



Times Properties Private Limited

(Company Registration No: 195900026E)
(Incorporated in the Republic of Singapore)

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.

(Company Registration No: 201305497E)
(Incorporated in the Republic of Singapore)

**PROPOSED PRIVATISATION OF PARAGON REIT
BY WAY OF A TRUST SCHEME OF ARRANGEMENT**

FREQUENTLY ASKED QUESTIONS

On 11 February 2025, **PARAGON REIT Management Pte. Ltd.** (the "**Paragon 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, jointly announced (the "**Joint Announcement**") the proposed privatisation of PARAGON REIT to be effected by way of a trust scheme of arrangement (the "**Scheme**").

You may have some questions on the Joint Announcement. Please refer to the following list of questions and responses for further information. The information contained herein should be read in conjunction with, and in the context of the Joint Announcement, a copy of which is available on <http://www.sgx.com>.

Unitholders of PARAGON REIT ("**Unitholders**") are reminded to consider the Joint Announcement in its entirety. As each Unitholder would have different investment objectives and profiles, any individual Unitholder who may require advice in the context of his/her/its specific investment objectives or portfolio should consult his/her/its stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. Unless otherwise stated, terms and references used but not defined in this FAQ shall have the same meaning as that set out in the Joint Announcement.

1. What is this transaction about and why is it happening? Who is the Offeror?

- The Offeror and the Paragon Manager, the manager of PARAGON REIT, have jointly announced the proposed privatisation of PARAGON REIT.
- The proposed privatisation is to be implemented by way of a trust scheme of arrangement (the “**Scheme**”) at a Scheme Consideration of S\$0.9800 per Unit in cash.
- The Offeror is a wholly-owned subsidiary of Cuscaden Peak Investments Private Limited. (“**Sponsor**”), which is the sponsor of PARAGON REIT. The Sponsor is wholly owned by Cuscaden Peak Private Limited (“**CP**”). The shareholders of CP are Adenium Pte. Ltd. (a wholly owned subsidiary of CLA Real Estate Holdings Pte. Ltd.) and Mapletree Fortress Pte. Ltd. (an indirect wholly owned subsidiary of Mapletree Investments Pte Ltd), each holding 50 per cent. of the ordinary shares of CP.
- Collectively, CP and its subsidiaries (including the Offeror) hold a 61.5% stake in PARAGON REIT.

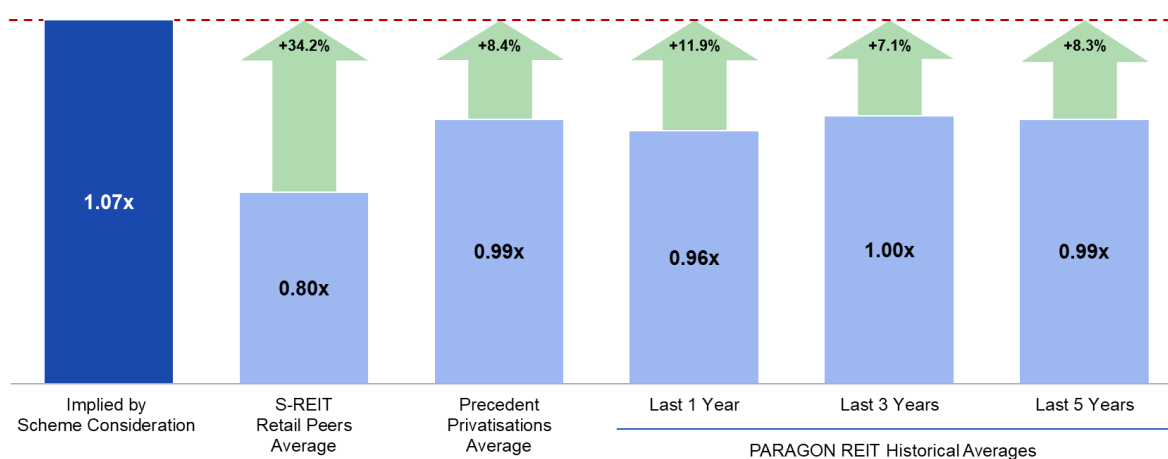
2. What is the rationale for the transaction? Why is privatisation necessary to execute a Potential AEI?

- PARAGON REIT is constrained in its potential for sustained growth as it has faced low free float and trading liquidity, as well as limited analyst coverage and institutional investor flows, which restrict its ability to access capital markets and expand its portfolio, as compared to other retail S-REIT peers.
- PARAGON REIT’s portfolio also relies heavily on Paragon, a leading 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, which are expected to significantly ramp up competition once completed, as well as a challenging luxury retail environment.
- As such, the Offeror believes that a potential significant asset enhancement initiative (“**Potential AEI**”) for Paragon is necessary to maintain its long-term competitiveness as a leading upscale retail mall in Singapore and intends to collaborate closely with PARAGON REIT to facilitate the implementation of such a Potential AEI.
- 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, with the potential for completion to be extended subject to delays in the construction project schedule.
- Given the execution risks of a Potential AEI, including uncertainties around cost and timing, as well as the potential impact on PARAGON REIT’s Net Property Income, distributable income and Distribution per Unit, a Potential AEI would be more suitably carried out in a private setting.
- As CP and its subsidiaries will abstain from voting on the Scheme, the success of the Scheme is entirely subject to the decision of the Minority Unitholders. If the Scheme is successful, Unitholders will not have to bear the volatility and risks associated with a major Potential AEI and will have the opportunity to realise their investment fully in cash at an attractive premium.

3. How does the Scheme Consideration compare to PARAGON REIT's valuation and other similar transactions?

- The Scheme Consideration of S\$0.9800 offers attractive value to Unitholders, based on the various metrics outlined below:
 - Represents a 7.1% premium to PARAGON REIT's adjusted NAV per Unit and an implied Price / Adjusted NAV¹ of 1.07x; which represents an 8.4% premium to average Price / Adjusted NAV of precedent comparable privatisations² of 0.99x;
 - Implied Price / Adjusted NAV of 1.07x represents a premium of 34.2% to the average Price / Adjusted NAV of 0.80x of Singapore retail REITs;
 - Implied Price / Adjusted NAV of 1.07x represents a 11.9%, 7.1% and 8.3% premium to PARAGON REIT's historical average 1-year, 3-year and 5-year Price / Adjusted NAV respectively;

Price / Adjusted NAV



Source: Company Filings, FactSet as at 10 February 2025.

- Represents a premium of 10.1%, 10.9%, 11.6% and 12.8% premium to the Last Transacted Price, 1-month, 3-month and 12-month VWAP;
- Exceeds the highest ever traded price over the last two years;
- Represents a 4.3% premium to the 52-week high traded price of PARAGON REIT Units; and
- Represents a premium of 9.0 Singapore cents over the Last Transacted Price which translates to ~2 years of distribution³.

4. Will any adjustments be made to the Scheme Consideration for the 2H FY2024 distribution?

- Unitholders as at the distribution record date of 19 February 2025 at 5.00 p.m. will be entitled to receive the 2H FY2024 distribution of 2.33 Singapore cents per Unit. The Scheme Consideration will not be reduced or otherwise adjusted for this amount.

¹ Calculated as Scheme Consideration of S\$0.9800 divided by Adjusted NAV based on FY2024 NAV per Unit of S\$0.938 less 2H FY2024 Distribution per Unit of S\$0.0233.

² Based on precedent privatisation of property trusts and REIT mergers with an all-cash option as consideration.

³ Based on last-twelve-months' distributions declared of 4.65 Singapore cents, excluding special dividends that are capital distributions in nature.

5. Did the Paragon Manager consider other options such as asset sales to realise or maximise value in the portfolio?

- In terms of an asset sale, there is no certainty of outcome and price, which could vary depending on market conditions, among other factors.
- An asset sale could also involve a protracted process with potentially high transaction expenses and may create uncertainty on PARAGON REIT's outlook in the intervening period.
- Given that PARAGON REIT's portfolio currently comprises of only 3 assets, the sale of assets may leave Unitholders with a subscale REIT and concentration risk, potentially affecting the trading of units.
- The Scheme Consideration of S\$0.9800 represents a 7.1% premium to PARAGON REIT's adjusted NAV per Unit, where the adjusted NAV is based on latest audited financial statements incorporating the independent valuations prepared by JLL in respect of each of the underlying assets as at 31 December 2024.
- The Offeror believes that the Scheme offers an opportunity for Unitholders to fully monetise their investment in cash at an attractive premium and the ability to redeploy their funds to other investments, if desired.

6. When will the Independent Financial Adviser ("IFA") be appointed? Will the Offeror have a say in the appointment of the IFA?

- An IFA will be appointed by the Paragon Manager in due course to advise (i) the directors of the Paragon Manager who are considered independent for the purpose of the Scheme (the "**PARAGON REIT Independent Directors**") to make a recommendation to the PARAGON REIT Minority Unitholders in connection with the Scheme, and (ii) the trustee of PARAGON REIT on the Scheme.
- 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.

7. Who will be able to vote at the Scheme Meeting?

- The outcome of the Scheme rests entirely in the hands of Minority Unitholders, who will decide by voting at the Scheme Meeting to be convened.
- CP and its subsidiaries (including the Offeror) holding a 61.5% stake in PARAGON REIT will abstain from voting on the Scheme.

8. What is the approval threshold for the Scheme to be successful? What are the other approvals required?

- There are two approvals required from Unitholders: (1) the amendment of the trust deed and (2) the proposed Scheme.
 - The approval threshold for the trust deed amendments to enable the Scheme to proceed is at least 75% of the Unitholders present and voting in person or by proxy at the EGM.

- The threshold to approve the proposed Scheme of PARAGON REIT is more than 50% of Unitholders in number voting in person or by proxy representing at least 75% in value of the total Units present and voting in person or by proxy at the Scheme Meeting.
- In terms of Court and regulatory approvals required for the Scheme to be effective, this includes:
 - Court sanction for: (1) the convening of Scheme Meeting; and (2) the approval of the Scheme;
 - Approval from SGX-ST for the Scheme Document and the proposed delisting of PARAGON REIT;
 - SIC Approval for certain terms of the Scheme; and
 - MAS confirmations required in connection with the REIT delisting.

9. As a Unitholder of PARAGON REIT, what should I do if I am in favour of the Scheme?

- You are encouraged to seek independent advice on your options with regard to your holdings in PARAGON REIT.
- An IFA will be appointed by the Paragon Manager to advise PARAGON REIT Independent Directors and the trustee of PARAGON REIT. The PARAGON REIT Independent Directors will make a recommendation to the PARAGON REIT Minority Unitholders in connection with the Scheme, with the benefit of such input. Full details of the Scheme including the recommendation of the PARAGON REIT Independent Directors along with the advice of the IFA will be included in the Scheme Document.
- Unitholders who are in favour of the Scheme should vote in favour of the Scheme at the Scheme Meeting.

10. Are there any costs for Unitholders if the Scheme becomes effective?

- There will be no brokerage costs incurred by Unitholders for the transfer of Units pursuant to the Scheme, if the Scheme becomes effective.

11. As a Unitholder of PARAGON REIT, when can I vote for the Scheme?

- Expected indicative timeline⁴ is as follows:

Event	Date
Expected date of EGM and Scheme Meeting	April 2025
Expected Effective Date of the Scheme	May 2025
Expected payment of Scheme Consideration	May 2025
Expected delisting of PARAGON REIT	End May 2025

⁴ The timeline is indicative only and subject to change. Please refer to future SGXNET announcement(s) by PARAGON REIT for the exact dates of these events.

12. What will happen to PARAGON REIT if the Scheme fails?

- In the event that 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.
- Under the Singapore Code on Take-overs and Mergers, except with the consent of the Securities Industry Council, the Offeror is not permitted to make another takeover offer for PARAGON REIT for 12 months should the Scheme be unsuccessful.

13. Who can I contact if I have any questions / require more information about the Scheme?

All investor enquiries relating to the press release, a Potential AEI, or the Scheme should be directed to one of the following:

Financial adviser to PARAGON REIT

Morgan Stanley Asia (Singapore) Pte.

Investment Banking

Telephone: +65 6834 7215

Financial Adviser to the Offeror

Citigroup Global Markets Singapore Pte. Ltd.

Investment Banking

Telephone: +65 6657 8017

Media Contacts

PR Adviser to PARAGON REIT

Teneo

Tok Chong Yap / Jonathan Yeoh

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Telephone: +65 6955 8873

PR Adviser to Offeror

SEC Newgate Singapore

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Responsibility Statements

TPPL. The directors of TPPL (including those who may have delegated detailed supervision of this FAQ) have taken all reasonable care to ensure that the facts stated and opinions expressed in this FAQ are fair and accurate and that there are no other material facts not contained in this FAQ, the omission of which would make any statement in this FAQ misleading. Subject to the paragraph below, the directors of TPPL jointly and severally accept responsibility accordingly.

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Forward-Looking Statements

All statements other than statements of historical facts included in this FAQ 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 TPPL’s and the Paragon Manager’s current view of future events, and neither TPPL nor the Paragon Manager undertakes 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, TPPL, the Paragon Manager or any of their 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 TPPL or 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.

This FAQ is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of PARAGON REIT is not necessarily indicative of the future performance of PARAGON REIT.