



**ALLCO COMMERCIAL REAL ESTATE INVESTMENT TRUST  
FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT  
for the financial year ended 31 December 2007**

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) (the "Trustee"), 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 "Trust Deed").

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 objectives of delivering regular and stable distributions to unitholders, and to achieve long-term growth in such distributions and the net asset value per unit of Allco REIT ("Unit").

The property portfolio of Allco REIT as at 31 December 2007 consists of nine properties as follows:-

- 100.0% direct interests in the China Square Central property ("China Square Central") and the 55 Market Street property ("55 Market Street"), both located in the Singapore central business district ("CBD"), and in the KeyPoint property ("KeyPoint") located at 371 Beach Road, Singapore;
- 100.0% indirect interests in Cosmo Plaza located in Osaka, Japan ("Cosmo Plaza"), the Galleria Otemae Building located in Osaka, Japan ("Galleria Otemae"), the Azabu Aco Building located in Tokyo, Japan ("Azabu Aco") and the Ebara Techno-Serve Headquarters Building located in Tokyo, Japan ("Ebara Techno-Serve"); and
- 50.0% indirect interests in Central Park located in Perth, Australia ("Central Park") and the Centrelink property located in Canberra, Australia ("Centrelink Headquarters").

Allco REIT also has a 20.6% indirect investment in Allco Wholesale Property Fund ("AWPF") which in turn holds a 50.0% interest in the Ernst & Young Centre, a 50.0% interest in the World Square Retail Complex and Public Car Park, and a 100.0% interest in Neeta Shopping Centre, each located in 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.

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In relation to the initial public offering of the Units on 30 March 2006, the sole global coordinator and sole financial adviser was Credit Suisse (Singapore) Limited. The joint lead underwriters and bookrunners were Credit Suisse (Singapore) Limited and DBS Bank Ltd.

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

	4Q2007			FY2007		
	Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	Inc/ (Dec) %	Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	Inc/ (Dec) %
Gross Revenue <sup>(2)</sup>	26,635	15,992	66.6%	75,247	54,864	37.2%
Net Property Income <sup>(2)</sup>	20,614	13,338	54.6%	61,422	46,377	32.4%
Total return after income tax and before distribution	118,301	8,205	NM	291,056	23,661	NM
Available for distribution to Unitholders	15,567	10,600	46.9%	47,526	35,871	32.5%
Available for distribution per Unit (cents)						
For Period <sup>(3)</sup>	2.21	1.51	46.4%	6.73	5.95	13.1%
Annualised <sup>(4)</sup>	8.77	5.99	46.4%	6.73	5.95	13.1%

NM – Not meaningful

**Footnotes**

- (1) *The forecast for 4Q2007 is based on management's forecast for 2H2007 shown in the Circular dated 26 June 2007 ("Circular"), pro-rated for the period from 1 October 2007 to 31 December 2007. The forecast for FY2007 is based on (a) management's projection for the period 1 January 2007 to 31 December 2007 shown in the prospectus dated 23 March 2006 ("Prospectus"), pro-rated for the period from 1 January 2007 to 30 June 2007, and (b) the forecast for 2H2007 shown in the Circular. Allco REIT is required to disclose any variance between the forecast and the actual results for the quarter and financial year.*
- (2) *The actual gross revenue and the net property income from Central Park, Centrelink Headquarters and AWPf have been translated at the average monthly spot exchange rate for the quarter and the financial year. The exchange rate for the forecast on Central Park and AWPf is assumed to be A\$1.00:S\$1.2345. The exchange rate for the forecast on Centrelink Headquarters is assumed to be A\$1.00:S\$1.2268. The Trust has entered into foreign exchange derivative financial instruments to fix the exchange rates in respect of the forecast income from these investments at these exchange rates.*
- (3) *The number of Units used to calculate the amount available for distribution per Unit ("DPU") is 705.9 million Units consisting of 495.3 million Units as at 31 December 2006, 198.7 million Units issued on 18 July 2007 pursuant to the renounceable rights issue that closed in July 2007 ("Rights Issue"), 5.5 million Units issued as payment for management and property management fees in FY2007, and 1.2 million Units as payment of acquisition fees in FY2007. Approximately 4.1 million Units and 1.1 million Units are expected to be issued by 1 February 2008 to the Manager and Allco Asset Management Pte. Ltd. (the "Property Manager") respectively as payment for management and property management fees for the quarter ended 31 December 2007. The actual number of Units to be issued will be 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 between the Manager, the Property Manager and the Trustee (the "Property Management Agreement").*
- (4) *The forecast annualised distribution per Unit for FY2007 of 5.95 cents is computed by dividing the forecast income available for distribution by 602.9 million units, which is based on (a) management's projection for the period from 1 January 2007 to 31 December 2007 shown in the Prospectus, pro-rated for the period from 1 January 2007 to 30 June 2007 and (b) management's forecast for 2H2007 shown in the Circular.*

**Refer to Section 9 for details.**

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**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**

	<b>4Q2007</b> <b>S\$'000</b>	<b>4Q2006</b> <b>S\$'000</b>	<b>Inc/ (Dec)</b> <b>%</b>	<b>FY2007</b> <b>S\$'000</b>	<b>FY2006<sup>(1)</sup></b> <b>S\$'000</b>	<b>Inc/ (Dec)</b> <b>%</b>
<b>Gross revenue<sup>(2)</sup></b>	<b>26,635</b>	<b>11,798</b>	<b>125.8%</b>	<b>75,247</b>	<b>34,891</b>	<b>115.7%</b>
<b>Property operating expenses</b>						
- Repairs and maintenance	(142)	(264)	(46.2%)	(710)	(721)	(1.5%)
- Property management fees	(790)	(333)	137.2%	(2,020)	(980)	106.1%
- Property tax	(538)	(123)	337.4%	(1,089)	(318)	242.5%
- Other property operating expenses <sup>(3)</sup>	(4,551)	(1,392)	226.9%	(10,006)	(4,115)	143.2%
	<b>(6,021)</b>	<b>(2,112)</b>	<b>185.1%</b>	<b>(13,825)</b>	<b>(6,134)</b>	<b>125.4%</b>
<b>Net property income</b>	<b>20,614</b>	<b>9,686</b>	<b>112.8%</b>	<b>61,422</b>	<b>28,757</b>	<b>113.6%</b>
Interest income	841	80	NM	3,635	292	NM
Other income <sup>(4)</sup>	17	201	NM	714	223	NM
Trust expenses <sup>(5)</sup>	(4,999)	(751)	NM	(11,312)	(2,657)	325.7%
Finance costs	(7,691)	(2,655)	189.7%	(19,512)	(7,499)	160.2%
<b>Net Income before net changes in fair values of investment properties, other investment and derivative financial instruments, income tax and distribution</b>	<b>8,782</b>	<b>6,561</b>	<b>33.8%</b>	<b>34,947</b>	<b>19,116</b>	<b>82.8%</b>
Net change in fair value of investment properties <sup>(6)</sup>	120,649	125,399	(3.8%)	271,932	116,109	134.2%
Net change in fair value of other investment and derivative financial instruments <sup>(7)</sup>	(2,193)	4,236	(151.8%)	15,265	2,852	NM
<b>Net gain on investment properties, other investment and derivative financial instruments</b>	<b>118,456</b>	<b>129,635</b>	<b>(8.6%)</b>	<b>287,197</b>	<b>118,961</b>	<b>141.4%</b>
<b>Total return before income tax and distribution</b>	<b>127,238</b>	<b>136,196</b>	<b>(6.6%)</b>	<b>322,144</b>	<b>138,077</b>	<b>133.3%</b>
Income tax expense <sup>(8)</sup>	(8,937)	(30,584)	(71.8%)	(31,088)	(32,016)	(2.9%)
<b>Total return for the period after income tax, before distribution</b>	<b>118,301</b>	<b>105,612</b>	<b>12.0%</b>	<b>291,056</b>	<b>106,061</b>	<b>174.4%</b>
Distributions	-	-	NM	(29,177)	(7,567)	285.6%
<b>Total return for the period</b>	<b>118,301</b>	<b>105,612</b>	<b>12.0%</b>	<b>261,879</b>	<b>98,494</b>	<b>165.9%</b>

NM – not meaningful

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

	<b>4Q2007</b>	<b>4Q2006</b>	<b>Inc/ (Dec)</b>	<b>FY2007</b>	<b>FY2006<sup>(1)</sup></b>	<b>Inc/ (Dec)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Total return for the period after income tax, before distribution	118,301	105,612	12.0%	291,056	106,061	174.4%
Non-tax deductible / (non-taxable) items and other adjustments:						
Property management fees paid / payable in Units	790	333	137.2%	2,020	980	106.1%
Management fees paid / payable in Units <sup>(9)</sup>	2,945	-	NM	7,771	-	NM
Trustee's fees	210	103	103.9%	534	265	101.5%
Amortisation of borrowing costs	2,289	959	138.7%	5,891	2,580	128.3%
Net change in fair value of investment properties	(120,649)	(125,399)	(3.8%)	(271,932)	(116,109)	(134.2%)
Amortisation of leasing costs	54	-	NM	138	-	NM
Net change in fair value of other investment and derivative financial investments	2,193	(4,236)	151.8%	(15,265)	(2,852)	NM
Deferred income tax expense	10,801	30,556	(64.7%)	30,801	30,556	NM
Effect of recognising accounting income on a straightline basis over the lease terms	(1,606)	-	NM	(3,316)	-	NM
Other adjustments	239	(376)	(163.6%)	(172)	1,206	(114.3%)
Net effect of non-tax deductible / (non-taxable) items and other adjustments	(102,734)	(98,060)	4.8%	(243,530)	(83,374)	192.1%
<b>Available for distribution to Unitholders<sup>(10)</sup></b>	<b>15,567</b>	<b>7,552</b>	<b>106.1%</b>	<b>47,526</b>	<b>22,687</b>	<b>109.5%</b>
Comprises:						
- from operations	14,733	7,354		40,266	22,291	
- from Unitholder contributions <sup>(11)</sup>	834	198		7,260	396	

NM – Not Meaningful

**Footnotes**

- (1) Allco REIT was constituted on 12 September 2005. However the acquisition of the initial public offering ("IPO") portfolio of investment properties ("IPO Portfolio") was not completed until 30 March 2006. Hence the comparative amounts relate only to the period from 30 March 2006 to 31 December 2006. The financial information for the year 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.

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- (3) *Other property operating expenses include property expenses for the operation, management and marketing of the properties owned by the Group, except for China Square Central. All property expenses for China Square Central except for the Property Manager's fee, are borne by Unicorn Square Limited ("Unicorn") under a master lease agreement with the Trustee dated 30 March 2006 (the "Master Lease") and are therefore not recognised by Allco REIT. 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, and legal and other professional advisory fees.*
- (6) *Valuations of Central Park, China Square Central and 55 Market Street were carried out as at 28 December 2007, resulting in an increase in the fair values of these properties of S\$120.8 million since their last revaluation completed as at 30 June 2007. Net change in fair value of investment properties in FY2007 for all Allco REIT properties was S\$271.9 million.*
- (7) *This represents the changes in fair values of the Group's investment in AWPf and in derivative financial instruments. The derivative financial instruments comprise foreign currency options, foreign currency forward contracts and interest rate swaps, entered into by the Trust to manage its foreign currency and interest rate risks.*
- (8) *Income tax expense for the financial year ended 31 December 2007 includes income tax amounting to S\$0.5 million arising from the distributions of AWPf and a provision for deferred tax liability of S\$30.6 million arising from the fair value gains on Central Park, investment in AWPf and adjustments on carrying values on the four properties in Japan.*
- (9) *In accordance with the Trust Deed, the Manager is entitled to management fees comprising the Base Fee and Performance Fee (as defined in the Trust Deed) ("Management Fees") 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 Income less the Base Fee) for each financial year.*
- As set out in the Prospectus, the Manager has agreed to receive the Management Fees in Units for the financial year ended 31 December 2007.*
- (10) *Allco REIT's distribution policy is to distribute 100.0% 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 ended 31 December 2007, and thereafter to distribute at least 90.0% of its taxable income and tax-exempt Income.*
- (11) *An amount of \$7,259,700 is available for capital distribution in the current financial year 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.*

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

	<b>Group 31/12/07 S\$'000</b>	<b>Group 31/12/06 S\$'000</b>	<b>Trust 31/12/07 S\$'000</b>	<b>Trust 31/12/06 S\$'000</b>
<b>Non-current assets</b>				
Investment properties <sup>(1)</sup>	1,876,105	823,698	1,089,900	513,000
Subsidiaries	-	-	570,293	294,404
Other investments <sup>(2)</sup>	75,090	56,427	-	-
Other receivables <sup>(3)</sup>	10,000	10,000	10,000	10,000
	<b>1,961,195</b>	<b>890,125</b>	<b>1,670,193</b>	<b>817,404</b>
<b>Current assets</b>				
Trade and other receivables	12,191	9,857	18,570	20,170
Derivative financial instruments <sup>(5)</sup>	2,378	5,859	2,378	5,859
Cash and cash equivalents	61,838	8,164	33,803	1,433
	<b>76,407</b>	<b>23,880</b>	<b>54,751</b>	<b>27,462</b>
<b>Total assets</b>	<b>2,037,602</b>	<b>914,005</b>	<b>1,724,944</b>	<b>844,866</b>
<b>Current liabilities</b>				
Trade and other payables	37,309	5,455	26,050	2,795
Interest-bearing borrowings (net of transaction costs) <sup>(4)</sup>	615,857	-	615,857	-
Derivative financial instruments <sup>(5)</sup>	4,252	-	4,252	-
Provision for taxation	810	1,460	891	891
	<b>658,228</b>	<b>6,915</b>	<b>647,050</b>	<b>3,686</b>
<b>Non-current liabilities</b>				
Deferred tax liability <sup>(6)</sup>	61,368	30,556	-	-
Interest-bearing borrowings (net of transaction costs)	266,324	297,118	125,859	297,118
	<b>327,692</b>	<b>327,674</b>	<b>125,859</b>	<b>297,118</b>
<b>Total liabilities (excluding net assets attributable to Unitholders)</b>	<b>985,920</b>	<b>334,589</b>	<b>772,909</b>	<b>300,804</b>
<b>Net assets attributable to Unitholders</b>	<b>1,051,682</b>	<b>579,416</b>	<b>952,035</b>	<b>544,062</b>

**Footnotes**

(1) *China Square Central, 55 Market Street and Central Park were valued at their fair values based on independent valuations as at 28 December 2007. Both China Square Central and 55 Market Street were valued by Savills (Singapore) Pte Ltd, whilst Central Park was valued by CB Richard Ellis Pty Ltd.*

*Centrelink Headquarters was acquired on 18 June 2007 and was valued based on the average of the appraised values as determined by CB Richard Ellis Pty Limited and Colliers International Consultancy*

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*and Valuation Pty Limited pursuant to valuations as at 4 May 2007. Cosmo Plaza was acquired on 10 August 2007 and was valued by K.K. Halifax Associates as at 30 May 2007. Galleria Otemae, Azabu Aco and Ebara Techno-Serve were acquired on 26 September 2007, and were valued by Rich Appraisal Institute Co., Ltd as at 1 July 2007. KeyPoint was acquired on 31 October 2007 and was valued by Savills (Singapore) Pte Ltd as at 1 October 2007. As at 31 December 2007, the carrying amounts of these properties approximate their fair values.*

- (2) Other investments of the Group represent the investment in AWPf.*
- (3) Other receivables relate to amounts due from Unicorn, the vendor of China Square Central for future capital, advertising and promotion expenditure in relation to the property.*
- (4) Please refer to section 1(b)(ii) for details of the borrowings and collateral and 1(b)(iii) for the post balance sheet date event on the extension of the borrowings.*
- (5) The derivative financial instruments relate to the fair values of interest rate swaps transacted to manage interest rate risk and the fair values of foreign currency options, swaps and forward contracts transacted to manage currency fluctuations on the foreign currency denominated income of the Group.*
- (6) Deferred tax is provided in respect of the potential capital gains tax arising from the fair value gains on Central Park, the investment in AWPf and adjustments to carrying values of the four properties in Japan.*

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

	<b>Group 31/12/07 S\$'000</b>	<b>Group 31/12/06 S\$'000</b>
<b>Secured borrowings (excluding transaction costs)</b>		
Amount repayable in one year or less	620,000	Nil
Amount repayable after one year	268,416	304,000
<b>Unsecured borrowings</b>		
Amount repayable in one year or less, or on demand	Nil	Nil
	<b>888,416</b>	<b>304,000</b>

**Details of borrowings and collateral**

- 1) *During the financial period ended 31 December 2006, a loan note facility of S\$304.0 million was arranged in two tranches of S\$234.0 million and S\$70.0 million by CBA Asia Limited based on a floating interest rate of the relevant Singapore three-month swap offer rate (“SOR”) plus margin (“Loan Note Facility”). Each tranche of debt had a term of 2 years from the date of drawdown.*

*On 23 July 2007, S\$55.0 million of the loan notes issued under the Loan Note Facility were repaid using part of the proceeds from the Rights Issue.*

*On 31 October 2007, the Trust issued a further tranche of S\$371.0 million loan notes pursuant to the terms of the Loan Note Facility, arranged by Commonwealth Bank of Australia, Singapore Branch. The third tranche of loan notes has a term of nine months and bears interest at the SOR plus margin.*

*Accordingly, Allco REIT has S\$620.0 million due for refinance during the course of 2008. S\$179.0 million was due to mature on 31 March 2008 but the term has been formally extended by the investors arranged by CBA Asia Limited to 31 July 2008. See 1(b)(iii) Post balance sheet date events for more details. S\$550.0 million is therefore due on 31 July 2008 (being S\$179.0 million + S\$371.0 million). S\$70.0 million is due for refinance on 22 November 2008.*

*Allco REIT is currently in the advanced stages of negotiating the refinance of these facilities on an underwritten basis with a syndicate of banks. Allco REIT expects to be in a position to announce further details in relation to this refinance in the near future.*

*As security for the issuance of the three tranches of loan notes described above, the Trustee and its relevant subsidiaries have granted certain collateral in favour of a security trustee on behalf of certain financiers including:*

1. *a first registered mortgage over its interests in China Square Central, 55 Market Street, Central Park and KeyPoint;*
2. *equitable mortgages over all units and shares (as applicable) issued in each of the following Allco REIT subsidiaries:*
  - a. *ARC Trust;*
  - b. *Allco Investments No.3 Pty Limited;*
  - c. *Allco Sub No.1 Pte. Ltd.;*
  - d. *Allco Investments No.1 Pte. Ltd.; and*
  - e. *Central Park Landholding Trust.*
3. *an equitable mortgage over 50.0% of the units issued in the Athllon Drive Landholding Trust (the trust that holds the legal title to Centrelink Headquarters);*

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4. *registered fixed and floating charges over all the assets of Central Park Landholding Trust and ARC Trust;*
5. *security assignments over the relevant leases, lease guarantees, insurance contracts, income support deeds and sale and purchase agreements in respect of China Square Central, 55 Market Street, Central Park and KeyPoint;*
6. *registered charges over the rental proceeds accounts into which the rent in respect of China Square Central, 55 Market Street, Central Park, and KeyPoint will be paid; and*
7. *registered charges over the accounts into which distributions and dividends from Allco REIT subsidiaries will be paid.*

(together "**Loan Note Collateral**").

- 2) *A Japanese Yen Bi-Lateral Cash Advance Facility equivalent to ¥9,783,587,805 was arranged with Commonwealth Bank of Australia, Singapore Branch based on a JPY LIBOR BBA rate plus margin. The loan will mature on 10 September 2012. This facility is secured against the Loan Note Collateral described above.*
- 3) *Two Japanese Yen Fixed Rate Term Specified Bond Facilities, of ¥3,900,000,000 and ¥7,140,000,000, were arranged with Credit Suisse Securities (Japan) Limited with fixed interest rates of 3.01% and 2.44% respectively. The bonds will mature on 1 August 2012 and 1 November 2012 respectively. The bondholders have recourse to the issuer of the bonds, a tokutei mokuteki kaisha (an entity established under the Japan Law Regarding Securitisation of Assets (No.105 of 1998, as amended)), which is an indirect wholly owned subsidiary of Allco REIT, and which holds a beneficial interest in the relevant trust that holds legal title to each of Cosmo Plaza, Galleria Otemae, Azabu Aco and Ebara Techno-Serve.*

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**1(b)(iii) Post balance sheet date events**

**Extension of part of Loan Note Facility**

On 25 January 2008, Allco REIT executed a Third Deed of Amendment amending the scheduled repayment date for S\$179.0 million of loan notes issued under the Loan Note Facility from 31 March 2008 to 31 July 2008.

**Partial Withdrawal of AWPf Units**

On 21 December 2007, Allco REIT received a withdrawal offer from the manager of AWPf for the redemption of up to 17.17% of the units held by Allco REIT in AWPf (the "Withdrawal Offer"). The Withdrawal Offer will be funded with the proceeds of the sale of 222 Exhibition Street, Melbourne, which was completed earlier in the year.

Based on the redemption price of A\$1.1012 (S\$1.3968) and assuming the ability of AWPf to satisfy all withdrawal offer acceptances, it is expected that Allco REIT will receive total proceeds of A\$9,075,600 (S\$11,512,399) for the redemption of 8,241,487 units held in AWPf, giving rise to a realised gain of A\$583,879 (S\$740,651) net of Australian capital gains tax of 30%. Allco REIT, through its subsidiary that holds the units in AWPf, has accepted the Withdrawal Offer and expects to receive the proceeds from the redemption in the first quarter of 2008. The Manager intends to use the proceeds from the redemption for general corporate and working capital purposes. It is expected that Allco REIT's proportionate ownership of AWPf will remain at 20.6%, on the assumption that all other unitholders in AWPf will fully redeem their units pursuant to the Withdrawal Offer.

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1(c) Consolidated Cash Flow Statement

	4Q		FY	
	Actual 1/10/07 to 31/12/07 S\$'000	Actual 1/10/06 to 31/12/06 S\$'000	Actual 1/1/07 to 31/12/07 S\$'000	Actual 12/9/05 to 31/12/06 S\$'000
<b>Operating activities:</b>				
Total return before income tax	127,238	136,196	322,144	138,077
<b>Adjustments for:</b>				
Property management fee paid / payable in Units	790	333	2,020	980
Management fees paid / payable in Units	2,945	-	7,771	-
Interest income	(841)	(80)	(3,635)	(292)
Finance costs	7,691	3,538	19,512	7,499
Dividend income	(564)	(695)	(7,320)	(2,226)
Net change in fair value of other investment and derivative financial instruments	2,193	(4,236)	(15,265)	(2,852)
Net change in fair value of investment properties	(120,649)	(125,399)	(271,932)	(116,109)
IFRS rental adjustment	(1,606)	-	(3,316)	-
Foreign exchange differences	(163)	-	(365)	(464)
<b>Operating income before working capital changes</b>	<b>17,034</b>	<b>9,657</b>	<b>49,614</b>	<b>24,613</b>
Changes in working capital:				
Trade and other receivables	1,607	8,659	(7,797)	(9,196)
Trade and other payables	12,983	1,331	31,533	5,115
Restricted cash and deposits pledged	(35,353)	-	(35,353)	-
Withholding tax paid	(8)	-	(909)	-
<b>Cash (utilised in) / generated from operating activities</b>	<b>(3,737)</b>	<b>19,647</b>	<b>37,088</b>	<b>20,532</b>
<b>Investing activities:</b>				
Net cash outflow on purchase of investment properties <sup>(1)</sup>	(379,557)	(83,773)	(758,531)	(702,054)
Capital expenditure on investment properties	303	(2,358)	(1,955)	(4,552)
Purchase of derivative financial instruments	-	-	-	(3,980)
Interest received	841	80	3,635	292
Acquisition of other investments	-	-	-	(55,454)
Dividend received	737	770	7,552	1,565
<b>Cash utilised in investing activities</b>	<b>(377,676)</b>	<b>(85,281)</b>	<b>(749,299)</b>	<b>(764,183)</b>
<b>Financing activities:</b>				
Proceeds from borrowings	380,916	70,000	640,641	304,000
Repayment of borrowings	-	-	(55,000)	-
Proceeds from issuance of new Units	-	-	206,699	490,605
Interest paid	(5,402)	(2,578)	(13,621)	(4,919)
Distribution paid	-	(7,567)	(35,999)	(7,567)
Issue costs paid	-	-	(6,518)	(20,842)
Transaction costs on borrowings	(2,419)	(2,944)	(5,670)	(9,462)
<b>Cash generated from financing activities</b>	<b>373,095</b>	<b>56,911</b>	<b>730,532</b>	<b>751,815</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(8,318)</b>	<b>(8,723)</b>	<b>18,321</b>	<b>8,164</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>34,803</b>	<b>16,887</b>	<b>8,164</b>	<b>-</b>
<b>Cash and cash equivalents at end of period <sup>(2)</sup></b>	<b>26,485</b>	<b>8,164</b>	<b>26,485</b>	<b>8,164</b>

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**Footnotes**

(1) *Net cash outflow on purchase of investment properties (including acquisition charges) is set out below:*

	4Q		FY	
	Actual 1/10/07 to 31/12/07 S\$'000	Actual 1/10/06 to 31/12/06 S\$'000	Actual 1/1/07 to 31/12/07 S\$'000	Actual 12/9/05 to 31/12/06 S\$'000
Investment properties	370,000	72,500	741,391	672,007
Trade and other receivables	-	10,000	8,303	10,632
Cash and cash equivalents	-	-	4	516
Trade and other payables	-	-	(8,307)	(1,148)
	370,000	82,500	741,391	682,007
Cash consideration paid / payable	370,000	82,500	741,391	682,007
Cash (acquired)	-	-	-	(516)
Acquisition costs paid	9,557	1,273	18,586	20,563
Less: Acquisition fees paid in units	-	-	(1,446)	-
<b>Net Cash Outflow</b>	<b>379,557</b>	<b>83,773</b>	<b>758,531</b>	<b>702,054</b>

(2) *For purposes of the consolidated Cash Flow Statement, the consolidated cash and cash equivalents comprised the following:*

	31/12/2007 S\$'000	31/12/2006 S\$'000
Bank and cash balances	59,428	8,164
Fixed deposits	2,410	-
<b>Cash and cash equivalents at end of the year</b>	<b>61,838</b>	<b>8,164</b>
Less: Restricted cash and deposits pledged *	(35,353)	-
<b>Cash and cash equivalents per consolidated Cash Flow Statement</b>	<b>26,485</b>	<b>8,164</b>

\* Restricted cash and deposits pledged represent bank deposits that are not freely available for use by the Group which comprise of bank deposits in Japan required to be maintained to comply with Japanese regulatory requirements and a bank deposit held in escrow in Singapore for purposes of the income support deed in relation to KeyPoint.

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

	<b>Group FY2007 S\$'000</b>	<b>Group 12/9/05 to 31/12/06 S\$'000</b>	<b>Trust FY2007 S\$'000</b>	<b>Trust 12/9/05 to 31/12/06 S\$'000</b>
<b>Operations</b>				
Balance at beginning of period	98,494	-	65,040	-
Change in net assets attributable to Unitholders from operations	291,056	106,061	228,038	72,607
Distributions to Unitholders	(29,177)	(7,567)	(29,177)	(7,567)
Balance at end of period	360,373	98,494	263,901	65,040
<b>Unitholders contributions</b>				
Balance at beginning of period	470,402	-	479,022	-
Issue of Units:-				
- at initial public offering	-	490,605	-	490,605
- pursuant to rights issue	206,699	-	206,699	-
- Management and property management fees <sup>(1)</sup>	11,577	639	11,577	639
Issue expenses	(7,113)	(20,842)	(2,342)	(12,222)
Distributions to Unitholders	(6,822)	-	(6,822)	-
Balance at end of period	674,743	470,402	688,134	479,022
<b>Foreign currency translation reserve</b>				
Balance at beginning of period	10,520	-	-	-
Movement for the period	6,046	10,520	-	-
Balance at end of period	16,566	10,520	-	-
<b>Balance of net assets attributable to Unitholders at end of period</b>	<b>1,051,682</b>	<b>579,416</b>	<b>952,035</b>	<b>544,062</b>

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

	<b>4Q2007 Units</b>	<b>4Q2006 Units</b>	<b>FY2007 Units</b>	<b>FY2006 Units</b>
<b>Issued Units as at beginning of period</b>	698,472,849	494,963,405	495,310,734	494,605,000
Management / property management fees paid in Units <sup>(1)</sup>	2,258,852	347,329	5,445,244	705,734
Acquisition fees paid in Units <sup>(2)</sup>	-	-	1,226,481	-
Rights issue	-	-	198,749,242	-
<b>Issued Units as at end of period</b>	<b>700,731,701</b>	<b>495,310,734</b>	<b>700,731,701</b>	<b>495,310,734</b>
Management / property management fees payable in Units <sup>(3)</sup>	5,230,944	277,417	5,230,944	277,417
<b>Issued and issuable Units as at end of period</b>	<b>705,962,645</b>	<b>495,588,151</b>	<b>705,962,645</b>	<b>495,588,151</b>

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**Footnotes**

- (1) *Management and property management fees paid and payable in Units comprise the following:-*

	<b>Management Fee</b>	<b>Property Management Fee</b>
31-Dec-06	-	277,417
31-Mar-07	1,018,491	266,464
30-Jun-07	1,312,076	311,944
30-Sep-07	1,786,862	471,990
31-Dec-07*	4,125,122	1,105,822
	<b>8,242,551</b>	<b>2,433,637</b>

*The price of Units issued was determined/is estimated\* based on the 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) *1,226,481 Units issued to the Manager on 31 July 2007 as payment of the acquisition fee for the purchase of Centrelink Headquarters. The price of Units issued was determined based on the VWAP of the Units for the ten business days preceding the date of issue pursuant to the Trust Deed.*
- (3) *Approximately 4.1 million Units and 1.1 million Units will be issued on 1 February 2008 to the Manager and Property Manager respectively, as payment for management and property management fees amounting to S\$2,945,337 and S\$789,557 respectively for the quarter ended 31 December 2007. The actual number of Units to be issued will be determined based on the 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. 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 figures have not been audited nor reviewed by the Trust's auditors.

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

Not applicable.

- 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.

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**6. Consolidated Earnings per Unit (“EPU”) and available for distribution per Unit (“DPU”) for the financial period**

	4Q		FY	
	Actual 1/10/07 to 31/12/07 Units	Actual 1/10/06 to 31/12/06 Units	Actual 1/1/07 to 31/12/07 Units	Actual 12/9/05 to 31/12/06 Units
Weighted average number of Units	700,461,621	495,306,959	589,113,037	289,358,756
Earnings per Unit (cents) - basic and diluted on the weighted average number of Units on issue				
-Basic	16.89	21.32	49.41	36.65
-Fully diluted	16.89	21.32	49.41	36.65
Number of Units issued and issuable at end of period	705,962,645	495,588,151	705,962,645	495,588,151
Available for distribution per Unit (cents) - basic and diluted based on the total number of Units on issue	2.21	1.52	6.73	4.58

The diluted EPU and DPU are the same as the basic EPU and DPU as there are no dilutive instruments on issue during the period.

**7. Net asset value per Unit based on issued and issuable Units at the end of the period**

	Group 31/12/07 S\$	Trust 31/12/07 S\$	Group 31/12/06 S\$	Trust 31/12/06 S\$
Number of units issued and issuable at end of period	705,962,645	705,962,645	495,588,151	495,588,151
Net Asset Value at end of period (S\$'000)	1,051,682	952,035	579,416	544,062
Net Asset Value per Unit	1.49	1.35	1.17	1.10
Adjusted Net Asset Value per Unit (excluding distributable income)	1.45	1.31	1.12	1.05

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**8. Review of performance – Variance between actual results for the period 1 October 2007 to 31 December 2007 (“4Q2007”) and 1 October 2006 to 31 December 2006 (“4Q2006”).**

Gross revenue for 4Q2007 was 125.8% higher than the corresponding period in the prior year mainly due to the following:

- higher revenue achieved from Central Park of S\$8.9 million (2006: S\$6.7 million) as a result of higher rentals achieved from rent renewals, higher outgoing recoverables and carpark income in 2007.
- full year revenue contribution from 55 Market Street of S\$1.8 million (55 Market Street was acquired in November 2006 with vacant possession. Its contribution to revenue commenced in 2007).
- contributions from properties that were acquired in 2007, being Centrelink Headquarters (S\$2.9 million contribution to gross revenue), Cosmo Plaza (S\$1.9 million contribution to gross revenue), Azabu Aco, Galleria Otemae and Ebara Techno-Serve (S\$2.3 million collective contribution to gross revenue) and KeyPoint (S\$3.9 million contribution to gross revenue).

In line with the increased revenue from the addition of properties in 2007, property operating expenses have also increased in 4Q2007 when compared to 4Q2006. This was mainly due to higher property management fees of S\$0.8 million (2006: S\$0.3 million) and the additional property operating expenses of the properties acquired in 2007. 55 Market Street, Centrelink Headquarters and KeyPoint incurred expenses of S\$0.6 million, S\$0.5 million and S\$0.7 million respectively while Cosmo Plaza, Galleria Otemae, Azabu Aco and Ebara Techno-Serve incurred expenses of S\$0.7 million, S\$0.5 million, S\$0.1 million and S\$0.1 million, respectively, for the quarter. In addition, the property operating expenses for Central Park were also higher in 4Q2007 due to higher tenant rechargeable expenses.

Trust expenses for 4Q2007 were S\$4.3 million higher than that for 4Q2006 mainly due to management fees paid to the Manager amounting to S\$2.9 million (management fees were waived in the prior year) and a write-off of expenses amounting to S\$1.0 million associated with the proposed capital raising not proceeded in December 2007.

Finance costs were S\$5.0 million higher in 4Q2007 as compared to 4Q2006 due mainly to additional bank borrowings utilised to fund the acquisitions of Cosmo Plaza, Galleria Otemae, Azabu Aco, Ebara Techno-Serve and KeyPoint.

Valuations of Central Park, China Square Central and 55 Market Street were completed as at 28 December 2007, resulting in an increase in the fair values of the properties of S\$120.8 million (see below).

Net change in fair value of other investment and derivative financial instruments for 4Q2007 arose from unrealised losses of S\$7.5 million from the derivative financial instruments entered into by Allco REIT to manage interest and foreign exchange risks, partially offset by a gain in the fair value of the investment in AWPf of S\$5.3 million. Allco REIT had entered into interest rate swaps to fix the interest rates on its bank loans when it acquired each of its properties. As market interest rates have declined during 2007, this resulted in unrealised losses on the interest rate swaps.

**Review of performance – Variance between actual results for the financial year ended 31 December 2007 (“FY2007”) and the financial period from 12 September 2005 to 31 December 2006 (“FY2006”).**

Allco REIT was established on 12 September 2005, but the acquisition of the IPO 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 FY2007 were significantly higher than FY2006 due to the seven new properties acquired by Allco REIT since November 2006, and the full year contribution from the IPO Portfolio of investment properties in 2007. These new properties contributed total gross revenue, property operating expenses and net property income of S\$19.8 million, S\$5.0 million and S\$14.8 million respectively for FY2007. Higher rental income achieved from rent renewals at Central Park also contributed to the growth in the net property income for FY2007. In addition, there was a one-off S\$4.3 million distribution from AWPf arising from its profit on the sale on 222 Exhibition Street in Melbourne, Australia, included in the gross revenue for FY2007.

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Similarly, interest and other income, and trust expenses were significantly higher in FY2007 than those in FY2006 due to the effects of the full year operations in 2007 and the cost of management of the additional assets in the portfolio. In addition, the trust expenses for FY2007 included management fees of S\$7.8 million, which were waived for FY2006. Finance costs for FY2007 were S\$12.0 million higher than those for FY2006 due to the additional borrowings undertaken by the Group in funding the acquisition of new properties in 2007.

The net increase in the fair value of the investment properties in FY2007 was S\$271.0 million, as compared to S\$116.1 million for FY2006. The valuations of the investment properties for FY2007 and FY2006 were completed by independent professional valuers (see below).

As a result of the increase in fair values of Central Park, and the investment in AWPf, as well as adjustments to the carrying values of the properties in Japan, a deferred tax provision of S\$30.6 million was made for the associated estimated future capital gains tax.

**Valuation of the investment properties as at 28 December 2007**

The valuations of China Square Central, 55 Market Street and Central Park as at 28 December 2007 were completed by independent professional valuers using the capitalisation and discounted cash flow analysis. Both China Square Central and 55 Market Street were valued by Savills (Singapore) Pte Ltd while Central Park was valued by CB Richard Ellis Pty Ltd. Based on these valuations, the carrying amounts of these three investment properties were adjusted to reflect their total fair value of S\$1,126.5 million. The remaining six investment properties were acquired during FY2007 and are recorded at their respective costs of acquisition, which were based on valuations completed by independent professional valuers at the time of acquisition. There were no significant changes in the fair values of these six properties as at 31 December 2007.

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

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

	4Q			FY2007		
	Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	Inc/ (Dec) %	Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	Inc/ (Dec) %
<b>Gross revenue <sup>(2)</sup></b>	<b>26,635</b>	<b>15,992</b>	<b>66.6%</b>	<b>75,247</b>	<b>54,864</b>	<b>37.2%</b>
<b>Property operating expenses</b>						
- Maintenance expenses	(142)	-	NM	(710)	(295)	140.7%
- Property management fees	(790)	(458)	72.5%	(2,020)	(1,551)	30.2%
- Property tax	(538)	(359)	49.9%	(1,089)	(926)	17.6%
- Other property operating expenses	(4,551)	(1,837)	147.7%	(10,006)	(5,715)	75.1%
	<b>(6,021)</b>	<b>(2,654)</b>	<b>126.8%</b>	<b>(13,825)</b>	<b>(8,487)</b>	<b>62.9%</b>
<b>Net property income</b>	<b>20,614</b>	<b>13,338</b>	<b>54.6%</b>	<b>61,422</b>	<b>46,377</b>	<b>32.4%</b>
Interest income	841	52	NM	3,635	102	NM
Other Income	17	-	NM	714	-	NM
Trust expenses	(4,999)	(2,356)	112.2%	(11,312)	(7,439)	52.1%
Finance costs	(7,691)	(2,527)	204.4%	(19,512)	(9,657)	102.0%
<b>Net income before net changes in fair values of investment properties, other investment and derivative financial instruments, income tax and distribution</b>	<b>8,782</b>	<b>8,507</b>	<b>3.2%</b>	<b>34,947</b>	<b>29,383</b>	<b>18.9%</b>
Net gain/(loss) on changes in fair values of investment properties, other investment and derivative financial instruments	118,456	-	NM	287,197	(3,407)	NM
<b>Total return before income tax</b>	<b>127,238</b>	<b>8,507</b>	<b>NM</b>	<b>322,144</b>	<b>25,976</b>	<b>NM</b>
Income tax expense	(8,937)	(302)	NM	(31,088)	(2,315)	NM
<b>Total return for the period</b>	<b>118,301</b>	<b>8,205</b>	<b>NM</b>	<b>291,056</b>	<b>23,661</b>	<b>NM</b>
Non-tax deductible / (non-taxable) items and other adjustments:						
Property management fees paid / payable in Units	790	458	72.5%	2,020	1,551	30.2%
Management fees paid / payable in Units	2,945	1,600	84.1%	7,771	5,323	46.0%
Trustee's fees	210	140	NM	534	280	NM
Amortisation of borrowing costs	2,289	1,178	94.3%	5,891	3,609	63.2%
Net change in fair value of investment properties	(120,649)	-	NM	(271,932)	-	NM
Amortisation of leasing commission	54	-	NM	138	-	NM
Net change in fair value of other investment and derivative financial instruments	2,193	-	NM	(15,265)	3,408	NM
Deferred income tax expense	10,801	-	NM	30,801	-	NM
Effect of recognising accounting income on a straightline basis over the lease terms	(1,606)	(2,057)	(21.9%)	(3,316)	(4,113)	(19.4%)
Other adjustments	239	1,076	(77.8%)	(172)	2,152	(108.0%)
Net effect of non-tax deductible / (non-taxable) items and other adjustments	<b>(102,734)</b>	<b>2,395</b>	<b>NM</b>	<b>(243,530)</b>	<b>12,210</b>	<b>NM</b>
<b>Available for distribution to Unitholders</b>	<b>15,567</b>	<b>10,600</b>	<b>46.9%</b>	<b>47,526</b>	<b>35,871</b>	<b>32.5%</b>
<b>Number of Units Issued and Issuable at end of period <sup>(3)</sup></b>	<b>705,963</b>	<b>701,476</b>	<b>0.6%</b>	<b>705,963</b>	<b>602,874</b>	<b>17.1%</b>
<b>Available for distribution per Unit (in cents)</b>	<b>2.21</b>	<b>1.51</b>	<b>46.4%</b>	<b>6.73</b>	<b>5.95</b>	<b>13.1%</b>

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**Footnotes**

- (1) *The forecast for 4Q2007 is based on management's forecast for 2H2007 shown in the Circular, pro-rated for the period from 1 October 2007 to 31 December 2007. The forecast for FY2007 is based on (a) management's projection for the financial year ended 31 December 2007 shown in the Prospectus, pro-rated for the period from 1 January 2007 to 30 June 2007, and (b) the forecast for 2H2007 shown in the Circular. Allco REIT is required to disclose any variance between the forecast and the actual results for the quarter.*
- (2) *The actual gross revenue and expenses from Central Park, Centrelink Headquarters and AWPf have been translated at the average monthly spot exchange rate for the period (being A\$1.00:S\$1.2941). The forecast is based on an exchange rate of A\$1.00:S\$1.2345 for Central Park and AWPf, and a rate of A\$1.00:S\$1.2268 for Centrelink Headquarters.*
- (3) *The Units for FY2007 forecast is based on (a) management's projection for the period from 1 January 2007 to 31 December 2007 shown in the Prospectus, pro-rated for the period from 1 January 2007 to 30 June 2007 and (b) management's forecast for 2H2007 shown in the Circular.*

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

	4Q			FY2007		
	Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	Inc/ (Dec) %	Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	Inc/ (Dec) %
China Square Central	4,388	4,388	NM	17,550	17,478	NM
55 Market Street	1,759	1,546	13.8%	4,383	3,093	41.7%
KeyPoint <sup>(4)</sup>	3,851	-	NM	3,851	-	NM
Central Park <sup>(2) (3)</sup>	8,928	6,315	41.4%	30,611	25,082	22.0%
Centrelink Headquarters <sup>(2) (3)</sup>	2,889	3,030	NM	6,058	6,060	NM
Cosmo Plaza <sup>(4)</sup>	1,914	-	NM	3,013	-	NM
Azabu Aco <sup>(4)</sup>	361	-	NM	382	-	NM
Galleria Otemae <sup>(4)</sup>	1,453	-	NM	1,520	-	NM
Ebara Techno-Serve <sup>(4)</sup>	528	-	NM	560	-	NM
AWPF (Distribution) <sup>(2) (3)</sup>	564	713	(20.9%)	7,319	3,151	132.3%
<b>Total gross revenue</b>	<b>26,635</b>	<b>15,992</b>	<b>66.6%</b>	<b>75,247</b>	<b>54,864</b>	<b>37.2%</b>

NM – Not Meaningful

**Footnotes:**

- (1) *The forecast for 4Q2007 is based on forecast for 2H2007 shown in the Circular, pro-rated for the period from 1 October 2007 to 31 December 2007. The forecast for FY2007 is based on (a) management's projection for the financial year ended 31 December 2007 shown in the Prospectus, pro-rated for the period from 1 January 2007 to 30 June 2007, and (b) the forecast for 2H2007 shown in the Circular. Allco REIT is required to disclose any variance between the forecast and the actual results for the quarter and financial year.*
- (2) *The actual revenue from Central Park, Centrelink Headquarters and AWPf has been translated the average monthly spot exchange rate for the period (being A\$1.00:S\$1.2941). The Trust has entered into an option to convert the distributable income from Central Park and AWPf into Singapore dollars at a rate of A\$1.00:S\$1.2345, and a forward contract to convert the distributable income from Centrelink Headquarters into Singapore dollars at a rate of A\$1.00:S\$1.2268.*

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(3) The forecast revenue for Central Park and AWPf was calculated at a rate of A\$1.00:S\$1.2345, and for Centrelink Headquarters was calculated at a rate of A\$1.00:S\$1.2268.

(4) Cosmo Plaza, Galleria Otemae, Azabu Aco, Ebara Techno-Serve and KeyPoint are not included in the forecast, as these properties were acquired in 2H2007 following the release of the forecast shown in the Circular.

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

	4Q			FY2007		
	Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	Inc/ (Dec) %	Actual S\$'000	Forecast <sup>(1)</sup> S\$'000	Inc/ (Dec) %
China Square Central	4,192	4,250	NM	16,959	16,942	NM
55 Market Street	1,115	950	17.4%	2,951	1,900	55.3%
KeyPoint <sup>(4)</sup>	2,861	-	NM	2,861	-	NM
Central Park <sup>(2) (3)</sup>	6,656	4,800	38.7%	22,450	19,135	17.3%
Centrelink Headquarters <sup>(2) (3)</sup>	2,349	2,600	NM	5,117	5,200	NM
Cosmo Plaza <sup>(4)</sup>	1,216	-	NM	1,985	-	NM
Azabu Aco <sup>(4)</sup>	240	-	NM	261	-	NM
Galleria Otemae <sup>(4)</sup>	960	-	NM	1,028	-	NM
Ebara Techno-Serve <sup>(4)</sup>	460	-	NM	491	-	NM
AWPF (Distribution) <sup>(2) (3)</sup>	565	738	(23.4%)	7,319	3,200	128.7%
<b>Total net property income</b>	<b>20,614</b>	<b>13,338</b>	<b>54.6%</b>	<b>61,422</b>	<b>46,377</b>	<b>32.4%</b>

NM – Not Meaningful

**Footnotes**

(1) The forecast for 4Q2007 is based on management's forecast for 2H2007 shown in the Circular, pro-rated for the period from 1 October 2007 to 31 December 2007. The forecast for FY2007 is based on (a) management's projection for the financial year ended 31 December 2007 shown in the Prospectus, pro-rated for the period from 1 January 2007 to 30 June 2007, and (b) the forecast for 2H2007 shown in the Circular. Allco REIT is required to disclose any variance between the forecast and the actual results for the quarter.

(2) The actual net property income from Central Park, Centrelink Headquarters and AWPf has been translated at the average monthly spot exchange rate for the period (being A\$1.00:S\$1.2941). The Trust has entered into an option to convert the distributable income from Central Park and AWPf into Singapore dollars at a rate of A\$1.00:S\$1.2345, and a forward contract to convert the distributable income from Centrelink Headquarters into Singapore dollars at a rate of A\$1.00:S\$1.2268.

(3) The forecast net property income for Central Park and AWPf was calculated at a rate of A\$1.00:S\$1.2345, and for Centrelink Headquarters was calculated at a rate of A\$1.00:S\$1.2268.

(4) Cosmo Plaza, Galleria Otemae, Azabu Aco, Ebara Techno-Serve and KeyPoint are not included in the forecast, as these properties were acquired in 2H2007 following the release of the forecast shown in the Circular.

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**Review of Performance – Actual vs. Forecast 1 October 2007 to 31 December 2007 (“4Q2007”)**

Gross revenue achieved for the period was S\$10.6 million (66.6%) above forecast. This was mainly due to the following:

- higher revenue from Central Park of S\$2.6 million as a result of higher than forecast rental revenue from a number of leases, higher tenant rechargeable income for air-conditioning and electricity and the effects of the strengthening of the Australian dollar against the Singapore dollar; and
- contributions from properties acquired in the second half of 2007, being Cosmo Plaza, Azabu Aco, Galleria Otemae, Ebara Techno-Serve and KeyPoint. These properties, which were not included in the forecast, contributed an additional S\$8.1 million to gross revenue.

Property operating expenses were higher than forecast mainly due to the addition to Allco REIT's portfolio of Cosmo Plaza, Azabu Aco, Galleria Otemae, Ebara Techno-Serve and KeyPoint, as well as higher tenant rechargeable expenses which are directly recoverable from tenants at Central Park.

Actual trust expenses were 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 of Allco REIT for the period. As the portfolio of properties is larger than forecast with the addition of Cosmo Plaza, Azabu Aco, Galleria Otemae, Ebara Techno-Serve and KeyPoint, management fees were higher than forecast. It should be noted that management and property management fees are paid in Units and accordingly do not affect the amount available for distribution to Unitholders. In addition, expenses of S\$1.0 million associated with the proposed capital raising not proceeded with in December 2007, were written off in 4Q2007.

Actual finance costs were S\$5.2 million above forecast due to interest paid/payable on the additional loans undertaken for the acquisition of Cosmo Plaza, Azabu Aco, Galleria Otemae, Ebara Techno-Serve and Key Point.

The net gains on investment properties, other investment and derivative financial instruments were S\$122.5 million, which were not forecast. This was mainly due to an upward revaluation of the investment properties of S\$120.6 million and net gain on other investment and derivative financial instruments of S\$1.8 million.

As a result of the above factors, the total amount available for distribution for the quarter was S\$10.7 million above forecast.

**Review of Performance – Actual vs. Forecast 1 January 2007 to 31 December 2007 (“FY2007”)**

The actual gross revenue for FY2007 was S\$20.4 million (37.2%) higher than forecast. This was mainly due to the following:

- contributions from the properties acquired in FY2007 which were not included in the forecast, being KeyPoint and the four properties in Japan;
- higher than forecast revenue for Central Park and 55 Market Street; and
- an additional S\$4.3 million distribution from AWPf arising from its profit on sale of 222 Exhibition Street (Melbourne, Australia) in the second quarter of 2007.

The actual rental revenue from Central Park and 55 Market Street was higher than forecast, which is consistent with the low office vacancy in the Perth and Singapore CBD areas. Revenue for Central Park was also higher as a result of higher tenant rechargeable income for air-conditioning and electricity and the effects of the strengthening of the Australian dollar against the Singapore dollar.

Actual property operating expenses for FY2007 were higher than forecast mainly due to the properties acquired in FY2007 that were not included in the forecast as set out above, as well as higher tenant rechargeable expenses which are directly recoverable from tenants at Central Park.

Actual interest income for FY2007 included realised gains from interest rate swaps taken out to manage interest rate risks. These amounts were not included in the forecast.

Actual trust expenses were higher than forecast due to higher management fees. Management fees are computed based on a combination of the value of the properties in Allco REIT's portfolio and the performance for the year. As the portfolio of properties has increased in value through increases in fair values, and acquisitions during the year,

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management fees were higher than forecast. In addition, expenses of S\$1.0 million associated with the proposed capital raising not proceeded with in December 2007, were written off in 4Q2007.

Actual finance costs for FY2007 were S\$9.9 million (102.0%) above forecast due to the additional loans taken out in the second half of 2007 to fund the acquisition of the four properties in Japan and KeyPoint.

The net gains on investment properties, other investment and derivative financial instruments amounted to S\$291.2 million, which were not forecast. This was mainly due to the fair value gains on the investment properties of S\$271.9 million and net gain on other investment and derivative financial instruments of S\$19.3 million. The fair value gains on Central Park and the investment in AWPf also resulted in deferred tax being provided for, for future capital gains tax.

As a result of the above factors, total return for FY2007 was S\$291.1 million, as compared to the forecast of S\$23.7 million. After adjusting for the non-tax deductible / non taxable items, total distributable income for the year was S\$47.5 million, or S\$11.7 million higher than forecast.

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**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 showed that “Singapore’s real gross domestic product (“GDP”) rose by 6.0% on a year-on-year basis in the fourth quarter of 2007, following a 9.0% gain in the previous quarter. On a quarter-on-quarter seasonally adjusted annualised basis, real GDP fell by 3.2%, compared to a 4.4% gain in the previous quarter.”

Preliminary figures from Jones Lang LaSalle (“JLL”) highlight that the persistent supply-demand imbalance of the Singapore office market has resulted in continued solid rental growth, with surging rents and new peaks being set. During 4Q2007, the average monthly gross rent in Raffles Place precinct (“Raffles Place”) rose by 7.4% quarter-on-quarter to approximately S\$16.00 per sq ft per month. This represents a 66.7% increase in comparison to the average monthly gross rent of S\$9.60 per sq ft per month during 4Q2006.

China Square Central and 55 Market Street are strategically located in or are in close proximity to Raffles Place. The KeyPoint property is located on the fringe of the CBD. The strong demand for office space across Singapore and in particular the CBD region, have resulted in office demand spilling over to the non-centralised and fringe CBD areas.

**Japan**

CB Richard Ellis (“CBRE”) notes that the Tokyo office market continues to have low vacancy rates of less than 2.0%, resulting in the ongoing growth of office property rentals. The average asking rent for 4Q2007 increased by 2.3% compared to the previous quarter in the Tokyo 23 Wards office market. The average asking rents increased by 3.1% over the previous quarter in the Tokyo Central 5 Wards market.

The 4Q2007 vacancy rate in Osaka declined for the 16<sup>th</sup> consecutive quarter to 5.6% according to CBRE. During the period, CBRE notes that average asking rents for Osaka increased by 1.4%.

Allco REIT’s Japanese properties, Cosmo Plaza, Galleria Otemae, Azabu Aco and Ebara Techno-Serve, are well positioned in both the Tokyo and Osaka office markets. Given the strong demand for office space within Tokyo and Osaka, there is potential for increased rental revenue and capital value growth.

**Australia**

Preliminary JLL reports show that tenant demand remains robust and net absorption remains positive across the majority of Australian office markets during 4Q2007. Upward pressure on office rents continues in nearly all markets with rapid growth particularly in Perth where vacancy rates during 4Q2007 reduced to record low levels of 0.3%.

JLL notes the record low vacancy rates in Perth office markets continue to drive rapid growth in existing rents. The Perth CBD office market saw an 18.7% quarterly increase in the average prime gross effective rents in 4Q2007, resulting in an annual growth rate of 62.1% from the preceding year.

In Canberra, 4Q2007 vacancy levels stood at 4.0% leading to prime gross effective office rents climbing 3.0% as compared to the previous quarter. This resulted in an annual growth rate of 10.8% according to JLL figures.

JLL notes that 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 and Centrelink Headquarters.

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**11. Distributions**

**11(a) Current financial period**

**Name of distribution** Distribution for the period from 1 July 2007 to 31 December 2007

**11(b)(i) Distribution rate** 3.74 cents per Unit.

<b>Distribution type</b>	<b>Distribution for period from 1/7/07 to 31/12/07 (cents)</b>	<b>Distribution for period from 1/1/07 to 30/06/07 (cents)</b>	<b>Total distribution for FY2007 (cents)</b>
Taxable income component	1.93	1.29	3.22
Tax exempt income component	1.69	0.78	2.47
Capital <sup>(1)</sup>	0.12	0.92	1.04
<b>Total</b>	<b>3.74</b>	<b>2.99</b>	<b>6.73</b>

**11(b)(ii) Corresponding period of the preceding financial period**

A final distribution of 3.05 cents per Unit was declared on 9 February 2007 for FY2006. The distribution was paid on 28 February 2007 and comprised a tax exempt income component of 1.46 cents per Unit, a taxable income component of 1.51 cents per Unit and a capital component of 0.08 cents per Unit. Coupled with an interim distribution of 1.53 cents per Unit for FY2006 paid on 9 October 2006, the total distribution was 4.58 cents per Unit for the period from 12 September 2005 to 31 December 2006.

**11(c) 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 10.0%.

Other investors will receive their distributions after deduction of tax at the rate of 18.0%.

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 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)** *Capital distributions of 0.92 cents per Unit and 0.12 cents per Unit have been declared for the period from 1 January 2007 to 30 June 2007 and from 1 July 2007 to 31 December 2007 respectively 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 and distributions 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 and distributions from overseas subsidiaries were received subsequent to the respective period ends, capital distributions are declared.*

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11(d) **Date payable** : 29 February 2008

11(e) **Books closure date** : 14 February 2008

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

Not Applicable.

13. **Segmented revenue and results.**

	<b>FY2007</b>			
	<b>Singapore</b>	<b>Australia</b>	<b>Japan</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Property income and expenses</b>				
Gross revenue	25,784	43,988	5,475	75,247
Property operating expenses	(3,013)	(9,102)	(1,710)	(13,825)
Segment net property income	22,771	34,886	3,765	61,422
Net change in fair value of investment properties	199,681	80,034	(7,783)	271,932
Interest income				3,635
Other income				714
Trust expenses				(11,312)
Borrowing costs				(19,512)
Net change in fair value of other investment and derivative financial instruments				15,265
Income tax				(31,088)
Total return for the year				291,056
<b>Assets and liabilities</b>				
Segment assets	1,099,900	623,990	237,305	1,961,195
Unallocated assets				76,407
Total assets				2,037,602
Segment liabilities	(14,683)	(55,175)	(131,762)	(201,620)
Unallocated liabilities				(784,300)
Total liabilities (excluding net assets attributable to unitholders)				(985,920)

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	<b>FY2006</b>		
	<b>Singapore</b>	<b>Australia</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Property income and expenses</b>			
Gross revenue	13,257	21,634	34,891
Property operating expenses	(458)	(5,676)	(6,134)
Segment net property income	12,799	15,958	28,757
Net change in fair value of investment properties	54,179	61,930	116,109
Interest income			292
Other income			223
Trust expenses			(2,657)
Borrowing costs			(7,499)
Net change in fair value of other investment and derivative financial instruments			2,852
Income tax			(32,016)
Total return for the year			106,061
<b>Assets and liabilities</b>			
Segment assets	523,000	367,125	890,125
Unallocated assets			23,880
Total assets			914,005
Segment liabilities	(618)	(1,385)	(2,003)
Unallocated liabilities			(332,586)
Total liabilities (excluding net assets attributable to unitholders)			(334,589)

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14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to section 9.

15. **Breakdown of Sales**

	<b>Actual</b> <b>1/1/07 to</b> <b>31/12/07</b> S\$'000	<b>Actual <sup>(1)</sup></b> <b>12/9/05 to</b> <b>31/12/06</b> S\$'000	<b>Increase /</b> <b>(Decrease)</b> %
Gross Revenue (first half)	29,749	11,743	153.3%
Gross Revenue (second half)	45,498	23,148	96.6%
<b>Total Gross Revenue</b>	<b>75,247</b>	<b>34,891</b>	<b>115.7%</b>
Net Income after Tax (first half)	165,656	(82)	NM
Net Income after Tax (second half)	125,400	106,143	18.1%
<b>Total Net Income after Tax</b>	<b>291,056</b>	<b>106,061</b>	<b>174.4%</b>

**Footnotes:**

- (1) *The gross revenue and net income after tax for the first half on prior year pertains to the period from 12 September 2005 (date of constitution) to 30 June 2006.*

16. **Breakdown of Total Distributions**

	<b>Actual</b> <b>1/1/07 to</b> <b>31/12/07</b> S\$'000	<b>Actual</b> <b>30/3/06 to</b> <b>31/12/06</b> S\$'000
Interim Distribution (first half)	14,458	7,567
Full Year Distribution (second half)	25,808	14,719
<b>Total Distributions</b>	<b>40,266</b>	<b>22,286</b>

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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 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  
1 February 2008