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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 NINE MONTHS ENDED 30 SEPTEMBER 2014

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 quarterly report to The Philippine Stock Exchange, Inc. and the Securities and Exchange Commission (“SEC”) on 14 November 2014 reporting on its consolidated financial results as at and for the nine months ended 30 September 2014 (“9M 2014”) 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 9M 2014:

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TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013 (Amounts in Philippine Pesos)

	<u>Note</u>	2014 (Unaudited)	2013 (Unaudited)
NET REVENUES			
Gaming		P 20,792,407,551	P 24,205,191,004
Non-gaming			
Hotel, food, beverage and others		1,653,739,134	1,991,555,436
Other operating income		807,044,520	880,595,598
		23,253,191,205	27,077,342,038
Less: Promotional allowance		1,561,165,300	1,801,205,983
		21,692,025,905	25,276,136,055
DIRECT COSTS		6,462,438,505	9,214,071,829
GROSS PROFIT		15,229,587,400	16,062,064,226
GENERAL AND ADMINISTRATIVE EXPENSES		8,922,023,462	11,182,667,178
OPERATING PROFIT		6,307,563,938	4,879,397,048

	<u>Note</u>	<u>2014</u> <u>(Unaudited)</u>	<u>2013</u> <u>(Unaudited)</u>
OTHER INCOME (CHARGES)			
Finance costs and other charges		(1,016,556,620)	(1,572,501,702)
Finance income		146,357,097	324,976,117
Share in net loss of an associate		(40,168,131)	-
		(910,367,654)	(1,247,525,585)
PROFIT BEFORE TAX		5,397,196,284	3,631,871,463
TAX EXPENSE		1,383,986,932	57,429,174
NET PROFIT FOR THE PERIOD		4,013,209,352	3,574,442,289
OTHER COMPREHENSIVE INCOME			
Net unrealized fair value gains on available-for-sale financial assets		-	2,440,920
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		P 4,013,209,352	P 3,576,883,209
Earnings Per Share			
- Basic	11	P 0.25	P 0.52
- Diluted	11	P 0.25	P 0.32

**SELECTED EXPLANATORY NOTES TO CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2014 AND 2013**

(With Comparative Figures for September 30, 2013)

(Amounts in Philippine Pesos)

(UNAUDITED)

11. EARNINGS PER SHARE

Earnings per share for the nine months ended September 30 is computed as follows:

	<u>2014</u>	<u>2013</u>
Basic:		
Net profit	P 4,013,209,352	P 3,574,442,289
Divided by weighted average number of outstanding common shares	15,755,874,850	6,848,444,444
	P 0.25	P 0.52
Diluted:		
Net profit	P 4,013,209,352	P 3,574,442,289
Divided by weighted average number of outstanding common shares and potential dilutive common shares	15,755,874,850	11,292,888,889
	P 0.25	P 0.32

For the nine months ended September 30, 2013, there are 4.4 billion potential dilutive common shares representing the weighted average number of the Company's 10.0 billion outstanding preferred B shares convertible into common shares. On March 12, 2014, the SEC approved the amendment to the Company's articles of incorporation whereby the Company's Preferred A and Preferred B shares, previously convertible into common shares, became non-convertible preferred shares. In relation to the approved Employee Stock Option Plan for key executive officers, there are no potentially dilutive shares since there were no options that have vested during the period. There were no potentially dilutive shares as at September 30, 2014.

DISCUSSION AND ANALYSIS OF OPERATIONS

(Results of operations for the periods ended September 30, 2014 and 2013)

<i>In Million Pesos</i>	For the nine months	
	2014	2013
REVENUES		
Gaming	P 20,792.41	P 24,205.19
Non-gaming	2,460.78	2,872.15
Total	23,253.19	27,077.34
NET REVENUE	21,692.03	25,276.14
EBITDA	7,486.54	6,502.37
NET PROFIT	4,013.21	3,576.88

Total Revenues

The Company's Total Gross Revenues stood at P23,253.2 million for the three quarters ended September 30, 2014, which is 14.1% lower compared to the same period in 2013.

Gaming Revenues

The Company's Gross Gaming Revenues as of the third quarter of 2014 is at P20,792.4 million, a 14.1% decline over the same period last year. The decline in revenue is primarily due to the weak first half performance which has started to show an improvement beginning third quarter of 2014.

The Company's performance would have shown a healthier growth over the same period in 2013, had the normal win rate been achieved. The Company's Gross Gaming Revenues would have been P24,666.5 million assuming a normal win rate was attained in the first three quarters of 2014.

Total table count increased from 287 in 2013 to 292 as of the third quarter this year, while count of slot machines increased to 1,788 from 1,760 and count of electronic table games remains the same with 210.

Hotel, Food, Beverage & Others

Revenues from Hotel, F&B and Other Revenues is at P1,653.7 million for the nine months ended September 30, 2014 or P337.8 million lower compared to similar period last year as the company makes use of its facility to complement the various promotions and events of its core business.

All hotels registered high occupancy rates for the three quarters ended September 30, 2014 with Remington posting a 91% occupancy rate; followed by Maxims at 87%; and Marriott at 83%. Room count for Remington, Maxims, and Marriott is the same as 2013 with 712, 172 and 342 rooms, respectively.

Other Operating Income

Other Operating Income is 8.4% lower, ending the three quarters of September 30, 2014 at P807.0 million compared to the P880.6 million recorded in the same period last year.

Net Revenues

The Company's Net Revenues is at P21,692.0 million for the three quarters ended September 30, 2014 or 14.2% lower compared to the same period in 2013.

Net Revenue is after the deduction of Promotional Allowance which stood at P1,561.2 million for the three quarters ended September 30, 2014.

Direct Costs

The Company's Direct Costs is P6,462.4 million which is 29.9% lower than the P9,214.1 million recorded in the first three quarters ended September 30, 2013. The significant decline in Direct Costs is primarily due to the effect of lower rates on gaming licenses which Philippine Amusement and Gaming Corporation implemented last April 1, 2014. The equivalent amount of the 10% reduction in gaming license for period April 1, 2014 to September 30, 2014 is at P1,356.3 million which the Company has earmarked for income tax.

Gross Profit

Gross Profit decreased from P16,062.1 million in the first three quarters of 2013 to P15,229.6 million for the same period in 2014 due to the decline in Net Revenue.

General and Administrative Expenses

The Company's General and Administrative Expenses posted a 20.2% or P2,260.6 million improvement from the P11,182.7 million recorded during the first nine months of 2013 to P8,922.0 million for the same period in 2014. The improvement is an outcome of the operating leverage initiatives of the Company.

Operating Profit/ EBITDA

Operating Profit increased by 29.3% from P4,879.4 million for the three quarters of 2013 to P6,307.6 million for the same period in 2014.

EBITDA as of the third quarter of 2014 is at P7,486.5 million or 15.1% higher compared to the P6,502.4 million reported in the same period last year. Depreciation declined to P1,179.0 million for the first nine months of 2014 from the P1,623.0 million recorded for the same period in 2013, as a result of change in the useful life in 2014 for depreciating gaming equipment.

Other Income (Charges)

Finance Cost

Finance cost decreased by 35.4% from P1,572.5 million for the three quarters ended September 30, 2013 to P1,016.6 million for same months recorded in 2014. The decrease in finance cost is primarily due to lower interest expense during the second and third quarter of 2014 as a result of the prepayment of the significant portion of loans during the first quarter of 2014. This accounted for P865.5 million for the first three quarters of 2014.

Finance Income

The Company posted P146.4 million finance income from its money market placements, a decline of P178.6 million from 2013.

Profit Before Tax

Profit Before Tax for nine months ended September 30, 2014 is P5,397.2 million, 48.6% or P1,765.3 million higher than that of the first three quarters of 2013 amounting to P3,631.9 million.

Tax Expense

The Company's tax expense rose from P57.4 million for the three quarters ended September 30, 2013 to P1,384.0 million for the same period in 2014 as a result of the income tax expense allocated for the new corporate income tax imposed by the Bureau of Internal Revenue.

Profit for the Period

Net Profit stood at P4,013.2 million for the first three quarters of 2014. This is an improvement of P438.8 million or 12.3% compared to the net profit in the first three quarters of 2013.

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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, Chief Executive Officer and
Acting-President*

Hong Kong, 14 November 2014

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, three Independent Non-executive Directors, namely Mr. Alan Howard Smith, Mr. Heah Sieu Lay and Mr. Lam Wai Hon, Ambrose and one Non-executive Director, namely Mr. Justin Tan Wah Joo.