

## **Statement on the Sale of Paragon**

As a major shareholder of Paragon REIT, Cuscaden Peak has been focused on the long-term competitive positioning of Paragon. The following outlines the considerations behind the privatisation of Paragon REIT, the assessment of a potential asset enhancement initiative (“AEI”), and the proposed sale of Paragon to CapitalLand Integrated Commercial Trust (“CICT”).

### **Privatisation of Paragon REIT**

Since its acquisition of Singapore Press Holdings in 2022, Cuscaden Peak has explored various initiatives to improve the positioning and performance of the assets in its portfolio, including Paragon.

After a careful review, Cuscaden Peak determined that a significant AEI was necessary to maintain Paragon’s long-term competitiveness as a leading upscale retail mall in Singapore. The mall has not undergone a major upgrade since 2009 and is facing increasing competitive pressure from new retail developments and nearby competing malls undergoing upgrades along Orchard Road. Given the potential scale and execution risks of such an AEI, and the concentration that Paragon represented in Paragon REIT’s portfolio, Cuscaden Peak took the view that such an AEI would be more suitably carried out in a private setting.

At the time of privatisation in 2025, the Paragon leasehold interest was the principal asset of Paragon REIT, accounting for approximately 72% of portfolio value. Cuscaden Peak held a 61.5% stake in Paragon REIT.

In February 2025, Cuscaden Peak proposed to privatise Paragon REIT at a price implying a premium of 7.1% over the prevailing adjusted NAV. The proposal was deemed fair and reasonable by the Independent Financial Adviser appointed by the Board of Paragon REIT, and it was approved by independent unitholders representing 97.57% by value and 82.78% by headcount present and voting at the scheme meeting in June 2025.

### **Asset Enhancement Initiative (AEI) Planning**

Preliminary studies on the potential AEI had commenced prior to the privatisation. Initial reviews indicated that a potential AEI could require a sizeable capital investment and potentially take 3-4 years to complete, with potential for completion to be extended subject to approvals required and delays in the construction project schedule.

An indicative capital expenditure range of S\$300 million to S\$600 million was disclosed at the time of the privatisation. The indicative range was based on preliminary analysis conducted by Cuscaden Peak. It was consistent with benchmarked capital expenditure per square foot from precedent office and retail AEIs, cost assessments undertaken with the support of professional advisers, and did not account for any potential cost or timing uncertainties that may arise during the construction period.

Following the delisting of Paragon REIT, Cuscaden Peak’s planning for the potential AEI accelerated significantly and was well advanced at the time of CICT’s unsolicited offer in early 2026.

Over this period, Cuscaden Peak undertook substantial work to develop multiple AEI options, each rigorously assessed across design, technical feasibility, and construction planning. To support this work, several reputable architectural firms were engaged to put forward design concepts, with discussions advancing to detailed design proposals. A leading luxury mall operator also worked with Cuscaden Peak to explore concepts to enhance Paragon's retail offering, and professional advisers were appointed to assist with costing, alongside other external consultants spanning project management, quantity surveying, environmental, legal, market research and branding. Detailed analysis was conducted to explore opportunities for connectivity enhancement, layout reconfiguration and introduction of new retail concepts, alongside engagement with key retailers and market studies. Relevant regulatory authorities and potential partners were also engaged on the AEI. The totality of this work consequently affirmed the indicative AEI range of S\$300 million to S\$600 million, depending on the eventual scope and design.

In parallel, a number of customer-facing initiatives also commenced, including the introduction of experiential marketing campaigns, relaunch of the Paragon Club Lounge, and enhancement of the Paragon Club rewards programme. A refreshed brand positioning for Paragon was also studied and contemplated as part of the broader repositioning work.

### **Unsolicited Offer from CICT**

In early 2026, Cuscaden Peak unexpectedly received an unsolicited offer from CICT to acquire Paragon.

The offer was considered carefully in accordance with Cuscaden Peak's governance framework, taking into account both Cuscaden Peak's strategic priorities and Paragon's long-term needs, the substantial AEI preparation work already undertaken, the expected AEI timeline, and the associated risks. Having weighed these considerations against the proposed transaction, Cuscaden Peak's Board decided to accept the offer.

The proposed transaction value of S\$3.9 billion relates to Paragon on a freehold basis<sup>1</sup>, including the value attributed to Paragon's reversionary freehold interest held by Cuscaden Peak. Paragon REIT only held the 99-year leasehold interest in Paragon with approximately 86 years remaining. The proposed transaction value on a freehold basis is therefore not directly comparable to the leasehold valuation of Paragon by Paragon REIT at the time of the privatisation.

CICT has outlined the rationale for the Paragon acquisition in its [press release](#) and that it intends to undertake its own evaluation of asset enhancement opportunities for Paragon following the completion of the transaction, subject to its internal processes and approvals.

Paragon will continue to operate as usual during the transaction period, and Cuscaden Peak will continue to engage tenants and partners as appropriate.

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<sup>1</sup> Paragon REIT owned only the leasehold interest in Paragon, while Cuscaden Peak owned the reversionary freehold interest. Under the current proposed transaction, both the leasehold interest and the reversionary freehold title are being sold to CICT.