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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**



## **PROPOSED EXPANSION OF THE SCOPE OF REGAL REIT'S INVESTMENT STRATEGY, PROPOSED GENERAL MANDATE TO REPURCHASE UNITS, PROPOSED AMENDMENTS TO THE TRUST DEED, NOTICE OF BOOK CLOSURE DATES AND NOTICE OF EGM**

The Board wishes to announce that the REIT Manager is proposing to (a) expand the scope of Regal REIT's investment strategy; (b) obtain a general mandate for the REIT Manager to repurchase Units on-market; and (c) make certain amendments to the Trust Deed.

Further details are set out in a circular to the Unitholders expected to be despatched on 15th April 2008, together with an Explanatory Statement, the notice of EGM, and the form of proxy for the EGM. The implementation of each of the Proposals are subject to approval by Unitholders at the EGM.

Reference is made to the announcement dated 26th March, 2008 by Regal Portfolio Management Limited, as the manager (the “**REIT Manager**”) of Regal Real Estate Investment Trust (“**Regal REIT**”) pertaining to the Proposals (as defined herein).

The board of directors (the “**Board**”) of the REIT Manager wishes to announce that the REIT Manager is proposing to (A) expand the scope of Regal REIT’s investment strategy; (B) obtain a general mandate for the REIT Manager to repurchase units of Regal REIT (“**Units**”) on-market (the “**Repurchase Mandate**”) pursuant to the “Circular to Management Companies of SFC-authorised Real Estate Investment Trusts (“**REITs**”)” issued by the Securities and Futures Commission on 31st January, 2008 (the “**SFC Repurchase Circular**”); and (C) make certain amendments to the trust deed dated 11th December, 2006 (as amended by a First Supplemental Deed dated 2nd March, 2007) constituting Regal REIT (the “**Trust Deed**”) entered into between DB Trustees (Hong Kong) Limited, in its capacity as the trustee of Regal REIT, and the REIT Manager (collectively, the “**Proposals**”).

The proposed expansion of the scope of Regal REIT’s investment strategy, the Repurchase Mandate, and the proposed amendments to the Trust Deed are more particularly set out below and in a circular (the “**Circular**”) to the unitholders of Regal REIT (“**Unitholders**”) to be despatched on 15th April, 2008, together with an Explanatory Statement as required by the SFC Repurchase Circular (the “**Explanatory Statement**”), the notice (the “**EGM Notice**”) of an extraordinary general meeting of the Unitholders (the “**EGM**”), and the form of proxy for the EGM. The implementation of each of the Proposals is subject to approval of the relevant resolution by Unitholders at the EGM. With respect to each of the resolutions to be proposed at the EGM, any Unitholder who has a material interest in such resolution and that interest is different from that of all other Unitholders, shall abstain from voting in respect of such resolution. As at the date of this announcement, the REIT Manager is unaware of any Unitholders that are required to abstain from voting in respect of the proposed resolutions specifically mentioned in this announcement.

### **Proposed Expansion of the Geographical Scope of Regal REIT’s Investment Strategy**

The existing principal investment strategy of the REIT Manager is to invest in hotel and other hospitality-related properties in Hong Kong and Greater China (after obtaining necessary regulatory and Unitholders’ approvals). At present, Regal REIT’s property portfolio comprises five hotels which are situated in Hong Kong.

The REIT Manager now proposes to expand the scope of Regal REIT’s investment strategy so that Regal REIT may invest in hotels, serviced apartments or commercial properties (including office properties) located anywhere in the world (whether in Greater China or elsewhere). The other aspects of Regal REIT’s investment strategy

will remain unchanged. The reasons for the proposed change include, among other things, the REIT Manager's desire to maintain and improve Regal REIT's competitiveness and to enhance Regal REIT's ability to take advantage of investment opportunities in suitable property markets. The REIT Manager proposes to make the necessary amendment to the Trust Deed to reflect such expansion in Regal REIT's investment strategy.

Subject to Special Resolution number 1 set out in the EGM Notice being passed, the REIT Manager will consider overseas investment opportunities when looking to expand Regal REIT's property portfolio and in doing so, will have regard to, and comply with, all applicable legal and regulatory requirements, including but not limited to the requirements prescribed under the Practice Note on Overseas Investments by SFC-authorised REITs contained in the Code on Real Estate Investment Trusts (the "**REIT Code**").

### **Proposed General Mandate to Repurchase Units**

Although the REIT Manager has no present intention of repurchasing the Units, it believes that it is in the best interests of Regal REIT and the Unitholders as a whole to seek a general mandate from the Unitholders to enable Regal REIT to make on-market repurchases of Units. Subject to the Ordinary Resolution as set out in the EGM Notice being passed, the REIT Manager may make Unit repurchases if such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Unit and/or earnings per Unit and will only be made when the REIT Manager believes that such repurchase will benefit Regal REIT and the Unitholders.

The Repurchase Mandate will, if granted, remain effective until the earliest of: (a) the conclusion of the next annual general meeting of Regal REIT following the passing of the resolution to approve the grant of the Repurchase Mandate; (b) the expiration of the period within which the meeting referred to in (a) above is required to be held by the Trust Deed, the REIT Code or any applicable laws; and (c) its revocation or variation by an ordinary resolution of the Unitholders at a general meeting of the Unitholders.

For purposes of any repurchases, the REIT Manager will only use funds legally available for such purposes in accordance with the Trust Deed, the REIT Code and the guidelines issued by the SFC from time to time and the laws of Hong Kong.

The REIT Manager does not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have any material adverse impact on the working capital or gearing position of Regal REIT (as compared with the position disclosed in its most recent published audited accounts).

As at the Latest Practicable Date, 3,119,231,903 Units have been issued. Subject to the passing of the Ordinary Resolution set out in the EGM Notice for the grant of the Repurchase Mandate and on the basis that no Units will be issued prior to the date of the EGM (except for certain Units to be issued to the REIT Manager as part or full payment of the Base Fee (as defined in the Trust Deed) and/or the Variable Fee (as defined in the Trust Deed)), the REIT Manager will be allowed under the Repurchase Mandate to repurchase a maximum of 311,923,190 Units.

In accordance with the SFC Repurchase Circular, an Explanatory Statement will be set out in an appendix to the Circular, and such Explanatory Statement will contain all information on the Repurchase Mandate and will set out the terms and conditions on which the REIT Manager may exercise its power under the Repurchase Mandate, if granted, to repurchase Units on the market on behalf of Regal REIT.

### **Proposed Amendments to the Trust Deed**

The principal purposes of the amendments to the Trust Deed (the “**Amendments**” and each an “**Amendment**”) are to amend certain provisions: (i) to implement the change in Regal REIT’s scope of investment strategy (as described above); (ii) to allow the REIT Manager to issue Units or Convertible Instruments (as defined in the Trust Deed) to Connected Persons (as defined in the Trust Deed), without requiring Unitholders’ approval, in certain specified circumstances including in connection with placing and top up subscription transactions; (iii) to allow the REIT Manager greater flexibility in determining the pricing basis of new Units issued under the Trust Deed; (iv) to provide for public relations-related expenses to be payable out of Regal REIT’s Deposited Property (as defined in the Trust Deed); (v) to provide for the issue of Units pursuant to any incentive schemes that may be implemented; (vi) to clarify the manner by which confirmation from the auditors of Regal REIT regarding the Distribution Entitlement (as defined in the Trust Deed) of the Unitholders is provided to the Trustee; (vii) to clarify the definition of “Special Purpose Vehicle” such that it is consistent with the definition as ascribed to it in the REIT Code; and (viii) to correct an inadvertent manifest error in the Trust Deed with regard to the issue of Units to the REIT Manager as full or part payment of the Variable Fee (as defined in the Trust Deed).

The implementation of Amendments (i) to (vii) to the Trust Deed is subject to Special Resolution numbers 1 to 7 set out in the EGM Notice being passed by the Unitholders at the EGM. The Trustee has, pursuant to its powers under the Trust Deed, certified that Amendment (viii) is necessary to correct a manifest error in the Trust Deed, and as such no Unitholders’ approval is required for Amendment (viii). Amendment (viii) will have retrospective effect as from the date when the Trust Deed was first entered into, being 11th December, 2006. The REIT Manager has confirmed that Amendment (viii) gives effect to the intention at the time the Trust Deed was entered into.

## Notice of Book Closure Dates

The REIT Manager intends to convene an EGM on 15th May, 2008 at 11:45 a.m. to propose and, if thought fit, approve the Proposals as set out in the special resolutions contained in the EGM Notice. In connection with the EGM to be convened, the Register of Unitholders will be closed from Tuesday, 13th May, 2008 to Thursday, 15th May, 2008, both days inclusive, during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register, in order to qualify to attend and vote at the meeting convened by the above notice, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Unit Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 9th May 2008.

## Text of EGM Notice

The substantive text of the EGM Notice is reproduced below:

**“NOTICE IS HEREBY GIVEN** that an EXTRAORDINARY GENERAL MEETING of the unitholders (the “**Unitholders**”) of Regal Real Estate Investment Trust (“**Regal REIT**”) will be held at Regal Hongkong Hotel, 88 Yee Wo Street, Causeway Bay, Hong Kong on Thursday, 15th May, 2008 at 11:45 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following special resolutions and ordinary resolution:

### SPECIAL RESOLUTIONS

#### 1. “That:

- (a) pursuant to Clause 10.2 of the trust deed constituting Regal REIT dated 11th December, 2006 (as supplemented by a first supplemental deed dated 2nd March, 2007) (the “**Trust Deed**”) entered into between Regal Portfolio Management Limited, as the manager of Regal REIT (the “**REIT Manager**”), and DB Trustees (Hong Kong) Limited, as trustee of Regal REIT (the “**Trustee**”), approval be and is hereby given for the investment strategy of Regal REIT to be amended so as to expand the asset class scope and not to contain any geographical restrictions;
- (b) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for the amendment of Clause 10.2.1 of the Trust Deed by deleting the words “hotel or other hospitality-related properties” and replacing the same by “hotels, serviced apartments or commercial properties (including office properties) located anywhere in the world (whether in Greater China or elsewhere)”;

- (c) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 10.2.5 of the Trust Deed to be deleted in its entirety;
- (d) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 1.1 of the Trust Deed to be amended by inserting the following definition of “Greater China” immediately after the definition of “GAAP”:““Greater China” means mainland China, Hong Kong, Macau and Taiwan;”; and
- (e) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a), (b), (c) and (d) of this resolution.”

2. “That:

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for:
  - (i) the amendment of Clause 5.1.7(iii) of the Trust Deed by deleting the words “For the purposes of this Clause 5.1.7, and Clauses 5.2.2 and 5.2.3:” and replacing the same by “For the purposes of Clauses 5.1.7, 5.1.8, 5.2.2 and 5.2.3:”;
  - (ii) Clause 5.1.8 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“5.1.8 Any issue, grant or offer of Units or Convertible Instruments to a Connected Person will require specific prior approval of Holders by Ordinary Resolution at a meeting to be convened by the REIT Manager in accordance with Schedule 1, unless such issue, grant or offer is made under the following circumstances (where, for the avoidance of doubt, no Holders’ approval will be required):

    - (i) the Connected Person receives a pro rata entitlement to Units and/or Convertible Instruments in its capacity as a Holder; or
    - (ii) Units are issued to a Connected Person under Clauses 14.1.1 and/or 14.1.2 in or towards the satisfaction of the Base Fee and/or Variable Fee; or

- (iii) Units and/or Convertible Instruments are issued to a Connected Person within 14 days after such Connected Person has executed an agreement to reduce its holding in the same class of Units and/or Convertible Instruments by placing such Units and/or Convertible Instruments to or with any person(s) who is/are not its associate(s) (other than an Excluded Associate), provided always that (a) the new Units and/or Convertible Instruments must be issued at a price not less than the placing price (which may be adjusted for the expenses of placing); and (b) the number of Units and/or Convertible Instruments issued to the Connected Person must not exceed the number of Units and/or Convertible Instruments placed by it.”;
- (iv) the amendment of Clause 1.1 of the Trust Deed by inserting the following definition of “Excluded Associate” immediately after the definition of “Duties and Charges”.

““**Excluded Associate**” means any person or entity who/which is an associate of the relevant Connected Person solely by virtue of the operation of paragraphs (b), (c) and/or (k) (other than a related corporation covered under paragraph (a) of the definition of “related corporation” in Schedule 1 of the SFO) of the definition of “associate” in Schedule 1 of the SFO;”; and

- (b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”

3. “**That:**

- (a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 5.2.2 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“5.2.2 After the Listing Date, and for so long as the Units are admitted for trading on the SEHK:

- (a) the REIT Manager may, subject to Clauses 5.1.6, 5.1.11 and 5.2.1, effect or agree to effect the issue of Units on behalf of the Trust (whether directly, or pursuant to any Convertible Instruments issued by the Trust) on any Business Day at an Issue Price per Unit that is:
  - (i) equal to or above the Market Price; or
  - (ii) in its discretion, at a discount of no more than 20% to the Market Price; or
  - (iii) where approval by way of an Ordinary Resolution is obtained pursuant to Clause 5.2.2(b), on the pricing basis as authorised in such Ordinary Resolution.

For the avoidance of doubt, the Issue Price shall in the case of any Convertible Instruments, mean the initial price per Unit at which Units are to be issued pursuant to the exercise of any conversion, exchange or subscription or similar rights under such Convertible Instruments, before any adjustments which may apply thereunder (the “**Initial Issue Price**”); and

- (b) an issue of, or agreement (whether conditional or unconditional) to issue, new Units at an Issue Price or Initial Issue Price (as the case may be) that is otherwise than in accordance with the pricing basis and/or discount allowed in Clauses 5.2.2(a)(i) and 5.2.2(a)(ii) above, will require specific prior approval of Holders by Ordinary Resolution at a meeting to be convened by the REIT Manager in accordance with Schedule 1, and such approval may be subject to such conditions as the Holders may approve, including without limitation stating the basis of pricing, or authorising the REIT Manager to determine the pricing basis on such terms as are authorised under that Ordinary Resolution.”; and
- (b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”

4. “That:

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for:

(i) Clause 4.5.1.6 of the Trust Deed to be amended by adding the words “and all other fees, costs and expenses (including costs and expenses incurred in respect of roadshows, press conferences, luncheons, presentations, and other public relations-related fees, costs or expenses and fees for public relations consultants and Unit/Convertible Instrument issuance-related expenses) in connection with any offering or issue of Units or Convertible Instruments” after the words “under Clause 5”;

(ii) Clause 4.5.1.13 of the Trust Deed to be deleted in its entirety and replaced with the text below:

“4.5.1.13 all fees, costs and expenses (including costs and expenses incurred in respect of roadshows, press conferences, luncheons, presentations, and other public relations-related fees, costs or expenses and fees for public relations consultants and Unit/Convertible Instrument issuance-related expenses) incurred in connection with convening and holding of meetings of Holders or meetings for purposes of investor or analyst briefings, and all fees, costs and expenses incurred in connection with any public relations-related activities in connection with the Trust other than the fees, costs and expenses already referred to above or in Clause 4.5.1.6;” and

(b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”

5. “That:

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for:

(i) the insertion of the following text immediately after Clause 5.1.10 of the Trust Deed, as a new Clause 5.1.11 of the Trust Deed:

“5.1.11 Without prejudice to the generality of Clause 5.1.1 and subject to compliance with the REIT Code, the REIT Manager shall have the power from time to time to adopt any Incentive Scheme with the prior approval of Holders by way of an Ordinary Resolution at a meeting to be convened by the REIT Manager in accordance with Schedule 1 and to issue new Units pursuant to any Incentive Scheme, and notwithstanding Clause 5.2.2, such new Units may be issued pursuant to such Incentive Scheme at the issue price as determined in accordance with the terms of the Incentive Scheme (including, if so provided for under the terms of the Incentive Scheme, for nil consideration) without further approval of Holders.”;

(ii) the insertion of the following text immediately after Clause 4.5.1.37 of the Trust Deed, as a new Clause 4.5.1.38 of the Trust Deed:

“4.5.1.38 all fees, charges, expenses and liabilities incurred in relation to the implementation, administration and operations in relation to any Incentive Scheme including but not limited to any and all costs and expenses (i) relating to the adoption of any Incentive Scheme, and (ii) associated with the issue of new Units pursuant to such Incentive Scheme; and”;

(iii) Clause 4.5.1.37 of the Trust Deed to be amended by deleting the word “and” at the end of Clause 4.5.1.37 in contemplation of the addition of a new Clause 4.5.1.38;

(iv) renumbering the existing Clause 4.5.1.38 of the Trust Deed to Clause 4.5.1.39 of the Trust Deed;

(v) Clause 17.14.2(xii) of the Trust Deed to be amended by the insertion of the words “(other than in respect of (i) Units issued for nil consideration pursuant to the terms of an Incentive Scheme; or (ii) Units issued for consideration other than cash in any circumstances permitted under this Deed and the REIT Code)” immediately after the words “subscription monies have been paid in full” in the second line;

(vi) Paragraph 2 of Schedule 2 to the Trust Deed to be amended by the insertion of the words “(except for (i) Units issued for nil consideration pursuant to the terms of an Incentive Scheme; or (ii) Units issued for consideration other than cash in any circumstances permitted under this Deed and the REIT Code)” immediately after the words “the issue of the Units concerned” in the ninth line;

(vii) Clause 1.1 of the Trust Deed to be amended by inserting the following definition of “Incentive Scheme” immediately after the definition of “Hotel Revenue”:

“**Incentive Scheme**” means any scheme which may be adopted by the REIT Manager from time to time pursuant to Clause 5.1.11 for the purpose of providing equity or equity-linked incentives to management, executives and/or employees of the REIT Manager or any Special Purpose Vehicle (provided that such Special Purpose Vehicle is owned and controlled by the Trust) or to other specified participants, whether such incentives are in the form of options over Units or otherwise;”; and

(b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”

6. “That:

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for Clause 11.6.1 of the Trust Deed to be amended by inserting the words “regarding such review and verification to the REIT Manager who will then provide a copy of such confirmation letter” before the words “to the Trustee” in the last line of Clause 11.6.1; and

(b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”

7. “That:

(a) pursuant to Clause 26 of the Trust Deed, approval be and is hereby given for:

(i) the definition of “Special Purpose Vehicle” in Clause 1.1 of the Trust Deed to be deleted in its entirety and replaced with the text below:

““**Special Purpose Vehicle**” shall mean a special purpose vehicle that is owned and controlled by the Trust in accordance with the Code.”;

- (ii) the amendment of Clause 10.2.1 of the Trust Deed by replacing the words “by way of shareholding in” with the word “through” and deleting the words “which are unlisted corporations”;
- (iii) Clause 10.5.1 to be deleted in its entirety and replaced with the text below:

“10.5.1. The Trust may legally and beneficially acquire and own any Special Purpose Vehicles in accordance with the Code if the REIT Manager considers it necessary or desirable for the Trust to do so, in which event the REIT Manager shall instruct the Trustee to and the Trustee, shall accordingly establish, subscribe or acquire by transfer, or otherwise invest in on behalf of the Trust a Special Purpose Vehicle provided that (i) the Special Purpose Vehicle is wholly-owned by the Trust, or (ii) the Trust has majority ownership and control of such Special Purpose Vehicle and there are sufficient and proper safeguards in relation to the Special Purpose Vehicle to address the risks arising from the non-wholly owned structure, and such investment is not in conflict with this Deed, the Code and other applicable law.”

- (iv) the insertion of the following text immediately after Clause 1.10 of the Trust Deed, as a new Clause 1.11 of the Trust Deed:

#### “1.11 Special Purpose Vehicles

Having regard to the fact that Special Purpose Vehicles may include non-corporate entities, when used in this Deed in relation to a Special Purpose Vehicle:

1.11.1 references to “incorporation” (or similar or derivative words) shall, mutatis mutandis, be deemed to include references to all relevant methods of establishment of the Special Purpose Vehicle;

1.11.2 references to “shares” and “shareholders” (or similar or derivative words) shall, mutatis mutandis, be deemed to include references to all relevant types of ownership interests in or in respect of the Special Purpose Vehicle, and holders of such ownership interests, respectively; and

1.11.3 references to “board of directors” and “director” (or similar or derivative words) shall, mutatis mutandis, be deemed to include references to the equivalent or comparable governing body of the Special Purpose Vehicle, and a member of such governing body, respectively.”

(b) the REIT Manager, any director of the REIT Manager and the Trustee each be and is hereby severally authorised to complete and do or cause to be done all such acts and things (including executing all such documents as may be required) as the REIT Manager, such director of the REIT Manager or the Trustee, as the case may be, may consider expedient or necessary or in the interests of Regal REIT to give effect to the matters resolved upon in sub-paragraph (a) of this resolution.”

## **ORDINARY RESOLUTION**

“**THAT** a mandate to purchase Units be given to the REIT Manager:

(a) subject to the “Circular to Management Companies of SFC-authorised Real Estate Investment Trusts” issued on 31st January, 2008 by the Securities and Futures Commission of Hong Kong (the “SFC”), and paragraph (b) below, the exercise by the REIT Manager during the Relevant Period (as defined herein) of all powers of the REIT Manager to purchase units (each a “Unit”) in Regal REIT on behalf of Regal REIT on The Stock Exchange of Hong Kong Limited (the “SEHK”), subject to and in accordance with the Trust Deed (as may be amended from time to time), the REIT Code, the guidelines issued by the SFC from time to time, applicable rules and regulations, and the laws of Hong Kong, be and the same is hereby generally and unconditionally approved;

(b) the aggregate number of Units which may be purchased or agreed to be purchased by the REIT Manager pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate number of issued Units as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

(c) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the passing of this resolution;

- (ii) the expiration of the period within which the meeting referred to in (i) above is required to be held by the Trust Deed, the Code on Real Estate Investment Trusts or any applicable laws; and
- (iii) the passing of a resolution by the Unitholders in a general meeting revoking or varying the authority given to the REIT Manager by this resolution.”

*Notes:*

1. A Unitholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote in his/her stead. The person appointed to act as proxy need not be a Unitholder.
2. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office of the Unit Registrar of Regal REIT, Computershare Hong Kong Investor Services Limited of Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. Completion and return of the proxy will not preclude you from attending and voting in person should you so wish. In the event that you attend the meeting or adjourned meeting (as the case may be) after having lodged a form of proxy, the form of proxy will be deemed to have been revoked.
3. Where there are joint registered Unitholders of a Unit, any one of such Unitholders may vote at the meeting either personally or by proxy in respect of such Unit as if he/she were solely entitled thereto, but if more than one of such Unitholders is present at the meeting personally or by proxy, that one of such Unitholders so present whose name stands first on the Register of Unitholders of Regal REIT in respect of such Unit shall alone be entitled to vote in respect thereof.

4. The Register of Unitholders will be closed from Tuesday, 13th May, 2008 to Thursday, 15th May, 2008, both days inclusive, during which period no transfers of Units will be effected. For those Unitholders who are not already on the Register of Unitholders, in order to qualify to attend and vote at the meeting convened by the above notice, all Unit certificates accompanied by the duly completed transfer forms must be lodged with the Unit Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 9th May, 2008."

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, 15th April, 2008

*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, J.P., Mr. Alvin LAM Kwing Wai and Hon Abraham SHEK Lai Him, J.P. as Independent Non-executive Directors.*