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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)**

**POSITIVE PROFIT ALERT**

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

The Board is pleased to inform shareholders of the Company and potential investors that the Group is expected to record a profit for the year ended 31 March 2010 as compared to a loss for the year ended 31 March 2009.

**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”) is pleased to inform the shareholders of the Company (the “Shareholders”) and potential investors that the financial results of the Group is expected to record a profit for the year ended 31 March 2010 as compared to a loss for the year ended 31 March 2009.

Based on information currently available, the Board considers that the expected profit is mainly due to (a) the gain, both realized and unrealized, on the financial assets held by the Group for the year ended 31 March 2010, (b) the gain on disposal of investment properties by the Group and (c) an increase in the fair value of investment properties held by the Group.

The information contained in this announcement is only estimates based on the preliminary assessment by the management of the Company according to the figures and information to be finalized which have not been audited or reviewed by the Company's auditor. The Company is still in the process of finalizing the Group's annual results and the Group's audited results for the year ended 31 March 2010 is expected to be published before the end of July 2010.

**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, 20 May 2010

*As at the date of this announcement, the executive Directors are Mr. Deacon Te Ken Chiu, Mr. Derek Chiu, Mr. Desmond 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).*