



## ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST

(a unit trust constituted on 12 September 2005 under the laws of the Republic of Singapore)

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### ANNOUNCEMENT

#### **Allco REIT not to proceed with non-renounceable preferential offering**

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*Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the announcement made by Allco Commercial Real Estate Investment Trust ("**Allco REIT**") on 16 November 2007.*

We refer to the announcement by the Board of Directors of Allco (Singapore) Limited, as manager ("**Manager**") of Allco REIT, on 16 November 2007, in relation to the proposed Preferential Offering of up to 175,182,925 New Units.

The Manager has decided not to proceed with the proposed Preferential Offering. Allco REIT's existing Units were scheduled to be traded on an "ex-entitlements" basis from 29 November 2007 at 9.00 a.m. Since the proposed Preferential Offering is not proceeding, the Units will not trade "ex-entitlements" and all other actions relating to the Preferential Offering will no longer take effect.

The Manager had intended to use the net proceeds from the proposed Preferential Offering to partially repay debt associated with Allco REIT's recent acquisitions in Singapore and Japan. However, given current market conditions, the Manager has concluded that it is not prudent to raise equity at this time.

Mr Nicholas McGrath, Chief Executive Officer of the Manager noted, "There is no pressing need for Allco REIT to be raising capital at this time and given current market conditions, we have decided not to proceed with the Preferential Offering. In coming to this decision, we have taken into consideration the feedback we received from Unitholders."

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In relation to the initial public offering of the Units 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.

“Allco REIT’s aggregate leverage of approximately 46.6% is well below the aggregate leverage limit as set out in the Property Funds Guidelines. Allco REIT has an investment grade credit rating which permits gearing of up to 60.0%.”

By Order of the Board

Nicholas Paul McGrath  
Chief Executive Officer  
Allco (Singapore) Limited  
(Company Registration No.: 200503404G)  
As Manager of Allco Commercial Real Estate Investment Trust

28 November 2007

## **IMPORTANT NOTICE**

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 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 Singapore Exchange Securities Trading Limited ("**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.