ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST

Circular dated 26 May 2007

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited ("SGX-ST") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

An application has been made to the SGX-ST for its approval in-principle for the listing and quotation of the new units ("New Units" or "Rights Units") in Allco Commercial Real Estate Investment Trust ("Allco REIT"), to be issued for the purpose of the Rights Issue (as defined herein), on the Official List of the SGX ST.

If you have sold or transferred all of your units in Allco REIT ("Units"), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Unitholders should read Section 9 of the Letter to Unitholders (as defined herein) for further details as to their eligibility to participate in the Rights Issue.

This Circular is not an offer of securities in any jurisdiction, including the United States. Neither the rights nor the New Units issuable on acceptance of the provisional allotments of the Rights Units have been or will be registered under the United States Securities Act of 1933 ("U.S. Securities Act"), or under the securities laws of any state in the United States and they may not be offered or sold to, or for the account or benefit of, U.S. persons except in transactions that are exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for lodgement of Proxy Forms : 9 June 2007 at 9.30 a.m.
Date and time of Extraordinary General Meeting : 11 June 2007 at 9.30 a.m.
Place of Extraordinary General Meeting : The Fullerton Hotel, The Straits Room, Level 4, One Fullerton Square, Singapore 049178
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## CORPORATE INFORMATION

**Directors of Allco (Singapore) Limited (the manager of Allco REIT (“Manager”))**
- Dr. Chua Yong Hai (Chairman and Independent Director)
- Mr. Nicholas Paul McGrath (Chief Executive Officer and Managing Director)
- Mr. Michael Patrick Dwyer (Executive Director)
- Mr. Christopher John West (Non-Executive Director)
- Mr. Timothy John Rich (Non-Executive Director)
- Mr. Frank John Tearle (Non-Executive Director)
- Mr. Robert Clive West (Independent Director)
- Mr. Tan Guong Ching (Independent Director)

**Registered office of the Manager**
55 Market Street  
Level 16  
Singapore 048941

**Trustee of Allco REIT (“Trustee”)**
British and Malayan Trustees Ltd  
1 Coleman Street  
#08-01 The Adelphi  
Singapore 179803

**Sole Underwriter for the Rights Issue**
Credit Suisse (Singapore) Limited  
1 Raffles Link  
#03/#04-01 South Lobby  
Singapore 039393

**Legal Adviser for the Centrelink Acquisition**
Mallesons Stephen Jaques  
Level 60  
Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000  
Australia

**Legal Adviser for the Rights Issue, and to the Manager**
WongPartnership  
One George Street  
#20-01  
Singapore 049145

**Legal Adviser to the Sole Underwriter as to English Law**
Clifford Chance Wong  
One George Street  
#19-00  
Singapore 049145

**Legal Adviser to the Sole Underwriter as to Singapore Law**
Allen & Gledhill  
One Marina Boulevard #28-00  
Singapore 018989

**Legal Adviser to the Trustee**
Rodyk & Davidson  
80 Raffles Place  
#32-00 UOB Plaza 1  
Singapore 048624

**Unit Registrar and Unit Transfer Office**
Lim Associates (Pte) Ltd  
3 Church Street  
#08-01 Samsung Hub  
Singapore 049483
Independent Accountants
KPMG
Certified Public Accountants
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

Independent Tax Adviser to Allco REIT — Singapore Taxation
KPMG Tax Services Pte. Ltd.
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581

Independent Valuers for the Centrelink Property
CB Richard Ellis Pty Limited
363 George Street
Level 26
Sydney NSW 2000
Australia

Colliers International Consultancy and Valuation Pty Limited
Level 1, 1–3 Torrens Street
Braddon, ACT 2612
Australia

Independent Valuer for the Market Street Property
Savills (Singapore) Pte Ltd
2 Shenton Way
#17-01 SGX Centre 1
Singapore 068804

Independent Financial Adviser
ANZ Singapore Limited
1 Raffles Place
#32-00 OUB Centre
Singapore 048616
The following summary is qualified in its entirety by, and should be read in conjunction with, the full text of this Circular. Meanings of defined terms may be found in the Glossary.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

**Overview of Allco REIT**

Allco REIT is a real estate investment trust which has been established with a view to investing in high quality office and retail properties across the Asia-Pacific region. Allco REIT has been listed on the Main Board of SGX-ST since 30 March 2006 (SGX:ALLC).

Allco REIT is managed by a professional and experienced team at Allco (Singapore) Limited, ("Manager"). The Manager is ultimately 100.0% owned by Allco Finance Group Limited ("Allco Finance Group"), an Australian financial services company specialising in asset-based financing and fund management activities. Allco Finance Group is listed on the Australian Stock Exchange Limited (ASX:AFG). Since Allco REIT's listing on 30 March 2006, its strong performance has been underpinned by the strengthening Singapore and Australia office property markets, and its ability to leverage on the presence of Allco Finance Group’s origination and management capabilities.

The key objectives of the Manager are to deliver regular and stable distributions to unitholders of Allco REIT ("Unitholders") and to achieve long-term growth in such distributions and the net asset value per Unit, in order to provide Unitholders with a competitive rate of return for their investment. To achieve these objectives, the Manager’s principal investment policy is for Allco REIT to invest primarily in Real Estate Assets (as defined herein) and Real Estate Related Assets (as defined herein) in the office and retail sectors in Singapore, other parts of Asia and Australia.

At the time of its listing on 30 March 2006, Allco REIT’s initial portfolio of investments ("Original Portfolio") comprised:

- a 100.0% direct interest in the China Square Central Property, comprising a grade “A” office tower, a retail complex and car park located in Singapore, valued at S$390.0 million;
- a 50.0% indirect interest in Central Park (Perth), a “premium” grade office tower located in Perth, Australia, valued at S$234.6 million\(^{(1)}\); and
- a 20.6% indirect interest in Allco Wholesale Property Fund ("AWPF"), an unlisted, registered managed investment scheme, valued at S$59.3 million\(^{(1)}\).

On 22 November 2006, Allco REIT purchased a 100.0% direct interest in the Market Street Property in Singapore’s financial district for S$72.5 million.

\(^{(1)}\) Based on an exchange rate of S$1.00 = A$0.81 being the rate at which Allco REIT had entered into an option to convert S$ into A$ at the time of such purchase.
Following a revaluation of Allco REIT’s Real Estate Assets in December 2006, Allco REIT’s portfolio has increased in value by S$126.7 million, or 18.2%. Details of the revaluation are set out in the following table:

<table>
<thead>
<tr>
<th>Investment</th>
<th>Book Value (as at 31 December 2006) Prior to the Revaluation</th>
<th>Increase in Value</th>
<th>Appraised Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>($$ million)</td>
<td>($$ million)</td>
<td>($$ million)</td>
</tr>
<tr>
<td>China Square Central Property</td>
<td>390.0</td>
<td>32.0</td>
<td>12,335</td>
</tr>
<tr>
<td>Central Park (Perth)(2)</td>
<td>234.5(3)</td>
<td>76.2</td>
<td>9,371</td>
</tr>
<tr>
<td>Market Street Property</td>
<td>72.5</td>
<td>18.5</td>
<td>13,561</td>
</tr>
<tr>
<td>Total</td>
<td>697.0</td>
<td></td>
<td>126.7</td>
</tr>
</tbody>
</table>

Notes:

(1) As at 31 December 2006.

(2) In respect of a 50.0% indirect interest in Central Park (Perth).

(3) Equivalent to A$193.6 million (inclusive of A$3.6 million of capital improvements since acquisition) based on an exchange rate of S$1.00 = A$0.8256 as at 31 December 2006.

(4) Equivalent to A$256.5 million based on an exchange rate of S$1.00 = A$0.8256 as at 31 December 2006.

Under the terms of a unit subscription agreement (“Subscription Agreement”) entered into by, among others, ARCOT Pty Limited as trustee of ARC Trust(1), it was agreed that ARC Trust shall subscribe for a 50.0% interest in the Athlion Drive Landholding Trust (“ADLT”). The trustee of ADLT, Allco SPC No. 5 Pty Limited (“ADLT Trustee”), is the existing registered proprietor of a property (“Centrelink Property”) located in Canberra, Australia. Upon certification of completion of construction of this new purpose-designed office complex, which is expected to occur in June 2007, the Centrelink Property will be leased to the Commonwealth of Australia as represented by the Centrelink National Support Office, a statutory agency of the Australian Federal Government (“Centrelink”). The lease to Centrelink is for an initial term of 18 years and Centrelink has an option to extend the term of the lease for two additional consecutive terms of five years each.

Notice of Extraordinary General Meeting

The purpose of this Circular is to give Unitholders notice of an extraordinary general meeting (“Notice of EGM”) to consider and, if thought fit, pass six resolutions. The first resolution is to seek the approval of Unitholders for the proposed acquisition by Allco REIT of a 50.0% indirect interest in the Centrelink Property (“Centrelink Acquisition”), which constitutes an interested person transaction (the details of which are set out in Section 8 of the Letter to Unitholders. The second resolution is to seek the approval of the Unitholders for the entry into the Unitholders’ Deed (as defined herein) by ARCOT Pty Limited as trustee of ARC Trust, which constitutes an interested person transaction. The third resolution is to seek the approval of the Unitholders for the entry into the Income Support Deed (as defined herein) by the ADLT Trustee, which constitutes an interested person transaction. The fourth resolution is to seek the approval of Unitholders for the entry into the Asset Management Agreement (as defined herein) by the ADLT Trustee, which constitutes an interested person transaction. The fifth resolution is intended to enable Allco REIT to undertake the Rights Issue (as defined herein) to, amongst others, finance its proposed acquisition of a 50.0% indirect interest in the Centrelink Property and to repay existing debt so as to partially refinance its existing portfolio following the acquisition of the Market Street Property. The sixth resolution will give the Manager a general mandate, expiring on 31 December 2007, to raise further equity by the issue of additional new Units provided that such number of new Units does not exceed 50.0% of the number of Units in issue as at 31 December 2006, of which the aggregate number

(1) ARC Trust is a special purpose trust constituted under the laws of New South Wales and is ultimately wholly-owned by Allco REIT.
of new Units issued other than on a pro rata basis to existing Unitholders shall not be more than 20.0% of the number of Units in issue as at 31 December 2006 (“General Mandate”).

Each of these resolutions is explained in further detail at the end of this Summary, as well as in the Letter to Unitholders.

**Overview of the Centrelink Property**

Allco REIT has, through ARC Trust, entered into the Subscription Agreement to acquire a 50.0% indirect interest in the Centrelink Property for A$108.75 million (S$136.5 million\(^1\)). In addition, the total estimated costs associated with the Centrelink Acquisition to be borne by Allco REIT are A$2.7 million\(^2\) (S$3.4 million\(^1\)).

The Centrelink Property has a land area of approximately 53,500 sq m (575,869 sq ft) and forms part of the Tuggeranong town centre in Greenway, Canberra, Australia (“Tuggeranong Town Centre”). It is located in the western section of the Tuggeranong Town Centre immediately to the south of the Tuggeranong Office Park, approximately 25 kilometres south of the Canberra Central Business District (“Canberra CBD”).

The Centrelink Property comprises a contemporary designed, five-storey (basement and four upper levels) commercial office building with approximately 40,000 sq m (430,556 sq ft) of net lettable area (“NLA”) and 1,093 car parking bays. Construction is due to be completed in June 2007. The new commercial office building has been designed for the future tenant, Centrelink. The building will provide conference facilities, an auditorium, an amphitheatre, a television studio, a gymnasium, a café and commercial kitchen facilities. The building was also designed to achieve an Australian Building Greenhouse Rating (“ABGR”) of 4.5 stars.

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\(^1\) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.

\(^2\) Comprises mainly the Acquisition Fee of A$1.1 million (S$1.4 million based on an exchange rate of S$1.00 = A$0.7964 as referred to in footnote 1 above) payable in Units to the Manager, stamp duty, legal expenses related to the Centrelink Acquisition and the costs of performing due diligence (legal and building) on the Centrelink Property. Pursuant to the Trust Deed, an Acquisition Fee of not more than 1.0% of the acquisition price of any Real Estate Assets purchased by the Trustee is payable to the Manager.
The table below sets out selected information on the Centrelink Property:

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Floor Area</strong></td>
<td>Approximately 53,500 sq m (575,869 sq ft)</td>
</tr>
<tr>
<td><strong>NLA</strong></td>
<td>Approximately 40,000 sq m (430,556 sq ft)&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
<tr>
<td><strong>Lessee</strong></td>
<td>Commonwealth of Australia as represented by the Centrelink National Support Office. The lease for an initial term of 18 years will commence upon certification of completion of construction of the Centrelink Property, which is expected to occur in June 2007.</td>
</tr>
<tr>
<td><strong>Car Park Bays</strong></td>
<td>1,093</td>
</tr>
<tr>
<td><strong>Title</strong></td>
<td>Crown Lease from the Commonwealth of Australia with a 99 year term that commenced on 26 June 2002</td>
</tr>
<tr>
<td><strong>Valuation for 100.0%</strong></td>
<td>A$217.5 million&lt;sup&gt;(2)&lt;/sup&gt; (S$273.1 million&lt;sup&gt;(3)&lt;/sup&gt;) upon certification of completion of construction of the property</td>
</tr>
<tr>
<td><strong>Purchase Price</strong>&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>A$108.75 million (S$136.5 million&lt;sup&gt;(3)&lt;/sup&gt;)</td>
</tr>
<tr>
<td><strong>Committed Occupancy</strong>&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007</th>
<th>Projection Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1 July 2007 to</td>
<td>(Financial year ending</td>
</tr>
<tr>
<td></td>
<td>31 December 2007)&lt;sup&gt;(6)&lt;/sup&gt;</td>
<td>31 December 2008)</td>
</tr>
<tr>
<td><strong>Net Property Income</strong></td>
<td>5.2</td>
<td>10.1</td>
</tr>
<tr>
<td><strong>Initial Yield</strong>&lt;sup&gt;(8)&lt;/sup&gt;</td>
<td>7.7%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

**Notes:**

(1) The final NLA of the Centrelink Property is subject to a final survey to be undertaken upon certification of completion of construction of the Centrelink Property. If the NLA of the Centrelink Property exceeds 40,000 sq m, the NLA of the Centrelink Property will be deemed to be 40,000 sq m for the purpose of calculating the rental payable for the duration of the Centrelink Lease, including any extensions thereto. In addition, different rates of rent apply to different components of the Centrelink Property with the effect that the rent payable in the first year of the Centrelink Lease may be less than the capped amount of A$15.19 million. This is even if the NLA of the Centrelink Property exceeds 40,000 sq m. However, under a design and construct agreement, the builder of the Centrelink Property (which is a subsidiary of the Multiplex Group) is required to construct the Centrelink Property of such NLA to ensure that the rental in the first year of the Centrelink Lease is not less than A$15.19 million. Accordingly, the ADLT Trustee may have a claim against the builder in respect of any shortfall in the rental. The Multiplex Group is listed on the Australian Stock Exchange (ASX:MXG).

(2) The average of the appraised values of A$218.0 million and A$217.0 million set out in the valuation reports by CB Richard Ellis Pty Limited dated 4 May 2007 and Colliers International Consultancy and Valuation Pty Limited dated 4 May 2007, respectively.

(3) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.

(4) For a 50.0% indirect interest in the Centrelink Property.

(5) Upon certification of completion of construction.

(6) Based on an exchange rate of S$1.00 = A$0.8151, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument in respect of the forecast cash flows from the Centrelink Property for the Forecast Period 2007.

(7) Based on an exchange rate of S$1.00 = A$0.8401, being the average rate at which Allco REIT has entered into foreign exchange derivative instruments in respect of the projected cash flows from Allco REIT’s Australian assets in the Projection Year 2008.

(8) Calculated as net property income divided by purchase price, annualised.
The existing beneficial owner of the Centrelink Property is ADLT, which is indirectly wholly-owned by Redshift SPC No. 1 Pty Limited ("Redshift SPC No. 1"). ADLT is a special purpose trust vehicle that was constituted under the laws of New South Wales on 26 May 2005. The ADLT Trustee, a company incorporated under the laws of Victoria, is the existing registered proprietor of the Centrelink Property.

Record Realty\(^{(1)}\), a property trust listed on the Australian Stock Exchange Limited (ASX:RRT), has entered into an agreement with Redshift SPC No. 1 to purchase a 100.0% indirect interest in ADLT. Upon completion of such purchase, currently estimated to be on or about 28 May 2007, Record Realty will indirectly hold 100.0% of the interest in ADLT.

Separately, Allco REIT (via ARC Trust) has, on 25 May 2007, entered into a Subscription Agreement with ADLT to subscribe for new units in ADLT ("ADLT Units"), such that Allco REIT will indirectly hold 50.0% of the enlarged capital of ADLT. Hence, following Allco REIT’s subscription of new ADLT Units, Record Realty’s indirect interest in ADLT will be diluted to 50.0%.

Unitholders should note that the acquisition of the 50.0% indirect interest in the Centrelink Property is dependent on the satisfaction of certain conditions precedent, including the approval of Unitholders and the Foreign Investment Review Board in Australia, and the execution of a unitholders’ deed between, among others, the trustee of the ARC Trust and the trustees of the holders of the balance 50.0% interest in ADLT. The approval of the Foreign Investment Review Board in Australia has been obtained.

Further, Unitholders should note that each of the resolutions relating to the Centrelink Acquisition, the Unitholders’ Deed, the Income Support Deed and the Asset Management Agreement are inter-conditional and contingent upon the passing of the other three resolutions.

Pursuant to the Subscription Agreement, upon satisfaction of the conditions precedent including Unitholders’ approval, Allco REIT (via ARC Trust) shall pay interest at the rate of 7.0% per annum on the purchase price from 12 June 2007, following the certification of completion of construction (currently anticipated to be on or before 8 June 2007) until payment of the purchase price is made to ADLT. In the event that Unitholders’ approval is not obtained by 30 June 2007, the Subscription Agreement will be terminated, and interest will not be payable.

Details of the Centrelink Property are also set out in Section 2 of the Letter to Unitholders.

**Overview of the Market Street Property**

The Market Street Property is located at 55 Market Street in Singapore’s financial district. The Market Street Property is a newly refurbished 16-storey building, and occupies a near-rectangular plot of land with a land area of approximately 610.8 sq m (6,575 sq ft).

Allco REIT acquired a 100.0% direct interest in the Market Street Property for S$72.5 million on 22 November 2006 with vacant possession. Following an intensive leasing campaign by Allco Asset Management Pte. Ltd. ("AAM")\(^{(2)}\), the Manager announced on 7 May 2007 that the Market Street Property had a committed occupancy rate of 100.0%.

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\(^{(1)}\) Record Realty is managed by Record Funds Management Limited, a wholly-owned subsidiary of Alco Finance Group, the sponsor of Allco REIT ("Sponsor").

\(^{(2)}\) AAM is a wholly-owned subsidiary of the Manager and provides property management services relating to the Real Estate Assets held by Allco REIT.
The table below sets out selected information on the Market Street Property:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Floor Area</td>
<td>8,463 sq m (91,099 sq ft)</td>
</tr>
<tr>
<td>NLA</td>
<td>6,710 sq m (72,228 sq ft)</td>
</tr>
<tr>
<td>Number of Leases</td>
<td>19[^1]</td>
</tr>
<tr>
<td>Car Park Lots</td>
<td>Nil</td>
</tr>
<tr>
<td>Title</td>
<td>Leasehold interest from 20 April 1826 with a 999 year term</td>
</tr>
<tr>
<td>Valuation[^2]</td>
<td>S$91.0 million</td>
</tr>
<tr>
<td>Committed Occupancy[^3]</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007 (S$ million)</th>
<th>Projection Year 2008 (S$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Property Income</td>
<td>1.9</td>
<td>4.7</td>
</tr>
<tr>
<td>Yield[^4]</td>
<td>4.1%</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

Notes:

[^1] 19 letters of offer have been signed, of which 11 lease agreements have been executed. The leases for the Market Street Property range from a term of two years to six years.


Details of the Market Street Property are also set out in Section 3 of the Letter to Unitholders.

Competitive Strengths of the Acquisitions

The Manager believes the acquisitions of the Centrelink Property and the Market Street Property (together, “Acquisitions”) enjoy the following competitive strengths:

- Strategic locations;
- Good quality tenants;
- High quality properties; and
- High occupancy rates.

The Rights Issue

The proposed renounceable underwritten rights issue (“Rights Issue”) of New Units at the Rights Issue Price (as defined herein) to Eligible Unitholders (as defined herein) will provide Unitholders with a unique opportunity to be rewarded for being unitholders of Allco REIT and enable them to continue to benefit from the current demand for high quality office and retail assets, whilst enjoying regular and stable distributions.

The Manager intends to raise gross proceeds of up to S$210.0 million from the Rights Issue. The exact amount of gross proceeds will depend on the actual number of New Units issued under the Rights Issue and the Rights Issue Price, which are to be determined between the Manager and the Sole Underwriter. The number of Rights Units to be provisionally allotted for every existing Unit held on the time and date on which the transfer books and register of Unitholders will be closed to determine the provisional allotments of Eligible Unitholders to the Rights Issue (“Books Closure Date”) (fractions of a Unit to be
disregarded) will be notified to Unitholders and set out in the notice of Books Closure Date, and will also be set out in the offer information statement ("Offer Information Statement") to be lodged with the MAS in connection with the Rights Issue. The Rights Issue Price will be determined closer to the date of commencement of the Rights Issue and will be at a discount to the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading for the period of 10 Market Days prior to and including the last day of the Units trading cum rights ("Reference Price"). The Manager currently expects the discount to be between 15.0% and 35.0% of the Reference Price. The Rights Issue Price will be notified to Unitholders on the Books Closure Date and will also be set out in the Offer Information Statement.

Assuming gross proceeds of S$210.0 million, the net proceeds to Allco REIT, after deducting the estimated costs and expenses, are estimated to be S$202.7 million. Subject to the relevant laws and regulations, the Manager intends to utilise S$138.6 million\(^{(1)}\)\(^{(2)}\) of the net proceeds of the Rights Issue to finance its proposed acquisition of a 50.0% indirect interest in the Centrelink Property, and S$64.0 million to repay existing debt so as to partially refinance Allco REIT’s existing portfolio following the acquisition of the Market Street Property. To the extent that the net proceeds raised are less than S$202.6 million, the amount of debt refinanced will be reduced. The Manager may, at its absolute discretion, utilise the proceeds of the Rights Issue to acquire any other suitable property or properties for Allco REIT, and/or for general corporate purposes.

**Rationale for the Acquisitions, the IPT Transactions and the Rights Issue**

The Centrelink Acquisition (together with the entry into the Unitholders’ Deed, the Income Support Deed and the Asset Management Agreement), and the acquisition of the Market Street Property are in line with the Manager’s investment policy for Allco REIT, and will assist the Manager in furthering its objective of providing Unitholders with a competitive rate of return for their investment.

The Manager believes that Unitholders would enjoy the following benefits from the Acquisitions, the IPT Transactions and the Rights Issue, as the case may be:

(i) Distribution yield accretion;
(ii) Net property income yield accretion from the Centrelink Property;
(iii) Overall enhancements to portfolio;
   • Improved tenant diversification;
   • Geographical diversification; and
   • Improved weighted average lease expiry profile;
(iv) Future acquisition flexibility by virtue of additional debt capacity; and
(v) Strengthening of balance sheet and enhancement of credit profile.

Further details are also set out in Section 4 of the Letter to Unitholders.

**Summary of Resolutions**

The following paragraphs set out further detail on the resolutions to be considered by the Unitholders.

---

\(^{(1)}\) Including the estimated cash costs associated with the acquisition.

\(^{(2)}\) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.
Resolution 1: The Proposed Centrelink Acquisition (Ordinary Resolution)

Allco REIT intends to subscribe (via ARC Trust) for a 50.0% interest in ADLT, under the terms of the Subscription Agreement between, among others, ARcot Pty Limited as trustee of ARC Trust, and the ADLT Trustee. The Manager proposes to seek the approval of Unitholders for the Centrelink Acquisition.

The acquisition by Allco REIT (via ARC Trust) of a 50.0% indirect interest in the Centrelink Property is an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under Paragraph 5 of the Property Funds Guidelines. Accordingly, the acquisition of the 50.0% indirect interest in the Centrelink Property is conditional upon the approval of Unitholders.

Under Paragraph 5 of the Property Funds Guidelines, two independent valuations of real estate assets which are acquired from an interested party must be made, one of which must be commissioned independently by the Trustee. The Manager has obtained an independent valuation from CB Richard Ellis Pty Limited (“CBRE”), and the Trustee has commissioned and obtained an independent valuation from Colliers International Consultancy and Valuation Pty Limited (“Colliers”). The purchase price (excluding acquisition costs), the appraised values, the dates of valuations and independent valuers of the Centrelink Property are set out in the table below.

<table>
<thead>
<tr>
<th>Location of Property</th>
<th>Independent Valuers</th>
<th>Date of Valuation</th>
<th>Appraised Value</th>
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</tr>
<tr>
<td></td>
<td>Colliers</td>
<td>4 May 2007</td>
<td>A$217.0 million (S$272.5 million(3))</td>
<td></td>
</tr>
</tbody>
</table>

Notes:

(1) Based on a 50.0% indirect interest in the Centrelink Property.

(2) Excludes property related acquisition expenses which comprise mainly the Acquisition Fee of A$1.1 million (S$1.4 million based on an exchange rate of S$1.00 = A$0.7964 being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property) payable in Units to the Manager, stamp duty, legal expenses related to the Centrelink Acquisition and the costs of performing due diligence (legal and building) on the Centrelink Property. Pursuant to the Trust Deed, an Acquisition Fee of not more than 1.0% of the acquisition price of any Real Estate Assets purchased by the Trustee is payable to the Manager.

(3) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.

As the proposed acquisition of a 50.0% indirect interest by Allco REIT (via ARC Trust) in the Centrelink Property is regarded as an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under Paragraph 5 of the Property Funds Guidelines, the Manager has, in compliance with these requirements, appointed ANZ Singapore Limited as the independent financial adviser (“IFA”) to advise the Independent Directors on whether, from a financial point of view, among others, the terms of the Centrelink Acquisition are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders.

Taking into consideration the factors and having made the assumptions set out in its letter, the IFA is of the view that the Centrelink Acquisition (as defined herein) is on normal commercial terms and is not prejudicial to the interests of Allco REIT and its Unitholders. A copy of the IFA’s letter to the Independent Directors is set out in Appendix E of this Circular.

Further details can be found in Sections 2.2 and 8 of the Letter to Unitholders.
**Resolution 2: The Proposed Entry into the Unitholders’ Deed (Ordinary Resolution)**

The Manager proposes to seek the approval of Unitholders for the entry into the Unitholders’ Deed by ARCOT Pty Limited as trustee of ARC Trust.

As the proposed entry into the Unitholders’ Deed by ARCOT Pty Limited as trustee of ARC Trust is regarded as an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under Paragraph 5 of the Property Funds Guidelines, the Manager has, in compliance with these requirements, appointed the IFA to advise the Independent Directors on whether, from a financial point of view, among others, the entry into the Unitholders’ Deed is on normal commercial terms and is not prejudicial to the interests of Allco REIT and its Unitholders.

Further details are set out in Section 2.2.3 and Section 8 of the Letter to the Unitholders.

**Resolution 3: The Proposed Entry into the Income Support Deed (Ordinary Resolution)**

The Manager proposes to seek the approval of Unitholders for the entry into the Income Support Deed by the ADLT Trustee.

As the proposed entry into the Income Support Deed by the ADLT Trustee is regarded as an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under Paragraph 5 of the Property Funds Guidelines, the Manager has, in compliance with these requirements, appointed the IFA to advise the Independent Directors on whether, from a financial point of view, among others, the entry into the Income Support Deed is on normal commercial terms and is not prejudicial to the interests of Allco REIT and its Unitholders.

Further details are set out in Section 2.2.3 and Section 8 of the Letter to the Unitholders.

**Resolution 4: The Proposed Entry into the Asset Management Agreement (Ordinary Resolution)**

The Manager proposes to seek the approval of the Unitholders for the entry into the Asset Management Agreement by the ADLT Trustee.

As the proposed entry into the Asset Management Agreement by the ADLT Trustee is regarded as an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under Paragraph 5 of the Property Funds Guidelines, the Manager has, in compliance with these requirements, appointed the IFA to advise the Independent Directors on whether, from a financial point of view, among others, the entry into the Asset Management Agreement is on normal commercial terms and is not prejudicial to the interests of Allco REIT and its Unitholders.

Further details are set out in Section 2.2.3 and Section 8 of the Letter to the Unitholders.

**Resolution 5: The Proposed Issue of New Units Under The Rights Issue (Ordinary Resolution)**

The Manager proposes to seek the approval of Unitholders for the Rights Issue that will comprise a renounceable underwritten rights issue of New Units at the Rights Issue Price to Eligible Unitholders.

The Manager intends to raise gross proceeds of up to S$210.0 million from the Rights Issue. The exact amount of gross proceeds will depend on the number of New Units issued under the Rights Issue and the Rights Issue Price, which are to be determined between the Manager and the Sole Underwriter. The number of Rights Units to be provisionally allotted for every existing Unit held on the Books Closure Date (fractions of a Unit to be disregarded) will be notified to Unitholders and set out in the notice of Books Closure Date and will also be set out in the Offer Information Statement to be lodged with the MAS in connection with the Rights Issue. The Rights Issue Price will be determined closer to the date of commencement of the Rights Issue and will be at a discount to the Reference Price. The Manager currently expects the discount to be between 15.0% and 35.0% of the Reference Price. The Rights
Issue Price will be notified to Unitholders on the Books Closure Date and will also be set out in the Offer Information Statement. See Section 9 of the Letter to Unitholders for examples of what the Rights Issue Price and the number of New Units to be issued may be.

Under the Rights Issue, Eligible Unitholders will be entitled to subscribe for Rights Units in excess of their provisional allotments of Rights Units ("Excess Rights Units") at the Underwriting Price (as defined herein). The Underwriting Price will be determined between the Manager and the Sole Underwriter and set out in the Offer Information Statement.

The Rights Units represented by the provisional allotments of (i) Eligible Unitholders who do not accept, decline and/or elect not to renounce or trade their provisional allotments of Rights Units under the Rights Issue (during the provisional allotment trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders (as defined herein), will be issued to satisfy excess Rights Units applications as the Manager may, in its discretion, deem fit. In the allotment of Excess Rights Units, preference will be given to Unitholders (other than Substantial Unitholders and Directors) for rounding of odd lots, and Unitholders who each has an interest in one or more units constituting not less than 5.0% of all outstanding units ("Substantial Unitholders") and Directors will rank last in priority.

The Sole Underwriter for the Rights Issue is Credit Suisse (Singapore) Limited. The Rights Units represented by any provisional allotments remaining after applications for Excess Rights Units have been satisfied will be underwritten by the Sole Underwriter on the terms of an underwriting agreement ("Underwriting Agreement") to be entered into between the Manager and the Sole Underwriter at a price per Rights Unit ("Underwriting Price") which will be at a premium ("Agreed Premium") to the Rights Issue Price. The Agreed Premium will be determined between the Manager and the Sole Underwriter and set out in the Offer Information Statement.

The purpose of the Agreed Premium is to enable Eligible Unitholders who do not accept, decline or otherwise renounce or trade their provisional allotments of Rights Units, and Ineligible Unitholders (as defined herein), under the Rights Issue to realise value on their provisional allotments. The Underwriting Price and the Agreed Premium will be determined by agreement between the Manager and the Sole Underwriter having regard to, among others, the discount which the Rights Issue Price represents to the market price of the Units prior to the Books Closure Date and the TERP (as defined herein). The Underwriting Price will be at a premium to the Rights Issue Price and a discount to the TERP. The Agreed Premium does not purport to represent the actual value of the provisional allotments of the Rights Units. See Section 9 of the Letter to Unitholders for examples of what the Agreed Premium may be.

Allco Singapore Investments Pte. Ltd., a Substantial Unitholder, has irrevocably undertaken to subscribe and/or procure subscriptions and payment for its provisional allotment of Rights Units in full under the Rights Issue.

Subject to the relevant laws and regulations, the Manager intends to utilise the proceeds of the Rights Issue to finance the proposed acquisition by Allco REIT of a 50.0% indirect interest in the Centrelink Property and to repay existing debt so as to partially refinance Allco REIT’s existing portfolio following the acquisition of the Market Street Property. In addition, the Manager may, at its absolute discretion, utilise the proceeds of the Rights Issue to acquire any other suitable property or properties for Allco REIT, and/or for general corporate purposes.

Whilst this is the Manager’s current intention, Unitholders should note the Rights Issue is not subject to or conditional upon completion of the Centrelink Acquisition.

Unitholders should also note that, in line with Allco REIT’s acquisition growth strategy, the Manager is constantly seeking opportunities to acquire suitable properties. Such acquisitions may be funded entirely by equity, entirely by debt or a combination of both.
The Manager has elected not to make an advanced or cumulative distribution prior to the issue of the New Units.

Resolution 6: The Proposed General Mandate to Issue Units (Ordinary Resolution)

The Manager proposes to seek the approval of Unitholders for a general mandate under Rule 887(1)(b) of the Listing Manual of the SGX-ST (“Listing Manual”) for the issue of new Units in FY2007, provided that such number of new Units do not exceed 50.0% of the number of Units in issue as at 31 December 2006, of which the aggregate number of new Units issued other than on a pro rata basis to existing Unitholders shall not be more than 20.0% of the number of Units in issue as at 31 December 2006.

The General Mandate will allow Allco REIT to issue an additional 247,655,367 new Units (which for the avoidance of doubt, does not include the New Units to be issued under the Rights Issue) by 31 December 2007, of which the aggregate number of new Units issued other than on a pro rata basis to existing Unitholders shall not be more than 99,062,146, being 20.0% of the number of Units in issue as at 31 December 2006.
## INDICATIVE TIMETABLE

<table>
<thead>
<tr>
<th>Event</th>
<th>Date and Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last date and time for lodgement of Proxy Forms.</td>
<td>9 June 2007 at 9.30 a.m.</td>
</tr>
<tr>
<td>Date and time of the EGM</td>
<td>11 June 2007 at 9.30 a.m.</td>
</tr>
<tr>
<td><strong>If the approvals sought at the EGM are obtained:</strong></td>
<td></td>
</tr>
<tr>
<td>Commencement of the Rights Issue</td>
<td>To be determined (but is expected to be no later than end June 2007)</td>
</tr>
<tr>
<td>Close of the Rights Issue</td>
<td>To be determined (but is expected to be no later than mid July 2007)</td>
</tr>
<tr>
<td>Issue of New Units and commencement of trading of the New Units on the SGX-ST</td>
<td>To be determined (but is expected to be no later than mid July 2007)</td>
</tr>
<tr>
<td>Completion of the Centrelink Acquisition</td>
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The timetable for the events which are scheduled to take place after the EGM is indicative only and is subject to change at the Manager’s absolute discretion. The Manager intends to announce any changes (including any determination of the relevant dates) to the timetable above once the Manager becomes aware of such changes.
LETTER FROM THE DIRECTORS OF THE MANAGER TO UNITHOLDERS

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
(a unit trust constituted on 12 September 2005 under the laws of the Republic of Singapore)

Directors of the Manager
Dr. Chua Yong Hai
Mr. Nicholas Paul McGrath
Mr. Michael Patrick Dwyer
Mr. Christopher John West
Mr. Timothy John Rich
Mr. Frank John Tearle
Mr. Robert Clive West
Mr. Tan Guong Ching

Registered Office
55 Market Street
Level 16
Singapore 048941

26 May 2007

To: Unitholders of Allco Commercial Real Estate Investment Trust

Dear Sir/Madam

This letter attaches a formal Notice of EGM to be held at The Fullerton Hotel, The Straits Room, Level 4, One Fullerton Square, Singapore 049178 on 11 June 2007 at 9.30 a.m..

The purpose of the meeting is to consider six resolutions, which are explained in detail below.

To assist you in your consideration of the proposed resolutions, we also set out in this letter further details on the Centrelink Property and the Market Street Property, including the Manager’s rationale for the Acquisitions and the Rights Issue, the impact the Manager believes the Acquisitions will have on the distributions to Unitholders, and two independent valuation reports on the Centrelink Property (one was commissioned and obtained by the Trustee and the other was obtained by the Manager) as required by the Property Funds Guidelines. Also set out are further details on the proposed Rights Issue, as well as the recommendation of the Directors and other matters which are relevant to the proposed Rights Issue.

1. Summary of Approvals Required

The following paragraphs summarise the approvals the Manager is seeking from Unitholders. Approval by way of an Ordinary Resolution is required in respect of each resolution.

1.1 Resolution 1: The Proposed Centrelink Acquisition (Ordinary Resolution)

Allco REIT intends to subscribe (via ARC Trust) for a 50.0% interest in ADLT under the terms of the Subscription Agreement entered into between, among others, ARCOT Pty Limited as trustee of ARC Trust, and the ADLT Trustee. The Manager proposes to seek the approval of Unitholders for the Centrelink Acquisition.

The acquisition by Allco REIT (via ARC Trust) of a 50.0% indirect interest in the Centrelink Property is an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under Paragraph 5 of the Property Funds Guidelines. Accordingly, the Centrelink Acquisition is conditional upon the approval of Unitholders.

Under Paragraph 5 of the Property Funds Guidelines, two independent valuations of real estate assets which are acquired from an interested party must be made, one of which must be commissioned independently by the Trustee. The Manager has obtained an independent valuation from CBRE, and the Trustee has commissioned and obtained an independent
valuation from Colliers. The purchase price (excluding acquisition costs), the appraised values, the dates of valuations and independent valuers of the Centrelink Property are set out in the table below.

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Notes:

(1) Based on a 50.0% indirect interest in the Centrelink Property.

(2) Excludes property related acquisition expenses which comprise mainly the Acquisition Fee of A$1.1 million (S$1.4 million based on an exchange rate of S$1.00 = A$0.7964 being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property) payable in Units to the Manager, stamp duty, legal expenses related to the Centrelink Acquisition and the costs of performing due diligence (legal and building) on the Centrelink Property. Pursuant to the Trust Deed, an Acquisition Fee of not more than 1.0% of the acquisition price of any Real Estate Assets purchased by the Trustee is payable to the Manager.

(3) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to acquire the Centrelink Property.

As the proposed acquisition of a 50.0% indirect interest by Allco REIT (via ARC Trust) in the Centrelink Property is regarded as an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under Paragraph 5 of the Property Funds Guidelines, the Manager has, in compliance with these requirements, appointed ANZ Singapore Limited as the IFA to advise the Independent Directors (as defined herein) on whether, from a financial point of view, the terms of the Centrelink Acquisition are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders.

Taking into consideration the factors and having made the assumptions set out in its letter, the IFA is of the view that the Centrelink Acquisition and the Existing Interested Persons Transactions (as defined herein) are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders. A copy of the IFA’s letter to the Independent Directors is set out in Appendix E of this Circular.

Further details are set out in Section 8 of the Letter to Unitholders.

1.2 Resolution 2: The Proposed Entry into the Unitholders’ Deed (Ordinary Resolution)

The Manager proposes to seek the approval of Unitholders for the entry into the Unitholders’ Deed by ARCOT Pty Limited as trustee of ARC Trust.

As the proposed entry into the Unitholders’ Deed by ARCOT Pty Limited as trustee of ARC Trust is regarded as an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under Paragraph 5 of the Property Funds Guidelines, the Manager has, in compliance with these requirements, appointed the IFA to advise the Independent Directors on whether, from a financial point of view, among others, the entry into the Unitholders’ Deed is on normal commercial terms and is not prejudicial to the interests of Allco REIT and its Unitholders.

Further details are set out in Section 2.2.3 and Section 8 of the Letter to the Unitholders.
1.3 Resolution 3: The Proposed Entry into the Income Support Deed (Ordinary Resolution)

The Manager proposes to seek the approval of Unitholders for the entry into the Income Support Deed by the ADLT Trustee.

As the proposed entry into the Income Support Deed by the ADLT Trustee is regarded as an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under Paragraph 5 of the Property Funds Guidelines, the Manager has, in compliance with these requirements, appointed the IFA to advise the Independent Directors on whether, from a financial point of view, among others, the entry into the Income Support Deed is on normal commercial terms and is not prejudicial to the interests of Allco REIT and its Unitholders.

Further details are set out in Section 2.2.3 and Section 8 of the Letter to the Unitholders.

1.4 Resolution 4: The Proposed Entry into the Asset Management Agreement (Ordinary Resolution)

The Manager proposes to seek the approval of the Unitholders for the entry into the Asset Management Agreement by the ADLT Trustee.

As the proposed entry into the Asset Management Agreement by the ADLT Trustee is regarded as an “interested person transaction” under Chapter 9 of the Listing Manual and an “interested party transaction” under Paragraph 5 of the Property Funds Guidelines, the Manager has, in compliance with these requirements, appointed the IFA to advise the Independent Directors on whether, from a financial point of view, among others, the entry into the Asset Management Agreement is on normal commercial terms and is not prejudicial to the interests of Allco REIT and its Unitholders.

Further details are set out in Section 2.2.3 and Section 8 of the Letter to the Unitholders.

1.5 Resolution 5: The Proposed Issue of New Units under the Rights Issue (Ordinary Resolution)

The Manager proposes to seek the approval of Unitholders for the issue of the New Units for the purpose of the Rights Issue.

The Trust Deed, read together with the Listing Manual, provides that specific prior approval of Unitholders by Ordinary Resolution is required for an issue of New Units if the number of New Units (together with any other issue of Units in the same financial year) would, immediately after the issue, exceed 10.0% of the outstanding Units as at 31 December 2006.

Assuming that Allco REIT proceeds with the Rights Issue to finance the acquisition of the 50.0% indirect interest in the Centrelink Property and to repay existing debt so as to partially refinance its existing portfolio following the acquisition of the Market Street Property, it is expected that the number of New Units will, immediately after issue, exceed 10.0% of the outstanding Units as at 31 December 2006. Accordingly, the Manager is seeking the approval of Unitholders for the issue of the New Units for the purpose of the Rights Issue. An application has been made to the SGX-ST for the listing of and quotation for the New Units on the Official List of the SGX-ST.

The number of Rights Units to be provisionally allotted for every existing Unit held on the Books Closure Date (fractions of a Unit to be disregarded) will be notified to Unitholders and set out in the notice of Books Closure Date and will also be set out in the Offer Information Statement to be lodged with the MAS in connection with the Rights Issue.

Further details on the Rights Issue are set out in Section 9 of the Letter to Unitholders.
1.6 Resolution 6: The Proposed General Mandate to Issue New Units (Ordinary Resolution)

The Manager proposes to seek the approval of Unitholders for a general mandate under Rule 887(1)(b) of the Listing Manual for the issue of new Units in the financial year ending 31 December 2007.

The General Mandate is limited, such that the number of new Units to be issued must not exceed 50.0% of the number of Units in issue as at 31 December 2006, and of which the aggregate number of new Units issued other than on a pro rata basis to existing Unitholders shall not be more than 20.0% of the number of Units in issue as at 31 December 2006.

The General Mandate will allow Allco REIT to issue an additional 247,655,367 new Units (which for the avoidance of doubt, does not include the New Units to be issued under the Rights Issue) by 31 December 2007, of which the aggregate number of new Units issued other than on a pro rata basis to existing Unitholders shall not be more than 99,062,146, being 20.0% of the number of Units in issue as at 31 December 2006.

Further details on the General Mandate are set out in Section 10 of the Letter to Unitholders.

2. The Centrelink Property

2.1 Description of the Centrelink Property

The Centrelink Property has a land area of approximately 53,500 sq m (575,869 sq ft) and forms part of the Tuggeranong Town Centre. It is located in the western section of the Town Centre immediately to the south of the Tuggeranong Office Park, approximately 25 kilometres south of the Canberra CBD.

It is located on land which is held under a Crown Lease from the Commonwealth of Australia with a 99-year term that commenced on 26 June 2002. Local government development approval has been obtained for the use of the premises for offices and for the following purposes:

(i) business agency;
(ii) child care centre;
(iii) club;
(iv) indoor recreation facility;
(v) outdoor recreation facility;
(vi) public agency;
(vii) restaurant; and
(viii) shop.

The Centrelink Property comprises a contemporary designed, five-storey (basement and four upper levels) commercial office building with approximately 40,000 sq m (430,556 sq ft) of NLA and 1,093 car parking bays. Certification of completion of construction is expected to be issued in June 2007. The new commercial office building has been designed for the future tenant, Centrelink. The building will provide conference facilities, an auditorium, an amphitheatre, a television studio, a gymnasium, a café and commercial kitchen facilities. The building was also designed to achieve an ABGR rating of 4.5 stars.
The table below sets out selected information on the Centrelink Property:

| Gross Floor Area               | Approximately 53,500 sq m (575,869 sq ft) |
| NLA                           | Approximately 40,000 sq m (430,556 sq ft) |
| Lessee                        | Commonwealth of Australia as represented by the Centrelink National Support Office. The lease for an initial term of 18 years will commence upon certification of completion of construction of the Centrelink Property, which is expected to occur in June 2007. |
| Car Park Bays                 | 1,093 |
| Title                         | Crown Lease from the Commonwealth of Australia with a 99 year term that commenced on 26 June 2002 |
| Valuation for 100.0%          | A$217.5 million (S$273.1 million) upon certification of completion of construction of the Centrelink Property |
| Purchase Price                | A$108.75 million (S$136.5 million) |
| Committed Occupancy           | 100.0% |

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007(6)</th>
<th>Projection Year 2008(7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Property Income</td>
<td>5.2</td>
<td>10.1</td>
</tr>
<tr>
<td>Initial Yield(8)</td>
<td>7.7%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

Notes:

(1) The final NLA of the Centrelink Property is subject to a final survey to be undertaken upon certification of completion of construction of the Centrelink Property. If the NLA of the Centrelink Property exceeds 40,000 sq m, the NLA of the Centrelink Property will be deemed to be 40,000 sq m for the purpose of calculating the rental payable for the duration of the Centrelink Lease, including any extensions thereto. In addition, different rates of rent apply to different components of the Centrelink Property with the effect that the rent payable in the first year of the Centrelink Lease may be less than the capped amount of A$15.19 million. This is even if the NLA of the Centrelink Property exceeds 40,000 sq m. However, under a design and construct agreement, the builder of the Centrelink Property (which is a subsidiary of the Multiplex Group) is required to construct the Centrelink Property of such NLA to ensure that the rental in the first year of the Centrelink Lease is not less than A$15.19 million. Accordingly, the ADLT Trustee may have a claim against the builder in respect of any shortfall in the rental. The Multiplex Group is listed on the Australian Stock Exchange (ASX:MXG).

(2) The average of the appraised values of A$218.0 million and A$217.0 million set out in the valuation reports by CBRE dated 4 May 2007 and Colliers dated 4 May 2007, respectively.

(3) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.

(4) For a 50.0% indirect interest in the Centrelink Property.

(5) Upon certification of completion of construction.

(6) Based on an exchange rate of S$1.00 = A$0.8151, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument in respect of the forecast cash flows from the Centrelink Property for the Forecast Period 2007.

(7) Based on an exchange rate of S$1.00 = A$0.8401, being the average rate at which Allco REIT has entered into foreign exchange derivative instruments in respect of the projected cash flows from Allco REIT’s Australian assets in the Projection Year 2008.

(8) Calculated as net property income divided by purchase price, annualised.
2.2 **Structure of the Acquisition of the Centrelink Property**

The existing owner of the Centrelink Property is ADLT, which is indirectly wholly-owned by Redshift SPC 1 Pty Limited. ADLT is a special purpose trust vehicle that was constituted under the laws of New South Wales on 26 May 2005.

2.2.1 **The ADLT Trustee**

The ADLT Trustee is a company incorporated under the laws of Victoria and is the registered proprietor and landlord of the Centrelink Property. The powers of the ADLT Trustee include:

- exercising all the powers of a trustee as though it were the absolute owner of the assets held by ADLT ("ADLT Assets"); and
- investing, disposing of or otherwise dealing with ADLT Assets,

provided that the ADLT Trustee first obtains directions from the unitholders of ADLT ("ADLT Unitholders") prior to exercising such powers.

Under the constitutive documents of ADLT, the ADLT Unitholders are entitled to income and other distributions attributable to the ADLT Units. The constitutive documents also contain provisions that limit the liability of an ADLT Unitholder to the amount (if any) which remains unpaid in relation to an ADLT Unitholder’s subscription for ADLT Units. Accordingly, the ADLT Unitholders will not be personally liable to indemnify the ADLT Trustee or any creditor of ADLT if there is a deficiency in the ADLT Assets.

Under the constitutive documents of ADLT, ADLT shall terminate on the earliest of:

- the 80th anniversary of the day before ADLT commenced;
- the date specified by the ADLT Trustee as the date of termination of ADLT in a notice given to ADLT Unitholders; and
- the date on which ADLT terminates in accordance with another provision of the constitutive documents or by law.

2.2.2 **The Subscription Agreement**

Under the terms of the Subscription Agreement entered into on 25 May 2007 by, among others, ARCOT Pty Limited as trustee of ARC Trust, which is a special purpose trust constituted under the laws of New South Wales and is ultimately wholly-owned(1) by Allco REIT, it was agreed that ARC Trust shall subscribe for a 50.0% interest in ADLT.

Following certification of completion of construction of the Centrelink Property (currently estimated to be on or before 8 June 2007), and subject to Unitholders’ approval of the Centrelink Acquisition(2), ARC Trust is, on 12 June 2007, required to make a cash payment of A$108.75 million (S$136.5 million(3)) to ADLT. The total cost of the acquisition of the Centrelink Property, including the Acquisition Fee payable to the Manager, as well as the estimated professional and other fees and expenses to be incurred by ARC Trust, is estimated to be A$111.5 million (S$140.0 million(3)).

Record Realty, a property trust listed on the Australian Stock Exchange Limited (ASX:RRT), will hold the remaining 50.0% indirect interest in ADLT by purchasing the interest of Redshift SPC No. 1 in the ADLT Units. Record Realty is managed by Record Funds Management Limited, a wholly-owned subsidiary of Allco Finance Group, the sponsor of Allco REIT.

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(1) Through Allco Investments No. 3 Pty Limited, which is wholly-owned by Allco REIT.

(2) As well as other conditions precedent explained in further detail below.

(3) Based on an exchange rate of SS1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.
The Centrelink Acquisition is dependent on the satisfaction of certain conditions precedent, including the approval of the Unitholders, the Foreign Investment Review Board in Australia and the execution of a unitholders’ deed (“Unitholders’ Deed”) between, amongst others, the trustee of ARC Trust, Allco SPC No. 9 Pty Limited as the trustee of A1 Trust and Allco SPC No. 8 Pty Limited as the trustee of A2 Trust. A1 Trust and A2 Trust are each a special purpose trust vehicle held indirectly by Redshift Corporation Pty Limited (“Redshift Corporation”) and, as at the date of this Circular, A1 Trust and A2 Trust hold in aggregate a 100.0% interest in ADLT. Following completion of the subscription by Allco REIT of a 50.0% indirect interest in ADLT, the remaining 50.0% interest will be held equally by A1 Trust and A2 Trust. The Unitholders’ Deed shall govern ARC Trust, A1 Trust and A2 Trust’s relationships inter se as unitholders of ADLT in relation to the operation and management of the Centrelink Property. The approval of the Foreign Investment Review Board in Australia has been obtained.

Pursuant to the Subscription Agreement, upon satisfaction of the conditions precedent including Unitholders’ approval, Allco REIT (via ARC Trust) shall pay interest at the rate of 7.0% per annum on the purchase price from 12 June 2007, following the certification of completion of construction (currently anticipated to be on or before 8 June 2007) until payment of the purchase price is made to ADLT. In the event that Unitholders’ approval is not obtained by 30 June 2007, the Subscription Agreement will be terminated, and interest will not be payable.

2.2.3 Other Agreements in Connection With the Centrelink Acquisition

Unitholders’ Deed

As mentioned above, the Centrelink Acquisition is dependent on the satisfaction of certain conditions precedent, including a Unitholders’ Deed to be entered into by, among others, ARCOT Pty Limited as trustee of ARC Trust, Allco SPC No.9 Pty Limited as the trustee of A1 Trust and Allco SPC No.8 Pty Limited as the trustee of A2 Trust.

The principal terms of the Unitholders’ Deed provide, among others, that:

(i) ARC Trust will hold a 50.0% interest in the ADLT Units, and A1 Trust and A2 Trust will each hold a 25.0% interest in the ADLT Units;

(ii) the ADLT Trustee has entered into a facilities services sub-contract agreement with Multiplex Facilities Management Pty Limited (a subsidiary of the Multiplex Group (ASX: MXG)), the facilities manager of the Centrelink Property pursuant to which the facilities manager is to perform or manage the performance of the ADLT Trustee’s obligations (as landlord) under the Centrelink Lease. The performance obligations of the facilities manager include (a) facilities services such as building service systems operation, fittings and grounds maintenance, environmental management, (b) project management services such as administering refurbishments, replacements and upgrades to the building, and (c) carrying out of additional facilities services which relate to a tenant’s use or occupation, such as alterations to the tenant’s fitout(1);

(iii) the ADLT Unitholders will establish a committee to consider and make determinations on issues relating to the ownership and management of the Centrelink Property including the management, leasing, operations or development of the Centrelink Property, changes to dividend distribution policy, transfers or disposals of assets of ADLT, and the incurring of capital expenditure in connection with the assets of ADLT;

(1) The fees payable to the facilities manager comprise (a) in respect of facilities services, A$2.1 million per annum increasing by 3.0% per annum on a compounding basis on each anniversary of the commencement date of the sub-contract; (b) in respect of the additional facilities services, an amount equal to the fee payable to the ADLT Trustee by Centrelink; (c) in respect of project management services, 10.0% of the cost of the works, or 5.0% of the cost of the works where the cost of the works exceeds A$30,000; and (d) in respect of after hours air-conditioning, an amount equal to the amount paid by Centrelink to the ADLT Trustee.
(iv) an ADLT Unitholder has to provide notice to the other ADLT Unitholders of any transfers, sale or disposal of its shareholding or voting rights, or the units in a trust, fund or other entity of which the party is the trustee or the manager (“Prohibited Disposal”), provided that any such transfer, sale or disposal shall not constitute a Prohibited Disposal if, among others, the prior written approval of the other ADLT Unitholders is obtained for such transfer, sale or disposal;

(v) the following things may be done only with the prior written approval of each ADLT Unitholder: the appointment of a liquidator to the ADLT Trustee or approval of any proposal to wind up the ADLT Trustee; any alteration to the constitution of the ADLT Trustee or the ADLT Trustee or other constituent document of the ADLT Trustee or the ADLT Trustee to any alteration to the rights conferred by the shares of the ADLT Trustee; any alteration or amendment to the Unitholders’ Deed; any cessation or change of the business of the ADLT Trustee; any change to the dividend distribution policy of the ADLT Trustee; the borrowing of any moneys by the ADLT Trustee; the issuing of any securities by the ADLT Trustee; any transfer or disposal of the assets of the ADLT Trustee; the enhancement of, or the incurring of capital expenditure in connection with, the assets of the ADLT Trust or the ADLT Trustee; the entry into transactions by the ADLT Trustee with any related corporation, interested party or interested person; merging or amalgamating the ADLT Trustee with any other company; changing the name of the ADLT Trustee; the creation of any security over any of the assets of the ADLT Trust; any appointment, termination or replacement of the asset manager; and the mechanism for issuing of directions to the ADLT Trustee in relation to the deposit and withdrawal of any amounts into and out of any rental deposit accounts established by the ADLT Trustee in connection with the Centrelink Lease or the Centrelink Property;

(vi) the ADLT Trustee must ensure that it, and each party to the Unitholders’ Deed must use its reasonable endeavours to ensure that the ADLT Trustee, maintains the Centrelink Property in accordance with the Centrelink Lease, procures that the assets of the ADLT Trustee which are of an insurable nature are insured against damage, destruction, loss of rent and any other risk as may be required to their full replacement value and on a re-instatement basis, takes out and keeps in force professional indemnity, workers’ compensation, public risk, business interruption, directors’ and officers’ and any other risk insurance to the extent and for the amounts the ADLT Unitholders may reasonably require from time to time;

(vii) the ADLT Trustee must ensure that it, and each party to the Unitholders’ Deed must use its reasonable endeavours to ensure that the ADLT Trustee makes available for inspection by its directors and any party to the Unitholders’ Deed that has not appointed a director who is in office, all information concerning the business and the operations of the ADLT Trustee and ADLT, respectively, including but not limited to, the following reports in reasonable detail: (a) as soon as practicable after the end of each month, but no later than 30 days after the end of each month, (i) an unaudited statement of financial performance, monthly cash flow statement for the month and for the current financial year to date and forecast statement of financial performance and cash flows for the financial year; and (ii) an unaudited statement of financial position as at the end of the month and a forecast statement of financial position as at the end of the current financial year, each prepared in accordance with Australian accounting principles consistently applied; (b) following the end of each financial year, an audited statement of financial performance and statement of financial position for that financial year; and (c) any information requested by a director to enable the ADLT Trustee or any ADLT Unitholder (at its cost in the case of a ADLT Unitholder) to satisfy any local or overseas reporting requirement to any Government Agency or regulatory body which has jurisdiction over the ADLT Trustee, ADLT or the ADLT Unitholders;

(viii) if ARCOT Pty Limited wants to deal with its interest in ADLT or Allco Investments No. 3 Pty Ltd wants to deal with the units in ARC Trust, other than by way of permitted transfer then ARC Trustee or Allco Investments No.3 (whichever is applicable), the relevant dealing
party must give notice in writing to Allco SPC No. 9 Pty Limited as trustee of A1 Trust, and Allco SPC No. 8 Pty Limited as trustee of the A2 Trust, offering to sell its relevant interest to them in equal proportions. Such notice must specify all the terms and conditions on which the seller wants to sell its relevant interest; the price that the seller is willing to accept; the time for settlement; any financial incentives other than the selling price; each other material term or condition of sale; and the form of contract of sale incorporating the terms above. The seller must procure any person with whom it deals in relation to the sale of its relevant interest and all other existing parties to the Unitholders’ Deed to execute deeds to make the new buying party a party to this Unitholders’ Deed and all other relevant agreements to which the existing parties are currently a party to, in a form reasonably acceptable to the existing parties, including the accession deed. Upon the execution of the said deeds, the seller will no longer be bound by the relevant agreements to the extent that the new buying party becomes bound to the relevant agreements, except that obligations or rights accrued or owed at that time to or by any party continue;

(ix) if any of Allco SPC No. 9 Pty Limited, Allco SPC No. 8 Pty Limited, or Record Funds Management Limited wants to deal with its interest other than by way of a permitted transfer, it must give notice in writing to ARCOT Pty Limited, offering to sell such interest. Such notice must specify all the terms and conditions on which it wants to sell its interest, the price that it (as a seller) is willing to accept, the time for settlement, any financial incentives other than the selling price for its interest, each other material term or condition of sale, and the form of contract of sale incorporating the terms above. The seller must procure any person with whom it deals in relation to the seller’s sale interest and all other parties to execute deeds to make the new buying party a party to the Unitholders’ Deed and all other relevant agreements to which the existing parties are currently parties to, in a form reasonably acceptable to ARCOT Pty Limited, including the accession deed. ARCOT Pty Limited must execute the deeds which the new party has executed. Upon the execution of the relevant deeds, the seller will no longer be bound by the relevant agreements to the extent that the new party becomes bound to the relevant agreements, except that obligations or rights accrued or owed at that time to or by any party continue;

(x) each party to the Unitholders’ Deed will appoint an asset manager in relation to each party’s interest in the Centrelink Property. The parties agree to use their best endeavours to agree on the person who will be appointed by each party as asset manager promptly after the date of the Unitholders’ Deed and the expiry or termination of the appointment of any asset manager appointed from time to time during the term of the Unitholders’ Deed. If the parties cannot agree on a person, firm or company to be appointed as asset manager within this timeframe, then the matter may be referred by either party for determination pursuant to the provisions in the Unitholders’ Deed;

(xi) none of the ADLT Unitholders may create a mortgage, charge or encumbrance over the whole of its interest in ADLT unless such mortgagee has entered into a mortgage deed with the other ADLT Unitholders;

(xii) in the event of a breach by an ADLT Unitholder of the Unitholders’ Deed, non-defaulting ADLT Unitholders may purchase the interest in the ADLT Units held by the defaulting ADLT Unitholder at a price based on the market value of those units less any undischarged joint liabilities;

(xiii) if a default occurs and there is no dispute between the parties as to the existence of the default, then at any time within three months of the default occurring or, in the case of a Prohibited Disposal, within three months of notice being given of that Prohibited Disposal in accordance with the Unitholders’ Deed or of another party otherwise becoming aware of the Prohibited Disposal, then for so long as the default or the Prohibited Disposal continues to subsist, the injured party may give notice in writing to the defaulting party. Within 10 business days of the giving of the default notice, the injured party and defaulting party shall
jointly request valuers to determine the market value of the Property and the accountant to determine the value of the default interest. A third independent valuer as umpire may also be appointed; and

(xiv) if a dispute arises between the parties in respect of the Unitholders’ Deed, then a party must comply with the relevant provisions in the Unitholders’ Deed before commencing court or other proceedings except where that party is seeking urgent interlocutory relief or the other party has unreasonably failed to comply with its obligations under the relevant provisions in the Unitholders’ Deed, and the parties undertake in good faith to use all reasonable endeavours to settle the dispute expeditiously. The dispute may be resolved by way of without prejudice meetings between the chief executive officers (or persons of equivalent office) of the parties or by way of a determination of an independent expert to be agreed upon and appointed. Notwithstanding the aforesaid, the parties must continue to perform their obligations under the Unitholders’ Deed in a timely manner.

**Income Support Deed**

An income support deed ("Income Support Deed") will also be entered into in connection with the Centrelink Acquisition and the Centrelink Lease and will be effective from the date of commencement of the Centrelink Lease.

There will be a three-month rent-free period from the commencement of the Centrelink Lease. ADLT will, pursuant to the Income Support Deed, receive from an entity related to Redshift SPC No.1 A$3.8 million, being an amount equivalent to the rental that would otherwise be payable for this three-month period. The income support received by ADLT will be distributed to the ADLT Unitholders.

**Asset Management Agreement**

Prior to the completion of the Centrelink Acquisition, an asset management agreement will be entered into between the ADLT Unitholders, ADLT Trustee and Allco Funds Management ("Asset Management Agreement") in connection with the Centrelink Acquisition.

Under the Asset Management Agreement, the services to be provided by Allco Funds Management include:

(i) asset management services which include conducting of market research and analysis, asset assessment, commercial analysis, procurement of fair and reasonable valuations of the Centrelink Property once every 12 months if required, research, investment management, regular review of the Centrelink Property with recommendations on what to sell and with reasons, taking into consideration tax implications, risk analysis and diversification, and other pertinent factors, and financial analysis of the Centrelink Property to review its performance with regards to return on equity, cashflow, gearing levels, and other financial factors;

(ii) financial reporting services which include the provision of financial statements and quarterly reports on the financial analysis of the Centrelink Property, review of business plan, and the provision of monthly financial reports (profit and loss accounts) on the Centrelink Property;

(iii) maintenance of accounting records so as to, among others, enable the preparation of the financial statements and enable taxation returns to be prepared in accordance with the law; and

(iv) management of the funds of ADLT, which include preparation of annual budgets, and making determinations and recommendations as to whether the funds held by the ADLT Trustee are sufficient to meet future costs relating to the Centrelink Property.
As consideration for the provision of such services, ADLT has agreed to pay an annual fee equivalent to 0.1% of the value of ADLT Assets, being A$217,500 in the first year of the Centrelink Lease. The asset management fee payable to Allco Funds Management was negotiated on an arm's length basis by the parties to the Asset Management Agreement. The Asset Management Agreement, including the structure of the fee payable, was entered into on normal commercial terms. Further, the IFA has reviewed the Asset Management Agreement and the fee structure therein and is of the opinion that the Asset Management Agreement is on normal commercial terms and is not prejudicial to the interests of Allco REIT and its Unitholders, and that the fee payable to Allco Funds Management is in line with market practice. Further details can be found in the IFA's Letter in Appendix E of this Circular.

2.3 Valuation of the Centrelink Property

The following table sets out the purchase price (excluding acquisition costs), the appraised values, the dates of valuations and independent valuers of the Centrelink Property.

<table>
<thead>
<tr>
<th>Location of Property</th>
<th>Independent Valuers</th>
<th>Date of Valuation</th>
<th>Appraised Value</th>
<th>Purchase Price(1),(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Block 4, Section 13, Division of Greenway, Deposited Plan 7695</td>
<td>CBRE</td>
<td>4 May 2007</td>
<td>A$218.0 million (S$273.7 million(3))</td>
<td>A$108.75 million (S$136.5 million(3))</td>
</tr>
<tr>
<td></td>
<td>Colliers</td>
<td>4 May 2007</td>
<td>A$217.0 million (S$272.5 million(3))</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
(1) Purchase of a 50.0% indirect interest in the Centrelink Property.
(2) Excludes property related acquisition expenses which comprise mainly the Acquisition Fee of A$1.1 million (S$1.4 million based on an exchange rate of S$1.00 = A$0.7964, referred to in footnote 3 below) payable in Units to the Manager, stamp duty, legal expenses related to the Centrelink Acquisition, and the costs of performing due diligence (legal and building) on the Centrelink Property. Pursuant to the Trust Deed, an Acquisition Fee of not more than 1.0% of the acquisition price of any Real Estate Assets purchased by the Trustee is payable to the Manager.
(3) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.

Set out in Appendix G of this Circular are the valuation certificates issued by CBRE and Colliers in respect of the Centrelink Property.

2.4 Lease to Centrelink (“Centrelink Lease”)

The Centrelink Property will be leased to Centrelink (an independent third party) for an initial term of 18 years from 4 July 2007 at an annual gross rental which is not to exceed A$15.19 million for the first year of the lease, subject to the ABGR described below as well as the final survey to be undertaken in respect of the Centrelink Property. In addition, Centrelink has an option to renew its lease for two additional consecutive terms of five years each. A rental escalation of 3.0% for each year of the lease (including any further terms in the event Centrelink exercises its option to renew the Centrelink Lease) is built into the rental structure for the duration of the initial term.

Centrelink will commence paying rent from 1 October 2007. As set out in Section 2.2.3, during the three-month rent-free period, ADLT will, pursuant to the Income Support Deed, receive an amount equivalent to the rental that would otherwise be payable for this three-month period.

Under the lease agreement, Centrelink may terminate the lease if, among others, any hazardous substance or hazardous disease is discovered in the property or the building which is attributable to an act or omission of the landlord or was present at the commencement date of the lease and,
in the written opinion of an expert, the property or the building cannot be rendered safe, or the landlord fails to render safe the property or the building, within six months.

The ADLT Trustee, as the landlord of the Centrelink Property, will be required to grant a rebate on the rental collected in the event the Centrelink Property does not maintain an ABGR of 4.5 stars during the term of the lease. The rate of rebate may vary from 1.0% of the rental payable, in the event an ABGR of 4 stars is obtained, to 5.0% of the rental payable if an ABGR of 4 stars is not achieved at the minimum. The ABGR will not be known until approximately 18 months from the certification of completion of construction of the Centrelink Property. In the event the ABGR (as described above) is not achieved, the ADLT Trustee (as the landlord) is entitled to reduce the fee payable to the facilities manager of the Centrelink Property, a subsidiary of the Multiplex Group, to the extent that the ADLT Trustee is required to grant rebates on the rental collected.

In addition, under the Centrelink Lease, the ADLT Trustee is responsible for the payment of certain general rates, taxes, levies and other statutory charges, water, sewerage and drainage rates and land tax relating to the Centrelink Property (“Statutory Outgoings”). Centrelink is required to pay the Statutory Outgoings for each year of the Centrelink Lease to the extent it exceeds the Statutory Outgoings in respect of the year ended 30 June 2007, and that base amount is increased by 3.0% for each year of the Centrelink Lease.

2.5 Method of Financing

The Manager proposes to finance Allco REIT’s acquisition of the 50.0% indirect interest in the Centrelink Property by utilising S$138.6 million(1)(2) of the net proceeds from the Rights Issue. However, the Manager may, at its absolute discretion, decide to refinance the Centrelink Property with a mixture of debt and equity after completion of the Rights Issue.

2.6 Competitive Strengths of the Centrelink Property

The Manager believes the Centrelink Property enjoys the following competitive strengths:

*Strategic Location*

The Centrelink Property is located within the core of the Tuggeranong Town Centre, one of four town centres within the city of Canberra, Australia’s capital city and the location of the Federal Parliament House. It is located in the western section of the town centre immediately to the south of the Tuggeranong Office Park. The land on which the Centrelink Property is located is held under a Crown Lease of 99 years which commenced on 26 June 2002. Surrounding the development are retail, business, office, mixed services, community services, schools and transport services.

According to the valuation report of the Centrelink Property prepared by CBRE dated 4 May 2007, the Canberra office market has continued to perform strongly with high net absorption and vacancy remaining stable at already low levels with Canberra having a commercial office vacancy rate of 2.1% in December 2006. The rental market is dominated by departments and agencies of the Australian Federal Government, with many buildings occupied by single Australian Federal Government departments and/or agencies. Announcements made in the 2006 Australian Federal Government Budgets allow for the creation of approximately 7,000 additional public sector jobs nationally, with approximately 4,000 to 5,000 new jobs to be located in Canberra requiring approximately 79,897 sq m (860,000 sq ft) of extra office space.

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(1) Including the estimated cash costs associated with the Centrelink Acquisition.

(2) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.
In December 2006, the Tuggeranong office market, where the Centrelink Property is located, had a vacancy rate of 0.4%, according to CBRE, a decrease from a vacancy rate of 2.5% in 2002.

**Good Quality Tenant**

The Centrelink Acquisition enhances Allco REIT’s lease profile with a stable, long term lease taken by an Australian Federal Government tenant, Centrelink, for an initial term of 18 years. Centrelink also has an option to renew its lease for two additional consecutive terms of five years each, with a rental escalation of 3.0% per annum for each year of the lease built into the rental structure for the duration of the initial term. The lease structure provides stability to Allco REIT while simultaneously ensuring steady property income growth.

**High Quality New Property**

The Centrelink Property is a new, purpose-designed “Grade A” office complex designed and constructed by a subsidiary of Multiplex Group, a company listed on the Australian Stock Exchange (ASX:MXG). It is a new contemporary designed, five level (basement and four upper levels) commercial office building with approximately 40,000 sq m (430,556 sq ft) of NLA and 1,093 car parking bays. The building will provide conference facilities, an auditorium, an amphitheatre, a television studio, a gymnasium, a café and commercial kitchen facilities. The building was also designed to achieve an ABGR rating of 4.5 stars.

**High Occupancy Rate**

Centrelink will lease 100.0% of the NLA of the Centrelink Property for an initial term of 18 years from the completion of construction. Centrelink will also have an option to renew its lease for two additional consecutive terms of five years each.

3. **The Market Street Property**

3.1 **Description of the Market Street Property**

The Market Street Property is located at 55 Market Street in Singapore’s financial district. The Market Street Property comprises a newly refurbished 16-storey building, and occupies a near-rectangular plot of land with a land area of approximately 610.8 sq m (6,575 sq ft).

Allco REIT acquired a 100.0% direct interest in the Market Street Property for S$72.5 million on 22 November 2006 with vacant possession. Following an intensive leasing campaign by AAM, the Manager announced on 7 May 2007 that the Market Street Property had a committed occupancy rate of 100.0%.

The table below sets out selected information on the Market Street Property:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Floor Area</td>
<td>8,463 sq m (91,099 sq ft)</td>
</tr>
<tr>
<td>NLA</td>
<td>6,710 sq m (72,228 sq ft)</td>
</tr>
<tr>
<td>Number of Leases</td>
<td>19&lt;sup&gt;(1)&lt;/sup&gt;</td>
</tr>
<tr>
<td>Car Park Lots</td>
<td>Nil</td>
</tr>
<tr>
<td>Title</td>
<td>Leasehold interest from 20 April 1826 with a 999 year term</td>
</tr>
<tr>
<td>Valuation&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>S$91.0 million</td>
</tr>
<tr>
<td>Committed Occupancy&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Forecast Period 2007  |  Projection Year 2008  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Property Income</td>
<td>1.9</td>
</tr>
<tr>
<td>Yield(4)</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

Notes:
(1) 19 letters of offer have been signed, of which 11 lease agreements have been executed. The leases for the Market Street Property range from a term of two years to six years.
(2) Based on the valuation report prepared by Savills (Singapore) Pte Ltd dated 31 December 2006.
(3) As at the Latest Practicable Date.
(4) Calculated as net property income divided by valuation, annualised.

3.2 Structure of the Acquisition of the Market Street Property
Allco REIT acquired a 100.0% direct interest in the Market Street Property for S$72.5 million on 22 November 2006. Allco REIT acquired the Market Street Property with vacant possession on completion of the refurbishment.

3.3 Valuation of the Market Street Property
The purchase price of the Market Street Property was S$72.5 million. The Market Street Property was revalued as at 31 December 2006 by Savills (Singapore) Pte Ltd at S$91.0 million. This is set out in a valuation report dated 18 January 2007.

Set out in Appendix G of this Circular is the valuation certificate issued by Savills (Singapore) Pte Ltd for the Market Street Property.

3.4 Method of Financing
The Manager financed the acquisition of the Market Street Property primarily with borrowings.

3.5 Competitive Strengths of the Market Street Property
The Manager believes the Market Street Property enjoys the following competitive strengths:

Strategic Location

The Market Street Property is located in the heart of Raffles Place, which is in the centre of Singapore's financial district. It is adjacent to OUB Centre, a retail-cum-office development on its north and east, beyond which is the Raffles Place Mass Rapid Transit ("MRT") station. Further south, across D’Almeida Street is Republic Plaza, which is one of the tallest buildings in Singapore. Across Market Street to the west of the Market Street Property is the Golden Shoe multi-storey car parking station, which also accommodates shops and food stalls/outlets on the first three levels. Due north across Chulia Street is UOB Plaza 1 (another one of Singapore’s tallest buildings), with its twin UOB Plaza 2, and beyond which is the Singapore River. The Fullerton Hotel is within walking distance to the north east, and within walking distance to the north west is a wide range of food and beverage outlets along Boat Quay.

The Market Street Property is easily accessible from many parts of Singapore. It is located within 100 metres of the Raffles Place MRT station and approximately 750 metres from the Central Expressway.
Good Quality Tenants

The tenants include an international real estate firm, natural resources companies, fund managers, executive recruitment firms, corporate consultants and a law firm. These are Jones Lang Lasalle Property Consultants Pte Ltd, GMG Investment (S) Pte Ltd and GMG Global Ltd, Actis Capital Partners Pte Ltd and Oojoo Capital Partners Pte Ltd, Smith and Jesson Pte Ltd, Profile Search and Selection (Singapore) Pte Ltd and EFG Bank Singapore Branch, Amicorp Singapore Pte Ltd and Trust Company (Asia) Limited and MPillay, respectively. The Manager’s registered office is at the Market Street Property as well.

High Quality Refurbished Property

The Market Street Property is a 16-storey building which was refurbished over 2005 and 2006(1). The structure of the building has generally been constructed with reinforced concrete, with reinforced concrete floors, beams, walls and columns, steel beams and composite columns, reinforced concrete flat roof and flat steel roof, and infill bricks. The façade of the building is clad with a curtain walling system comprising clear float glass in aluminium frame while the north and rear elevations are fitted with aluminium framed glass windows.

The building is serviced by two passenger lifts and one fireman’s lift. There is a ceiling suspended water-cooled fan coil units for the basement and the second storey, variable refrigerant volume system for the 15th and 16th storeys, and central air-conditioning by a chilled water system for the rest of the building. The fire protection comprises automatic sprinklers, a dry riser system, fire alarm, a hose reel system and other systems that comply with applicable fire safety requirements. Building automation is provided to monitor essential services. Telecommunication services complying with the relevant code requirements are also provided.

High Occupancy Rate

Following an intensive leasing campaign by AAM, the Manager announced on 7 May 2007 that the Market Street Property had a committed occupancy rate of 100.0%.

4. Rationale for the Acquisitions, the IPT Transactions and the Rights Issue

4.1 Allco REIT’s key objectives are:

(i) to deliver regular and stable distributions to Unitholders; and

(ii) to achieve long term growth in both its distributions to Unitholders as well as the net asset value (“NAV”) per Unit,

in order to provide Unitholders with a competitive rate of return for their investment.

In this regard, the acquisition of additional assets in the Asia-Pacific region is critical to ensuring these objectives are met. In executing this strategy, the Manager adopts a rigorous and disciplined investment approach in evaluating and structuring its asset acquisitions.

The Acquisitions are in line with Allco REIT’s principal investment policy of investing primarily in Real Estate and Real Estate Related Assets in the office and retail sectors in Singapore, other parts of Asia and Australia.

(1) The Building and Construction Authority Temporary Occupation Permit No 200605773 issued on 16 November 2006, which allowed the building to be temporarily occupied.
4.2 The Manager believes that Unitholders would enjoy the following benefits from the Centrelink Acquisition, the acquisition of the Market Street Property, the entry into the Unitholders’ Deed, the Income Support Deed and the Asset Management Agreement, and the Rights Issue.

4.2.1 Distribution Yield Accretion

The Manager expects the Acquisitions to improve the distribution yield enjoyed by Unitholders, as the Centrelink Property will be acquired at an attractive price, and the Market Street Property was acquired at an attractive price, relative to the cash flows they are expected to generate.

The following table shows the yield accretive nature of the Acquisitions, for the Forecast Period 2007 and the Projection Year 2008, based on the following assumptions:

- Total gross proceeds from the Rights Issue of S$210.0 million;
- S$138.6 million is used to purchase the Centrelink Property and S$64.0 million is to be used to repay existing debt, resulting in pro forma Aggregate Leverage (as defined herein) (as at 31 December 2006) of 22.8%;
- A Rights Issue Price of S$1.00 per Rights Unit;
- 210,000,000 Rights Units issued under the Rights Issue; and
- Following the Rights Issue, the market price of each Unit will be the theoretical ex-rights price (“TERP”), where TERP is calculated as follows:

\[
\text{TERP} = \frac{\text{Market capitalisation prior to the announcement of the Rights Issue} + \text{gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}
\]

<table>
<thead>
<tr>
<th>Unit Price Before Rights Issue(1)</th>
<th>TERP(2)</th>
<th>Original Portfolio(3)</th>
<th>Enlarged Portfolio(3)</th>
<th>Yield Accretion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.10</td>
<td>1.070</td>
<td>5.42%</td>
<td>5.57%</td>
<td>2.80%</td>
</tr>
<tr>
<td>1.12</td>
<td>1.084</td>
<td>5.32%</td>
<td>5.50%</td>
<td>3.32%</td>
</tr>
<tr>
<td>1.14</td>
<td>1.098</td>
<td>5.23%</td>
<td>5.43%</td>
<td>3.83%</td>
</tr>
<tr>
<td>1.16</td>
<td>1.112</td>
<td>5.14%</td>
<td>5.36%</td>
<td>4.32%</td>
</tr>
<tr>
<td>1.18</td>
<td>1.127</td>
<td>5.05%</td>
<td>5.29%</td>
<td>4.70%</td>
</tr>
<tr>
<td>1.20</td>
<td>1.141</td>
<td>4.97%</td>
<td>5.22%</td>
<td>5.17%</td>
</tr>
<tr>
<td>1.22</td>
<td>1.155</td>
<td>4.89%</td>
<td>5.16%</td>
<td>5.63%</td>
</tr>
<tr>
<td>1.24</td>
<td>1.169</td>
<td>4.82%</td>
<td>5.10%</td>
<td>5.72%</td>
</tr>
<tr>
<td>1.26</td>
<td>1.183</td>
<td>4.75%</td>
<td>5.04%</td>
<td>6.15%</td>
</tr>
<tr>
<td>1.28</td>
<td>1.197</td>
<td>4.67%</td>
<td>4.98%</td>
<td>6.58%</td>
</tr>
<tr>
<td>1.30</td>
<td>1.211</td>
<td>4.60%</td>
<td>4.92%</td>
<td>6.99%</td>
</tr>
<tr>
<td>1.32</td>
<td>1.225</td>
<td>4.53%</td>
<td>4.87%</td>
<td>7.39%</td>
</tr>
<tr>
<td>1.34</td>
<td>1.239</td>
<td>4.46%</td>
<td>4.81%</td>
<td>7.79%</td>
</tr>
<tr>
<td>1.36</td>
<td>1.253</td>
<td>4.40%</td>
<td>4.76%</td>
<td>8.18%</td>
</tr>
<tr>
<td>1.38</td>
<td>1.267</td>
<td>4.33%</td>
<td>4.70%</td>
<td>8.55%</td>
</tr>
<tr>
<td>1.40</td>
<td>1.281</td>
<td>4.27%</td>
<td>4.65%</td>
<td>8.92%</td>
</tr>
<tr>
<td>1.42</td>
<td>1.295</td>
<td>4.21%</td>
<td>4.60%</td>
<td>9.29%</td>
</tr>
<tr>
<td>1.44</td>
<td>1.309</td>
<td>4.15%</td>
<td>4.55%</td>
<td>9.64%</td>
</tr>
</tbody>
</table>

Forecast Period 2007  Distribution Yield(3)  Enlarged Portfolio(3)  Yield Accretion  Projection Year 2008

| 5.26%  | 5.56%  | 5.64% |
| 5.18%  | 5.49%  | 5.99% |
| 5.09%  | 5.42%  | 6.51% |
| 5.00%  | 5.35%  | 7.01% |
| 4.92%  | 5.28%  | 7.41% |
| 4.83%  | 5.21%  | 7.89% |
| 4.76%  | 5.16%  | 8.35% |
| 4.69%  | 5.10%  | 8.81% |
| 4.61%  | 5.04%  | 9.26% |
| 4.54%  | 4.98%  | 9.69% |
| 4.47%  | 4.92%  | 10.12% |
| 4.41%  | 4.87%  | 10.35% |
| 4.34%  | 4.81%  | 10.75% |
| 4.28%  | 4.76%  | 11.15% |
| 4.22%  | 4.71%  | 11.73% |
| 4.16%  | 4.66%  | 12.11% |
| 4.10%  | 4.61%  | 12.48% |
| 4.04%  | 4.56%  | 12.84% |
### Unit Price Before Rights Issue

<table>
<thead>
<tr>
<th>Unit Price Before Rights Issue(1)</th>
<th>TERP(2)</th>
<th>Distribution Yield(3)</th>
<th>Original Portfolio(4)</th>
<th>Enlarged Portfolio(5)</th>
<th>Yield Accretion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.46</td>
<td>1.323</td>
<td>4.10%</td>
<td>4.50%</td>
<td>9.99%</td>
<td>3.99%</td>
</tr>
<tr>
<td>1.48</td>
<td>1.337</td>
<td>4.04%</td>
<td>4.46%</td>
<td>10.33%</td>
<td>3.94%</td>
</tr>
<tr>
<td>1.50</td>
<td>1.351</td>
<td>3.99%</td>
<td>4.41%</td>
<td>10.66%</td>
<td>3.89%</td>
</tr>
</tbody>
</table>

### Notes:

1. Assumed market price per Unit prior to the announcement of the Rights Issue.
2. Calculated based on the price per Unit prior to the Rights Issue and a Rights Issue Price of S$1.00 per Rights Unit.
3. On an annualised basis.
4. Based on a DPU of 2.99 cents and 5.82 cents for the Forecast Period 2007 and the Projection Year 2008, respectively, and on the assumptions underlying the forecast and projected total return set out in Appendix B.
5. Based on a DPU of 2.98 cents and 5.96 cents for the Forecast Period 2007 and the Projection Year 2008, respectively, and on the assumptions underlying the forecast and projected total return set out in Appendix B.

Even if the Rights Issue Price is different from that assumed above, the yield accretion would remain materially unchanged. A lower Rights Issue Price would result in a larger number of New Units being issued, and a higher Rights Issue Price would result in fewer New Units being issued. Therefore, a change in the Rights Issue Price would result in a change in the TERP and the DPU, due to the change in the number of Units to be issued. The changes in the TERP and DPU offset each other, resulting in the yield of the Enlarged Portfolio, and therefore the yield accretion, remaining materially unchanged from the table above.

### 4.2.2 Net Property Income Yield Accretion from the Centrelink Property

The Manager expects the Centrelink Acquisition to increase the net property income yield of the Allco REIT Real Estate Assets. The following table shows the net property income yield of each of the Real Estate Assets for the Forecast Period 2007 and Projection Year 2008:

<table>
<thead>
<tr>
<th>Property</th>
<th>Appraised Value/Purchase Price(3)</th>
<th>Net Property Income(1) (S$ million)</th>
<th>Yield(2)</th>
<th>Net Property Income(1) (S$ million)</th>
<th>Yield(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Square Central</td>
<td>422.0</td>
<td>8.5</td>
<td>4.0%</td>
<td>17.0</td>
<td>4.0%</td>
</tr>
<tr>
<td>Central Park (Perth)</td>
<td>310.7</td>
<td>9.6</td>
<td>6.2%</td>
<td>20.1</td>
<td>6.5%</td>
</tr>
<tr>
<td>Market Street Property</td>
<td>91.0</td>
<td>1.9</td>
<td>4.1%</td>
<td>4.7</td>
<td>5.2%</td>
</tr>
<tr>
<td>Centrelink Property</td>
<td>136.5</td>
<td>5.2</td>
<td>7.7%</td>
<td>10.1</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

### Notes:

1. As reflected in the forecast and projected consolidated statements of total return in Appendix B.
2. Calculated as net property income divided by appraised value/purchase price, annualised.
3. Appraised value as at 31 December 2006.
4. Purchase price being paid by Allco REIT in respect of its acquisition of a 50.0% indirect interest in the Centrelink Property. Equivalent to A$108.75 million based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.
4.2.3 Overall Enhancements to Portfolio

The Acquisitions will enhance the diversification of Allco REIT’s portfolio by tenant and lease expiry term. The Centrelink Acquisition will, in addition, enhance the diversification of Allco REIT’s portfolio by geography.

(i) Improved Tenant Diversification

The Acquisitions will improve Allco REIT’s tenant diversification such that no single tenant will contribute more than 30.6% of Allco REIT’s total gross cash flow from Real Estate Assets for the Forecast Period 2007. The contribution of the largest tenant, Unicorn Square Limited via the Master Lease of the China Square Central Property, will decline from 41.6% to 30.6% of Allco REIT’s gross cash flow for the Forecast Period 2007. The Acquisitions will provide a further high quality income stream, in particular through the Centrelink Lease. Centrelink will represent 16.2% of the gross cash flow of the Enlarged Portfolio for the Forecast Period 2007.

The top 10 tenants and their proportionate contribution to Allco REIT’s gross cash flow before and after completion of the Acquisitions for the Forecast Period 2007 are shown in the charts below. The aggregate contribution of the top 10 tenants to Allco REIT’s gross cash flow will decrease from 86.6% to 78.0% after the Market Street Property and the Centrelink Property have been acquired.

(ii) Geographical Diversification

Allco REIT has exposure to the following commercial property markets:

- Singapore, through the China Square Central Property and the Market Street Property;
- Perth, Australia, through the 50.0% ownership of Central Park (Perth); and
- Sydney and Melbourne, Australia, through its interest in AWPF.

In line with the investment strategy of Allco REIT, the Centrelink Property will enhance the geographical diversification of the portfolio into Canberra, Australia. The Canberra office market has continued to perform strongly with positive net absorption and vacancy rates remaining stable at already low levels according to CBRE.
Diversification by City of the Enlarged Portfolio

<table>
<thead>
<tr>
<th>Market</th>
<th>Valuation (S$ million)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>513.0</td>
<td>50.5</td>
</tr>
<tr>
<td>Perth</td>
<td>310.7(1)</td>
<td>30.6</td>
</tr>
<tr>
<td>Canberra</td>
<td>136.5(2)</td>
<td>13.4</td>
</tr>
<tr>
<td>Sydney/Melbourne(3)</td>
<td>56.4(1)</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,016.6</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Notes:

1. Based on an exchange rate of S$1.00 = A$0.8256 as at 31 December 2006.
2. Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.
3. Value of investment in AWPF.

(iii) Improves Weighted Average Lease Expiry Profile

The Acquisitions will enhance the Weighted Average Lease Expiry ("WALE") of Allco REIT’s portfolio on a NLA basis, and the lease expiry profile (as illustrated in the tables set out below). The WALE of Allco REIT will increase from approximately 5.4 years to over 12.8 years as at 1 July 2007 with the acquisitions of the Market Street Property and the Centrelink Property(1).

**Original Portfolio**

<table>
<thead>
<tr>
<th>Period</th>
<th>Total no. of leases expiring</th>
<th>NLA(1) of leases expiring (sq m)</th>
<th>(sq ft)</th>
<th>Expiring leases as a percentage of NLA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2007(2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>FY2008</td>
<td>6</td>
<td>6,058</td>
<td>65,210</td>
<td>9.0</td>
</tr>
<tr>
<td>FY2009</td>
<td>4</td>
<td>1,149</td>
<td>12,370</td>
<td>1.7</td>
</tr>
<tr>
<td>FY2010</td>
<td>5</td>
<td>3,489</td>
<td>37,560</td>
<td>5.2</td>
</tr>
<tr>
<td>FY2011</td>
<td>4</td>
<td>3,070</td>
<td>33,040</td>
<td>4.6</td>
</tr>
<tr>
<td>FY2012</td>
<td>3</td>
<td>37,616</td>
<td>404,895</td>
<td>55.8</td>
</tr>
<tr>
<td>Beyond FY2012</td>
<td>7</td>
<td>15,982</td>
<td>172,026</td>
<td>23.7</td>
</tr>
<tr>
<td>Vacancy</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>29</td>
<td>67,364</td>
<td>725,103</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Notes:

1. Represents 50.0% of the total NLA of expiring leases of Central Park (Perth) as Allco REIT holds a 50.0% indirect interest in Central Park (Perth).
2. Assuming the renewal of the Transalta Lease, which expired on 14 May 2007 and is in the process of being renewed.
**Enlarged Portfolio**

<table>
<thead>
<tr>
<th>Period</th>
<th>Total no. of leases expiring</th>
<th>NLA⁽¹⁾ of leases expiring</th>
<th>Expiring leases as a percentage of NLA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(sq m)</td>
<td>(sq ft)</td>
<td>(%)</td>
</tr>
<tr>
<td>FY2007⁽²⁾</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>FY2008</td>
<td>6</td>
<td>6,058</td>
<td>65,210</td>
</tr>
<tr>
<td>FY2009</td>
<td>5</td>
<td>1,346</td>
<td>14,490</td>
</tr>
<tr>
<td>FY2010</td>
<td>18</td>
<td>7,540</td>
<td>79,022</td>
</tr>
<tr>
<td>FY2011</td>
<td>6</td>
<td>3,783</td>
<td>40,715</td>
</tr>
<tr>
<td>FY2012</td>
<td>5</td>
<td>38,666</td>
<td>416,198</td>
</tr>
<tr>
<td>Beyond</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2012</td>
<td>9</td>
<td>36,882</td>
<td>396,992</td>
</tr>
<tr>
<td>Vacancy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>94,075</td>
<td>1,012,609</td>
</tr>
</tbody>
</table>

Notes:

1. Represents 50.0% of the total NLA of expiring leases of Central Park (Perth) and the Centrelink Property as Allco REIT holds a 50.0% indirect interest in Central Park (Perth) and will hold a 50.0% indirect interest in the Centrelink Property.
2. Assuming the renewal of the Transalta Lease, which expired on 14 May 2007 and is in the process of being renewed.

Set out below is a chart with a comparison of the lease expiry profile of the Original Portfolio and the Enlarged Portfolio on a NLA basis:

### 4.2.4 Future Acquisition Flexibility by Virtue of Additional Debt Capacity

The Aggregate Leverage will be reduced from 33.3% as at 31 December 2006 to 22.8% upon completion of the Rights Issue and the Centrelink Acquisition, and the partial refinancing of debt. Assuming there is no change in the value of Allco REIT’s properties, this will result in additional acquisition capacity of S$975.8 million (based on a maximum Aggregate Leverage of 60.0%). The Rights Issue will therefore give Allco REIT a more optimum capital structure, which will give it sufficient financial flexibility to bid for and/or acquire assets that are yield accretive when the opportunity arises, as well as the flexibility to undertake asset enhancements and to fund any on-going capital expenditure requirements, without the need for an equity fund raising.
4.2.5 *Strengthening of Balance Sheet and Enhancement of Credit Profile*

The Manager believes the reduction in the Aggregate Leverage will strengthen its balance sheet and enhance its credit profile, which would enable Allco REIT to obtain additional debt financing at more competitive pricing.

5. Certain Consolidated Forecast and Consolidated Projected Financial Information Relating to the Acquisitions

The following tables present, in summary, certain selected forecast financial information of Allco REIT for the Forecast Period 2007 and Projection Year 2008, which reflect the effect of the Acquisitions and the Rights Issue on Allco REIT. These tables should be read together with the detailed Consolidated Profit Forecast and Consolidated Profit Projection as well as the accompanying assumptions and sensitivity analysis in Appendix B of this Circular and the Independent Accountants’ Report on the Consolidated Profit Forecast and Consolidated Profit Projection in Appendix C of this Circular.

5.1 *Forecast and Projected Consolidated Statements of Total Return*

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007</th>
<th>Projection Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Portfolio(1)</td>
<td>Enlarged Portfolio(2)</td>
</tr>
<tr>
<td></td>
<td>(S$’000)</td>
<td>(S$’000)</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>China Square Central Property . .</td>
<td>8,775</td>
<td>8,775</td>
</tr>
<tr>
<td>Central Park (Perth) . . . . . .</td>
<td>12,630</td>
<td>12,630</td>
</tr>
<tr>
<td>Market Street Property . . . . . .</td>
<td>—</td>
<td>3,093</td>
</tr>
<tr>
<td>Centrelink Property . . . . . .</td>
<td>—</td>
<td>6,060</td>
</tr>
<tr>
<td>Other income . . . . . . . . . .</td>
<td>1,426</td>
<td>1,426</td>
</tr>
<tr>
<td>Total revenue . . . . . . . . .</td>
<td>22,831</td>
<td>31,984</td>
</tr>
<tr>
<td>Total property expenses . . . .</td>
<td>(3,247)</td>
<td>(5,309)</td>
</tr>
<tr>
<td>Net property income . . . . .</td>
<td>19,584</td>
<td>26,675</td>
</tr>
<tr>
<td>Interest income . . . . . .</td>
<td>102</td>
<td>102</td>
</tr>
<tr>
<td>Management Fees . . . . . .</td>
<td>(2,403)</td>
<td>(3,200)</td>
</tr>
<tr>
<td>Trust expenses . . . . . .</td>
<td>(1,129)</td>
<td>(1,511)</td>
</tr>
<tr>
<td>Finance costs . . . . . .</td>
<td>(4,929)</td>
<td>(5,013)</td>
</tr>
<tr>
<td>Net income . . . . . . . . .</td>
<td>11,225</td>
<td>17,053</td>
</tr>
<tr>
<td>Net change in fair value of investment properties . . . . . . . .</td>
<td>—</td>
<td>(3,414)(3)</td>
</tr>
<tr>
<td>Total return for the period before income tax and distribution . . . . . . . .</td>
<td>11,225</td>
<td>13,639</td>
</tr>
<tr>
<td>Income tax expense . . . . . .</td>
<td>(565)</td>
<td>(603)</td>
</tr>
<tr>
<td>Total return for the period after income tax, before distribution . . . . . . . .</td>
<td>10,660</td>
<td>13,036</td>
</tr>
</tbody>
</table>

**Notes:**

(1) Original Portfolio relates to a 100.0% direct interest in the China Square Central Property, a 50.0% indirect interest in Central Park (Perth) and a 20.6% indirect interest in AWPF.
(2) Enlarged Portfolio relates to the Original Portfolio, the 50.0% indirect interest in the Centrelink Property and 100.0% direct interest in the Market Street Property, and assumes the issuance of 210,000,000 New Units under the Rights Issue at an assumed Rights Issue Price of S$1.00 per New Unit. The Manager has further assumed that of the S$210.0 million net proceeds from the Rights Issue, S$138.6 million will be used to acquire the Centrelink Property and S$64.0 million will be applied to repay existing debt so as to partially refinance Allco REIT’s existing portfolio.

(3) The total purchase price and acquisition costs of the Centrelink Property is S$140.0 million. The carrying value of the Centrelink Property is assumed to be adjusted to the average appraised value of S$136.5 million, which includes S$2.3 million receivable as rental support.

5.2 Reconciliation of Total Return for the Period After Income Tax, Before Distribution to the Total Amount Distributable to Unitholders

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007</th>
<th>Projection Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Portfolio</td>
<td>Enlarged Portfolio</td>
</tr>
<tr>
<td></td>
<td>(S$’000)</td>
<td>(S$’000)</td>
</tr>
<tr>
<td>Total return for the period after income tax, before distribution.</td>
<td>10,660</td>
<td>13,036</td>
</tr>
<tr>
<td>Non-tax deductible/(non-taxable) items and other adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fair value of investment properties</td>
<td>—</td>
<td>3,414</td>
</tr>
<tr>
<td>Amortisation of leasing costs</td>
<td>—</td>
<td>103</td>
</tr>
<tr>
<td>Amortisation of finance fees</td>
<td>1,619</td>
<td>2,355</td>
</tr>
<tr>
<td>Effect of recognising accounting income on a straightline basis over the lease term</td>
<td>(382)</td>
<td>(4,112)</td>
</tr>
<tr>
<td>Management Fees paid/payable in Units</td>
<td>2,403</td>
<td>3,200</td>
</tr>
<tr>
<td>Property management fees paid/payable in Units</td>
<td>642</td>
<td>916</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>—</td>
<td>2,329</td>
</tr>
<tr>
<td>Total distributable income to Unitholders</td>
<td>14,942</td>
<td>21,241</td>
</tr>
<tr>
<td>Unit price (S$)(3)</td>
<td>1.353</td>
<td>1.248</td>
</tr>
<tr>
<td>Number of Units in issue (’000)(4)</td>
<td>500,090</td>
<td>712,597</td>
</tr>
<tr>
<td>Total Distribution per Unit (Singapore cents)(5)</td>
<td>2.99</td>
<td>2.98</td>
</tr>
<tr>
<td>Annualised distribution yield.</td>
<td>4.42%</td>
<td>4.78%</td>
</tr>
<tr>
<td>Yield accretion.</td>
<td>—</td>
<td>8.05%</td>
</tr>
</tbody>
</table>

Notes:
(1) Original Portfolio relates to a 100.0% direct interest in the China Square Central Property, 50.0% indirect interest in Central Park (Perth) and a 20.6% indirect interest in AWPF.

(2) Enlarged Portfolio relates to the Original Portfolio, the 50.0% indirect interest in the Centrelink Property and 100.0% direct interest in the Market Street Property, and assumes the issuance of 210,000,000 New Units under the Rights Issue at an assumed Rights Issue Price of S$1.00 per New Unit. The Manager has further assumed that of the S$210.0 million net proceeds from the Rights Issue, S$138.6 million will be used to acquire the Centrelink Property and S$64.0 million will be applied to repay existing debt so as to partially refinance Allco REIT’s existing portfolio.
(3) In the case of the Original Portfolio, the Unit price is the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading for a period of 10 Market Days prior to and including the Latest Practicable Date. In respect of the Enlarged Portfolio, the price per Unit is the TERP. This is for illustrative purposes only.

(4) The number of Units includes: (a) the assumed payment of the Property Manager’s fees and the Management Fees for the relevant period in the form of Units issued to the Manager at the Unit price; and (b) in the Enlarged Portfolio, Units issued pursuant to the Rights Issue, assuming a Rights Issue Price of S$1.00 per Rights Unit, and Units issued to the Manager as payment for the Acquisition Fee, assuming an issue price of S$1.248 per Unit (based on the TERP of the Enlarged Portfolio).

(5) Based on the assumption that the Units issued pursuant to the Rights Issue are issued on 1 July 2007.

6. Pro Forma Consolidated Financial Information of the Acquisitions

The pro forma consolidated financial information presented below is purely for illustration purposes and is prepared based on the audited consolidated financial statements of Allco REIT and its subsidiaries (“Group”) as at 31 December 2006, assuming that the Acquisitions were completed on 31 December 2006, taking into account the additional borrowings incurred on the acquisition of the Market Street Property and the following assumptions:

(i) a Rights Issue Price of S$1.00 per Rights Unit under the Rights Issue;
(ii) the Rights Units have been fully subscribed;
(iii) S$138.6 million and S$64.0 million of the net proceeds from the Rights Issue are used to finance the Centrelink Acquisition, and the repayment of existing debt so as to partially refinance Allco REIT’s existing portfolio following the acquisition of the Market Street Property, respectively;
(iv) Units issued to the Manager as payment for the Acquisition Fee assuming an issue price of S$1.248 per Unit (based on the TERP of the Enlarged Portfolio);
(v) expenses in relation to the Rights Issue of S$7.3 million (excluding goods and services tax and other applicable taxes payable) are incurred by Allco REIT in relation to the Rights Issue;
(vi) the pro forma financial information has been prepared on the basis of, and is consistent with the accounting policies set out in the audited financial statements of Allco REIT for the financial period from 12 September 2005 (date of constitution) to 31 December 2006; and
(vii) distribution of 100.0% of Allco REIT’s distributable income to Unitholders for the period from 12 September 2005 (date of constitution) to 31 December 2006.

Pro Forma DPU

No pro forma DPU has been presented because the Market Street Property was not occupied before 31 December 2006 and the Centrelink Property will only be occupied at or from certification of completion of construction which is expected to occur in June 2007. As a result, no historical financial information relating to the Market Street Property and the Centrelink Property is available to Allco REIT.
**Pro Forma Consolidated NAV**

The pro forma financial effects of the Acquisitions and the Rights Issue on the consolidated NAV as at 31 December 2006 based on the assumptions as described above are set out in the table below:

<table>
<thead>
<tr>
<th>Original Portfolio and the Market Street Property</th>
<th>Enlarged Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV (S$’000)(1) ..................................</td>
<td>564,637</td>
</tr>
<tr>
<td>Units in issue (’000)(2) ........................</td>
<td>495,588</td>
</tr>
<tr>
<td>NAV per Unit (S$) .................................</td>
<td>1.14</td>
</tr>
</tbody>
</table>

Notes:

1. After adjusting for: (a) the distribution of 100.0% of the Distributable Income for the quarter ended 31 December 2006, and of additional cash available for distribution pursuant to net profits arising on overseas properties/ investments not distributed to Allco REIT; (b) the assumed payment of the Property Manager’s fees and the Management Fees for the relevant period in the form of Units issued at S$1.228 per Unit; and (c) in the case of the Enlarged Portfolio, the Rights Issue and any acquisition costs of the Centrelink Property and expenses relating to the Rights Issue.

2. The number of Units includes: (a) The assumed payment of the Property Manager’s fees and the Management Fees for the relevant period in the form of Units issued at S$1.228 per Unit; and (b) in the case of the Enlarged Portfolio, Units issued pursuant to the Rights Issue, assuming a Rights Issue Price of S$1.00 per Rights Unit, and Units issued to the Manager as payment for the Acquisition Fee assuming an issue price of S$1.248 per Unit (based on the TERP of the Enlarged Portfolio).

**Pro Forma Capitalisation**

The following table sets out the pro forma capitalisation of the Group as at 31 December 2006 based on the assumptions as described above.

<table>
<thead>
<tr>
<th>As at 31 December 2006</th>
<th>Original Portfolio and the Market Street Property</th>
<th>Enlarged Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term debt ........</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Long-term debt ..........</td>
<td>297,118</td>
<td>233,118(1)</td>
</tr>
<tr>
<td>Total debt ................</td>
<td>297,118</td>
<td>233,118</td>
</tr>
<tr>
<td>Net assets attributable to Unitholders(2) .</td>
<td>564,637</td>
<td>772,589</td>
</tr>
<tr>
<td>Expenses relating to the Rights Issue ................</td>
<td>—</td>
<td>(7,350)</td>
</tr>
<tr>
<td>Net assets attributable to Unitholders(3) .</td>
<td>564,637</td>
<td>765,239</td>
</tr>
<tr>
<td>Total capitalisation ........</td>
<td>861,755</td>
<td>998,357</td>
</tr>
</tbody>
</table>

Notes:

1. Net of the repayment of S$64.0 million of existing debt from the proceeds of the Rights Issue.

2. After adjusting for: (a) the distribution of 100.0% of the Distributable Income for the quarter ended 31 December 2006, and of additional cash available for distribution pursuant to net profits arising on overseas properties/ investments not distributed to Allco REIT; (b) the assumed payment of the Property Manager’s fees and the Management Fees for the relevant period in the form of Units issued at S$1.228 per Unit; and (c) in the case of the Enlarged Portfolio, the Rights Issue and any acquisition costs of the Centrelink Property.

3. After adjusting for expenses relating to the Rights Issue.
7. Financial Review

Extracts of the Consolidated Statement of Total Return, Consolidated Reconciliation Between Total Return for the Period and Total Unitholders’ Distribution, Consolidated Balance Sheet and Consolidated Cash Flow Statement from the audited consolidated financial statements of the Group covering the financial period from 12 September 2005 (date of constitution) to 31 December 2006 as set out in the annual report of Allco REIT to Unitholders are set out below.

7.1 Statement of Total Return

The audited consolidated statement of total return of the Group for the financial period from 12 September 2005 (date of constitution) to 31 December 2006 is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$’000)</td>
</tr>
<tr>
<td>Gross revenue</td>
<td>34,891</td>
</tr>
<tr>
<td>Total property expenses</td>
<td>(6,134)</td>
</tr>
<tr>
<td>Net property income</td>
<td>28,757</td>
</tr>
<tr>
<td>Interest income</td>
<td>292</td>
</tr>
<tr>
<td>Other income</td>
<td>223</td>
</tr>
<tr>
<td>Trust expenses</td>
<td>(2,657)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(7,499)</td>
</tr>
<tr>
<td>Net income</td>
<td>19,116</td>
</tr>
<tr>
<td>Net change in fair value of investment properties</td>
<td>116,109</td>
</tr>
<tr>
<td>Net change in fair value of other investment and derivative financial instruments</td>
<td>2,852</td>
</tr>
<tr>
<td>Net gains on investment properties, other investment and derivative financial instruments</td>
<td>118,961</td>
</tr>
<tr>
<td>Total return for the period before income tax and distribution</td>
<td>138,077</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(32,016)</td>
</tr>
<tr>
<td>Total return for the period after income tax before distribution</td>
<td>106,061</td>
</tr>
<tr>
<td>Distribution</td>
<td>(7,567)</td>
</tr>
<tr>
<td>Total return for the period</td>
<td>98,494</td>
</tr>
</tbody>
</table>

Earnings per Unit (cents)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>36.65</td>
</tr>
<tr>
<td>Diluted</td>
<td>36.65</td>
</tr>
</tbody>
</table>
7.2 **Reconciliation Between Total Return for the Period and Total Unitholders’ Distribution**

The audited consolidated reconciliation between total return for the period and total Unitholders’ distribution of the Group for the financial period from 12 September 2005 (date of constitution) to 31 December 2006 is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$’000)</td>
</tr>
<tr>
<td>Total return for the period after income tax, before distribution</td>
<td>106,061</td>
</tr>
<tr>
<td>Net effect of non-tax deductible/(non-taxable) items and other adjustments</td>
<td>(83,374)</td>
</tr>
<tr>
<td>Total Unitholders’ distribution</td>
<td>22,687</td>
</tr>
</tbody>
</table>

**Unitholders’ distributions:**
- from operations | 22,291 |
- from Unitholders’ contributions | 396 |

22,687

7.3 **Balance Sheet**

The audited consolidated balance sheet of the Group as at 31 December 2006 is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(S$’000)</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Investment properties</td>
<td>823,698</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>—</td>
</tr>
<tr>
<td>Other Investment</td>
<td>56,427</td>
</tr>
<tr>
<td>Other receivables</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>890,125</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>9,857</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>5,859</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>8,164</td>
</tr>
<tr>
<td></td>
<td>23,880</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>914,005</td>
</tr>
</tbody>
</table>

Less:

<table>
<thead>
<tr>
<th><strong>Non-current liabilities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing borrowings</td>
</tr>
<tr>
<td>Deferred tax liability</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Current liabilities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
</tr>
<tr>
<td>Current tax payable</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Total liabilities (excluding net assets attributable to Unitholders)</strong></td>
</tr>
<tr>
<td><strong>Net assets attributable to Unitholders</strong></td>
</tr>
</tbody>
</table>
## 7.4 Cash Flow Statement

The audited consolidated cash flow statement of the Group for the year ended 31 December 2006 is set out below:

<table>
<thead>
<tr>
<th>Group</th>
<th>(S$'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
</tr>
<tr>
<td>Total return before income tax, and before distribution</td>
<td>138,077</td>
</tr>
<tr>
<td>Adjustment for:</td>
<td></td>
</tr>
<tr>
<td>Property management fee paid/payable in Units</td>
<td>980</td>
</tr>
<tr>
<td>Net change in fair value of investment properties</td>
<td>(116,109)</td>
</tr>
<tr>
<td>Net change in fair value of derivative financial instruments and other investments</td>
<td>(2,852)</td>
</tr>
<tr>
<td>Distribution income from other investment</td>
<td>(2,226)</td>
</tr>
<tr>
<td>Interest income</td>
<td>(292)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>7,499</td>
</tr>
<tr>
<td>Foreign exchange differences</td>
<td>(464)</td>
</tr>
<tr>
<td>Operating profit before working capital changes</td>
<td>24,613</td>
</tr>
<tr>
<td>Changes in working capital:</td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>(9,196)</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>5,115</td>
</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td>20,532</td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Net cash outflow on acquisition of investment properties</td>
<td>(702,054)</td>
</tr>
<tr>
<td>Acquisition of other investment</td>
<td>(55,454)</td>
</tr>
<tr>
<td>Purchase of derivative financial instruments</td>
<td>(3,980)</td>
</tr>
<tr>
<td>Interest received</td>
<td>292</td>
</tr>
<tr>
<td>Distribution income received from other investment</td>
<td>1,565</td>
</tr>
<tr>
<td>Subsequent capital expenditure on investment properties</td>
<td>(4,552)</td>
</tr>
<tr>
<td><strong>Cash flows from investing activities</strong></td>
<td>(764,183)</td>
</tr>
<tr>
<td><strong>Financing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>304,000</td>
</tr>
<tr>
<td>Proceeds from issue of Units</td>
<td>490,605</td>
</tr>
<tr>
<td>Issue costs</td>
<td>(20,842)</td>
</tr>
<tr>
<td>Transaction costs on borrowings</td>
<td>(9,462)</td>
</tr>
<tr>
<td>Distribution paid</td>
<td>(7,567)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(4,919)</td>
</tr>
<tr>
<td><strong>Cash flows from financing activities</strong></td>
<td>751,815</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>8,164</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of period</td>
<td>—</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>8,164</td>
</tr>
</tbody>
</table>
8. IPT Transactions and Existing Interested Person Transactions

8.1 Interested Person Transactions under the Listing Manual

Under Chapter 9 of the Listing Manual, as Allco REIT proposes to enter into a transaction with an interested person and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5.0% of Allco REIT’s latest audited NTA, Unitholders’ approval is required in respect of the transaction.

At the time of signing of the Subscription Agreement, ADLT is indirectly wholly-owned by Redshift SPC No. 1 which in turn is a wholly-owned subsidiary of Redshift Corporation, an investment holding company incorporated in Australia. Redshift Corporation is owned beneficially and/or controlled by 14 individuals ("Redshift Principals") through a number of nominee entities held by them.

As at the Latest Practicable Date, the Redshift Principals hold in aggregate, directly and indirectly, 25.7% of the shareholding interests in the Sponsor.

The Sponsor is the holding company of the Manager and also holds an indirect interest of 16.1% in Allco REIT. Accordingly, the Sponsor is a controlling unitholder of Allco REIT.

Redshift Corporation has agreed to dispose of its indirect interest in the Centrelink Property to Allco REIT and Record Realty. Record Realty is a property trust listed on the Australian Stock Exchange Limited (ASX:RRT), and is managed by Record Funds Management Limited, a wholly-owned subsidiary of the Sponsor. Mr. Christopher John West, Mr. Timothy John Rich and Mr. Robert Clive West, an Independent Director, are each directors of Records Funds Management Limited.

As at the Latest Practicable Date, Record Realty has entered into an agreement with Redshift SPC No. 1 to purchase a 100.0% indirect interest in ADLT. Upon completion of such purchase, currently estimated to be on or about 28 May 2007, Record Realty will indirectly hold 100.0% of the interest in ADLT.

Separately, Allco REIT (via ARC Trust) has, on 25 May 2007, entered into a Subscription Agreement with ADLT to subscribe for new units in ADLT, such that Allco REIT will indirectly hold 50.0% of the enlarged capital of ADLT. Hence, following Allco REIT’s subscription of new units in ADLT, Record Realty’s interest in ADLT will be diluted to 50.0%.

In connection with the Centrelink Acquisition,

(i) the Unitholders’ Deed will be entered into by, among others, ARCOT Pty Limited as trustee of ARC Trust, Allco SPC No. 9 Pty Limited as the trustee of A1 Trust, Allco SPC No. 8 Pty Limited as the trustee of A2 Trust, and Record Funds Management Limited. Record Funds Management Limited is a wholly-owned subsidiary of the Sponsor, and manages Record Realty;

(ii) the Income Support Deed will be entered into by, among others, the ADLT Trustee, pursuant to which the ADLT Trustee will receive income support from an entity related to Redshift SPC No. 1; and

(iii) the Asset Management Agreement will be entered into between the ADLT Unitholders, the ADLT Trustee and Allco Funds Management which is a wholly-owned subsidiary of the Sponsor.

Based on Allco REIT’s latest audited financial statements for the period ended 31 December 2006, the NTA of Allco REIT was S$579.4 million. Accordingly, if the value of a transaction which is proposed to be entered into by Allco REIT with an interested person is equal to or greater than

42
S$29.0 million, such a transaction would be subject to Unitholders’ approval. Given the purchase consideration of the Centrelink Property of A$108.75 million (S$136.5 million\(^{(1)}\)), the value of the Centrelink Property is 23.6% of the NTA of Allco REIT (as at 31 December 2006) and therefore, exceeds the said threshold.

Accordingly, the IPT Transactions are subject to Unitholders’ approval under Chapter 9 of the Listing Manual.

8.2 Interested Party Transactions under the Property Funds Guidelines

Paragraph 5 of the Property Funds Guidelines imposes a similar requirement to obtain Unitholders’ approval for an interested party transaction whose value (whether on its own or when aggregated with other transactions with the same interested party during the same financial year) exceeds 5.0% of Allco REIT’s latest audited NAV.

One of the Redshift Principals is Mr. David Coe, the Executive Chairman of the Sponsor. Mr. David Coe beneficially holds a 25.5% of the interest in Redshift Corporation through a corporate entity which is owned by him and his wife. For the purposes of the Centrelink Acquisition, Mr. David Coe is regarded as an “interested party” under the Property Funds Guidelines.

In connection with the Centrelink Acquisition,

(i) the Unitholders’ Deed will be entered into by, among others, ARCOT Pty Limited as trustee of ARC Trust, Allco SPC No. 9 Pty Limited as the trustee of A1 Trust, Allco SPC No. 8 Pty Limited as the trustee of A2 Trust, and Record Funds Management Limited. Record Funds Management Limited is a wholly-owned subsidiary of the Sponsor, and manages Record Realty;

(ii) the Income Support Deed will be entered into by, among others, the ADLT Trustee, pursuant to which the ADLT Trustee will receive income support from an entity related to Redshift SPC No. 1; and

(iii) the Asset Management Agreement will be entered into between the ADLT Unitholders, the ADLT Trustee and Allco Funds Management which is a wholly-owned subsidiary of the Sponsor.

Based on Allco REIT’s latest audited financial statements for the period ended 31 December 2006, the NAV of Allco REIT was S$579.4 million. Accordingly, if the value of a transaction which is proposed to be entered into by Allco REIT with an interested party is equal to or greater than S$29.0 million, such a transaction would be subject to Unitholders’ approval. Given the purchase consideration of the Centrelink Property of A$108.75 million (S$136.5 million\(^{(1)}\)), the value of the Centrelink Property is 23.6% of the NAV of Allco REIT (as at 31 December 2006) and therefore exceeds the said threshold.

Accordingly, the IPT Transactions are subject to Unitholders’ approval under Paragraph 5 of the Property Funds Guidelines.

8.3 Existing Interested Person Transactions with Allco Finance Group Limited and its subsidiaries (“AFG Group”)

Under Chapter 9 of the Listing Manual, transactions between the Group and its associated companies as at the Latest Practicable Date and any of their interested persons (namely, the Directors, Chief Executive Officer or controlling shareholders) would constitute interested person transactions. Under Paragraph 5 of the Property Funds Guidelines, interested parties would include, among others, the sponsor/promoter of the property fund, the manager of the property fund, the trustee of the property fund, a director of such sponsor, promoter, manager and/or

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\(^{(1)}\) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.
trustee, controlling unitholder, or their (among others) ultimate/immediate holding company, its subsidiary and associated company. The relevant interested persons/parties here comprise Allco Finance Group and its subsidiaries and/or associates.

Prior to the Latest Practicable Date, Allco REIT had entered into several interested person transactions with entities within the AFG Group during the course of the current financial year ("Existing Interested Person Transactions") as set out in the table below.

<table>
<thead>
<tr>
<th>Interested Person</th>
<th>Nature of Transaction</th>
<th>Value of Transaction ($$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allco (Singapore) Limited</td>
<td>Lease of levels 8, 14 and 16 at the Market Street Property</td>
<td>1.2(1)</td>
</tr>
<tr>
<td>Allco Funds Management</td>
<td>Provision of arranger services in connection with the Rights Issue</td>
<td>1.1(2)</td>
</tr>
</tbody>
</table>

**Notes:**

(1) This represents the annual rental payable in the first full year of Lease 1 and Lease 2 (as defined below).

(2) Assuming gross proceeds from the Rights Issue of $210.0 million.

Details of the Existing Interested Person Transactions are set out in Appendix F of this Circular.

### 8.4 Advice of the Independent Financial Adviser

In compliance with Chapter 9 of the Listing Manual and Paragraph 5 of the Property Funds Guidelines, the Manager has appointed ANZ Singapore Limited as the IFA to advise its Independent Directors in relation to the IPT Transactions and the Existing Interested Person Transactions. A copy of the letter from the IFA to the Independent Directors ("IFA Letter") dated 26 May 2007, containing the IFA's advice in full, is set out in Appendix E of this Circular and Unitholders are advised to read the IFA Letter carefully.

Having considered the factors and made the assumptions set out in its letter, and subject to the qualifications set out therein, the IFA is of the view that the IPT Transactions are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders. The IFA has therefore advised the Independent Directors to recommend that Unitholders vote in favour of the IPT Transactions.

Having considered the factors and made the assumptions set out in its letter, and subject to the qualifications set out therein, the IFA is also of the view that the Existing Interested Person Transactions were entered into on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders.

### 8.5 Statement by the Audit, Risk and Compliance Committee

Having considered and reviewed, among others, the terms and rationale and financial effects of the IPT Transactions and the Existing Interested Person Transactions, and the other relevant facts set out in this Circular, and taking into account the advice of the IFA in its letter set out in Appendix E of this Circular, the Audit, Risk and Compliance Committee (save for Mr. Timothy John Rich who has abstained from the deliberations) is of the opinion that the IPT Transactions and the Existing Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders.
8.6 **Interests of Directors and Substantial Unitholders**

Through various subsidiaries, the Sponsor has an indirect interest of 16.1% in Allco REIT as at the Latest Practicable Date.

Accordingly, the Redshift Principals are, as a whole, deemed to be interested in the Sponsor’s interest in Allco REIT.

Save as disclosed above and based on information available to the Manager as at the Latest Practicable Date, none of the Directors or Substantial Unitholders have an interest, direct or indirect, in the IPT Transactions.

9. **DETAILS OF THE PROPOSED RIGHTS ISSUE**

9.1 **Overview of the Rights Issue**

It is intended that the Rights Issue will comprise a renounceable underwritten rights issue of New Units at the Rights Issue Price to Eligible Unitholders.

The Manager intends to raise gross proceeds of up to S$210.0 million from the Rights Issue. The exact amount of gross proceeds will depend on the number of New Units issued under the Rights Issue and the Rights Issue Price, which are to be determined between the Manager and the Sole Underwriter. The number of Rights Units to be provisionally allotted for every existing Unit held on the Books Closure Date (fractions of a Unit to be disregarded) will be notified to Unitholders and set out in the notice of Books Closure Date and will also be set out in the Offer Information Statement to be lodged with the MAS in connection with the Rights Issue. The Rights Issue Price will be determined closer to the date of commencement of the Rights Issue and will be at a discount to the Reference Price. The Manager currently expects the discount to be between 15.0% and 35.0% of the Reference Price. The Rights Issue Price will be notified to Unitholders on the Books Closure Date and will also be set out in the Offer Information Statement. See Section 9.2 of the Letter to Unitholders for examples of what the Rights Issue Price and the related number of New Units to be issued may be.

An application has been made to the SGX-ST for its approval in-principle for the listing and quotation of the New Units on the Official List of the SGX-ST. Such in-principle approval, if obtained, is not an indication of the merits of the Rights Issue, the New Units or Allco REIT and the SGX-ST takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular.

9.2 **Principal Terms of the Rights Units**

The following is a summary of the principal terms and conditions of the Rights Issue:

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue Size (assuming that the Rights Issue is fully subscribed)</td>
<td>Up to S$210.0 million, such amount to be determined between the Manager and the Sole Underwriter closer to the date of commencement of the Rights Issue.</td>
</tr>
<tr>
<td>Basis of Provisional Allotment</td>
<td>The basis of provisional allotment will be set out in the notice of Books Closure Date and will be set out in the Offer Information Statement.</td>
</tr>
</tbody>
</table>
Rights Issue Price : Issue price per Rights Unit which is expected to be at a
discount of between 15.0% and 35.0% of the Reference Price.

Unitholders should refer to the paragraph under the heading
“Rights Issue Price and New Units to be issued” below in this
Section 9.2 for more details.

Status of the Rights Units : The Rights Units, when allotted and issued, will rank pari
passu in all respects with the Existing Units for any
distributions, rights, allotments or other distributions.

Eligibility to Participate in the Rights Issue : Eligible Unitholders are at liberty to accept in part or in full,
decline, renounce or trade on the SGX-ST (during the
provisional allotment trading period prescribed by the SGX-
ST) their provisional allotments of Rights Units and are eligible
to subscribe for the Excess Rights Units.

Subscriptions for the Excess Rights Units may be made at the
Underwriting Price which will be at the Agreed Premium to the
Rights Issue Price.

The procedures for acceptance, excess applications and
payment by Eligible Unitholders will be set out in the Offer
Information Statement.

No provisional allotment of Rights Units will be made to
Ineligible Unitholders and no purported acceptance thereof or
application therefore by Ineligible Unitholders will be valid.

Ineligible Unitholders should refer to the paragraphs under the
heading “Ineligible Unitholders” below.

Listing of the Rights Units : An application has been made to the SGX-ST for its approval
for the listing and quotation of the Rights Units on the Official
List of the SGX-ST. An appropriate announcement on the
outcome of the application will be made in due course on the
SGXNET.

Trading of the Rights Units : Upon the listing and quotation of the Rights Units on the
Official List of the SGX-ST, the Rights Units will be traded on
the Main Board of the SGX-ST under the book-entry
(scripless) settlement system. For the purposes of trading on
the Main Board of the SGX-ST, each board lot of Units will
comprise 1,000 Units.

Trading of Odd Lots : Unitholders and investors can trade in odd lots of Units on the
SGX-ST’s Unit Share Market.

Use of CPF Funds : Approval has been obtained from the CPF Board for those
members participating in the CPF Investment Scheme to use,
subject to applicable CPF rules and regulations, monies
standing to the credit of their respective CPF accounts to pay
for the Rights Units at the Rights Issue Price.

The above terms and conditions of the Rights Issue are subject to such changes as the Manager, in consultation with the Sole Underwriter, may deem fit. The final terms and conditions of the Rights Issue will be set out in the Offer Information Statement to be despatched by the Manager to Eligible Unitholders in due course, subject to, among others, the approval of the Unitholders for the Rights Issue at the EGM.

The Rights Issue is conditional upon, among others, the following:

(i) in-principle approval of the SGX-ST for the listing and quotation of the New Units on the Official List of the SGX-ST;
(ii) approval of the Unitholders at the EGM; and
(iii) lodgement of the Offer Information Statement with the MAS.

An application was made to the SGX-ST for the listing and quotation of the New Units on the Official List of the SGX-ST. On 2 April 2007, the Manager provided undertakings to the SGX-ST to:

(i) make periodic announcements on the specific utilisation of the proceeds from the Rights Issue as and when such proceeds are materially disbursed; and
(ii) provide a status report on the specific use of the proceeds from the Rights Issue in the annual report of Allco REIT to Unitholders.

AS THE RIGHTS ISSUE IS MADE ON A RENOUNCEABLE BASIS, THE PROVISIONAL ALLOTMENTS OF NEW UNITS CAN BE RENOUNCED IN FAVOUR OF A THIRD PARTY OR TRADED ON THE SGX-ST.

Eligible Unitholders

Unitholders with Units standing to the credit of their Securities Accounts and (i) whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least five Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents and who are not U.S. persons or acting for the account or benefit of U.S. persons or (ii) who Allco REIT considers, in its sole discretion, may be offered Rights or New Units without breaching applicable securities laws (“Eligible Unitholders”) will be provisionally allotted the Rights Units under the Rights Issue.

Eligible Unitholders will be at liberty to accept in part or in full, decline or otherwise renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Units and are eligible to subscribe for additional Rights Units in excess of their provisional allotments under the Rights Issue. The allotment of Rights Units to Eligible Unitholders who have applied for Excess Rights Units will be made in proportion to their unitholdings as at the Books Closure Date.

Eligible Unitholders who have subscribed for or purchased Units under the CPF Investment Scheme and/or the Supplementary Retirement Scheme (“SRS”) can only accept their provisional allotments of New Units by instructing the relevant banks in which they hold their CPF Investment Scheme accounts and/or SRS accounts to do so on their behalf.

Ineligible Unitholders

No provisional allotment of Rights Units will be made to Unitholders other than Eligible Unitholders (“Ineligible Unitholders”) and no purported acceptance thereof or application therefor by Ineligible Unitholders will be valid.

The making of the Rights Issue may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the
securities legislation or other relevant laws applicable in countries (other than in Singapore) where Unitholders may have as their addresses registered with CDP, the Rights Issue will not be extended to Ineligible Unitholders. Save as provided herein, Ineligible Unitholders who wish to participate in the Rights Issue will have to provide CDP with addresses in Singapore for the service of notice and documents and any other evidence of eligibility that Allco REIT, in its discretion, requires at least five Market Days prior to the Books Closure Date. Save as provided herein and for the avoidance of doubt, the Ineligible Unitholders are not eligible to participate in the Rights Issue.

**United States**

Neither the Rights nor the New Units issuable on acceptance of the provisional allotments of Rights Units have been or will be registered under the U.S. Securities Act, or under the securities laws of any state in the United States and they may not be offered or sold to, or for the account or benefit of, U.S. persons except in transactions that are exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

**Rights Issue Price and New Units to be issued**

The number of Rights Units to be provisionally allotted for every existing Unit held on the Books Closure Date (fractions of a Unit to be disregarded) will be notified to Unitholders and set out in the notice of Books Closure Date and will also be set out in the Offer Information Statement to be lodged with the MAS in connection with the Rights Issue. The Rights Issue Price will be determined closer to the date of commencement of the Rights Issue and will be at a discount to the Reference Price. The Manager currently expects the discount to be between 15.0% and 35.0% of the Reference Price. The Rights Issue Price will be notified to Unitholders on the Books Closure Date and will also be set out in the Offer Information Statement.

Purely for illustrative purposes, the table below shows hypothetical examples of what the Rights Issue Price and the related number of New Units to be issued may be, based on the following assumptions:

- a Rights Issue Price at a discount of between 15.0% and 35.0% to the volume weighted average price (being S$1.353) for a Unit for all trades on the SGX-ST in the ordinary course of trading for a period of 10 Market Days prior to and including the Latest Practicable Date; and

- total gross proceeds from the Rights Issue of S$210.0 million.

| Rights Issue Price Discount to the 10-day Volume Weighted Average Price of S$1.353 |
|---------------------------------|------------------|---------------------|
|                                 | 15.0%            | 35.0%              |
| Rights Issue Price (S$)         | 1.15             | 0.879              |
| New Units to be issued(1)       | 182,608,696      | 238,907,850        |

**Note:**

(1) Calculated as the total gross proceeds from the Rights Issue divided by the Rights Issue Price.

**Realising Value for Eligible Unitholders and Ineligible Unitholders**

The Rights Units represented by the provisional allotments of (i) Eligible Unitholders who do not accept, decline and elect not to renounce or trade their provisional allotments of Rights Units under the Rights Issue (during the provisional allotment trading period prescribed by the SGX-ST) and/or (ii) Ineligible Unitholders, will be issued to satisfy Excess Rights Units applications as the Manager may, in its discretion, deem fit. In the allotment of excess Rights
Units (which will be made in proportion to the unitholdings of Eligible Unitholders as at the Books Closure Date), preference will be given to Unitholders (other than Substantial Unitholders and Directors) for rounding of odd lots, and Substantial Unitholders and Directors will rank last in priority.

The Rights Units represented by any provisional allotments remaining after applications for Excess Rights Units have been satisfied ("Remaining Rights Units") will be underwritten by the Sole Underwriter on the terms of the Underwriting Agreement to be entered into between the Manager and the Sole Underwriter at the Underwriting Price which will be at an Agreed Premium to the Rights Issue Price. The Agreed Premium will be determined between the Manager and the Sole Underwriter and set out in the Offer Information Statement relating to the Rights Issue to be sent to all Unitholders.

Under the Underwriting Agreement, the Sole Underwriter will pay or procure the payment of:

(i) the Rights Issue Price for each Remaining Rights Unit to Alco REIT; and
(ii) the Agreed Premium in respect of each Remaining Rights Unit to the Eligible Unitholders who did not, or could not, accept, declined or elected not to trade their provisional allotments of Rights Units, and Ineligible Unitholders, under the Rights Issue.

The purpose of the Agreed Premium is to enable Eligible Unitholders who do not accept, decline or otherwise renounce or trade their provisional allotments of Rights Units, and Ineligible Unitholders, under the Rights Issue to realise value on their provisional allotments. The Agreed Premium will be determined by agreement between the Manager and the Sole Underwriter having regard to, among others, the discount which the Rights Issue Price represents to the market price of the Units prior to the Books Closure Date and the TERP. The Underwriting Price will be at premium to the Rights Issue Price and will be at a discount to the TERP. The Agreed Premium does not purport to represent the actual value of the provisional allotments of the Rights Units.

Purely for illustrative purposes, the table below shows hypothetical examples of what the Agreed Premium per Unit that Unitholders will receive for each Rights Unit not taken up may be, based on the following assumptions:

- The volume weighted average price (being S$1.353) for a Unit for all trades on the SGX-ST in the ordinary course of trading for a period of 10 Market Days prior to and including the Latest Practicable Date;
- total gross proceeds from the Rights Issue of S$210.0 million;
- a Rights Issue Price of S$1.00 per Rights Unit;
- 210,000,000 Rights Units issued under the Rights Issue; and
- a TERP of S$1.248 based on the above.

<table>
<thead>
<tr>
<th>Underwriting Price(^{(1)}) (S$)</th>
<th>Agreed Premium(^{(2)}) (S$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.05</td>
<td>0.05</td>
</tr>
<tr>
<td>1.10</td>
<td>0.10</td>
</tr>
<tr>
<td>1.15</td>
<td>0.15</td>
</tr>
</tbody>
</table>

Notes:

(1) To be agreed between the Manager and the Sole Underwriter.

(2) Calculated as the Underwriting Price less the Rights Issue Price.
**Undertaking**

Allco Singapore Investments Pte. Ltd., a Substantial Unitholder, has irrevocably undertaken under a deed of undertaking ("Deed of Undertaking") to subscribe and/or procure subscriptions and payment for its provisional allotment of Rights Units in full under the Rights Issue.

The Deed of Undertaking shall lapse and cease to have any effect in the event that the Rights Issue is not completed by 31 July 2007 or such later date as the parties may mutually agree.

Allco Singapore Investments Pte. Ltd. has a 14.8% unitholding in Allco REIT as at the Latest Practicable Date. Pursuant to the Deed of Undertaking, it is expected that Allco Singapore Investments Pte. Ltd. will retain its 14.8% unitholding upon completion of the Rights Issue. The table below shows hypothetical examples of what Allco Singapore Investments Pte. Ltd.'s unitholding interest in Allco REIT may be upon completion of the Rights Issue if it did not undertake to subscribe and/or procure subscriptions and payment for its provisional allotment of Rights Units under the Rights Issue, based on the following assumptions:

- 496,873,106 Units in issue as at the Latest Practicable Date;
- a Rights Issue Price at a discount of between 15.0% and 35.0% to the volume weighted average price (being S$1.353) for a Unit for all trades on the SGX-ST in the ordinary course of trading for a period of 10 Market Days prior to and including the Latest Practicable Date; and
- total gross proceeds from the Rights Issue of S$210.0 million.

<table>
<thead>
<tr>
<th>Rights Issue Price Discount to the 10-day Volume Weighted Average Price of S$1.353</th>
<th>Percentage Unitholding of Allco Singapore Investment Pte. Ltd. Upon Subscription of 100.0% of its Provisional Allocation</th>
<th>Percentage Unitholding of Allco Singapore Investment Pte. Ltd. Upon Subscription of 0.0% of its Provisional Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(%)</td>
<td>(%)</td>
<td>(%)</td>
</tr>
<tr>
<td>15.0</td>
<td>14.8</td>
<td>10.8</td>
</tr>
<tr>
<td>35.0</td>
<td>14.8</td>
<td>10.0</td>
</tr>
</tbody>
</table>

**Books Closure Date**

Notice is hereby given that, subject to the relevant approvals sought at the EGM being obtained, the Books Closure Date (on which Transfer Books and the Register of Unitholders will be closed to determine the provisional allotments of Eligible Unitholders under the Rights Issue) will be announced closer to the date of the commencement of the Rights Issue.

9.3 **Estimated Proceeds**

The Manager intends to raise gross proceeds of up to S$210.0 million from the Rights Issue. The exact amount of gross proceeds will depend on the actual number of New Units issued under the Rights Issue and the Rights Issue Price which is to be determined between the Manager and the Sole Underwriter. Assuming gross proceeds of S$210.0 million, the net proceeds to Allco REIT, after deducting the estimated costs and expenses, are estimated to be S$202.7 million.

9.4 **Costs of the Rights Issue**

If Allco REIT proceeds with the Rights Issue, the Manager estimates that Allco REIT will have to bear the following estimated costs and expenses:
• the underwriting commissions, incentive fees and related expenses payable to, the Sole Underwriter, amounting to up to S$4.2 million (excluding goods and services tax and other applicable taxes payable);

• the fees payable to Alco Funds Management of S$1.1 million (excluding goods and services tax and other applicable taxes payable) as consideration for the provision of certain arranger services (including but not limited to rendering advice on the structure of the Rights Issue, preparation of relevant documentation and liaising with the professional advisers) in connection with the Rights Issue. Alco Funds Management is a wholly-owned subsidiary of the Sponsor. Mr. Christopher John West, our Non-Executive Director is also a director of Alco Funds Management; and

• the professional and other fees and expenses of S$2.1 million (excluding goods and services tax and other applicable taxes payable) expected to be incurred by Allco REIT in connection with the Rights Issue.

9.5 Use of Proceeds
Subject to the relevant laws and regulations, the Manager intends to utilise S$138.6 million of the net proceeds of the Rights Issue to finance the Centrelink Acquisition, and S$64.0 million to repay existing debt so as to partially refinance Allco REIT’s existing portfolio following the acquisition of the Market Street Property. To the extent that the net proceeds raised are less than S$202.6 million, the amount of debt refinanced will be reduced. The Manager may, at its absolute discretion, utilise the proceeds of the Rights Issue to acquire any other suitable property or properties for Allco REIT, and/or for general corporate purposes.

Under the Subscription Agreement, Allco REIT, through ARC Trust, is obliged to complete the subscription for the 50.0% interest in ADLT by 30 June 2007. In the event that completion of the Rights Issue does not take place by 30 June 2007, the Manager believes that Allco REIT has sufficient debt capacity to finance the subscription with debt. Accordingly, there is no minimum amount which must be raised by the Rights Issue.

9.6 Underwriting of the Rights Issue
The underwriting of the Rights Issue by the Sole Underwriter is subject to the terms of the underwriting agreement to be entered into between the Manager and the Sole Underwriter.

9.7 Status of the New Units Issued Pursuant to the Rights Issue
As the Rights Issue is to be undertaken by way of a renounceable underwritten rights issue to Eligible Unitholders, the Manager has elected not to make an advanced or a cumulative distribution prior to the issue of the New Units.

10. The Proposed General Mandate to Issue Units
10.1 General Mandate
The Manager seeks the approval of Unitholders for a general mandate under Rule 887(1)(b) of the Listing Manual for the issue of new Units in FY2007, provided that such number of new Units does not exceed 50.0% of the number of Units in issue as at 31 December 2006, of which the aggregate number of new Units issued other than on a pro rata basis to existing Unitholders must not be more than 20.0% of the number of Units in issue as at 31 December 2006.

The General Mandate will allow Allco REIT to issue an additional 247,655,367 new Units (which for the avoidance of doubt, does not include the New Units to be issued under the Rights Issue) by 31 December 2007, of which the aggregate number of new Units issued other than on a pro rata basis to existing Unitholders shall not be more than 99,062,146, being 20.0% of the number of Units in issue as at 31 December 2006.
10.2 **Rationale for the General Mandate**

The Manager may utilise the General Mandate to acquire additional suitable properties and/or repay debt. The Manager believes that the general mandate will provide Allco REIT with additional room for growth through the acquisition of new properties without the time and expense of convening extraordinary general meetings that would otherwise be required for a capital raising of that nature. The general mandate will also allow Allco REIT to raise funds more expeditiously and be more responsive in the acquisition of new properties in a competitive environment where timeliness in making bids and making payment for acquisitions will give Allco REIT an advantage.

Notwithstanding the General Mandate, Allco REIT will nonetheless be required to make an announcement and/or convene a meeting of Unitholders should an acquisition result in the relevant thresholds in Chapter 9 of the Listing Manual relating to interested person transactions, the relevant thresholds in the Property Funds Guidelines relating to interested party transactions and/or the relevant thresholds in Chapter 10 of the Listing Manual relating to acquisitions being exceeded.

11. **Recommendations**

11.1 **On the IPT Transactions**

Based on the opinion of the IFA (as set out in the IFA Letter in Appendix E of this Circular), and the rationale for the IPT Transactions set out in Section 4 above, the Independent Directors believe that the IPT Transactions are based on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders. Accordingly, the Independent Directors recommend that Unitholders vote at the EGM in favour of Resolutions 1, 2, 3 and 4 to approve the IPT Transactions.

11.2 **On the Issue of New Units under the Rights Issue**

Given the current conditions in the Singapore stock market and the borrowing limits imposed by the MAS on property funds such as Allco REIT, the Directors consider that the proposed issue of such number of New Units so as to raise an aggregate of up to S$210.0 million in gross proceeds an efficient method of financing the acquisition of the 50.0% indirect interest in the Centrelink Property.

Assuming that Unitholders’ approval is obtained for the issue of New Units under the Rights Issue, the increase in the number of Units in issue and Unitholder base is expected to improve the level of trading liquidity of the Units.

The Acquisitions are expected to be yield accretive to the Unitholders. The Aggregate Leverage is expected to decrease to 22.8%, which would provide future flexibility for increased debt capacity for the Manager to implement its acquisition growth strategy.

Accordingly, the Manager recommends that Unitholders vote at the EGM in favour of Resolution 5 to approve the issue of New Units so as to raise gross proceeds of up to S$210.0 million under the Rights Issue.

11.3 **On the Proposed General Mandate to Issue New Units**

Having regard to the rationale for the General Mandate set out in Section 10 above, the Directors are of the opinion that the issue of a General Mandate would be on normal commercial terms and would not be prejudicial to the interests of Allco REIT or its minority Unitholders.

Accordingly, the Directors recommend that Unitholders vote in favour of Resolution 6 to approve the General Mandate.
12. **Extraordinary General Meeting**

The EGM will be held at The Fullerton Hotel, The Straits Room, Level 4, One Fullerton Square, Singapore 049178, on 11 June 2007 at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the resolutions set out in the Notice of EGM, which is set out in this Circular.

A Depositor shall not be regarded as a Unitholder entitled to attend the EGM and to speak and vote unless he is shown to have Units entered against his name in CDP at 48 hours before the EGM.

13. **Prohibition On Voting**

Rule 919 of the Listing Manual prohibits interested persons and their associates (as defined in the Listing Manual) from voting on a resolution in relation to a matter in respect of which such persons are interested in at the EGM.

As the Sponsor and the Redshift Principals are interested in the resolutions relating to the IPT Transactions, the Sponsor and the Redshift Principals and each of their respective associates will abstain from voting on those resolutions.

14. **Action To Be Taken By Unitholders**

You will find enclosed in this Circular the Notice of EGM and a Proxy Form.

If a Unitholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Manager at 55 Market Street, Level 16, Singapore 048941 not later than 9.30 a.m. on 9 June 2007, being 48 hours before the time fixed for the EGM. The completion and return of the Proxy Form by a Unitholder will not prevent him/her from attending and voting in person if he/she so wishes.

Persons who have an interest in the approval of one or more of the resolutions must decline to accept appointment as proxies unless the Unitholder concerned has specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of such resolutions.

15. **Directors’ Responsibility Statements**

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Circular are fair and accurate in all material respects as at the date of this Circular and there are no material facts the omission of which would make any statement in this Circular misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

The forecast financial information set out in Section 5 above and in Appendix B of this Circular have been stated by the Directors after due and careful enquiry.
16. **Consents**

Each of the Independent Accountants and the Independent Valuers have given and have not withdrawn their written consent to the issue of this Circular with the inclusion of their names and, respectively, the Independent Accountants’ Report on the Consolidated Profit Forecast and the Consolidated Profit Projection and the Valuation Certificates on the Centrelink Property and the Market Street Property, and all references thereto, in the form and context in which they are included in this Circular.

The IFA has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its name and its letter dated 26 May 2007, in the form and context in which it appears in **Appendix E** of this Circular to act in the capacity as the independent financial adviser to the Independent Directors in relation to the IPT Transactions and all references thereto, in the form and context in which they are made in this Circular.

17. **DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours\(^{(1)}\) at the registered office of the Manager at 55 Market Street, Level 16, Singapore 048941 from the date of this Circular up to and including the date falling three months after the date of this Circular:

(i) the full valuation reports of the Centrelink Property and the Market Street Property;

(ii) the Valuation Certificates of the Centrelink Property and the Market Street Property;

(iii) the Independent Accountants’ Report on the Consolidated Profit Forecast and the Consolidated Profit Projection;

(iv) the letters of consent of the Independent Accountants, the Independent Valuers and the IFA; and

(v) the letter from the IFA to the Independent Directors dated 26 May 2007.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Allco REIT continues to be in existence.

Yours faithfully

Allco (Singapore) Limited
(as manager of Allco Commercial Real Estate Investment Trust)

Nicholas Paul McGrath
Chief Executive Officer and Managing Director

---

\(^{(1)}\) Prior appointment would be appreciated.
IMPORTANT NOTICE

The value of 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 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 Allco REIT is not necessarily indicative of the future performance of Allco REIT.

This Circular may contain forward-looking statements that involve risks and uncertainties. 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 property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes, competition in the property markets in which Allco REIT invests, relations with service providers, relations with lenders and quality of tenants. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events. All forecasts are based on a specified range of prices per Unit and on the Manager’s assumptions as explained in Appendix B of this Circular. Such yields will vary accordingly for investors who purchase Units in the secondary market at a market price higher or lower than the issue price range specified in this Circular. The major assumptions are certain expected levels of property rental income and property expenses over the relevant periods, which are considered by the Manager to be appropriate and reasonable as at the Latest Practicable Date. The forecast financial performance of Allco REIT is not guaranteed and there is no certainty that it can be achieved. Investors should read the whole of this Circular for details of the forecasts and projections and consider the assumptions used and make their own assessment of the future performance of Allco REIT.

If you have sold or transferred all your Units, you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular is not an offer of securities in any jurisdiction, including the United States. Neither the rights nor the New Units issuable on acceptance of the provisional allotments of the Rights Units have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state in the United States and they may not be offered or sold to, or for the account or benefit of, U.S. persons except in transactions that are exempt from, or not subject to, the registration requirements of the U.S. Securities Act.
In this Circular, the following definitions apply throughout unless otherwise stated:

**ABGR**: Australian Building Greenhouse Rating. The Australian Building Greenhouse Rating scheme benchmarks a building’s greenhouse performance (based on the level of emission of greenhouse gases) on a scale of one to five stars, one star being the worst greenhouse performance and five stars being the best. Three stars represents best practice in the current market. The scheme assists building owners and tenants to promote their greenhouse performance and gain a competitive advantage.

**Acquisition Fee**: The acquisition fee which the Manager will be entitled under Clause 15.2(a) of the Trust Deed to receive from Allco REIT upon completion of the Centrelink Acquisition.

**Acquisitions**: The acquisitions of the Centrelink Property and the Market Street Property.

**ADLT**: Athllon Drive Landholding Trust.

**ADLT Assets**: The assets held by ADLT.

**ADLT Trustee**: Allco SPC No. 5 Pty Limited.

**ADLT Unitholders**: The unitholders of ADLT.

**ADLT Units**: The units held in ADLT.

**AFG Group or Sponsor**: Allco Finance Group Limited and its subsidiaries.

**Aggregate Leverage**: The ratio of Allco REIT’s borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Units) to the value of its Deposited Property, adjusted for the distribution of any accrued Distributable Income.

**Agreed Premium**: The amount to be paid to Eligible Unitholders and Ineligible Unitholders who did not, or could not, accept, declined or otherwise renounced or traded their provisional allotments of Rights Units under the Rights Issue.

**Allco Finance Group or Sponsor**: Allco Finance Group Limited, a company incorporated in Australia.

**Allco Funds Management**: Allco Funds Management Limited, a company incorporated in Australia and a wholly-owned subsidiary of Allco Finance Group.

**Allco REIT**: Allco Commercial Real Estate Investment Trust, a unit trust constituted on 12 September 2005 under the laws of the Republic of Singapore, and as varied by the First Amending and Restating Deed dated 23 February 2006, the Second Amending and Restating Deed dated 20 March 2006 and the Supplemental Deed of Amendment dated 30 April 2007.
Allco Sub 1: Allco Sub No. 1 Pte. Ltd., a company incorporated in Singapore and a wholly-owned subsidiary of Allco REIT.

Allco Sub 2: Allco Sub No. 2 Pte. Ltd., a company incorporated in Singapore and a wholly-owned subsidiary of Allco REIT.

Allco 1: Allco Investments No. 1 Pty Ltd., a company incorporated in Singapore and a wholly-owned subsidiary of Allco Sub 1.

Allco 2: Allco Investments No. 2 Pty Ltd., a company incorporated in Singapore and a wholly-owned subsidiary of Allco Sub 2.

Audit, Risk and Compliance Committee: Comprising Dr. Chua Yong Hai, Mr. Timothy Rich and Mr. Tan Guong Ching.

ARC Trust: A special purpose trust constituted under the laws of New South Wales and is ultimately wholly-owned by Allco REIT.

Asset Management Agreement: The asset management agreement entered into between the ADLT Unitholders, the ADLT Trustee and Allco Funds Management pursuant to which Allco Funds Management has agreed to provide certain corporate and compliance support services to ADLT.

AWPF: Allco Wholesale Property Fund, an unlisted, registered managed investment scheme managed by Allco Management Investments Limited. AWPF holds interests in Australia.

Books Closure Date: The time and date on which the Transfer Books and Register of Unitholders will be closed to determine the provisional allocations of Eligible Unitholders under the Rights Issue.

Canberra CBD: Canberra Central Business District.

CBRE: CB Richard Ellis Pty Limited.

CDP: The Central Depository (Pte) Limited.

Central Park (Perth): The office tower which is located at 152-158 St George’s Terrace, Perth, Western Australia.

Centrelink: Centrelink National Support Office, a statutory agency of the Australian Federal Government.

Centrelink Acquisition: The proposed acquisition by Allco REIT (via ARC Trust) of a 50.0% indirect interest in the Centrelink Property.

Centrelink Lease: The proposed lease by Allco REIT of the Centrelink Property to Centrelink for an initial term of 18 years, with an option to renew for two additional consecutive terms of five years each.

Centrelink Property: The office complex located on the western side of Athllon Drive with additional frontages to Soward Way and Roland Rees Crescent in Canberra, Australia being Block 4, Section 13, Division of Greenway, Deposited Plan 7695.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>China Square Central Property</strong></td>
<td>The development which is constructed on Lot 617A TS4 at 18, 20, 22 Cross Street, Singapore, comprising Marsh &amp; McLennan Centre and two rows of conservation shophouses.</td>
</tr>
<tr>
<td><strong>Colliers</strong></td>
<td>Colliers International Consultancy and Valuation Pty Limited.</td>
</tr>
<tr>
<td><strong>Consolidated Profit Forecast</strong></td>
<td>The forecast consolidated statements of Allco REIT’s total return and distribution for the financial year ending 31 December 2007 and the accompanying assumptions and sensitivity analysis set out in Appendix B of this Circular.</td>
</tr>
<tr>
<td><strong>Consolidated Profit Projection</strong></td>
<td>The forecast consolidated statements of Allco REIT’s total return and distribution for the financial year ending 31 December 2008 and the accompanying assumptions and sensitivity analysis set out in Appendix B of this Circular.</td>
</tr>
<tr>
<td><strong>Crown Lease</strong></td>
<td>An agreement between an individual or company and a provincial or Federal Government of Australia to lease land owned by that provincial or federal government, generally for a specified purpose and period of time.</td>
</tr>
<tr>
<td><strong>Deed of Undertaking</strong></td>
<td>The deed of undertaking pursuant to which Allco Singapore Investments Pte. Ltd. has irrevocably undertaken to subscribe and/or procure subscriptions and payment for its provisional allotment of Rights Units in full under the Rights Issue.</td>
</tr>
<tr>
<td><strong>Deposited Property</strong></td>
<td>The value of all the gross assets of Allco REIT.</td>
</tr>
<tr>
<td><strong>Directors</strong></td>
<td>Directors of the Manager.</td>
</tr>
<tr>
<td><strong>Distributable Income</strong></td>
<td>Comprises Allco REIT’s taxable income, tax-exempt income received or receivable (after deducting applicable expenses), and cash flow generated by overseas properties extracted in the form of capital receipts, as determined to be distributed in accordance with Allco REIT’s distribution policy.</td>
</tr>
<tr>
<td><strong>DPU</strong></td>
<td>Distribution per Unit.</td>
</tr>
<tr>
<td><strong>EGM</strong></td>
<td>The extraordinary meeting of Unitholders to be held on 11 June 2007 at 9.30 a.m. to approve the matters set out in the Notice of EGM.</td>
</tr>
<tr>
<td><strong>Eligible Unitholders</strong></td>
<td>Unitholders with Units standing to the credit of their Securities Accounts and (i) whose registered addresses with CDP are in Singapore as at the Books Closure Date or who have, at least five Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents and who are not U.S. persons or acting for the account or benefit of U.S. persons or (ii) who Allco REIT considers, in its sole discretion, may be offered Rights or New Units without breaching applicable securities laws.</td>
</tr>
<tr>
<td><strong>Enlarged Portfolio</strong></td>
<td>The Original Portfolio, the 50.0% indirect interest in the Centrelink Property and the 100.0% direct interest in the Market Street Property.</td>
</tr>
<tr>
<td><strong>Excess Rights Units</strong></td>
<td>The Rights Units in excess of Eligible Unitholders' provisional allotments of Rights Units.</td>
</tr>
<tr>
<td>-------------------------</td>
<td>---------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Existing Interested Person Transactions</strong></td>
<td>The interested person transactions entered into by Allco REIT with entities within the AFG Group during the course of the financial year.</td>
</tr>
<tr>
<td><strong>Existing Units</strong></td>
<td>The Units in issue on the day immediately prior to the date on which the New Units are issued.</td>
</tr>
<tr>
<td><strong>Forecast Period 2007</strong></td>
<td>1 July 2007 to 31 December 2007 (both dates inclusive).</td>
</tr>
<tr>
<td><strong>FY</strong></td>
<td>Financial year ended or ending, as the case may be.</td>
</tr>
<tr>
<td><strong>FY2008</strong></td>
<td>The financial year ending 31 December 2008.</td>
</tr>
<tr>
<td><strong>GESB Lease</strong></td>
<td>Lease for the Government Employees Superannuation Board.</td>
</tr>
<tr>
<td><strong>General Mandate</strong></td>
<td>The general mandate to be given to the Manager for the issue of new Units up to 50.0% of the number of Units in issue as at 31 December 2006, of which the aggregate number of Units issued other than on a pro-rata basis to existing Unitholders shall not be more than 20.0% of the number of Units in issue as at 31 December 2006, without the prior specific approval of Unitholders in a general meeting.</td>
</tr>
<tr>
<td><strong>Group</strong></td>
<td>Allco REIT and its subsidiaries.</td>
</tr>
<tr>
<td><strong>IFA</strong></td>
<td>ANZ Singapore Limited, the independent financial adviser.</td>
</tr>
<tr>
<td><strong>IFA Letter</strong></td>
<td>The letter issued by the IFA set out in Appendix E of this Circular.</td>
</tr>
<tr>
<td><strong>Income Support Deed</strong></td>
<td>The deed pursuant to which an associated entity of Redshift Corporation has agreed to pay to ADLT an amount equivalent to the rental that would otherwise be payable to ADLT during the Rent-Free Period.</td>
</tr>
<tr>
<td><strong>Independent Accountants</strong></td>
<td>KPMG.</td>
</tr>
<tr>
<td><strong>Independent Directors</strong></td>
<td>The Independent Directors of the Manager being Dr. Chua Yong Hai, Robert Clive West and Tan Guong Ching.</td>
</tr>
<tr>
<td><strong>Independent Financial Adviser or IFA</strong></td>
<td>ANZ Singapore Limited.</td>
</tr>
<tr>
<td><strong>Ineligible Unitholders</strong></td>
<td>Unitholders other than Eligible Unitholders.</td>
</tr>
<tr>
<td><strong>IPT Transactions</strong></td>
<td>The Centrelink Acquisition, and the entry into the Unitholders' Deed, the Income Support Deed and the Asset Management Agreement.</td>
</tr>
<tr>
<td><strong>IRAS</strong></td>
<td>Inland Revenue Authority of Singapore.</td>
</tr>
<tr>
<td><strong>Latest Practicable Date</strong></td>
<td>18 May 2007, being the latest practicable date prior to the printing of this Circular.</td>
</tr>
<tr>
<td><strong>Lease 1</strong></td>
<td>The lease of level 8 of the Market Street Property by the Manager for a term of five years commencing on 1 July 2007.</td>
</tr>
<tr>
<td><strong>Lease 2</strong></td>
<td>The leases of levels 14 and 16 of the Market Street Property by the Manager for a term of five years which commenced on 21 February 2007.</td>
</tr>
<tr>
<td><strong>Letter to Unitholders</strong></td>
<td>The letter from the Directors to Unitholders as included in this Circular.</td>
</tr>
<tr>
<td><strong>Listing Manual</strong></td>
<td>The Listing Manual of the SGX-ST.</td>
</tr>
<tr>
<td><strong>Manager</strong></td>
<td>Allco (Singapore) Limited, as manager of Allco REIT.</td>
</tr>
<tr>
<td><strong>Management Fees</strong></td>
<td>Management fees payable to the Manager comprising a base fee and a performance fee (as described in Appendix B of this Circular).</td>
</tr>
<tr>
<td><strong>Market Day</strong></td>
<td>A day on which the SGX-ST is open for trading in securities.</td>
</tr>
<tr>
<td><strong>Market Street Property</strong></td>
<td>The commercial development which is constructed on Lot 418L TS1 at 55 Market Street, Singapore.</td>
</tr>
<tr>
<td><strong>MAS</strong></td>
<td>Monetary Authority of Singapore.</td>
</tr>
<tr>
<td><strong>Master Lease</strong></td>
<td>The agreement entered into between Unicorn and the Trustee pursuant to which the China Square Central Property is leased to Unicorn by the Trustee.</td>
</tr>
<tr>
<td><strong>MRT</strong></td>
<td>Mass Rapid Transit.</td>
</tr>
<tr>
<td><strong>NAV</strong></td>
<td>Net asset value.</td>
</tr>
<tr>
<td><strong>New Units or Rights Units</strong></td>
<td>The new Units proposed to be issued by way of the Rights Issue.</td>
</tr>
<tr>
<td><strong>NLA</strong></td>
<td>Net lettable area. Area in the building that is to be leased, excluding common areas such as common corridors, lift shafts, fire escape staircases and toilets, and is usually the area in respect of which rent is payable.</td>
</tr>
<tr>
<td><strong>Notice of EGM</strong></td>
<td>The notice of an extraordinary general meeting to Unitholders.</td>
</tr>
<tr>
<td><strong>NTA</strong></td>
<td>Net tangible assets.</td>
</tr>
<tr>
<td><strong>Offer Information Statement</strong></td>
<td>The offer information statement to be lodged with the MAS.</td>
</tr>
<tr>
<td><strong>Ordinary Resolution</strong></td>
<td>A resolution proposed and passed as such by a majority consisting of 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed.</td>
</tr>
<tr>
<td><strong>Original Portfolio</strong></td>
<td>100.0% direct interest in the China Square Central Property, 50.0% interest in Central Park (Perth) and a 20.6% indirect interest in AWPF.</td>
</tr>
<tr>
<td><strong>Performance Fee</strong></td>
<td>The annual performance fee which the Manager is entitled to under the Trust Deed.</td>
</tr>
</tbody>
</table>
Projection Year 2008: 1 January 2008 to 31 December 2008 (both dates inclusive).

Property Funds Guidelines: The guidelines for real estate investment trusts in Appendix 2 of Code on Collective Investment Schemes issued by the MAS.

Property Manager or AAM: Alco Asset Management Pte. Ltd.

Prospectus: The prospectus dated 30 March 2006 issued by Alco REIT in respect of the listing and quotation of its Units on the Main Board of the SGX-ST.

Real Estate Assets: Has the meaning ascribed to the term “Real Estate” in the Trust Deed, which is, any land, and any interest, option or other right in or over any land and includes the holding of shares or units in an unlisted Special Purpose Vehicle.

Real Estate Related Assets: Has the meaning ascribed to it in the Trust Deed, which is, listed or unlisted debt securities and listed shares of or issued by property corporations, mortgaged backed securities, units in listed or unlisted unit trusts or interests in other property funds and assets incidental to the ownership of Real Estate, including, without limitation, furniture, carpets, furnishings, machinery and plant equipment installed or used or to be installed or used in association with any Real Estate or building thereon.

Record Realty: A property trust listed on the Australian Stock Exchange Limited and constituted under the laws of New South Wales.

Redshift Corporation: Redshift Corporation Pty Limited.

Redshift Principals: The 14 individuals who beneficially own and/or control Redshift Corporation.

Redshift SPC No.1: Redshift SPC No.1 Pty Limited.

Reference Price: The volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading for the period of 10 Market Days prior to and including the last day of the Units trading cum rights.

Remaining Rights Units: Rights Units which are not accepted, declined and which are not otherwise renounced or traded by Eligible Unitholders (during the provisional allotment trading period prescribed by the SGX-ST) and/or Rights Units of Ineligible Unitholders.

Rent-Free Period: The three-month rent free period from the commencement of the Centrelink Lease.

Rights Issue: The proposed renounceable underwritten rights issue of New Units at the Rights Issue Price to Eligible Unitholders to raise gross proceeds of up to S$210.0 million.

Rights Issue Price: The issue price per Rights Unit which is expected to be at a discount of between 15.0% and 35.0% of the Reference Price.

Special Purpose Vehicle : Means any entity including any unlisted company or unlisted trust in or outside Singapore or any other special purpose ownership structure which is constituted to hold or own real estate assets.

SRS : Supplementary Retirement Scheme.

Statutory Outgoings : The general rates, taxes, levies and other statutory charges, water, sewerage and drainage rates and land tax relating to the Centrelink Property.

Subscription Agreement : The unit subscription agreement entered into by, among others, ARCOT Pty Limited as trustee of ARC Trust, and the ADLT Trustee, pursuant to which it was agreed, among others, that ARC Trust shall subscribe for a 50.0% interest in ADLT.

Substantial Unitholder : A Unitholder with an interest in one or more Units constituting not less than 5.0% of all outstanding Units.

sq ft : Square feet, where 1 sq m equals 10.7639 sq ft.

sq m : Square metres.

TERP : Theoretical ex-rights price where:

\[
\text{TERP} = \frac{\text{Market capitalisation prior to the announcement of the Rights Issue} + \text{gross proceeds from the Rights Issue}}{\text{Units outstanding after the Rights Issue}}
\]

Transalta Lease : Lease for Transalta Energy Australia Pty Limited.


Trustee : British and Malayan Trustees Ltd, as trustee of Allco REIT.

Tuggeranong Town Centre : Tuggeranong town centre in Greenway, Canberra, Australia.

Underwriting Agreement : The underwriting agreement to be entered into between the Manager and the Sole Underwriter.

Underwriting Price : A price per Rights Unit which will be at the Agreed Premium to the Rights Issue Price.

Unicorn : Unicorn Square Limited (formerly known as Unicorn Square Private Limited).

Unit : A unit representing an undivided interest in Allco REIT.

Unitholder : The Depositor whose securities account with CDP is credited with Unit(s).
Unitholders’ Deed : The unitholders’ deed entered into between, among others, ARCOT Pty Limited as trustee of ARC Trust, and the trustees of the holders of the balance 50.0% interest in ADLT, in relation to the operation and management of the Centrelink Property.


WALE : Weighted Average Lease Expiry.

A$ and cents : Australian dollars and cents respectively.

S$ and cents : Singapore dollars and cents respectively.

The terms “Depositor” and “Depository Register” shall have the meanings ascribed to them respectively in Section 130A of the Companies Act, Chapter 50 of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The exchange rates used in this Circular are for reference only. No representation is made that any amounts could have been or could be converted into Singapore dollar amounts at any of the exchange rates used in this Circular, at any other rate or at all.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place.
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APPENDIX A
INFORMATION ON THE ORIGINAL PORTFOLIO, THE ENLARGED PORTFOLIO AND TAX CONSIDERATIONS

The following sections set out selected information in respect of the Original Portfolio and the Enlarged Portfolio. Any discrepancies in the tables, charts or diagrams between the listed figures and totals thereof are due to rounding.

(A) The Original Portfolio

At the time of listing on 30 March 2006, Allco REIT held a 100.0% direct interest in the China Square Central Property, a 50.0% indirect interest in Central Park (Perth) and a 20.6% indirect interest in AWPF.

The table below sets out certain information with respect to the Real Estate Assets as at the Latest Practicable Date:

<table>
<thead>
<tr>
<th>Property</th>
<th>NLA (sq m)</th>
<th>NLA (sq ft)</th>
<th>Year of completion</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Square Central Property</td>
<td>34,210</td>
<td>368,238</td>
<td>2002</td>
<td>99 years(1)</td>
</tr>
<tr>
<td>Central Park (Perth)</td>
<td>33,154(2)</td>
<td>356,865</td>
<td>1992</td>
<td>Freehold</td>
</tr>
</tbody>
</table>

Notes:
(1) 89-year lease remaining as at February 2007.
(2) Represents 50.0% of the total NLA of Central Park (Perth) as Allco REIT holds a 50.0% indirect interest in Central Park (Perth). The total NLA of Central Park (Perth) is 66,308 sq m.

Occupancy Rate

As at the Latest Practicable Date, based on NLA, the China Square Central Property (tenants underlying the Master Lease) and Central Park (Perth) have occupancy levels as shown in the table below:

<table>
<thead>
<tr>
<th>Property</th>
<th>NLA (sq ft)</th>
<th>Area Occupied (sq ft)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Square Central Property</td>
<td>368,238</td>
<td>358,000</td>
<td>97.2</td>
</tr>
<tr>
<td>Central Park (Perth)</td>
<td>356,865(1)</td>
<td>356,865</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Note:
(1) Represents 50.0% of the total NLA of Central Park (Perth) as Allco REIT holds a 50.0% indirect interest in Central Park (Perth). The total NLA of Central Park (Perth) is 713,730 sq ft.
 Tenant Information

The table below sets out information on the 10 largest tenants of Allco REIT based on their contribution to the total NLA from the Real Estate Assets as at the Latest Practicable Date and based on their percentage contribution to the gross cash flow for the Forecast Period 2007 in respect of the Real Estate Assets:

<table>
<thead>
<tr>
<th>Top 10 Tenants</th>
<th>Lease Expiry Date</th>
<th>Area (sq ft)</th>
<th>Area (sq m)</th>
<th>% NLA</th>
<th>% Gross Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unicorn Square Limited</td>
<td>29 March 2012</td>
<td>368,238</td>
<td>34,210</td>
<td>50.8%</td>
<td>41.6%</td>
</tr>
<tr>
<td>Hamersley Iron</td>
<td>30 June 2018</td>
<td>82,239</td>
<td>7,640</td>
<td>11.3%</td>
<td>13.0%</td>
</tr>
<tr>
<td>BHP Petroleum</td>
<td>31 October 2012</td>
<td>37,780</td>
<td>3,510</td>
<td>5.2%</td>
<td>6.5%</td>
</tr>
<tr>
<td>WMC Resources</td>
<td>13 November 2015</td>
<td>36,657</td>
<td>3,406</td>
<td>5.1%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Asgard Wealth Solutions</td>
<td>30 November 2015</td>
<td>30,404</td>
<td>2,825</td>
<td>4.2%</td>
<td>4.9%</td>
</tr>
<tr>
<td>KPMG</td>
<td>31 May 2008</td>
<td>21,472</td>
<td>1,995</td>
<td>3.0%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Gabelle PL-Minter Ellison</td>
<td>30 June 2008</td>
<td>20,275</td>
<td>1,884</td>
<td>2.8%</td>
<td>3.5%</td>
</tr>
<tr>
<td>GESB</td>
<td>31 May 2017</td>
<td>19,752</td>
<td>1,835</td>
<td>2.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Dabserv PL-Mallesons</td>
<td>30 June 2008</td>
<td>19,752</td>
<td>1,835</td>
<td>2.7%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Westnet Pty Ltd</td>
<td>30 September 2010</td>
<td>19,589</td>
<td>1,820</td>
<td>2.7%</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

Expiries and Renewals

The lease agreements for the China Square Central Property are generally for a term of between one and three years with an option to renew for a further term and, for Central Park (Perth), for a term of between five and 10 years with renewal option periods ranging from one to 10 years.

The table below sets out details of expiries (as at the Latest Practicable Date) in respect of the tenancies for the Real Estate Assets:

<table>
<thead>
<tr>
<th>Period</th>
<th>Total no. of Leases Expiring</th>
<th>NLA(1) of Leases Expiring (sq m)</th>
<th>NLA of Leases Expiring (sq ft)</th>
<th>Expiring Leases as a Percentage of NLA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2007(2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>FY2008</td>
<td>6</td>
<td>6,058</td>
<td>65,210</td>
<td>9.0</td>
</tr>
<tr>
<td>FY2009</td>
<td>4</td>
<td>1,149</td>
<td>12,370</td>
<td>1.7</td>
</tr>
<tr>
<td>FY2010</td>
<td>5</td>
<td>3,489</td>
<td>37,560</td>
<td>5.2</td>
</tr>
<tr>
<td>FY2011</td>
<td>4</td>
<td>3,070</td>
<td>33,040</td>
<td>4.6</td>
</tr>
<tr>
<td>FY2012</td>
<td>3</td>
<td>37,616</td>
<td>404,895</td>
<td>55.8</td>
</tr>
<tr>
<td>Beyond FY2012</td>
<td>7</td>
<td>15,982</td>
<td>172,026</td>
<td>23.7</td>
</tr>
<tr>
<td>Vacancy</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>67,364</td>
<td>725,103</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Notes:

(1) Represents 50.0% of the total NLA of expiring leases of Central Park (Perth) as Allco REIT holds a 50.0% indirect interest in Central Park (Perth).

(2) Assuming the renewal of the Transalta Lease, which had expired on 14 May 2007 and is in the process of being renewed.
Upon completion of the Centrelink Acquisition, Allco REIT will hold a 100.0% direct interest in the China Square Central Property, a 100.0% direct interest in the Market Street Property, a 50.0% indirect interest in Central Park (Perth), a 50.0% indirect interest in the Centrelink Property and a 20.6% indirect interest in AWPF.

The table below sets out certain information with respect to the Real Estate Assets as at the Latest Practicable Date:

<table>
<thead>
<tr>
<th>Property</th>
<th>NLA (sq m)</th>
<th>Year of completion</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Square Central Property</td>
<td>34,210</td>
<td>2002</td>
<td>99 years(1)</td>
</tr>
<tr>
<td>Central Park (Perth)</td>
<td>33,154(3)</td>
<td>1992</td>
<td>Freehold</td>
</tr>
<tr>
<td>Market Street Property</td>
<td>6,710</td>
<td>2006</td>
<td>999 years(2)</td>
</tr>
<tr>
<td>Centrelink Property</td>
<td>20,000(4)</td>
<td>Expected in June 2007</td>
<td>99 years(5)</td>
</tr>
</tbody>
</table>

Notes:
(1) 99-year leasehold which commenced on 3 February 1997.
(2) 999-year leasehold which commenced on 20 April 1826.
(3) Represents 50.0% of the total NLA of Central Park (Perth) as Allco REIT holds a 50.0% indirect interest in Central Park (Perth). The total NLA of Central Park (Perth) is 713,730 sq ft.
(4) Represents 50.0% of the total NLA of the Centrelink Property as Allco REIT will hold a 50.0% indirect interest in the Centrelink Property. The total NLA of the Centrelink Property is 40,000 sq m, subject to a final survey to be undertaken upon completion of construction of the Centrelink Property.
(5) 99-year Crown Lease, which commenced on 26 June 2002.

**Occupancy Rate**

Upon completion of the Centrelink Acquisition, based on NLA, the China Square Central Property (tenants underlying the Master Lease), Central Park (Perth), Market Street Property and Centrelink Property have occupancy levels as shown in the table below.

<table>
<thead>
<tr>
<th>Property</th>
<th>NLA (sq ft)</th>
<th>Area Occupied (sq ft)</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Square Central Property</td>
<td>368,238</td>
<td>358,000</td>
<td>97.2</td>
</tr>
<tr>
<td>Central Park (Perth)</td>
<td>356,865</td>
<td>356,865</td>
<td>100.0</td>
</tr>
<tr>
<td>Market Street Property</td>
<td>72,228</td>
<td>72,228</td>
<td>100.0(2)</td>
</tr>
<tr>
<td>Centrelink Property</td>
<td>215,278</td>
<td>215,278</td>
<td>100.0(4)</td>
</tr>
</tbody>
</table>

Notes:
(1) Represents 50.0% of the total NLA of Central Park (Perth) as Allco REIT holds a 50.0% indirect interest in Central Park (Perth).
(2) 19 letters of offer have been signed, of which 11 lease agreements have been executed. The leases for the Market Street Property range from a term of two years to six years.
(3) Represents 50.0% of the total NLA of the Centrelink Property as Allco REIT will hold a 50.0% indirect interest in the Centrelink Property.
(4) Based on a committed occupancy upon certification of completion of construction.
**Tenant Information**

The table below sets out information on the 10 largest tenants of Allco REIT based on their contribution to the total NLA from the Real Estate Assets after taking into account the Acquisitions and based on the gross cash flow for the Forecast Period 2007 in respect of the Real Estate Assets:

<table>
<thead>
<tr>
<th>Top 10 Tenants</th>
<th>Lease Expiry Date</th>
<th>Area</th>
<th>% NLA</th>
<th>% Gross Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unicorn Square Limited</td>
<td>29 March 2012</td>
<td>368,238</td>
<td>36.4%</td>
<td>30.6%</td>
</tr>
<tr>
<td>Centrelink</td>
<td>30 June 2025(1)</td>
<td>215,278</td>
<td>21.3%</td>
<td>16.2%</td>
</tr>
<tr>
<td>Hamersley Iron</td>
<td>30 June 2018</td>
<td>82,239</td>
<td>8.1%</td>
<td>9.5%</td>
</tr>
<tr>
<td>BHP Petroleum</td>
<td>31 October 2012</td>
<td>37,780</td>
<td>3.7%</td>
<td>4.8%</td>
</tr>
<tr>
<td>WMC Resources</td>
<td>13 November 2015</td>
<td>36,657</td>
<td>3.6%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Asgard Wealth Solutions</td>
<td>30 June 2013</td>
<td>30,404</td>
<td>3.0%</td>
<td>3.6%</td>
</tr>
<tr>
<td>KPMG</td>
<td>31 May 2008</td>
<td>21,472</td>
<td>2.1%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Gabelle PL-Minter Ellison</td>
<td>30 June 2008</td>
<td>20,275</td>
<td>2.0%</td>
<td>2.6%</td>
</tr>
<tr>
<td>GESB</td>
<td>31 May 2017</td>
<td>19,752</td>
<td>2.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Dabserv PL-Mallesons</td>
<td>30 June 2008</td>
<td>19,752</td>
<td>2.0%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

**Note:**

(1) This is based on the assumption that the Centrelink Lease commences on 1 July 2007.

**Expiries and Renewals**

The lease agreements for the China Square Central Property are generally for a term of between one and three years with an option to renew for a further term and, for Central Park (Perth), for a term of between five and 10 years with renewal option periods ranging from one to 10 years. The lease agreements for the Market Street Property range from a term of two to six years and have an option to renew at the then prevailing market rent. Upon certification of completion of construction of the Centrelink Property, the Centrelink Property will be leased to Centrelink for a period of 18 years, with an option to renew for two additional consecutive terms of five years each.

The table below sets out details of expiries (as at the Latest Practicable Date) in respect of the tenancies (assuming the Centrelink Acquisition is completed and the lease to Centrelink is in place) for the Real Estate Assets:
<table>
<thead>
<tr>
<th>Period</th>
<th>Total no. of Leases Expiring</th>
<th>NLA(1) of Leases Expiring</th>
<th>Expiring Leases as a Percentage of NLA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(sq m)</td>
<td>(sq ft)</td>
</tr>
<tr>
<td>FY2007(2)</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>FY2008</td>
<td>6</td>
<td>6,058</td>
<td>65,210</td>
</tr>
<tr>
<td>FY2009</td>
<td>5</td>
<td>1,346</td>
<td>14,490</td>
</tr>
<tr>
<td>FY2010</td>
<td>18</td>
<td>7,340</td>
<td>79,002</td>
</tr>
<tr>
<td>FY2011</td>
<td>6</td>
<td>3,783</td>
<td>40,715</td>
</tr>
<tr>
<td>FY2012</td>
<td>5</td>
<td>38,666</td>
<td>416,198</td>
</tr>
<tr>
<td>Beyond FY2012</td>
<td>9</td>
<td>36,882</td>
<td>396,992</td>
</tr>
<tr>
<td>Vacancy</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>49</td>
<td>94,075</td>
<td>1,012,609</td>
</tr>
</tbody>
</table>

Notes:

(1) Represents 50.0% of the total NLA of expiring leases of Central Park (Perth) and the Centrelink Property as Allco REIT holds a 50.0% indirect interest in Central Park (Perth) and will hold a 50.0% indirect interest in the Centrelink Property.

(2) Assuming the renewal of the Transalta Lease, which had expired on 14 May 2007 and is in the process of being renewed.

(C) Tax Considerations

Please refer to Appendix D — Independent Taxation Report for details of the Singapore income tax considerations for Allco REIT and its investors in relation to Allco REIT’s investment in the Centrelink Property, the Market Street Property and the proposed Rights Issue.

The Independent Taxation Report does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of units in Allco REIT and does not purport to apply to all categories of investors, some of whom may be subject to special rules. Investors are therefore advised to consult their own tax advisers concerning the application of Singapore income tax laws to their particular situations as well as any consequences of their purchase, ownership and disposition of units arising under the laws of any other tax jurisdictions.
APPENDIX B
CONSOLIDATED PROFIT FORECAST AND CONSOLIDATED PROFIT PROJECTION

Statements contained in this section, which are not historical facts, may be forward-looking statements. Such statements are based on the assumptions set forth in this section and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by Allco REIT, the Manager, the Sole Underwriter or any other person nor that these results will be achieved or are likely to be achieved.

None of Allco REIT or its subsidiaries, the Manager, the Sole Underwriter or any other person guarantee the performance of Allco REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast and projected yields for the Enlarged Portfolio stated in the tables on the following pages are calculated based on (i) the TERP and (ii) the assumption that the date of the Rights Issue is 1 July 2007. Such yields will vary accordingly if the date of the Rights Issue is after 1 July 2007 or in relation to investors who purchase Units at a market price that differs from the TERP or to investors who do not hold the Units for the Forecast Period 2007 and the Projection Year 2008.

The Consolidated Profit Forecast and Consolidated Profit Projection are based on the assumptions set out in this section. The assumptions have been reviewed and the computations have been checked by the Independent Accountants.

This section should be read together with the Independent Accountants’ Report on the Consolidated Profit Forecast and Consolidated Profit Projection contained in Appendix C of this Circular as well as the assumptions and sensitivity analysis set out below.
## Forecast and Projected Consolidated Statements of Total Return

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007</th>
<th></th>
<th>Projection Year 2008</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Portfolio(1)</td>
<td>Enlarged Portfolio(2)</td>
<td>Original Portfolio(1)</td>
<td>Enlarged Portfolio(2)</td>
</tr>
<tr>
<td></td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
</tr>
<tr>
<td>Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>China Square Central Property</td>
<td>8,775</td>
<td>8,775</td>
<td>17,550</td>
<td>17,550</td>
</tr>
<tr>
<td>Central Park (Perth)</td>
<td>12,630</td>
<td>12,630</td>
<td>26,030</td>
<td>26,030</td>
</tr>
<tr>
<td>Market Street Property</td>
<td>—</td>
<td>3,093</td>
<td>—</td>
<td>6,741</td>
</tr>
<tr>
<td>Centrelink Property</td>
<td>—</td>
<td>6,060</td>
<td>—</td>
<td>11,760</td>
</tr>
<tr>
<td>Other income</td>
<td>1,426</td>
<td>1,426</td>
<td>2,750</td>
<td>2,750</td>
</tr>
<tr>
<td>Total revenue</td>
<td>22,831</td>
<td>31,984</td>
<td>46,330</td>
<td>64,831</td>
</tr>
<tr>
<td>Total property expenses</td>
<td>(3,247)</td>
<td>(5,309)</td>
<td>(6,467)</td>
<td>(10,098)</td>
</tr>
<tr>
<td>Net property income</td>
<td>19,584</td>
<td>26,675</td>
<td>39,863</td>
<td>54,733</td>
</tr>
<tr>
<td>Interest income</td>
<td>102</td>
<td>102</td>
<td>205</td>
<td>205</td>
</tr>
<tr>
<td>Management Fees</td>
<td>(2,403)</td>
<td>(3,200)</td>
<td>(4,834)</td>
<td>(6,453)</td>
</tr>
<tr>
<td>Trust expenses</td>
<td>(1,129)</td>
<td>(1,511)</td>
<td>(2,272)</td>
<td>(3,056)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(4,929)</td>
<td>(5,013)</td>
<td>(9,274)</td>
<td>(10,776)</td>
</tr>
<tr>
<td>Net income</td>
<td>11,225</td>
<td>17,053</td>
<td>23,688</td>
<td>34,653</td>
</tr>
<tr>
<td>Net change in fair value of investment properties</td>
<td>—</td>
<td>(3,414)(3)</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total return for the period before income tax and distribution</td>
<td>11,225</td>
<td>13,639</td>
<td>23,688</td>
<td>34,653</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(565)</td>
<td>(603)</td>
<td>(1,265)</td>
<td>(1,417)</td>
</tr>
<tr>
<td>Total return for the period after income tax, before distribution</td>
<td>10,660</td>
<td>13,036</td>
<td>22,423</td>
<td>33,236</td>
</tr>
</tbody>
</table>

### Notes:

1. Original Portfolio relates to a 100.0% direct interest in the China Square Central Property, 50.0% indirect interest in Central Park (Perth) and a 20.6% indirect interest in AWPF.

2. Enlarged Portfolio relates to the Original Portfolio, the 50.0% indirect interest in the Centrelink Property and 100.0% direct interest in the Market Street Property, and assumes the issuance of 210,000,000 New Units under the Rights Issue at an assumed Rights Issue Price of S$1.00 per New Unit. The Manager has further assumed that of the S$210.0 million net proceeds from the Rights Issue, S$138.6 million will be used to acquire the Centrelink Property and S$64.0 million will be applied to repay existing debt so as to partially refinance Alco REIT’s existing portfolio.

3. The total purchase price and acquisition costs of the Centrelink Property is S$140.0 million. The carrying value of the Centrelink Property is assumed to be adjusted to the average appraised value of S$136.5 million, which includes S$2.3 million receivable as rental support.
## Reconciliation of Total Return for the Period After Income Tax, Before Distribution to the Total Amount Distributable to Unitholders

<table>
<thead>
<tr>
<th></th>
<th>Forecast Period 2007</th>
<th></th>
<th>Projection Year 2008</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Portfolio(1)</td>
<td>Enlarged Portfolio(2)</td>
<td>Original Portfolio(1)</td>
<td>Enlarged Portfolio(2)</td>
</tr>
<tr>
<td></td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
<td>(S$’000)</td>
</tr>
<tr>
<td>Total return for the period after income tax, before distribution</td>
<td>10,660</td>
<td>13,036</td>
<td>22,423</td>
<td>33,236</td>
</tr>
<tr>
<td>Non-tax deductible/(non-taxable) items and other adjustments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net change in fair value of investment properties</td>
<td>—</td>
<td>3,414</td>
<td>—</td>
<td>206</td>
</tr>
<tr>
<td>Amortisation of leasing costs</td>
<td>—</td>
<td>103</td>
<td>—</td>
<td>206</td>
</tr>
<tr>
<td>Amortisation of finance fees</td>
<td>1,619</td>
<td>2,355</td>
<td>1,914</td>
<td>4,846</td>
</tr>
<tr>
<td>Effect of recognising accounting income on a straightline basis over the lease term</td>
<td>(382)</td>
<td>(4,112)</td>
<td>(1,118)</td>
<td>(3,703)</td>
</tr>
<tr>
<td>Management Fees paid/payable in Units</td>
<td>2,403</td>
<td>3,200</td>
<td>4,834</td>
<td>6,453</td>
</tr>
<tr>
<td>Property management fees paid/payable in Units</td>
<td>642</td>
<td>916</td>
<td>1,307</td>
<td>1,862</td>
</tr>
<tr>
<td>Other adjustments</td>
<td>—</td>
<td>2,329</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total amount distributable to Unitholders</td>
<td>14,942</td>
<td>21,241</td>
<td>29,360</td>
<td>42,900</td>
</tr>
</tbody>
</table>

|                      | (S$) |         |         |         |
|                      | (3)  |         |         |         |
| Unit price | 1.353 | 1.248 | 1.353 | 1.248 |
| Number of Units in issue (’000)(4) | 500,090 | 712,597 | 504,629 | 719,260 |
| Total Distribution per Unit (Singapore cents)(5) | 2.99 | 2.98 | 5.82 | 5.96 |
| Annualised distribution yield | 4.42% | 4.78% | 4.30% | 4.78% |
| Yield accretion | 8.05% |         | 11.02% |         |

### Notes:

1. Original Portfolio relates to a 100.0% direct interest in the China Square Central Property, 50.0% indirect interest in Central Park (Perth) and a 20.6% indirect interest in AWPF.
2. Enlarged Portfolio relates to the Original Portfolio, the 50.0% indirect interest in the Centrelink Property and 100.0% direct interest in the Market Street Property, and assumes the issuance of 210,000,000 New Units under the Rights Issue at an assumed Rights Issue Price of S$1.00 per New Unit. The Manager has further assumed that of the S$210.0 million net proceeds from the Rights Issue, S$138.6 million will be used to acquire the Centrelink Property and S$64.0 million will be applied to repay existing debt so as to partially refinance Allco REIT’s existing portfolio.
3. In the case of the Original Portfolio, the Unit price is the volume weighted average price for a Unit for all trades on the SGX-ST in the ordinary course of trading for a period of 10 Market Days prior to and including the Latest Practicable Date. In respect of the Enlarged Portfolio, the price per Unit is the TERP. This is for illustrative purposes only.
4. The number of Units includes: (a) the assumed payment of the Property Manager’s fees and the Management Fees for the relevant period in the form of Units issued to the Manager at the Unit price; and (b) in the Enlarged Portfolio, Units issued pursuant to the Rights Issue, assuming a Rights Issue Price of S$1.00 per Rights Unit, and Units issued to the Manager as payment for the Acquisition Fee, assuming an issue price of S$1.248 per Unit (based on the TERP of the Enlarged Portfolio).
5. Based on the assumption that the Units issued pursuant to the Rights Issue are issued on 1 July 2007.
Assumptions

The Manager has prepared the consolidated statements of total return for the Forecast Period 2007 (being the period from 1 July 2007 to 31 December 2007) and the Projection Year 2008 (being the period from 1 January 2008 to 31 December 2008) based on the assumptions listed below. The Manager considers these assumptions to be appropriate and reasonable as at the Latest Practicable Date. However, investors should consider these assumptions as well as the consolidated statements of total return and make their own assessment of the future performance of Allco REIT.

Revenue

Revenues of Allco REIT and its subsidiaries in respect of the Original Portfolio comprise revenue from the China Square Central Property, Central Park (Perth) and AWPF.

Revenues of Allco REIT and its subsidiaries in respect of the Enlarged Portfolio comprise revenue from the Original Portfolio, and from the Market Street Property and the Centrelink Property.

The China Square Central Property

The annual revenue in respect of the China Square Central Property is assumed to be S$17.55 million from Unicorn as specified under the Master Lease. Under the Master Lease, Unicorn receives gross rental income from the underlying tenants of the China Square Central Property, and bears all property expenses in relation to the property (except for Property Manager’s fees). As a result, factors such as renewal rates, vacancy allowances, occupancy rates and changes in gross revenue have not been taken into consideration.

Central Park (Perth)

Allco REIT, as indirect owner of a 50.0% interest in Central Park (Perth), proportionately accounts for 50.0% of all revenue and expense items of Central Park (Perth). Revenue recorded from Central Park (Perth) represents gross revenue and other revenue.

Gross Revenue

Gross revenue consists of base rental income and service charges payable by tenants. Base rental income consists of rents payable by tenants (including tenant car park income) after rent rebates, refunds, credits or rent free periods, but excludes turnover rent. The service charges are contributions paid by tenants toward covering the operating expenses of the property.

Gross revenue in respect of Central Park (Perth) has been recognised on a straight line basis. Where an existing lease agreement includes fixed review rates and periods, the total gross revenue to be earned by Allco REIT over the life of the lease, including these future reviews, is averaged for the purposes of each period’s reporting revenue.

The Manager has used the following process to forecast and project the base rental income for the relevant periods:

- The Manager has calculated the amount of rent payable by tenants under the leases. The leases comprise leases with fixed rents or fixed annual rental increases and leases with market review clauses on an annual or bi-annual basis. In respect of leases with market review clauses, the Manager has ascertained the market rent as at 31 December 2006 and then forecast the market rent payable at the time of the review based on the Manager’s assumptions as to rental growth during the Forecast Period 2007 (being 15.0% per annum, calculated monthly) and the Projection Year 2008 (being 2.0% per annum, calculated monthly). The Manager’s assumptions for rental growth take into account the factors discussed below.
During the Forecast Period 2007, there are two leases up for renewal, and it is assumed that each of these leases will be renewed. During the Projection Year 2008, there are three leases up for renewal and it is assumed that each of these leases will be renewed. Factors taken into account in projecting expected new base rents include the estimated effect of supply and demand of similar properties, strength of competing properties as compared to the property, assumed tenant retention rates on lease expiry, likely market conditions and inflation levels.

Where a Central Park (Perth) Lease expires during the Forecast Period 2007 or the Projection Year 2008, the Manager has assumed that the service charge payable under the new lease or lease renewal will be the same as the amount payable under the existing leases.

Other Revenue

Other revenue includes public car park revenue, turnover rent, income from providing naming rights, and income support.

Public car park revenue is forecast and projected on the basis of an assessment of historical public car parking revenue, while turnover rent and naming rights are assumed to be insignificant.

Included in the Forecast Period 2007 and the Projection Year 2008 is income support of S$1.8 million and S$2.1 million, respectively. As part of the acquisition of Central Park (Perth), Allco REIT, through its subsidiaries, is entitled to receive income support from the vendor to contribute to any shortfall in the market based income arising as a result of under rented tenancies existing at the time of the acquisition, vacancy, and tenancy leasing up costs, including rent free incentives either committed to or arising during the period of the income support. The forecast and projected income support is in line with the agreement entered into at the time of the acquisition. This income support will only be utilised as necessary to contribute to any shortfall in the market based income.

Other Income

Other Income comprises the Group’s distribution income from its investment in AWPF. These distributions are net of Australian tax. The Manager was not provided with a forecast by the management of AWPF. Therefore, the Manager has forecast and projected the distribution income from AWPF for the Forecast Period 2007 and the Projection Year 2008 to be the same (on an annualised basis) as the actual historical distributions received by Allco REIT from AWPF in the period ended 31 December 2006.

Market Street Property

Revenue recorded by Allco REIT from the Market Street Property represents gross revenue.

Gross Revenue

Gross revenue consists of base rental income and service charge payable by tenants. Base rental income consists of rents payable by tenants after rent rebates, refunds, credits or rent free periods, but excludes turnover rent. The service charge is a contribution paid by tenants toward covering the operating expenses of the property.

The Manager expects that the Market Street Property will be fully let for the Forecast Period 2007 and the Projection Year 2008. However, the Manager has assumed a rental allowance and a vacancy allowance in respect of those leases signed after 1 June 2007. The Manager has assumed that no leases expire or terminate during the Forecast Period 2007 and the Projection Year 2008 as all leases have or will have lease terms that expire after 31 December 2008.
Factors taken into account in projecting base rental income and service charge include current leases and the estimated effect of supply and demand of similar properties, strength of competing properties as compared to the property, likely market conditions and inflation levels.

**Centrelink Property**

Upon completion of construction in June 2007, the Centrelink Property will be leased to a single tenant, the Commonwealth of Australia as represented by the Centrelink National Support Office, a statutory agency of the Australian federal government for a period of 18 years with 3.0% annual rental escalation. Allco REIT, as indirect owner of a 50.0% interest in the Centrelink Property, proportionately accounts for 50.0% of all revenue and expense items of the Centrelink Property. Revenue recorded by Allco REIT from the Centrelink Property represents gross revenue.

*Gross revenue in respect of the Centrelink Property has been recognised on a straight line basis taking the total gross revenue to be earned by Allco REIT over the life of the lease, averaged for the purposes of each period’s reporting revenue.*

**Gross Revenue**

Gross revenue consists of base rental income and service charge payable by tenants. Base rental income consists of rents payable by tenants (including tenant car park income) after rent rebates, refunds, credits or rent free periods. The service charge is a contribution paid by tenants toward covering the operating maintenance expenses of the property.

The Manager has assumed that the Centrelink Lease will begin on 1 July 2007. In accordance with the lease, the tenant is entitled to a three month rent-free period and is therefore assumed to begin paying rent from 1 October 2007.

**Property Operating Expenses**

Property operating expenses consist of repairs and maintenance expenses, the property management fees, property tax and other operating expenses. In relation to the China Square Central Property, property operating expenses, except for property management fees, are borne by Unicorn under the Master Lease, and are therefore not recognised by Allco REIT. As AWPF is accounted for as an investment, Allco REIT does not recognise any property expenses in relation to AWPF.

**Repairs and Maintenance Expenses**

Repairs and maintenance expenses consist of typical expenses in respect of the repair, maintenance and upkeep of the properties and have been forecast by the Manager’s based on its past experience and knowledge of the market.

**Property Management Fees**

The Property Manager is entitled to a property management services fee, in cash or in the form of Units or a combination of both, equal to 3.0% per annum of the revenue from the Real Estate Assets. The property management fees are payable quarterly in arrears. The Manager has assumed that these fees will be paid in the form of Units in the Forecast Period 2007 and the Projection Year 2008 and that such Units will be issued at the TERP. The Property Manager is not entitled to a property management fee in relation to Real Estate Related Assets, including AWPF.

**Property Tax**

Property tax has been estimated by the Manager based on historical tax rates.
Other Property Expenses

Other property expenses include advertising and promotional expenses, expenses for leasing and upkeep of properties, including commissions payable to third party agents, landlord’s fitting out costs, security, insurance, property related legal advice, administration overheads as well as other miscellaneous expenses relating to the Real Estate Assets. These expenses have been forecast by the Manager’s based on its past experience and knowledge of the market.

Management Fees

Pursuant to the Trust Deed, the Manager is entitled to Management Fees comprising a base fee and a performance fee as follows (the details of which are set out in the Trust Deed):

- a base fee of not more than 0.5% per annum of the value of the Real Estate Assets (which value is determined in accordance with the Trust Deed); and
- a performance fee, at the rate of 3.5% of the performance fee amount, being the revenue from real estate less property expenses for Allco REIT less the abovementioned base fee for each financial year.

The Manager has agreed to be paid these fees in the form of Units in the Forecast Period 2007 and has assumed that its fees are paid in the form of Units in the Projection Year 2008. The Manager has assumed that such Units are issued at the TERP.

The Management Fees are payable quarterly in arrears.

Trust Expenses

Trust expenses comprise Allco REIT’s recurring operating expenses such as the Trustee’s fees, annual listing fees, registration fees, accounting, audit and tax advisory fees, valuation fees, costs associated with the preparation and distribution of reports to Unitholders, investor communication costs, and other miscellaneous expenses. Trust expenses, except for Trustee’s fees, have been estimated to be S$1.0 million and S$2.0 million for the Forecast Period 2007 and Projection Year 2008 respectively in respect of the Original Portfolio, and S$1.4 million and S$2.8 million for the Forecast Period 2007 and Projection Year 2008 respectively, in respect of the Enlarged Portfolio. The Trustee’s fees have been calculated as specified in the Trust Deed.

Finance Costs

As at 31 December 2006, Allco REIT had in place loan note facilities for an aggregate principal amount of S$304.0 million. These facilities were drawn down and issued to finance the acquisition of the properties and investment constituting the Original Portfolio and the Market Street Property.

The Manager has assumed that up to S$64.0 million of loan notes will be refinanced from the proceeds of the Rights Issue. The balance of the facilities outstanding of S$240.0 million after the refinancing is due to mature during FY2008 and the Manager has assumed that these facilities will be refinanced on similar terms. Allco REIT has entered into derivative instruments to fix the interest that is payable under the outstanding balance and upon refinancing of the facilities. Accordingly, inclusive of the cost of derivative instruments, the Manager has assumed an effective interest rate of approximately 4.1% for the Forecast Period 2007 and 4.5% for the Projection Year 2008, on the outstanding and refinanced borrowings.

In addition to the loan note facilities referred to above, Allco REIT has in place a revolving credit facility of S$12.0 million with Commonwealth Bank of Australia for general working capital purposes. Amounts drawn under this facility bear interest at the three-month Singapore offer rate plus a margin of 0.2% per annum. In addition, there is a one-off establishment fee of S$40,000 and a line fee in respect of the facility amount. The Manager has assumed that S$6.5 million will be drawn down during the Forecast
Period 2007, with a further S$4.5 million being drawn down in the Projection Year 2008. The Manager has not assumed the use of any derivative instruments to fix interest payable under this facility, and has assumed that the three-month Singapore offer rate remains unchanged at 3.1% over the Forecast Period 2007 and Projection Year 2008.

Where derivative financial instruments are entered into to fix the interest rate for borrowings and where applicable, to hedge the foreign exchange exposure of foreign currency income receipts, it is assumed that there is no change in the fair value of such derivative financial instruments during the Forecast Period 2007 and Projection Year 2008.

**Tax Expense**

Australian withholding tax is factored into the Consolidated Profit Forecast and the Consolidated Profit Projection in respect of income derived from Central Park (Perth), the Centrelink Property and AWPF. Singapore corporate tax of 18.0% is factored into the Consolidated Profit Forecast and Consolidated Profit Projection in respect of income derived which falls outside of the tax ruling granted to Allco REIT at its initial public offering in relation to tax transparency. It has been assumed that the rates of Australian withholding tax and Singapore corporate tax do not change over the Forecast Period 2007 and the Projection Year 2008.

**Distribution Reinvestment Arrangement**

The Trust Deed gives the Manager the option of activating an arrangement whereby Unitholders may elect to re-invest all or part of their distribution entitlement in return for an issue of additional Units in Allco REIT. It has been assumed that the Manager will not activate the distribution reinvestment arrangement before 31 December 2008. This assumption does not, however, preclude the Manager from implementing such a distribution reinvestment arrangement before 31 December 2008.

**Unit Issue Expenses**

Allco REIT will pay the costs associated with the Rights Issue. These costs are charged against net assets attributable to Unitholders on the balance sheet and have no impact on distributable income.

**Investment Cost and Capital Expenditure**

The Real Estate Assets are revalued annually, effective 31 December each year, and the next valuation will be carried out in respect of the period ended 31 December 2007. Any subsequent revaluation of the values of the Real Estate Assets will not affect the forecast and projected distributions per Unit for the Forecast Period 2007 and the Projection Year 2008 because Allco REIT’s distributions are based on taxable income and tax-exempt income, which excludes the net change in fair value of the Real Estate Assets.

The Manager has assumed that the values of the Real Estate Assets will, until 31 December 2008, remain at S$422.0 million and S$310.7 million for the China Square Central Property and Central Park (Perth), respectively, plus any capital expenditure in respect of these properties during the Forecast Period 2007 and Projection Year 2008.

In respect of the China Square Central Property, the Manager has assumed capital expenditure of S$10.0 million in respect of the repositioning of the property.

It is assumed that the value of Allco REIT’s investment in AWPF will until 31 December 2008, remain at S$56.4 million.

The estimated aggregate purchase price of the Centrelink Property is S$136.5 million plus estimated acquisition costs of S$3.4 million. The carrying value of the Centrelink Property is assumed to be immediately re-valued to the assumed valuation of S$136.5 million, which includes S$2.3 million receivable as rental support.
In relation to the Centrelink Property and the Market Street Property, it is assumed that the values will, until 31 December 2008, remain at S$136.5 million (which includes S$2.3 million receivable as rental support) and S$91.0 million, respectively.

**Capital Raising**

The forecast and projection has been prepared based on an illustrative Issue Size of S$210.0 million. It is assumed that 210,000,000 New Units will be issued under the Rights Issue at an issue price of S$1.00 per New Unit. The Manager has assumed S$138.6 million will be used to acquire the Centrelink Property and S$64.0 million will be used to repay existing debt.

**Accounting Standards**

The Manager has assumed that there will be no change in applicable accounting standards or other financial reporting requirements that may have a material effect on the forecast or projected financial results.

The accounting policies of the Group are assumed to be materially unchanged from those adopted in relation to the Group’s financial statements as at 31 December 2006.

**Other Assumptions**

The Manager has made the following additional assumptions in preparing the consolidated profit forecast for the Forecast Period 2007 and the consolidated profit projection for the Projection Year 2008:

- the Rights Issue and acquisition of the 50.0% indirect interest in the Centrelink Property will be completed on 1 July 2007;
- the property portfolio remains unchanged throughout the periods;
- no further capital will be raised during the periods;
- there will be no change in taxation legislation or other applicable legislation. In particular, there will be no change in Australia Capital Territory stamp duty legislation (no stamp duty is presently payable on the subscription for units in ADLT);
- there will be no change to the tax rulings Allco REIT received at the initial public offering and for the Rights Issue;
- all leases and licences are enforceable and will be performed in accordance with their terms;
- 100.0% of the taxable income and tax-exempt income will be distributed;
- the exchange rate for the forecast cash flows from Central Park (Perth) and AWPF for the Forecast Period 2007 is assumed to be S$1.00 = A$0.81. The exchange rate for the forecast cash flows from the Centrelink Property for the Forecast Period 2007 is assumed to be S$1.00 = A$0.8151. Allco REIT has entered into foreign exchange derivative instruments to fix the exchange rates in respect of the forecast cash flows from these investments for the Forecast Period 2007;
- the exchange rate for the projected cash flows from Central Park (Perth), AWPF and the Centrelink Property for the Projection Year 2008 is assumed to be S$1.00 = A$0.8401, being the average rate at which Allco REIT has entered into foreign exchange derivative instruments to fix the exchange rates in respect of the projected cash flows from these investments for the Projection Year 2008;
- there is no change in fair values of any derivative instruments entered into; and
- the Rights Units are assumed to be issued at S$1.00 per Unit.
Sensitivity Analysis

The forecast and projected distributions included in this document are based on a number of assumptions that have been outlined above.

Investors should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast or projected in this document may be expected. To assist investors in assessing the impact of these assumptions on the consolidated profit forecast and consolidated profit projection, a series of tables demonstrating the sensitivity of the distribution per Unit to changes in the principal assumptions are set out below.

The sensitivity analysis is intended to provide a guide only and variations in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Revenue

Changes in revenue will impact the net property income of Allco REIT and, consequently, the distribution yield. The effect of variations in the revenue on the distribution yield is set out below:

<table>
<thead>
<tr>
<th>Distribution Yield (%)</th>
<th>Forecast Period 2007&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Projection Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Portfolio</td>
<td>Enlarged Portfolio</td>
</tr>
<tr>
<td>2.5% below base case</td>
<td>4.30%</td>
<td>4.65%</td>
</tr>
<tr>
<td>Base case</td>
<td>4.42%</td>
<td>4.78%</td>
</tr>
<tr>
<td>2.5% above base case</td>
<td>4.54%</td>
<td>4.90%</td>
</tr>
</tbody>
</table>

Note:
(1) On an annualised basis.

Finance costs

Changes in finance costs affect the total return of Allco REIT and consequently, the distribution yield. The effect of variations in finance costs on the distribution yield is set out below:

<table>
<thead>
<tr>
<th>Distribution Yield (%)</th>
<th>Forecast Period 2007&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>Projection Year 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Original Portfolio</td>
<td>Enlarged Portfolio</td>
</tr>
<tr>
<td>50 basis points increase in the applicable interest rate</td>
<td>4.24%</td>
<td>4.63%</td>
</tr>
<tr>
<td>Base case</td>
<td>4.42%</td>
<td>4.78%</td>
</tr>
<tr>
<td>50 basis points decrease in the applicable interest rate</td>
<td>4.60%</td>
<td>4.92%</td>
</tr>
</tbody>
</table>

Note:
(1) On an annualised basis.
APPENDIX C

INDEPENDENT ACCOUNTANTS’ REPORT ON THE CONSOLIDATED PROFIT FORECAST AND CONSOLIDATED PROFIT PROJECTION

Allco (Singapore) Limited
(in its capacity as manager of Allco Commercial Real Estate Investment Trust)
55 Market Street
Level 16
Singapore 048941

British and Malayan Trustees Ltd
(in its capacity as trustee of Allco Commercial Real Estate Investment Trust)
1 Coleman Street, #08-01
The Adelphi
Singapore 179803

26 May 2007

Dear Sirs

Letter from the Reporting Accountants on the Consolidated Profit Forecast for the Period from 1 July 2007 to 31 December 2007 and the Consolidated Profit Projection for the Year ending 31 December 2008

This letter has been prepared for inclusion in the circular (“Circular”) to be issued in connection with the proposed issue of new units in Allco Commercial Real Estate Investment Trust (“Allco REIT”) for the purpose of raising funds under the Rights Issue.

The directors of Allco (Singapore) Ltd. (“Directors”) are responsible for the preparation and presentation of the forecast consolidated statements of total return of Allco REIT and its subsidiaries (collectively, the “Group”) for the period from 1 July 2007 to 31 December 2007 (“Consolidated Profit Forecast”) and for the year ending 31 December 2008 (the “Consolidated Profit Projection”) as set out on pages B-2 and B-3 of the Circular, which have been prepared on the basis of the assumptions set out on pages B-4 to B-9 of the Circular (“Assumptions”).

We have examined the Consolidated Profit Forecast of the Group for the period from 1 July 2007 to 31 December 2007 and the Consolidated Profit Projection for the year ending 31 December 2008 as set out on pages B-2 and B-3 of the Circular in accordance with Singapore Standard on Assurance Engagements (“SSAE”) 3400: The Examination of Prospective Financial Information. The Directors are solely responsible for the Consolidated Profit Forecast and Consolidated Profit Projection including the Assumptions set out on pages B-4 to B-9 of the Circular on which it is based.

Consolidated Profit Forecast

Based on our examination of the evidence supporting the Assumptions, nothing has come to our attention which causes us to believe that these Assumptions do not provide a reasonable basis for the Consolidated Profit Forecast. Further, in our opinion, the Consolidated Profit Forecast, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies normally adopted by the Group and are presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts (but not all the required disclosures for the purposes of this letter) issued by the Institute of Certified Public Accountants of Singapore, which is the framework adopted by the Group in the preparation of its financial statements.
**Consolidated Profit Projection**

The Consolidated Profit Projection is intended to show a possible outcome based on the Assumptions. Because the length of the period covered by the Consolidated Profit Projection extends beyond the period covered by the Consolidated Profit Forecast, the Assumptions used in the Consolidated Profit Projection (which included hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for a profit forecast. The Consolidated Profit Projection does not therefore constitute a profit forecast.

Based on our examination of the evidence supporting the Assumptions, nothing has come to our attention which causes us to believe that these Assumptions do not provide a reasonable basis for the Consolidated Profit Projection. Further, in our opinion, the Consolidated Profit Projection, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the Assumptions, is consistent with the accounting policies normally adopted by the Group and is presented in accordance with the relevant presentation principles of Recommended Accounting Practice 7 Reporting Framework for Unit Trusts (but not all the required disclosures for the purposes of this letter) issued by the Institute of Certified Public Accountants of Singapore, which is the framework adopted by the Group in the preparation of its financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the Consolidated Profit Forecast and Consolidated Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecast and projected. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Consolidated Profit Forecast and Consolidated Profit Projection.

Attention is drawn, in particular, to the sensitivity analysis of the Directors' Consolidated Profit Forecast and Consolidated Profit Projection as set out on page B-10 of the Circular.

Yours faithfully

KPMG
Certified Public Accountants
(Partner-in-charge: Leong Kok Keong)

Singapore
APPENDIX D
INDEPENDENT TAXATION REPORT

26 May 2007

The Board of Directors
Allco (Singapore) Limited
as the Manager of Allco Commercial
Real Estate Investment Trust (the “Manager”)
55 Market Street #16-00
Singapore 048941

British and Malayan Trustees Limited
as the Trustee of Allco Commercial
Real Estate Investment Trust (the “Trustee”)
1 Coleman Street #08-01
The Adelphi
Singapore 179803

Dear Sirs

SINGAPORE TAXATION REPORT

This letter has been prepared at the request of the Manager for inclusion in the circular (the “Circular”) to be issued in relation to the rights issue (“Rights Issue”) and the listing and quotation of new units (“New Units”) in Allco Commercial Real Estate Investment Trust (“Allco REIT”) on Singapore Exchange Securities Trading Limited.

The purpose of this letter is to provide investors in the units of Allco REIT (“Unitholders”) with a general understanding of the Singapore taxation consequences on:

- Allco REIT’s investment in the Centrelink Property in Canberra, Australia and the distributions to Unitholders thereof;
- Allco REIT’s investment in the Market Street Property in Singapore and the distributions to Unitholders thereof; and
- The Singapore taxation on the Unitholders on the Rights Issue and the acquisition of New Units in Allco REIT.

This letter is not meant to be a tax advice and does not attempt to describe comprehensively all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units. Unitholders and prospective purchasers of the Units should consult their own tax advisers to take into account the tax law applicable to their particular situations. In particular, Unitholders and prospective purchasers who are not Singapore tax residents are advised to consult their own tax advisers to take into account the tax laws of their respective country of tax residence and the existence of any tax treaty which their country of tax residence may have with Singapore.

This letter is based on Singapore income tax laws and relevant interpretations thereof current as at the date of this letter, all of which are subject to change, possibly with retroactive effect.

Words and expressions defined in the Circular have the same meaning in this letter. In addition, unless the context requires otherwise, words in the singular include the plural and the other way around and words of one gender include the other gender.

GENERAL PRINCIPLES OF TAXATION OF A TRUST

The income of a trust derived from or accrued in Singapore is chargeable to Singapore income tax. In addition, income earned outside Singapore and received or deemed received in Singapore is also
chargeable to Singapore income tax unless otherwise exempted. There is no capital gains tax in Singapore. However, gains from the sale of investments (including real properties) are chargeable to tax if such gains are derived from a trade or business of dealing in investments (including real properties).

Singapore income tax is imposed on all income chargeable to tax after deduction of the allowable expenses incurred and the tax depreciation claimed on assets used in the generation of the income.

**TAX RULING**

Notwithstanding the general principles of taxation of a trust above, Allco REIT has obtained a Tax Ruling dated 23 February 2007, and updated on 3 April 2007, from the Inland Revenue Authority of Singapore (“IRAS”) granting income tax exemption in Singapore on certain foreign income receivable from the Centrelink Property in Australia. The income tax exemption is granted under section 13(12) of the Singapore Income Tax Act, Chapter 134. The foreign income to which income tax exemption is granted under the Tax Ruling include foreign dividends and foreign sourced interest income.

**SINGAPORE TAXATION OF ALLCO REIT — THE CENTRELINK PROPERTY**

Allco REIT will receive rental income and other related income earned, including capital receipts, from the Centrelink Property in a combination of the following forms:

(i) foreign-sourced dividend income;

(ii) foreign-sourced interest income\(^{(1)}\); and/or

(iii) proceeds from the repayment of shareholder’s loans\(^{(1)}\) and/or a return of capital.

Based on the Tax Ruling, the foreign-sourced dividend income and interest income received in Singapore by Allco REIT in respect of the Centrelink Property will be exempt from Singapore income tax ("Tax-Exempt Income").

If Allco REIT has any other income from the Centrelink Property not covered by the Tax Ruling, such income will be subject to Singapore income tax at the prevailing tax rate, currently at 20%, after adjusting for allowable expenses ("Taxable Income"). In the recent 2007 Budget announcement, the corporate tax rate in Singapore is reduced to 18% with effect from the year of assessment 2008 (i.e. financial year ending 2007).

Allco REIT may also receive proceeds from the repayment of the abovementioned shareholder’s loans and/or a return of capital in relation to the Centrelink Property. Such proceeds are capital returns and hence are not liable to Singapore income tax.

**SINGAPORE TAXATION OF THE UNITHOLDERS — THE CENTRELINK PROPERTY**

Allco REIT may distribute income to its Unitholders out of the above Tax-Exempt Income and Taxable Income. Only Tax-Exempt Income received within each distribution period is distributable to the Unitholders for that distribution period.

Any distribution of income to the Unitholders out of the Tax-Exempt Income would similarly be exempt from Singapore income tax in the hands of the Unitholders.

Any distribution of income to the Unitholders out of Taxable Income would be exempt from Singapore income tax in the hands of the Unitholders. The Unitholders would not be able to claim a credit or refund from any tax paid by Allco REIT on such Taxable Income.

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\(^{(1)}\) To the extent that Allco REIT capitalises Alco Investments No.3 Pty Limited (the entity wholly-owned by Allco REIT that has been specifically incorporated to hold Allco REIT’s interest in ARC Trust) by way of shareholder’s loans.

D-2
Capital Distributions refer to distributions made by Allco REIT out of proceeds received from the repayment of the abovementioned shareholder’s loans and/or a return of capital. Such distributions would be made out of Unitholders’ contributions. Unitholders will not be subject to Singapore income tax on such distributions. These distributions will be treated as a return of capital for Singapore income tax purposes, subject to the following conditions:

(i) the following statements are included in the annual dividend statement that CDP issues to depositors:

- This amount of distribution is treated as a return of capital for Singapore income tax purposes. Therefore, such return of capital cannot be onward distributed as income by Unitholders. These Unitholders (and each subsequent level of unitholders) cannot also onward distribute such return of capital as income.

- For Unitholders (and each subsequent level of unitholders) who hold the Units as trading or business assets and are liable to Singapore income tax on gains arising from the disposal of the Units, the amount of Capital Distributions will be applied to reduce the cost of the Units for the purpose of calculating the amount of taxable trading gains when the Units are disposed of. If the amount of Capital Distributions exceeds the cost of the Units, the excess will be subject to tax as trading income of such unitholders.

(ii) Allco REIT will maintain a memorandum account showing the movements in Unitholders’ Funds to track the amount of capital distributed, and to submit such account prior to making any distribution of capital.

TERMS AND CONDITIONS OF THE TAX RULING

The Tax Ruling granted by the IRAS is conditional upon the Trustee and the Manager complying with certain terms and conditions. These include the condition that the Trustee is a tax resident of Singapore for the year of assessment relating to the basis period during which the foreign-sourced dividend income and/or interest income is received in Singapore. Further, there are also the conditions that the income from the Centrelink Property is subject to Australian tax, the headline tax rate in Australia is at least 15% and that Allco REIT is able to track the source of the foreign-sourced dividend or interest income. If these terms and conditions are not complied with, the Tax Ruling may be revoked or reviewed by the IRAS.

SINGAPORE TAXATION OF ALLCO REIT — THE MARKET STREET PROPERTY

During its initial public offering in 2006, Allco REIT has obtained a previous tax transparency ruling from IRAS for its Singapore properties. As such, Allco REIT will not be taxed on its taxable income from the Market Street Property to the extent of the amount distributed to Unitholders in the year in which the income is earned. Instead, tax will be imposed on the distributions made out of such taxable income ("Taxable Income Distributions") to Unitholders, by way of tax deduction at source or direct assessment of tax on the Unitholders.

Individuals and Qualifying Unitholders will receive such Taxable Income Distributions without deduction of tax. Tax will be deducted at source at the prevailing corporate tax rate or at the reduced rate of 10.0% from such distributions made to all other Unitholders.

A “Qualifying Unitholder” refers to a:

(i) Singapore incorporated company which is tax-resident in Singapore;

(ii) body of persons, other than a company or partnership, registered or constituted in Singapore (for example, a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club and trade and industry association); and
Singapore branch of a foreign company which has presented a letter of approval from the IRAS granting a waiver from tax deduction at source in respect of distributions from Allco REIT.

The reduced rate of 10.0% applies to Taxable Income Distributions made by Allco REIT to foreign non-individual Unitholders during the period from 18 February 2005 to 17 February 2010.

A foreign non-individual Unitholder is a person (other than an individual) 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 the Units are not obtained from that operation.

SINGAPORE TAXATION OF THE UNITHOLDERS — THE MARKET STREET PROPERTY

Individuals, irrespective of their nationality and tax residence status, are exempt from tax on the gross amount of the Taxable Income Distributions received from Allco REIT. This tax exemption does not apply to individuals who derive such distributions through a partnership in Singapore or from the carrying on of a trade, business or profession. These individuals are liable to tax on the gross amount of Taxable Income Distributions received at their own applicable income tax rates.

Qualifying Unitholders and other non-individual Unitholders are liable to tax on the gross amount of Taxable Income Distributions received at their own applicable income tax rates. Any tax deducted at source (other than tax deducted at the reduced rate of 10.0%) is not a final tax and may be used as a set-off against the Singapore income tax liability of a Unitholder.

RIGHTS ISSUE AND ISSUANCE OF NEW UNITS

The Rights Issue and Issuance of New Units to be subscribed for by the Unitholders should not give rise to any Singapore income tax implications to Allco REIT and the Unitholders.

GAINS ON DISPOSAL OF UNITS

Unitholders who disposes of the units in Allco REIT may realise a gain or loss on such disposal. In general, the gains on disposal of units may be treated as capital gains, and therefore not subject to Singapore tax as there is no capital gains tax in Singapore, or they may be treated as income in nature, in which case, they are subject to Singapore income tax in the hands of the Unitholders.

Whether or not a Unitholder is subject to Singapore income tax on the disposal gains depends on whether or not the Unitholder is in the trade or business of dealing in investments. This will be determined based on the Unitholder’s circumstances. Unitholders who are not in the trade or business of dealing in investments may also be chargeable to tax on the gains realised from the disposal of units if such gains are treated as trading gains having regard to the circumstances of the transaction. Unitholders are encouraged to seek advice from their tax advisers to determine the tax implications regarding the acquisition, ownership and disposition of their investments in Units.

Yours faithfully

Leonard Ong
Executive Director, Tax
For and on behalf of
KPMG Tax Services Pte Ltd
APPENDIX E

INDEPENDENT FINANCIAL ADVISER’S LETTER TO THE INDEPENDENT DIRECTORS OF THE MANAGER

26 May 2007
The Independent Directors of
Allco (Singapore) Limited
(as Manager of Allco Commercial Real Estate Investment Trust)
55 Market Street
Level 16
Singapore 048941

Dear Sirs

INTERESTED PERSON TRANSACTIONS TO BE ENTERED INTO BY ALLCO REIT IN CONNECTION WITH THE PROPOSED ACQUISITION OF THE CENTRELINK PROPERTY

For the purpose of this letter, capitalised terms not otherwise defined shall have the meanings given to them in the circular dated 26 May 2007 to the Unitholders of Allco REIT (“Circular”).

1. INTRODUCTION

Allco REIT intends to subscribe (via ARC Trust) for a 50.0% interest in ADLT, under the terms of the Subscription Agreement between, among others, ARCOT Pty Limited, as trustee of ARC Trust, and the ADLT Trustee (“Centrelink Acquisition”). The ADLT Trustee is the existing registered proprietor of the Centrelink Property.

The subscription price of the 50.0% interest in ADLT is A$108.75 million (S$136.5 million\(^{(1)}\)) (“IPT Purchase Consideration”).

At the time of signing of the Subscription Agreement, ADLT is indirectly wholly-owned by Redshift SPC No. 1 which in turn is a wholly-owned subsidiary of Redshift Corporation Pty Limited (“Redshift Corporation”), an investment holding company incorporated in Australia. Redshift Corporation is owned beneficially and/or controlled by 14 individuals (“Redshift Principals”) through a number of nominee entities held by them. One of the Redshift Principals is Mr. David Coe, the executive chairman of Allco Finance Group Limited, the Sponsor. Mr. David Coe beneficially holds a 25.5% of the interest in Redshift Corporation through a corporate entity which is owned by him and his wife.

As at the Latest Practicable Date, the Redshift Principals hold in aggregate, directly and indirectly, 25.7% of the shareholding interests in Allco Finance Group Limited, the sponsor (“Sponsor”) of Allco REIT.

The Sponsor is the holding company of the Manager and also holds an indirect interest of 16.1% in Allco REIT. Accordingly, the Sponsor is a controlling unitholder of Allco REIT.

Redshift Corporation has agreed to dispose of its indirect interest in the Centrelink Property to Allco REIT and Record Realty. Record Realty is a property trust listed on the Australian Stock Exchange Limited, and is managed by Record Funds Management Limited, a wholly-owned subsidiary of the Sponsor. Mr. Christopher John West, Mr. Timothy John Rich and Mr. Robert Clive West, an Independent Director, are each directors of Records Funds Management Limited.

\(^{(1)}\) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.

E-1
Record Realty has entered into an agreement with Redshift SPC No. 1 to purchase a 100.0% indirect interest in ADLT. Upon completion of such purchase, Record Realty (and not Redshift Corporation) will indirectly hold 100.0% of the interest in ADLT.

In connection with the Centrelink Acquisition,

(i) the Unitholders’ Deed will be entered into by, among others, ARCOT Pty Limited as trustee of the ARC Trust, Allco SPC No. 9 Pty Limited as the trustee of A1 Trust, Allco SPC No. 8 Pty Limited as the trustee of A2 Trust, and Record Funds Management Limited. Record Funds Management Limited is a wholly-owned subsidiary of the Sponsor, and manages Record Realty;

(ii) the Income Support Deed will be entered into by, among others, the ADLT Trustee, pursuant to which ADLT will receive income support from an entity related to Redshift SPC No. 1; and

(iii) the Asset Management Agreement will be entered into between the ADLT Unitholders, ADLT Trustee and Allco Funds Management which is a wholly-owned subsidiary of the Sponsor, (together with the Centrelink Acquisition, the “IPT Transactions”).

The Centrelink Acquisition is dependent on the satisfaction of certain conditions precedent, including the approval of the Unitholders, the Foreign Investment Review Board in Australia and the execution of the Unitholders’ Deed. A1 Trust and A2 Trust are special purpose trust vehicles held indirectly by Redshift Corporation and as at the date of this Circular, A1 Trust and A2 Trust hold in aggregate a 100.0% interest in ADLT. Following completion of the subscription by Allco REIT for a 50.0% indirect interest in ADLT, the remaining 50.0% interest will be held equally by A1 Trust and A2 Trust. The Unitholders’ Deed shall govern ARC Trust, A1 Trust and A2 Trust’s relationships inter se as unitholders of ADLT in relation to the operation and management of the Centrelink Property. The approval of the Foreign Investment Review Board in Australia has been obtained. Pursuant to the Subscription Agreement, upon satisfaction of the conditions precedent including Unitholders’ approval, Allco REIT (via ARC Trust) shall pay interest at the rate of 7.0% per annum on the purchase price from 12 June 2007, following the certification of completion of construction (currently anticipated to be on or before 8 June 2007) until payment of the purchase price is made to ADLT. In the event that Unitholders’ approval is not obtained by 30 June 2007, the Subscription Agreement will be terminated, and interest will not be payable.

Chapter 9 of the Listing Manual requires, among others, Unitholders’ approval for an interested person transaction if the value thereof (whether on its own or when aggregated with other transactions entered into with the same interested person during the same financial year) exceeds 5.0% of Allco REIT’s latest audited net tangible assets (“NTA”). Paragraph 5 of the Property Funds Guidelines imposes a similar requirement for an interested party transaction whose value (whether on its own or when aggregated with other transactions with the same interested party during the same financial year) exceeds 5.0% of Allco REIT’s latest audited NAV.

Based on Allco REIT’s latest audited financial statements for the period ended 31 December 2006, the NTA of Allco REIT was S$579.4 million. Accordingly, if the value of a transaction which is proposed to be entered into by Allco REIT with an interested person is equal to or greater than S$29.0 million, such a transaction would be subject to Unitholders’ approval. Based on Allco REIT’s latest audited financial statements for the period ended 31 December 2006, the NAV of Allco REIT was S$579.4 million. Accordingly, if the value of a transaction which is proposed to be entered into by Allco REIT with an interested person is equal to or greater than S$28.7 million, such a transaction would be subject to Unitholders’ approval. Given the purchase consideration of the IPT Property of A$108.75 million (S$136.5 million), the value of the IPT Property is 23.6% of the NTA of Allco REIT (as at 31 December 2006) and, therefore, exceeds the said thresholds.
Accordingly, the IPT Transactions will constitute “interested person transactions” under Chapter 9 of the Listing Manual as well as “interested party transactions” under Paragraph 5 of the Property Funds Guidelines.

Prior to the Latest Practicable Date, Allco REIT had entered into several interested person transactions with entities within the AFG Group during the course of the current financial year (the “Existing Interested Person Transactions”). Details of the Existing Interested Person Transactions are set out in Appendix F of this Circular.

The Manager has appointed ANZ Singapore Limited ("ANZ") to advise its Independent Directors on the IPT Transactions and the Existing Interested Person Transactions.

This letter, which sets out our evaluation to the Independent Directors, will form an integral part of the Circular.

2. TERMS OF REFERENCE

ANZ has been appointed the Independent Financial Adviser to the Independent Directors to advise them as to whether the IPT Transactions and the Existing Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders.

We were neither a party to the negotiations entered into by the Manager in relation to the IPT Transactions or the Existing Interested Person Transactions nor were we involved in the deliberations leading up to the decision of the Directors to enter into the IPT Transactions or the Existing Interested Person Transactions. We do not, by this letter, in any way warrant the merits of the IPT Transactions or the Existing Interested Person Transactions other than to form an opinion on whether the terms of the IPT Transactions and the Existing Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders. We have not conducted a comprehensive review of the business, operations or financial condition of Allco REIT or the Manager.

We have not evaluated and have not been requested to comment on the strategic or commercial merits or risks of the IPT Transactions or the prospects or earnings potential of the IPT Transactions, and such evaluation shall remain the responsibility of the Manager.

In the course of our evaluation and for the purpose of our opinion in relation to the IPT Transactions, we have held discussions with certain of the Directors and the management of the Manager. We have examined the information contained in the Circular as well as publicly available information collated by us and information provided to us by the management of the Manager, including information concerning Alco REIT and the IPT Transactions. We have not independently verified such information or representations made by certain of the Directors and the management of the Manager, whether written or verbal, and accordingly cannot and do not warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information or representation provided or otherwise made available to us or relied on by us as described above. Whilst care has been exercised in reviewing the information, which we have relied on, we have not independently verified the information and representation. We have, however, made such inquiry and exercised such judgement as we have deemed necessary and have found no reason to doubt the reliability of the information and representations.

For the purpose of arriving at our opinion in respect of the Existing Interested Persons Transactions, we have, as the Independent Financial Adviser to the Independent Directors, taken into account the methods and procedures undertaken by the Manager to determine transaction prices in relation to the Existing Interested Persons Transactions but have not evaluated and have not been requested to comment on the strategic or commercial merits or risks of the Existing
Interested Persons Transactions or the prospects or earnings potential of Allco REIT in relation to the Existing Interested Persons Transactions, and such evaluation shall remain the responsibility of the Manager.

We were also not required to obtain, and we have not obtained, any quotation or transaction price from third parties for products or services similar to those, which are to be covered by the Existing Interested Persons Transactions. Where available, we have been provided with copies of quotations obtained by the Manager in accordance with the Manager’s internal control procedures and have analysed publicly available information in the market relevant to the Existing Interested Persons Transactions.

Certain of the Directors (including those who may have delegated detailed supervision of the Circular) have confirmed to ANZ that, upon making all reasonable enquiries and to the best of their respective knowledge and belief, all material information available to them in connection with the IPT Transactions and the Existing Interested Person Transactions has been fully disclosed to ANZ, that such information is true and accurate in all material respects and that there is no other information or fact, the omission of which would cause any information disclosed to us or our opinion in this letter to be inaccurate, incomplete or misleading in any material respect. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or facts.

Our opinion, as set out in this letter, is based upon the market, economic, industry, monetary and other applicable conditions subsisting on, and the information made available to us as of, the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date that may in any way affect our opinion contained herein.

Our opinion in relation to the IPT Transactions and the Existing Interested Person Transactions should be considered in the context of the entirety of this letter and the Circular.

3. CERTAIN TERMS OF THE IPT TRANSACTIONS
The full text of certain terms of the IPT Transactions is set out in Sections 2 and 8 of the Circular.

4. RATIONALE FOR THE IPT TRANSACTIONS
The full text of the Manager’s rationale for the IPT Transactions is set out in Section 4 of the Circular. It is important for Unitholders to understand the rationale of the IPT Transactions, therefore, Unitholders are advised to read Section 4 of the Circular carefully.

The Manager’s rationale for the IPT Transactions is summarised as follows:
(i) Yield accretion;
(ii) Overall enhancements to the portfolio;
   (a) Improved tenant diversification;
   (b) Geographical diversification; and
   (c) Improves weighted average lease expiry profile.

We note that the IPT Transactions are in line with the Manager’s key objectives to deliver regular and stable distributions to the Unitholders and achieve long-term growth in both its distributions to Unitholders as well as the net asset value per Unit, in order to provide Unitholders with a competitive rate of return for their investment.
5. EVALUATION OF THE PROPOSED CENTRELINK ACQUISITION

For the purpose of arriving at our opinion in respect of the Centrelink Acquisition, we have, as the Independent Financial Adviser to the Independent Directors, taken into account the following:

(i) the rationale for the IPT Transactions (as summarised in Section 4 of this letter);
(ii) the financial assessment of the Centrelink Acquisition, including:
   (a) the valuation summary prepared by the Independent Valuers as reproduced in Appendix G of this Circular;
   (b) yield generated by the IPT Property;
   (c) occupancy levels achieved by the IPT Property; and
   (d) the financial effects.
(iii) other information relating to Allco REIT and the IPT Transactions provided to ANZ both verbally and in writing by certain of the Directors and management of the Manager; and
(iv) publicly available information collated by us and provided by management of the Manager.

Valuation Methodology

We believe that the most appropriate valuation methodology for evaluating the Centrelink Acquisition is the asset-based valuation method as the Centrelink Acquisition is for a property. This valuation method will involve establishing the open market value of the IPT Property.

In addition to the asset-based valuation methodology, we have considered an earnings-based valuation methodology to assess the Centrelink Acquisition. This valuation method is relevant as the IPT Property is an income generating property underpinned by a lease with an initial term of 18 years, and the yield on the IPT Property can be benchmarked against the yields of similar properties.

The IPT Property

A detailed description of the IPT Property is set out in Section 2 of the Circular.

Financial Assessment of the Centrelink Acquisition

In our evaluation of the IPT Purchase Consideration, we have taken into account the following relevant considerations:

(i) the valuation and estimated earnings arising from the professional valuation of the IPT Property carried out by the Independent Valuers;
(ii) cash yield generated by the IPT Property compared with cash yields generated from recent market transactions in Canberra, Australia involving new prime buildings with long-term covenants to federal government tenants;
(iii) the occupancy levels achieved by the IPT Property; and
(iv) financial effects of the IPT Transactions together with the recent Market Street Property acquisition as detailed in Sections 4, 5 and 6 of this Circular.

(I) Valuation of the IPT Property

The Manager commissioned CBRE, and the Trustee commissioned Colliers to conduct valuations of the IPT Property. The following table sets out the purchase price (excluding acquisition costs), the appraised values, the dates of valuations and independent valuers of the IPT Property.
<table>
<thead>
<tr>
<th>Location of Property</th>
<th>Independent Valuers</th>
<th>Date of Valuation</th>
<th>Appraised Value of IPT Property</th>
<th>IPT Purchase Consideration for 50% interest^(1)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Block 4, Section 13, Division of Greenway, Deposited Plan 7695</td>
<td>CBRE</td>
<td>4 May 2007</td>
<td>A$218.0 million (S$273.7 million)(1)(2)</td>
<td>A$108.75 million (S$136.5 million)</td>
</tr>
<tr>
<td></td>
<td>Colliers</td>
<td>4 May 2007</td>
<td>A$217.0 million (S$272.5 million)(2)</td>
<td></td>
</tr>
</tbody>
</table>

Notes:

(1) Excludes property related acquisition expenses which comprise mainly the Acquisition Fee of A$1.1 million (S$1.4 million based on an exchange rate of S$1.00 = A$0.7964) payable in Units to the Manager, stamp duty, legal expenses related to the acquisition of the IPT Property, and the costs of performing due diligence (legal and building) on the IPT Property. Pursuant to the Trust Deed, an Acquisition Fee of not more than 1.0% of the acquisition price of any Real Estate Assets purchased by the Trustee is payable to the Manager.

(2) Based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to purchase the Centrelink Property.

The valuation certificates issued by CBRE and Colliers in respect of the Centrelink Property are set out in Appendix G of the Circular.

The valuation methodologies applied by the Independent Valuers included Capitalisation of Income Approach, Discounted Cashflow Analysis and Direct Comparison Method.

The valuation was based on the market value of the IPT Property, which is defined as “the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing, wherein the parties had acted knowledgeably, prudently and without compulsion” and on the basis where “the price at which the property might reasonably be expected to be sold at the date of valuation assuming:

(a) a willing, but not anxious, buyer and seller; and
(b) a reasonable period within which to negotiate the sale, having regard to the nature and situation of the property and the state of the market for property of the same kind; and
(c) that the property will be reasonably exposed to the market; and
(d) that no account is taken of the value or other advantage or benefit, additional to market value, to the buyer incidental to ownership of the property being valued; and
(e) that the responsible entity has sufficient resources to allow a reasonable period for the exposure of the property for sale; and
(f) that the responsible entity has sufficient resources to negotiate an agreement for the sale of the Property.”

We note that the purchase consideration of A$108.75 million (for 50.0% indirect interest in the IPT Property) is equivalent to the average of open market property valuations as determined by CBRE and Colliers.

(II) Yield on the IPT Property

We have examined the cash yield generated by the IPT Property compared to the cash yields generated from recent market transactions in Canberra, Australia involving new prime buildings with long-term covenants to federal government tenants.
Based on CBRE’s valuation report, with an estimated total acquisition cost of A$108.75 million (for 50.0% indirect interest in the IPT Property), the IPT Property will generate an annualised cash yield of approximately 6.0%\(^\text{(1)}\).

This cash yield is in line with the general market cash yields of around 6.0% to 6.5% generated by recent market transactions involving new prime buildings with long-term covenants to federal government tenants in Canberra, Australia. Furthermore, the CBRE valuation report states that “indicative yields are likely to continue to fall as an abundance of new office buildings continue to improve the quality of the market”. We note that these recent market transactions are only broadly comparable as they differ from the IPT Property both in terms of net lettable area (NLA) and location. We further note the contracted rental for the IPT Property, over at least an 18-year term, will generate stable cash-flows for Allco REIT.

We highlight that general market cash yield statistics are estimates from the CBRE valuation report. Such market yields will fluctuate over time depending on the demand and supply for office development space in Australia generally and Canberra specifically. We also recognise that there is no other property which we may consider to be identical to the IPT Property in terms of composition of tenants, lettable area, location, track record and future prospects.

(III) Occupancy Rates

The IPT Property will have 100% occupancy as Centrelink will lease 100.0% of the net lettable area of the IPT Property for an initial term of 18 years from the completion of construction, with the potential for a 28-year occupancy through two 5-year options.

(IV) Financial Effects of the IPT Transactions

The pro forma financial effects of the IPT Transactions together with the recent Market Street Property acquisition on a distribution yield basis are favourable, and are set out in Sections 4.2.1 and 5.2 of this Circular.

We also note that the net property income yield of the IPT Property exceeds the net property income yields of the existing asset portfolio of Allco REIT as set out in Section 4.2.2 of this Circular, and therefore will be accretive to the net property income yield of the Allco REIT.

6. Unitholders’ Deed

Certain terms of the Unitholders’ Deed are set out in Section 2.2.3 of the Circular. In assessing whether the Unitholders’ Deed is on normal commercial terms and not prejudicial to the Unitholders, we note that:

(i) Each member of the Holders’ Committee shall be entitled to vote on any resolution to be considered by the Holders’ Committee. The members of the Holders’ Committee appointed by:

(a) the ARC Trustee has two votes; and
(b) the A1 Trustee has one vote; and
(c) the A2 Trustee has one vote.

\(^{\text{(1)}}\) The annualised cash yield of 6% contrasts with the annualised net property income yield of 7.7% for Forecast Period 2007 as set out in Section 4.2.2 of the Circular as Allco REIT are required for accounting purposes to record lease revenue on a straight line basis. Accordingly, yields derived on an accounting basis are higher than cash yields in the early years of the lease.

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(ii) The members of the Holders’ Committee must appoint one of the members as chairman of the Holders’ Committee for a period determined by the members. The Chairman shall not be entitled to a casting or deciding vote in addition to his vote as a member of the Holders’ Committee;

(iii) The terms of any right of first refusal are applied equally to each of the A1 Trustee, A2 Trustee, Ownership Trust, Redshift and the ARC Trustee and Allco Investments No.3;

(iv) the Unitholders’ Deed contains certain provisions in relation to disputes and defaults; and

(v) the Unitholders’ Deed contains certain terms and veto rights which are specified in the Property Funds Guidelines including the requirement that the entry into transactions by the Landholding Trustee with any Related Corporation, Interested Party or Interested Person must be done only with the prior written approval of each Holder.

7. Income Support Deed

Under the Income Support Deed, an associated entity of Redshift Corporation, has agreed to pay to ADLT an amount equivalent to the rental that would otherwise be payable to ADLT during the three-month rent-free period as set out in Section 2.2.3 of the Circular.

In assessing whether the Income Support Deed is on normal commercial terms and not prejudicial to the interests of Allco REIT and its unitholders, we note that the rental received by ADLT will be distributed in full to Allco REIT and the holder of the balance 50.0% interest in ADLT.

8. Asset Management Agreement

Under the Asset Management Agreement entered into between the ADLT Unitholders, ADLT and Allco Funds Management, Allco Funds Management has agreed to provide certain services to ADLT such as asset management services, financial reporting services, maintenance of accounting records and management of the funds of ADLT. As consideration for the provision of such services, ADLT has agreed to pay an annual fee equivalent to 0.1% of the asset value of ADLT Assets.

In assessing whether the Asset Management Agreement is on normal commercial terms and not prejudicial to the interests of Allco REIT and its Unitholders we have noted that the structure of the fee payable to Allco Funds Management is in line with market practice.

9. Due Diligence Process

All transactions with the Interested Persons, including the IPT Transactions, shall comply with the applicable requirements of the Property Funds Guidelines under the Code on Collective Investment Schemes (“Property Funds Guidelines”) and/or the Listing Manual.

In general, the Manager has established internal control procedures to ensure that transactions involving the Trustee, as the trustee of Allco REIT, and a related party of the Manager (“Related Party Transactions”) are undertaken on normal commercial terms, which are generally no more favourable than those extended to unrelated third parties, and are not prejudicial to the interest of Allco REIT or its Unitholders. In addition, the following procedures are undertaken:

- transactions (either individually or as part of a series) equal to or exceeding S$100,000 in value but below 3.0% of Allco REIT’s net tangible assets will be subject to review by the Audit Risk and Compliance Committee at regular intervals;
- transactions (either individually or as part of a series) equal to or exceeding 3.0% but below 5.0% of Allco REIT’s net tangible assets are subject to the review and approval of the Audit Risk and Compliance Committee. Such approval shall only be given if the transactions are on normal commercial terms and are not prejudicial to the interests of Allco REIT or its...
Unitholders, and consistent with similar types of transactions made by the Trustee, as trustee of Allco REIT, with third parties which are unrelated to the Manager; and

- transactions (either individually or as part of a series) equal to or exceeding 5.0% of Allco REIT’s net tangible assets are reviewed and approved by the Audit Risk and Compliance Committee who may as it deem fit request advice on the transaction from independent sources or advisors, including the obtaining of valuations from professional valuers.

Where matters concerning Allco REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of the Allco REIT with a related party of the Manager, the Trustee is required to ensure that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of Allco REIT or its Unitholders in accordance with the applicable requirements of the Property Funds Guidelines and/or the Listing Manual relating to the transaction in question. Further, the Trustee, as trustee of Allco REIT, has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party Transaction of the Manager. If the Trustee is to sign any contract with a related party of the Trustee or the Manager, the Trustee will review that contract to ensure that it complies with applicable requirements relating to interested party transactions in the Property Funds Guidelines and the provisions of the Listing Manual relating to interested person transactions as well as other guidelines as may from time to time be prescribed by the SGX-ST or other relevant authority to apply to real estate investment trusts.

All Related Party Transactions are subject to regular periodic reviews by the Audit Risk and Compliance Committee.

The Manager’s internal control procedures are intended to ensure that Related Party Transactions are conducted on normal commercial terms and are not prejudicial to Unitholders. The Manager maintains a register to record all Related Party Transactions (and the basis, including the quotations obtained to support such basis, on which they are entered into), which are entered into by Allco REIT. The Manager incorporates into its internal audit plan a review of all Related Party Transactions entered into by Allco REIT. The Audit Risk and Compliance Committee reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with.

The Audit Risk and Compliance Committee periodically reviews Related Party Transactions to ensure compliance with the internal control procedures and with the relevant provisions of the Listing Manual and the Property Funds Guidelines. The review includes the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit Risk and Compliance Committee.

If a member of the Audit Risk and Compliance Committee has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

The review procedures described above are to be applied by the Manager in relation to the IPT Transactions.

10. EXISTING INTERESTED PERSON TRANSACTIONS

Details of the above Existing Interested Persons Transactions are set out in full in Appendix F.

These Existing Interested Person Transactions have been subject to the internal control procedures established by the Manager to ensure that such transactions are undertaken on normal commercial terms and are not prejudicial to the interests of Allco REIT or its Unitholders.

These procedures include the review and approval of such transactions by the Manager’s Audit Risk and Compliance Committee. Moreover, the Trustee had reviewed the agreements relating to such transactions so as to ensure that, on the basis of such agreements, such transactions are
on normal commercial terms, not prejudicial to the interests of Allco REIT or its Unitholders and in accordance with the applicable requirements of the Property Funds Guidelines as well as the Listing Manual.

These procedures are discussed in greater detail in Section 9 of this IFA Letter.

In addition, we also note the rationale for and benefits to Allco REIT arising from Allco REIT entering into Existing Interested Person Transactions. Details of the rationale for and benefits to Allco REIT arising out of the Existing Interested Person Transactions are set out in full in Appendix F of this Circular.

11. RECOMMENDATION

IPT Transactions

Based on the considerations set forth in this letter, we are of the opinion that, as at the Latest Practicable Date, the IPT Transactions are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders, having taken into consideration, among others, the following:

(a) the rationale for the IPT Transactions;

(b) the IPT Purchase Consideration of A$108.75 million is at the average of the open market valuations of the IPT Property as determined by the Independent Valuers;

(c) the annualised cash yield for the IPT Property of approximately 6.0% is in line with the general market cash yields of around 6.0% to 6.5% generated by recent market transactions involving new prime buildings with long-term covenants to federal government tenants in Canberra, Australia. We further note the CBRE valuation report states that indicative yields in the Canberra market are likely to fall. We further note the contracted rental for the IPT Property, over at least an 18-year term, will generate stable cash-flows for Allco REIT;

(d) Centrelink will lease 100.0% of the net lettable area of the IPT Property for an initial term of 18 years from the completion of construction, with the potential for a 28-year occupancy through two 5-year options, which provides stable cash-flow generation from the IPT Property;

(e) the positive financial effects of the IPT Transactions together with the recent Market Street Property acquisition on a distribution yield basis;

(f) the net property income yield of the IPT Property exceeds the net property income yields of the existing asset portfolio of Allco REIT and therefore will be accretive to the net property income yield of the Allco REIT;

(g) consideration of certain of the terms in each of the Unitholders’ Deed, Income Support Deed and Asset Management Agreement; and

(h) the due diligence process undertaken by the Manager.

Accordingly, we advise the Independent Directors to recommend that Unitholders vote in favour of the IPT Transactions.

Existing Interested Person Transactions

In arriving at our opinion on whether the Existing Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders, we have considered the following:

(a) the compliance and review procedures set up by the Trustee and the Manager;
(b) the role of the Audit Risk and Compliance Committee in relation to the Existing Interested Person Transactions;
(c) the rationale for and benefits to Allco REIT arising from the Existing Interested Person Transactions;
(d) information obtained by the Manager in accordance with the Manager’s internal control procedures; and
(e) publicly available information in the market relevant to the Existing Interested Person Transactions.

ANZ is of the opinion that the Existing Interested Person Transactions are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders.

Our opinion in relation to the IPT Transactions and the Existing Interested Person Transactions, as disclosed in this letter, is based upon the market, economic, industry, monetary and other applicable conditions subsisting on, and the information made available to us as of, the Latest Practicable Date.

This opinion is addressed to the Independent Directors for their benefit, in connection with and for the purpose of their consideration of the IPT Transactions and the Existing Interested Person Transactions. The recommendation to be made by them to the Unitholders shall remain the responsibility of the Independent Directors. A copy of this letter may be reproduced in the Circular. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of

ANZ Singapore Limited

Bill Foo                     Glenn Porritt
Managing Director           Director
APPENDIX F
EXISTING INTERESTED PERSON TRANSACTIONS

1. Details of the Existing Interested Person Transactions

<table>
<thead>
<tr>
<th>Interested Person</th>
<th>Nature of Transaction</th>
<th>Value of Transaction (£$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allco (Singapore) Limited</td>
<td>Lease of levels 8, 14 and 16 at the Market Street Property</td>
<td>1.2(1)</td>
</tr>
<tr>
<td>Allco Funds Management</td>
<td>Provision of arranger services in connection with the Rights Issue</td>
<td>1.1(2)</td>
</tr>
</tbody>
</table>

Notes:

(1) This represents the annual rental payable by the Manager in the first full year of Lease 1 and Lease 2 (as defined below).

(2) Assuming gross proceeds from the Rights Issue of £$210.0 million.

These Existing Interested Person Transactions have been subjected to the internal control procedures established by the Manager to ensure that such transactions are undertaken on normal commercial terms and are not prejudicial to Allco REIT and its minority Unitholders. These procedures include the review and approval of such transactions by the audit, risk and compliance committee ("Audit, Risk and Compliance Committee") of the Manager comprising Dr. Chua Yong Hai, Messrs Timothy Rich and Tan Guong Ching. (As Mr. Timothy John Rich is one of the Redshift Principals, he has abstained from deliberations on the Existing Interested Person Transactions.) Moreover, the Trustee has reviewed all agreements relating to these transactions so as to ensure that, on the basis of such agreements, such transactions are on normal commercial terms and are not prejudicial to the interests of Allco REIT and its Unitholders, and in accordance with the applicable requirements of the Property Fund Guidelines as well as the Listing Manual. The Trustee and the Audit, Risk and Compliance Committee have also approved these transactions prior to the execution of the relevant agreements.

2. Transactions with Allco (Singapore) Limited

2.1 Leases of Levels 8, 14 and 16 of the Market Street Property

Allco (Singapore) Limited, the Manager, has leased levels 8, 14 and 16 of the Market Street Property for use as office premises. The lease of level 8 ("Lease 1") is for a term of five years commencing on 1 July 2007. Lease 1 represents 4,844 sq ft or 6.71% of the total NLA of the Market Street Property. The leases of levels 14 and 16 (collectively, "Lease 2") are for a term of five years which commenced on 21 February 2007. Lease 2 represents 6,588 sq ft or 9.12% of the total NLA of the Market Street Property. The Audit, Risk and Compliance Committee is satisfied that Lease 1 and Lease 2 are on normal commercial terms and the rents were negotiated between Allco (Singapore) Limited and Allco REIT at arm’s length and based on prevailing market rates.

2.2 Rationale and benefits of the Interested Person Transaction with Allco (Singapore) Limited

Under the terms of Lease 1 and Lease 2, Allco REIT will receive rental income from Allco (Singapore) Limited based on prevailing market rates.
3. Transaction with Alco Funds Management

Alco Funds Management is a wholly-owned subsidiary of Alco Finance Group, the sponsor of Alco REIT. Mr. Christopher John West, a non-executive Director, is also a director of Alco Funds Management. In May 2007, Alco REIT engaged Alco Funds Management to provide certain arranger services (including but not limited to rendering advice on the structure of the Rights Issue, preparation of relevant documentation and liaising with the professional advisers) in connection with the Rights Issue.

As consideration for the provision of these services, Alco REIT agreed to pay fees equivalent to 0.5% of the gross proceeds to be raised under the Rights Issue (excluding goods and services tax and other applicable taxes payable) to Alco Funds Management.

The fees agreed between Alco REIT and Alco Funds Management were negotiated at arm’s length and based on rates comparable with market rates. The Audit, Risk and Compliance Committee is satisfied that the provision of arranger services by Alco Funds Management are on normal commercial terms.

3.1 Rationale and benefits of the Interested Person Transaction with Alco Funds Management

Alco Funds Management possesses strong expertise in fund management activities as well as in providing corporate and legal support services in relation to such activities. Engaging Alco Funds Management to provide the arranger services will allow Alco REIT the advantage of leveraging on Alco Funds Management’s know-how and capabilities in connection with the Rights Issue.
APPENDIX G

VALUATION CERTIFICATES

Centrelink National Support Office
Block 4 Section 13, Tuggeranong (Greenway) ACT
4 May 2007

Valuation Certificate

Property: Centrelink ISO Building
Block 4 Section 13 Division of Greenway
TUGGERANONG ACT 2900

Client: Record Funds Management Limited as Trustee and
Responsible Entity for the Record Realty Trust and Allico
SPC No. 5 Pty Ltd and BOIS International (Australia)
Limited and British and Malayan Trustee Limited as trustee
of the Allico Commercial Real Estate Investment Trust

Purpose: Acquisition, Financial Statement and First Mortgage
Security Purposes.

Interest Valued: Unexpired Crown Leasehold Interest

Basis of Valuation: Market Value "as if complete" of an office complex comprising approximately 40,000 sqm NLA.

Registered Owner: Allico SPC No. 5 Pty Limited

Land Area: 53,502.0 sqm

Town Planning: Part 82 Town Centres (Commercial ‘B’) Precinct B under the Territory Plan.

Brief Description: Upon completion, due July 2007, the development will comprise a 5 storey "A" grade office complex of 40,000 sqm NLA. The building will provide conference facilities, auditorium, amphitheatre, TV studio, gymnasium, café, commercial kitchen. The complex will be designed to achieve an ADR rating of 4.5 stars. Car parking will comprise 1093 on grade bays of which 154 are secure underground, and 170 are secure on grade.

Tenancy Profile: Upon completion, due July 2007, the property will comprise approximately 40,000 sqm NLA and be leased to Centrelink for a period of 18 years.

Leasable Area: 40,000.0 sqm

Car Parking: 1093 car parking bays (reflecting 1 car bay per 37 square metres of lettable area).

Critical Assumptions: Our assessment of value is provided based on the following critical assumptions:
- All outstanding tenant incentives and any leasing fees as at the date of valuation have been paid.
- That the building is capable of, and managed to operate at the standard required by the lease and the FSA and therefore avoiding any penalties for non-performance.
- This 'As If Complete' valuation assumes completion of the development as outlined in this report and assumes all necessary approvals have been granted.


Date of Valuation: 4 May 2007

Assessed Value: $218,000,000

'As if complete': Two Hundred and Eighteen Million Dollars

This valuation is exclusive of GST.

Assumptions,
Disclaimers,
Limitations &
Qualifications

This valuation report is provided subject to the assumptions, qualifications, limitations and disclaimers detailed throughout this report which are made in conjunction with those included within the Assumptions, Qualifications, Limitations & Disclaimers section located within this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the property.

Prepared By: CB Richard Ellis Pty Ltd

Per: Roger C Price B. Bus (Land Econ.) AAMI
Registered Valuer No. 4090
Senior Director - Valuation & Advisory Services

Steven Finney AAMI
Registered Valuer No. 3082
Senior Director - Valuation & Advisory Services

VALUATION & ADVISORY SERVICES

CBRE
CB RICHARD ELLIS

G-1
4 May 2007

Mr Lee Chiwi
Chief Executive Officer
British and Malayan Trustees Limited
C/- Alco (Singapore) Limited
#37-05/06 OCBC Centre
65 Chulia Street, Singapore

Dear Sir,

‘Centrelink Building’, Greenway, Australian Capital Territory (ACT), Australia

We refer to your formal instructions dated 18 January 2007 requesting Colliers International Consultancy and Valuation Pty Limited (CICV) to prepare an ‘As if Complete’ valuation for first mortgage security and corporate reporting purposes and in connection with a rights issue undertaken by Alco REIT in order to finance its proposed acquisition of a 50% indirect interest in relation to the above property as at 4 May 2007. Subsequent to our provision of the final full valuation report, and as instructed, we now take this opportunity to provide a summary report as follows:-

Brief Property Description

The subject property comprises a substantially complete purpose designed office complex situated on 5.35 hectares that is part of the Tuggeranong Town Centre in Greenway. It is located in the south western section of the town centre immediately to the south of the Tuggeranong Office Park, approximately 25 kilometres south of the Canberra Central Business District.

The site has a Crown Lease that provides for 46,700 square metres gross floor area (GFA) of offices and allows a number of ancillary uses including restaurant and shop within that GFA.

On completion of construction the building will provide for a new contemporary designed four (4) to five (5) level commercial office building of 55,334 square metres GFA and 40,000 square metres net lettable area (NLA) which will provide for 1,093 secure and on grade car spaces. The building has been purpose designed for Centrelink (previously the Commonwealth Department of Social Security) in response to a Tenant Brief, and reflects the Commonwealth Base Building Brief plus a number of enhancements.

The new building proposal is to be secured by an 18 year lease commencing on the date for practical completion at a rental of $359.50 psm pa gross with annual fixed 3% reviews.

The Agreement to Design, Construct and Lease (ADCL) was executed in late 2004 and a lease will be signed on certification of completion of construction due as at 1 July 2007.

On completion the property will be marketable and suitable as security for first mortgage advance purposes.
Valuation Summary

**Adopted ‘As If Complete’ Market Value**

**AUD $217,000,000 GST Exclusive**
(TWO HUNDRED AND SEVENTEEN MILLION DOLLARS)

The main drivers in determining the above values are outlined as follows:-

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Passing Income</td>
<td>$15,186,042 pa</td>
</tr>
<tr>
<td>Adopted Outgoings</td>
<td>$ 2,100,000 pa</td>
</tr>
<tr>
<td>Net Passing Income</td>
<td>$13,086,042 pa</td>
</tr>
<tr>
<td>Gross Market Income</td>
<td>$16,231,000 pa</td>
</tr>
<tr>
<td>Adopted Outgoings</td>
<td>$ 2,100,000 pa</td>
</tr>
<tr>
<td>Net Market Income</td>
<td>$14,131,000 pa</td>
</tr>
<tr>
<td>Capitalisation Rate – Passing (Initial)</td>
<td>6.00%</td>
</tr>
<tr>
<td>Capitalisation Rate – Market (Reversionary)</td>
<td>6.25%</td>
</tr>
<tr>
<td>Resultant Passing Yield</td>
<td>6.03%</td>
</tr>
<tr>
<td>Equivalent Passing Yield</td>
<td>6.03%</td>
</tr>
<tr>
<td>Reversionary Yield</td>
<td>6.25%</td>
</tr>
<tr>
<td>Cash Flow Term</td>
<td>10 years</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>7.75%</td>
</tr>
<tr>
<td>Terminal Yield – Market (Reversionary)</td>
<td>6.625%</td>
</tr>
<tr>
<td>Capital Expenditure Assumptions</td>
<td>$3,923,241 (as inflated) over the cash flow period</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Rental Escalation – Gross Face 10 yr. av.</td>
<td>2.00%</td>
</tr>
<tr>
<td>CPI Escalation – 10 yr. av.</td>
<td>2.36%</td>
</tr>
<tr>
<td>Internal Rate of Return (Incl. Capex)</td>
<td>7.73%</td>
</tr>
<tr>
<td>Internal Rate of Return (Excl. Capex)</td>
<td>7.87%</td>
</tr>
<tr>
<td>Direct Comparison</td>
<td>$5,425</td>
</tr>
</tbody>
</table>

All details are shown in Australian Dollars (AUD).

The sublease over the subject property to the Commonwealth of Australia has a (3) month rent free period at the commencement of the sublease. In this regard we have been advised that the outstanding rent free incentive of $3,796,000 will be covered by a vendor income support arrangement. Should this prove to be incorrect we reserve the right to review our report.

We advise that the information contained herein must be read in conjunction with our full valuation report (Our Ref: PP/Jan/4s13Greenway), available at the offices of British and Malayan Trustees Limited during normal business hours.
Material Assumptions

The material valuation assumptions are contained in the full valuation report, which may be inspected at the offices of British and Malayan Trustees Limited during normal business hours.

Qualification & Warning

CICV has been engaged by British and Malayan Trustees Limited to provide an 'As If Complete' valuation of the subject property.

We understand that this summary report is to be included within rights issue documentation prepared by Alco REIT in order to finance its proposed acquisition of a 50% indirect interest rights issue in connection with the subject property and have requested CICV to consent to the inclusion of this report. CICV consents to the inclusion of this summary report in the rights issue documentation subject to the condition that this Qualification and Warning be included in the rights issue documentation and make the recipients of the rights issue documentation aware of the following:-

This valuation summary report, and full report provided to British and Malayan Trustees Limited, has been prepared for and may only be relied upon by Record Funds Management Limited as Responsible Entity for Record Realty, Alco SPC No. 5 Pty Ltd in its capacity as trustee of the Athilon Drive Landholding Trust ("ADLT") as owner of the subject property, Alco (Singapore) Limited as manager of Alco Commercial Real Estate Investment Trust ("Alco REIT"), British and Malayan Trustees Limited (the trustee for Alco REIT), ARCOT Pty Limited in its capacity as trustee of the ARC Trust as acquirer of a 50% interest in the ADLT and Credit Suisse (Singapore) Limited (as underwriter of the rights issue referred to below) (together the "Relevant Persons"), for first mortgage security and corporate reporting purposes and in connection with a rights issue undertaken by Alco REIT in order to finance its proposed acquisition of a 50% indirect interest in the subject property.

This report is a summary of the full valuation of the property only and has not been prepared for the purpose of assessing real estate as an investment opportunity.

CICV has not been involved in the preparation of the rights issue documentation nor has the report had regard to the other material contained in the rights issue documentation. The report and its content does not take into account any matters concerning the investment opportunity contained in the rights issue documentation.

CICV makes no representation or recommendation to a recipient in relation to the valuation of the property or the investment opportunity contained in the report. Recipients must seek their own advice in relation to the investment opportunity contained in the rights issue documentation.

CICV has prepared this report on the basis of, and limited to, the financial and other information (including market information and third party information) referred to in the report and contained in the full valuation report. We have assumed that the third party information is accurate, reliable and complete and confirm that we have not tested the information in that respect.
Liability Disclaimer

In the case of advice provided in this summary report and our full report which is of a projected nature, we must emphasise that specific assumptions have been made by us which appear realistic based upon current market perceptions. It follows that any one of our associated assumptions may be proved incorrect during the course of time and no responsibility can be accepted by us in this event.

This report has been prepared subject to the conditions referred to in our Qualification & Warning. Neither CICV nor any of its Directors makes any representation in relation to the rights issue documentation nor accepts responsibility for any information or representation made in the rights issue documentation.

CICV has prepared this valuation summary for inclusion in the rights issue documentation. CICV were involved only in the preparation of this summary and the valuation referred to herein, and specifically disclaim any liability to any person in the event of any omission from, or false or misleading statement included in the rights issue documentation, other than in respect of the valuation and this summary. We confirm that this summary may be included within the rights issue documentation.

The valuation is current as at the date of the valuation only. The value(s) assessed herein may change significantly and unexpectedly over a relatively short period as a result of general market movements or factors specific to the particular property. We do not accept liability for losses arising from such subsequent changes in value.

Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where the valuation is relied upon after the expiration of three months from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuations.

CICV confirms that it does not have a pecuniary interest that would conflict with its valuation of the property.

CICV is not providing advice about a financial product, nor the suitability of the investment set out in the rights issue documentation. Such an opinion can only be provided by a person who holds an Australian Financial Services Licence.

CICV does not, nor does the Valuer, hold an Australian Financial Services Licence and is not operating under such a licence in providing its opinion as to the value of the properties detailed in this report.
Valuer’s Experience and Interest

We advise that each of the Valuers are authorised under the relevant state / territory laws to practice as Valuers and have had in excess of five (5) years continuous experience in the valuation of property similar to the subject.

Further, we confirm that the nominated Valuers do not have a pecuniary interest that could conflict with the proper valuation of the property, and we advise that this position will be maintained until the purpose for which this valuation is being obtained is completed.

Yours sincerely,
Colliers International Consultancy and Valuation Pty Limited

Dwight Hillier
National Director – CBD Commercial Valuation

Paul Powderly
State Chief Executive ACT
VALUATION CERTIFICATE

PROPERTY ADDRESS: 55 Market Street Singapore 048941

LEGAL DESCRIPTION: Lot 418L of Town Subdivision 1.

TENURE: Leasehold 999 years commencing from 20 April 1826.

PROPERTY DESCRIPTION: A newly-refurbished 16-storey office building with a basement located in Raffles Place, Singapore's financial hub, within walking distance from Raffles Place MRT Station.

The building has a full-site coverage on a rectangular plot of land with a 15 metre street frontage and a depth of about 39 metres.

The basement restaurant and 1st storey cafe together have a net lettable area of 6,308 sq feet. The upper levels from the 2nd to 16th storeys accommodate column-free office space on a typical rectangular floor plate of about 4,800 sq feet and with a total NLA of 86,736 sq feet excluding roof terraces of about 3,025 sq feet. There is no provision for car parking.

MASTER PLAN 2003: Commercial

LAND AREA: 610.8 sq metres (6,575 sq feet)

GROSS FLOOR AREA: 8,464.6 sq metres (91,112 sq feet)

NET LETTABLE AREA ("NLA"): 6,786.0 sq metres (73,044 sq feet) excluding roof terraces.

YEAR OF COMPLETION: Temporary Occupation Permit was granted on 16 November 2006.

VALUATION APPROACH: Income Capitalization Approach, Discounted Cash Flow Analysis & Market Comparison Method

DATE OF VALUATION: 31 December 2006

MARKET VALUE: $91,000,000/- (Singapore Dollars Ninety-One Million Only)

VALUE PER SQ METRE OF NLA: $13,410 psf

VALUER: Jessie Yeo MSISV

Appraiser’s License No : AD041-2002061K

Savills (Singapore) Pte Ltd

Note: This Valuation Certificate must be read in conjunction with the full valuation report dated 18 January 2007 which details the conditions and assumptions under which this valuation is prepared.
NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of Allco Commercial Real Estate Investment Trust ("Allco REIT") will be held at The Fullerton Hotel, The Straits Room, Level 4, One Fullerton Square, Singapore 049178 on Monday, 11 June 2007 at 9.30 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications, the following ordinary resolutions:

1. Approval of the Acquisition by Allco REIT of a 50.0% Indirect Interest in the Centrelink Property

That subject to and contingent upon the passing of Resolutions 2, 3 and 4:

(a) approval be and is hereby given for the acquisition by Allco REIT of the 50.0% indirect interest in the Centrelink Property (as defined in the circular to unitholders of Allco REIT ("Unitholders") dated 26 May 2007 ("Circular")) for a consideration of A$108.75 million (S$136.5 million, based on an exchange rate of S$1.00 = A$0.7964, being the rate at which Allco REIT has entered into a foreign exchange derivative instrument to acquire the Centrelink Property), on the terms, and subject to the conditions, of a unit subscription agreement entered into by, inter alia,

(i) ARCOT Pty Limited as trustee of ARC Trust, a special purpose trust constituted under the laws of New South Wales and which is ultimately wholly-owned by Allco REIT, and

(ii) Allco SPC No. 5 Pty Limited as trustee of the Athlon Drive Landholding Trust ("ADLT Trustee"); and

(b) the Manager, any director of the Manager ("Director") and British and Malayan Trustees Ltd as trustee ("Trustee") of Allco REIT, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Allco REIT to give effect to the acquisition as set out in the Circular.

2. Approval of the Entry into the Unitholders’ Deed

That subject to and contingent upon the passing of Resolutions 1, 3 and 4:

(a) approval be and is hereby given for the entry into the Unitholders’ Deed (as defined in the Circular) by ARCOT Pty Limited as trustee of ARC Trust; and

(b) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or (as the case may be) the Trustee may consider expedient or necessary or in the interests of Allco REIT to give effect to the entry into the Unitholders’ Deed as set out in the Circular.

3. Approval of the Entry into the Income Support Deed

That subject to and contingent upon the passing of Resolutions 1, 2 and 4:

(a) approval be and is hereby given for the entry into the Income Support Deed (as defined in the Circular) by the ADLT Trustee; and

(b) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or (as the case may be) the Trustee may consider expedient or necessary or in the interests of Allco REIT to give effect to the entry into the Income Support Deed as set out in the Circular.
4. **Approval of the Entry into the Asset Management Agreement**

That subject to and contingent upon the passing of Resolutions 1, 2 and 3:

(a) approval be and is hereby given for the entry into the Asset Management Agreement (as defined in the Circular) by the ADLT Trustee; and

(b) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or (as the case may be) the Trustee may consider expedient or necessary or in the interests of Alco REIT to give effect to the entry into the Asset Management Agreement as set out in the Circular.

5. **Approval of the Rights Issue**

That:

(a) approval be and is hereby given for the renounceable underwritten rights issue (“Rights Issue”) of such number of new Units in Alco REIT (“New Units” or “Rights Units”) as would be required to raise up to S$210.0 million in gross proceeds in the manner described in the Circular on the terms, and subject to the conditions set out below, and/or otherwise on such terms and conditions as the Manager may think fit:

(i) that the provisional allotments of the Rights Units under the Rights Issue shall be made on a renounceable basis to Unitholders with Units in Alco REIT (“Units”) standing to the credit of their Securities Accounts and (aa) whose registered addresses with The Central Depository (Pte) Limited (“CDP”) are in Singapore as at a time and date to be determined by the Directors for the purpose of determining the Unitholders’ entitlements under the Rights Issue (“Books Closure Date”) or who have, at least five Market Days (as defined in the Circular) prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents and who are not U.S. persons or acting for the account or benefit of U.S. persons, or (bb) who Alco REIT considers, in its sole discretion, may be offered rights or New Units without breaching applicable securities laws (“Eligible Unitholders”);

(ii) no provisional allotment of the Rights Units shall be made in favour of Unitholders other than Eligible Unitholders;

(iii) the provisional allotments of Rights Units not taken up or allotted for any reason shall be used to satisfy applications for Excess Rights Units (as defined in the Circular) (if any) as the Manager may, in its discretion, deem fit;

(iv) the Rights Units represented by any provisional allotments remaining after applications for Excess Rights Units have been satisfied will be underwritten by Credit Suisse (Singapore) Limited, as sole underwriter (“Sole Underwriter”) to the Rights Issue on the terms of an underwriting agreement to be entered into between the Manager and the Sole Underwriter at a price per Rights Unit (“Underwriting Price”) which will be the aggregate of the Rights Issue Price (as defined in the Circular) and the difference (“Agreed Premium”) between the Rights Issue Price and the Underwriting Price. The Agreed Premium will be determined between the Manager and the Sole Underwriter and set out in the offer information statement relating to the Rights Issue to be sent to all Unitholders;

(v) the Rights Units, when allotted and issued, will rank pari passu in all respects with the then existing Units save for any rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Units; and

(vi) the Manager, any Director and the Trustee, be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such director of the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Alco REIT to give effect to the Rights Issue.
6. Approval of the General Mandate to Issue Units

That:

(a) approval be and is hereby given for the issue of the general mandate to be given to the Manager for the issue of new Units up to 50.0% of the number of Units in issue as at 31 December 2006, of which the aggregate number of Units issued other than on a pro-rata basis to existing Unitholders shall not be more than 20.0% of the number of Units in issue as at 31 December 2006 ("General Mandate"); and

(b) the Manager, any Director and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager, such Director or (as the case may be) the Trustee may consider expedient or necessary or in the interests of Allco REIT to give effect to the General Mandate.

BY ORDER OF THE BOARD
Nicholas McGrath
Chief Executive Officer
Allco (Singapore) Limited
(Company Registration No: 200503404G)
As Manager of Allco Commercial Real Estate Investment Trust

Notes:
1. A Unitholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a Unitholder.

2. The instrument appointing a proxy must be lodged at the Manager’s registered office at 55 Market Street, Level 16, Singapore 048941 not less than 48 hours before the time appointed for the Extraordinary General Meeting.

These materials are not for distribution, directly or indirectly, in or into the United States, Canada or Japan. These materials are not an offer of securities for sale into the United States, Canada or Japan. The securities may not be offered or sold in the United States or to, or for the account or benefit of, US persons (as such term is defined in Regulation S under the US Securities Act of 1933, as amended) unless they are registered or exempt from registration. There will be no public offer of securities in the United States.

In relation to the initial public offering of the Units in Allco REIT on 30 March 2006, the sole global coordinator and sole financial adviser was Credit Suisse (Singapore) Limited. The joint lead underwriters and bookrunners were Credit Suisse (Singapore) Limited and DBS Bank Ltd.
Notes To Proxy Form

1. A Unitholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.

2. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

3. A proxy need not be a Unitholder.

4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited (“CDP”), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of Allco REIT, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.

5. The instrument appointing a proxy or proxies must be deposited at the Manager’s registered office at 55 Market Street, Level 16, Singapore 048941, not less than 48 hours before the time set for the Extraordinary General Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with the Manager) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.

8. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Manager.

9. All Unitholders will be bound by the outcome of the Extraordinary General Meeting regardless of whether they have attended or voted at the Extraordinary General Meeting.

10. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or by five or more Unitholders present in person or by proxy, or holding or representing one-tenth in value of the Units represented at the meeting. Unless a poll is so demanded a declaration by the Chairman that such a resolution has been carried or carried unanimously or by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

11. On a show of hands every Unitholder who (being an individual) is present in person or by proxy or (being a corporation) is present by one of its officers as its proxy shall have one vote. On a poll every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.
IMPORTANT
1. For investors who have used their CPF monies to buy units in Allco Commercial Real Estate Investment Trust, this Circular is forwarded to them at the request of their CPF approved nominees and is sent FOR THEIR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We ___________________________ (Name)
of ___________________________ (Address)
being a unitholder/unitholders of Allco Commercial Real Estate Investment Trust (“Allco REIT”), hereby appoint:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>NRIC/Passport Number</th>
<th>Proportion of Unitholdings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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and/or (delete as appropriate)

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>NRIC/Passport Number</th>
<th>Proportion of Unitholdings</th>
</tr>
</thead>
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<td></td>
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or, both of whom failing, the Chairman of the Extraordinary General Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and if necessary, to demand a poll, at the Extraordinary General Meeting of Allco REIT to be held at The Fullerton Hotel, The Straits Room, Level 4, One Fullerton Square, Singapore 049178 on 11 June 2007 at 9.30 a.m. and any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

<table>
<thead>
<tr>
<th>No.</th>
<th>Ordinary Resolutions</th>
<th>To be used on a show of hands</th>
<th>To be used in the event of a poll</th>
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</thead>
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<tr>
<td></td>
<td></td>
<td>For *</td>
<td>Against *</td>
</tr>
<tr>
<td>1.</td>
<td>To approve the acquisition by Allco REIT of a 50.0% indirect interest in the Centrelink Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>To approve the proposed entry into the Unitholders’ Deed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>To approve the proposed entry into the Income Support Deed</td>
<td></td>
<td></td>
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<tr>
<td>4.</td>
<td>To approve the proposed entry into the Asset Management Agreement</td>
<td></td>
<td></td>
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<tr>
<td>5.</td>
<td>To approve the Rights Issue to raise up to S$210.0 million in gross proceeds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>To approve the General Mandate to issue Units</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* If you wish to exercise all your votes “For” or “Against”, please tick (√) within the box provided.
** If you wish to exercise all your votes “For” or “Against”, please tick (√) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _______ day of ______________________ 2007.

Total Number of Units held

Signature(s) of Unitholder(s) or Common Seal
The Company Secretary
Allco (Singapore) Limited
(as manager of Allco Commercial Real Estate Investment Trust)
55 Market Street
Level 16
Singapore 048941
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ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST

I CIRCULAR DA TED 26 MA Y 2007

Managed By
Allco (Singapore) Limited
55 Market Street
Level 16
Singapore 048941
1 +65 6438 1191
1 +65 6438 1161
w www.allco.com.au
(Reg. No. 200503404G)

Circular dated 26 May 2007

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (“SGX-ST”) takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

An application has been made to the SGX-ST for its approval in-principle for the listing and quotation of the new units (“New Units” or “Rights Units”) in Allco Commercial Real Estate Investment Trust (“Allco REIT”), to be issued for the purpose of the Rights Issue (as defined herein), on the Official List of the SGX-ST.

If you have sold or transferred all of your units in Allco REIT (“Units”), you should immediately forward this Circular, together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form in this Circular, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Unitholders should read Section 9 of the Letter to Unitholders (as defined herein) for further details as to their eligibility to participate in the Rights Issue.

This Circular is not an offer of securities in any jurisdiction, including the United States. Neither the rights nor the New Units issuable on acceptance of the provisional allotments of the Rights Units have been or will be registered under the United States Securities Act of 1933 (“U.S. Securities Act”), or under the securities laws of any state in the United States and they may not be offered or sold to, or for the account or benefit of, U.S. persons except in transactions that are exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
(a unit trust constituted on 12 September 2005 under the laws of the Republic of Singapore)

MANAGED BY
ALLCO (SINGAPORE) LIMITED

CIRCULAR TO UNITHOLDERS IN RELATION TO:
(1) THE PROPOSED ACQUISITION BY ALLCO REIT OF A 50.0% INDIRECT INTEREST IN THE CENTRELINK PROPERTY, WHICH IS AN INTERESTED PERSON TRANSACTION;
(2) THE PROPOSED ENTRY INTO THE UNITHOLDERS’ DEED, WHICH IS AN INTERESTED PERSON TRANSACTION;
(3) THE PROPOSED ENTRY INTO THE INCOME SUPPORT DEED, WHICH IS AN INTERESTED PERSON TRANSACTION;
(4) THE PROPOSED ENTRY INTO THE ASSET MANAGEMENT AGREEMENT, WHICH IS AN INTERESTED PERSON TRANSACTION;
(5) THE PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE OF NEW UNITS AT THE RIGHTS ISSUE PRICE; AND
(6) THE PROPOSED GENERAL MANDATE FOR THE ISSUE OF NEW UNITS.

Sole Underwriter for the Rights Issue

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for lodgement of Proxy Forms : 9 June 2007 at 9.30 a.m.
Date and time of Extraordinary General Meeting : 11 June 2007 at 9.30 a.m.
Place of Extraordinary General Meeting : The Fullerton Hotel, The Straits Room, Level 4, One Fullerton Square, Singapore 049178