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\* 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 \* Announcement of Extraordinary General Meeting of Unitholders of Fortune REIT and proposed Equity Fund Raising Exercise

Description **Attachments:**

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# FORTUNE REAL ESTATE INVESTMENT TRUST

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

## ANNOUNCEMENT EXTRAORDINARY GENERAL MEETING OF UNITHOLDERS OF FORTUNE REAL ESTATE INVESTMENT TRUST (“FORTUNE REIT”) AND PROPOSED EQUITY FUND RAISING EXERCISE

1. The Board of Directors of ARA Asset Management (Singapore) Limited (as the manager of Fortune REIT, the “**Manager**”) wishes to announce that the Manager has today issued a unitholder circular (the “**Circular**”), setting out, among other things, details of:
  - (i) Fortune REIT’s proposed acquisition of six properties (the “**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 “**Acquisitions**”); and
  - (ii) the Manager’s financing plans in this regard,together with a notice of an Extraordinary General Meeting (the “**EGM**”) of the unitholders of Fortune REIT (“**Unitholders**”).

The Circular is being dispatched to Unitholders and the EGM will be held on Wednesday, 1 June 2005 at 2.30 p.m. at One Raffles Boulevard, Meeting Room 308, Level 3, Suntec Singapore International Convention & Exhibition Centre, Singapore 039593.

2. Unitholders' approval will be sought at the EGM for the following proposals, details of which are set out in the Circular:
  - (i) each of the Acquisitions, the acquisition of the City One Shatin Property being a “major transaction” under the listing manual (the “**Listing Manual**”) of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) and each of the Acquisitions being an “interested person transaction” (as defined in the Listing Manual) as well as an “interested party transaction” (as defined in the Property Funds Guidelines of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore);
  - (ii) the proposed issue of such number of new units in Fortune REIT (“**New Units**”) so as to raise up to an aggregate of HK\$1,986.1 million in gross proceeds to partly finance the Acquisitions (the “**Equity Fund Raising**”) and a consequent adjustment to the distribution period of Fortune REIT;
  - (iii) the proposed placement of New Units to Focus Eagle Investments Limited, a substantial Unitholder<sup>1</sup>, under the private placement tranche of the Equity Fund Raising;
  - (iii) the proposed supplement to the trust deed dated 4 July 2003 constituting Fortune REIT (the “**Trust Deed**”) to permit the Manager to elect to receive its

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<sup>1</sup> A Unitholder with an interest in one or more Units constituting not less than 5.0% of all Units in issue.

Base Fee (as defined in the Trust Deed) in the form of units in Fortune REIT (“**Units**”) and/or cash (the “**Base Fee Supplement**”), and to permit the Manager to elect to receive its payments for its Acquisition Fee (as defined in the Trust Deed) in Units in respect of the Acquisitions and all future acquisitions of properties by Fortune REIT (the “**Acquisition Fee Supplement**” and together with the Base Fee Supplement, the “**Fee Supplement**”); and

- (iv) the proposed supplement to the Trust Deed to permit the Manager to elect to issue consideration Units as full or partial consideration (“**Consideration Units**”) for the purchase of properties by Fortune REIT at the same issue price per Unit as that for an issue of new Units under an equity fund raising exercise relating to the relevant acquisition or acquisitions (the “**Issue Price Supplement**”).

Unitholders should note that each of the resolutions relating to the Acquisitions is not subject to, or contingent upon, any other resolutions.

- 3. The proposed Equity Fund Raising is expected to take place on or around mid-June 2005 and will comprise:
  - (i) a preferential offering comprising approximately 47.7<sup>2</sup> million New Units to Singapore Registered Unitholders<sup>3</sup> on a non-renounceable basis of one New Unit for every 10 of the existing Units held on 13 June 2005 at 5.00 p.m. (the “**Preferential Offering Books Closure Date**”) (fractions of a Unit to be disregarded) and subject to the rounding mechanism as described in the Circular (the “**Preferential Offering**”); and
  - (ii) an offering of New Units by way of:
    - (a) an offering to the retail investors in Singapore through the automated teller machines (“**ATMs**”) of DBS Bank Ltd (including POSB ATMs) on a “first-come, first-served” basis (the “**ATM Offering**”); and
    - (b) a private placement to institutional and other investors (including Focus Eagle Investments Limited) (the “**Private Placement**”).

The actual allocation of the number of New Units to the ATM Offering and the Private Placement will be determined between the Manager and the Joint Bookrunners and Underwriters (as defined below) at a later date when the issue price is determined.

The actual number of New Units to be issued will depend on the issue price, the Properties which are to be acquired by Fortune REIT and the gross proceeds required to finance such Acquisitions, as well as the amount of debt financing to be obtained by Fortune REIT.

DBS Bank Ltd is the financial adviser to the Equity Fund Raising and together with The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan (S.E.A.) Limited and

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<sup>2</sup> This figure does not take into account the additional Units which will, where necessary, be allocated to Singapore Registered Unitholders to enable them to obtain, after acceptance of their provisional allocations of New Units under the Preferential Offering, aggregate unitholdings in integral multiples of 1,000 Units, as described in the Circular.

<sup>3</sup> Unitholders at the Preferential Offering Books Closure Date (as defined in paragraph 3(i)) other than those whose registered addresses with The Central Depository (Pte) Limited (“**CDP**”) are outside Singapore and who have not, at least five market days prior to the Preferential Offering Books Closure Date, provided CDP with addresses in Singapore for service of notices and documents.

UBS AG, acting through its business group UBS Investment Bank, have been appointed as the joint bookrunners and underwriters for the Equity Fund Raising (together, the “**Joint Bookrunners and Underwriters**”).

4. In conjunction with the proposed Equity Fund Raising, the Manager intends to declare a distribution of Fortune REIT’s tax-exempt income for the period from 1 January 2005 to the day immediately prior to the date on which New Units are issued (the “**Rescheduled Distribution**”). The next distribution following the Rescheduled Distribution will comprise Fortune REIT’s tax-exempt income for the period from the day the New Units are issued to 31 December 2005. Half-yearly distributions will resume after that.
5. The Manager has sought and obtained a waiver from Rule 812(1) of the SGX-ST’s Listing Manual so that restricted placees listed thereunder (such as the directors of the Manager, their immediate family<sup>4</sup> and substantial Unitholders) that are Singapore Registered Unitholders can participate in the Preferential Offering. The said waiver also allows the directors of the Manager and their immediate family to apply for New Units under the ATM Offering. The Manager has also obtained from the SGX-ST a waiver of Rule 812(1) of the SGX-ST’s Listing Manual in respect of a placement of New Units to DBS Bank group and The Capital Group of Companies, Inc (which are substantial Unitholders) under the Private Placement, without the need for Unitholders’ approval. However, the aforementioned approval does not extend to the placement of New Units to Focus Eagle Investments Limited. As such, the Manager is seeking Unitholders’ approval being obtained for such a placement.
6. Further details of the matters for which Unitholders’ approvals are sought (including the financial effects of the Acquisitions) are set out in the Circular. An electronic copy of the Circular is currently available on Fortune REIT’s website at <http://www.fortunereit.com>.
7. Approval in-principle has been obtained from the SGX-ST for the listing and quotation on the Main Board of the SGX-ST of, *inter alia*, of up to 360.0 million New Units to be issued for the purposes of the Equity Fund Raising, subject to compliance with, *inter alia*, the SGX-ST’s listing requirements. The SGX-ST’s in-principle approval is not an indication of the merits of the Equity Fund Raising, the Acquisitions, the New Units to be issued for the purposes of the Equity Fund Raising, Fortune REIT and the waivers granted by the SGX-ST as described in paragraph 5 above.
8. The Board of Directors of the Manager also wishes to give notice that, subject to the passing of the relevant resolutions to be proposed at the EGM, the Transfer Books and Register of Unitholders of Fortune REIT will be closed on the Preferential Offering Books Closure Date for the purpose of determining the provisional allocations of Singapore Registered Unitholders under the Preferential Offering and on 27 June 2005 at 5.00 p.m. to determine the Unitholders entitled to the Rescheduled Distribution. The Rescheduled Distribution is subject to the completion of the Acquisitions and the date of the listing of New Units. In the event that there is any change to these dates, the Manager will notify the Unitholders by way of a public announcement to the SGX-ST accordingly.

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<sup>4</sup> The spouse, children, adopted children, step-children, siblings and parents of the directors.

ARA Asset Management (Singapore) Limited  
(as manager of Fortune Real Estate Investment Trust)

Lim Hwee Chiang  
Director  
13 May 2005

**Important Notice**

The value of Units and the income 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 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 for the Units.

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units.

The past performance of Fortune REIT is not necessarily indicative of the future performance of Fortune REIT.