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

The Board announces that on 26th April, 2010 the REIT Manager received 14,217,185 new Units issued at the price of HK\$1.650 per Unit (being the Market Price) (representing approximately 0.441% of the 3,226,926,438 Units in issue immediately after such issue) as payment in full of the related Variable Fee of HK\$23,458,356.21 for the period from 1st January, 2009 to 31st December, 2009. The REIT Manager held 75,659,662 Units before the receipt of the new Units. With the new Units issued, the REIT Manager presently holds 89,876,847 Units (representing approximately 2.785% of the 3,226,926,438 Units in issue immediately after such issue).

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The Variable Fee in respect of Initial Hotel Properties is payable to the REIT Manager annually in form of Units from 30th March, 2007 (the date of listing) to 31st December, 2010. Details regarding the Variable Fee have been disclosed in the Offering Circular.

The payment of the Variable 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 Variable 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.

A total of 48,352,929 Units (representing approximately 1.539% of the 3,142,196,102 Units in issue as at 31st December, 2008) were issued to the REIT Manager as payment of related Base Fee and Variable Fee for the period from 1st January, 2009 to 31st December, 2009.

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, Regal Riverside Hotel and Regal iClub Building
“Initial Hotel Properties”	means Regal Airport Hotel, Regal Hongkong Hotel, Regal Kowloon Hotel, Regal Oriental Hotel and Regal Riverside Hotel

“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 Variable Fee, Market Price shall mean the price as determined by the REIT Manager, being the higher of: <ol style="list-style-type: none"> (1) the closing price of the Units on the Stock Exchange on the last Trading Day of the financial year to which the Variable 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 financial year to which the Variable 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
“REIT Manager”	Regal Portfolio Management Limited
“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
Eric MAN Wai Kong
Executive Director

Hong Kong, 26th April, 2010

As at the date of this announcement, the Board comprises Mr. LO Yuk Sui as Chairman and Non-executive Director; Mr. Francis CHIU and Mr. Eric MAN Wai Kong as Executive Directors; Mr. Donald FAN Tung, Mr. Jimmy LO Chun To and Mr. Kai Ole RINGENSON 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.