



**Media Release**

*For immediate release*

*5 June 2006*

## **ALLCO REIT TO ACQUIRE SINGAPORE CBD ASSET**

### **Key Highlights**

- **Sale and purchase agreement signed to acquire 55 Market Street, Singapore for S\$72.5 million**
- **Yield accretive acquisition**
- **Funded by debt and internal cash resources of Allco REIT**
- **Completely refurbished high quality property**
- **Centrally located, close to Raffles Place MRT**

**Singapore, 5 June 2006** – Allco (Singapore) Limited (the “Manager” or “Allco Singapore”), the manager of Allco Commercial Real Estate Investment Trust (“Allco REIT”) (SGX:ALLC) is pleased to announce that British and Malayan Trustees Limited, as trustee of Allco REIT, has signed a sale and purchase agreement with CP Grace One Pte Ltd (the “Vendor”) for the acquisition of the property located at 55 Market Street, Singapore, at a purchase price of S\$72.5 million.

The acquisition is expected to be earnings neutral in the Forecast Period 2006 (as defined in the Allco REIT prospectus dated 23 March 2006 (“Prospectus”)) and yield accretive to unitholders of Allco REIT in the Projection Year 2007 (as defined in the Prospectus).

The purchase price of S\$72.5 million, which is also the appraised value by Savills (Singapore) Pte Limited, will be funded by debt and cash reserves of Allco REIT. Following completion of the acquisition of the property, Allco REIT will have a gearing level of approximately 39.6%. Allco REIT will obtain an issuer rating from a ratings agency prior to completion of the acquisition in order to comply with MAS requirements.

Commenting on the acquisition, Mr Michael Dwyer, CEO and Managing Director of the Manager said “We are pleased to announce the acquisition of a high quality commercial property in a premium location in the Singapore central business district.”

Mr Nicholas McGrath, Executive Director of the Manager, said “With market rents expected to continue to increase in Singapore throughout 2006 and 2007, Allco REIT is well positioned to benefit from this growth. The acquisition demonstrates Allco Singapore’s ability to source good quality off market transactions and to act opportunistically with our partners for the benefit of Allco REIT unitholders. This acquisition represents the first step in the execution of our strategy since listing on 30 March 2006.”

### **ALLCO (SINGAPORE) LIMITED**

65 Chulia Street #37-05/06 OCBC Centre Singapore 049513

Telephone: +65 6438 1191 Facsimile: +65 6438 1161 [www.allco.com.au](http://www.allco.com.au) Reg. No. 200503404G



### 55 Market Street, Singapore

55 Market Street, Singapore, is a high quality boutique 16 level property located in the heart of the financial district, approximately 100 metres from Raffles Place MRT.

The property is currently undergoing extensive refurbishment. This involves the replacement of major plant and equipment, extension of the property from its former 14-storey configuration to 16 levels comprising two additional penthouse floors with large outdoor deck areas. The floor plates from the 2<sup>nd</sup> to the 12<sup>th</sup> storeys are also being extended to capture city vistas and windows have been added to capture river views and natural light.

The refurbishment of the property is anticipated to be completed during the fourth quarter of 2006 and completion of the acquisition by Allco REIT will take place upon completion of the refurbishment.

The property will comprise a basement restaurant, first floor café and 14 office levels. Following completion of the refurbishment, the net lettable area of the property will be approximately 74,788 square feet.

Whilst the property will be acquired by Allco REIT with vacant possession, the Manager has commenced pre marketing activities for lease of the property. Allco Singapore is confident that it will achieve an early pre-commitment to at least 20% of the property and expects to fully lease the property within 12 months from the date of completion of the acquisition.

The acquisition represents a purchase price of S\$969 per square foot.

### Property details

<b>Location</b>	55 Market Street, Singapore
<b>Tenure</b>	999 years with effect from April 1826
<b>Total Net Lettable Area (sq ft)</b>	Approximately 74,788 square feet
<b>Office Net Lettable Area (sq ft)</b>	Approximately 67,931 square feet
<b>Retail Net Lettable Area (sq ft)</b>	Approximately 6,857 square feet
<b>Independent valuation by Savills (Singapore) Pte Limited</b>	S\$72.5 million

### For more information contact:

#### Gavin Anderson & Company

Tan Ee Ching  
Associate Director  
Tel : +65 6339 9110  
Mob : +65 9795 8071  
Email : [etan@gavinanderson.com.sg](mailto:etan@gavinanderson.com.sg)

#### Allco (Singapore) Limited

Nicholas McGrath  
Executive Director  
Tel : +65 6438 1191  
Mob : +65 8157 1677  
Email : [nicholas.mcgrath@allco.com.sg](mailto:nicholas.mcgrath@allco.com.sg)

Evan Gallagher  
Director – Investor Relations  
Tel: +65 6438 1191  
Mob: +65 8157 1877  
Email: [evan.gallagher@allco.com.sg](mailto:evan.gallagher@allco.com.sg)

### ALLCO (SINGAPORE) LIMITED

65 Chulia Street #37-05/06 OCBC Centre Singapore 049513

Telephone: +65 6438 1191 Facsimile: +65 6438 1161 [www.allco.com.au](http://www.allco.com.au) Reg. No. 200503404G



In relation to the initial public offering 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 Limited.

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

Allco REIT listed on the main board of the Singapore Stock Exchange on 30 March 2006. Allco REIT's initial portfolio spans high quality assets in Singapore and Australia, being a 100% interest in the China Square Central Property, a 50% interest in Central Park (Perth) and an investment of A\$48.0 million (S\$55.5 million) 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 100.0% interest in 222 Exhibition Street in Melbourne.

Managed by Allco (Singapore), Allco REIT's investment policy 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 deliver regular and stable distributions to unitholders, and to achieve long term growth in such distributions and the net asset value per unit.

#### **About Allco (Singapore)**

Allco (Singapore) was incorporated in March 2005 and is the manager of Allco REIT. Allco Finance Group Limited and its shareholders indirectly own a majority interest in Allco (Singapore).

#### **About Allco Finance Group Limited ("Allco")**

Commencing business in 1979, Allco is a privately owned Australian financial services company specialising in asset-based structured financing and funds management principally in the aviation, property, rail, shipping and technology infrastructure sectors. Since its inception, Allco has built a reputation in innovative asset-based structured financing and has developed a range of specialist financing structures utilising both domestic and cross border benefits in a diverse range of jurisdictions. Its key focus areas are funds management, asset finance, principal investing and capital markets finance. As at 20 February 2006, Allco managed gross funds in excess of A\$7.6 billion (S\$9.4 billion).

Headquartered in Sydney, Allco has three Australian offices and seven global offices in the key financial centres of London, New York, Frankfurt, San Francisco, Toronto, Singapore and Hong Kong.

On 6 March 2006 the board of Record Investments Limited (ASX:RCD), an Australian listed investment company managed by Allco, announced the key terms for the proposed acquisition of Allco from the Allco shareholders, subject to the approval of Record shareholders on 9 June 2006. Following the acquisition, and subject to shareholder approval, Record will be renamed Allco Finance Group Limited. The merged entity is expected to have a market capitalisation of approximately A\$3 billion (S\$3.6 billion).

#### **IMPORTANT NOTICE**

This media release 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.

#### **ALLCO (SINGAPORE) LIMITED**

65 Chulia Street #37-05/06 OCBC Centre Singapore 049513

Telephone: +65 6438 1191 Facsimile: +65 6438 1161 www.allco.com.au Reg. No. 200503404G



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 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.

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

**ALLCO (SINGAPORE) LIMITED**

65 Chulia Street #37-05/06 OCBC Centre Singapore 049513

Telephone: +65 6438 1191 Facsimile: +65 6438 1161 [www.allco.com.au](http://www.allco.com.au) Reg. No. 200503404G