



**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

These financial statements for the period ended 30 June 2007 have not been audited but have been reviewed by our auditors.

Allco Commercial Real Estate Investment Trust ("Allco REIT" or the "Trust") is a real estate investment trust established under a Trust Deed dated 12 September 2005 entered into between Allco (Singapore) Limited (as manager of Allco REIT) (the "Manager") and British and Malayan Trustees Limited (as trustee of Allco REIT), as amended by a First Amending and Restating Deed dated 23 February 2006 and amended by a Second Amending and Restating Deed dated 20 March 2006, and a supplemental deed of amendment dated 30 April 2007.

The principal activities of Allco REIT and its subsidiaries (the "Group") are those relating to investment in a diverse portfolio of real estate and real estate related assets with the prime objective of delivering regular and stable distributions to unitholders, and to achieve long-term growth in such distributions and the net asset value per unit.

The property portfolio of Allco REIT as at 30 June 2007 consists of 4 properties, the China Square Central Property, the 55 Market Street property, both of which are located in the Singapore CBD, a 50% interest in a "premium" grade office tower building in Perth, Australia, Central Park (Perth), and a 50% interest in a "Grade A" office complex in Canberra, Australia, the Centrelink property. It also has an investment in Allco Wholesale Property Fund ("AWPF") which holds a 50% interest in the Ernst & Young Centre (Sydney, Australia), a 50% interest in the World Square Retail Complex and Public Car Park (Sydney, Australia), and a 100% interest in Neeta Shopping Centre (Sydney, Australia). AWPF is a registered managed investment scheme managed by Record Funds Management Limited, an indirect, wholly owned subsidiary of Allco Finance Group Limited.

Unless otherwise stated, all capitalised terms used in this announcement shall have the same meaning as in the Circular dated 26 June 2007.

In relation to the initial public offering of the Units of 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.

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

SUMMARY OF CONSOLIDATED RESULTS OF ALLCO REIT AND ITS SUBSIDIARIES (ACTUAL VS FORECAST)

	2Q2007			1H2007		
	Actual S\$'000	Forecast ⁽¹⁾ S\$'000	Increase / (Decrease) %	Actual S\$'000	Forecast ⁽¹⁾ S\$'000	Increase / (Decrease) %
Gross Revenue ⁽²⁾	17,498	11,503	52.1%	29,749	22,880	30.0%
Net Property Income ⁽²⁾	15,122	9,906	52.7%	25,351	19,702	28.7%
Net Income	10,402	6,219	67.3%	16,779	12,370	35.6%
Available for distribution to Unitholders	12,900	7,376	74.9%	20,850	14,670	42.1%
Available for distribution per Unit (cents) For Period ⁽³⁾ Annualised ⁽⁴⁾	1.85c NM ⁽⁵⁾	1.48c 5.90c	25.0% NM	2.99c 6.03c	2.94c 5.90c	1.7% 2.2%

NM – Not meaningful

Footnotes

- (1) The forecast is based on management's projection for the period 1 January 2007 to 31 December 2007 shown in the Prospectus, pro-rated for the period from 1 April 2007 to 30 June 2007, and from 1 January 2007 to 30 June 2007. Allco REIT is required to disclose any variance between this forecast and the actual results for the quarter.
- (2) The actual Gross Revenue and the Net Property Income from Central Park (Perth) and AWPf have been translated at the average exchange rate for the quarter, whereas the forecast is based on a rate of S\$1.00:A\$0.81. The Trust has entered into an option to convert the forecast distributable income from these assets into SGD at the rate of S\$1.00:A\$0.81.
- (3) The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 697.3 million Units consisting of 4.0m Units held by Allco Origination Pte. Ltd. prior to the Initial Public Offering, 490.6m Units issued at the Initial Public Offering, 1.0m Units issued as payment of the property management fees for the period ended 31 December 2006, 3m Units issued and issuable as payment of the management and property management fees for the half year ended 30 June 2007, and 198.7m Units which were issued on 18 July 2007 pursuant to the renounceable underwritten rights issue.
- (4) Forecast distribution of 2.94 cents per Unit calculated for the period from 1 January 2007 to 30 June 2007 represents an annualised distribution yield of 5.90% (based on Initial Public Offering price of S\$1 per Unit) as stated on page 75 of the Prospectus.
- (5) Not meaningful as the distribution for the period included a non-recurring distribution of \$3.5 million from AWPf arising from its gain on sale of 222 Exhibition Street (Melbourne, Australia).

Refer to Section 9 for details.

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007

1(a) Consolidated Statement of Total Return (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	2Q			1H		
	1/4/07 to 30/6/07 S\$'000	1/4/06 to 30/6/06 S\$'000	Increase / (Decrease) %	1/1/07 to 30/6/07 S\$'000	12/9/05 to 30/6/06 ⁽¹⁾ S\$'000	Increase / (Decrease) %
Gross revenue ⁽²⁾	17,498	11,490	52.3%	29,749	11,743	153.3%
Property operating expenses						
- Repairs and maintenance	(128)	(99)	29.3%	(264)	(122)	116.4%
- Property management fees	(371)	(319)	16.3%	(713)	(326)	118.7%
- Property tax	(141)	(93)	51.6%	(269)	(95)	183.2%
- Other property operating expenses ⁽³⁾	(1,736)	(1,430)	21.4%	(3,152)	(1,441)	118.7%
	(2,376)	(1,941)	22.4%	(4,398)	(1,984)	121.7%
Net property income	15,122	9,549	58.4%	25,351	9,759	159.8%
Interest income	894	733	22.0%	2,182	733	197.7%
Other income ⁽⁴⁾	208	-	NM	744	-	NM
Trust expenses ⁽⁵⁾	(2,061)	(132)	NM	(3,696)	(1,272)	190.6%
Finance costs	(3,761)	(3,021)	24.5%	(7,802)	(3,087)	152.7%
Net income	10,402	7,129	45.9%	16,779	6,133	173.6%
Net change in fair value of investment properties ⁽⁶⁾	155,415	-	NM	155,415	(9,290)	NM
Net change in fair value of other investment and derivative financial instruments ⁽⁷⁾	17,831	3,999	345.9%	15,328	3,999	283.3%
Net gain on investment properties, other investment and derivative financial instruments	173,246	3,999	NM	170,743	(5,291)	NM
Total return before income tax and distribution	183,648	11,128	NM	187,522	842	NM
Income tax expense ⁽⁸⁾	(21,492)	(904)	NM	(21,866)	(924)	NM
Total return for the period after income tax, before distribution	162,156	10,224	NM	165,656	(82)	NM
Distribution	-	-	NM	(14,719)	-	NM
Total return for the period	162,156	10,224	NM	150,937	(82)	NM

NM – not meaningful

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007

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

	2Q			1H		
	1/4/07 to 30/6/07 S\$'000	1/4/06 to 30/6/06 S\$'000	Increase / (Decrease) %	1/1/07 to 30/6/07 S\$'000	12/9/05 to 30/6/06 S\$'000	Increase / (Decrease) %
Total return for the period after income tax, before distribution	162,156	10,224	NM	165,656	(82)	NM
Non-tax deductible / (non-taxable) items and other adjustments:						
Property management fees paid / payable in Units	371	319	16.3%	713	326	118.7%
Management fees paid / payable in Units ⁽⁹⁾	1,558	-	NM	2,867	-	NM
Trustee's fees	115	79	45.6%	185	81	128.4%
Amortisation of borrowing costs	1,172	799	46.7%	2,349	817	187.5%
Net change in fair value of investment properties	(155,415)	-	NM	(155,415)	9,290	NM
Amortisation of leasing commission	33	-	NM	37	-	NM
Net change in fair value of other investment and derivative financial investments	(17,831)	(3,999)	345.9%	(15,328)	(3,999)	283.3%
Deferred tax expense	20,000	-	NM	20,000	-	NM
Other adjustments	741	-	NM	(214)	1,137	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	(149,256)	(2,802)	NM	(144,806)	7,652	NM
Available for distribution to Unitholders ⁽¹⁰⁾	12,900	7,422	73.8%	20,850	7,570	175.4%
Comprises:						
- from operations	6,443	7,422	(13.2%)	14,393	7,570	90.1%
- from Unitholders contributions ⁽¹¹⁾	6,457	-	NM	6,457	-	NM

NM – Not Meaningful

Footnotes

- (1) *Allco REIT was constituted on 12 September 2005. However the acquisition of the Original Portfolio of investment properties was not completed until 30 March 2006. Hence the year-to-date amounts relate only to the period from 30 March 2006 to 30 June 2006. The financial information for the period incorporates the financial statements of Allco REIT and its subsidiaries.*
- (2) *Gross revenue includes base rental income, car park income, service charges (payable by the tenants towards property expenses of the properties such as air-conditioning, utility charges and cleaning charges), public car park revenue, turnover rent, income support and distributions from AWPf.*
- (3) *Other property operating expenses include property expenses for the operation, management and marketing of Central Park (Perth) and 55 Market Street (Singapore). In relation to the China Square Central Property, all property expenses except for the Property Manager's fee are borne by Unicorn under the Master Lease agreement and are therefore not recognised by Allco REIT. Centrelink (Canberra) was acquired on 18 June 2007 and has not contributed any income or expenses up to 30 June 2007. Allco REIT does not recognise any property expenses in relation to AWPf as AWPf is accounted for as other investments.*
- (4) *This represents realised and unrealised foreign exchange gains.*
- (5) *Trust expenses include management fees, trustee fees, audit fees, legal and other professional advisory fees.*

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007

- (6) *This represents the change in fair value of China Square Central, 55 Market Street and Central Park (Perth) since 31 December 2006 (the date when these properties were previously revalued). Refer to Section 8 "Review of Performance" for further details on the valuations.*
- (7) *This represents the changes in fair value of the Group's investment in AWPf and in derivative financial instruments. The derivative financial instruments comprise a foreign currency option and an interest rate swap, entered into by the Trust to manage its foreign currency and interest rate risks, as well as a foreign currency forward contract entered into for the acquisition of Centrelink (Canberra).*
- (8) *Income tax expense includes income tax amounting to \$1.1 million arising from the distributions of AWPf and a provision for deferred tax liability of \$20.0 million relating to the revaluation gain of Central Park (Perth).*
- (9) *As per the Trust Deed, the Manager is entitled to Management Fees comprising the Base Fee and Performance Fee as follows:-*
- a Base Fee of 0.5% per annum of the Value of the Real Estate Assets; and*
 - a Performance Fee of 3.5% of the Performance Fee Amount (being Net Real Estate Asset Income less the Base Fee) for each Financial Year.*
- As set out in the Prospectus dated 23 March 2006, the Manager has agreed to receive the 2007 Management Fees in Units.*
- (10) *Allco REIT's distribution policy is to distribute 100% of its taxable income and Tax-Exempt income for the financial period from 12 September 2005 (date of constitution) to 31 December 2006 and for the financial year ending 31 December 2007, and thereafter to distribute at least 90% of its taxable income and Tax-Exempt Income.*
- (11) *A capital distribution of \$6,457,000 is declared in the current financial period due to a change in the interpretation of the law relating to recognition of dividend income for income tax purposes. Under the revised interpretation, dividends declared by subsidiaries are only distributable when the monies are physically received by the Trust in Singapore at the balance sheet date. As certain amounts of these dividends from overseas subsidiaries were received subsequent to 30 June 2007, a capital distribution has been declared.*

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007

1(b)(i) Balance Sheets, together with a comparative statement as at the end of the immediately preceding financial year

	Group 30/6/07 S\$'000	Group 31/12/06 S\$'000	Trust 30/6/07 S\$'000	Trust 31/12/06 S\$'000
Non-current assets				
Investment properties ⁽¹⁾	1,147,079	823,698	615,500	513,000
Subsidiaries	-	-	308,168	294,404
Other investments ⁽²⁾	68,742	56,427	-	-
Other receivables ⁽³⁾	10,000	10,000	10,000	10,000
	1,225,821	890,125	933,668	817,404
Current assets				
Trade and other receivables	22,649	9,857	21,635	20,170
Derivative financial instruments ⁽⁴⁾	8,524	5,859	8,524	5,859
Bank and cash balances	10,219	8,164	10,147	1,433
	41,392	23,880	40,306	27,462
Total assets	1,267,213	914,005	973,974	844,866
Current liabilities				
Bank overdraft	2,000	-	2,000	-
Trade and other payables ⁽⁵⁾	155,194	5,455	19,712	2,795
Provision for taxation	3,326	1,460	1,048	891
	160,520	6,915	22,760	3,686
Non-current liabilities				
Deferred tax liability ⁽⁶⁾	50,556	30,556	-	-
Interest-bearing borrowings (net of transaction costs)	299,466	297,118	299,466	297,118
	350,022	327,674	299,466	297,118
Total liabilities (excluding net assets attributable to Unitholders)	510,542	334,589	322,226	300,804
Net assets attributable to Unitholders	756,671	579,416	651,748	544,062

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007

Footnotes

- (1) *The carrying amounts of the China Square Central, 55 Market Street and Central Park (Perth) properties are stated at their fair values as at 30 June 2007 based on independent valuations. Refer to Section 8 "Review of Performance" for further details on the valuations.*
- (2) *Other investments of the Group represent the investment in AWPf.*
- (3) *Other receivables relate to amounts due from Unicorn, the vendor of the China Square Central property for future capital, and advertising and promotion expenditure in relation to the property. These amounts can be utilised at any time up to 4 years from 30 March 2006.*
- (4) *The derivative financial instruments relate to the fair values of interest rate swaps transacted to manage interest rate risk, the foreign currency options transacted to manage currency fluctuations on the foreign currency denominated income, and a foreign currency forward contract entered into for the settlement of the acquisition of the Centrelink (Canberra) property.*
- (5) *Included in trade and other payables as at 30 June 2007 is \$141.4 million payable to the vendors of the Centrelink (Canberra) property. The amount was subsequently settled on 19 July 2007, via the proceeds of the Rights Issue.*
- (6) *Deferred tax is provided in respect of the revaluation gain of Central Park (Perth) property.*

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007

1(b)(ii) Aggregate amount of borrowings and debt securities

	Group 30/6/07 S\$'000	Group 31/12/06 S\$'000
Secured borrowings (excluding transaction costs)		
Amount repayable after one year	304,000	304,000
Unsecured borrowings		
Amount repayable in one year or less, or on demand	2,000	Nil
	306,000	304,000

Details of borrowings and collateral

A Loan Note Facility of \$304 million was arranged in two tranches of S\$234m and S\$70m by CBA Asia Limited based on a floating interest rate of the relevant Singapore three-month swap offer rate plus margin. The Trustee of Allco REIT has granted the following security:

- (i) first registered mortgages over the China Square Central and 55 Market Street properties;
- (ii) a security assignment over the Master Lease (including the Straits Trading Company Undertaking and the security deposit guarantee provided by Unicorn);
- (iii) a registered charge over a rental proceeds account into which rent in respect of the China Square Central and 55 Market Street properties is paid; and
- (iv) a registered charge over Allco REIT's Singapore dollar and Australian dollar bank accounts into which proceeds from the Loan Note Facility have been paid.

Allco REIT has purchased certain derivative financial instruments to fix the interest rate payable on the notional amount of S\$225 million of the S\$234 Loan Note Facility for a term of 2 years from 31 March 2006 to 31 March 2008. The interest rate on the balance of the Loan Note Facility is not fixed and bears interest at the three-month swap offer rate plus margin. The Trust has also purchased derivative financial instruments to fix the interest rate payable on the entire S\$70m tranche and these are for a term of 2 years from 22 November 2006 to 22 November 2008.

Post balance date note

Subsequent to the balance sheet date, on 23 July 2007, \$55 million of the secured borrowings and the unsecured borrowing of \$2 million were repaid via the proceeds from the Rights Issue.

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007

1(c) Consolidated Cash Flow Statement

	2Q		1H	
	1/4/07 to 30/6/07 S\$'000	1/4/06 to 30/6/06 S\$'000	1/1/07 to 30/6/07 S\$'000	12/9/05 to 30/6/06 S\$'000
Operating activities:				
Total return before income tax	183,648	11,128	187,522	842
Adjustments for:				
Property management fee paid / payable in Units	371	326	713	326
Management fees paid / payable in Units	1,558	-	2,867	-
Interest income	(894)	(733)	(2,182)	(733)
Dividend income	(5,146)	(874)	(5,984)	(874)
Finance costs	3,715	3,087	7,802	3,087
Net change in fair value of other investment and derivative financial instruments	(17,831)	(3,999)	(15,328)	(3,999)
Revaluation of investment properties	(155,415)	9,290	(155,415)	9,290
Foreign exchange differences	232	-	214	-
Operating income before working capital changes	10,238	18,225	20,209	7,939
Changes in working capital:				
Trade and other receivables	(15,682)	(19,185)	(9,653)	(19,438)
Trade and other payables	9,833	(7,566)	8,650	4,009
Cash generated from / (utilised in) operating activities	4,389	(8,526)	19,206	(7,490)
Investing activities:				
Net cash outflow on purchase of investment properties ⁽²⁾	-	-	-	(618,281)
Capital expenditure on investment properties	(1,538)	-	(2,310)	-
Interest received	894	733	2,182	733
Dividend received	885	-	1,546	-
Acquisition of other investment	-	-	-	(55,454)
Cash generated from / (utilised in) investing activities	241	733	1,418	(673,002)
Financing activities:				
Proceeds from borrowings	-	-	-	234,000
Proceeds from issuance of new Units	-	-	-	490,605
Finance costs paid	(2,541)	(2,270)	(5,454)	(2,270)
Distribution paid	-	-	(15,115)	-
Issue costs paid	-	(3)	-	(20,845)
Transaction costs on borrowings	-	(2)	-	(6,417)
Cash (utilised in) / generated from financing activities	(2,541)	(2,275)	(20,569)	695,073
Net increase / (decrease) in cash and cash equivalents	2,089	(10,068)	55	14,581
Cash and cash equivalents at beginning of period	6,130	24,649	8,164	-
Cash and cash equivalents at end of period ⁽¹⁾	8,219	14,581	8,219	14,581

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

Footnote

(1) *Cash and cash equivalents comprise:*

	30/6/07 S\$'000	30/6/06 S\$'000
Bank and cash balances	10,219	14,581
Less: Bank overdraft	(2,000)	-
Cash and cash equivalents	8,219	14,581

(2) *Net Cash Outflow on Purchase of Investment Properties (including acquisition charges) is set out below:*

	2Q		1H	
	1/4/07 to 30/6/07 S\$'000	1/4/06 to 30/6/06 S\$'000	1/1/07 to 30/6/07 S\$'000	1/1/06 to 30/6/06 S\$'000
Investment properties	141,429	-	141,429	599,507
Trade and other receivables	8,303	-	8,303	632
Cash and cash equivalents	4	-	4	516
Trade and other payables	(8,307)	-	(8,307)	(1,148)
	141,429	-	141,429	599,507
Consideration satisfied by way of issuance of a promissory note	(141,429)	-	(141,429)	-
Cash consideration paid	-	-	-	599,507
Cash (acquired)	-	-	-	(516)
Acquisition costs paid	-	-	-	19,290
Net Cash Outflow	-	-	-	618,281

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007

1(d)(i) Statements of changes in net assets attributable to Unitholders

	Group 1/1/07 to 30/6/07 S\$'000	Trust 1/1/07 to 30/6/07 S\$'000	Group 12/9/05 to 30/6/06 S\$'000	Trust 12/9/05 to 30/6/06 S\$'000
Balance as at 1 January	579,416	544,062	-	-
Operations				
Change in net assets attributable to unitholders from operations	3,501	2,543	(10,306)	3,984
Distributions to unitholders	(14,719)	(14,719)	-	-
Change in net assets resulting from operations	(11,218)	(12,176)	(10,306)	3,984
Foreign currency translation reserve				
Movement for the period	3,806	-	-	-
	3,806	-	-	-
Unitholders transactions				
Issue of units at initial public offering	-	-	490,605	490,605
Issue of units - Property management fees	340	340	-	-
Issue expenses	-	-	(20,842)	(20,842)
Distribution to unitholders	(396)	(396)	-	-
Net change in assets resulting from unitholders transactions	(56)	(56)	469,763	469,763
Balance as at 31 March	571,948	531,830	459,457	473,747
Operations				
Change in net assets attributable to unitholders from operations	162,156	116,338	10,224	9,468
Change in net assets resulting from operations	162,156	116,338	10,224	9,468
Foreign currency translation reserve				
Movement for the period	18,987	-	2,079	-
	18,987	-	2,079	-
Unitholders transactions				
Issue of units - Management and property management fees ^{(1) (2)}	3,580	3,580	-	-
Issue expenses	-	-	(3)	(3)
Net change in assets resulting from unitholders transactions	3,580	3,580	(3)	(3)
Balance as at 30 June	756,671	651,748	471,757	483,212

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

1(d)(ii) Details of any changes in Units

	2Q2007 1/4/07 to 30/6/07 Units	1H2007 1/1/07 to 30/6/07 Units
Issued Units as at beginning of period	495,588,151	495,310,734
Management / property management fees paid in Units ⁽¹⁾	1,284,955	1,562,372
Issued Units as at end of period	496,873,106	496,873,106
Management / property management fees payable in units ⁽²⁾	1,692,258	1,692,258
Rights Issue	198,749,242	198,749,242
Issued and issuable units as at end of period	697,314,606	697,314,606

Footnotes

(1) 1,018,491 Units and 266,464 Units were issued to the Manager and Property Manager respectively in April 2007 as payment for management and property management fees for the quarter ended 31 March 2007. The price of Units issued was determined based on the volume weighted average price ("VWAP") of the Units for the ten business days preceding the date of issue pursuant to the Trust Deed and the property management agreement.

(2) 1,367,207 Units will be issued to the Manager in the third quarter of 2007 as payment for management fees for the quarter ended 30 June 2007. 325,051 Units will be issued to the property manager in the third quarter of 2007 as payment for property management fees for the quarter ended 30 June 2007.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. The Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", or an equivalent standard)

The interim financial statements of Allco Commercial Real Estate Investment Trust and its subsidiaries for the period ended 30 June 2007 of Allco Commercial Real Estate Investment Trust and its subsidiaries have not been audited but have been reviewed by our auditors, KPMG, in accordance with Singapore Standards on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Please see the attached auditor's report for the period ended 30 June 2007.

4. Whether the same accounting principles and methods of computation as in the issuer's most recent audited financial statements have been applied

Allco REIT has adopted the same accounting principles and methods of computation as set out in the audited financial statements for the financial period ended 31 December 2006.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

6(a) Consolidated Earnings per Unit ("EPU") for the financial period

	2Q		1H	
	1/4/07 to 30/6/07 Units	1/4/06 to 30/6/06 Units	1/1/07 to 30/6/07 Units	12/9/05 to 30/6/06 Units
Weighted average number of Units including the effects of the Rights Issue	519,347,937	515,289,590	518,770,449	164,604,223
Earnings per Unit - based on the weighted average number of Units on issue including effects of the Rights Issue				
-Basic	31.22c	1.98c ⁽¹⁾	29.10c	-0.05c ⁽¹⁾
-Fully diluted	31.22c	1.98c ⁽¹⁾	29.10c	-0.05c ⁽¹⁾

6(b) Available for distribution per Unit ("DPU") for the financial period

	2Q		1H	
	1/4/07 to 30/6/07 Units	1/4/06 to 30/6/06 Units	1/1/07 to 30/6/07 Units	12/9/05 to 30/6/06 Units
Number of units issued and issuable at end of period ⁽²⁾	697,314,606	494,963,407	697,314,606	494,963,407
Available for distribution per Unit - basic and diluted based on the total number of Units on issue	1.85c	1.50c	2.99c	1.53c

Footnotes

- (1) *Prior year comparatives have been restated with the effects of the Rights Issue.*
(2) *198,749,242 Units were issued through a Rights Issue on 18 July 2007.*

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

7(a) Net asset value per Unit based on issued and issuable Units at the end of the period (excluding Rights Issue Units)

	Group 30/6/07	Trust 30/6/07	Group 31/12/06	Trust 31/12/06
Number of units issued and issuable at end of period	498,565,364	498,565,364	495,588,151	495,588,151
Net Asset Value at end of period (\$'000)	756,671	651,748	579,416	544,062
Net Asset Value per Unit (\$)	1.52	1.31	1.17	1.10
Adjusted Net Asset Value per Unit (excluding distributable income) (\$)	1.48	1.27	1.12	1.05

7(b) Net asset value per Unit based on issued and issuable Units at the end of the period after adjusting for proceeds from the Rights Issue Units

	Group 30/6/07	Trust 30/6/07	Group 31/12/06	Trust 31/12/06
Number of units issued and issuable at end of period	697,314,606	697,314,606	495,588,151	495,588,151
Net Asset Value at end of period, after adjusting for the proceeds from the Rights Issue (\$'000) ⁽¹⁾	963,370	858,447	579,416	544,062
Net Asset Value per Unit (\$)	1.38	1.23	1.17	1.10
Adjusted Net Asset Value per Unit (excluding distributable income) (\$)	1.35	1.20	1.12	1.05

Footnotes

(1) *The proceeds from the Rights Issue were received on 18 July 2007.*

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

8. Review of the performance – Variance between actual results for the period 1 April 2007 to 30 June 2007 (“2Q2007”) and 1 April 2006 to 30 June 2006 (“2Q2006”).

Gross revenue for 2Q2007 was higher than the corresponding period in the prior year mainly due to higher income from Central Park (Perth) of \$7.1 million (2006: \$6.4 million), contributions from 55 Market Street of \$0.9 million (2006: nil) and an additional \$4.3 million distribution from AWPf. The additional distribution from AWPf arose from its profit on sale of 222 Exhibition Street (Melbourne, Australia) during 2Q2007. The increase in revenue from Central Park (Perth) was due to higher rentals achieved from renewals in 2007.

In line with the revenue contributions from 55 Market Street in 2Q2007, property operating expenses were also higher in the current quarter.

Trust expenses for 2Q2007 were \$1.9 million higher than that for 2Q2006 mainly due to management fees paid to the Manager amounting to \$1.56 million (which was waived in the prior year) as well as increases in trustee fees and other expenses due to the enlarged property portfolio in 2007. This was partially offset by a one-off staff cost of \$1.14 million relating to the Initial Public Offering which was written off in 1Q2006.

The total return after income tax for 2Q2007 was \$151.9 million higher than 2Q2006 due to an upward revaluation of the investment properties by \$155.4m as at 30 June 2007. In addition, the AWPf investment was revalued upwards by S\$12.3 million to reflect its fair value as at 30 June 2007.

Income tax expense in 2Q2007 was S\$20.6 million higher than 2Q2006 due to a deferred tax expense of \$20 million for the estimated future Australian capital gains tax payable as a result of the revaluation of the Central Park (Perth) property as at 30 June 2007. The higher distribution from AWPf also resulted in an increase in income tax expense of \$0.6 million.

Review of the performance – Variance between actual results for the period 1 January 2007 to 30 June 2007 (“1H2007”) and 1 January 2006 to 30 June 2006 (“1H2006”).

Allco REIT was established on 12 September 2005, but the acquisition of the Original Portfolio of investment properties was completed only on 30 March 2006. Prior to 30 March 2006, Allco REIT had no income and insignificant expenses. Accordingly, the gross revenue, property operating expenses and net property income for 1H2007 were respectively 153.3%, 121.7% and 159.8% higher than those for 1H2006. Similarly, interest and other income, trust expenses and finance costs were significantly higher in 1H2007 than those in 1H2006 due to the effects of the full half year operations in 2007 vis-à-vis 1H2006 operations which commenced only on 30 March 2006.

There was an upward revaluation of the investment properties in 1H2007 of \$155.4 million (see below), as compared to a downward revaluation of \$9.3 million in 1H2006 (comprising a downward revaluation of \$15.3 million for Central Park (Perth), partially offset by an upward revaluation of the China Square Central property of \$5.4 million). The valuations of these properties in 1H2006 were carried out by independent professional valuers, as set out in the Prospectus dated 23 March 2006.

Valuation of the investment properties as at 30 June 2007

The valuations of the investment properties as at 30 June 2007 were carried out by licensed and experienced valuers using the capitalization approach and discounted cash flow analysis. Both China Square Central and 55 Market Street were valued by Savills (Singapore) Pte Ltd while Central Park (Perth) was valued by CB Richard Ellis Pty Ltd. Based on the valuations, the carrying amounts of these three investment properties were adjusted to reflect their total fair value of \$1,005.7 million. The Centrelink (Canberra) property was acquired on 18 June 2007 and is carried at its cost of acquisition of \$141.4 million, which was based on the average of the appraised value as determined by CB Richard Ellis Pty Ltd and Colliers International Consultancy and Valuation Pty Limited pursuant to valuations dated 4 May 2007.

ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007

9. Variance between the forecast or prospectus statement and the actual results

9(a) Consolidated Income Statement (for the Group) Actual vs. Forecast

	Actual 1/4/07 to 30/6/07 S\$'000	Forecast ⁽¹⁾ 1/4/07 to 30/6/07 S\$'000	Increase / (Decrease) %	Actual 1/1/07 to 30/6/07 S\$'000	Forecast ⁽¹⁾ 1/1/07 to 30/6/07 S\$'000	Increase / (Decrease) %
Gross revenue ⁽²⁾	17,498	11,503	52.1%	29,749	22,880	30.0%
Property operating expenses						
- Maintenance expenses	(128)	(148)	(13.5%)	(264)	(295)	(10.5%)
- Property management fees	(371)	(319)	16.3%	(713)	(635)	12.3%
- Property tax	(141)	(104)	35.6%	(269)	(208)	29.3%
- Other property operating expenses	(1,736)	(1,026)	69.2%	(3,152)	(2,040)	54.5%
	(2,376)	(1,597)	48.8%	(4,398)	(3,178)	38.4%
Net property income	15,122	9,906	52.7%	25,351	19,702	28.7%
Interest income	894	-	NM	2,182	-	NM
Other Income	208	-	NM	744	-	NM
Trust expenses	(2,061)	(1,372)	50.2%	(3,696)	(2,728)	35.5%
Finance costs	(3,761)	(2,315)	62.5%	(7,802)	(4,604)	69.5%
Net income	10,402	6,219	67.3%	16,779	12,370	35.6%
Net gain on investment properties, other investment and derivative financial instruments	173,246	-	NM	170,743	-	NM
Total return before income tax	183,648	6,219	NM	187,522	12,370	NM
Income tax expense	(21,492)	(861)	NM	(21,866)	(1,712)	NM
Total return for the period	162,156	5,358	NM	165,656	10,658	NM
Non-tax deductible / (non-taxable) items and other adjustments:						
Property management fees paid / payable in Units	371	319	16.3%	713	635	12.3%
Management fees paid / payable in Units	1,558	1,068	45.9%	2,867	2,123	35.0%
Trustee's fees	115	-	NM	185	-	NM
Amortisation of borrowing costs	1,172	631	85.7%	2,349	1,254	87.3%
Net change in fair value of investment properties	(155,415)	-	NM	(155,415)	-	NM
Amortisation of leasing commission	33	-	NM	37	-	NM
Net change in fair value of other investment and derivative financial instruments	(17,831)	-	NM	(15,328)	-	NM
Deferred income tax expense	20,000	-	NM	20,000	-	NM
Other adjustments	741	-	NM	(214)	-	NM
Net effect of non-tax deductible / (non-taxable) items and other adjustments	(149,256)	2,018	NM	(144,806)	4,012	NM
Available for distribution to Unitholders	12,900	7,376	74.9%	20,850	14,670	42.1%
Number of Units Issued and Issuable at end of period ⁽³⁾	697,314,606	498,409,000	39.9%	697,314,606	498,409,000	39.9%
Available distribution per Unit (in cents)	1.85c	1.48c	25.0%	2.99c	2.94c	1.7%

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

NM – Not meaningful

Footnotes

- (1) *The forecast is based on management's projection for the financial year ending 31 December 2007 shown in the Prospectus, pro-rated for the relevant periods.*
- (2) *The actual gross revenue and expenses from Central Park (Perth) and AWPf have been translated at the average exchange rate for the period (being S\$1.00:A\$0.79), whereas the forecast is based on a rate of S\$1.00:A\$0.81.*
- (3) *The total number of Units used for the computation of DPU is 697.3 million Units. It includes new Units issued and issuable to the Manager and Property Manager in payment of the management fees and property management fees respectively, as well as new Units issued under the Rights Issue.*

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

9(b) Breakdown of total gross revenue (by property)

	Actual 1/4/07 to 30/6/07 S\$'000	Forecast ⁽¹⁾ 1/4/07 to 30/6/07 S\$'000	Increase / (Decrease) %	Actual 1/1/07 to 30/6/07 S\$'000	Forecast ⁽¹⁾ 1/1/07 to 30/6/07 S\$'000	Increase / (Decrease) %
China Square Central Property	4,388	4,375	0.3%	8,775	8,702	0.8%
55 Market Street ⁽²⁾	911	-	NM	1,137	-	NM
Central Park (Perth) ⁽³⁾⁽⁴⁾	7,053	6,260	12.7%	13,853	12,452	11.3%
AWPF (Distribution) ⁽³⁾⁽⁴⁾	5,146	868	492.9%	5,984	1,726	246.7%
Total gross revenue	17,498	11,503	52.1%	29,749	22,880	30.0%

NM – Not Meaningful

Footnotes:

- (1) *The forecast is based on management's projections for the financial year ending 31 December 2007 shown in the Prospectus, pro-rated for the relevant period.*
- (2) *No forecast for 55 Market Street was included in the Prospectus.*
- (3) *The actual revenue from Central Park (Perth) and AWPF has been translated at the average exchange rate for the period (being S\$1.00:A\$0.79). The Trust has entered into an option to convert the distributable income from these assets into SGD at the rate of S\$1.00:A\$0.81.*
- (4) *The forecast revenue for Central Park (Perth) and AWPF is calculated at the rate of S\$1.00:A\$0.81.*

9(c) Breakdown of net property income (by property)

	Actual 1/4/07 to 30/6/07 S\$'000	Forecast ⁽¹⁾ 1/4/06 to 30/6/06 S\$'000	Increase / (Decrease) %	Actual 1/1/07 to 30/6/07 S\$'000	Forecast ⁽¹⁾ 1/1/07 to 30/6/07 S\$'000	Increase / (Decrease) %
China Square Central Property	4,255	4,244	0.3%	8,511	8,442	0.8%
55 Market Street	646	-	NM	696	-	NM
Central Park (Perth) ⁽²⁾⁽³⁾	5,075	4,794	5.9%	10,160	9,535	6.6%
AWPF (Distribution) ⁽²⁾⁽³⁾	5,146	868	492.9%	5,984	1,725	246.9%
Total net property income	15,122	9,906	52.7%	25,351	19,702	28.7%

NM – Not Meaningful

Footnotes

- (1) *The forecast is based on management's projections or the financial year ending 31 December 2007 shown in the Prospectus, pro-rated for the relevant period.*
- (2) *The actual net property income from Central Park (Perth) and AWPF has been translated at the average exchange rate for the period (being S\$1.00:A\$0.79). The Trust has entered into an option to convert the distributable income from these assets into SGD at the rate of S\$1.00:A\$0.81.*
- (3) *The forecast revenue for Central Park (Perth) and AWPF is calculated at the forecast rate of S\$1.00:A\$0.81.*

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

Review of the Performance – Actual vs. Forecast 1 April 2007 to 30 June 2007

Gross revenue achieved for the period was \$5,995,000 (52.1%) above forecast. This was mainly due to higher than forecast distributions of \$4.3 million received from AWPf as a result of additional distribution of its gain on sale of 222 Exhibition Street (Melbourne, Australia) during the quarter. The 55 Market Street property, which was acquired in November 2006, contributed \$911,000 to the gross revenue for the period which was not included in the forecast. The revenue for Central Park (Perth) was \$793,000 higher than forecast due to higher tenant rechargeable income for air-conditioning and electricity, higher than forecast rental revenue from a number of leases and the strengthening of the Australian dollar against the Singapore dollar.

Property operating expenses were \$779,000 (48.8%) higher than forecast mainly due to the addition of 55 Market Street as well as higher tenant rechargeable expenses which are directly recoverable from tenants at Central Park (Perth).

Trust expenses were S\$689,000 (50.2%) higher than forecast mainly due to higher management fees. Management fees are computed based on a combination of the value of the properties and the performance for the period. The value and performance of the properties have increased during the period resulting in higher than forecast management fees. Other trust expenses are slightly higher than forecast due to higher trustee fees and other professional fees for legal, accounting, taxation and valuation services.

Finance costs were \$1.45 million above forecast due to interest paid on the additional loan of \$70 million taken up in 4Q2006 for the acquisition of 55 Market Street.

The net gain on investment properties, other investment and derivative financial instruments was \$173.2 million which was not forecast. This was made up of an upward revaluation of \$155.4 million for the investment properties, the marked-to-market adjustment for AWPf investment of \$12.3 million as well as the fair value of derivative financial instruments.

Income tax expense for the period was \$20.6m higher than forecast, mainly due to a \$20.0 million deferred tax expense recognized for the estimated future Australian capital gains tax payable as a result of the revaluation of the Central Park (Perth) property as at 30 June 2007. There was also additional income tax payable in Australia for the non-recurring distribution from AWPf in 2Q2007 arising from its gain on sale of 222 Exhibition Street (Melbourne, Australia).

As a result of the above factors, the total amount available for distribution for the quarter was \$5.5 million above forecast.

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the Group in the next 12 months.

Singapore

Advance estimates from the Singapore Ministry of Trade and Industry ("MTI") showed "that Singapore's real gross domestic product ("GDP") rose by 8.2 per cent on a year-on-year basis in the second quarter of 2007, the highest growth registered in the last five quarters. On a quarter-on-quarter seasonally adjusted annualised basis, real GDP grew by 12.8%, following 8.5% gain in the first quarter of 2007."

The Urban Redevelopment Authority of Singapore ("URA") highlights that prices of office space appreciated 4.3% in 1Q2007, compared with the 7.7% increase in the previous quarter. Rentals rose 10.4% in 1Q2007 compared with the 11.6% increase in the previous quarter. The URA is expected to release 2Q2007 real estate figures on or about 27 July 2007.

Preliminary figures from Jones Lang LaSalle ("JLL") highlight that the Singapore office rental market has continued to reflect solid rental growth, with surging rents and new peaks being set. During 2Q2007, the average monthly gross rent in Raffles Place precinct ("Raffles Place") rose by 19.5% quarter-on quarter to approximately S\$14.10. This represents a 100% increase in comparison to the average monthly gross rent of S\$7.05 during 2Q2006.

Both the China Square Central Property and 55 Market Street are located close to the Raffles Place. The limited supply of office space and upward trend of rents have placed landlords in a strong negotiating position to maximise average rental rates of their properties.

Australia

The Australian Bureau of Statistics notes that "in seasonally adjusted terms, GDP increased by 1.6% in the March quarter 2007, the highest growth since December quarter 2003. The terms of trade increased by 1.4% resulting in a 1.9% increase in Real gross domestic income."

Preliminary JLL reports show that tenant demand remains robust and net absorption remains positive across majority of the Australian office markets in 2Q2007. Upward pressure on office rents continues in nearly all markets with rapid growth particularly in Perth where vacancy rates edged ever lower from its already record low levels.

According to JLL, the Perth CBD office market vacancy dropped to a low of 0.6% in 2Q2007 as compared to the vacancy level of 2.5% in the corresponding quarter of 2006. JLL notes rental growth remains strong in Perth given the tightening market conditions where there was no office building completion in the 2Q2007 quarter. The Perth CBD office market saw a 7.1% quarterly increase in the average prime gross effective rents in the 2Q2007, which resulted in an annual growth rate of about 44.6%.

In Canberra, strong tenant demand from the Federal Government continued to drive rental growth in prime and secondary markets, where 2Q2007 prime gross effective office rents climbed 7.1% as compared to the correspondent quarter in 2006. JLL highlights that "building owners are expected to maintain the upper hand until more supply enters the market later next year."

The pressure of ongoing strong tenant demand and a lack of suitable space translate into robust rental income growth and property value upside for landlords in the Perth and Canberra markets and underpin the investment fundamentals of Central Park (Perth) and Centrelink Property.

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

11. Distributions

11(a) Current financial period

Any distributions declared for the current financial period:

Yes.

Name of distribution : Interim distribution in respect of the period from 1 January 2007 to 30 June 2007

Distribution rate : 2.99 cents per unit

Distribution type

	Interim distribution for 1/1/07 to 30/6/07 (cents)
Taxable income component	1.29
Tax exempt income component	0.78
Capital ⁽¹⁾	0.92
Total	2.99

Tax rate

Taxable Income distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession.

Qualifying foreign non-individual investors will receive their distributions after deduction of tax at the rate of 10%.

Other investors will receive their distributions after deduction of tax at the rate of 18%.

Tax Exempt Income Distribution

Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.

Capital Distribution

Capital distribution represents a return of capital to unitholders for tax purposes and is therefore not subject to income tax. For Unitholders who hold the units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their Allco REIT units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units. No tax will be deducted at source from this component.

Footnotes

- (1) *A capital distribution of 0.92 cents per unit is declared in the current financial period due to a change in the interpretation of the law relating to recognition of dividend income for income tax purposes. Under the revised interpretation, dividends declared by subsidiaries are only distributable when the monies are physically received by the Trust in Singapore at the balance sheet date. As certain amounts of these dividends from overseas subsidiaries were received subsequent to 30 June 2007, a capital distribution has been declared.*

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

11(b) Corresponding period of the preceding financial period

Any distributions declared for the corresponding period of the immediate preceding financial period:

Nil.

11(c) Date payable : 29 August 2007

11(d) Books closure date : 6 August 2007

12. If no distribution has been declared/recommendeded, a statement to that effect

Not applicable.

**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST
FINANCIAL STATEMENTS ANNOUNCEMENT
for the period ended 30 June 2007**

13. Directors' Confirmation

Confirmation by Directors pursuant to clause 705(4) of the Listing Manual of SGX-ST

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Allco (Singapore) Limited (as Manager of Allco REIT) which may render these interim financial results to be false or misleading.

For and on behalf of the Board of Directors of Allco (Singapore) Limited



Tan Guong-Ching
Director



Nicholas Paul McGrath
Director

This 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 other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

By Order of the Board
Allco (Singapore) Limited
(Company registration no. 200503404G)
As Manager of Allco Commercial Real Estate Investment Trust

Lee Seow Ling
Company Secretary
26 July 2007



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**Auditors' report to the Unitholders of Allico Commercial Real Estate
Investment Trust ("Allico REIT")
(constituted under a Trust Deed in the Republic of Singapore)**

Review of the interim financial information for the six months ended 30 June 2007

Introduction

We have reviewed the accompanying balance sheets and portfolio statements of the Group and of the Trust as at 30 June 2007, and the statements of total return of the Group and the Trust, and the consolidated statement of cash flows of the Group for the six months then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages FS1 to FS31 (the "Interim Financial Statements"). Management is responsible for the preparation and fair presentation of these Interim Financial Statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "*Reporting Framework for Unit Trusts*" issued by the Institute of Certified Public Accountants of Singapore. Our responsibility is to express a conclusion on these Interim Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Statements do not present fairly, in all material respects, the financial position of the Group and of the Trust as at 30 June 2007, and the total return of the Group and the Trust and cash flows of the Group for the six months then ended in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trust" issued by the Institute of the Certified Public Accountants of Singapore.

KPMG
Certified Public Accountants

Singapore
26 July 2007