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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 March 19, 2007.



Regal Real Estate Investment Trust

**(a Hong Kong collective investment scheme authorized under section 104
of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong))
Stock Code: 1881**

Managed by



Regal Portfolio Management Limited

PARTIAL EXERCISE OF OVER-ALLOTMENT OPTION, STABILIZING ACTIONS AND END OF STABILIZATION PERIOD

The Board of Regal Portfolio Management Limited announces that the stabilization period in connection with the Global Offering ended on April 21, 2007.

The stabilizing actions undertaken during the stabilization period were:

- (1) the borrowing of an aggregate of 130,393,350 Units (representing approximately 15% of the total number of Units in the Global Offering before any exercise of the Over-allotment Option) from Complete Success Investments Limited, a wholly owned subsidiary of Regal, solely to cover the over-allocation of 130,393,350 Units in the International Offering;
- (2) the purchase of a total of 85,223,000 Units in the price range of HK\$2.52 to HK\$2.68 per Unit on the market, representing approximately 9.80% of the total number of Units in the Global Offering before any exercise of the Over-allotment Option; and
- (3) the partial exercise of the Over-allotment Option in respect of 45,170,350 additional Units.

The Board of Regal Portfolio Management Limited, being the manager of Regal REIT, announces that the stabilization period in connection with the Global Offering ended on April 21, 2007.

The stabilizing actions that have been taken by Merrill Lynch Far East Limited, as Stabilizing Manager, or persons acting for it, during the stabilization period were:

- (1) the borrowing of an aggregate of 130,393,350 Units (Borrowed Units) by Merrill Lynch International, acting for the Stabilizing Manager, from Complete Success Investments Limited, a wholly owned subsidiary of Regal, pursuant to the Unit Borrowing Agreement dated March 23, 2007, solely to cover the over-allocation of 130,393,350 Units in the International Offering;
- (2) the purchase of a total of 85,223,000 Units in the price range of HK\$2.52 to HK\$2.68 per Unit on the market, representing approximately 9.80% of the total number of Units in the Global Offering before any exercise of the Over-allotment Option; and
- (3) the partial exercise of the Over-allotment Option in respect of 45,170,350 additional Units.

The last purchase made in the course of stabilizing action was on April 20, 2007 at the price of HK\$2.68 per Unit.

The Over-allotment Option referred to in the Offering Circular granted by Complete Success Investments Limited was partially exercised by Merrill Lynch International, acting for the Stabilizing Manager, on behalf of the International Underwriters on April 20, 2007 in respect of an aggregate of 45,170,350 Units (the Over-allotment Units).

Pursuant to the exercise of the Over-allotment Option, the Over-allotment Units will be purchased on April 24, 2007 from Complete Success Investments Limited at HK\$2.68 per Unit (excluding brokerage of 1%, SFC transaction levy of 0.004% and Hong Kong Stock Exchange trading fee of 0.005%), being the Offer Price per Unit under the Global Offering. The exercise of the Over-allotment Option and the Over-allotment Units referable thereto will be used to settle the return to Complete Success Investments Limited of 45,170,350 of the Borrowed Units.

As a result of the Over-allotment Option having been partially exercised, Regal will be entitled to net proceeds of approximately HK\$118.0 million from the sale of the Over-allotment Units.

Listing of and permission to deal in the Over-allotment Units have already been granted by the Listing Committee of the Hong Kong Stock Exchange and dealings in such Units have already commenced on the Hong Kong Stock Exchange since March 30, 2007.

Immediately after completion of the purchase of the Over-allotment Units, approximately 29.45% of Units will be held by Unitholders other than Regal, and accordingly, as far as the REIT Manager is aware, more than 25% of Units will be held in public hands.

The table below details the number and percentage of Units to be held by Regal and other Unitholders immediately before and after the exercise of the Over-allotment Option:

Unitholder(s)	Immediately before exercise of the Over-allotment Option		Immediately after exercise of the Over-allotment Option and the purchase of the Over-allotment Units	
	<i>% of total Units in issue</i>		<i>% of total Units in issue</i>	
	<i>No. of Units</i>	<i>(approximately)</i>	<i>No. of Units</i>	<i>(approximately)</i>
Regal	2,235,316,748	72.00%	2,190,146,398	70.55%
Other Unitholders	<u>869,289,000</u>	<u>28.00%</u>	<u>914,459,350</u>	<u>29.45%</u>
Total	<u>3,104,605,748</u>	<u>100.00%</u>	<u>3,104,605,748</u>	<u>100.00%</u>

By order of the Board
Regal Portfolio Management Limited
as manager of Regal Real Estate Investment Trust
Mr. Lo Yuk Sui
Chairman of the REIT Manager

Hong Kong, April 23, 2007

The Directors of the REIT Manager as at the date of this announcement are 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 Hon Abraham Shek Lai Him, J.P., Mr. Alvin Lam Kwing Wai and Mr. John William Crawford, J.P. as Independent Non-executive Directors.

Please also refer to the published version of this announcement in South China Morning Post.