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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

富豪資產管理有限公司
Regal Portfolio Management Limited

(1) DISCLOSEABLE TRANSACTION – DISPOSAL OF SUBSIDIARIES OWNING REGAL ORIENTAL HOTEL AND (2) CONTINUING CONNECTED PARTY TRANSACTION – EXCLUDED PROPERTY TENANCY

DISPOSAL OF SUBSIDIARIES OWNING REGAL ORIENTAL HOTEL

On 20 March 2026 (after trading hours), the Vendor (being a wholly-owned subsidiary of Regal REIT), the Trustee (in its capacity as trustee for and on behalf of Regal REIT) (as guarantor), Rich Day and the Purchaser entered into the Preliminary SP Agreement, pursuant to which: (a) the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the sole issued share of the Target Company for the Sale Share Consideration; and (b) the Vendor has agreed to assign, and the Purchaser has agreed to take up the assignment of, the Sale Loan for the Sale Loan Consideration, subject to the Conditions being satisfied or waived.

The Target Company is an indirect wholly-owned subsidiary of Regal REIT held through the Vendor, and wholly-owns the Target Subsidiary, which in turn is the sole registered legal and beneficial owner of Regal Oriental Hotel and certain floor areas of Po Sing Court (such areas being the Excluded Property) nearby Regal Oriental Hotel. Both Regal Oriental Hotel and the Excluded Property are currently leased to the Existing Lessee under the Hotel Lease. Following Completion, Regal REIT will cease to have any interest in Regal Oriental Hotel, but will retain its interest in the Excluded Property.

The Total Consideration shall be the sum of: (a) the Sale Share Consideration (as adjusted by the True-up Amount) and (b) the Sale Loan Consideration. The Sale Share Consideration shall equal the Target Group Fair Value as at Completion minus an Agreed Discount of HK$129,000,000. The Agreed Discount represents the difference between (i) the Appraised Value of Regal Oriental Hotel as at 31 December 2025 (being HK$1,647,000,000); and (ii) the value which the Vendor and the Purchaser agreed to attribute to Regal Oriental Hotel (being the Agreed Property Value of HK$1,518,000,000). The Target Group Fair Value is based on the total consolidated assets and liabilities of the Target Group, excluding (i) the value of the Excluded Property (being HK$120,000,000) and all assets and liabilities in relation thereto (if any); (ii) the gross deferred tax assets and liabilities (if any); and (iii) any costs and expenses incurred by the Target Group relating to the conversion of Regal Oriental Hotel for operation as a student hostel. Based on the unaudited consolidated statement of financial position of the Target Group as at 31 December 2025, the Target Group Fair Value would be HK$637,560,057 and, after deducting the Agreed Discount, the Sale Share Consideration would be HK$508,560,057.

The Sale Loan Consideration shall equal the total amount of Sale Loan as at Completion to be assigned by the Vendor to the Purchaser on a dollar-for-dollar basis. Based on the total amount of Sale Loan outstanding as at 31 December 2025, the Sale Loan Consideration would be HK$256,409,943.

Completion is expected to take place on 30 April 2026. As a completion obligation, the Purchaser will pay directly to the Existing Lender Agent a sum equal to the amount outstanding under the Rich Day Loan as at the Completion Date as full repayment of the Rich Day Loan by the Target Subsidiary to Rich Day, and subsequently, partial repayment of the Bank Redemption Amount on behalf of Rich Day to the Existing Lender Agent. The outstanding amount of the Rich Day Loan as at 31 December 2025 was HK$753,030,000.

The net proceeds from the Transaction are expected to be approximately HK$742,970,000, which are proposed to be used to repay part of the Bank Redemption Amount to the Existing Lender Agent and, subject to lenders' approval, finance asset enhancement initiatives and for general working capital purposes of the Regal REIT Group. The repayment of the Rich Day Loan of HK$753,030,000 financed by the Purchaser will be entirely used to repay the remainder of the Bank Redemption Amount to the Existing Lender Agent.

The gearing ratio of Regal REIT is expected to decrease from approximately 42.8% as at 31 December 2025 to approximately 40.7% after Completion and repayment of the Bank Redemption Amount to the Existing Lender Agent. It is estimated that Regal REIT will record a loss of approximately HK$151,000,000 from the Transaction, which will have a one-off negative impact on the earnings of Regal REIT. Despite this, the REIT Manager expects that, as at least a majority of net proceeds from the Transaction will be used for the partial repayment of the Existing Facilities (through the repayment of the Bank Redemption Amount to the Existing Lender Agent), the Transaction will materially reduce the overall interest expense of the Regal REIT Group which, in turn, will have a positive impact to the DPU of Regal REIT.

The Board (including the independent non-executive Directors) considers: (a) the Transaction represents a compelling and valuable opportunity for Regal REIT to unlock and realise value from a mature property it has held since its listing in 2007, considering the Agreed Property Value being significantly higher compared to Regal REIT's prevailing price-to-book ratio of 0.1x; and (b) the use of the significant net proceeds generated from the Transaction will improve Regal REIT's gearing ratio, thereby enhancing its financial resilience and mitigating refinancing risk in the current interest rate environment. Having taken into account the REIT Manager's duties under the Trust Deed and the REIT Code, the Board (including the independent non-executive Directors) is of the view that: (i) the terms of the Transaction are on arm's length basis and on normal commercial terms which are fair and reasonable and in the best interest of the Unitholders as a whole; and (ii) the Transaction is consistent with Regal REIT's investment policy and objectives and in compliance with the REIT Code and the Trust Deed.

As all applicable percentage ratios in respect of the Transaction (including the ratio as calculated by the alternative test adopted by the REIT Manager pursuant to Rule 14.20 of the Listing Rules) are less than 25%, the Transaction constitutes a discloseable transaction of Regal REIT, and is subject to the reporting and announcement requirements, but exempt from the Unitholders' approval requirement, under Chapter 10 of the REIT Code and Chapter 14 of the Listing Rules.

EXCLUDED PROPERTY TENANCY

As the Excluded Property, which is currently leased to and occupied by the Existing Lessee, will be transferred and assigned to another subsidiary or fellow subsidiary of Vendor, the REIT Manager has agreed to procure that such subsidiary of the Vendor will, and the Existing Lessee has also agreed that it will, execute the Excluded Property Tenancy in the pre-agreed form as soon as reasonably practicable after the Internal Reorganisation is completed. As the Existing Lessee is a subsidiary of Regal Hotels and hence a connected person of Regal REIT, the transactions under the Excluded Property Tenancy will constitute continuing connected party transaction of Regal REIT.

The Excluded Property Tenancy will be for a term of 36 months from the date of its execution and subject to a rental of HK$250,000 per month (exclusive of management fee, rates and other outgoing expenses, which will be borne by the tenant), payable in advance on the first day of each month.

Having reviewed the terms of the Excluded Property Tenancy and the opinion from the Independent Property Valuer confirming that the rental and the relevant terms under the Excluded Property Tenancy are at current market level and on normal commercial terms under prevailing market conditions and are considered as fair and reasonable, the Board (including the independent non-executive Directors) is of the view that the Excluded Property Tenancy: (a) will be entered into at arm's length and in the ordinary and usual course of business of Regal REIT; (b) is consistent with the investment objectives and strategy of Regal REIT; and (c) is on normal commercial terms that are fair and reasonable and in the best interests of Regal REIT and its Unitholders as a whole.

As the highest applicable percentage ratio calculated in respect of the annual cap applicable to the transactions under the Excluded Property Tenancy (which is equal to the annual rent payable thereunder) exceeds 0.1% but is less than 5%, such transactions and the annual cap applicable thereto are subject to the announcement, reporting and annual review requirements but are exempted from the Unitholders' approval requirement under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules.

Further announcements will be made as and when necessary or appropriate in accordance with the applicable regulatory requirements, including when the Excluded Property Tenancy is entered into and when Completion takes place.

Completion of the Transaction is conditional upon the satisfaction or, if applicable, waiver of the relevant conditions precedent. Accordingly, the Transaction may or may not proceed. Holders of securities and potential investors of Regal REIT are reminded to exercise caution when dealing in the securities of Regal REIT.

A. INTRODUCTION

On 20 March 2026 (after trading hours), the Vendor (being a wholly-owned subsidiary of Regal REIT), the Trustee (in its capacity as trustee for and on behalf of Regal REIT) (as guarantor), Rich Day and the Purchaser entered into the Preliminary SP Agreement, pursuant to which: (a) the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the sole issued share of the Target Company for the Sale Share Consideration; and (b) the Vendor has agreed to assign, and the Purchaser has agreed to take up the assignment of, the Sale Loan for the Sale Loan Consideration, subject to the Conditions being satisfied or waived.

The Target Company is an indirect wholly-owned subsidiary of Regal REIT held through the Vendor, and wholly-owns the Target Subsidiary, which in turn is the sole registered legal and beneficial owner of Regal Oriental Hotel and centain floor areas of Po Sing Court (such area being the Excluded Property) nearby Regal Oriental Hotel. Following Completion, Regal REIT will cease to have any interest in Regal Oriental Hotel, but will retain its interest in the Excluded Property which will be transferred and assigned to another wholly-owned subsidiary of Regal REIT before the Completion Date and continue to be leased to the Existing Lessee under the Excluded Property Tenancy following Completion.

B. PRELIMINARY SP AGREEMENT

The principal terms of the Preliminary SP Agreement are set out below:

Date	:	20 March 2026
Parties	:	(1) R-REIT Asset Holdings (Oriental) Limited (as vendor) (2) Rich Day Investments Limited (as warrantor) (3) Blue Sky Properties Limited (as purchaser) (4) DB Trustees (Hong Kong) Limited (in its capacity as the trustee of Regal REIT) (as guarantor)
Subject matter	:	The Transaction comprises: (a) the sale of the Sale Share (representing the only issued share of the Target Company, which indirectly owns Regal Oriental Hotel) by the Vendor to the Purchaser at the Sale Share Consideration ("**Share Sale**"); and (b) the assignment of the benefit of the Sale Loan from the Vendor to the Purchaser at the Loan Consideration ("**Loan Assignment**").

For further information on the Target Group and Regal Oriental Hotel, please refer to the section headed "C. INFORATION ON THE TARGET GROUP AND REAGL ORIENTAL HOTEL " below.

Total Consideration : The total consideration for the Share Sale and the Loan Assignment (the "**Total Consideration**") shall be the sum of: (a) the Sale Share Consideration (as adjusted by the True-up Amount) and (b) the Sale Loan Consideration.

The Total Consideration was determined after arm's length negotiations between the Vendor and the Purchaser.

Sale Share Consideration : The consideration payable for the Sale Share (the "**Sale Share Consideration**") shall equal (a) the fair value of the Target Group ("**Target Group Fair Value**"), minus (b) an agreed amount of HK$129,000,000 ("**Agreed Discount**").

The Target Group Fair Value means an amount equal to:

(A) the total consolidated assets of the Target Group which (apart from the value of Regal Oriental Hotel) are readily convertible into cash or cash equivalents, including (i) deposits and/or prepayments for utilities, Government rent, rate and other outgoings (if any) in respect of Regal Oriental Hotel, (ii) cash, and (iii) the value of Regal Oriental Hotel being the Appraised Value;

minus

(B) the total consolidated liabilities including provisions of the Target Group, including any and all the liabilities in respect of the shareholder loan owing from the Target Company to the Vendor ("**Sale Loan**"), an intragroup loan owing from the Target Subsidiary to Rich Day ("**Rich Day Loan**") and all accounts payable, other payables and accruals, with adjustments to:

(a) exclude the value of the Excluded Property (being HK$120,000,000) and any and all assets and liabilities in relation thereto;

(b) exclude the gross deferred tax assets (if any) and gross deferred tax liabilities (if any) of the Target Group;

(c) exclude any costs and expenses incurred by the Target Group relating to the conversion of Regal Oriental Hotel for operation as a student hostel; and

(d) include any unamortised payment of insurance premium (unless the Vendor is notified that the Purchaser will take out its own insurance policy),

as at Completion as determined by reference to Pro Forma Completion Accounts and subject to adjustment for the True-up Amount. The Pro Forma Completion Accounts shall be delivered no later than five Business Days before the Completion Date and agreed between the Purchaser and the Vendor at least three Business Days before the Completion Date.

For illustrative purposes, based on the assets and liabilities of the Target Group as shown in the unaudited consolidated statement of financial position of the Target Group as at 31 December 2025, the Target Group Fair Value would be HK$637,560,057 ("**Illustrative Target Group Fair Value**") and, after deducting the Agreed Discount, the Sale Share Consideration would be HK$508,560,057.

The Agreed Discount (being HK$129,000,000) represents the difference between: (i) the Appraised Value of Regal Oriental Hotel as at 31 December 2025 (being HK$1,647,000,000); and (ii) the value which the Vendor and the Purchaser agreed to attribute to Regal Oriental Hotel (being HK$1,518,000,000) ("**Agreed Property Value**") based on arm's length negotiations. Considering the Agreed Discount represents approximately 7.8% of the Appraised Value, which is close to or below the discount for comparable transactions, the REIT Manager considers the Agreed Discount to be fair and reasonable and in the interests of Regal REIT and its Unitholders as a whole.

Sale Loan Consideration : The consideration payable for the Loan Assignment (the "**Sale Loan Consideration**") shall equal to the total amount of Sale Loan as at Completion to be assigned by the Vendor to the Purchaser on a dollar-for-dollar basis.

For illustrative purposes, based on the total amount of Sale Loan outstanding as at 31 December 2025, the Sale Loan Consideration would be HK$256,409,943.

Payment of Total Consideration : The Total Consideration shall be settled and paid in the following manner:

(a) an initial deposit in the sum of HK$50,000,000 (the "**Initial Deposit**") was paid by the Purchaser to the Vendor's solicitors as stakeholders on the date of the Preliminary SP Agreement;

(b) a further deposit in the sum of HK$101,800,000 (which, together with the Initial Deposit, shall represent 10% of the Agreed Property Value and collectively referred to as the "**Deposit**") shall be paid by the Purchaser to the Vendor's solicitors as stakeholders on or before the earlier of (i) 2 April 2026 or (ii) upon execution of the Formal Agreement;

(c) an amount equal to the balance of the Total Consideration after deducting the Deposit ("**Completion Payment**") shall be paid by the Purchaser at Completion in the following manner:

  (i) a sum equal to the lesser of: (x) balance of the Bank Redemption Amount after deducting the amount of the Rich Day Loan outstanding as at Completion; and (y) the Completion Payment (if the Bank Redemption Amount after deducting the amount of the Rich Day Loan outstanding as at Completion exceeds the amount of Completion Payment) shall be paid to the Existing Lender Agent; and

  (ii) a sum equal to the remaining balance of the Completion Payment (if any) shall be paid to the Vendor or the Vendor's solicitors; and

(d) an amount representing the difference between the Target Group Fair Value (as determined by reference to the Completion Accounts) and the Target Group Fair Value (as determined by reference to the Pro Forma Completion Accounts) ("**True-up Amount**") shall be paid by the Purchaser or repaid by the Vendor (as the case may be) within five Business Days after the agreement or determination of the Completion Accounts.

Completion Accounts	:	Within 40 Business Days after the Completion Date, the Vendor shall procure that the consolidated financial statements of the Target Group presenting the financial position of the Target Group as at Completion be prepared, audited by the Auditors, and delivered to the Purchaser for review ("**Audited Completion Accounts**"). If neither the Purchaser nor the Vendor notifies the Auditors of any issue with the Audited Completion Accounts, the Audited Completion Accounts shall constitute the Completion Accounts. Conversely, if any party disagrees with the Audited Completion Accounts, it may, within 10 Business Days of the receipt of such accounts, request the Auditors to review, and the Auditors shall within 15 Business Days thereafter determine the Completion Accounts. If the Target Group Fair Value (as determined by reference to the Completion Accounts) is higher than the Target Group Fair Value (as determined by reference to the Pro Forma Completion Accounts), the difference shall be added to the Sale Share Consideration and be payable by the Purchaser to the Vendor. Conversely, if the Target Group Fair Value (as determined by reference to the Completion Accounts) is lower than the Target Group Fair Value (as determined by reference to the Pro Forma Completion Accounts), the difference shall be deducted from the Sale Share Consideration and repayable by the Vendor to the Purchaser.
Repayment of Rich Day Loan	:	As a Completion obligation, the Purchaser shall pay directly to the Existing Lender Agent a sum equal to the amount outstanding under the Rich Day Loan as at the Completion Date as full repayment of the Rich Day Loan by the Target Subsidiary to Rich Day, and subsequently, partial repayment of the Bank Redemption Amount on behalf of Rich Day to the Existing Lender Agent. For illustrative purposes, the outstanding amount of the Rich Day Loan as at 31 December 2025 was HK$753,030,000.

Conditions precedent : Completion is conditional upon the following conditions (the "**Conditions**") being satisfied (or waived by the Purchaser, save for Condition (g) below which cannot be waived) on the Completion Date:

(a) the Target Subsidiary being able to show and give good title to Regal Oriental Hotel in accordance with the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong);

(b) the Purchaser having undertaken a due diligence review of each member of the Target Group and having not discovered any breach of warranties or indemnity claim(s) which may result in claim(s) amounting in aggregate of more than or equal to HK$60,720,000;

(c) the fundamental warranties given by the Vendor and Rich Day remaining true, accurate and not misleading in all respects before and on the Completion Date, and all other warranties given by the Vendor and Rich Day remaining true, accurate and not misleading in all material respects before and on the Completion Date such that there being no claim(s) amounting in aggregate of more than or equal to HK$60,720,000;

(d) the Hotel Licence remaining to be held by the Target Subsidiary and valid, effective and subsisting up to and on the Completion Date, and none of the Vendor or any member of the Target Group having received any notice suggesting its revocation;

(e) the Excluded Property having been transferred and assigned by the Target Subsidiary to another subsidiary of the Vendor with consideration at no less than its market value having been fully settled;

(f) no major part (representing 10% or more of the total gross floor area) of Regal Oriental Hotel having been destroyed by natural disaster, fire, explosion or other calamity or having been, for any reason, condemned, closed or declared dangerous by any government authority, damaged or subject to demolition order(s) or closure order(s) issued under the Buildings Ordinance (Cap.123 of the Laws of Hong Kong) or the Demolished Buildings (Re-development of Sites) Ordinance (Cap.337 of the Laws of Hong Kong); and

(g) approval having been obtained for the Preliminary SP Agreement and the transaction contemplated thereunder from the shareholders of Century City and Regal Hotels in accordance with the Listing Rules.

The Vendor shall use all reasonable endeavours to procure the satisfaction of Conditions (a), (c) to (g), and obtain the Bank Consent, in each case, on or before the Completion Date.

Completion : Completion will take place at the office of the Vendor's solicitors firm in Hong Kong (or at such other place as the Vendor and the Purchaser may agree in writing) on the Completion Date, which is expected to be 30 April 2026 (or such other date as the Vendor and the Purchaser may agree in writing).

At Completion, Regal Oriental Hotel will be delivered to the Purchaser on an "as is" basis with vacant possession.

Excluded Property	:	As soon as reasonably practicable following the execution of the Preliminary SP Agreement and before the Completion Date, the Vendor shall procure that the Excluded Property be transferred and assigned by the Target Subsidiary to another subsidiary or fellow subsidiary of the Vendor at consideration no less than the market value of the Excluded Property ("**Internal Reorganisation**"). The Vendor has undertaken to indemnify the Purchaser in respect of any and all losses which may be incurred arising out of or in connection with the Excluded Property, including any obligation or liability of the Target Company or Target Subsidiary relating thereto and the Internal Reorganisation.
Formal Agreement	:	The Vendor and the Purchaser shall negotiate in good faith and use all reasonable endeavours to agree and enter into a formal agreement for sale and purchase (the "**Formal Agreement**") on or before the Completion Date, which shall reflect the principal terms contained in the Preliminary SP Agreement and incorporate such other terms as may be agreed between the parties to the Preliminary SP Agreement which are customary to transactions similar to the one contemplated in the Preliminary SP Agreement. In the event that the Vendor and the Purchaser fail to reach agreement on the terms of the Formal Agreement on or before the Completion Date or in the event it is mutually agreed that there is no need to enter into the Formal Agreement on or before the Completion Date, the Preliminary SP Agreement shall remain in full force and effect.

Right of first refusal	:	The Purchaser has granted the Vendor a right of first refusal with respect to all or part of the issued shares of the Target Company or the Target Subsidiary, or Regal Oriental Hotel ("**ROFR Interests**") for a period of two years following the Completion Date. If the Purchaser, the Target Company or the Target Subsidiary receives an offer from any third-party purchaser to purchase the ROFR Interests, the Purchaser shall first offer the same to the Vendor at such price and on such terms as offered by the third-party purchaser. The Vendor may elect to purchase or enter into the definitive agreement to purchase all such ROFR Interests within ten Business Days of receiving the offer from the Purchaser.
Representations, warranties, undertakings, covenant and indemnities	:	The Preliminary SP Agreement contains certain customary representations, warranties and undertakings in respect of, among other things, the Vendor, the Target Company, the Sale Share, the Sale Loan and Regal Oriental Hotel, as well as customary indemnities (including tax indemnity) and tax covenant, all of which are given by the Vendor and are customary terms for transactions of this nature and scale.
Guarantee by the Trustee	:	The Trustee has agreed to guarantee, in its capacity as trustee of Regal REIT, the performance of the Vendor's and Rich Day's obligations, and to pay, on demand, any sum which the Vendor and/or Rich Day fail(s) to pay to the Purchaser, in accordance with the Preliminary SP Agreement, the Formal Agreement and such other documents referred to therein, subject to recourse in respect of any claim against the Guarantor being limited to and be satisfied out of the Deposited Property.
Limitation of liabilities	:	The maximum aggregate liability of the Vendor, Rich Day and the Guarantor in respect of all claims made by the Purchaser pursuant to the Preliminary SP Agreement shall not exceed an amount equal to the Agreed Property Value. In addition, the Vendor, Rich Day and the Guarantor shall only be liable in respect of any individual claim under the warranties if the amount finally adjudicated or agreed as payable in respect of such claim exceeds HK$100,000, in which case the Vendor, Rich Day and the Guarantor shall be liable for the whole amount.

No claim shall be brought by the Purchaser under the warranties unless the relevant notice of the claim is given not later than (i) the seventh anniversary of the Completion Date in respect of any claim arising from a matter relating to taxation; or (ii) the last day of the period of 30 months following the Completion, in respect of any claim relating to a matter other than taxation.

Neither the Vendor, Rich Day nor the Guarantor shall be under any liability under the tax indemnity to the extent that specific provision has been made for such taxation in the Completion Accounts, or that such claim arises as a result of any retrospective change in the law or practice coming into force after the Completion Date.

The liability caps and limitation periods were agreed between the Vendor and the Purchaser through arm's length negotiation. The Board (including the independent non-executive Directors) considers that the limitation of liability regime under the Preliminary SP Agreement is on normal commercial terms, commercial reasonable and appropriate, as they are in line with similar transactions.

Student hostel conversion : As soon as reasonably practicable following the execution of the Preliminary SP Agreement, the Target Subsidiary shall authorise the Purchaser to take actions (in the name and on behalf of the Target Subsidiary) to prepare and submit applications to relevant government authorities in connection with the proposed conversion of Regal Oriental Hotel for operation as a student hostel. All costs and expenses for such applications and assistance shall be solely borne by the Purchaser, and the Purchaser shall indemnify the Vendor against all losses in connection with the provision of such assistance.

Termination : The Preliminary SP Agreement may be terminated if:

(a) any of the Conditions has not been satisfied or waived on or before the Completion Date (or such other date as postponed in accordance with the Preliminary SP Agreement);

(b) the Bank Consent is not obtained on or before the Completion Date (or such other date as postponed in accordance with the Preliminary SP Agreement);

(c) the sale contemplated under the Preliminary SP Agreement is annulled by the Vendor in accordance with the terms of the Preliminary SP Agreement;

(d) either the Vendor or the Purchaser fails to comply with the Completion obligations on the Completion Date (or such other date as postponed in accordance with the Preliminary SP Agreement); or

(e) the Purchaser has identified any warranty to be untrue, inaccurate, incomplete or misleading, or any claims against the indemnities or the Vendor's obligations with respect to the Excluded Property under the Preliminary SP Agreement, which may result in claims amounting in aggregate of more than or equal to HK$60,720,000.

If the Preliminary SP Agreement is terminated, then the Vendor shall immediately upon demand by the Purchaser return the Deposit without any interest, compensation or cost, unless where any party breaches any of the Completion obligations in which case: (a) (if the Vendor is the breaching party) the Purchaser is entitled to demand the return of the Deposit and claim against the Vendor for all loss, damages, costs and expenses incurred by the Purchaser as a result; or (b) (if the Purchaser is the breaching party) the Vendor is entitled to forfeit the Deposit as liquidated damages and claim against the Purchaser for all loss, damages, costs and expenses incurred by the Vendor as a result.

C. INFORMATION ON THE TARGET GROUP AND REGAL ORIENTAL HOTEL

The Target Company (Chasehill Limited) is a BVI business company and an indirect wholly-owned subsidiary of Regal REIT. It is principally engaged in investment holding and directly holds the Target Subsidiary (Gala Hotels Limited), which is the sole registered legal and beneficial owner of Regal Oriental Hotel and holds the Hotel Licence. The Target Subsidiary is also the sole registered legal and beneficial owner of the Excluded Property, which is not subject to the Transaction and will be carved out from the Target Subsidiary prior to Completion. Immediately after

Completion, the Target Company and the Target Subsidiary will cease to be subsidiaries of Regal REIT, and the financial results of the Target Group will no longer be consolidated into the consolidated financial statements of the Regal REIT Group.

Regal Oriental Hotel (富豪東方酒店) comprises a 17-storey hotel (including two basement floors) located at 30-38 Sa Po Road in Kowloon City, Hong Kong, which is currently leased to and operated by the Existing Lessee.

The Appraised Value of Regal Oriental Hotel as assessed by the Independent Property Valuer (being the principal valuer of Regal REIT) as at 31 December 2025 was HK$1,647,000,000.

The table below sets out certain key particulars of Regal Oriental Hotel as at 31 December 2025:

Address	:	30-38 Sa Po Road, Kowloon City, Kowloon, Hong Kong
Description	:	A 17-storey High Tariff B hotel (including two basement floors) completed in 1982 and currently has 494 guestrooms and suites (room sizes ranging from 12 sq. m. to 105 sq. m).
Site Area	:	1,797 sq.m.
Gross Floor Area	:	Approximately 21,281 sq.m.
Government lease expiry	:	30 June 2047
Hotel lease	:	Regal Oriental Hotel is subject to a lease agreement ("**Hotel Lease**") dated 16 March 2007 entered into between the Target Subsidiary as lessor and the Existing Lessee (as supplemented and/or amended from time to time) for a term expiring on 31 December 2030, which may be early terminated by the lessor without liability, compensation, interest or costs at any time by giving six months' prior written notice to the lessee.
Gross rental for the year ended 31 December 2025	:	HK$37,000,000

D. INFORMATION ON THE PARTIES TO THE TRANSACTION

Regal REIT is a collective investment scheme authorised by the SFC and listed on the Main Board of the Stock Exchange. Regal REIT is a real estate investment trust with DB Trustees (Hong Kong) Limited as its trustee. It invests primarily in real estate that wholly or primarily comprises hotels, other hospitality related properties or commercial properties and uses the income arising from such properties to provide stable returns to the Unitholders. As at the date of this announcement, Regal REIT owns a total of nine properties which are located across different districts in Hong Kong, including Regal Oriental Hotel.

The Vendor (R-REIT Asset Holdings (Oriental) Limited) is a BVI business company and a direct wholly-owned subsidiary of Regal REIT. It is principally engaged in investment holding.

Rich Day is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Regal REIT. It is principally engaged in providing financing service to subsidiaries of Regal REIT Group.

The Guarantor is DB Trustees (Hong Kong) Limited in its capacity as the trustee for and on behalf of Regal REIT (with recourse limited to the Deposited Property). DB Trustees (Hong Kong) Limited is a company incorporated in Hong Kong with limited liability and registered as a trust company under section 77 of the Trustee Ordinance (Cap. 29 of the Laws of Hong Kong). It is licensed by the SFC to conduct type 13 (providing depositary services for relevant collective investment schemes) regulated activity under the SFO. It has the fiduciary duty to hold assets of Regal REIT in trust for the benefits of the Unitholders, and to oversee the activities of the REIT Manager for compliance with the relevant constitutive documents of, and relevant regulatory requirements applicable to, Regal REIT. The Trustee is a wholly-owned subsidiary of Deutsche Bank AG.

The Purchaser (Blue Sky Properties Limited) is a company incorporated in Hong Kong with limited liability. To the best of the knowledge, information, and belief of the Directors, having made all reasonable enquiries, as at the date of this announcement: (a) the Purchaser is principally engaged in property investment and strategic acquisitions, and is indirectly wholly-owned by Centaline Strategic Investments Limited ("**Centaline**"); and (b) the Purchaser and Centaline are third parties fully independent of Regal REIT and its connected persons.

E. FINANCIAL INFORMATION OF THE TARGET GROUP

Based on the unaudited consolidated financial information of the Target Group, the total revenue and net loss of the Target Group for the two financials years ended 31 December 2024 and 31 December 2025, respectively, were as follows:

	For the year ended 31 December 2024 *(HK$'000)*	**For the year ended 31 December 2025** *(HK$'000)*
Total revenue	37,000	37,000
Net Loss before taxation	(16,465)	(57,213)
Net Loss after taxation	(13,985)	(56,681)

Based on the unaudited consolidated financial information, the net asset value of the Target Group as at 31 December 2025 was HK$709,535,572.

F. FEES AND CHARGES IN RELATION TO THE TRANSACTION

On Completion, pursuant to the Trust Deed, the REIT Manager will be entitled to receive a divestment fee calculated at the rate of 0.5% of the sale price of any real estate sold or divested directly or indirectly by Regal REIT ("**Divestment Fee**"). Based on the Agreed Property Value, which is the value the Purchaser and the Vendor agreed to be attributed to Regal Oriental Hotel, the Divestment Fee will be HK$7,590,000. Pursuant to the Trust Deed, the REIT Manager may elect to receive the Divestment Fee in the form of cash or, at the election of the REIT Manager, entirely in the form of Units or partly in cash and partly in the form of Units. The REIT Manager elects to receive the Divestment Fee in the form of cash.

In addition, pursuant to the Trust Deed, the Trustee is entitled to charge additional fees for duties undertaken by the Trustee which are of an exceptional nature or otherwise outside the scope of the Trustee's normal duties in the ordinary course of Regal REIT's normal day-to-day business operations including the acquisition or disposal of a property. The Trustee has agreed with the REIT Manager that it will charge Regal REIT a one-time additional fee based on the time and costs incurred by it for duties undertaken by the Trustee in connection with the Transaction, with such additional fee expected to be HK$303,600 representing 0.02% of the Agreed Property Value, and payable in cash ("**Trustee's Additional Fee**").

G. USE OF PROCEEDS FROM THE TRANSACTION

The net proceeds from the Transaction, as derived from the Total Consideration after deducting Expenses, are expected to be approximately HK$742,970,000 ("**Expected Net Proceeds**"), assuming the Target Group Fair Value (as determined by reference to the Completion Accounts) will be the same as the Illustrative Target Group Fair Value. The Expected Net Proceeds are intended to be used to repay part of the Bank Redemption Amount to the Existing Lender Agent and, subject to lenders' approval, finance asset enhancement initiatives and for general working capital purposes of the Regal REIT Group.

The repayment of the Rich Day Loan of HK$753,030,000 financed by the Purchaser will be entirely used to repay the remainder of the Bank Redemption Amount to the Existing Lender Agent.

H. FINANCIAL IMPACT OF THE TRANSACTION

Impact on gearing ratio

The gearing ratio of Regal REIT is expected to decrease from approximately 42.8% as at 31 December 2025 to approximately 40.7% after Completion and repayment of the Bank Redemption Amount to the Existing Lender Agent.

Expected loss

It is estimated that Regal REIT will record a loss of approximately HK$151,000,000 ("**Expected Loss**") from the Transaction upon Completion. The Expected Loss is calculated based on the Agreed Discount of HK$129,000,000 and the estimated Expenses of HK$22,000,000. The actual loss is subject to audit and, accordingly, may be different from the abovementioned amount.

Effects on earnings and assets and liabilities

Despite the Expected Loss, which will have a one-off negative impact on the earnings of Regal REIT, the REIT Manager expects that, as at least a majority of net proceeds from the Transaction will be used for the partial repayment of the Existing Facilities (through the repayment of the Bank Redemption Amount to the Existing Lender Agent), the Transaction will materially reduce the overall interest expense of the Regal REIT Group which, in turn, will have a positive impact to the DPU of Regal REIT.

It is estimated that after Completion and the repayment of the Bank Redemption Amount to the Existing Lender Agent: (a) the total assets of the Regal REIT Group will decrease by approximately HK$1,198,200,000; (b) the total liabilities of the Regal REIT Group will decrease by approximately HK$1,047,200,000; and (c) the net assets of the Regal REIT Group will decrease by approximately HK$151,000,000.

I. REASONS FOR AND BENEFITS OF THE TRANSACTION

The REIT Manager has undertaken a holistic review of Regal Oriental Hotel having regard to its operating performance, future capital requirements, prevailing market conditions and Regal REIT's overall portfolio strategy. Following this assessment, the Board (including the independent non-executive Directors) considers that the Transaction is in the best interests of Regal REIT and its Unitholders as a whole. The principal reasons and benefits are summarised below:

Unlocking the book value of Regal Oriental Hotel

The Transaction represents a compelling and valuable opportunity for Regal REIT to unlock and realise value from a mature property it has held since its listing in 2007. It aligns with the REIT Manager's strategic objective of delivering long-term and stable returns through disciplined capital management, assets recycling and selective reinvestment. Although the price which the Transaction parties have agreed to attribute to Regal Oriental Hotel (being the Agreed Property Value) reflects a single-digit discount to the Appraised Value, the value realised through the Transaction is expected to be significantly higher compared to Regal REIT's price-to-book ratio, which was approximately 0.1x as at the date of this announcement.

Strengthening of balance sheet, liquidity and financial flexibility

The Transaction will generate significant net proceeds for Regal REIT the majority of which will be applied towards reducing existing indebtedness, with the rest to be utilised, subject the lenders' approval for supporting asset enhancement initiatives and meeting working capital requirements. Upon Completion, Regal REIT's gearing ratio is expected to improve, thereby enhancing its financial resilience and mitigating refinancing risk in the current interest rate environment.

A stronger capital structure and improved liquidity position will also increase Regal REIT's financial flexibility, allowing it to capitalise on value-accretive acquisition or reinvestment opportunities as they emerge.

J. REGULATORY IMPLICATIONS OF THE TRANSACTION

Pursuant to Rule 14.20 of the Listing Rules, the REIT Manager has applied for the SFC's consent to apply an alternative test for the consideration ratio in respect of the Transaction. Based on the information submitted by the REIT Manager, the SFC does not have any objection to the adoption of such alternative test.

As all applicable percentage ratios in respect of the Transaction (including the ratio as calculated by the abovementioned alternative test) are less than 25%, the Transaction constitutes a discloseable transaction of Regal REIT, and is subject to the reporting and announcement requirements, but exempt from the Unitholders' approval requirement, under Chapter 10 of the REIT Code and Chapter 14 of the Listing Rules.

K. OPINIONS ON THE TRANSACTION

Board

The Board (including the independent non-executive Directors), having taken into account the REIT Manager's duties under the Trust Deed and the REIT Code, is of the view that: (i) the terms of the Transaction are on arm's length basis and on normal commercial terms which are fair and reasonable and in the best interest of the Unitholders as a whole; and (ii) the Transaction is consistent with Regal REIT's investment policy and objectives and in compliance with the REIT Code and the Trust Deed.

Trustee

Based and in sole reliance on: (i) the information and assurances provided by the REIT Manager; (ii) the opinion of the Board; and (iii) the opinion of the Independent Property Valuer and the Appraised Value of Regal Oriental Hotel, and having taken into account its duties set out in the Trust Deed and the REIT Code, the Trustee:

(a) has no objection to the Transaction;

(b) is of the view that the Transaction is consistent with Regal REIT's investment policy and in compliance with the REIT Code and the Trust Deed; and

(c) confirms that Unitholders' approval is not required under the REIT Code or the Trust Deed for the Transaction.

The Trustee's view is being furnished for the sole purpose of complying with 10.5 of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the Transaction or of any statements or information made or disclosed in this announcement. The Trustee has not made any assessment of the merits or impact of the Transaction, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, the Trustee urges all Unitholders, including those who have any doubts as to the merits or impact of the Transaction, to seek their own additional financial or other professional advice.

L. EXCLUDED PROPERTY TENANCY

As at the date of this announcement, the Excluded Property together with Regal Oriental Hotel are leased to the Existing Lessee (a wholly-owned subsidiary of Regal Hotels) under the Hotel Lease. In light of the Internal Reorganisation, the Hotel Lease is expected to be terminated without fault prior to the Completion Date.

As the Excluded Property is not subject to the Transaction and the Existing Lessee has expressed its intention to continue leasing and occupying the Excluded Property after the Internal Reorganisation, the REIT Manager believes that it is fair and reasonable and in the interest of Regal REIT and its Unitholders to continue granting a tenancy to the Existing Lessee for the Excluded Property, subject to agreeing on the relevant terms of the new tenancy agreement ("**Excluded Property Tenancy**"). Following arm's length negotiation with reference to the prevailing market rental level for similar properties in the locality, the REIT Manager has agreed to procure that another subsidiary or fellow subsidiary of the Vendor will, and the Existing Lessee has also agreed that it will, execute the Excluded Property Tenancy in the pre-agreed form as soon as reasonably practicable after the Internal Reorganisation is completed.

The principal terms of the Excluded Property Tenancy will be are as follows:

Parties	:	(1) A wholly-owned subsidiary of Regal REIT (as landlord) (2) Favour Link International Limited (as tenant)
Premises	:	Shops Nos. 3 to 11 on the Ground Floor and the whole of the First Floor of Po Sing Court, 21-25 Shek Ku Lung Road, 40-42 Sa Po Road and 15-29 Carpenter Road, Kowloon City, Kowloon, Hong Kong
Term	:	36 months commencing from the date of execution of the Excluded Property Tenancy

User	:	Office/commercial use
Rental	:	HK$250,000 per month (exclusive of management fee, rates and other outgoing expenses, which shall be borne by the tenant), payable in advance on the first day of each month
Security deposit	:	HK$750,000

The annual cap applicable to the transactions under the Excluded Property Tenancy during its term will be HK$3,000,000, which is equal to the annual rent payable by the Existing Lessee thereunder.

The landlord under the Excluded Property Tenancy is expected to be a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Regal REIT that principally engages in investment holding.

The Existing Lessee (Favour Link International Limited) is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Regal Hotels. It is principally engaged in hotel operations.

As at the date of this announcement, Regal Hotels wholly-owns the REIT Manager and is a Substantial Unitholder of Regal REIT which holds approximately 74.9% of the issued Units. The Existing Lessee is a wholly-owned subsidiary of Regal Hotels and is therefore a connected person of Regal REIT under 8.1(f) of the REIT Code. Accordingly, the transaction under the Excluded Property Tenancy constitute continuing connected party transaction of Regal REIT under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules. As the highest applicable percentage ratio calculated in respect of the annual cap applicable to the transaction under the Excluded Property Tenancy exceeds 0.1% but is less than 5%, such transaction and the annual cap applicable thereto are subject to the announcement, reporting and annual review requirements but are exempted from the Unitholders' approval requirement under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules.

Having reviewed the terms of the Excluded Property Tenancy and the opinion from the Independent Property Valuer confirming that the rental and the relevant terms under the Excluded Property Tenancy are at current market level and on normal commercial terms under prevailing market conditions and are considered as fair and reasonable, the Board (including the independent non-executive Directors) is of the view that the Excluded Property Tenancy: (a) will be entered into at arm's length and in the ordinary and usual course of business of Regal REIT; (b) is consistent with the investment objectives and strategy of Regal REIT; and (c) is on normal commercial terms that are fair and reasonable and in the best interests of Regal REIT and its Unitholders as a whole.

Mr. LO Yuk Sui, Ms. LO Po Man, Mr. Jimmy LO Chun To and Mr. Kenneth NG Kwai Kai (who are directors of the Existing Lessee, Regal Hotels, Paliburg and/or Century City) and Mr. Bowen Joseph LEUNG Po Wing, GBS, JP and Mr. Abraham SHEK Lai Him, GBS, JP (who are independent non-executive directors of Paliburg) have abstained from voting on the relevant board resolutions of the REIT Manager in relation to the Excluded Property Tenancy.

Based and in sole reliance on: (a) the information and assurances provided by the REIT Manager; (b) the opinion of the Board; (c) and the opinion of the Independent Property Valuer, and having taken into account its duties set out in the Trust Deed and the REIT Code, the Trustee: (i) has no objection to the Excluded Property Tenancy; (ii) is of the view that the Excluded Property Tenancy is consistent with Regal REIT's investment policy and in compliance with the REIT Code and the Trust Deed; (iii) is of the view that the Excluded Property Tenancy is on normal commercial terms, fair and reasonable, and in the interests of the Unitholders as a whole; and (iv) confirms that Unitholders' approval is not required under the REIT Code or the Trust Deed for the entry into of the Excluded Property Tenancy.

The Trustee's view in relation to the Excluded Property Tenancy is being furnished for the sole purpose of complying with 8.7D of the REIT Code, and is not to be taken as a recommendation or representation by the Trustee of the merits of the Excluded Property Tenancy or of any statements or information made or disclosed in this announcement. The Trustee has not made any assessment of the merits or impact of the Excluded Property Tenancy, other than for the purposes of fulfilling its fiduciary duties set out in the Trust Deed and the REIT Code. Accordingly, the Trustee urges all unitholders, including those who have any doubts as to the merits or impact of the Excluded Property Tenancy, to consider the opinions of the Independent Property Valuer and to seek their own additional financial or other professional advice.

M. FURTHER ANNOUNCEMENTS

Further announcements will be made as and when necessary or appropriate in accordance with the applicable regulatory requirements, including when the Excluded Property Tenancy is entered into and when Completion takes place.

Completion of the Transaction is conditional upon the satisfaction or, if applicable, waiver of the relevant conditions precedent. Accordingly, the Transaction may or may not proceed. Holders of securities and potential investors of Regal REIT are reminded to exercise caution when dealing in the securities of Regal REIT.

N. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

"Agreed Discount"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Agreed Property Value"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Appraised Value"	HK$1,647,000,000, being the value of Regal Oriental Hotel as at 31 December 2025 as appraised by the Independent Property Valuer;
"Audited Completion Accounts"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Auditors"	Ernst & Young;
"Bank Consent"	the consent of the Existing Lender Agent and other lenders under the Existing Facilities for the Transaction to proceed;
"Bank Redemption Amount"	the amount payable to the Existing Lender Agent as partial repayment of the Existing Facilities so as to obtain the release and discharge of the security documents pertaining to the Target Group and Regal Oriental Hotel under the Existing Facilities (including all further interest, prepayment fees, break funding fees and related costs and expenses incurred by the Existing Lender Agent for such release and discharge);
"Bauhinia Hotels"	Bauhinia Hotels Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Regal REIT;
"Board"	the board of Directors of the REIT Manager;
"Business Days"	a day other than a Saturday, Sunday or public holiday on which banks generally are open in Hong Kong for the transaction of general banking business;
"BVI"	the British Virgin Islands;

"Centaline"	has the meaning as defined in the section headed "D. INFORMATION ON THE PARTIES TO THE TRANSACTION";
"Century City"	Century City International Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 355). As at the date of this announcement, Century City holds (indirectly) approximately 62.3% of the total issued shares of Paliburg, whereas Paliburg holds (indirectly) approximately 69.3% of the total issued shares of Regal Hotels, which in turn holds (indirectly) approximately 74.9% of the issued units of Regal REIT;
"Completion"	Completion of the Transaction;
"Completion Accounts"	the audited consolidated financial statements of the Target Group presenting the financial position of the Target Group as at Completion (but, for the avoidance of doubt, before repayment of the Rich Day Loan), as prepared, audited and determined or agreed in accordance with the Preliminary SP Agreement;
"Completion Date"	30 April 2026 or such other date as the Vendor and the Purchaser may agree in writing on which Completion takes place;
"Completion Payment"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Conditions"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Deposit"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Deposited Property"	all the assets of Regal REIT;
"Directors"	the directors of the REIT Manager;
"Divestment Fee"	has the meaning as defined in the section headed "F. FEES AND CHARGES IN RELATION TO THE TRANSACTION";
"DPU"	distribution per Unit;

"Excluded Property"	the property which is described as all those 41 equal and undivided 180th parts or shares of and in all that piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO. 4917 and of and in the messuages erections and buildings erected thereon known as PO SING COURT (comprising Shops Nos. 3 to 11 on the Ground Floor and the whole of the First Floor), which is owned by the Target Subsidiary;
"Excluded Property Tenancy"	has the meaning as defined in the section headed "L. EXCLUDED PROPERTY TENANCY";
"Existing Facilities"	certain general banking facilities granted by the Existing Lender Agent and other lenders to Bauhinia Hotels and Rich Day from time to time;
"Existing Lender Agent"	the bank that acts as agent and security trustee for the lenders under the Existing Facilities;
"Existing Lessee"	Favour Link International Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Regal Hotels;
"Expected Loss"	has the meaning as defined in the section headed "H. FINANCIAL IMPACT ON THE TRANSACTION";
"Expected Net Proceeds"	has the meaning as defined in the section headed "G. USE OF PROCEEDS FROM THE TRANSACTION";
"Expenses"	the expenses of approximately HK$22,000,000 incurred or to be incurred by Regal REIT in connection with the Transaction, mainly comprising the Divestment Fee, the Trustee's Additional Fee and professional expenses;
"Formal Agreement"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Hotel Lease"	has the meaning as defined in the section headed "C. INFORMATION ON THE TARGET GROUP AND REGAL OERIENTAL HOTEL";
"Hotel Licence"	the hotel licence no. H/5278 in respect of Regal Oriental Hotel granted by the Hotel and Guesthouse Accommodation Authority in favour of the Target Subsidiary dated 13 July 2024;
"Guarantor"	the Trustee in its capacity as trustee for and on behalf of Regal REIT;
"Illustrative Target Group Fair Value"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Independent Property Valuer"	Knight Frank Petty Limited, an independent property valuer and the principal valuer of Regal REIT;
"Independent Third Party"	a third party who is independent of Regal REIT and its connected persons (as defined in the REIT Code);
"Initial Deposit"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Internal Reorganisation"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Listing Rules"	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented and/or modified from time to time (modified as appropriate pursuant to paragraph 2.26 of the REIT Code);
"Loan Assignment"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";

"Paliburg"	Paliburg Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 617). As at the date of this announcement, Paliburg holds (indirectly) approximately 69.3% of the total issued shares of Regal Hotels, which in turn holds (indirectly) approximately 74.9% of the issued units of Regal REIT;
"Preliminary SP Agreement"	the preliminary agreement relating to Transaction dated 20 March 2026 and entered into amongst the Vendor, the Purchaser, the Guarantor and Rich Day;
"Pro Forma Completion Accounts"	the pro forma consolidated financial statements of the Target Group presenting the financial position of the Target Group as at Completion (but, for the avoidance of doubt, before repayment of the Rich Day Loan), as prepared and agreed in accordance with the Preliminary SP Agreement;
"Purchaser"	Blue Sky Properties Limited, a company incorporated under the laws of Hong Kong with limited liability and an Independent Third Party;
"Regal Hotels"	Regal Hotels International Holdings Limited, a company incorporated in Bermuda, the issued ordinary shares of which are listed on the main board of the Stock Exchange (Stock Code: 78). As at the date of this announcement, Regal Hotels holds (indirectly) approximately 74.9% of the issued units of Regal REIT;
"Regal Hotels Group"	Regal Hotels and its subsidiaries;
"Regal Oriental Hotel"	the property which is described as all that piece or parcel of ground registered in the Land Registry as NEW KOWLOON INLAND LOT NO.5754 together with the messuages erections and buildings thereon now known as REGAL ORIENTAL HOTEL and together with all subsisting rights and rights of way;

"Regal REIT"	Regal Real Estate Investment Trust, a collective investment scheme constituted as a unit trust and authorised under section 104 of the SFO (Stock Code: 1881);
"Regal REIT Group"	Regal REIT and its subsidiaries;
"REIT Code"	The Code on Real Estate Investment Trusts issued by the SFC, as amended, supplemented and/or otherwise modified from time to time;
"REIT Manager"	Regal Portfolio Management Limited, in its capacity as the manager of Regal REIT;
"Rich Day"	Rich Day Investments Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of Regal REIT;
"Rich Day Loan"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"ROFR Interests"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Sale Loan"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Sale Loan Consideration"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Sale Share"	one (1) issued ordinary share in the Target Company, representing the entire issued share capital of the Target Company;
"Sale Share Consideration"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Share Sale"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"SFC"	the Securities and Futures Commission of Hong Kong;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time;
"sq. m."	square metres;

"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Substantial Unitholder"	has the same meaning as "substantial holder" as defined under the REIT Code;
"Target Company"	Chasehill Limited, a BVI business company incorporated under the laws of the British Virgin Island and an indirect wholly-owned subsidiary of Regal REIT (through the Vendor);
"Target Group"	collectively, the Target Company and the Target Subsidiary;
"Target Group Fair Value"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Target Subsidiary"	Gala Hotels Limited, a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of Regal REIT (through the Vendor and the Target Company);
"Total Consideration"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Transaction"	the Share Sale and the Loan Assignment pursuant to the Preliminary SP Agreement;
"True-up Amount"	has the meaning as defined in the section headed "B. THE PRELIMINARY SP AGREEMENT";
"Trust Deed"	the trust deed constituting Regal REIT dated 11 December 2006 (as amended and restated by a second amending and restating deed dated 31 January 2024), entered into between the Trustee and the REIT Manager, as amended, supplemented and/or otherwise modified from time to time;
"Trustee"	DB Trustees (Hong Kong) Limited, in its capacity as trustee of Regal REIT;
"Trustee's Additional Fee"	has the meaning as defined in the section headed "F. FEES AND CHARGES IN RELATION TO THE TRANSACTION";
"Units"	unit(s) of Regal REIT;
"Unitholders"	any person(s) registered as holding unit(s) of Regal REIT;

"Vendor"	R-REIT Asset Holdings (Oriental) Limited, a BVI business company incorporated under the laws of the British Virgin Island and a direct wholly-owned subsidiary of Regal REIT; and
"%"	per cent or percentage.

By Order of the Board
Regal Portfolio Management Limited
(as manager of Regal Real Estate Investment Trust)
Simon LAM Man Lim
Executive Director

Hong Kong, 22 March 2026

As at the date of this announcement, the Board comprises Mr. LO Yuk Sui as Chairman and Non-executive Director; Ms. LO Po Man as Vice Chairman and Non-executive Director; Mr. Johnny CHEN Sing Hung and Mr. Simon LAM Man Lim as Executive Directors; Mr. Jimmy LO Chun To and Mr. Kenneth NG Kwai Kai as Non-executive Directors; and Mr. Kai Ole RINGENSON, Mr. Bowen Joseph LEUNG Po Wing, GBS, JP and Mr. Abraham SHEK Lai Him, GBS, JP as Independent Non-executive Directors