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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



POSITIVE PROFIT ALERT

This announcement is made by the REIT Manager pursuant to paragraph 10.3 of the Code on Real Estate Investment Trusts.

The Board wishes to inform the unitholders of Regal REIT and potential investors that based on the unaudited consolidated management accounts of Regal REIT for the financial year ended 31st December, 2009, Regal REIT is expected to record a profit before and after distributions to unitholders of Regal REIT for the financial year ended 31st December, 2009, as compared to the loss before and after distributions to unitholders of Regal REIT reported for the last financial year ended 31st December, 2008. This positive profit alert announcement is only based on the unaudited consolidated management accounts of Regal REIT. The audited consolidated financial statements of Regal REIT for the year ended 31st December, 2009 are still being finalised.

Unitholders of Regal REIT and potential investors are advised to exercise caution when dealing in the units of Regal REIT.

This announcement is made by Regal Portfolio Management Limited (the “REIT Manager”), the REIT Manager of Regal Real Estate Investment Trust (“Regal REIT”), pursuant to paragraph 10.3 of the Code on Real Estate Investment Trusts.

The board of directors of the REIT Manager (the “Board”) wishes to inform the unitholders of Regal REIT and potential investors that based on the unaudited consolidated management accounts of Regal REIT for the financial year ended 31st December, 2009, Regal REIT is expected to record a profit before and after distributions to unitholders of Regal REIT for the financial year ended 31st December, 2009, as compared to the loss before and after distributions to unitholders of Regal REIT reported for the last financial year ended 31st December, 2008.

The profit expected to be recorded by Regal REIT for the financial year ended 31st December, 2009 is mainly attributable to the net rental income generated from the portfolio of hotel and investment properties owned by Regal REIT and fair value gains on the hotel properties within the portfolio based on the independent valuer’s market value appraisal as at 31st December, 2009. For the financial year ended 31st December, 2008, the loss reported was principally due to the revaluation deficit arising from the changes in the fair values of the hotel properties owned by Regal REIT based on the independent valuer’s market value appraisal as at 31st December, 2008.

This positive profit alert announcement is only based on the unaudited consolidated management accounts of Regal REIT, which audit is currently being conducted by Regal REIT’s independent auditors. The audited consolidated financial statements of Regal REIT for the financial year ended 31st December, 2009 are still being finalised and the final results announcement is expected to be published on 18th March, 2010.

Unitholders of Regal REIT and potential investors are advised to exercise caution when dealing in the units of Regal REIT.

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, 11th March, 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.