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Miscellaneous	
* Asterisks denote mandatory information	
Name of Announcer *	FORTUNE REAL ESTATE INV TRUST
Company Registration No.	N/A
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 *	Launch of Equity Fund Raising and Despatch of Circular
Description	
Attachments:	 LaunchofEFRanddespatchofCircular.pdf Total size = 29K (2048K size limit recommended)

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FORTUNE REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore
pursuant to a trust deed dated 4 July 2003)

**OFFER AND PLACEMENT OF 318,796,148 NEW UNITS (“NEW UNITS”) IN
FORTUNE REAL ESTATE INVESTMENT TRUST (“FORTUNE REIT”) AT AN
ISSUE PRICE OF HK\$6.23 (THE “ISSUE PRICE”) FOR EACH NEW UNIT BY WAY OF:**

- (I) **A PREFERENTIAL OFFERING OF 48,327,178 NEW UNITS TO SINGAPORE REGISTERED UNITHOLDERS (AS DEFINED IN FORTUNE REIT’S CIRCULAR DATED 15 JUNE 2005 (THE “CIRCULAR”)) ON A NON-RENOUNCEABLE BASIS OF ONE NEW UNIT FOR EVERY 10 EXISTING UNITS IN FORTUNE REIT (“UNITS”) HELD AS AT 13 JUNE 2005, 5.00 P.M. (THE “PREFERENTIAL OFFERING BOOKS CLOSURE DATE”) (FRACTIONS OF A UNIT TO BE DISREGARDED) AND SUBJECT TO THE ROUNDING MECHANISM (AS DEFINED BELOW) (THE “PREFERENTIAL OFFERING”);**
- (II) **AN OFFERING OF 12,000,000 NEW UNITS TO RETAIL INVESTORS IN SINGAPORE THROUGH THE AUTOMATED TELLER MACHINES (“ATMS”) OF DBS BANK LTD (INCLUDING POSB) ON A “FIRST-COME, FIRST-SERVED” BASIS (THE “ATM OFFERING”); AND**
- (III) **A PRIVATE PLACEMENT OF 258,468,970 NEW UNITS TO INSTITUTIONAL AND OTHER INVESTORS (INCLUDING FOCUS EAGLE INVESTMENTS LIMITED) (THE “PRIVATE PLACEMENT” AND TOGETHER WITH THE PREFERENTIAL OFFERING AND ATM OFFERING, THE “EQUITY FUND RAISING”).**

Introduction

The Board of Directors of ARA Asset Management (Singapore) Limited, the manager of Fortune REIT (the “**Manager**”), is raising funds by way of the Equity Fund Raising so as to raise up to an aggregate of HK\$1,986.1 million to partly finance the acquisitions of six properties, namely the City One Shatin Property, the Waldorf Garden Property, the Tsing Yi Square Property, the Centre de Laguna Property, the Lido Garden Property and the Rhine Garden Property (each as defined in the Circular). The balance of the acquisition costs will be financed through secured loan facilities.

In connection with the Equity Fund Raising, the Manager has entered into a placement agreement with DBS Bank Ltd, 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 (together, the “**Joint Bookrunners and Underwriters**”).

The New Units have been priced at HK\$6.23 per New Unit, representing a discount of 4.93% from the volume weighted average price of HK\$6.5528 per Unit of all trades done on Tuesday, 14 June 2005.

The Preferential Offering

Save for the New Units proposed to be placed to Focus Eagle Investments Limited under the Preferential Offering, the Preferential Offering is made to Singapore Registered Unitholders by the Joint Bookrunners and Underwriters on a non-renounceable basis of one New Unit for every 10 existing Units held as at the Preferential Offering Books Closure Date (fractions of a Unit to be disregarded) and subject to the Rounding Mechanism.

Where a Singapore Registered Unitholder's provisional allocation of New Units under the Preferential Offering is other than an integral multiple of 1,000 Units, it will be increased to such number which, when added to his unitholding as at the Preferential Offering Books Closure Date, results in an integral multiple of 1,000 Units (the "**Rounding Mechanism**"). It should be noted that in the case of Units held by Singapore Registered Unitholders through nominee companies, the Rounding Mechanism will be applied at the level of the aggregate Units held in the securities accounts of such nominee companies with The Central Depository (Pte) Limited. As such, Singapore Registered Unitholders whose Units are held by such nominee companies will not enjoy the benefit of the Rounding Mechanism on an individual level.

The Circular will be despatched to Singapore Registered Unitholders on 15 June 2005 and **it requires your immediate attention**. Singapore Registered Unitholders who wish to accept their provisional allocations of New Units under the Preferential Offering may do so in the manner set out in the Circular.

The Preferential Offering	Date	Time
Opens	16 June 2005	9.00 a.m.
Closes	For acceptances made through Acceptance Forms (as defined in the Circular) - 21 June 2005	4.45 p.m.
	For acceptances made through an ATM of a Participating Bank (as defined in the Circular) -21 June 2005	9.30 p.m.

The ATM Offering

The ATM Offering is made to the public in Singapore by DBS Bank Ltd. Anyone wishing to purchase the New Units under the ATM Offering will need to make an application in the manner set out in the Circular.

Key information on the ATM Offering is summarised below:

- Only for DBS Bank Ltd (including POSB) ATM cardholders.
- On a "first-come, first-served" basis.
- At an Issue Price of S\$1.34, based on the fixed exchange rate of HK\$1.00 = S\$0.2156.
- Applicants may use cash only.
- Minimum number of New Units per application: 1,000 New Units (investors may also apply for larger numbers of New Units in integral multiples of 1,000).

- Maximum number of New Units per application: 1,000,000 New Units.
- Only one application may be made for the benefit of one person for the New Units under the ATM Offering. Multiple applications will be rejected.
- Any references to "Prospectus" and "Shares" on the ATM screens of DBS Bank Ltd (including POSB) will be references to the Circular and New Units, respectively.

The ATM Offering	Date	Time
Opens	16 June 2005	11.00 a.m.
Closes	21 June 2005 (subject to an 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).	12.00 noon

The ATM Offering is underwritten by DBS Bank Ltd.

The Private Placement

Save for the New Units proposed to be placed to Focus Eagle Investments Limited under the Private Placement, the New Units under the Private Placement will be placed to institutional and other investors by the Joint Bookrunners and Underwriters.

Status of the New Units

The New Units will, upon issue, rank *pari passu* in all respects with the then existing Units, including the right to any distributions which may be paid for the period from the day the New Units are issued to 31 December 2005 as well as all distributions thereafter.

For the avoidance of doubt, New Units will not be entitled to participate in the distribution of any tax-exempt income accrued by Fortune REIT prior to the issue of New Units.

Listing of the New Units

The expected date and time of listing of the New Units is 28 June 2005 at 2.00 p.m..

Copies of the Circular may be obtained on request, subject to availability, from the branches of DBS Bank Ltd (including POSB).

By Order of the Board
ARA Asset Management (Singapore) Limited
(as manager of Fortune Real Estate Investment Trust)

Lim Hwee Chiang
Director
Singapore
15 June 2005

Important Notice

The value of 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 their Units while the Units are listed. It is intended that unitholders of Fortune REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Investors should read the whole of the Circular before deciding to accept or purchase the New Units.