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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



PAYMENT OF BASE FEE TO REGAL PORTFOLIO MANAGEMENT LIMITED BY WAY OF UNITS IN REGAL REAL ESTATE INVESTMENT TRUST

The Board announces that on 28th August, 2009 the REIT Manager received 2,927,795 new Units issued at the price of HK\$1.172 per Unit (being the Market Price) (representing approximately 0.092% of the 3,194,444,024 Units in issue immediately after such issue) as payment in full of the Base Fee of HK\$3,431,376.38 for the period from 1st June, 2009 to 30th June, 2009. The REIT Manager held 54,466,638 Units before the receipt of the new Units. With the new Units issued, the REIT Manager presently holds 57,394,433 Units (representing approximately 1.797% of the 3,194,444,024 Units in issue immediately after such issue).

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The Variable Fee is payable annually and the Variable Fee for the financial year ending 31st December, 2009 will be paid by Regal REIT to the REIT Manager after the audited financial accounts of Regal REIT for such financial year are published. Details regarding the Variable Fee have been disclosed in the Offering Circular.

The payment of the Base Fee by way of Units is in accordance with the terms of the Trust Deed and does not require specific prior approval of the Unitholders pursuant to a waiver granted by the SFC. Principal provisions regarding the Base Fee have also been set out in detail in the Offering Circular.

The waiver in respect of payment of REIT Manager’s fees by way of Units was granted by the SFC on the condition that:

- (1) the issue of Units to the REIT Manager as payment of all or part of the Base Fee and/or Variable Fee for each financial year will be counted as part of the 20% of outstanding Units that the REIT Manager may issue in each financial year without the approval of Unitholders pursuant to paragraph 12.2 of the REIT Code;
- (2) in respect of each financial year, the maximum number of Units that may be issued to the REIT Manager as payment of all or part of the Base Fee and/or Variable Fee for that financial year shall be limited to such number of Units which represents 3% of the total number of Units outstanding as at the last day of the immediately preceding financial year plus the number of Units (if any) issued in the relevant financial year for the purpose of financing any acquisition of real estate by Regal REIT;
- (3) any issuance of Units to the REIT Manager as payment of all or part of its Base Fee and/or Variable Fee shall be made strictly in accordance with the requirements of the Trust Deed; and
- (4) in the event that any payment of all or part of the Base Fee and/or Variable Fee in the form of Units to the REIT Manager exceeds the relevant thresholds set out in paragraph 12.2 of the REIT Code and paragraph (2) above, and Unitholders’ approvals is not obtained for the issue of Units for such purpose, then payment of that excess part of the Base Fee and/or Variable Fee will be made by Regal REIT to the REIT Manager in cash.

DEFINITIONS

“Base Fee”	the fee payable by Regal REIT to the REIT Manager, currently at the rate of 0.3% per annum, subject to a maximum of 0.5% per annum, of the value of the Deposited Property (as defined in the Trust Deed), payable monthly in arrears within 60 days of the last day of the month to which the Base Fee relates provided that the Base Fee for the months in which the audited Accounts (as defined in the Trust Deed) for the preceding financial year have not been published will be payable within 10 Business Days (as defined in the Trust Deed) after the date of publication of such audited Accounts (as defined in the Trust Deed).
“Board”	the board of directors of the REIT Manager
“Deposited Property”	all the assets of Regal REIT, including but not limited to the Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel
“REIT Manager”	Regal Portfolio Management Limited

“Market Price”	has the meaning given to that term in the Trust Deed and in the case of issue of Units as payment for the Base Fee, Market Price shall mean the price as determined by the REIT Manager, being the higher of: (1) the closing price of the Units on the Stock Exchange on the last Trading Day of the month to which the Base Fee relates; and (2) the average closing price of the Units in the ten Trading Days immediately prior to the last Trading Day of the month to which the Base Fee relates
“Offering Circular”	the offering circular dated 19th March, 2007 issued by the REIT Manager (as manager of Regal REIT) in connection with the initial public offering of the Units
“Regal REIT”	Regal Real Estate Investment Trust
“REIT Code”	the Code on Real Estate Investment Trusts
“Trust Deed”	the trust deed constituting Regal REIT dated 11th December, 2006, as supplemented by first supplemental deed dated 2nd March, 2007, second supplemental deed dated 15th May, 2008 and third supplemental deed dated 8th May, 2009
“Unitholders”	holders of the Units
“Units”	the units of Regal REIT
“Variable Fee”	the fee payable annually by Regal REIT to the REIT Manager in respect of each piece of Real Estate (as defined in the Trust Deed) owned by Regal REIT in an annual amount equal to currently 3% per annum, subject to a maximum of 5% per annum, of the Net Property Income in respect of that Real Estate (as defined in the Trust Deed)

This announcement is made pursuant to paragraph 10.4(k) of the REIT Code.

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, 28th August, 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, JP, Mr. Alvin Leslie LAM Kwing Wai and Hon Abraham SHEK Lai Him, SBS, JP as Independent Non-executive Directors.