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*Unless defined herein, terms in this announcement shall have the same meaning as those defined in the offering circular of Regal Real Estate Investment Trust dated 19 March 2007.*

 **REGAL REIT**  
**富豪產業信託**  
**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



**ANNOUNCEMENT**

This announcement is intended to clarify certain statements reported by the press in various articles dated 29 May 2007 (the “**Articles**”).

The Manager wishes to affirm the content of its offering circular dated 19 March 2007 (the “**Offering Circular**”), especially the content of “External Growth Strategy” in the section headed “Business and Strategy - Strategy”.

The Manager further confirms there are presently no on-going negotiations or intention to enter into agreements on the part of Regal Real Estate Investment Trust (“**Regal REIT**”) for the purpose of acquiring hotel properties in Greater China.

Regal Portfolio Management Limited (the “**Manager**”), the manager of Regal REIT, wishes to clarify certain statements made by Miss Po Man Lo (“**Miss Lo**”) reported in the Articles by the press.

The Manager noted that the Articles reported Miss Lo had made statements on the possibility of acquiring ten to twenty hotel properties in Greater China in the coming five years and references were made to Regal REIT. The Manager has clarified with Miss Lo that she made such statements as an executive director of Regal Hotels International Holdings Limited (“**Regal**”) on behalf of the Regal Group and she was making these general statements from the perspective of Regal and based on Regal’s own business plans and projections.

The Manager reiterates that there are presently no on-going negotiations or intention to enter into agreements on the part of Regal REIT for the purpose of acquiring hotel properties in Greater China.

The Manager also affirms the content of the Offering Circular, especially the content of “External Growth Strategy” in the section headed “Business and Strategy - Strategy”, that any possible acquisition of properties outside Hong Kong within Greater China is subject to obtaining the necessary regulatory license and unitholders’ approval.

This announcement is made in accordance with Paragraph 10.3 of the REIT Code.

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

Hong Kong, 30 May 2007

*As at the date of this announcement, the Directors of the Manager 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 LAM Kwing Wai and Hon Abraham SHEK Lai Him, J.P. as Independent Non-executive Directors.*

Please also refer to the published version of this announcement in The Standard.