON REIT was listed on the SGX-ST with approximately 30% free float. Since listing, PARAGON REIT undertook an equity issuance of S\$164.5 million in December 2019 in conjunction with the acquisition of a 50% interest in Westfield Marion Shopping Centre in Australia, which resulted in an increase of its free float to approximately 38.5%. Recent market conditions such as the COVID-19 pandemic and the unavailability of assets with accretive returns limited PARAGON REIT's acquisition of quality assets, which may have resulted in the limited increase in PARAGON REIT's free float. Another potential contributing factor to PARAGON REIT's low trading liquidity may be the presence of many long-term Unitholders given that PARAGON REIT has been consistently paying annual distributions of over 5.0 Singapore cents since its listing (except for 2020, which was affected by the COVID-19 pandemic).

PARAGON REIT engages analysts and institutional and retail investors on a regular basis. This includes uploading quarterly financial results and key business and operational updates in a timely manner, hosting post-results and update briefings quarterly with analysts and investors, one-on-one meetings, site visits, and participating in events such as REITs symposiums.

Question No. 8

PARAGON REIT has recently divested two properties, reducing its portfolio to just three properties, instead of growing the portfolio and improving its distributions. Is this in the best interest of Unitholders?

The Paragon Directors, in the discharge of its fiduciary duties to act in the best interests of the Unitholders, have overseen the acquisition and divestment of assets, as and when the opportunity arises. Since its listing in 2013, PARAGON REIT has grown from 2 assets as at its initial public offering to 5 assets, with the valuation of its portfolio properties growing from approximately S\$3.1 billion (as at 28 February 2013) to approximately S\$4.1 billion (as at 31 December 2023).

In 2024, PARAGON REIT divested two assets, The Rail Mall and Figtree Grove Shopping Centre, which accounted for approximately 1% and 4% of PARAGON REIT's portfolio, respectively. These two assets were relatively small assets that were opportunistically divested for meaningful gains at a premium of approximately 27% and 5%, respectively, to the independent book valuations of such assets conducted by third-party valuers. These divestments were evaluated by the Paragon Directors and weighed against the strategic alternative of maintaining these assets and organically growing them. The net proceeds of such divestments were either (i) distributed to Unitholders by way of a special distribution (S\$0.0185 per Unit paid in October 2024 following completion of the divestment of The Rail Mall), (ii) used to repay existing debt obligations of PARAGON REIT, and/or (iii) used to finance general corporate and working capital requirements. Accordingly, such divestments not only provided immediate cash benefits to Unitholders, but also resulted in long-term operational benefits for PARAGON REIT as a result of lower gearing.