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FAR EAST HOTELS AND ENTERTAINMENT LIMITED

遠東酒店實業有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0037)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that the Group is expected to record a significant loss for the year ended 31 March 2009 as compared to a profit for the last corresponding year.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Far East Hotels And Entertainment Limited (the “Company”), and together with its subsidiaries (the “Group”), pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that the financial results of the Group for the year ended 31 March 2009 is expected to record a significant loss as compared to a profit for the last corresponding year. Based on information currently available, the Board considers that such expected loss would be mainly due to (a) losses resulted from decrease in fair value of the Group’s investment properties and (b) losses from the Group’s securities investments due to substantial declines in the equity market.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the consolidated management accounts of the Group for the year ended 31 March 2009 which have not been audited or reviewed by the Company's auditor. The Group's audited results announcement for the year ended 31 March 2009 is expected to be published before the end of July 2009.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Far East Hotels And Entertainment Limited
Derek Chiu
Managing Director & Chief Executive

Hong Kong, 18 May 2009

As at the date of this announcement, the executive Directors are Mr. Deacon Te Ken Chiu, Mr. Derek Chiu, Ms. Margaret Chiu; the non-executive Directors are Mrs. Chiu Ju Ching Lan, Mr. Dick Tat Sang Chiu, Mr. David Chiu, Mr. Dennis Chiu, Mr. Duncan Chiu; the independent non-executive Directors are Mr. Ip Shing Hing, Mr. Ng Wing Hang Patrick, Mr. Choy Wai Shek Raymond; alternate Director is Mr. Chan Chi Hing (alternate Director to Mr. Deacon Te Ken Chiu).