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Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	FORTUNE REAL ESTATE INV TRUST
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Announcement submitted on behalf of	FORTUNE REAL ESTATE INV TRUST
Announcement is submitted with respect to *	FORTUNE REAL ESTATE INV TRUST
Announcement is submitted by *	Lim Hwee Chiang
Designation *	Director
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>> Announcement Details
The details of the announcement start here ...

Announcement Title *	Press Release - Overwhelming take-up for Fortune REIT Private Placement Tranche
Description	
Attachments:	 PlacementTakeUp.pdf Total size = 47K (2048K size limit recommended)

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Media release

16 June 2005

Embargoed till 7.00 am

Manager of

 **FORTUNE**
置富產業信託 **REIT**

Overwhelming take-up for Fortune REIT Private Placement Tranche

Approximately 4 times subscribed at Issue Price of HK\$6.23 per unit

16 June 2005 (Singapore). ARA Asset Management (Singapore) Limited (“ARASL” or the “Manager”), as manager of Fortune Real Estate Investment Trust (“Fortune REIT”), is pleased to announce that it has received indications of interest from investors for about 4 times the amount of 184,606,628 new units in Fortune REIT (“New Units”) available for subscription at HK\$6.23 per New Unit under the Private Placement (as defined below) excluding the placement to Focus Eagle Investments Limited. The Private Placement commenced yesterday as part of Fortune REIT’s HK\$1,986.1 million equity fund raising exercise (the “Equity Fund Raising”).

In light of the overwhelming demand, DBS Bank Ltd (“DBS”), the financial adviser to the Equity Fund Raising, together with The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan (S.E.A.) Limited, and UBS AG, acting through its business group, UBS Investment Bank, as joint bookrunners and underwriters, have decided to close the book of orders for the Private Placement within the same day in consultation with the Manager.

Chief Executive Officer of the Manager, Mr. John Lim said, “We are pleased with the strong take-up and believe that it is indicative of Fortune REIT’s long term growth potential. We expect our commitment to achieving sustainable, long-term portfolio growth and asset enhancement to deliver further upside to unitholders.”

OFFER DETAILS

Fortune REIT is seeking to raise an aggregate HK\$1,986.1 million through the issue of 318,796,148 New Units via the Equity Fund Raising comprising a:

- (i) Preferential Offering of 48,327,178 New Units to Singapore registered holders of Units in Fortune REIT (“Unitholders”) on a non-renounceable basis of one New Unit for every 10 existing Units (fractions of a Unit to be disregarded and subject to the rounding mechanism) (“the Preferential Offering”)

- (ii) ATM Offering of 12,000,000 New Units on a “first-come, first-served” basis through the automated teller machines (“ATMs”) of DBS Bank Ltd (including POSB) to retail investors in Singapore (“the ATM Offering”); and
- (iii) Private Placement of 258,468,970 New Units to institutional and other investors (including Focus Eagle Investments Limited) (“the Private Placement”).

The Preferential Offering is open for subscriptions from 16 June 2005 at 9.00 am until 21 June 2005 at 4.45 pm, in relation to acceptances of New Units via the Acceptance Form, and until 21 June 2005 at 9.30 pm when accepted via the ATMs.

The ATM Offering is open for subscriptions on 16 June 2005 at 11.00 am, and will close on 21 June 2005 at 12.00 noon (subject to earlier closure at the discretion of DBS Bank Ltd in consultation with the Manager in the event that the New Units under the ATM Offering are fully taken up).

Trading of New Units is expected to commence on 28 June 2005 at 2.00 pm.

END

ABOUT FORTUNE REIT

Fortune REIT was established under a Trust Deed dated 4th 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 the Singapore Exchange Securities Trading Limited on 12th August 2003.

At present, Fortune REIT holds a portfolio of five shopping malls in Hong Kong, through the ownership of special purpose property ownership companies, worth more than HK\$4.2 billion. The malls are The Metropolis Mall, Ma On Shan Plaza, The Household Center, Smartland and Jubilee Court Shopping Centre and together house a total of 439 tenants as at 31 March 2005 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, 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.

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.

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 Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market of the Units.