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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



CONTINUING CONNECTED PARTY TRANSACTION — EXERCISE OF OPTION TO RENEW THE TENANCY AGREEMENT

Reference is made to the announcement dated 20 January 2020 issued by Regal REIT in which the Board announced that Sonnix (a wholly-owned subsidiary of Regal REIT) (as landlord) entered into the Tenancy Agreement with Cheerview (as tenant) for the leasing of the Premises for a term of three years from 20 January 2020 to 19 January 2023 (both days inclusive). Pursuant to the terms of the Tenancy Agreement, Cheerview was granted an option at its sole discretion to renew the tenancy of the Premises for a further term of three years from the date of expiry of the Tenancy Agreement at market rent.

The Board announces that Cheerview has exercised on 19 October 2022 its option under the Tenancy Agreement to renew the tenancy of the Premises for a further term of three years commencing from 20 January 2023 and expiring on 19 January 2026 (both days inclusive) at market rent, which will be determined by the Principal Valuer. Save for the option to renew the tenancy term, all the other terms and conditions of the Tenancy Agreement will remain unchanged.

A. BACKGROUND

Reference is made to the announcement dated 20 January 2020 issued by Regal REIT in which the Board announced that Sonnix (a wholly-owned subsidiary of Regal REIT) (as landlord) entered into a tenancy agreement (the “**Tenancy Agreement**”) with Cheerview (as tenant) on 17 January 2020 for the leasing of Shops A and B, G/F., No. 211 Johnston Road, Wanchai, Hong Kong (the “**Premises**”), which is part of iclub Wan Chai Hotel, for a term of three years from 20 January 2020 to 19 January 2023 (both days inclusive). Pursuant to the terms of the Tenancy Agreement, Cheerview was granted an option at its sole discretion to renew the tenancy of the Premises for a further term of three years from the date of expiry of the Tenancy Agreement at market rent.

B. EXERCISE OF OPTION TO RENEW THE TENANCY OF THE PREMISES

The Board announces that Cheerview (as tenant) has served a written notice to Sonnix (as landlord) on 19 October 2022 to exercise its option under the Tenancy Agreement to renew the tenancy of the Premises for a further term of three years commencing from 20 January 2023 and expiring on 19 January 2026 (both days inclusive) (the “**Extended Term**”) at market rent, which will be determined by the principal valuer of Regal REIT (the “**Principal Valuer**”). Save for the option to renew the tenancy term, all the other terms and conditions of the Tenancy Agreement will remain unchanged.

The REIT Manager confirms that the summary below contains all the key terms of the Tenancy Agreement for the Extended Term:

Parties:	Sonnix Limited (as landlord) Cheerview Limited (as tenant)
Premises:	Shops A and B, G/F., No. 211 Johnston Road, Wanchai, Hong Kong, which is part of iclub Wan Chai Hotel
Extended Term:	Further term commencing from 20 January 2023 to 19 January 2026 (both days inclusive)
Rental for the Extended Term:	At market rent per calendar month, which will be determined by the Principal Valuer, exclusive of air-conditioning charges, management fees, government rates and other outgoing expenses which are all payable by the tenant, payable monthly in advance

Management fees:	HK\$14,294.70 per calendar month (subject to revision from time to time)
Other miscellaneous fees:	Cheerview is responsible to pay for the utilities charges and other service fees in respect of the Premises
Deposit:	Three (3) months of rent and air-conditioning charges and management fees, payable in cash
Early termination:	Cheerview has the right to terminate the Tenancy Agreement without any compensation at any time with two months' prior written notice

C. CONTINUING CONNECTED PARTY TRANSACTION

Cheerview is a wholly-owned subsidiary of Regal and Regal is a substantial Unitholder holding approximately 74.89% of the outstanding units of Regal REIT. Therefore, Cheerview is regarded as a connected person of Regal REIT under paragraph 8.1 of the REIT Code and the leasing transaction in respect of the Premises for the Extended Term under the Tenancy Agreement constitutes a continuing connected party transaction of Regal REIT under Chapter 8 of the REIT Code and Chapter 14A of the Listing Rules (modified as appropriate pursuant to paragraph 2.26 of the REIT Code).

D. INFORMATION ON REGAL REIT, CHEERVIEW, REGAL AND CENTURY CITY

REGAL REIT

Regal REIT is a collective investment scheme authorised by the SFC and listed on the main board of The Stock Exchange of Hong Kong Limited. 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.

CHEERVIEW, REGAL AND CENTURY CITY

Cheerview (as tenant) is incorporated in Hong Kong and is a wholly-owned subsidiary of Regal.

Regal and its subsidiaries are principally engaged in hotel ownership, hotel operation and management, investment in Regal REIT, asset management of Regal REIT, property development and investment, aircraft ownership and leasing business and other investments including financial asset investments.

Century City and its subsidiaries are principally engaged in property development and investment, construction and building related business, hotel ownership, hotel operation and management, asset management, aircraft ownership and leasing business and other investments including financial asset investments. Paliburg is a listed subsidiary of Century City and Regal is also a listed subsidiary of Century City held through Paliburg. Mr. LO Yuk Sui is the chairman and the controlling shareholder of Century City held through companies controlled by him.

This announcement is made pursuant to paragraphs 10.3 and 10.5A of the REIT Code. The REIT Manager shall publish an announcement as soon as practicable after the market rent of the Premises for the Extended Term is determined.

DEFINITIONS

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

“Board”	means the board of Directors of the REIT Manager;
“Century City”	means Century City International Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 355) and a connected person of Regal REIT;
“Cheerview”	means Cheerview Limited, a wholly-owned subsidiary of Regal;
“connected person”	has the meaning ascribed to it under the REIT Code;
“Directors”	means the directors of the REIT Manager;

“iclub Wan Chai Hotel”	situated at No. 211 Johnston Road, Wanchai, Hong Kong and comprises a major portion of the Ground floor including shops A, B and C, 22 entire upper floors (from the 5th to 29th floors, of which 13th, 14th and 24th floors are excluded), a flat roof on the 3rd floor, together with the eastern and western elevations of external walls and architectural feature at roof top and upper roof of a 26-storey composite building. The iclub Wan Chai Hotel (other than shops A and B at Ground floor and 27th to 29th floors which are held for generating rental income) is self-operated by Regal REIT;
“Listing Rules”	means 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);
“Paliburg”	means Paliburg Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 617) and a connected person of Regal REIT;
“Premises”	means Shops A and B, G/F., No. 211 Johnston Road, Wanchai, Hong Kong, which is part of iclub Wan Chai Hotel;
“Regal”	means Regal Hotels International Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of The Stock Exchange of Hong Kong Limited (Stock Code: 78) and a connected person of Regal REIT;
“Regal REIT”	means 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);
“REIT Code”	means The Code on Real Estate Investment Trusts issued by the SFC, as amended, supplemented and/or otherwise modified from time to time;

“REIT Manager”	means Regal Portfolio Management Limited, as the manager of Regal REIT;
“SFC”	means the Securities and Futures Commission of Hong Kong;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and/or otherwise modified from time to time;
“Sonnix”	means Sonnix Limited, a wholly-owned subsidiary of Regal REIT and the direct owner of the Premises;
“Trustee”	means DB Trustees (Hong Kong) Limited, as trustee of Regal REIT; and
“Unitholders”	means any person(s) registered as holding unit(s) of Regal REIT.

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, 21 October 2022

As at the date of this announcement, the Board comprises Mr. LO Yuk Sui as Chairman and Non-executive Director; Miss 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. Donald FAN Tung, Mr. Jimmy LO Chun To and Mr. Kenneth NG Kwai Kai as Non-executive Directors; and Mr. John William CRAWFORD, JP, Mr. Bowen Joseph LEUNG Po Wing, GBS, JP, Mr. Kai Ole RINGENSON and Mr. Abraham SHEK Lai Him, GBS, JP as Independent Non-executive Directors.