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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



EXTENSION OF THE TARGET DATE OF COMPLETION OF ASSET ENHANCEMENT PROGRAMME TO 26TH JUNE, 2009 AND SECOND STAGE OF ASSET ENHANCEMENT PROGRAMME COMPLETED ON 26TH JUNE, 2009

Reference is made to (i) the Offering Circular; (ii) the Sale and Purchase Agreement; (iii) the SFC Waiver; (iv) the 15th November, 2007 Announcement; (v) the 25th August, 2008 Announcement; (vi) the 21st November, 2008 Announcement; and (vii) the 9th April, 2009 Announcement.

Pursuant to the Sale and Purchase Agreement and the agreed extension of the completion date as referred to in the 9th April, 2009 Announcement, the Vendor undertook to complete, and to procure the completion of, the second stage of the AEP at its full and own cost, under which three additional stories comprising 280 additional rooms are to be added on top of the existing building of Regal Riverside Hotel and handed over to the REIT Manager and the relevant Property Company on or before 14th June, 2009.

The Authorised Person has granted a further extension of time for the completion of the second stage of the AEP at Regal Riverside Hotel for 12 additional calendar days due to inclement weather, following which, the REIT Manager and the Vendor have mutually agreed to extend the completion date to 26th June, 2009.

The second stage of the AEP at Regal Riverside Hotel has been completed and handed over to the REIT Manager and the relevant Property Company on 26th June, 2009. As of that date, the additional 280 hotel rooms were added to the room inventory available for letting to the public and, thereby, brought the total number of hotel rooms of Regal Riverside Hotel to 1,138.

Reference is made to (i) the offering circular dated 19th March, 2007 issued by the REIT Manager in connection with the initial public offering of the units of Regal Real Estate Investment Trust (the “**Offering Circular**”); (ii) the sale and purchase agreement (the “**Sale and Purchase Agreement**”) entered into between Regal International (BVI) Holdings Limited (the “**Vendor**”) (a wholly-owned subsidiary of Regal Hotels International Holdings Limited (“**Regal**”)), the Trustee, the REIT Manager (also a wholly-owned subsidiary of Regal) and Regal on 2nd March, 2007; (iii) the waiver conditions in relation to any extension of the target completion dates (as specified in the Sale and Purchase Agreement) or delay in delivery of the Asset Enhancement Programme (“**AEP**”) granted by the SFC (the “**SFC Waiver**”); (iv) the announcement regarding the Extension of the Target Date of Completion of the first stage of AEP of Regal REIT issued on 15th November, 2007 (the “**15th November, 2007 Announcement**”); (v) the announcement regarding the Extension of the Target Date of Completion of the second stage of AEP of Regal REIT issued on 25th August, 2008 (the “**25th August, 2008 Announcement**”); (vi) the announcement regarding the Extension of the Target Date of Completion of the second stage of AEP of Regal REIT issued on 21st November, 2008 (the “**21st November, 2008 Announcement**”); and (vii) the announcement regarding the Extension of the Target Date of Completion of the second stage of AEP of Regal REIT issued on 9th April, 2009 (the “**9th April, 2009 Announcement**”).

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Offering Circular.

Pursuant to the Sale and Purchase Agreement and the agreed extension of the completion date as referred to in the 9th April, 2009 Announcement, the Vendor undertook to complete, and to procure the completion of, the second stage of the AEP at its full and own cost, including any cost overruns and land premiums payable, under which three additional stories comprising 280 rooms were to be added on top of the existing building of Regal Riverside Hotel and handed over to the REIT Manager and the relevant Property Company on or before 14th June, 2009.

In accordance with the terms of the Sale and Purchase Agreement, the Authorised Person (as defined in the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong)) in relation to the AEP has granted a further extension of time on 29th June, 2009 for the completion of the second stage of the AEP at Regal Riverside Hotel for 12 additional calendar days due to inclement weather. Having reviewed the reasons for the delay and the Authorised Person’s decision, the REIT Manager and the Vendor have mutually agreed with the Vendor to extend the completion date for the second stage of the AEP at Regal Riverside Hotel to 26th June, 2009.

The second stage of the AEP at Regal Riverside Hotel has been completed and handed over to the REIT Manager and the relevant Property Company on 26th June, 2009. As of that date, the additional 280 hotel rooms were added to the room inventory available for letting to the public and, thereby, brought the total number of hotel rooms of Regal Riverside Hotel to 1,138.

The further extension of the completion date of the second stage of the AEP at Regal Riverside Hotel to 26th June, 2009 is not likely to impact Regal REIT negatively due to the short extension of time involved and no liquidated damages are required to be paid by the Vendor under the terms of the Sale and Purchase Agreement for the extension of such completion date.

Following the completion and hand over of the second stage of the AEP at Regal Riverside Hotel to the REIT Manager and the relevant Property Company on 26th June, 2009, all the remaining 155,679,104 AEP Units (representing approximately 4.88% of 3,188,459,544 Units in issue) were released from the provisions under the Distribution Deed and became entitled to any distributions by Regal REIT as from 1st July, 2009.

The extension of the completion date of the second stage of the AEP at Regal Riverside Hotel as disclosed herein is in accordance with the terms of the Sale and Purchase Agreement.

Save for the above, all the other terms of the Sale and Purchase Agreement remain unchanged and continue in full force and effect.

This announcement is made pursuant to chapter 10 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, 7th July, 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.