



## **A-REIT to benefit from tax concessions**

**2 March 2005, Singapore** - Ascendas-MGM Funds Management Limited (in its capacity as the manager of Ascendas Real Estate Investment Trust (“**A-REIT**”), the “**Manager**”), wishes to announce that A-REIT will be the first listed real estate investment trust (“**REIT**”) to benefit from the tax concessions announced in the Budget Statement 2005 as part of a package of tax changes to position Singapore as a preferred location in Asia for listing REITs.

Certain of the tax concessions in the Budget Statement 2005 are as follows:

**(1) Reduction of Withholding Tax Rate to 10% on Distributions made to Foreign Non-Individual Investors**

It was announced during the Budget Statement 2005 that the tax rate on distributions made by any REIT listed on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) to a foreign non-individual investor during the period from 18 February 2005 to 17 February 2010 will be reduced from 20% to 10%.

A foreign non-individual investor is one who is not a resident of Singapore for income tax purposes and:

- i. who does not have a permanent establishment in Singapore; or
- ii. who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used by that person to acquire units in the REIT are not obtained from that operation.

For the distribution made on 24 February 2005, A-REIT had withheld 20% of such distribution to foreign non-individual investors. A-REIT will refund half of such withheld amounts to the relevant investors accordingly in the near future.

**(2) Waiver of Stamp Duty (Effective from 18 February 2005 to 17 February 2010)**

The Monetary Authority of Singapore has confirmed that the stamp duty chargeable on any instrument relating to the sale of any immovable property situated in Singapore or any interest thereof by a company or an individual to a REIT shall be waived if the REIT is already listed on SGX-ST. This waiver is effective for instruments executed between 18 February 2005 to 17 February 2010.

A-REIT will enjoy the stamp duty waiver in respect of its latest acquisitions of four properties worth S\$316.3 million which were completed today.

Mr Tan Ser Ping, Chief Executive Officer of the Manager said, “The waiver of stamp duty as well as the reduction of withholding tax for foreign non-individual investor to 10% from 20% are positive developments for the REIT industry. On the property side, more property owners may be motivated to offload properties from their balance sheet to REITs, re-deploying capital released to their core businesses for higher returns. On the investment side, the favourable withholding tax rate will certainly make REITs in Singapore even more attractive to foreign non-individual investors.”

**About A-REIT ([www.a-reit.com](http://www.a-reit.com))**

A-REIT is the first business space and light industrial REIT listed on the SGX-ST. It has a diversified portfolio of 36 properties in Singapore, comprising business park (including science park), light and hi-tech industrial properties, and logistics and distribution centres, with a total book value of S\$2.1 billion. These properties house a tenant base of over 470 international and local companies from a range of industries and activities, including research and development, life sciences, information technology, engineering and light manufacturing. Major tenants include SingTel, C & P Logistics, Siemens, TT International, Honeywell, IHPC, Zuellig Pharma, IDS Logistics Services, OSIM International, Venture Corporation, Federal Express, Freight Links Express, Johnson & Johnson, RSH, Infineon Technologies and Procter & Gamble.

A-REIT is listed in several indices. These include the Morgan Stanley Capital International, Inc (MSCI) Index, the FTSE Global Small Cap Asia Pacific Ex Japan Index Series, the European Public Real Estate Association/National Association of Real Estate

Investment Trusts (EPRA/NAREIT) Global Real Estate Index and the Standard & Poor inaugural S&P Asia PowerPicks 2004 portfolio.

A-REIT won the “Most Transparent Company” in the SIAS 5<sup>th</sup> Investors’ Choice Awards under the REIT category in September 2004. In July 2004, A-REIT received the most votes for Best Investor Relations by sell-side analysts in Singapore in the 2004 Asia Equities Market Report conducted by Institutional Investor Research Group.

A-REIT is managed by **Ascendas-MGM Funds Management Limited** (in its capacity as manager of A-REIT), a 60:40 joint venture between Singapore-based Ascendas Pte Ltd and Australian-based Macquarie Goodman Group.

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### Important Notice

The value of units in A-REIT (“**Units**”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of A-REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of A-REIT is not necessarily indicative of the future performance of A-REIT.