

**Media Release**  
For immediate release  
14 September 2007

## ALLCO REIT TO ACQUIRE AN ADDITIONAL THREE PROPERTIES IN JAPAN

### Key Highlights

- **Acquisition of two high quality commercial properties in Tokyo and one in Osaka**
- **Increased presence in Asia**
- **Immediately accretive to Allco REIT's distribution per unit**

**Singapore, 14 September 2007** - Allco Commercial Real Estate Investment Trust ("Allco REIT") (SGX:ALLC) today announced that it will acquire a 100% interest in three properties in Japan (collectively the "Properties") for a total purchase price of ¥11.65 billion<sup>1</sup> (S\$153.05 million)<sup>2</sup> at a discount to independent valuation.

An overview of the Properties is set out below.

Property	Location	Description	NLA <sup>3</sup>	Purchase Price	Yield
Galleria	Osaka	Twelve levels of commercial office and basement retail space	10,166 sqm (109,426 sq ft)	¥6.56 billion (S\$86.18 million)	4.80%
Aco	Tokyo	Three levels of commercial office space and basement office/studio space	1,481 sqm (15,944 sq ft)	¥2.02 billion (S\$26.54 million)	4.10%
Ebara	Tokyo	Five levels of commercial office space	5,430 sqm (58,451 sq ft)	¥3.07 billion (S\$40.33 million)	4.80%

Further details on the Properties are set out in the accompanying presentation and SGX-ST announcement.

<sup>1</sup> References to purchase consideration in this release exclude expenses associated with the acquisitions and consumption tax.

<sup>2</sup> The exchange rate used in this release is S\$1.00:¥76.1198.

<sup>3</sup> Calculated as 1 sqm = 10.7639 sq ft.

Mr Nicholas McGrath, Chief Executive Officer and Managing Director of Allco (Singapore) Limited, manager of Allco REIT, said, "These acquisitions are consistent with our investment strategy of acquiring well-located, yield accretive assets in our target markets."

Japanese property assets will represent 16.4% of Allco REIT's total property assets upon completion<sup>4</sup>. The Properties will improve the quality and diversification of Allco REIT's income. The acquisitions are in line with Allco REIT's regional growth strategy and continue to diversify its portfolio of assets within Asia.

"We are particularly pleased to be entering the Tokyo market and increasing our exposure to the commercial property market in Osaka. It is expected that these markets will continue to benefit from increased rentals and capital appreciation."

The acquisitions of the Properties will be funded entirely by debt. The weighted average cost of debt funding for the acquisition of the Properties will be 2.09% and will be fixed for five years. Following completion of the acquisitions, Allco REIT's leverage (calculated as gross borrowings plus deferred payments divided by total assets) is expected to increase from 25.1% to approximately 33.5%, which is within the aggregate leverage limit as set out in the guidelines for real estate investment trusts in Appendix 2 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("**Property Funds Guidelines**"). Allco REIT has an investment grade credit rating from Moody's Investor Services Inc. which, under the Property Funds Guidelines, permits gearing of up to 60.0%.

"Debt continues to be readily accessible for Allco REIT, with lenders supportive of Allco REIT's strategy. We have seen a reduction in Yen-denominated debt costs since our previous Japanese acquisition a month ago in Osaka." Mr McGrath said.

**For further information, kindly contact:**

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<sup>4</sup> Represented by the aggregate appraised value as a percentage of the sum of total property investments held and valued as at 30 June 2007, the aggregate appraised value and the valuation of Cosmo Plaza as at 30 May 2007.

## **About Allco Commercial Real Estate Investment Trust**

Allco REIT listed on the main board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 30 March 2006. Allco REIT’s current portfolio spans high quality assets in Singapore, Japan and Australia, being:

- a 100% interest in the China Square Central Property, Singapore
- a 100% interest in 55 Market Street, Singapore
- a 50% interest in Central Park (Perth)
- a 50% interest in Centrelink, Canberra
- a 100% interest in Cosmo Plaza, Osaka and
- an investment in the Allco Wholesale Property Fund (“AWPF”), which has a 50.0% interest in each of Ernst & Young Centre and World Square Retail Complex and Public Car Park in Sydney and a 100% interest in Neeta Shopping Centre in Sydney.

Allco (Singapore) Limited’s (the “**Manager**”) investment policy for Allco REIT is to invest primarily in Real Estate and Real Estate Related Assets in the office and retail sectors in Singapore, other parts of Asia and Australia. The Manager’s key objectives are to:

- (a) deliver regular, stable and growing distributions to Unitholders; and
- (b) achieve long term growth in the net asset value per Unit.

## **About the Manager**

The Manager was incorporated on 15 March 2005 and is the manager of Allco REIT. Allco Finance Group Limited (“**Allco**”) is the ultimate holding company of the Manager.

## **About Allco**

Allco is a fully integrated global financial services business, listed on the Australian Stock Exchange (ASX: AFG) and specialising in structured asset finance, specialised funds management and debt funding.

Allco commenced operations in Australia as a private structured finance business in 1979. The Group has evolved significantly from its origins as a leveraged lease packager and underwriter and is now a diversified finance group with a global network of operations.

Throughout its history, Allco has recognised that with change comes opportunity, and has positioned itself at the forefront of structured finance through product innovation.

Allco’s business has grown rapidly as access to capital has facilitated the origination of more transactions. Headquartered in Sydney, Allco’s growth prospects are augmented by its network of offices in key markets throughout Asia Pacific, North America and UK/Europe. For more information please refer to [www.allco.com.au](http://www.allco.com.au).

## **Allco’s Asian operations**

**Hong Kong** – established in 2005 to extend Allco’s global operations into Asia, in particular, the Greater China region. Currently, a joint venture investment fund is established with CITIC Capital in Hong Kong to focus on Greater China investments.

**Singapore** – is responsible for the operation of Allco’s finance and funds management activities in Singapore including property related acquisitions and the funds management activities of the Allco REIT (SGX:ALLC).

**Malaysia** – operations commenced in Malaysia in 2006 and its dedicated structured asset finance subsidiary, Allco (Malaysia) Sdn Bhd. was incorporated in January 2007. Allco has entered into a JV Agreement with CIMB Group to jointly structure, originate and create sophisticated asset based products and provide structured asset finance solutions.

## IMPORTANT NOTICE

This announcement 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 and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

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

Investors should note that they 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.

This publication is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Allco REIT is not necessarily indicative of the future performance of Allco REIT.