

**FAR EAST HOTELS AND ENTERTAINMENT LTD:
FOR THE CHIU – ONE AND ALL !**

Had it not been for the one-off gain on the disposal of an investment property and the ‘*paper*’ gain in respect of the fair value of held-for-trading investments, Far East Hotels and Entertainment Ltd () (Code: 37, Main Board, The Stock Exchange of Hongkong Ltd) would have suffered yet another Loss Attributable to Shareholders with regard of the 6 months, ended September 30, 2009.

As it transpired, the company turned in a Net Profit Attributable to Shareholders in respect of the 2009 Interim Report of about \$HK2.83 million (2008: Net Loss Attributable to Shareholders of about \$HK25.98 million) on a Turnover of about \$HK13.75 million (2008: \$HK15.22 million).

The gain in respect of the fair value of held-for-trading investments was about \$HK4.47 million (2008: Decrease of about \$HK16.93 million) while the gain on disposal of investment property did not exist in the 2008 Financial Year, ended March 31, 2009.

Far East Hotels and Entertainment Ltd is not, exactly, a blue-chip counter on The Stock Exchange of Hongkong Ltd and very little is ever written about this company.

This, without question, is for good and valid reasons, in this medium’s opinion.

Aside from the nondescript Cheung Chau Warwick Hotel, this company has about \$HK81.82-million worth of investment property and about \$HK159.19 million of what is classified as being available-for-sale investments.

This company should, actually, be called ‘*Deacon Chiu Incorporated*’ because Mr Deacon Chiu Te Ken (), the paterfamilias of the Chiu Family, rules the roost at this corporate entity and all of the other Far East Group of Companies, that is, those listed on The Stock Exchange of Hongkong Ltd.

The Chiu Family has a vice-like grip of Far East Hotels and Entertainment Ltd, owning, legally, not less than 52.53 percent of the Issued and Fully Paid-Up Share Capital of the company.

Scanning the Interim Report of Far East Hotels and Entertainment Ltd is, really, quite boring because it is, just about, a repeat performance of similar interim reports with a few little changes, here and there.

For the past 66 months, ended September 30, 2009, the financials of this company, according to the database of **TOLFIN** () (The Computerised, Online Financial Intelligence Service and Web-Based, Credit-Checking Provider) were as follows:

RESULTS

	For the year ended			Six months ended		
	2006	March 31			September 30	
	2005	HK\$'000	2007	2008	2009	2009
	HK\$'000	(restated)	HK\$'000	HK\$'000	HK\$'000	HK\$
Revenue	<u>22,440</u>	<u>20,323</u>	<u>20,357</u>	<u>27,047</u>	<u>29,139</u>	<u>13,751,000</u>
(Loss) profit before taxation	3,602	(70,511)	(49,030)	7,606	(83,344)	(205,795)

Taxation	(112)	Nil	(400)	(3,823)	5,351	Nil
(Loss) profit for the year						
attributable to equity holders						
of the Company	3,490	(70,511)	(49,430)	3,783	(77,993)	2,829,000

**ASSETS AND
LIABILITIES**

	For the year ended		Six months ended		
	2006	March 31	September 30		
	2005	2007	2008	2009	2009
	HK\$'000	2007	2008	2009	2009
	HK\$'000 (restated)	HK\$'000	HK\$'000	HK\$'000	\$HK
Total assets	539,901 504,102	500,284	473,723	397,761	376,382
Total liabilities	(74,087) (69,365)	(115,732)	(108,905)	(111,526)	(87,349)
Equity attributable to equity					
holders of the Company	465,814 434,737	384,552	364,818	286,235	289,033

What is very noticeable is that:

- a. For the 66 months, ended September 30, 2009, the net result of this company's operations was a Loss Attributable to Shareholders of about \$HK187.83 million; and,
- b. For the 66 months, ended September 30, 2009, Shareholders' Funds had deteriorated from about \$HK465.81 million to about \$HK289.03 million, a fall of about 38 percent.

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