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Miscellaneous	
* Asterisks denote mandatory information	
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**>> Announcement Details**

The details of the announcement start here ...

Announcement Title *	Press Release - Fortune REIT enhances its portfolio with the successful acquisition of 6 properties
Description	
<b>Attachments:</b>	 <a href="#">Press_release-close_of_acquisitions.pdf</a> Total size = <b>59K</b> (2048K size limit recommended)

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## Media release

28 June 2005

For immediate release

Manager of

**FORTUNE**  
置富產業信託 **REIT**

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### **Fortune REIT enhances its portfolio with the successful acquisition of six properties**

**28 June 2005 (Singapore).** ARA Asset Management (Singapore) Limited (“ARASL” or the “Manager”), the manager of Fortune Real Estate Investment Trust (“Fortune REIT”), is pleased to announce the completion of Fortune REIT’s acquisition of six properties located in Hong Kong (“the Acquisitions”) following a successful equity fund raising exercise (the “Equity Fund Raising”).

The completion of the Acquisitions comes after the successful placement of 318,796,148 new units in Fortune REIT (“New Units”) at an issue price of HK\$6.23 per unit to retail investors in Singapore, institutional and other investors, in connection with the Equity Fund Raising which raised an aggregate of HK\$1,986.1 million. The balance of the costs of the Acquisitions was financed through secured facilities which the Manager has obtained.

With the completion of the Acquisitions, Fortune REIT’s

- ◆ asset base has increased by almost 90% to HK\$7.8 billion<sup>1</sup>
- ◆ property portfolio has increased from five to eleven assets
- ◆ gross rentable area has increased from 1.0 million sf to 1.7 million sf

Note:

1. Based on the appraised value of Fortune REIT’s existing portfolio as at 31 December 2004 and the appraised value of the Properties (as defined below) as at 31 December 2004.

## BENEFITS TO UNITHOLDERS

The six properties are City One Shatin Property, Waldorf Garden Property, Tsing Yi Square Property, Centre de Laguna Property, Lido Garden Property and Rhine Garden Property (“the Properties”). The inclusion of the Properties into Fortune REIT’s portfolio will offer various benefits to unitholders of Fortune REIT (“Unitholders”), including:

**Yield Accretion.** Based on an issue price of HK\$6.23 per New Unit and the accompanying assumptions as set out in the Fortune REIT Circular dated 15 June 2005 (the “Circular”), Unitholders are forecast to enjoy an annualised tax-exempt distribution yield of 5.35% for the financial year ending 31 December 2005 after the Acquisitions, an increase of 6.48% over the forecast yield of 5.03% from the existing five properties over the same period.

**Positive retail market trend in Hong Kong.** Several factors continue to lift Hong Kong’s retail sales. They include the declining unemployment rate, recovering consumer confidence, growing tourist arrivals from mainland China (“the Mainland”), and closer economic integration with the Mainland.

**Competitive strengths of the Properties.** The Properties are situated within large population catchments, have high accessibility to public transportation, enjoy high occupancy rates and have diversified tenant bases.

**Geographical and asset diversification.** With eleven properties, Fortune REIT’s income will be more geographically diversified, resulting in a lower dependency on any micro property market in Hong Kong. Its income will also be less reliant on any single property, with the maximum contribution of any single property to Fortune REIT’s net property income forecast to decline from 43.8% to 35.0% for the year ending 31 December 2005.

**Potential improvement in liquidity and inclusion in major equity indices.** After the Acquisitions, Fortune REIT’s market capitalisation will rise. The liquidity of its units is also expected to rise. These are expected to increase the potential of Fortune REIT being included in the major equity indices.

The New Units will commence trading on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 28 June 2005 at 2.00 pm.

Chief Executive Officer of the Manager, John Lim said, “The successful completion of these yield-accretive acquisitions underscores our ability to grow Fortune REIT. We are very excited about the outlook for Fortune REIT in view of the strength of the Hong Kong economy and its retail market. Going forward we will continue to improve Fortune REIT’s yield through acquisitions, asset enhancements and organically”.

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#### About Fortune REIT

Fortune Real Estate Investment Trust (“Fortune REIT”) was established under a Trust Deed dated 4 July 2003 made between ARA Asset Management (Singapore) Limited, as Manager, and HSBC Institutional Trust Services (Singapore) Limited (formerly known as Bermuda Trust (Singapore) Limited), as Trustee. Fortune REIT was listed on Singapore Exchange Securities Trading Limited on 12 August 2003.

Fortune REIT holds a portfolio of eleven shopping malls and properties in Hong Kong, through the ownership of the special purpose property ownership companies, worth more than HK\$7.8 billion. The retail malls and properties are City One Shatin Property, The Metropolis Mall, Ma On Shan Plaza, Waldorf Garden Property, The Household Center, Smartland, Jubilee Court Shopping Centre, Tsing Yi Square Property, Centre de Laguna Property, Lido Garden Property and Rhine Garden Property. Together they house a total of 824 tenants as at 31 December 2004 from diverse trade sectors, including supermarkets, food and beverage outlets, bank and real estate services, and education providers. Tenants include Park 'N Shop, Maxim’s Chinese Restaurant, Watson’s, Fortress, McDonald’s, Café de Coral, Bank of China (Hong Kong), DBS Bank, Standard Chartered Bank, Baleno, Bluestar Exchange, International Christian School Limited, and the Hong Kong Jockey Club.

More information on Fortune REIT can be found at [www.fortunereit.com](http://www.fortunereit.com).

## About ARASL, the Manager

Fortune REIT is managed by ARA Asset Management (Singapore) Limited, a wholly owned subsidiary company of ARA Asset Management Limited, which is 70% owned by Mr. John Lim, the Chief Executive Officer of the Manager, and 30% indirectly owned by Cheung Kong (Holdings) Limited.

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## Disclaimer

The information included in this release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Fortune REIT ("Units") in Singapore or any other jurisdiction.

The past performance of Fortune REIT and the Manager is not indicative of the future performance of Fortune REIT and the Manager. This release may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses, including employee wages, 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.

Past performance is not necessarily indicative of future performance. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Fortune REIT. All forecasts are based on an issue price of HK\$6.23 per New Unit and on the Manager's assumptions as explained in the Circular. Such yields will vary accordingly if the issue price is not HK\$6.23 per New Unit or if investors purchased the Units in the secondary market at a market price higher or lower than the illustrative issue price for each Unit. The forecast financial performance of Fortune REIT is not guaranteed. A potential investor should read the Circular first for details of the forecasts and projections and consider the assumptions used and make their own assessment of the future performance of Fortune REIT before deciding whether to subscribe for or purchase the New Units.

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.

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market of the Units.

This press release is not for distribution, directly or indirectly, in or into the United States. It is not an offer of securities for sale into the United States.

The New Units may not be offered or sold in the United States, unless they are registered or exempt from registration. There will be no public offer of securities in the United States.