IPO FACTSHEET

PARADIGM REAL ESTATE INVESTMENT TRUST

MAIN MARKET | 10 JUNE 2025 | REAL ESTATE INVESTMENT TRUSTS

IPO STATISTICS

IPO Price (RM)	1.00
Fund Raised (RM Million)	Up to 254.66 from retail offer units 305.34 (minimum) from institutional offer units (by bookbuilding assuming price of RM1.00 per unit) **TOTAL: 560.00**
Total Units in Issue upon listing (million)	1,600.00
IPO Market Capitalisation (RM million)	1,600.00
Pro Forma NAV (RM)	1.00
Manager	Paradigm REIT Management Sdn Bhd
Trustee	RHB Trustees Berhad

Use of Proceed

As Paradigm REIT will not be issuing any new units under the offering, Paradigm REIT will not receive any cash from the offering. The entire gross of RM560 million will go to WCT Holdings Berhad as the sponsor of the REIT.

The estimated listing expenses of RM7.4 million will be funded through the medium-term notes ("MTN") programme undertaken by Paradigm Capital (a Special Purpose Vehicle and wholly owned by the Trustee on behalf of Paradigm REIT) and internally generated funds of Paradigm REIT from the subject properties.

FYE – Financial year ended/ending 31 December; LPD – 31 March 2025, being the latest practicable date

BUSINESS OVERVIEW

Business Activities

Paradigm REIT is a real estate investment trust established to invest in a diversified portfolio of income-producing real estate assets, primarily for retail, commercial, office, industrial, and hospitality purposes. Upon listing, the initial portfolio of Paradigm REIT will comprise three retail properties with a total appraised value of RM2.4 billion. Paradigm REIT's total revenue primarily consists of rental income, car park income, advertising and promotional income as well as other income earned from the subject properties. Subject properties are as follows:

Subject Properties	Appraised Value (RM'000)
Bukit Tinggi Shopping Centre	680,000
Paradigm Mall PJ	600,000
Paradigm Mall JB	1,157,000
Total	2,437,000

1) Bukit Tinggi Shopping Centre

Gross lettable area of 1,000,950 sf ft, excluding ancillary area of ~7,500–7,900 sq ft.

2) Paradigm Mall PJ


Net lettable area of 680,048 sq ft

3) Paradigm Mall JB

Net lettable area of 1,292,956 sq ft

Acquisition of Subject Properties

The Trustee, on behalf of Paradigm REIT, entered into the Sales & Purchase Agreements with the vendors for the acquisition of the subject properties:

Property	Vendor	Purchase consideration (RM'000)	Mode of settlement: Consideration Unit (RM'000)	Mode of settlement: Cash Consideration (RM'000)
Bukit Tinggi Shopping Centre	GWSB	680,000	350,000	330,000
Paradigm Mall PJ	JPSB	600,000	230,000	370,000
Paradigm Mall JB	WCTHJ	1,157,000	1,020,000	137,000
		2,437,000	**1,600,000**	**837,000**

Competitive Strengths

- **Positioned to capitalise on positive macroeconomic and strong private consumption trends in Malaysia,** supported by a 3.8% GDP CAGR (2015–2024) and 5.1% growth in 2024, with continued momentum expected in 2025 from robust investment and household spending.
- **Geographically diversified portfolio with strategically located assets** across Klang, Petaling Jaya, and Johor Bahru, with each mall strategically located in high-density, well-connected townships supported by strong catchment populations and mature infrastructure, ensuring consistent footfall and retail demand.
- **Diversified and resilient portfolio** with 723 tenants across three malls, anchored by AEON as master lessee at Bukit Tinggi Shopping Centre; supported by a well-balanced trade mix (F&B and fashion contributing 33.7%–42.9% of rental income), a well-staggered lease expiry profile, and high average occupancy rates (95.0%, 96.9% 98.6% and 99.0% for FYE2022 to LPD) that underpin stable and growing rental income.
- **Positioned for future growth** through a right of first refusal ("ROFR") on Sponsor-owned assets including hotels and airport malls, alongside embedded upside from active asset management and enhancement initiatives across all properties ranging from tenant mix optimisation and space reconfiguration to experiential upgrades and sustainability features like solar PV systems.
- **Experienced management team**, led by CEO Chua Kah Noi Selena, who brings over 30 years of experience in property development, investment, leasing, and retail management, including involvement in the IPO of Singapore's first listed REIT.
- **Management fee structure aligns the Manager's interests** with unitholders through a base fee of up to 1.00% per annum of total asset value (excluding non-interest-bearing cash) and a performance fee of up to 5.00% per annum of net property income ("NPI").
- **Prudent capital structure and active capital management.** The REIT has an initial gearing of 34.0% (RM841.7 million debt against RM2,475.6 million total assets), well below the 50.0% regulatory limit, providing ample debt headroom of up to RM1.24 billion.

GROWTH STRATEGIES AND FUTURE PLANS

Proactive and effective asset management strategy

- The Manager will seek organic growth of its property portfolio, by working closely with the Property Manager, to maintain high occupancy rates, achieve stable rental growth and maximise investment returns and lettable area.
- This includes targeted advertising and promotional campaigns, strategic tenant mix optimisation, and partnerships to attract diverse customer segments.
- The Manager actively pursues asset enhancement initiatives such as space reconfiguration, facility upgrades, and sustainability features like solar PV systems. An aggressive leasing strategy ensures rental growth and high occupancy, while proactive tenant engagement and support services foster retention. These efforts are underpinned by stringent budgetary controls to maximise returns to unitholders.

Acquisition growth strategy

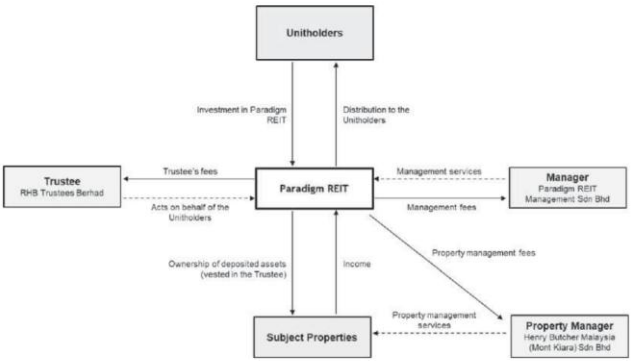
- The Manager will actively seek out properties that can generate stable cash flows, providing consistent income for the unitholders within Malaysia.
- While Paradigm REIT will primarily focus on established and mature markets with proven rental track records, it will also consider emerging market with growth potential. Key investment criteria include tenant quality, capital appreciation potential, asset enhancement opportunities, and alignment with Paradigm REIT's brand.
- The REIT also benefits from a ROFR on future asset disposals by WCT Holdings Berhad and its subsidiaries, providing a robust pipeline of potential acquisitions to support long-term growth and diversification.

Capital and risk management strategy

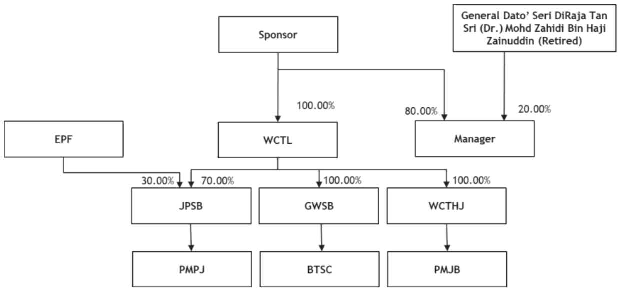
- The Manager aims to optimise set out in the REIT guidelines and intends to use a combination of debt and equity financing to fund future acquisitions and capital expenditure.
- Strategies include securing favourable financing terms, managing debt maturities to reduce refinancing risk, and implementing hedging measures where appropriate to mitigate exposure to interest rate and foreign exchange fluctuations.

REIT STRUCTURE. SPONSOR & SUBSTANTIAL UNITHOLDERS

REIT Structure upon Listing



Relationship between the Vendors, the Manager and the Sponsor



- Notwithstanding the equity interest of 80.0% in the Manager held by the Sponsor, the Manager will be recognised as a jointly controlled entity of the Sponsor from an accounting perspective.

Promoter/ Substantial Unitholder	Nationality / Country of Incorporation	Designation	Unitholding after IPO (%) Direct[1]	Indirect[1]
WCT Holdings Berhad	Malaysia	Sponsor and substantial unitholder	50.60	14.40 [2]
Dominion Nexus Sdn Bhd	Malaysia	Substantial unitholder	-	65.00 [3]
Legacy Pacific Limited	Malaysia	Substantial unitholder	-	65.00 [4]
Tan Sri Lim Siew Choon	Malaysian	Substantial unitholder	-	65.00 [5]

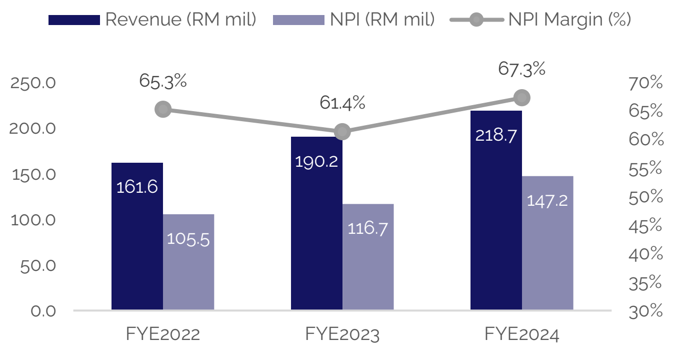
(1) *Based on 1,600,000,000 units upon the listing.*
(2) *Deemed interested by virtue of its 70.0% interest in Jelas Puri Sdn Bhd ("JPSB"), the vendor of Paradigm Mall PJ.*
(3) *Deemed interested by virtue of its 16.5% interest in the Sponsor.*
(4) *Deemed interested by virtue of its 100.0% interest in Dominion Nexus Sdn Bhd.*
(5) *Deemed interested by virtue of his 6.7% direct interest in the Sponsor and his 100.0% interest in Legacy Pacific Limited.*

Related Party Transaction

- The Manager is an 80.0% jointly controlled entity of the Sponsor. Accordingly, the payment of the management fees by Paradigm REIT to the Manager will be a related party transaction.
- As at the LPD, Tan Sri Lim Siew Choon is the common major shareholder and unitholder and common director of the Sponsor and Pavilion REIT.

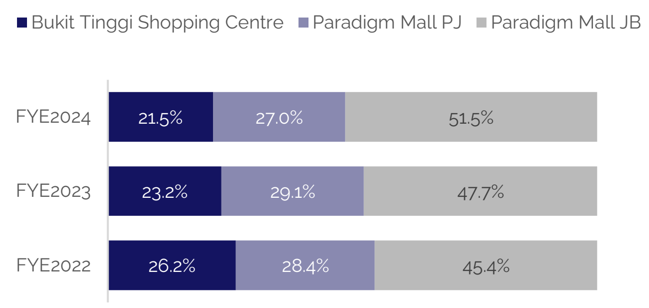
FINANCIAL PERFORMANCE

Revenue and NPI

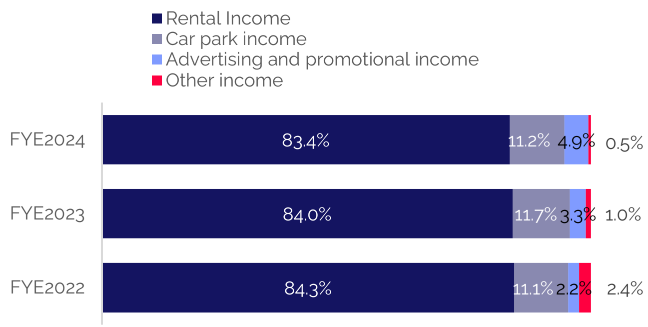


Higher revenue in FYE2024 was mainly driven by higher rental, car park, and advertising income across key malls, partially offset by a one-off income reduction.

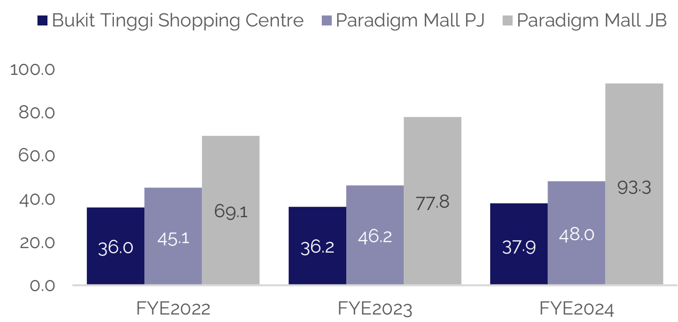
Revenue Breakdown by Subject Properties



Revenue Breakdown by Total Rental Income

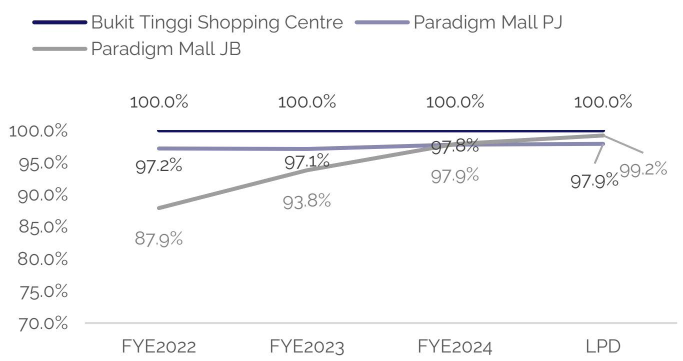


Gross Rental Income Breakdown by Subject Properties

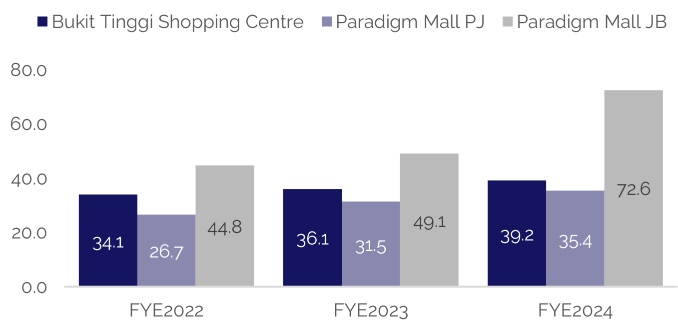


All figures are expressed in RM million.

Average Occupancy Rates

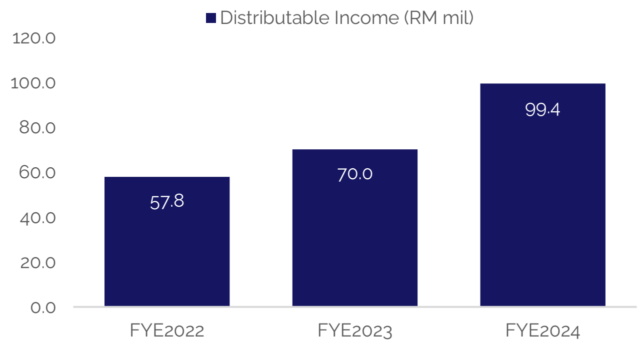


NPI Breakdown by Subject Properties

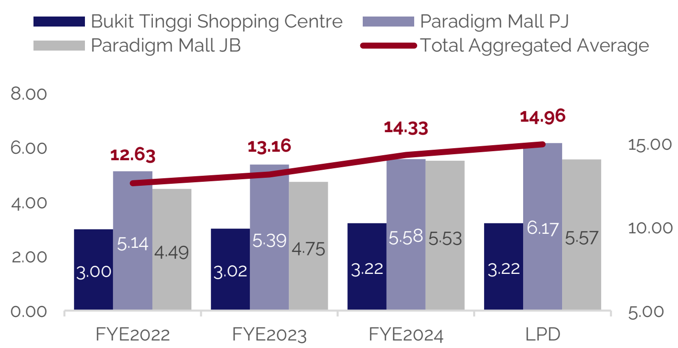


All figures are expressed in RM million.

Distributable Income



Average Monthly Rental Rate



Distribution Policy

- The Deed provides that the Manager shall, with the approval of the Trustee, for each distribution period, distribute all of the distributable income of Paradigm REIT. The Manager intends to distribute at least 90% of this income semi-annually or at other intervals at its discretion.
- From the listing date to 31 December 2025, at least 90% of distributable income will be distributed. The first distribution, covering 10 June to 31 December 2025, will be paid within two months after 31 December 2025.

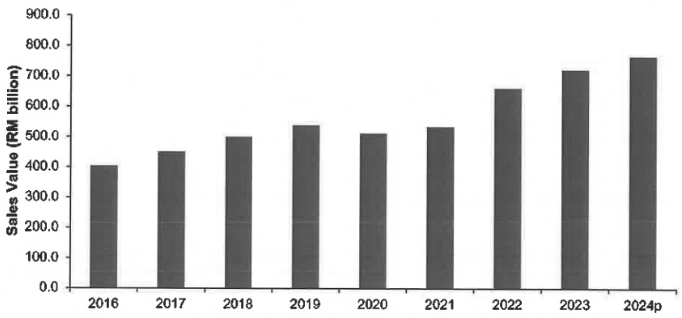
Distribution Yield

- Annualised distribution per unit ("DPU") and distribution yield on the retail price of RM1.00 are 7.16 sen and 7.16% respectively.
- Annualised DPU is calculated by multiplying the DPU for the 294-days forecast period 2025 of 5.77 sen by a factor of 365 / 294.

INDUSTRY DYNAMICS AND MARKET SHARE

Extracted from the Independent Market Research (IMR) report prepared by Savills (Malaysia) Sdn Bhd

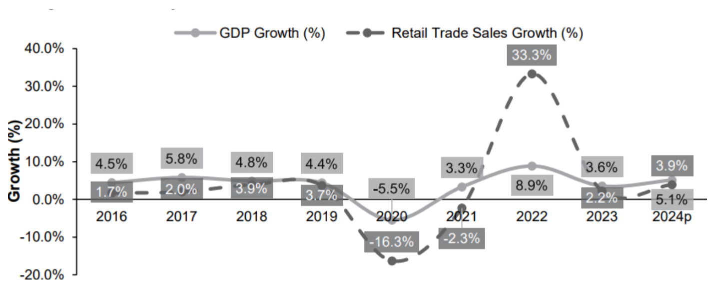
Malaysia Retail Trade Sector Sales Value



Malaysia's retail trade sector achieved a CAGR of 8.3% from 2016 to 2024 with sales value increased from RM403.8 billion in 2016 to RM764.9 billion in 2024.

Source: IMR report

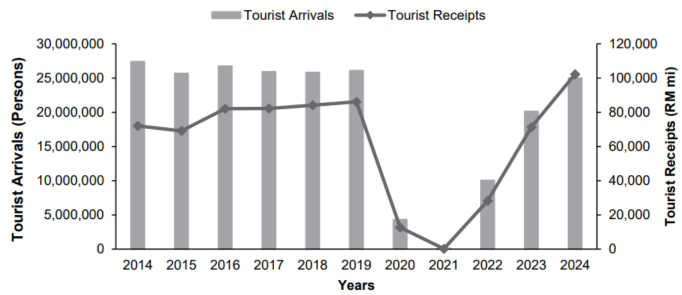
Malaysia Retailer's Sales Growth and GDP Growth



Since 2016, Malaysia's retail sales growth has generally trailed GDP growth, except in 2022 when it surged by 33.3% due to post-pandemic reopening momentum.

Source: IMR report

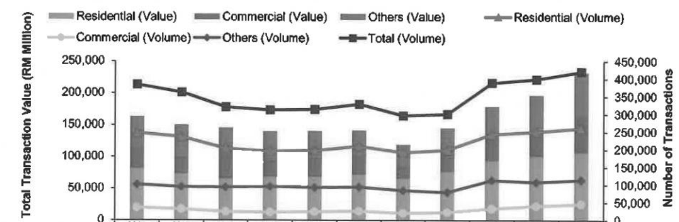
Malaysia Tourist Arrivals & Tourist Receipts



As of 2024, there was an improvement in tourist arrivals, which increased by 24.2%, from 2023. Simultaneously, tourist receipts also rose by 43.4%, during the same period.

Source: IMR report

Malaysia Property Transaction Volume and Value

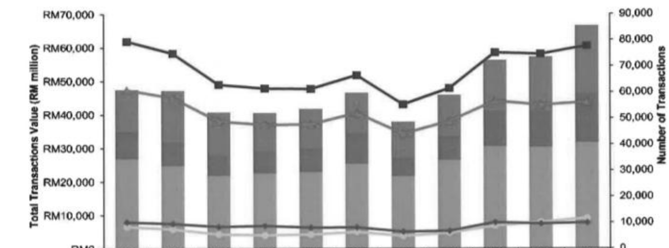


	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Others (Value)	49,080	50,028	43,891	45,937	42,065	40,011	33,672	40,025	52,185	57,595	67,318
Commercial (Value)	31,835	26,400	35,943	25,439	29,514	28,985	19,530	27,941	32,613	38,309	58,063
Residential (Value)	82,080	73,470	65,574	68,463	68,748	72,407	65,874	76,902	94,276	100,929	106,924
Residential (Volume)	247,251	235,967	203,064	194,684	197,385	209,295	191,354	198,812	243,190	250,586	260,516
Commercial (Volume)	35,528	31,776	23,745	22,162	23,936	25,654	20,255	22,428	32,809	40,463	45,985
Others (Volume)	101,261	94,362	93,616	94,978	92,389	93,698	84,359	79,257	113,108	107,959	114,044
Total (Volume)	384,060	362,105	320,425	311,824	313,710	328,647	295,968	300,497	389,107	399,008	420,545

In 2024, total transaction volume and value across all sectors reached their highest point in recent 10-year period, which represents a 5.4% and 18.0% YoY growth respectively.

Source: IMR report

Selangor Property Transaction Volume and Value

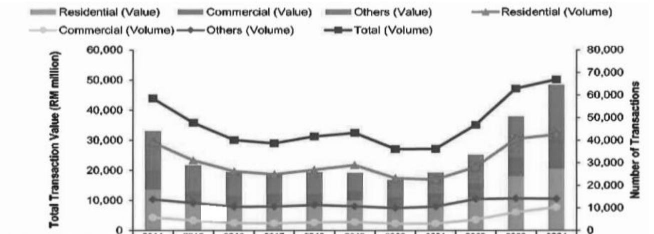


	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Others (Value)	12,468.24	15,390.94	12,786.14	11,338.10	11,654.15	12,077.54	10,653.16	12,274.21	15,166.20	16,159.88	20,125.48
Commercial (Value)	8,041.43	8,894.38	5,985.41	6,612.06	7,058.21	9,014.26	5,419.69	7,055.61	10,349.13	10,731.53	14,624.76
Residential (Value)	26,954.22	24,668.55	21,933.66	22,584.47	22,962.71	25,432.09	21,722.49	26,490.71	30,579.01	30,255.15	31,684.46
Residential (Volume)	60,903	57,627	48,879	47,551	47,715	51,981	44,834	48,755	56,514	55,035	56,167
Commercial (Volume)	8,409	7,472	5,601	5,154	5,431	6,394	4,779	6,021	8,654	10,110	11,642
Others (Volume)	10,253	9,806	8,479	8,795	8,120	8,173	6,473	6,731	9,967	9,481	9,904
Total (Volume)	79,565	74,905	62,959	61,500	61,266	66,548	55,786	61,507	75,135	74,626	77,713

Overall total transaction volume and value in 2024 was the highest achieved over the past decade.

Source: IMR report

Johor Property Transaction Volume and Value

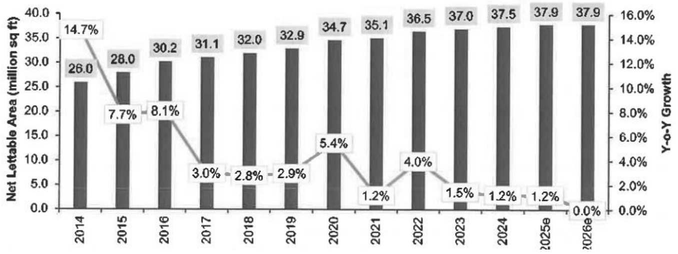


	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Others (Value)	12,893	8,656	8,025	6,591	7,321	5,866	5,772	6,990	9,859	13,611	16,304
Commercial (Value)	6,424	3,712	2,845	3,376	3,233	3,166	2,860	3,748	4,574	6,149	9,443
Residential (Value)	13,738	9,284	8,578	8,643	8,771	10,117	8,163	8,483	10,911	18,119	20,642
Residential (Volume)	39,017	31,060	26,186	24,886	26,885	28,904	23,150	22,591	28,087	40,561	42,565
Commercial (Volume)	5,774	4,507	3,359	3,144	3,504	3,706	3,025	3,046	4,787	8,041	10,312
Others (Volume)	13,756	12,161	10,521	10,609	11,264	10,704	9,926	10,508	13,911	14,209	14,017
Total (Volume)	58,547	47,728	40,066	38,639	41,653	43,314	36,101	36,145	46,785	62,611	66,894

Johor recorded new historical record in total transaction volume and value across sectors.

Source: IMR report

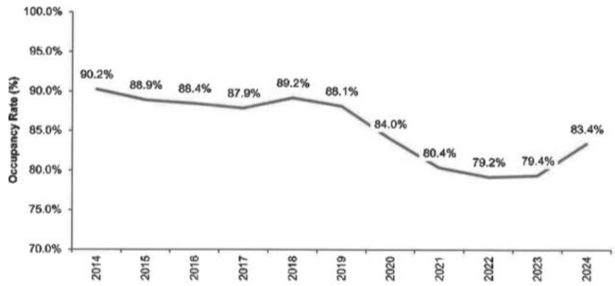
Cumulative Retail Space Supply in Selangor



As of 2024, the increase of cumulative retail supply in Selangor was mainly due to new mall openings.

Source: IMR report

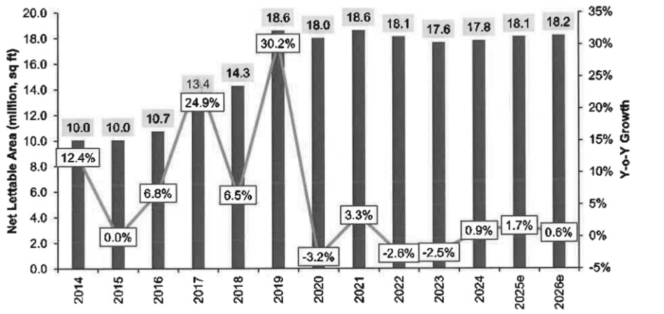
Occupancy Rate of Retail Malls in Selangor



Average occupancy rate of malls in Selangor increased 5.0% from 2023 to 2024.

Source: IMR report

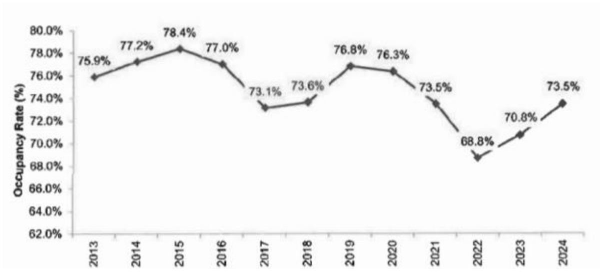
Cumulative Retail Space Supply in Iskandar Malaysia



Historically, retail spaces witnessed a slightly stagnant or muted supply after 2019.

Source: IMR report

Occupancy Rate of Retail Malls in Iskandar Malaysia



Average occupancy rate of malls in Iskandar Malaysia increased 2.7% from 2023 to 2024.

Source: IMR report

Key Growth Drivers

- **Tourism recovery fuels retail and hospitality demand.** The reopening of Malaysia's borders in April 2022 led to a surge in tourist arrivals and receipts, with 2024 seeing a 24.2% increase in arrivals and a 43.4% rise in receipts. This recovery is expected to continue, supported by government targets of 31.4 million tourist arrivals and RM125.5 billion in receipts for 2025.
- **Government support through tourism-focused fiscal policies.** A RM550 million allocation under Budget 2025 for tourism promotion, along with funding for the restoration of tourism hotspots, underpins long-term sector growth. The reinstatement of Visit Malaysia Year in 2026 further strengthens promotional momentum.
- **Visa-free entry for key source markets enhances accessibility.** Since December 2023, 30-day visa-free entry for tourists from India and China has been implemented, encouraging higher inbound travel from two of Malaysia's largest tourism markets.
- **Improved air connectivity supports travel and retail footfall.** The introduction of new flight routes and increased flight frequencies is expected to facilitate greater tourist inflow, benefiting retail and hospitality-linked real estate assets.
- **Revised MM2H programme attracts long-term foreign residents.** The Malaysia My Second Home ("MM2H") programme now offers flexible financial tiers and long-term residency options, encouraging foreign nationals to invest in Malaysian property and contribute to sustained retail and lifestyle spending.
- **Retail sector normalisation post-pandemic.** Retail trade sales are projected to grow by 3.9% in 2024, in line with GDP growth. The sector's resilience was demonstrated by a 33.3% rebound in 2022, driven by pent-up demand and reopening momentum.

KEY RISK FACTORS

- **Concentration of tenancy expiries and reliance on AEON.** Paradigm REIT faces heightened risk from a large number of leases expiring in specific years at Paradigm Mall PJ and JB, and from its dependence on AEON as the sole master lessee of Bukit Tinggi Shopping Centre, which may not renew its lease or maintain current terms, potentially impacting income and tenant mix control, though fixed rental from AEON currently ensures stable revenue. Overall, 63.9% of Paradigm REIT's net lettable area is set to expire by FYE2027.
- **Competitive pressure from other retail properties.** The income and market value of the subject properties depend on their ability to attract and retain tenants amid competition. If competing properties are more successful, Paradigm REIT may need to lower rental rates, potentially reducing income and distributions to unitholders.
- **Reliance on key tenants or a significant number of tenants.** Paradigm REIT's financial performance is significantly dependent on its top tenants, who contribute around 31.4% of gross rental income. Any loss, early termination, non-renewal, or financial distress of these tenants could lead to vacancies, reduced rental income, and difficulty securing replacements on favorable terms.
- **Impact of renovations, upgrades, and physical damage** to the subject properties may disrupt operations, reduce rental income, and lead to tenant loss or lower demand. Physical damage or regulatory compliance costs may further strain Paradigm REIT's financial condition and its ability to make distributions to unitholders.
- **Dependence on effective property management.** Inadequate management or maintenance by the Manager or Property Manager could reduce the appeal of the subject properties, leading to lower shopper traffic, tenant loss, and reduced rental income. While AEON manages Bukit Tinggi Shopping Centre under the master lease, Paradigm REIT remains responsible for structural and equipment maintenance, which could still impact financial performance if not properly handled.
- **Uncertainty in property valuations.** The appraised values of the subject properties are based on assumptions and subjective judgments that may not materialise, and future sale prices could be lower than acquisition costs.

- **Dependence on third-party services.** Paradigm REIT relies on external providers for utilities and property management services, and any disruption or failure by these parties could negatively impact operations and financial performance.
- **Uncertainty in maintaining rental rates.** There is no assurance that the subject properties can sustain rental rates at market levels, as rates depend on factors like demand, property quality, and competition.
- **Exposure to economic, market, and political risks in Malaysia.** Paradigm REIT is vulnerable to fluctuations in Malaysia's economy, real estate market cycles, global uncertainties, and political changes, all of which could reduce tenant demand, rental income, and access to funding.
- **Concentration risk in retail properties within Malaysia.** Paradigm REIT's focus on three retail properties in a single country increases its exposure to sector-specific and geographic risks, such as downturns in the retail market or Malaysian economy, which could adversely impact rental income, occupancy rates, and distributions to unitholders.
- **Borrowing limit constraints.** Paradigm REIT is restricted to a maximum borrowing of 50% of its total asset value under REIT guidelines, which may limit its ability to fund capital needs, pursue acquisitions, or maintain distributions if additional financing is required but unavailable.
- **Potential conflicts of interest.** Common major unitholder/shareholder and directors between Paradigm REIT and Pavilion REIT may give rise to conflicts of interest due to overlapping influence, though irrevocable undertakings have been provided by the involved parties to mitigate such risks.
- **Exposure to exchange control risks.** Changes in Malaysia's exchange control policies, including potential restrictions on currency conversion or repatriation of funds, could affect the marketability of units and the ability of investors to receive distributions or proceeds from sales outside Malaysia.

ESG PRACTISES

The Group has implemented, and are in the midst of implementing, the following practices:

Environmental Practices

- Implements energy-efficient technologies and monitoring systems across all properties to reduce energy wastage.
- Promotes responsible use of natural resources through water-efficient fixtures and rainwater harvesting systems where feasible.
- Encourages waste reduction by implementing comprehensive recycling programs and sustainable waste management practices.
- Collaborates with tenants to promote energy and water conservation, as well as waste minimisation initiatives.

Social Practices

- Supports community wellbeing through CSR initiatives, employee volunteerism, job creation, and charitable donations.
- Engages shoppers and tenants to enhance satisfaction.
- Ensures a safe, inclusive, and respectful workplace for all employees.
- Promotes equal opportunities and diversity across all levels.
- Invests in employee growth through ongoing training and development.

Governance Practices

- Adheres to the Malaysian Code on Corporate Governance ("MCCG") to safeguard unitholder interests.
- Oversees ESG and climate goals aligned with long-term strategy.
- Maintains ethical, transparent, and compliant business practices.
- Ensures robust internal controls and stakeholder data protection.
- Board composition reflects MCCG recommendations, with 57.1% independent and at least 30% women directors.

PEER COMPARISON

Company	Market Capitalisation (RM mil)	Revenue (RM mil)	NPI (RM mil)	NPI Margin (%)	Dividend Yield (%) (1)	NAV per Unit (x) (2)
Paradigm REIT	1,600.00	218.74	147.22	67.31	7.16 (3)	1.00
IGB REIT	8,184.77	626.10	455.71	72.79	4.84	1.18
Pavilion REIT	5,459.94	845.87	522.77	61.80	6.27	1.35
Sunway REIT	6,849.62	767.15	569.70	74.26	5.00	1.69
KIP REIT	674.84	102.16	77.82	76.17	5.66	1.04
Al-Salam REIT	203.00	78.45	51.41	65.54	2.00	1.12
Hektar REIT	308.54	125.44	62.89	50.13	7.24	1.05

(1) *Dividend 12-month yield as reported by Bloomberg.*
(2) *Based on trailing 12-month book value per share as reported by Bloomberg.*
(3) *Annualised yield is based on retail price of RM1.00 per unit and annualised distribution per unit of 7.16 sen for FYE2025.*

Financial data from the latest available FYE at the time of research.
Market capitalisation, dividend yield and book value per share at the time of research.
Source: Bloomberg, company information