

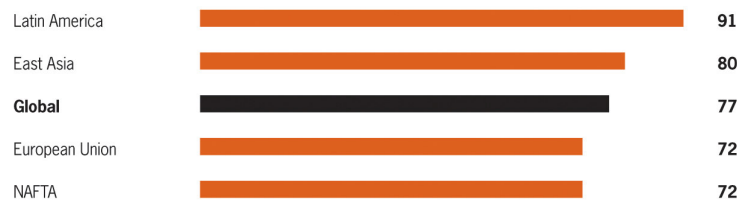
Singapore surveyed as country with least burdening taxes

Tax regime is the main reason companies set up operations here.

Singapore, 24 September 2008- According to the Grant Thornton International Business Report (IBR), 97 per cent of privately held businesses (PHBs) in Singapore say that tax issues are a significant factor for businesses deciding where to establish an operating base overseas; this is significantly higher than the global average of 77 per cent. Thailand topped the chart with all PHBs surveyed stating tax issue as a determining factor.

Significance given to taxation when considering establishing an operating base abroad – regionally

Average percentage of businesses by region



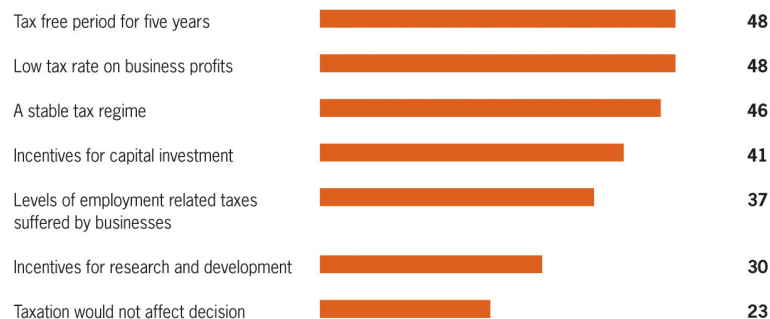
Source: Grant Thornton IBR 2008

Nearly half of all respondents globally (48 per cent) considered tax incentives, such as a tax free period of five years, and low rates of tax on business profits, as influential factors in their choice of location when considering establishing an operating base overseas.

Comparably, 59 per cent of PHBs in Singapore considered having a tax free period of five years the most influential determinant. Tax incentives attract investments from businesses looking to expand amidst this inflationary period of rising costs and weakening economic sentiments, providing a natural hedge against economic downturns.

Factors considered when setting up operations overseas – globally

Average percentage of businesses



Source: Grant Thornton IBR 2008

PHBs in Singapore also favoured low tax rate on business profits (43 per cent) and a stable tax regime (31 per cent).

The IBR showed that 40 per cent of PHBs in Singapore state that there are no burdening taxes in the country, topping the chart with the highest number of recipients surveyed. Despite current global market conditions, this shows that PHBs in Singapore have a positive view of the tax regime and remain confident of the growth momentum in the country.

On the global front, the IBR showed that the most burdensome domestic taxes for privately held businesses are taxes on business profits and employment taxes. Almost a quarter of all respondents (24 per cent) identified these aspects as being the most burdensome, followed by personal income tax (16 per cent) and indirect taxes (12 per cent).

Kon Yin Tong, a partner with Foo Kon Tan Grant Thornton, the Singapore member firm within Grant Thornton International, said: "Against a background of tightening market conditions, the results provide a comprehensive picture of opinion on tax issues in this pivotal sector for economic growth. Fundamentally, taxation issues are a major concern for PHBs in Singapore looking for expansion. They seek meaningful tax incentives to invest in new markets."

He continued, "Governments are under pressure to compete with each other as more and more countries cut their business tax rates to support existing businesses and entice others to relocate."

Ends

Notes to editors

Grant Thornton International has a new brand identity from 2008. Grant Thornton member across the world will adopt the new brand identity and logo and be instantly recognisable as part of the Grant Thornton International organisation. Grant Thornton International is one of the world's leading organisations of independently owned and managed accounting and consulting firms providing assurance, tax and specialist advisory services to privately held businesses and public interest entities. Clients of member and correspondent firms can access the knowledge and experience of more than 2400 partners in over 100 countries and receive the same distinctive, high quality and personalised service wherever they choose to do business. Grant Thornton International strives to speak out on issues that matter to business and which are in the wider public interest and to be a bold and positive leader in its chosen markets and within the global accounting profession. To find out more about the new Grant Thornton International brand, go to www.gti.org

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About the International Business Report

Grant Thornton International started a major annual survey of the attitudes and expectations of small and medium-sized businesses in 1992 called the European Business Survey (EBS). In 2003 the research project was widened to an international perspective covering medium-sized businesses and renamed the International Business Owners Survey (IBOS).

In 2007, the survey's name was changed from IBOS to the International Business Report (IBR). The IBR survey draws upon 15 years of trend data for original EBS participants and 5 years for original IBOS countries. The 15 year trend data is available for: France, Germany, Greece, Ireland, Italy, Netherlands, Poland, Spain, Sweden, Turkey and the UK, while the 5 year trend data is available for Australia, Canada, Hong Kong, India, Japan, Mexico, Singapore, South Africa and the US. Grant Thornton International will donate US\$5 to UNICEF for every completed IBR questionnaire. In 2007, this resulted in a donation of US\$36,465. The research was conducted by Experian Business Strategies Limited. To find out more about IBR and to obtain details of IBR reports and results please visit www.internationalbusinessreport.com.

About Foo Kon Tan Grant Thornton

Established in 1973, Foo Kon Tan Grant Thornton has advanced from a traditional public accounting firm to one delivering a full range of services tailored to the needs of privately held businesses and public interest entities. Under the leadership of its five equity partners, Foo Kon Tan Grant Thornton currently has a total staff strength in excess of 300.

Further enquiries, please contact:

Foo Kon Tan Grant Thornton
Penny Yick
T +65 6304 2398
E pyick@grantthornton.com.sg

Huntington Communications
Cindy Yeo
T +65 6339 2883
E cindy.yeo@huntington.com.sg