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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 wishes to inform shareholders of the Company and potential investors that the financial results of the Group is expected to record a profit for the year ended 31 March 2011 as compared to an unaudited loss for the six months ended 30 September 2010.

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 is expected to record a profit for the year ended 31 March 2011 as compared to an unaudited loss for the six months ended 30 September 2010.

Based on information currently available, the Board considers that the expected profit is mainly due to an increase in the fair value of investment properties held by the Group in the year ended 31 March 2011.

The information contained in this announcement is only based on the preliminary assessment by the management of the Company according to figures and information to be finalized that have not yet been audited or reviewed by the Company's auditor. Detailed financial information and performance of the Group for the year ended 31 March 2011 will be disclosed in its final results announcement for such financial year which is expected to be published on 24 June 2011.

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, 17 June 2011

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.