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REGAL REAL ESTATE INVESTMENT TRUST

(a Hong Kong collective investment scheme authorised under section 104 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))

(Stock Code: 1881)

Managed by



**PROPOSED MODIFICATION TO DISTRIBUTION POLICY,
PROPOSED TRUST DEED AMENDMENTS,
PROPOSED GENERAL MANDATE TO REPURCHASE UNITS,
NOTICE OF BOOK CLOSURE DATES
AND
NOTICE OF AGM**

The Board wishes to announce that the REIT Manager is proposing to (a) modify the distribution policy of Regal REIT; (b) make certain amendments to the Trust Deed; and (c) seek the approval of the Unitholders to grant a general mandate to the REIT Manager for the repurchase of Units on-market on behalf of Regal REIT.

The proposed modification of the distribution policy shall apply to the financial year commencing from 1st January, 2009 and to all subsequent financial years until further notice, and shall not affect the amount of distribution to Unitholders for the year ended 31st December, 2008.

Further details are set out in a circular to the Unitholders expected to be despatched on 7th April, 2009, together with an Explanatory Statement, the AGM Notice and the form of proxy for the AGM. The implementation of each of the Proposals is subject to approval by Unitholders at the AGM.

Reference is made to the announcement dated 26th March, 2009 by Regal Portfolio Management Limited, as the manager (the “**REIT Manager**”) of Regal Real Estate Investment Trust (“**Regal REIT**”) pertaining to the Proposals (as defined herein).

The board of directors (the “**Board**”) of the REIT Manager wishes to announce that the REIT Manager is proposing to (a) modify the distribution policy of Regal REIT; (b) make certain amendments to the trust deed dated 11th December, 2006 (as amended by a first supplemental deed dated 2nd March, 2007 and a second supplemental deed dated 15th May, 2008) constituting Regal REIT (collectively, the “**Trust Deed**”) entered into between DB Trustees (Hong Kong) Limited, in its capacity as the trustee of Regal REIT, and the REIT Manager; and (c) seek the approval of the Unitholders to grant a general mandate (the “**Repurchase Mandate**”) to the REIT Manager for the repurchase of units in Regal REIT (“**Units**”) on-market on behalf of Regal REIT (collectively, the “**Proposals**”).

The proposed modification of the distribution policy of Regal REIT and the proposed amendments to the Trust Deed (the “**Amendments**”) and the proposed Repurchase Mandate are more particularly set out below and in a circular (the “**Circular**”) to the unitholders of Regal REIT (the “**Unitholders**”) to be despatched on 7th April, 2009, together with an Explanatory Statement, the notice (the “**AGM Notice**”) of the forthcoming annual general meeting of the Unitholders (the “**AGM**”), and the form of proxy for the AGM. The implementation of each of the Proposals is subject to approval of the relevant resolution by Unitholders at the AGM. With respect to each of the resolutions relating to the Proposals to be proposed at the AGM, any Unitholder who has a material interest in such resolution and that interest is different from that of all other Unitholders, shall abstain from voting in respect of such resolution. As at the date of this announcement, the REIT Manager is unaware of any Unitholders that are required to abstain from voting in respect of the proposed resolutions specifically mentioned in this announcement.

Proposed Modification to the Distribution Policy of Regal REIT

Regal REIT’s current distribution policy is to distribute to Unitholders an amount equal to 100% of Regal REIT’s Total Distributable Income (as defined in the Trust Deed) for each financial year. Regal REIT may from time to time undertake to fund capital additions projects, or take advantage of potentially suitable acquisition opportunities, with the objective of maintaining or improving the competitiveness and profitability of the hotel business and the rental payment capacity of the leased premises of Regal REIT. Some of these capital additions projects may also be necessary to comply with licensing requirements or to conform with enactments. By definition, the current distribution policy does not allow Regal REIT any financial flexibility to make such expenditures.

In order to allow the REIT Manager greater flexibility in managing Regal REIT's financial affairs, the REIT Manager proposes to modify the current distribution policy such that it will distribute to Unitholders an amount not less than 90% of Regal REIT's Total Distributable Income for each financial year.

Such a modification will not affect Regal REIT's ability to distribute to Unitholders amounts in excess of 90% of the Total Distributable Income for any financial year, if so determined appropriate by the REIT Manager after taking into account the fiscal requirements of Regal REIT. The modified distribution policy is also consistent with the distribution requirements under the Code on Real Estate Investment Trusts (the "REIT Code") issued by the SFC and the Trust Deed.

The proposed modification to the distribution policy shall apply to the financial year commencing from 1st January, 2009 and to all subsequent financial years until further notice, and shall not affect the amount of distribution to Unitholders for the year ended 31st December, 2008.

The modified distribution policy of Regal REIT will be consistent with the REIT Code and the Trust Deed. Accordingly, the modification to Regal REIT's distribution policy does not require Unitholders' approval under the REIT Code, the Trust Deed, or applicable Hong Kong laws and regulations. Nonetheless, in the interests of good corporate governance, the REIT Manager proposes to seek Unitholders' approval by way of an ordinary resolution at the AGM, on a voluntary basis, to approve the modification to the distribution policy of Regal REIT. In the future, the REIT Manager may change its distribution policy without seeking Unitholders' approval subject to compliance with the REIT Code and the Trust Deed.

The implementation of the proposed modification is subject to ordinary resolution numbered (4)(A) set out in the AGM Notice being passed by the Unitholders at the AGM. Further details of the proposed modification are set out in the Circular.

Proposed Amendments to the Trust Deed

The principal purposes of the Amendments are as follows:

- (a) to facilitate and clarify the requirements applicable to the making of special distribution(s) to Unitholders by the REIT Manager;
- (b) to provide clarity and detail as to how the REIT Manager should undertake an issue or offer of Units and/or Convertible Instruments (as defined in the Trust Deed) on a pro rata basis;

- (c) to provide more clarity with respect to the underwriting arrangement of any offer for sale, subscription or issue of Units and/or Convertible Instruments;
- (d) to provide additional clarity on the treatment of Units issued pursuant to a distribution reinvestment arrangement;
- (e) to clarify the requirements in relation to the production of a property valuation report;
- (f) to clarify the calculation of leverage ratio and specify that funding from the issuance of Units is not part of the total borrowing of Regal REIT;
- (g) to provide that insurance to a value in accordance with local market practice shall be arranged in relation to Investments (as defined in the Trust Deed) that are of a nature or kind capable of being insured; and
- (h) to provide that corporate communications may be sent or supplied to Unitholders or holders of Convertible Instruments (as defined in the Trust Deed) by making them available on the website of Regal REIT or by sending or otherwise making them available using other electronic means, provided that they are made available in accordance with the provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as if they were applicable to real estate investment trusts.

The implementation of the Amendments is subject to special resolutions numbered (3)(A), (3)(B), (3)(C), (3)(D), (3)(E), (3)(F), (3)(G) and (3)(H) set out in the AGM Notice being passed by the Unitholders at the AGM. Further details of the Amendments are set out in the Circular.

Proposed General Mandate to Repurchase Units

As at the Latest Practicable Date as defined in the Circular, 3,152,059,752 Units have been issued. Subject to the passing of the ordinary resolution set out in the AGM Notice for the grant of the Repurchase Mandate and on the basis that no Units will be issued prior to the date of the AGM (except for certain Units to be issued to the REIT Manager as the REIT Manager's fees), the REIT Manager will be allowed under the Repurchase Mandate to repurchase up to 10% of the number of Units issued as at the date of the resolution granting the Repurchase Mandate, which is equivalent to a maximum of a maximum of 315,205,975 Units.

The REIT Manager believes that it is in the best interests of Regal REIT and the Unitholders as a whole to seek the Repurchase Mandate. Unit repurchases may,

depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Unit and/or earnings per Unit and will only be made when the REIT Manager believes that such repurchase will benefit Regal REIT and the Unitholders as a whole.

For purposes of any repurchases, the REIT Manager will only use funds legally available for such purposes in accordance with the Trust Deed, the REIT Code and the guidelines issued by the SFC from time to time and the laws of Hong Kong.

The REIT Manager does not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have any material adverse impact on the working capital or gearing position of Regal REIT (as compared with the position disclosed in its most recent published audited accounts).

The Repurchase Mandate will, if granted, commence as at the date of the passing of the resolution approving the Repurchase Mandate and remain effective until the earliest of: (a) the conclusion of the next annual general meeting of Regal REIT following the passing of the resolution to approve the grant of the Repurchase Mandate; (b) the expiration of the period within which the meeting referred to in (a) above is required to be held by the Trust Deed, the REIT Code or any applicable laws; and (c) its revocation or variation by an ordinary resolution of the Unitholders in general meeting.

In accordance with the “Circular to Management Companies of SFC-authorized Real Estate Investment Trusts” issued by the SFC on 31st January, 2008, an explanatory statement (“**Explanatory Statement**”) will be set out in an appendix to the Circular, and such Explanatory Statement will contain further information on the Repurchase Mandate and will set out the terms and conditions on which the REIT Manager may exercise its power under the Repurchase Mandate, if granted, to repurchase Units on-market on behalf of Regal REIT.

The implementation of the Repurchase Mandate is subject to ordinary resolution numbered (4)(B) set out in the AGM Notice being passed by the Unitholders at the AGM. Further details of the Repurchase Mandate are set out in the Circular.

Notice of Book Closure Dates

The REIT Manager intends to convene the AGM on Friday, 8th May, 2009 at 11:00 a.m. to, among other matters, propose and, if thought fit, approve the Proposals as set out in the special resolutions and ordinary resolutions contained in the AGM Notice. For the purpose of determining entitlements to vote at the AGM, the Register of Unitholders will be closed from Wednesday, 6th May, 2009 to Friday, 8th May, 2009, both days inclusive, during which period no transfers of Units will be effected. For

those Unitholders who are not already on the Register, in order to qualify to attend and vote at the meeting convened by the above notice, all Unit certificates accompanied by the duly completed transfer documents must be lodged with the unit registrar of Regal REIT, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 5th May, 2009.

Text of AGM Notice

The substantive text of the AGM Notice is reproduced below:

“NOTICE IS HEREBY GIVEN that an ANNUAL GENERAL MEETING of the unitholders (the **“Unitholders”**) of Regal Real Estate Investment Trust (**“Regal REIT”**) will be held at the Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Friday, 8th May, 2009 at 11:00 a.m. for the following purposes:

- (1) To note the Audited Financial Statements of Regal REIT together with the Auditor's Report for the year ended 31st December, 2008;
- (2) To note the appointment of Auditors of Regal REIT and the fixing of their remuneration;

SPECIAL RESOLUTIONS

- (3) To consider and, if thought fit, pass the following resolutions as Special Resolutions:

(A) **“THAT:**

- (a) pursuant to Clause 26 of the trust deed dated 11th December, 2006 (as amended by a first supplemental deed dated 2nd March, 2007 and a second supplemental deed dated 15th May, 2008) constituting Regal REIT (collectively, the **“Trust Deed”**) entered into between DB Trustees (Hong Kong) Limited, in its capacity as the trustee of Regal REIT (the **“Trustee”**), and Regal Portfolio Management Limited, in its capacity as the REIT Manager of Regal REIT (the **“REIT Manager”**), approval be and is hereby given for:

- (i) the amendment of Clause 1.1 of the Trust Deed by inserting the following definitions immediately after the definition of **“Significant Holder”**:

““Special Distributions” has the meaning set out in Clause 11.1.2;”

““**Special Distribution Record Date**” means the record date in respect of each Special Distribution determined by the REIT Manager for the purpose of determining the distribution entitlement to the Special Distribution of the Holders;”;

- (ii) Clause 11.1 of the Trust Deed to be deleted in its entirety and be replaced with the text below:

“11.1 Regular and Special Distributions

11.1.1 (a) Subject to this Clause 11, the REIT Manager shall make regular distributions to Holders in respect of each Financial Year at yearly or more frequent intervals as the REIT Manager shall decide in its absolute discretion, provided that the REIT Manager shall make distributions to Holders at least twice in respect of each Financial Year ending on 31 December 2010.

(b) Upon declaration of any distribution per Unit made by the REIT Manager on behalf of Regal REIT, Regal REIT shall be obliged to pay such distribution per Unit regardless of the number of Units in issue as at the Record Date for the relevant period, provided that appropriate adjustments shall be made to take into account any consolidation or sub-division of Units which may have occurred between the date of declaration of the distribution and the Record Date.

11.1.2 Subject to this Clause 11, the REIT Manager may make special distributions to Holders at such time or times and in such amounts as the REIT Manager shall decide in its absolute discretion (“**Special Distributions**”).

In respect of each Special Distribution:

- (a) Clauses 11.3, 11.4 and 11.5 shall not apply;
- (b) each Holder’s entitlement to the Special Distribution is to be determined in accordance with the following formula:

$$SD \times \frac{UHSD}{UISD}$$

where:

SD is the amount of the Special Distribution;

UHSD is the number of Units held by the Holder at the close of business on the Special Distribution Record Date for that Special Distribution; and

UISD is the number of Units in issue in the Trust at the close of business on the Special Distribution Record Date for that Special Distribution;

- (c) Clauses 11.6, 11.9 and 11.10 shall apply, *mutatis mutandis*, provided that (i) the Auditors' review requirement under Clause 11.6.1 shall not apply and (ii) both references to the terms "Total Distributable Amount" and "Distribution Period" shall be construed as a reference to the term "Special Distribution", the reference to the term "Distribution Date" shall be construed as a reference to such distribution date as the REIT Manager determines for the Special Distribution, the reference to the term "Distribution Entitlement" shall be construed as a reference to the Holders' entitlement to the Special Distribution and references to the term "Record Date" shall be construed as a reference to the term "Special Distribution Record Date";
 - (d) the REIT Manager shall, taking into account the composition of the Special Distribution, make such adjustments as are necessary in its opinion in order to ensure that no amounts comprising the Special Distribution are included in the calculation of the Total Distribution Amount for the Distribution Period during which such Special Distribution is made; and
 - (e) reference to the term "Record Date" in Clause 12.1 shall be construed to include reference to the term "Special Distribution Record Date"."; and
- (b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.";

(B) “THAT:

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for:

(i) Clause 5.1.6 of the Trust Deed to be deleted in its entirety and be replaced with the text below:

“5.1.6 After the Listing Date:

- (i) the REIT Manager may issue and offer Units and/or Convertible Instruments on a pro rata basis to all persons who were Holders (on a particular day prior to the date of the relevant issue of Units as determined by the REIT Manager) subject to the terms of this Clause 5.1.6;
- (ii) Units and/or Convertible Instruments offered or issued under this Clause 5.1.6 will be offered and issued at an Issue Price as determined by the REIT Manager which may (for the avoidance of doubt) be a price different from any other Issue Price falling to be calculated in accordance with Clause 5.2;
- (iii) any offer of Units and/or Convertible Instruments pursuant to this Clause 5.1.6 shall require specific prior approval of Holders by Ordinary Resolution at a meeting to be convened by the REIT Manager in accordance with Schedule 1 if such issue of Units and/or Convertible Instruments (assuming full conversion), would increase the total number of issued Units by more than 50% (on its own or when aggregated with any other pro rata issue of Units under this Clause 5.1.6 or open offers announced by the Trust (a) within the 12-month period immediately preceding the announcement of such pro rata issue or (b) prior to such 12-month period where dealing in respect of Units issued pursuant thereto commenced within such 12-month period, together with any Convertible Instruments (assuming full conversion) offered for subscription by the Holders as part of such pro rata issues or open offers). For the purposes of this Clause 5.1.6(iii), the effect on the total number of issued Units of any relevant issue under this Clause 5.1.6 (and the relevance and effect of any other issue within the relevant preceding 12-month period) shall be estimated and determined by the REIT Manager in good faith and using its best endeavours, having regard to the terms and conditions of the relevant offer(s) or issue(s) under this Clause 5.1.6; and

(iv) an offer of Units and/or Convertible Instruments shall be considered and deemed for the purposes of this Clause 5.1.6 to be made on a pro rata basis notwithstanding that (i) the REIT Manager may, after making due enquiry regarding the applicable jurisdiction, determine that Units and/or Convertible Instruments are not to be offered to persons whose addresses are outside Hong Kong, and/or offer the Units and/or Convertible Instruments on a basis, or contain such other terms, providing for any such other exclusions or adjustments determined by the REIT Manager, if the REIT Manager considers such exclusions or adjustments to be necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws, or under the requirements of any recognised regulatory body or stock exchange, of any territory or jurisdiction outside Hong Kong; and/or (ii) where and to the extent that Holders do not accept any offer of Units and/or Convertible Instruments within the applicable period for acceptance (as determined by the REIT Manager), such Units and/or Convertible Instruments may be offered or made available to, and may or may not be taken up by, other persons as determined by the REIT Manager, subject to compliance with all applicable laws and regulations (including the Code).”;

(ii) Clause 5.1.7(i)(a)(3) of the Trust Deed to be amended by deleting the words “and/or” after “;”;

(iii) Clause 5.1.7(i)(a)(4) of the Trust Deed to be amended by replacing the “;” at the end of the clause with a “;”;

(iv) Clause 5.1.7(i)(a) of the Trust Deed to be amended by inserting the following new paragraph immediately after Clause 5.1.7(i)(a)(4) of the Trust Deed as the new Clause 5.1.7(i)(a)(5):

“(5) any new Units issued or issuable (whether directly or pursuant to any Convertible Instruments) in that Financial Year pursuant to any pro rata offer made in that Financial Year in accordance with Clause 5.1.6; and/or”; and

(v) Clause 5.2.5 of the Trust Deed to be amended by inserting the words “pursuant to Clause 5.1.6” immediately after the words “In relation to any rights issue”; and

- (b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”;

(C) **“THAT:**

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for:

- (i) Clause 5.1 of the Trust Deed to be amended by inserting the following new clause immediately after Clause 5.1.11 of the Trust Deed:

“5.1.12(i) The REIT Manager may arrange for:

- (a) any offer for sale, subscription or issue of Units or Convertible Instruments; or

- (b) the exercise of Convertible Instruments;

to be underwritten by an underwriter or underwriters on terms determined by the REIT Manager, subject to the Code and other applicable laws and regulations.

- (ii) An underwriter or sub-underwriter of any offer of Units and/or Convertible Instruments may:

- (a) subject to the Code and other applicable laws and regulations, and subject to the remaining provisions of Clauses 5.1.8 and this 5.1.12, be a Connected Person;

- (b) where applicable, take up any Units or Convertible Instruments for resale under or in connection with the offer; or

- (c) take up any Units or Convertible Instruments not subscribed for or otherwise taken by other investors.

(iii) Without limiting the power of the REIT Manager and the Trustee under Clause 9.2, the Trustee (only upon the instruction of the REIT Manager) may, and the REIT Manager is authorised to:

- (a) negotiate, enter into and perform any agreement required to be entered into on behalf of the Trust in connection with any underwriting contemplated in Clause 5.1.12(i);
- (b) to the extent permitted under this Deed and by the Code, agree to pay and to procure payment of, on behalf of the Trust (and from the Deposited Property), any underwriting commissions and similar or related fees, and all relevant costs and expenses, as stipulated or contemplated in any Underwriting Agreement; and
- (c) give representations, warranties and undertakings, and grant guarantees and/or indemnities, on behalf of the Trust (and so as to bind and to be payable from the Deposited Property) including specifically (but without limitation) any representations, warranties, undertakings and/or indemnities under or in connection with any underwriting agreement and/or any agreements contemplated by this Clause 5.1.12 (and, for the avoidance of doubt, subject to Clauses 17.6 and 18.9, such indemnity or indemnities may indemnify third parties for the acts and omissions of the REIT Manager or the Trustee on behalf of the Trust).

Nothing in this Clause 5.1.12(iii) shall be construed as obliging the Trustee to exercise these powers or requiring the Trustee to be a party to any underwriting agreement or any other agreements which the Trustee considers, in its discretion after consultation with the REIT Manager, that it shall not be a party to.

- (iv) Where any Units and/or Convertible Instruments are to be subscribed for or purchased by any underwriter or sub-underwriter pursuant to or in connection with any underwriting arrangement under this Clause 5.1.12 in connection with any offer of Units and/or Convertible Instruments, the REIT Manager may issue or sell such Units and/or Convertible Instruments to the underwriter or sub-underwriter at an Issue Price that is equal to the Issue Price that the Units or Convertible Instruments are intended to be, or were or would have been, issued to persons other than the underwriter(s) or sub-underwriter(s) under the offer.”;
- (ii) Clause 5.1.7(iii) of the Trust Deed to be amended by deleting the words “For the purposes of this Clause 5.1.7, 5.1.8, 5.2.2 and 5.2.3:” and replacing the same with the text below:

“For the purposes of Clauses 5.1.6, 5.1.7, 5.1.8, 5.1.12, 5.2.2 and 5.2.3:”;
- (iii) Clause 5.1.8 of the Trust Deed to be amended by deleting the full stop at the end of Clause 5.1.8(iii) and replacing the same with “;or”; and
- (iv) Clause 5.1.8 of the Trust Deed to be amended by inserting the following new paragraphs after Clause 5.1.8(iii), as the new Clauses 5.1.8(iv), 5.1.8(v) and 5.1.8(vi):

“(iv) the Connected Person is acting as underwriter or sub-underwriter of an issue or offer of Units or other securities by or on behalf of the Trust or any Special Purpose Vehicle, provided that:

 - (a) the issue or offer is made under and in accordance with Clause 5.1.6; and
 - (b) the issue or offer is in compliance with any applicable provisions of the Listing Rules where a connected person is acting as an underwriter or sub-underwriter of an offer of shares or other securities by a listed company, with necessary changes being made, as if the provisions therein are applicable to real estate investment trusts; or

(v) the excess application and the taking up of pro rata entitlements by the Connected Person in respect of a pro rata issue of Units and/or Convertible Instruments under Clause 5.1.6 or an open offer by the Trust on a pro rata basis; or

(vi) Units are issued to a Connected Person pursuant to a reinvestment of distribution in accordance with Clause 11.10.”; and

(b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”;

(D) “THAT:

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for:

(i) Clause 5.1.7 of the Trust Deed to be amended by inserting the following new paragraph immediately after the new Clause 5.1.7(i)(a)(5) of the Trust Deed as the new Clause 5.1.7(i)(a)(6):

“(6) any new Units issued or issuable in that Financial Year pursuant to any reinvestment of distributions made in accordance with Clause 11.10,”; and

(ii) Clause 11.10 of the Trust Deed to be amended by inserting the following words immediately after “specified in Clause 5.2.2”:

“, provided that, for the purposes of determining such Issue Price, notwithstanding Clause 5.2.3, “Market Price” shall mean the average closing price of the Units in the ten trading days immediately preceding the relevant Record Date”; and

(b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”;

(E) **“THAT:**

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 6.5 of the Trust Deed to be amended by inserting the following new paragraph immediately after “in any other circumstance prescribed by the Code.”:

“The production of a valuation report by an Approved Valuer shall not be required for any issue of Units in cases permitted by the SFC from time to time either by published guidelines, policies, practice statements, other guidance or waiver issued by the SFC, or in any particular case, by specific written guidance or waiver issued by the SFC in response to a specific request by the REIT Manager and/or the Trustee.”; and

- (b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”;

(F) **“THAT:**

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 10.11.2 of the Trust Deed to be amended by:

(i) inserting the phrase “(excluding net assets attributable to Holders)” immediately after the words “under Clause 10.11.1(b) if such borrowing or raising”; and

(ii) inserting the phase “excluding net assets attributable to Holders,” immediately after the words “in each case.”; and

- (b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”;

(G) **“THAT:**

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 10.14(a) of the Trust Deed to be amended by deleting the words “the full insurable value” and replacing the same with “such value in accordance with local market practice”; and
- (b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”;

(H) **“THAT:**

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for the Trust Deed to be amended by inserting the following new paragraph immediately after Clause 25.6 as the new Clause 25.6A:

“25.6A Use of Electronic Means

25.6A.1 Any requirement in this Deed to send, mail, dispatch, issue, publish or otherwise make available any corporate communication (as hereinafter defined) by or on behalf of the Trust (including any notice to be served under Clause 25.6) may, to the extent permitted under all applicable laws and regulations, be satisfied by making available the corporate communication on the Trust’s website, or by sending or otherwise making available the corporate communication to such relevant Unitholders or holders of Convertible Instruments using other electronic means (which term includes sending or otherwise making available the corporate communication to the holder in electronic format), provided that the corporate communication is made available in accordance with the Code and any applicable provisions of the Listing Rules as if the provisions therein are applicable to real estate investment trusts.

25.6A.2 Where the corporate communication is made available to the relevant holders of Units or Convertible Instruments using electronic means, the corporate communication shall be taken to be sent (and any notice given by electronic means shall be deemed to

have been served) on the date on which it is transmitted by or on behalf of the Trust or, if made available on the Trust's website, on the later of:

- (i) the date on which a notification is sent to the intended recipient of the presence of the corporate communication on the website;
- (ii) the date on which the corporate communication first appears on the website after that notification was sent; or
- (iii) such other time as may be prescribed by the Listing Rules as if the provisions therein are applicable to real estate investment trusts or any applicable laws or regulations.

25.6A.3 For the purposes of Clauses 25.6A.1 and 25.6A.2, “**corporate communication**” means any document issued or to be issued by or on behalf of the Trust for the information or action of the relevant holders of Units or Convertible Instruments including but not limited to:

- (i) the directors' report, its Accounts together with a copy of the Auditors' report and, where applicable, its summary financial report;
 - (ii) the interim report and, where applicable, its summary interim report;
 - (iii) a notice of meeting;
 - (iv) an Offering Circular, a circular and any equivalent document issued or proposed to be issued in connection with an application for listing;
 - (v) a circular; and
 - (vi) a proxy form.” and
- (b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”; and

ORDINARY RESOLUTIONS

- (4) To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:
- (A) “**THAT** approval be and is hereby given for the modification to the distribution policy of Regal REIT such that the REIT Manager may distribute to Unitholders an amount of not less than 90% of Regal REIT’s Total Distributable Income (as defined in the Trust Deed) for each Financial Year (as defined in the Trust Deed) commencing from 1st January, 2009 and for all subsequent Financial Years until further notices”; and
- (B) “**THAT** a mandate to purchase Units be given to the REIT Manager:
- (a) subject to the “Circular to Management Companies of SFC-authorized Real Estate Investment Trusts” issued by the SFC on 31st January, 2008 and paragraph (b) below, the exercise by the REIT Manager during the Relevant Period (as defined in paragraph (c) below) of all powers of the REIT Manager to purchase units in Regal REIT (the “**Units**”) on The Stock Exchange of Hong Kong Limited (the “**SEHK**”) in accordance with applicable rules and regulations and the Trust Deed (as may be amended from time to time), the Code on Real Estate Investment Trusts (the “**REIT Code**”), the guidelines issued by the SFC from time to time, applicable rules and regulations and the laws of Hong Kong, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate number of Units which may be purchased or agreed to be purchased by the REIT Manager pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10% of the aggregate number of issued Units as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of Regal REIT;
- (ii) the expiration of the period within which the next annual general meeting as referred to in (i) above is required to be held by the Trust Deed, the Code on Real Estate Investment Trusts or any applicable laws; and

(iii) the revocation or variation of the authority given under this resolution by ordinary resolution of the Unitholders in general meeting.””

Notes:

1. A Unitholder entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, vote in his/her stead. The person appointed to act as proxy need not be a Unitholder.
2. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the unit registrar of Regal REIT, Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (the “Unit Registrar”), not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof. Completion and return of the proxy will not preclude you from attending and voting in person should you so wish. In the event that you attend the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
3. Where there are joint registered Unitholders of a Unit, any one of such Unitholders may vote at the meeting either personally or by proxy in respect of such Unit as if he/she were solely entitled thereto, but if more than one of such Unitholders is present at the meeting personally or by proxy, that one of such Unitholders so present whose name stands first on the Register of Unitholders of Regal REIT (the “Register of Unitholders”) in respect of such Unit shall alone be entitled to vote in respect thereof.
4. The Register of Unitholders will be closed from Wednesday, 6th May, 2009 to Friday, 8th May, 2009, both days inclusive, during which period no transfers of Units will be effected. In order to qualify to attend and vote at the AGM, all Unit certificates accompanied by the duly completed transfer documents must be lodged with the Unit Registrar not later than 4:30 p.m. on Tuesday, 5th May, 2009.

By order of the Board
Regal Portfolio Management Limited
as manager of Regal Real Estate Investment Trust
Kai Ole RINGENSON
Chief Executive Officer

Hong Kong, 7th April, 2009

As at the date of this announcement, the Board comprises Mr. LO Yuk Sui as Chairman and Non-executive Director; Mr. Kai Ole RINGENSON as Chief Executive Officer and Executive Director; Mr. Donald FAN Tung and Mr. Jimmy LO Chun To as Non-executive Directors; and Mr. John William CRAWFORD, J.P., Mr. Alvin Leslie LAM Kwing Wai and Hon. Abraham SHEK Lai Him, J.P. as Independent Non-executive Directors.