
PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Constituted in the Republic of Singapore pursuant to a Trust Deed dated 9 July 2013.

Introduction

The investment strategy of PARAGON REIT is to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes in Asia Pacific, as well as real estate-related assets.

The portfolio of PARAGON REIT comprises the following four quality and well-located commercial properties in Singapore and Australia:

- * Paragon, a premier upscale retail mall and medical suite/office property, well known for its upscale mall housing many luxury brands, located in the heart of Orchard Road, Singapore;
- * The Clementi Mall, a mid-market suburban mall located in the centre of Clementi town, an established residential estate in the west of Singapore;
- * PARAGON REIT holds a 50.0% stake in Westfield Marion Shopping Centre, the largest regional shopping centre in South Australia; and
- * PARAGON REIT holds an 85.0% stake in Figtree Grove Shopping Centre, an established sub-regional shopping centre in Wollongong, New South Wales, Australia. On 22 November 2024, PARAGON REIT announced that it had entered into a put and call option deed to divest the property. The divestment was completed on 31 January 2025.

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For The Financial Year Ended 31 December 2024

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PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT

For The Financial Year Ended 31 December 2024

1(a) An income statement together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Statement of Total Return

	<u>Group</u>					
	2H 2024	2H 2023	Change	FY 2024	FY 2023	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	153,592	145,842	5.3	300,954	288,926	4.2
Property operating expenses	(39,717)	(36,830)	7.8	(76,232)	(73,857)	3.2
Net property income	113,875	109,012	4.5	224,722	215,069	4.5
Manager's management fees	(11,184)	(10,749)	4.0	(21,968)	(21,208)	3.6
Investment management fees	(1,309)	(1,353)	(3.3)	(2,662)	(2,777)	(4.1)
Trustee's fees	(315)	(297)	6.1	(610)	(591)	3.2
Other trust expenses ¹	(1,532)	(953)	60.8	(1,775)	(2,274)	(21.9)
Finance income ²	2,088	2,298	(9.1)	4,234	3,957	7.0
Finance costs ³	(31,076)	(29,063)	6.9	(59,877)	(54,595)	9.7
Net income	70,547	68,895	2.4	142,064	137,581	3.3
Fair value change on investment properties ⁴	86,050	39,709	NM	175,646	10,436	NM
Net foreign currency exchange differences ⁵	(285)	(275)	3.6	(348)	(814)	(57.2)
Total return for the period/ year before taxes and distribution	156,312	108,329	44.3	317,362	147,203	NM
Less: income tax ⁶	(672)	(1,536)	(56.3)	(2,474)	(356)	NM
Total return for the period/ year after taxes and before distribution	155,640	106,793	45.7	314,888	146,847	NM
Attributable to:						
Unitholders of the Trust	152,941	101,513	50.7	306,405	136,007	NM
Perpetual securities holders ⁷	2,056	6,200	(66.8)	8,189	12,300	(33.4)
Non-controlling interests	643	(920)	NM	294	(1,460)	NM
Total return for the period/ year	155,640	106,793	45.7	314,888	146,847	NM

NM Not Meaningful

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT

For The Financial Year Ended 31 December 2024

1(a) An income statement together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

1(a)(i) Statement of Total Return (Cont'd)

Notes:

1. Includes recurring trust expenses such as valuation fees, audit and tax adviser's fees, legal & other professional fees and costs associated with the preparation of annual reports. Other trust expenses for 2H 2024 were higher compared to 2H 2023 mainly due to increased tax and other professional fees. Total other trust expenses for FY2024 were lower than FY2023 mainly attributable to the reversal of impairment on trade receivables.
2. Finance income generated from fixed deposits for FY2024 was higher compared to FY2023, mainly generated from higher fixed deposit placements. Finance income for 2H 2024 compared to 2H 2023 was lower due to the downward interest rate environment.
3. Finance costs for 2H 2024 and FY2024 were higher than the corresponding period and year mainly due to an additional loan drawn down to redeem perpetual securities that matured in August 2024. The average cost of debt for the Group was 4.40% per annum for FY2024 (FY2023: 4.30%).

In FY2024, finance costs and distribution to perpetual securities holders amounted to \$68.0 million (FY2023: \$66.9m). The average cost of debt including perpetual securities for the Group was 4.36% per annum for FY2024 (FY2023: 4.27%).

4. Independent valuations for the investment properties as at 31 December 2024 and 31 December 2023 were undertaken by Jones Lang LaSalle Property Consultants Pte Ltd for investment properties in Singapore, and Jones Lang LaSalle Advisory Services Pty Ltd for Westfield Marion in Australia.

The Group recognised a fair value gain of S\$175.6 million in FY2024. This comprises a fair value gain of S\$213.4 million contributed by the investment properties in Singapore offset by a fair value loss of S\$37.8 million mainly due to 25 basis points capitalisation rate expansion for Westfield Marion.

5. The net foreign currency exchange differences arose mainly from the revaluation of the monetary assets and liabilities that were denominated in Australian dollars.
6. Tax expenses relate mainly to withholding tax and income tax expenses on income from Australia. In FY2023, there was a S\$2.2 million reversal of deferred tax no longer required.
7. On 30 August 2019, the Trust issued S\$300.0 million of subordinated perpetual securities (the "Perpetual Securities") at a rate of 4.10% per annum, with the first distribution rate reset falling on 30 August 2024 and subsequent resets occurring every five years thereafter. The Perpetual Securities were fully redeemed on 30 August 2024.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT

For The Financial Year Ended 31 December 2024

1(a) An income statement together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

1(a)(ii) Distribution Statement

	<u>Group</u>					
	2H 2024 S\$'000	2H 2023 S\$'000	Change %	FY 2024 S\$'000	FY 2023 S\$'000	Change %
Total return for the period/ year attributable to Unitholders and perpetual securities holders	154,997	107,713	43.9	314,594	148,307	NM
Less: Amount reserved for distribution to perpetual securities holders	(2,056)	(6,200)	(66.8)	(8,189)	(12,300)	(33.4)
Add: Non-tax deductible items ¹	(97,092)	(36,532)	NM	(190,152)	(395)	NM
Capital distribution	64,738	-	NM	64,738	-	NM
Income available for distribution	120,587	64,981	85.6	180,991	135,612	33.5
Distribution to Unitholders^{2, 3}	118,671	73,814	60.8	184,536	142,312	29.7

NM *Not Meaningful*

Notes:

1. Non-tax deductible items refer to fair value change on investment properties, the Manager's management fees related to divestment and paid/payable in units, trustee's fees, straight-line rental adjustments, amortisation of debt issuance costs, rollover adjustment, net income from subsidiaries and other expenses capital in nature & deferred tax expense.

The rollover adjustment for FY2023 pertained to the tax deductibility of interest expenses in FY2022 (1 September 2021 to 31 December 2022) relating to the perpetual securities. The Manager has also assessed the deductibility of such interest expenses for FY2020 and FY2021. As at the balance sheet date, the Manager does not expect the tax impact (if any) for such years to be material and accordingly, no provision has been made.

2. In FY2024, 100% of the management fees were paid/payable in cash.
3. FY2024 distribution includes Special Distribution of 1.85 cents per unit paid in October 2024.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT
For The Financial Year Ended 31 December 2024

1(b)(i) A statement of financial position together with a comparative statement as at the end of the immediately preceding financial year

Statement of Financial Position

	<u>Group</u>		<u>Trust</u>	
	<u>As at 31 Dec 24</u>	<u>As at 31 Dec 23</u>	<u>As at 31 Dec 24</u>	<u>As at 31 Dec 23</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Non-current assets				
Plant and equipment	146	105	146	105
Investment properties ¹	4,038,216	4,121,829	3,548,000	3,401,000
Subsidiaries	-	-	162,522	166,104
Trade and other receivables	-	-	365,450	377,697
Derivative financial instruments ²	6,196	3,744	6,196	3,744
	<u>4,044,558</u>	<u>4,125,678</u>	<u>4,082,314</u>	<u>3,948,650</u>
Current assets				
Trade and other receivables	5,364	6,272	3,275	3,624
Derivative financial instruments ²	83	2,306	83	152
Cash and cash equivalents	105,703	134,467	88,828	106,925
	<u>111,150</u>	<u>143,045</u>	<u>92,186</u>	<u>110,701</u>
Asset held for sale ³	158,816	-	-	-
	<u>269,966</u>	<u>143,045</u>	<u>92,186</u>	<u>110,701</u>
Total assets	<u>4,314,524</u>	<u>4,268,723</u>	<u>4,174,500</u>	<u>4,059,351</u>
Non-current liabilities				
Borrowings ⁴	989,399	1,045,647	989,399	879,225
Derivative financial instruments ²	2,460	4,923	2,460	4,923
Trade and other payables	44,000	39,305	44,000	39,305
	<u>1,035,859</u>	<u>1,089,875</u>	<u>1,035,859</u>	<u>923,453</u>
Current liabilities				
Borrowings ⁴	537,454	223,042	279,938	114,968
Derivative financial instruments ²	1,616	515	1,616	515
Trade and other payables	64,132	64,056	57,766	55,099
Provision for taxation	135	-	1	-
	<u>603,337</u>	<u>287,613</u>	<u>339,321</u>	<u>170,582</u>
Liability directly associated with the asset held for sale ³	479	-	-	-
	<u>603,816</u>	<u>287,613</u>	<u>339,321</u>	<u>170,582</u>
Total liabilities	<u>1,639,675</u>	<u>1,377,488</u>	<u>1,375,180</u>	<u>1,094,035</u>
Net assets	<u>2,674,849</u>	<u>2,891,235</u>	<u>2,799,320</u>	<u>2,965,316</u>
Represented by:				
Unitholders' funds	2,664,274	2,577,559	2,799,320	2,663,281
Perpetual securities holders' fund ⁵	-	302,035	-	302,035
Non-controlling interests	10,575	11,641	-	-
	<u>2,674,849</u>	<u>2,891,235</u>	<u>2,799,320</u>	<u>2,965,316</u>

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT

For The Financial Year Ended 31 December 2024

1(b)(i) **A statement of financial position together with a comparative statement as at the end of the immediately preceding financial year (cont'd)**

Statement of Financial Position (cont'd)

Notes:

1. The fair values of Paragon, The Clementi Mall, and Westfield Marion as at 31 December 2024 were S\$2,903.0 million, S\$645.0 million, and S\$490.2 million respectively. As at 31 December 2023, investment properties also included The Rail Mall, which was divested on 15 August 2024, and Figtree Grove, which was reclassified as an asset held for sale as at 31 December 2024.
2. Derivative financial instruments represent the fair value of the interest rate swap, cross currency swap and cross currency interest rate swap contracts. The increase in derivative values was mainly due to the change in fair value of the interest rate swaps and cross currency interest-rate swaps during the year.
3. On 22 November 2024, the Group announced that it had entered into a put and call option deed to divest Figtree Grove Shopping Centre in Australia. As at 31 December 2024, the investment property was classified as asset held for sale and is valued based on the agreed selling price. Collections in advance in relation to the property are recorded as liability directly associated with the asset held for sale. The divestment was completed on 31 January 2025.
4. The increase in balance is due to a S\$300.0 million loan, drawn down to fully redeem the perpetual securities. The S\$300.0 million loan carries a lower interest cost compared to the perpetual securities. The increase in borrowing is partially offset by S\$25.0 million loan repayment with the proceeds from the divestment of The Rail Mall and depreciation of Australian Dollar against Singapore Dollar.

The Group is in net current liabilities position primarily due to certain bank loans maturing within 12 months. Based on the Group's available financial resources, the Manager is of the opinion that the Group will be able to refinance its borrowings and meet its current obligations as and when they fall due.

5. On 30 August 2019, the Trust issued S\$300.0 million of fixed rate Perpetual Securities. The Perpetual Securities, net of issuance costs, are classified as equity instruments and recorded as equity in the Statement of Changes in Unitholders' Funds. The Perpetual Securities were fully redeemed on 30 August 2024.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT
For The Financial Year Ended 31 December 2024

1(b)(ii) **Borrowings**

Secured borrowings

	<u>Group</u>		<u>Trust</u>	
	As at 31 Dec 24	As at 31 Dec 23	As at 31 Dec 24	As at 31 Dec 23
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year	537,454	223,042	279,938	114,968
Amount repayable after one year	989,399	1,045,647	989,399	879,225
Total	1,526,853	1,268,689	1,269,337	994,193

Details of collateral

The Group's secured term loans amounted to S\$1.5 billion.

The SGD term loans of S\$1.3 billion are secured, inter alia, by way of the following:

- First legal mortgage on Paragon
- Fixed and floating charges by way of debenture over the existing and future assets of Paragon (other than the excluded accounts)
- First legal charge over the tenancy account and sales proceeds account for Paragon
- Assignment of certain insurances taken in relation to Paragon

The AUD term loans of A\$105 million and A\$200 million are secured by way of mortgages on Figtree Grove Shopping Centre ("Figtree") and Westfield Marion Shopping Centre respectively. The A\$105 million term loan mortgaged on Figtree has been fully repaid on 31 January 2025.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT

For The Financial Year Ended 31 December 2024

1(c) A cash flow statement together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Cash Flows

	<u>Group</u>			
	2H 2024 S\$'000	2H 2023 S\$'000	FY 2024 S\$'000	FY 2023 S\$'000
Cash flows from operating activities				
Total return for the financial period/ year	155,640	106,793	314,888	146,847
Adjustments for:				
Fair value change on investment properties	(86,050)	(39,709)	(175,646)	(10,436)
Manager's fee paid/payable in units	-	2,641	-	10,217
Depreciation of plant and equipment	29	78	78	207
Plant and equipment written off	1	-	1	-
Finance income	(2,088)	(2,298)	(4,234)	(3,957)
Finance costs	31,076	29,063	59,877	54,595
Impairment loss/ (written back) on trade receivables	528	67	(316)	182
Income tax	672	1,536	2,474	356
Straight-line rental adjustments	(3,821)	1,022	(4,589)	773
Operating cash flow before working capital changes	95,987	99,193	192,533	198,784
Changes in operating assets and liabilities				
Trade and other receivables	451	(1,034)	1,449	(451)
Trade and other payables	3,023	1,079	7,515	(3,616)
Net cash from operating activities	99,461	99,238	201,497	194,717
Tax paid	(537)	(1,536)	(2,339)	(2,562)
Net cash from operating activities	98,924	97,702	199,158	192,155
Cash flows from investing activities				
Additions to investment properties	(7,148)	(5,095)	(18,426)	(6,756)
Purchase of plant and equipment	(113)	(23)	(120)	(62)
Proceeds from divestment of investment property	76,234	-	76,234	-
Interest received	1,863	2,426	4,009	3,957
Net cash from/ (used in) investing activities	70,836	(2,692)	61,697	(2,861)
Cash flows from financing activities				
Payment of transaction costs related to borrowing	(414)	(97)	(414)	(97)
Proceeds from bank loan to redeem perpetual securities	300,000	-	300,000	-
Payment of bank loan	(25,000)	-	(25,000)	-
Distribution to unitholders	(118,387)	(68,498)	(192,201)	(116,845)
Distributions to non-controlling interests of a subsidiary	(326)	(348)	(659)	(702)
Distribution to perpetual securities holders	(6,201)	(6,166)	(12,334)	(12,300)
Redemption of perpetual securities	(300,000)	-	(300,000)	-
Interest paid	(30,245)	(28,431)	(58,791)	(50,893)
Net cash used in financing activities	(180,573)	(103,540)	(289,399)	(180,837)
Net (decrease)/ increase in cash and cash equivalents	(10,813)	(8,530)	(28,544)	8,457
Effect of exchange rate fluctuations on cash and cash equivalents held	(320)	376	(220)	409
Cash and cash equivalents at beginning of the financial period/ year	116,836	142,621	134,467	125,601
Cash and cash equivalents at end of the financial period/ year	105,703	134,467	105,703	134,467

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT
For The Financial Year Ended 31 December 2024

1(d)(i) **Statement of Changes in Unitholders' Funds**

	2H 2024 S\$'000	2H 2023 S\$'000	<u>Group</u> FY 2024 S\$'000	FY 2023 S\$'000
Balance as at beginning of financial period/ year	2,660,515	2,554,787	2,577,559	2,563,069
<u>Operations</u>				
Total return for the period/ year after tax attributable to Unitholders of the Trust	152,941	101,513	306,405	136,007
<u>Hedging reserve</u>				
Effective portion of changes in fair value of cash flow hedges ¹	(3,753)	(8,704)	2,411	(2,503)
Net change in fair value of cash flow hedge reclassified to Statements of Total Return	(1,926)	(2,270)	(4,212)	(6,480)
<u>Foreign currency translation reserve</u>				
Translation differences from financial statements of foreign operations	(19,587)	(1,424)	(19,996)	(3,800)
Exchange differences on monetary item forming part of net investments in foreign operations	(3,419)	(486)	(3,582)	(2,106)
Net loss recognised directly in Unitholders' funds	(28,685)	(12,884)	(25,379)	(14,889)
<u>Unitholders' transactions</u>				
Distribution to unitholders	(118,387)	(68,498)	(192,201)	(116,845)
Manager's fee paid/payable in units	-	2,641	-	10,217
Transfer from perpetual securities holders' funds upon redemption of perpetual securities	(2,110)	-	(2,110)	-
	<u>(120,497)</u>	<u>(65,857)</u>	<u>(194,311)</u>	<u>(106,628)</u>
Balance as at end of financial period/ year	<u>2,664,274</u>	<u>2,577,559</u>	<u>2,664,274</u>	<u>2,577,559</u>
<u>Perpetual securities holders' funds</u>				
Balance as at beginning of financial period/ year	302,035	302,001	302,035	302,035
Amount reserved for distribution to perpetual securities holders	2,056	6,200	8,189	12,300
Distribution to perpetual securities holders	(6,201)	(6,166)	(12,334)	(12,300)
Redemption during the year	(300,000)	-	(300,000)	-
Transfer to Unitholders' funds	2,110	-	2,110	-
Balance as at end of financial period/ year	<u>-</u>	<u>302,035</u>	<u>-</u>	<u>302,035</u>

Note:

1. This relates to interest rate swap and cross currency interest rate swap arrangements.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT
For The Financial Year Ended 31 December 2024

1(d)(i) Statement of Changes in Unitholders' Funds (Cont'd)

	<u>Trust</u>			
	2H 2024 S\$'000	2H 2023 S\$'000	FY 2024 S\$'000	FY 2023 S\$'000
Balance as at beginning of financial period/ year	2,779,785	2,622,151	2,663,281	2,604,011
<u>Operations</u>				
Total return for the period/ year after tax attributable to Unitholders of the Trust	143,877	116,025	329,486	173,633
<u>Hedging reserve</u>				
Effective portion of changes in fair value of cash flow hedges ¹	(3,575)	(7,651)	2,183	(2,618)
Net change in fair value of cash flow hedge reclassified to Statements of Total Return	(270)	(1,387)	(1,319)	(5,117)
Net (loss)/gain recognised directly in Unitholders' funds	(3,845)	(9,038)	864	(7,735)
<u>Unitholders' transactions</u>				
Distribution to unitholders	(118,387)	(68,498)	(192,201)	(116,845)
Manager's fee paid/payable in units	-	2,641	-	10,217
Transfer from perpetual securities holders' funds	(2,110)	-	(2,110)	-
	<u>(120,497)</u>	<u>(65,857)</u>	<u>(194,311)</u>	<u>(106,628)</u>
Balance as at end of financial period/ year	<u>2,799,320</u>	<u>2,663,281</u>	<u>2,799,320</u>	<u>2,663,281</u>
<u>Perpetual securities holders' funds</u>				
Balance as at beginning of financial period/ year	302,035	302,001	302,035	302,035
Amount reserved for distribution to perpetual securities holders	2,056	6,200	8,189	12,300
Distribution to perpetual securities holders	(6,201)	(6,166)	(12,334)	(12,300)
Redemption during the year	(300,000)	-	(300,000)	-
Transfer to Unitholders' funds	2,110	-	2,110	-
Balance as at end of financial period/ year	<u>-</u>	<u>302,035</u>	<u>-</u>	<u>302,035</u>

Note:

1. This relates to interest rate swap and cross currency interest rate swap arrangements.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT
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1(d)(ii) Details of Changes in Issued units and Issuable Units

	Group and Trust			
	2H 2024	2H 2023	FY 2024	FY 2023
	No. of units '000	No. of units '000	No. of units '000	No. of units '000
Issued units as at beginning of period/ year	2,839,010	2,830,509	2,833,428	2,810,851
Manager's fee paid in units ^{1,3}	-	2,919	5,582	22,577
	2,839,010	2,833,428	2,839,010	2,833,428
Issuable units:				
Manager's fee payable in units ^{2,3}	-	5,582	-	5,582
Total issued and issuable units as at end of period/ year	2,839,010	2,839,010	2,839,010	2,839,010

Notes:

1. The units issuable to the REIT Manager were in full satisfaction of management fee for respective quarters.
2. Includes performance fee payable on an annual basis, after Board's approval of the audited annual accounts and management fees payable for the immediate preceding quarter.
3. The number of units is calculated based on volume weighted average traded price for the last 10 business days for the respective quarters, as provided in the Trust Deed.

1(d)(iii) To show the total number of issued units excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 31 December 2024, the Trust had 2,839,010,006 units (31 December 2023: 2,833,427,759 units).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT
For The Financial Year Ended 31 December 2024

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures for the year have been audited. The auditors' report on the financial statements of PARAGON REIT was not subject to any modification.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Please refer to the attached auditor's audit report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2023.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

None noted.

6. Earnings per unit ("EPU") and Distribution per unit ("DPU")

	<u>Group</u>			
	<u>2H 2024</u>	<u>2H 2023</u>	<u>FY 2024</u>	<u>FY 2023</u>
<u>Earnings per unit</u>				
Total return for the period/ year after tax attributable to Unitholders of the Trust ¹ (S\$'000)	152,941	101,513	306,405	136,007
<hr/>				
Weighted average number of units ² ('000)	2,839,010	2,836,721	2,839,010	2,833,680
<hr/>				
EPU ² (basic and diluted) (cents)	5.39	3.58	10.79	4.80
EPU (cents), excluding fair value change	2.37	2.14	4.59	4.36
<hr/>				
<u>Distribution per unit</u>				
Total number of units in issue at end of period/ year ('000)	2,839,010	2,833,428	2,839,010	2,833,428
<hr/>				
Distribution to Unitholders ³ (S\$'000)	118,671	73,814	184,536	142,312
<hr/>				
DPU ⁴ (cents)	4.18	2.60	6.50	5.02

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT
For The Financial Year Ended 31 December 2024

6. Earnings per unit (“EPU”) and Distribution per unit (“DPU”) (Cont’d)

Notes:

1. Included the effects of fair value change on investment properties for the respective periods.
2. The weighted average number of units was based on the number of units in issue and issuable units to the Manager.
3. As shown in 1(a)(ii) Distribution Statement.
4. The DPU was computed based on the number of units entitled to distribution and includes Special Distribution of 1.85 cents which was paid in October 2024.

7. Net Asset Value (“NAV”) per unit and Net Tangible Asset (“NTA”) per unit

	<u>Group</u>		<u>Trust</u>	
	As at 31 Dec 24	As at 31 Dec 23	As at 31 Dec 24	As at 31 Dec 23
NAV / NTA per unit ¹ (S\$)	0.94	0.91	0.99	0.94

Note:

1. The NAV per unit and NTA per unit were computed based on the net assets attributable to Unitholders. Number of units used to compute NAV and NTA were based on number of units in issue as at balance sheet date.

8. Review of Performance

Review of Results for the Second Half ended 31 December 2024 (“2H 2024”) compared with the Second Half ended 31 December 2023 (“2H 2023”)

In 2H 2024, gross revenue increased by S\$7.8 million (5.3%) to S\$153.6 million mainly contributed by the positive rental reversions in Singapore.

Property operating expenses increased by S\$2.9 million (7.8%) to S\$39.7 million mainly due to increase in property tax, marketing expenses and insurance.

Net property income (“NPI”) increased by S\$4.9 million (4.5%) to S\$113.9 million.

Total return for the 2H 2024 increased by S\$48.8 million (45.7%) to S\$155.6 million, contributed mainly by S\$46.3 million increase in fair value gain on investment properties.

Review of Results for the Full Year ended 31 December 2024 (“FY2024”) compared with the Full year ended 31 December 2023 (“FY 2023”)

FY2024 gross revenue increased by S\$12.0 million (4.2%) to S\$301.0 million and NPI increased by S\$9.6 million (4.5%) to S\$224.7 million. Net income of S\$142.1 million for FY2024 was S\$4.5 million (3.3%) higher than FY2023. The improvement was mainly contributed by the positive rental reversions in Singapore partially offset by the rise in finance costs.

Total return of S\$314.9 million for FY2024 includes a fair value gain on investment properties of S\$175.6 million, which has no impact on the income available for distribution.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT

For The Financial Year Ended 31 December 2024

9. Variance from Prospect Statement

No forecast was made previously.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Singapore

Based on advance estimates by the Ministry of Trade and Industry, Singapore economy grew by 4.3% year-on-year in 4Q 2024, slower than the 5.4% year-on-year growth recorded in 3Q 2024. For 2024, the economy grew by 4.0% year-on-year, faster than the 1.1% year-on-year growth in 2023.

According to the Department of Statistics Singapore, Retail sales (excluding motor vehicles) declined 4% year-on-year for December 2024, with four of the 13 retail categories recording year-on-year growth, namely Food & Alcohol (+9.4%), Cosmetics, toiletries & medical goods (+2.2%), Supermarkets & hypermarkets (+0.8%), and Recreational goods (+0.6%). According to the Ministry of Trade and Industry, consumer-facing sectors such as the retail trade sector shrank in 2024, partly due to an increase in outbound travel by locals. The trend is expected to persist in 2025 with Singaporeans expected to continue travelling extensively and spending abroad.

The Singapore Tourism Board expects international arrivals of 17 to 18.5 million for 2025, and \$29 to \$30.5 billion in tourism receipts.

Australia

Australia's GDP growth was 0.8% year-on-year through the year to end-September 2024, the lowest rate since the COVID-19 affected December quarter 2020. Government spending and public capital investment were the main drivers of GDP growth.

Retail turnover rose 4.6% year-on-year in December 2024 and unemployment rate remained at 4.0% year-on-year in December 2024.

Deloitte Access Economics' *Retail Forecasts* suggests consumers are starting to shift from saving to spending, especially when there are good deals on offer, partly due to an uptick in savings since tax cuts started making their way to consumers in July 2024.

Portfolio

In January 2025, the US Federal Reserve Board kept the fed funds rate unchanged at 4.25% to 4.50%. A moderating but healthy US job market, coupled with rising inflation expectations from the new US administration policies, have kept the Federal Reserve inclined to hold rates steady for the foreseeable future.

Macroeconomic uncertainties are likely to remain elevated in the near-term as the market anticipates how the new US administration will address immigration, tariffs and tax cuts. Analysts have opined that global trade and growth (including heightened inflation pick up) are at risk from a wider trade war as the US contemplates broader tariffs with economic partners.

The Monetary Authority of Singapore eased monetary policy in January for the first time in nearly five years, announcing it will "reduce slightly" the slope of the Singapore dollar nominal effective exchange rate (S\$NEER) policy band. The central bank added that the adjustment is consistent with a modest and gradual appreciation path of the S\$NEER policy band that will ensure medium-term price stability.

The Reserve Bank of Australia left the cash rate on hold at 4.35% in December 2024 and ended the year signaling it had more confidence inflation was falling towards the central bank's target range and that it could be ready to cut interest rates as soon as February if inflation and unemployment data meet or come in softer than expectations.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT
For The Financial Year Ended 31 December 2024

11. Distribution

(a) Current Financial Period

Any distribution recommended for the current financial period reported on? Yes.

Name of distribution:	Distribution for the period from 1 July 2024 to 31 December 2024							
Distribution type:	i. Taxable Income ii. Tax-exempt income							
Distribution rate per unit (cents):	<table border="1"> <thead> <tr> <th>Distribution type</th> <th>Distribution rate</th> </tr> </thead> <tbody> <tr> <td>Taxable income</td> <td>2.18 cents per unit</td> </tr> <tr> <td>Tax-exempt income</td> <td>0.15 cents per unit</td> </tr> </tbody> </table>		Distribution type	Distribution rate	Taxable income	2.18 cents per unit	Tax-exempt income	0.15 cents per unit
Distribution type	Distribution rate							
Taxable income	2.18 cents per unit							
Tax-exempt income	0.15 cents per unit							
Par value of units:	Not applicable.							
Tax rate:	<p><u>Taxable income distribution:</u></p> <p>Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns.</p> <p>Qualifying foreign non-individual investors and foreign funds under Section 13CA, 13X or 13Y of the Singapore Income Tax Act will receive their distributions after deduction of tax at the rate of 10%. This is based on the existing income tax concession for listed REITs on distributions made to non-resident non-individual investors during the period from 18 February 2005 to 31 December 2025 and non-resident funds during the period from 1 July 2019 to 31 December 2025.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution:</u></p> <p>Tax-exempt income distribution is exempt from tax in the hands of all unitholders.</p>							

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT
For The Financial Year Ended 31 December 2024

11. **Distribution (Cont'd)**

(b) Corresponding Period of the Immediately Preceding Financial Year

Any distribution declared for the corresponding period of the immediately preceding financial year?
 Yes

Name of distribution:	Distribution for the period from 1 July 2023 to 31 December 2023							
Distribution type:	i. Taxable Income ii. Tax-exempt income							
Distribution rate per unit (cents):	<table border="1"> <thead> <tr> <th>Distribution type</th> <th>Distribution rate</th> </tr> </thead> <tbody> <tr> <td>Taxable income</td> <td>2.17 cents per unit</td> </tr> <tr> <td>Tax-exempt income</td> <td>0.43 cents per unit</td> </tr> </tbody> </table>		Distribution type	Distribution rate	Taxable income	2.17 cents per unit	Tax-exempt income	0.43 cents per unit
Distribution type	Distribution rate							
Taxable income	2.17 cents per unit							
Tax-exempt income	0.43 cents per unit							
Par value of units:	Not applicable.							
Tax rate:	<p><u>Taxable income distribution:</u></p> <p>Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns.</p> <p>Qualifying foreign non-individual investors and foreign funds under Section 13CA, 13X or 13Y of the Singapore Income Tax Act will receive their distributions after deduction of tax at the rate of 10%. This is based on the existing income tax concession for listed REITs on distributions made to non-resident non-individual investors during the period from 18 February 2005 to 31 December 2025 and non-resident funds during the period from 1 July 2019 to 31 December 2025.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p><u>Tax-exempt income distribution:</u></p> <p>Tax-exempt income distribution is exempt from tax in the hands of all unitholders.</p>							

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT
For The Financial Year Ended 31 December 2024

11. Distribution (Cont'd)

(c) Date payable

The date the distribution is payable: Friday, 28 March 2025.

(d) Record date

The Transfer Books and Register of Unitholders of PARAGON REIT will be closed at 5.00pm on 19 February 2025 for purposes of determining each Unitholder's entitlement to PARAGON REIT distribution.

12. If no distribution has been declared (recommended), a statement to that effect

Not applicable.

13. Segment Results

	Group					
	2H 2024	2H 2023	Change	FY 2024	FY 2023	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>Gross Revenue</u>						
<u>Singapore</u>						
Paragon	95,253	87,337	9.1	184,068	172,296	6.8
The Clementi Mall	23,519	22,441	4.8	46,858	44,152	6.1
The Rail Mall ¹	810	3,237	(75.0)	3,994	6,409	(37.7)
	<u>119,582</u>	<u>113,015</u>	<u>5.8</u>	<u>234,920</u>	<u>222,857</u>	<u>5.4</u>
<u>Australia</u>						
Figtree Grove Shopping Centre	7,221	7,108	1.6	14,700	14,785	(0.6)
Westfield Marion Shopping Centre	26,789	25,719	4.2	51,334	51,284	0.1
	<u>34,010</u>	<u>32,827</u>	<u>3.6</u>	<u>66,034</u>	<u>66,069</u>	<u>(0.1)</u>
Total	<u>153,592</u>	<u>145,842</u>	<u>5.3</u>	<u>300,954</u>	<u>288,926</u>	<u>4.2</u>
<u>Net Property Income</u>						
<u>Singapore</u>						
Paragon	74,144	67,799	9.4	142,819	132,390	7.9
The Clementi Mall	17,092	16,202	5.5	34,123	31,519	8.3
The Rail Mall ¹	614	2,611	(76.5)	3,205	5,216	(38.6)
	<u>91,850</u>	<u>86,612</u>	<u>6.0</u>	<u>180,147</u>	<u>169,125</u>	<u>6.5</u>
<u>Australia</u>						
Figtree Grove Shopping Centre	4,947	5,106	(3.1)	10,239	10,694	(4.3)
Westfield Marion Shopping Centre	17,078	17,294	(1.2)	34,336	35,250	(2.6)
	<u>22,025</u>	<u>22,400</u>	<u>(1.7)</u>	<u>44,575</u>	<u>45,944</u>	<u>(3.0)</u>
Total	<u>113,875</u>	<u>109,012</u>	<u>4.5</u>	<u>224,722</u>	<u>215,069</u>	<u>4.5</u>

Note:

1 The Rail Mall was divested on 15 August 2024.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT

For The Financial Year Ended 31 December 2024

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 8 on page 14.

15. **Breakdown of Gross revenue and Net Income**

	<u>Group</u>		
	<u>FY 2024</u>	<u>FY 2023</u>	<u>Change</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<u>1 January to 30 June</u>			
<u>(First half year)</u>			
Gross revenue	147,362	143,084	3.0
Net income	71,517	68,686	4.1
<u>1 July to 31 December</u>			
<u>(Second half year)</u>			
Gross revenue	153,592	145,842	5.3
Net income	70,547	68,895	2.4

16. **Breakdown of Total Distribution for the financial years ended 31 December 2024 and 31 December 2023**

	<u>FY 2024</u>	<u>FY 2023</u>
	<u>S\$'000</u>	<u>S\$'000</u>
1 January 2023 to 30 June 2023	-	68,498
1 July 2023 to 31 December 2023	-	73,814
1 January 2024 to 30 June 2024	65,865	-
Capital distribution on 7 October 2024	52,522	-
1 July 2024 to 31 December 2024 ¹	66,149	-
Total distribution to unitholders	184,536	142,312

Note:

1. Please refer to paragraph 11(a) on page 16.

17. **If the group has obtained a general mandate from shareholders for Interested Person Transactions, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

PARAGON REIT has not obtained a general mandate from unitholders for Interested Person Transactions.

18. **Confirmation By the Manager Pursuant to Rule 720(1) of the SGX Listing Manual.**

The Manager confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

PARAGON REIT FINANCIAL STATEMENT ANNOUNCEMENT

For The Financial Year Ended 31 December 2024

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13). If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, PARAGON REIT Management Pte. Ltd. (the "Company"), as manager of PARAGON REIT, confirms that there is no person occupying a managerial position in the Company who is related to a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of PARAGON REIT.

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.

BY ORDER OF THE BOARD

Brent Huang

Company Secretary
Singapore,
11 February 2025



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Independent auditors' report

To the Unitholders of PARAGON REIT
(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 9 July 2013)

Opinion

We have audited the financial statements of PARAGON REIT (the "Trust") and its subsidiaries (the "Group"), which comprise the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2024, and the Statements of Total Return, Distribution Statements, Statements of Changes in Unitholders' Funds of the Group and the Trust and the Consolidated Statement of Cash Flows of the Group for the year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages FS1 to FS63.

In our opinion, the accompanying consolidated financial statements of the Group and the Statements of Financial Position, Portfolio Statements, Statements of Total Return, Distribution Statement and Statements of Changes in Unitholders' Funds of the Trust present fairly, in all material respects, the consolidated financial position and the consolidated portfolio holdings of the Group and the financial position and the portfolio holdings of the Trust as at 31 December 2024 and the consolidated total return, consolidated distributable income, consolidated changes in unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and changes in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

(Refer to Note 5 and 24(h) to the financial statements)

Risk:

Investment properties represent the single largest category of assets on the Statements of Financial Position, at S\$4.0 billion as at 31 December 2024 (2023: S\$4.1 billion).

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves determining the valuation methodologies and significant judgement in estimating the assumptions to be applied. The valuations are highly sensitive to key assumptions applied i.e. a small change in the assumptions can have a significant impact to the valuation.

Our response:

We evaluated the qualifications and competence of the external valuers. We also read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.

We considered the valuation methodologies used against those applied by other valuers for similar property types. We tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents. We held discussions with the external valuers and challenged the key assumptions used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors.

We also assessed whether the disclosures in the financial statements appropriately described the inherent degree of subjectivity and key assumptions in the valuations. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Our findings:

The valuers are members of recognised professional bodies for valuers and have confirmed their own independence in carrying out their work.

The valuation methodologies adopted by the valuers are in line with generally accepted market practices and the key assumptions used are within range of available market data as at the date of valuation. The disclosures in the financial statements are appropriate in their description of the inherent subjectivity and estimation involved.

Other information

PARAGON REIT Management Pte Ltd, the Manager of the Trust ("Manager") is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report except for the Market Overview, Sustainability Report and Statistics of Unitholdings ("the Reports") which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

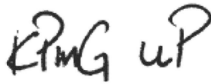
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Chu Joon Choong.



KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
11 February 2025