



13 February 2006

To: All Depository Agents
and Foreign Non-Individual Unitholders

Dear Sir/Madam,

ASCENDAS REAL ESTATE INVESTMENT TRUST (“A-REIT”) BACK-END REFUND FOR INCOME DISTRIBUTION

1. The purpose of this Circular is to explain the mechanism for the back-end refund with respect to income distributions from A-REIT.

Background

2. The changes in the applicable tax rate on distributions made by Real Estate Investment Trusts (“REITs”) listed on the Singapore Exchange to individuals (include both local and foreign individuals) and foreign non-individual investors that was announced in the 2004 and 2005 Budget Statements have been legislated in the Singapore Income Tax Act.

In this regard, we set out the tax rate changes and the implications on the unitholders of A-REIT as follows:

- (a) The Budget Statement 2004 announced that specified Singapore-sourced investment income derived directly by individuals from financial instruments will be exempted from tax from the Year of Assessment 2005. In this respect, the Inland Revenue Authority of Singapore (IRAS) has confirmed that, all individuals (excluding partnerships) will receive their gross distributions from A-REIT without tax being deducted at source. In addition, the Ministry of Finance has clarified that the tax exemption will only apply to distributions made out of taxable income that was earned by A-REIT from and including 1 January 2004 and is applicable to individuals who receive such distribution as investment income. Individuals who receive such distributions as gains or profits from any trade, business or profession will continue to be taxable and are required to declare such distribution as income in their tax returns.

- (b) The Budget Statement 2005 announced that the tax rate applicable to distributions made to foreign non-individual investors during the period from 18 February 2005 to 17 February 2010 will be reduced from 20% to 10%. The details of this tax change can be found in the circular dated 28 February 2005 issued by the Monetary Authority of Singapore ("MAS Circular").
3. A foreign non-individual investor refers to a person (other than an individual) who is not a resident of Singapore for income tax purposes and:
- (a) who does not have a permanent establishment in Singapore; or
- (b) who carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used by that investor to acquire the units in the REIT are not obtained from that operation.
4. We are pleased to inform you that the abovementioned tax exemption and reduced rate of tax applies to future income distributions as well as the income distribution made to-date by A-REIT in the following periods:

Period	Distribution per unit (cents)	Payment Date	Group Affected
5 October 2005 to 31 December 2005	2.89	24-Feb-06	Individuals and foreign non-individuals
1 October 2005 to 4 October 2005	0.12	8-Nov-05	Individuals and foreign non-individuals
1 July 2005 to 30 September 2005	2.91	8-Nov-05	Individuals and foreign non-individuals
1 April 2005 to 30 June 2005	2.84	26-Aug-05	Individuals and foreign non-individuals
1 January 2005 to 31 March 2005	2.70	31-May-05	Individuals and foreign non-individuals
1 October 2004 to 31 December 2004*	2.40	24-Feb-05	Individuals and foreign non-individuals
1 April 2004 - 30 September 2004	4.46	23-Nov-04	Individuals only
4 March 2004 - 31 March 2004	0.63	23-Nov-04	Individuals only
1 January 2004 - 3 March 2004	1.35	26-Apr-04	Individuals only

* A refund exercise was done specifically for the income distribution for the period from 1 October 2004 to 31 December 2004 (Ascendasreit) and for the period from 1 December 2004 to 31 December 2004 (Ascendasreit A). However, if you have beneficial owners who have previously missed out on the refund for this period, please submit the relevant documentation for refund as per this Circular.

Application of this Circular

5. If tax at the rate of 20% has been deducted from the abovementioned past income distributions and the distribution to be made on 24 February 2006 in respect of the units held by you in your capacity as a Depository Agent for the benefit of non-individual investor, The Trustee and the Manager of A-REIT have now worked out an arrangement with the IRAS to facilitate the back-end refund of the tax over-deducted from these income distributions made to you in respect of units that were held by you. The back-end refund will facilitate the return of excess tax withheld from the above-mentioned distributions
6. If individuals who hold their units through you as a Depository Agent had also received the abovementioned income distribution after tax deduction at 20%, instead of gross distributions, this back-end refund arrangement will also be extended to process refund of the 20% tax over-deducted to these individuals.
7. Foreign non-individual investors who hold A-REIT units directly and had received the abovementioned income distribution after tax deduction at 20% instead of 10% can use this back-end refund arrangement to claim the refund of 10% tax over-deducted.
8. To enable the Trustee of A-REIT to ascertain the tax status of the beneficiaries to the units held by you (i.e. individuals / foreign non-individual investors) before the request for refund can be submitted to the IRAS, you will need to make a declaration in a prescribed form. A sample of the forms is attached. Form R1 is for foreign non-individual investors who hold A-REIT units directly and Form R2 and Annexes is for Depository Agents.
9. We would like to draw your attention to the notes set out in the declaration form. Please read the notes carefully before you complete the form.

10. **Your declaration of the status of the beneficial owner or beneficial owners of the units deposited in a particular sub-account (i.e. individuals / foreign non-individual investors) must be properly substantiated.** You must ensure that you have appropriate documents to support your declaration. **Where the units are held through more than one-tier of nominees, please note that the confirmation must be from the ultimate beneficial owners.** You do not need to submit these substantiating documents with the declaration forms. Please also ensure that you keep records of the amount of distributions made to each beneficial owner as the IRAS may require such information.
11. It should be noted that the IRAS may audit the declaration form(s) made by you and may require you to provide evidence to substantiate your declaration. If it is found by the IRAS that you have not exercised due care and diligence in your declaration or have provided incorrect information, the IRAS may impose penalties as provided under sections 95 and 96 of the Income Tax Act. You may also be excluded from this arrangement thereafter and all future distributions made to you in respect of units held by you in your capacity as a Depository Agent will be net of tax deducted at the normal rate, currently 20%.
12. Please enclose all original Singapore Income Tax Certificates in respect of the requests for the refund of tax previously paid at 20% in respect of units held by foreign non-individuals directly and through Depository Agent, and individuals who hold units through Depository Agent.
13. For Depository Agents, please use the attached Form R2 to furnish the particulars required in the Annexes to the declaration forms. Please indicate clearly and put in separate declaration for the respective income distribution periods. Please staple the original declaration form and the completed Annexes together when you return the completed forms to Lim Associates (Pte) Ltd. Please also email a soft copy of the completed Annexes to Lim Associates (Pte) Ltd at pamela.chew@boardroomlimited.com.
14. Foreign non-individual investors who hold A-REIT units directly will have to indicate clearly and submit separate declaration for each income distribution periods. Please staple the original declaration form and the completed Form R1 together when you return the completed forms to Lim Associates (Pte) Ltd.

15. The Manager of A-REIT will be processing the back-end refund twice a year but reserves the right to end the half-yearly back-end process if it is deemed to be no longer necessary with advanced notice.
16. Following from the above, you will have to return the completed declaration form to Lim Associates (Pte) Ltd within the time limit, currently envisaged to be 5.00 p.m. on or around every 15 March (first refund for the year) and every 15 September (second refund for the year). If the stipulated dates happen to fall on a weekend, the deadline will be the next working day. A tentative timeline for the refund process is attached.
17. For the first refund for the year 2006, Lim Associates (Pte) Ltd will email the forms to you on or around 13 February 2006. For the second refund for the year 2006 onwards, please refer to A-REIT's website at www.a-reit.com to download the relevant forms.
18. The amount of tax over-deducted will be refunded to you only after the IRAS has refunded this amount to the Trustee of A-REIT.

Ascendas-MGM Funds Management Limited
Company Registration No: 200201987K
(as manager of Ascendas Real Estate Investment Trust)

For enquiries, please contact:

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Ascendas-MGM Funds Management Ltd
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To: Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315

FORM R1 (FOREIGN NON-INDIVIDUALS)
CLAIMING OF TAX REFUND FOR INCOME DISTRIBUTION FOR PERIOD FROM _____ TO _____
DECLARATION FOR SINGAPORE TAX PURPOSES

Name of registered holder : _____ Address : _____ _____ _____	Securities Account No. : _____ Holding : _____ Units
Name of Counter : Ascendas Real Estate Investment Trust Stock counter : Ascendasreit / Ascendasreit "A" (Please delete where applicable)	

Please read the following important notes carefully before completion of this Form:

This Form is for tax refund claims only and is applicable to foreign non-individual investors who received distributions made by Ascendas Real Estate Investment Trust ("A-REIT") during the period from 18 February 2005 to 17 February 2010 in respect of A-REIT units registered in their own names and where tax at the prevailing corporate tax rate (currently 20%), instead of the reduced rate of 10%, had been deducted from such distributions.

Distributions made by A-REIT during the period from 18 February 2005 to 17 February 2010 out of its taxable income that is not taxed at the trustee level of A-REIT to foreign non-individual investors are subject to tax at the reduced tax rate of 10%.

You are a foreign non-individual investor if you are not a resident of Singapore ¹ for income tax purposes and:

- (a) you do not have a permanent establishment² in Singapore; or
- (b) you carry on any operation in Singapore through a permanent establishment² in Singapore, where the funds used by you to acquire the units in A-REIT are not obtained from that operation.

If you are a foreign non-individual investor and tax at the prevailing corporate tax rate (currently 20%) had been deducted from the distributions made to you in respect of units held by you, you can claim a refund of the tax over-deducted from the Inland Revenue Authority of Singapore ("IRAS") through the Trustee and the Manager of A-REIT.

Please note that this refund arrangement will only apply for income distributions made to foreign non-individual investors during the period from 18 February 2005 to 17 February 2010.

To claim the tax refund from IRAS and to enable the Trustee and the Manager of A-REIT to ascertain whether you are entitled to the reduced tax rate of 10%, you will need to make a declaration in this Form.

The Trustee and the Manager of A-REIT will rely on the declaration made in this Form to determine if you are entitled to a refund. Please therefore ensure that this Form is completed in full and legibly and is returned to Lim Associates (Pte) Ltd. Failure to comply with any of these requirements will render this Form invalid and the Trustee and the Manager will not be able to determine if you are entitled to a tax refund.

If you are eligible for the reduced rate of 10%, the amount of tax over-deducted will be refunded to you only after the IRAS has refunded the amount to the Trustee.

Please make sure that the information given and the declaration made in this Form is true and correct. The making of a false or incorrect declaration constitutes an offence under the Income Tax Act and the Declarant shall be liable to the appropriate penalties imposed under the said Act.

Please use a separate tax declaration form (Form R1) for each income distribution period.

Foreign non-individuals who hold their units through Depository Agents should contact their Depository Agent as any claim for refund of the tax over-deducted from distributions made in respect of units that were held by a Depository Agent will be processed through the Depository Agent.

This Form is to be returned to Lim Associates (Pte) Ltd, 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315. The Trustee and the Manager of A-REIT will collate all declarations received on a half yearly basis (by 5.00 p.m. of 15 March and 15 September) and submit a claim for tax refund to the IRAS on a half yearly basis.

Declaration		
I, _____, NRIC/Passport No. _____, the Director/Principal Officer of _____ ("the Entity") hereby declare that the Entity is the beneficial owner of the holdings relating to the distribution for the period from _____ to _____ and that:		
Tick (/) either the "Yes" or "No" box	Yes	No
(a) the Entity is not a resident of Singapore ¹ for income tax purposes; and	<input type="checkbox"/>	<input type="checkbox"/>
(b) the Entity does not have a permanent establishment ² in Singapore.	<input type="checkbox"/>	<input type="checkbox"/>
If your reply to (b) is "No", please proceed with (c) -		
(c) the funds used to acquire the holdings in A-REIT are not obtained from any operation carried on in Singapore through a permanent establishment ² in Singapore.	<input type="checkbox"/>	<input type="checkbox"/>
Please find attached the Subsidiary Income Tax Certificate that was issued for the distribution in respect of which this claim for refund is made.		
Signature of Declarant : _____	Date: _____	
Contact No: _____		

¹ For the purpose of the distribution, a company is not a tax resident in Singapore if the management and control of its business is exercised outside Singapore during the respective calendar year in which the distribution was made and there is no intention to change the management and control of its business to Singapore.

² Under the Singapore Income Tax Act, permanent establishment means a fixed place where a business is wholly or partly carried on including a place of management, a branch, an office, a factory, a warehouse, a workshop, a farm or plantation, a mine, oil well, quarry or other place of extraction of natural resources, a building or work site or a construction, installation or assembly project. A unitholder shall be deemed to have a permanent establishment in Singapore if it:

- (i) carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or
- (ii) has another person acting on the unitholder's behalf in Singapore who:
 - (a) has and habitually exercises an authority to conclude contracts;
 - (b) maintains stock of goods or merchandise for the purpose of delivery on its behalf; or
 - (c) habitually secures orders wholly and almost wholly for the unitholder or for such other enterprises as are controlled by the unitholder.

To: Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315

FORM R2 (DEPOSITORY AGENTS)
CLAIMING OF TAX REFUND FOR INCOME DISTRIBUTION FOR PERIOD FROM _____ TO _____
DECLARATION BY DEPOSITORY AGENTS FOR SINGAPORE TAX PURPOSES
UNITS HELD FOR BENEFIT OF INDIVIDUALS AND FOREIGN NON-INDIVIDUAL INVESTORS

Name of registered holder : _____ Securities Account No. : _____
Address : _____ Holding : _____ Units

Name of Counter : Ascendas Real Estate Investment Trust
Stock Counter : Ascendasreit / Ascendasreit "A" (Please delete where applicable)

Please read the following important notes carefully before completion of this Form:

This Form is for tax refund claims only. It is applicable to Depository Agents who are claiming a refund of tax over-deducted from the following distributions made by Ascendas Real Estate Investment Trust ("A-REIT") in respect of A-REIT units held by Depository Agent for the benefit of individuals or foreign non-individuals:

- (i) in relation to units held solely for the benefit of individuals, income distribution made on or after 1 January 2004 by A-REIT where tax at the prevailing corporate tax rate (currently 20%) had been deducted from the distribution and where a refund of the tax over-deducted had not been claimed previously; and
- (ii) in relation to units held solely for the benefit of foreign non-individuals, distribution made during the period from 18 February 2005 to 17 February 2010 by A-REIT where tax at the prevailing corporate tax rate (currently 20%), instead of the reduced rate of 10%, had been deducted from the distribution and where a refund of the tax over-deducted had not been claimed previously.

A foreign non-individual investor is one who is not a resident of Singapore¹ for income tax purposes and:

- (i) who does not have a permanent establishment² in Singapore; or
- (ii) who carries on any operation in Singapore through a permanent establishment² in Singapore, where the funds used to acquire the units in A-REIT are not obtained from that operation.

To claim the tax refund from IRAS and to enable the Trustee and the Manager of A-REIT to ascertain the status of the beneficiaries to the units held by you (ie individuals or foreign non-individual investors), you will need to make a declaration in this Form.

The Trustee and the Manager of A-REIT will rely on the declarations made in this Form to determine if tax have been over-deducted from the distributions made in respect of the units held by you in your capacity as a Depository Agent. Please therefore ensure that this Form and the Annexes are completed in full and legibly and is returned to Lim Associates (Pte) Ltd. Failure to comply with any of these requirements will render this Form invalid and the Trustee and the Manager will not be able to determine if you are entitled to a tax refund in respect of the A-REIT units held by you as a Depository Agent.

If you are eligible for the tax refund in respect of the units held by you as a Depository Agent, the amount of tax over-deducted will be refunded to you only after the IRAS has refunded the amount to the Trustee.

Please make sure that the information given and the declaration made in this Form is true and correct. The making of a false or incorrect declaration constitutes an offence under the Income Tax Act and the Declarant shall be liable to the appropriate penalties imposed under the said Act.

Please use a separate tax declaration form (Form R2) for each income distribution period.

This Form, together with the Annexes, is to be returned to Lim Associates (Pte) Ltd, 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315. The Trustee and the Manager of A-REIT will collate all declarations received on a half yearly basis (by 5.00 p.m. of 15 March and 15 September) and submit a claim for tax refund to the IRAS on a half yearly basis. Please email a soft copy of the completed Annexes to this declaration form to Lim Associates (Pte) Ltd at pamela.chew@boardroomlimited.com. Please note that it is compulsory to email the soft copy of the completed Annexes.

Declaration

I, _____, NRIC/Passport No. _____, the principal officer of _____ ("the Depository Agent") hereby declare that the A-REIT units registered in the name of the Depository Agent and deposited in the sub-accounts maintained with The Central Depository (Pte) Ltd, as listed in Annex 1 and Annex 2 to this declaration form in respect of the distribution for the period from _____ to _____ belonged beneficially to persons who are individuals and foreign non-individuals respectively and that we have not previously claimed a refund of the tax over-deducted. The details of each of these beneficial owners are also listed in the Annexes. We also attach _____ Subsidiary Income Tax Certificates that were issued to the unit holders shown in Annexes 1 and 2 in respect of which the claim for refund is made.

Signature of Declarant : _____ Date : _____

Contact No : _____

¹ For the purpose of the distribution, a company is not a tax resident in Singapore if the management and control of its business is exercised outside Singapore during the respective calendar year in which the distribution was made and there is no intention to change the management and control of its business to Singapore.

² Under the Singapore Income Tax Act, permanent establishment means a fixed place where a business is wholly or partly carried on including a place of management, a branch, an office, a factory, a warehouse, a workshop, a farm or plantation, a mine, oil well, quarry or other place of extraction of natural resources, a building or work site or a construction, installation or assembly project. A unitholder shall be deemed to have a permanent establishment in Singapore if it:

- (i) carries on supervisory activities in connection with a building or work site or a construction, installation or assembly project; or
- (ii) has another person acting on the unitholder's behalf in Singapore who:
 - (a) has and habitually exercises an authority to conclude contracts;
 - (b) maintains stock of goods or merchandise for the purpose of delivery on its behalf; or
 - (c) habitually secures orders wholly and almost wholly for the unitholder or for such other enterprises as are controlled by the unitholder.

ASCENDAS REAL ESTATE INVESTMENT TRUST ("A-REIT")
 INCOME DISTRIBUTION FOR PERIOD _____ TO _____
 STOCK COUNTER: ASCENDASREIT / ASCENDASREIT "A" (PLEASE DELETE WHERE APPLICABLE)

Annex 1

Annex to Declaration Form - Individuals

S/No.	Allotment No.	DA	CDP Sub-Account No.	Name of beneficiary holder(s)	Identification No.*	Number of units	Gross distribution paid	Amount of tax deducted at 20%	Tax refunded at 20%
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									

* This refers to Singapore NRIC No., foreign ID No., or Passport No.

