

**For Immediate Release**

## **ALLCO REIT TO LAUNCH INITIAL PUBLIC OFFERING**

- **Singapore's Asia-Pacific REIT focusing on high quality commercial office and retail properties across the Asia-Pacific region**
- **Offering of 321,255,000 units in Allco REIT ("Units")**
- **Offering price of S\$1.00 per Unit**
- **Expected distribution yield of 5.77%<sup>1</sup>**
- **Public offer opens Thursday, 23 March 2006 at 8:00 pm and closes Tuesday, 28 March 2006 at 8:30 am**

**Singapore, 23 March 2006** – Allco Commercial Real Estate Investment Trust ("Allco REIT"), Singapore's Asia-Pacific real estate investment trust, will launch its initial public offering of units in Allco REIT (the "Offering") at 8:00 pm today. The prospectus relating to the Offering has been registered with the Monetary Authority of Singapore today.

A total of 321,255,000 Units is being offered for subscription at the offering price of S\$1.00 per Unit. The Offering consists of (i) an international placement of 306,255,000 Units to investors, including institutional and other investors in Singapore ("Placement Tranche"), and (ii) a public offer of 15,000,000 Units to retail investors in Singapore ("Public Offer"), of which 881,000 Units are reserved for subscription by the directors, management, employees and business associates of Allco Finance Group Limited ("Allco Finance") and Allco (Singapore) Limited ("Allco (Singapore)"), and persons who have contributed to the success of the Offering.

Based on the offering price of S\$1.00 per Unit, the annualised forecast distribution yield for 2006 is 5.77%<sup>1</sup>.

The Public Offer opens at 8:00 pm on Thursday, 23 March 2006 and closes at 8:30 am on Tuesday, 28 March 2006. The Units are expected to commence trading on Singapore Exchange Securities Trading Limited at 2:00 pm on Thursday, 30 March 2006 (the "Listing Date").

Mr Michael Dwyer, CEO of Allco (Singapore), the manager of Allco REIT (the "Manager") said, "The response from institutional investors has been very heartening. We believe that we have put together a REIT that is very high in quality, encompassing blue chip tenants and prime commercial properties."

To date, OZCap Funds, Capital Research and Management Company, and CQS Master Fund (the "Cornerstone Investors") have committed to subscribing for 9.9%, 6.4% and 3.0%

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<sup>1</sup> Annualised figure for the ten months from 1 March 2006 to 31 December 2006 based on the offering price of S\$1.00 per Unit under the initial public offering of Units and on the assumptions set out in the Allco REIT prospectus dated 23 March 2006.

of the total Units, comprising an aggregate of 95,850,000 Units, representing 19.4% of total Units.

Mr Dwyer continued, “Our investment policy is to focus on growing our portfolio through active acquisitions in the Asia-Pacific region and pursue asset enhancement opportunities to raise the value and income from the properties, bringing long term value to our unitholders.”

### **Initial Portfolio**

Allco REIT has an initial portfolio of investments valued at S\$683.9 million, with a net lettable area of approximately 67,415 sq m as at 31 December 2005 as follows:

- 100% interest in the China Square Central Property;
- 50% interest in Central Park (Perth) (the China Square Central Property and Central Park (Perth), collectively the “Real Estate Assets”); and
- an investment of A\$48.0 million (S\$59.3 million) or an interest of 15.7% 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 (collectively the “AWPF Properties”).

The China Square Central Property is strategically located near the hub of Singapore’s financial centre where it is well-served by Singapore’s world-class public transportation system. A unique blend of refurbished conservation shop houses alongside a modern office and retail development lends character to the China Square Central Property, bringing about high occupancy rates of more than 90.0% and a large tenant base of 36 office tenants and 61 retail tenants as at 31 December 2005.

Central Park (Perth) is a landmark office building, occupying a superior location along the main arteries of the Perth CBD. Being the pre-eminent business address in Perth, it boasts a strong tenant base of 25 as at 31 December 2005, which includes leading multinational companies and government departments. In addition, the limited supply of prime office space in the CBD and the strengthening Western Australian office market bode well for Allco REIT, pointing to the strong demand for premium to grade “A” office space and hence rental and income growth.

AWPF is an unlisted property fund that has a current portfolio of Australian assets. Ernst & Young Centre and World Square Retail Complex and Public Car Park, and 222 Exhibition Street are located in the CBDs of Sydney and Melbourne respectively. These premium assets complement Allco REIT’s strategy of investing in prominent and high quality properties. The Manager is not charging fees in respect of the AWPF Properties.

### **Key Investment Merits**

The key investment highlights of Allco REIT include:

*Investment in high quality and well located commercial properties*

Most of the properties in the initial portfolio of investments are premium and grade “A” properties strategically located in the CBDs of their respective cities.

*Attractive yields supported by strong property portfolio fundamentals*

Allco REIT is committed to deliver regular and stable distributions to its unitholders (“Unitholders”), which are supported by the strong fundamentals of the initial Real Estate Assets. The China Square Central Property guarantees a fixed net property income of S\$17.55 million for six years under a master lease signed with Unicorn Square Limited (“Unicorn”), an indirect wholly owned subsidiary of The Straits Trading Company Limited (“Master Lease”). Any net operating income exceeding S\$17.55 million in any calendar year will be shared in the proportion of 60:40 between Unicorn and Allco REIT under the Master Lease. Allco REIT will also have the benefit of up to A\$14.5 million (S\$17.9 million)<sup>2</sup> in income support for Central Park (Perth) for three years from the Listing Date.

*Geographical diversification*

Unitholders will benefit from the exposure to commercial office and retail markets in Singapore and Australia, whilst at the same time, reducing Allco REIT’s dependence on any one economy and enhancing the potential for consistent future earnings. The Manager also intends to acquire properties in Singapore, other parts of Asia and Australia to further diversify the portfolio geographically.

*High quality tenant base*

The major tenants of the China Square Central Property, Central Park (Perth) and the AWPf Properties include government entities, multinational corporations and prominent local businesses, thereby enhancing the stability of rental income with long term space requirements and low default rates.

*Growth opportunities through acquisitions and active management of the Real Estate Assets*

The Manager will focus on a regional acquisition strategy which entails sourcing and acquiring assets in Singapore, other parts of Asia and Australia that deliver regular and stable distributions, achieve long term growth in distributions and net asset value per Unit, thus providing a competitive rate of return to Unitholders. In addition to developing geographical and asset diversification within the portfolio, the Manager aims to focus on acquiring high quality real estate assets primarily in the office and retail sectors.

Added Mr Dwyer, “As part of our focus on Asia-Pacific, we intend to further establish our presence across the region by sourcing, originating and structuring property acquisitions. Access to the international network of our sponsor, Allco Finance, will also allow us access to acquisition opportunities in key financial centres globally, where they have an established presence.”

To further increase distributions and returns to Unitholders, the Manager will actively manage the property portfolio to enhance their yields and rental growth.

*Experienced management team and board of the Manager*

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<sup>2</sup> Based on an exchange rate of S\$1.00 : A\$0.81.

With wide-ranging experience in property fund management, property valuation, property financing, property management, property securities analysis and property securities portfolio management and property development in Australia and Asia, the significant experience of the management team and board of the Manager will benefit Allco REIT through their ability to enhance property yields and source and execute acquisition opportunities.

*High distribution payout ratio*

Allco REIT will distribute 100% of its taxable income and tax-exempt income for the period from the Listing Date to 31 December 2007, and will distribute at least 90% of its taxable and tax-exempt income thereafter.

Allco REIT aims to deliver regular and stable distributions to Unitholders and has an annualised forecast distribution yield of 5.77% for the period 1 March 2006 to 31 December 2006 and a projected distribution yield of 5.90%<sup>3</sup> for 2007. Distributions will be made on a semi-annual basis for the 6-month periods ending 30 June and 31 December each year. Allco REIT's first distribution after the listing will, however, be for the period from the date of listing to 31 December 2006. This is expected to be made in February 2007.

*Opportunities to benefit from the strengthening of Singapore's and Australia's office property markets*

Allco REIT is well positioned to capitalise on the high growth in the office property markets across Singapore and Australia. Rents in Singapore's downtown area were up 10.1% from the start of 2004 to the third quarter of 2005 and the average growth for office rents is expected to be approximately 9.0% per annum over 2005 to 2009. The Australian office markets have typically seen a general reduction of new supply, causing vacancies to fall and rents to grow in major cities including Perth, Sydney and Melbourne.

**Use of Proceeds**

Based on the offering price, Allco REIT will raise gross equity proceeds of S\$490.6 million from the Offering, Cornerstone Investors and Allco (Singapore), and when combined with the draw-down from debt facilities of S\$239.4 million, will be used to acquire Allco REIT's initial portfolio and pay for associated fees and expenses.

Credit Suisse (Singapore) Limited is the sole global co-ordinator and sole financial advisor for the Offering. Credit Suisse (Singapore) Limited and DBS Bank Ltd are the joint lead underwriters and bookrunners for the Offering. Macquarie Securities (Singapore) Pte. Limited and UOB Kay Hian Private Limited are the sub-underwriters for the Offering.

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<sup>3</sup> For the full year from 1 January 2007 to 31 December 2007 based on the offering price of S\$1.00 per Unit and on the assumptions set out in the Prospectus.

For more information, please contact:

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**About Allco Commercial Real Estate Investment Trust**

Allco REIT's initial portfolio spans premium 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\$59.3 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 (collectively known as "AWPF Properties").

Managed by Allco (Singapore), its 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) Limited**

Allco (Singapore) was incorporated in March 2005. Allco Finance and its shareholders indirectly own a majority interest in Allco (Singapore).

Allco (Singapore) is also the manager of an unlisted fund, constituted in Singapore. Allco (Singapore) provides company and lease management services to support Allco Finance's aviation leasing business in Singapore, undertaken by Allco Aviation Leasing Pte. Limited.

## About Allco Finance Group Limited

Commencing business in 1979, Allco Finance 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. For over 27 years, Allco Finance 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 Finance managed gross funds in excess of A\$7.6 billion (S\$9.4 billion).

Headquartered in Sydney, Allco Finance employs more than 450 staff at three Australian offices and seven global offices in the key financial centres of London, New York, Frankfurt, San Francisco, Toronto, Singapore and Hong Kong.

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## IMPORTANT NOTICE

The Allco REIT prospectus dated 23 March 2006 (the "Prospectus") is available upon request and a copy may be obtained from Credit Suisse (Singapore) Limited and any DBS Bank branch (including POSB), and where applicable, from certain members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore, subject to availability. This release is qualified in its entirety by, and should be read in conjunction with the full text of the Prospectus, including but not limited to the sections entitled "Risk Factors", "Notice to Investors" and "Forward-Looking Statements". Words and expressions not defined in this release have the same meaning as defined in the Prospectus unless the context requires otherwise.

This release may contain forward-looking statements that involve assumptions, 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 current views of management on future events.

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. Past performance of the Manager is not necessarily indicative of its future performance.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Allco REIT. All forecast and projected yields are based on the offering price of S\$1.00 per Unit and on the assumptions set out in the Prospectus and such yields will vary accordingly for investors who purchase Units in the secondary market at a price higher or lower than the offering price of S\$1.00 per Unit. 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 the Prospectus for details of the forecasts and consider the assumptions used and make their own assessment of the future performance of Allco REIT or seek professional advice from the relevant advisors before deciding whether to subscribe for or purchase the Units.

Allco REIT has received a letter of eligibility from the SGX-ST for the listing and quotation of the Units on the Main Board of the SGX-ST. Allco REIT's eligibility to list on the SGX-ST does not indicate the merits of the

Offering, Allco REIT, the Manager or the Units. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this release or the Prospectus. Further, the admission of Allco REIT to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, Allco REIT, the Manager or the Units.

**This release is not provided to and should not be read by any person other than Singapore residents reading this information within the Republic of Singapore. The information in this release must not be published outside the Republic of Singapore and in particular, but without limitation, must not be published in any United States edition of any publication.**

Nothing in this release constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Units have not been, and will not be, registered under the U.S. Securities Act of 1933 as amended (the "Securities Act"), or the securities laws of any state of the U.S. or other jurisdiction and the Units may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. These materials are not for distribution, directly or indirectly, in or into the United States, Canada or Japan.

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***Michael Dwyer***  
***Chief Executive Officer & Managing Director***

Michael Dwyer has over 20 years' fund management experience in Australia and Singapore. He also founded, and from 2002 to 2005, managed International Mezzanine Fund Management Limited, a Singapore-based fund manager.

As CEO, Michael will work closely with the Board of the Manager to determine overall business and investment strategy for Allco REIT. In addition to undertaking overall management and planning of the strategic direction of Allco REIT, Michael also oversees the day-to-day operations of the Manager and the establishment of systems/ procedures to ensure that the Manager and its executives comply with all regulatory requirements.

From 1998 to 2001 he was the founding managing director of the fund manager of one of the top ranked mortgage trusts in Australia, LM Investment Management Limited.

Michael is a solicitor with more than 20 years' experience in commercial and property law. He also managed two law practices from 1974 to 1984.





***Nicholas McGrath***  
***Executive Director & Director of Funds Management***

Nicholas McGrath was a director in the Funds Management Division of Allco Finance prior to joining the Manager. In this designation, he was involved in various structured finance and principal investing activities as well as the business development activities of Allco Finance. Notably, Nicholas had joint responsibility within Allco Finance for the rights issue of Record Realty, which was completed in December 2004 and has also been involved in structured acquisitions in excess of A\$1.0 billion of properties.

As Director of Funds Management, Nicholas is responsible for the establishment of Allco REIT and its initial property acquisitions. With primary oversight of the fund management aspects of the REIT, Nicholas will be principally responsible for sourcing, arranging and closing asset acquisitions for the REIT, together with the Director of Investment, Sheldon Lee. His other responsibilities include liaising with the MAS, SGX-ST and other regulatory authorities in respect of Allco REIT as well as liaising with advisors and consultants.

Prior to joining Allco Finance in 1999, Nicholas was a practising lawyer with Blake Dawson Waldron in the corporate and commercial group in Sydney, specialising in corporate structuring, fundraising, general corporate advisory work, and mergers and acquisitions.

Nicholas graduated with a Bachelor of Business (Accounting) and Bachelor of Laws (Honours) from the University of Technology, Sydney in 1996. He also holds a Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia in 2004.



***Christopher West***  
***Non-Executive Director***

Christopher West joined Allco Finance in 1991 and is the Director and Head of the Funds Management Division of Allco Finance, specialising in the provision of niche fund management products supporting Allco Finance's business. He is a director of Allco Funds Management Limited, Allco Management Investments Limited, Allco Principals Investments Pty Limited and APF Management Pty Limited. Christopher is also Chairman of Record Funds Management Limited, the responsible entity of Record Realty, a listed property trust in Australia.

Prior to joining Allco Finance, Christopher was general manager of corporate finance at The State Bank of New South Wales for 15 years where he was responsible for the bank's non-lending investment portfolio, including the establishment of First State Fund Managers, First State Securities, project finance and the bank's investment in venture capital and development capital companies.

He was also a member of the Australian Stock Exchange for 12 years prior to its demutualisation.



***Christopher Stephenson***  
***Chief Financial Officer***

As Chief Financial Officer, Christopher Stephenson has primary responsibility for the finances of Allco REIT with a key part of that role being to focus on the financial management and establishment of key performance indicators to facilitate the effective management of the REIT. In this role, he also takes care of financial projections, accounting for the rental collections and operating expenses; oversees the preparation of statutory accounts, co-ordinating with external auditors, managing tax affairs, managing borrowings and preparing performance reports for investors and regulators. Christopher will also liaise with Unitholders, including regular statutory reporting such as annual reports to Unitholders.

Prior to joining the Manager, from 2004 to end-2005, Christopher was chief financial officer of Damac Properties LLC, the largest private property developer in Dubai, with responsibility for strategic financial management, risk mitigation, control and reporting in respect of the company's property development/ operations in Dubai, UK, Lebanon, Pakistan, Russia and Iran. During 2003 to 2004, Christopher was Project Director for the Asia Pacific Transactions Group of RSM International and before that, from 2001 to 2003, he was chief financial officer of International Telecommunications Clearing Corp, Dubai, a global telecoms services communications group.

Christopher graduated from the University of New South Wales in 1981 with a Bachelor of Commerce.



***Sheldon Lee***  
***Director of Investment***

As Director of Investment, Sheldon Lee is responsible for researching, identifying and evaluating properties across Asia and Australia with a view to enhancing Allco REIT's portfolio of assets. Together with the Director of Asset Management and the Director of Funds Management, Sheldon ensures that all properties within the portfolio continue to maximise returns for Allco REIT. Where required, Sheldon will work with the Director of Funds Management to ensure the best possible divestment outcome of any property that is no longer strategic, fails to enhance the value of the portfolio or fails to be yield accretive.

Before he joined the Manager, Sheldon was an associate director of International Mezzanine Fund Management Limited. Prior to that, from 2002 to 2004, he was an associate director of Cadmus Partners Pte Ltd; and from 2000 to 2002 he worked with the HSBC Group. Before that, he was with the Singapore branch of Commerzbank AG. At both banks, he worked on the regional equity and debt capital markets desk focusing on the real estate markets of the region. Notably, he was involved in the S\$390 million refinancing of Bugis Junction, the S\$150 million construction financing for the Grange Residences, the S\$210 million bond issue for Millenium & Copthorne Hotels plc and the S\$15 million refurbishment financing of The Paragon shopping centre.

Sheldon graduated with a Bachelor of Commerce (Honours) from the University of Edinburgh in 1996.



***Evan Gallagher***  
***Director of Investor Relations***

As Director of Investor Relations, Evan Gallagher is responsible for the strategic planning and management of Allco REIT's marketing to, and communication and liaison with, Unitholders.

Evan has over eight years' structured finance experience. Prior to joining the Manager, from 2002 to 2004, Evan was a national manager at RentWorks Limited, an Allco Finance subsidiary. In the five years before that, he was senior business development manager at the company. RentWorks Limited was acquired by Allco Finance in 2003 and has since been renamed Alleasing Finance Australia Limited. Alleasing Finance Australia Limited is a commercial finance group whose principal activity involved non-motor vehicle equipment leasing. There, he was responsible for the creation and development of Allco Finance's hospitality and gaming business.

Evan Gallagher graduated with a Bachelor of Science from Macquarie University in 1998 and also holds a post-graduate diploma of management from Macquarie Graduate School of Management, obtained in 2004.



***Natalie Prince***  
***Director of Asset Management***

Natalie Prince's responsibilities as Director of Asset Management involve the active management of Allco REIT's real estate assets including the formulation and implementation of the business plans for Allco REIT's properties with short, medium and long-term objectives. Principally, Natalie will work closely with Allco REIT's property manager to enhance the performance of Allco REIT's real estate assets.

Prior to joining the Manager, Natalie was Centre Manager for CapitaLand Retail Management Pte Ltd from 2003 to 2005, where she was involved in the rebranding and repositioning of Clarke Quay and Funan DigitaLife Mall. Before that, from 1992 to 2003, she held various roles with Westfield Centre Management Company Pty Limited in Australia.

Natalie graduated with a Bachelor of Land Economics from the University of Technology, Sydney in 2003 and holds an Advanced Certificate of Property Agency from the Institute of Technical and Further Education, which she obtained in 1994.