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Genting Hong Kong Limited
(Continued into Bermuda with limited liability)
(Stock Code: 678)

**ANNOUNCEMENT OF CONSOLIDATED FINANCIAL RESULTS OF
TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

This announcement is made by Genting Hong Kong Limited (“Genting HK”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

Genting HK has been informed by Travellers International Hotel Group, Inc. (“Travellers” or the “Company”) that it has submitted a report to The Philippine Stock Exchange, Inc. and the Securities and Exchange Commission on 13 August 2015 reporting on its consolidated financial results as at and for the six months ended 30 June 2015 (“1H 2015”) which are prepared in accordance with the Philippine Financial Reporting Standards. Set out below is the financial information extracted from the consolidated results of Travellers for 1H 2015:

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**TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014**
(Amounts in Philippine Pesos)

	2015 (Unaudited)	2014 (Unaudited)
NET REVENUES		
Gaming	P 12,509,310,809	P 13,580,399,595
Non-gaming:		
Hotel, food, beverage and others	1,168,973,354	1,121,821,746
Other operating income	473,454,355	566,660,911
	14,151,738,518	15,268,882,252
Less: Promotional allowance	1,676,026,968	850,501,555
	12,475,711,550	14,418,380,697
DIRECT COSTS	5,235,952,865	5,212,979,394
GROSS PROFIT	7,239,758,685	9,205,401,303
GENERAL AND ADMINISTRATIVE EXPENSES	4,365,716,769	5,947,876,627
OPERATING PROFIT	2,874,041,916	3,257,524,676

	2015 (Unaudited)	2014 (Unaudited)
OTHER INCOME (CHARGES)		
Finance costs	(548,185,800)	(630,426,743)
Finance income	82,306,046	273,833,319
	(465,879,754)	(356,593,424)
PROFIT BEFORE TAX	2,408,162,162	2,900,931,252
TAX EXPENSE	44,390,991	19,836,025
NET PROFIT FOR THE PERIOD	2,363,771,171	2,881,095,227
OTHER COMPREHENSIVE INCOME		
Reversal of previously recorded fair value gains on available for sale financial assets	(300,000)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	P 2,363,471,171	P 2,881,095,227

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
(Based on the Financial Statements for the six months ended June 30, 2015 and 2014)

<i>In Million Pesos</i>	2015	2014	YoY Change %
Net Revenues	12,475.7	14,418.4	-13.5%
Gaming	12,509.3	13,580.4	-7.9%
Hotel, Food & Beverage	1,169.0	1,121.8	4.2%
Other Income	473.5	566.7	-16.4%
Promotional Allowance	(1,676.0)	(850.5)	97.1%
Gross Profit	7,239.8	9,205.4	-21.4%
Operating Profit	2,874.0	3,257.5	-11.8%
Net Profit	2,363.8	2,881.1	-18.0%
EBITDA	3,528.0	4,050.3	-12.9%

Net Revenues

Net revenues declined by 13.5% due to lower gaming revenues.

Gaming Revenues

Gross Gaming Revenue for the six months ended June 30, 2015 is at P12,509.3 million. Average daily property visits increased by 5.5% or 19,718 visits in the first half of 2015 from 18,698 in the same period last year. Drops volume declined in the first half of 2015 as the Company continues to approach the VIP segment with more prudence. The decline in Drops was offset by an increase in the blended win rate, which is at 5.2% for the first six months of 2015 compared to 3.9% in the same period last year.

The table below presents key operating summary of the casino and gaming facilities for the period ended June 30, 2015 and 2014:

	2015	2014
Operating Days	181	181
Average Daily Property Visitation	19,718	18,698
Average Gaming Units		
VIP Tables	129	120
Mass Tables	169	168
Slots	1,830	1,847
ETG	210	210
Gaming Units (as of period end)		
VIP Tables	142	121
Mass Tables	169	169
Slots	1,830	1,828
ETG	210	210
Drop Volume (in Million Pesos)		
VIP Tables	174,918	280,048
Mass Tables	10,989	12,221
Slots	55,051	56,814
ETG	565	635
Win Rate, %		
VIP Tables	3.3%	2.2%
Mass Tables	24.7%	24.9%
Slots	7.1%	7.3%
ETG	22.4%	23.2%

Hotel, Food, Beverage & Others

Revenue from hotel, food, beverage, and others is at P1,169.0 million, 4.2% higher compared to P1,121.8 million in the same period in 2014. All hotels registered high occupancy rates averaging 86%. Occupancy for the three hotels for the first half of 2015 are as follows: Maxims 88%, Marriott 78% and Remington 89%.

Other Operating Income

Other Operating Income decreased to P473.5 million in the first half of 2015 from P566.7 million in the same period last year.

Other Operating Income primarily consists of income from the Newport Performing Arts Theater, cinema, parking, laundry, spa, and rental income from the mall and commercial office space, and others.

The retail and F&B tenant space now stands at 91 with 100% occupancy.

Promotional Allowances

The Company's Promotional Allowances for the first half of 2015 reached P1,676.0 million. Promotional Allowance refers to the relative fair value of points earned by loyalty card members, prize money for tournaments, and revenue shared with junket operators. Promotional allowances as a percent of gaming revenue is at 13.4% versus 6.3% in the same period last year. The increase was due to new revenue sharing agreements with junket operators.

Gross Profit

Gross Profit decreased to P7,239.8 million in the first half of 2015 from P9,205.4 million in the same period last year. The decrease was due to the increase in promotional allowance and lower gaming revenues.

Direct Costs

The Company posted Direct Costs of P5,236.0 million for the six months ended June 30, 2015, relatively flat compared to P5,213.0 million reported in the same period last year.

Direct costs are costs directly associated with gaming, and costs directly associated with hotel, food, beverage, and others. Costs directly associated with gaming include license fees, salaries, wages and employee benefits, entertainment, amusement and recreation costs, and complementary costs. Costs directly associated to non-gaming include food and beverage, salaries, wages and benefits, supplies, parking, and others. Direct costs also include depreciation associated to the relevant activities.

Gaming license fees consist of a percentage of Gross Gaming Revenues which are directly remitted to the Philippine Amusement and Gaming Corporation (PAGCOR). License fees decreased by 9.4% to P2,739.9 million versus P3,024.4 million last year.

Operating Profit

Operating Profit decreased to P2,874.0 million in the first half of 2015 from P3,257.5 million in the same period in 2014.

General & Administrative Expenses

General and Administrative Expenses primarily consist of general marketing expenses (including commission paid to gaming promoters and rebates paid to VIP patrons), shared services employee salaries, wages and benefits, management fees, utilities, and communication expenses.

General and Administrative Expenses declined 26.6% to P4,365.7 million in the first half 2015 from P5,947.9 million in the same period in 2014 as the company continues to benefit from the cost management initiatives it started last year.

General Marketing expenses dropped to P1,728.2 million versus P3,380.0 million in the same period in 2014 due to a decline in commissions paid to gaming promoters.

Profit Before Tax

Profit before tax for the six months ended June 30, 2015 amounted to P2,408.2 million compared to P2,900.9 million reported in the same period last year.

Finance Costs & Finance Income

Finance Costs amounting to P548.2 million represent interest payments while Finance Income recorded P82.3 million. P173.0 million of this is from unrealized foreign exchange losses on bonds and P437.8 million came from interest expense.

The Company has an outstanding USD 300.0 million corporate bond.

Net Profit

Net Profit is at P2,363.8 million for the six months ended June 30, 2015 from P2,881.1 million posted in the same period last year.

Unrealized foreign exchange fluctuation reduced the net profit for 1H 2015 by P426 million.

EBITDA

The Company's EBITDA for the first half of 2015 is at P3,528.0 million compared to P4,050.3 million in the same period last year.

Tax Related Matters

Travellers is subject to 25% and 15% license fees, in lieu of all taxes, with reference to the income component of the gross gaming revenues, as provided under the Provisional License Agreement with the Philippine Amusement and Gaming Corporation ("PAGCOR"). In April 2013, however, the Bureau of Internal Revenue (BIR) issued Revenue Memorandum Circular (RMC) 33-2013 declaring that PAGCOR, its contractees and its licensees are no longer exempt from corporate income tax under the National Internal Revenue Code of 1997, as amended.

In May 2014, PAGCOR issued Guidelines for a 10% Income Tax Allocation (ITA) measure whereby, effective April 1, 2014, the 25% and 15% license fees were effectively reduced to 15% and 5%, respectively, inasmuch as 10% of the license fees was allocated for income tax on gaming, subject to quarterly and annual true-up mechanisms obliging the licensees to remit to PAGCOR any savings from the excess of the 10% ITA over the actual income tax paid on the gaming revenues.

The ITA measure ceases to be effective and the license fees shall automatically revert to the 25% and 15% rates indicated in the Provisional License Agreement should any of the following circumstances occur:

- (a) The BIR ceases to impose income tax on the licensees, or deletes the provision of RMC 33-2013 which imposes income tax on licensees;
- (b) A court restrains or enjoins the BIR from implementing the provisions of RMC 33-2013 which imposes income tax on licensees, during the effectivity of such restraining order or injunction. In the event the court withdraws the temporary restraining order (TRO), or if the TRO expires and is not extended, the 10% ITA shall automatically be reinstated;
- (c) A court, by final and executory judgment, nullifies the provision of RMC 33-2013 which imposes income tax on the licensees;
- (d) The Philippine Congress amends or revokes the imposition of corporate income tax on PAGCOR and its licensees; or,
- (e) Recognition of Entertainment City as a special economic and/or tourism zone with special fiscal incentives for its locators resulting in the same effect as paragraph (d) above.

The 10% ITA measure is in keeping with the true spirit and intent of the terms of the Provisional License Agreement insofar as the license fees are intended and contemplated to be in lieu of all taxes with reference to the income component of the gross gaming revenues, while preserving at the same time the financial benefits of the Provisional License Agreement for the Philippine Government.

In December 2014, the Supreme Court (SC) issued a Decision in the case of PAGCOR v. BIR, *G.R. No. 215427*, declaring in unequivocal terms that income from gaming operations is subject only to 5% franchise tax, in lieu of all other taxes, under Presidential Decree (P.D.) No. 1869, as amended, otherwise known as the *PAGCOR Charter*. The BIR's Motion for Reconsideration of the foregoing pronouncement was denied with finality in a resolution issued by the SC dated March 10, 2015. A similar case filed on behalf of a PAGCOR licensee is pending with the SC as of the audit report date.

Meanwhile, the Court of Tax Appeals, on May 11, 2015, issued a Decision in the case of Perception Gaming, Inc. v. Commissioner of Internal Revenue, CTA Case No. 8509, ruling that the tax exempt status of PAGCOR under its Charter extends to other entities with whom PAGCOR or the operators has any contractual relationship in connection with the operations of the casinos authorized to be conducted under PAGCOR's Charter, thus including licensees.

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Shareholders of Genting HK should note that the above consolidated financial results pertain only to Travellers and not to Genting HK itself.

Travellers is a limited liability company incorporated in the Republic of the Philippines and following its initial listing of common shares on the Main Board of The Philippine Stock Exchange, Inc. on 5 November 2013 and the exercise of the Over-allotment Option, Genting HK's effective interest in the common shares of Travellers has been diluted from 50 per cent to 44.9 per cent. After listing, Travellers becomes an associate of Genting HK. Genting HK's effective interest in the Preferred B shares of Travellers remains unchanged at 50 per cent following the listing.

By Order of the Board
TAN SRI LIM KOK THAY
Chairman and Chief Executive Officer

Hong Kong, 13 August 2015

As at the date of this announcement, the Board of Directors of Genting HK comprises two Executive Directors, namely Tan Sri Lim Kok Thay and Mr. Lim Keong Hui and three Independent Non-executive Directors, namely Mr. Alan Howard Smith, Mr. Lam Wai Hon, Ambrose and Mr. Justin Tan Wah Joo.