

SGX-ST Announcement

For immediate release

30 April 2008

Allco (Singapore) Limited
Company Reg. No.: 200503404GSingapore
55 Market Street
Level 16
Singapore 048941
P +65 6438 1191
F +65 6438 1161**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST (“ALLCO REIT”) BACK-END REFUND FOR INCOME DISTRIBUTION – ALL DEPOSITORY AGENTS AND FOREIGN NON-INDIVIDUAL UNITHOLDERS**

1. The purpose of this announcement is to explain the mechanism for the back-end refund with respect to income distributions from Allco REIT.

Background

2. The changes in the applicable tax rate on distributions made by Real Estate Investment Trusts (“REITs”) listed on the Singapore Exchange to individuals (including both local and foreign individuals) and foreign non-individual investors that were announced in the 2004 and 2005 Budget Statements have been legislated in the Singapore Income Tax Act.

In this regard, we set out the tax rate changes and the implications on the unitholders of Allco REIT as follows:

- (a) The Budget Statement 2004 announced that specified Singapore-sourced investment income derived directly by individuals from financial instruments will be exempted from tax with effect from the Year of Assessment 2005. In this respect, all individuals (excluding partnerships) will receive their gross distributions from Allco REIT without tax being deducted at source. The tax exemption will only apply to distributions made out of taxable income that was earned by Allco REIT from and including 30 March 2006 and is applicable to individuals who receive such distribution as investment income. Individuals who receive such distributions as gains or profits from any trade, business or profession will continue to be taxable and are required to declare such distribution as income in their tax returns.
- (b) The Budget Statement 2005 announced that the tax rate applicable to distributions made to foreign non-individual investors during the period from 18 February 2005 to 17 February 2010 will be reduced from 20% to 10%. The details of this tax change can be found in the circular dated 28 February 2005 issued by the Monetary Authority of Singapore

(“MAS Circular”). In this respect, foreign non-individual investors will receive their distributions from Allco REIT after tax deduction at source at the reduced rate of 10% from 30 March 2006 to 17 February 2010.

3. A foreign non-individual investor refers to a person (other than an individual) which is not a resident of Singapore for income tax purposes and:
 - (a) which does not have a permanent establishment in Singapore; or
 - (b) which carries on any operation in Singapore through a permanent establishment in Singapore, where the funds used by that investor to acquire the units in Allco REIT are not obtained from that operation.

4. We are pleased to inform you that the abovementioned tax exemption and reduced rate of tax applies to future income distributions as well as the taxable transparent income distribution made to-date by Allco REIT in the following periods:

Period	Distribution per unit (cents)	Payment Date	Group Affected
30 March 2006 to 31 December 2006 (interim)	1.08	9 Oct 2006	Individuals and non-individuals
30 March 2006 to 31 December 2006 (final)	1.51	28 Feb 2007	Individuals and non-individuals
01 January 2007 to 30 June 2007	1.29	29 Aug 2007	Individuals and non-individuals
01 July 2007 to 31 December 2007	1.93	29 Feb 2008	Individuals and non-individuals

Application of this Announcement

5. If tax at the prevailing corporate tax rate has been deducted from the abovementioned past income distributions in respect of the units held by you in your capacity as a Depository Agent for the benefit of foreign non-individual investor, the Trustee and the Manager of Allco REIT have now worked out an arrangement with the Inland Revenue Authority of Singapore (“IRAS”) to facilitate the back-end refund of the tax over-deducted from these income distributions made to you in respect of units that were held by you. The back-end refund will facilitate the return of excess tax withheld from the abovementioned distributions.

6. If individuals who hold their units through you as a Depository Agent had also received the abovementioned income distribution after tax deduction at the prevailing corporate tax rate, instead of gross distributions, this back-end refund arrangement will also be extended to process refund of the tax over-deducted to these individuals.
7. Foreign non-individual investors who hold Allco REIT units directly and had received the abovementioned income distribution after tax deduction at the prevailing corporate tax rate instead of 10% can use this back-end refund arrangement to claim the refund of the tax over-deducted.
8. To enable the Trustee of Allco REIT to ascertain the tax status of the beneficiaries to the units held by you (i.e. individuals / foreign non-individual investors) before the request for refund can be submitted to the IRAS, you will need to make a declaration in a prescribed form. A sample of the forms is attached. Form R1 is for foreign non-individual investors who hold Allco REIT units directly and Form R2 and Annexes is for Depository Agents.
9. We would like to draw your attention to the notes set out in the declaration form. Please read the notes carefully before you complete the form.
10. **Your declaration of the status of the beneficial owner or beneficial owners of the units deposited in a particular sub-account (i.e. individuals / foreign non-individual investors) must be properly substantiated. You must ensure that you have appropriate documents to support your declaration. Where the units are held through more than one-tier of nominees, please note that the confirmation must be from the ultimate beneficial owners. You do not need to submit these substantiating documents with the declaration forms. Please also ensure that you keep records of the amount of distributions made to each beneficial owner as the IRAS may require such information.**
11. **It should be noted that the IRAS may audit the declaration form(s) made by you and may require you to provide evidence to substantiate your declaration. If it is found by the IRAS that you have not exercised due care and diligence in your declaration or have provided incorrect information, the IRAS may impose penalties as provided under sections**

95 and 96 of the Income Tax Act. You may also be excluded from this arrangement thereafter and all future distributions made to you in respect of units held by you in your capacity as a foreign non-individual or Depository Agent will be net of tax deducted at the normal prevailing corporate tax rate.

12. **Please enclose all original Singapore Income Tax Certificates or Annual Dividends Statements issued by The Central Depository (Pte) Ltd in respect of the requests for the refund of tax previously paid at the prevailing corporate tax rate in respect of units held by foreign non-individuals directly and through Depository Agents, and individuals who hold units through Depository Agents.**
13. For Depository Agents, please use the excel spreadsheet (accompanying this announcement) to furnish the particulars required in the Annexes to the declaration forms. Please indicate clearly and put in a separate declaration for each of the respective income distribution periods. Please staple the original declaration form and the completed Annexes together when you return the completed forms to Boardroom Corporate & Advisory Services Pte. Ltd.. Please also email a soft copy of the completed Annexes to Boardroom Corporate & Advisory Services Pte. Ltd. at mindy.foo@boardroomlimited.com.
14. Foreign non-individual investors who hold Allco REIT units directly will have to indicate clearly and submit a separate declaration for each income distribution period. Please staple the original declaration form and the completed Form R1 together when you return the completed forms to Boardroom Corporate & Advisory Services Pte. Ltd..
15. The Manager of Allco REIT will be processing the back-end refund twice a year but reserves the right to end the half-yearly back-end process if it is deemed to be no longer necessary with advance notice.
16. Following from the above, you will have to return the completed declaration form to Boardroom Corporate & Advisory Services Pte. Ltd. by **5.00 pm on 30 June 2008** for this back-end refund.

17. For this back-end refund process, Boardroom Corporate & Advisory Services Pte. Ltd. will email the forms to Depository Agents in due course. A copy of the relevant forms can be downloaded from the Allco REIT website at <http://www.allcoreit.com>.
18. The amount of tax over-deducted will be refunded to you only after the IRAS has refunded this amount to the Trustee of Allco REIT.
19. For more information, please refer to the list of FAQs accompanying this announcement.

Nicholas McGrath
Chief Executive Officer
Allco (Singapore) Limited
(Company registration no. 200503404G)
As manager of Allco Commercial Real Estate Investment Trust

IMPORTANT NOTICE

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

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

The value of units of Allco REIT ("**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 announcement 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 and the Manager is not necessarily indicative of the future performance of Allco REIT and the Manager.