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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: 00037)

PROFIT ALERT

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") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2026 (the "Period") and the information currently available to the Board, the Group is expected to record a profit attributable to owners of the Company of approximately HK$2 million for the Period, as compared to a loss attributable to owners of the Company of approximately HK$8 million for the corresponding period in 2025.

The expected turnaround from loss to profit is primarily attributable to: (i) the recognition of a profit from discontinued operations of approximately HK$4 million, which mainly arose from compensation income awarded pursuant to legal proceedings relating to the Group's serviced property operation in Beijing; and (ii) an increase in the fair value of the Group's investment properties in Hong Kong during the Period, as compared to a decrease in fair value for the corresponding period in 2025.

The Board wishes to draw the attention of shareholders and potential investors that the aforesaid compensation income constitutes a non-recurring gain arising from a discontinued operation. Excluding such non-recurring gain, the Group would remain loss-making for the Period. Nevertheless, the loss from the Group's continuing operations is expected to decrease from approximately HK$7 million for the corresponding period in 2025 to approximately HK$2 million for the Period.

The information contained in this announcement is only a preliminary assessment made by the Board based on the information currently available to the Company. The unaudited interim results of the Group have not been finalised and are subject to further review by the audit committee of the Company. Detailed financial information and performance of the Group for the Period will be disclosed in its interim results announcement for such financial period which is expected to be published by the end of November 2026.

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

For and on behalf of
Far East Hotels and Entertainment Limited
Derek Chiu
Executive Director, Chairman, Managing Director and Chief Executive

Hong Kong, 20 November 2026

As at the date of this announcement, the executive Directors are Mr. Derek Chiu and Ms. Amanda Chiu; the non-executive Directors are Mrs. Chiu Ju Ching Lan and Mr. Alex Chiu; the independent non-executive Directors are Mr. Choy Wai Shek Raymond, Mr. Ng Chi Kin and Mr. Lo Chun Chiu Adrian.