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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 QUARTER ENDED 31 MARCH 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 15 May 2014 reporting on its consolidated financial results as at and for the quarter ended 31 March 2014 (“1Q 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 1Q 2014:

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TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND 2013 (Amounts in Philippine Pesos)

	<u>Note</u>	2014 (Unaudited)	2013 (Audited)
NET REVENUES			
Gaming		P 7,210,311,386	P 9,408,894,683
Non-gaming			
Hotel, food, beverage and others		575,319,149	712,074,633
Other operating income		215,766,940	178,316,494
		8,001,397,475	10,299,285,810
Less: Promotional allowance		472,070,978	709,871,745
		7,529,326,497	9,589,414,065
DIRECT COSTS		2,252,046,088	3,347,510,797
GROSS PROFIT		5,277,280,409	6,241,903,269
GENERAL AND ADMINISTRATIVE EXPENSES		3,062,319,651	4,944,591,806
OPERATING PROFIT		2,214,960,758	1,297,311,463

	<u>Note</u>	<u>2014</u> <u>(Unaudited)</u>	<u>2013</u> <u>(Audited)</u>
OTHER INCOME (CHARGES)			
Finance costs		(538,087,338)	(363,817,365)
Finance income		51,013,768	86,549,243
		<u>(487,073,570)</u>	<u>(277,268,122)</u>
PROFIT BEFORE TAX		1,727,887,188	1,020,043,341
TAX EXPENSE		10,047,698	24,649,740
NET PROFIT FOR THE PERIOD		1,717,839,490	995,393,601
OTHER COMPREHENSIVE INCOME			
Net unrealized fair value gains on available-for-sale financial assets		-	2,090,000
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		P 1,717,839,490	P 997,483,601
Earnings Per Share			
- Basic and Diluted	11	P 0.11	P 9.95

**SELECTED EXPLANATORY NOTES TO CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND 2013**

(With Comparative Figures for December 31, 2013)

(Amounts in Philippine Pesos)

(UNAUDITED)

11. EARNINGS PER SHARE

Basic and diluted earnings per share for the three months ended March 31 is computed as follows:

	<u>2014</u>	<u>2013</u>
Net profit	P 1,717,839,490	P 995,393,601
Divided by weighted average number of outstanding common shares	15,755,874,850	100,000,000
	P 0.11	P 9.95

Diluted earnings per share equal the basic earnings per share as the Group does not have any dilutive potential common shares at the end of each reporting period.

On March 12, 2014, the SEC approved the amendment to the Company's articles of incorporation whereby the Company's Preferred A and B shares, previously convertible into common shares, became non-convertible preferred shares.

12. EVENT AFTER THE END OF THE REPORTING PERIOD

Recognizing that Article IV, Section 20 of the Provisional Licenses expressly provides that the License Fees that are paid to The Philippine Amusement and Gaming Corporation (“PAGCOR”) are “in lieu of all taxes,” PAGCOR and its Entertainment City licensees have entered into an agreement dated May 7, 2014 to reduce the license fees commencing April 1, 2014 by ten percent (10%) of gross gaming revenues. This adjustment will address Revenue Memorandum Circular 33-2013 dated April 17, 2013 which imposes income tax on the Entertainment City licensees. The 10% license fee adjustment is a temporary measure to address the unilateral Bureau of Internal Revenue action and is not intended to modify, amend or revise the Provisional License/s. For taxable periods prior to April 1, 2014, PAGCOR and its Entertainment City licensees agreed to mutually cooperate to, and in good faith, carry out and accomplish the commercial objectives of the Provisional License/s, specifically Article IV, Section 20 thereof, insofar as the license fees paid to PAGCOR are in lieu of all taxes with reference to the income component of the gross gaming revenues, through equitable arrangements acceptable to the parties.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

(Based on the Financial Statements for the three months ended March 31, 2014 and 2013)

<i>In Million Pesos</i>	For the three months	
	2014	2013
REVENUES		
Gaming	P 7,210.3	P 9,408.9
Non-gaming	791.1	890.4
Total	8,001.4	10,299.3
NET REVENUE	7,529.3	9,589.4
EBITDA	2,611.4	1,986.4
NET PROFIT	1,717.8	995.4

Total Revenues

The Company reported Gross Revenues totalling P8,001.4 million for the three months ended March 31, 2014, which is 22.3% lower compared to the same period in 2013.

Gaming Revenues

The Company’s Gross Gaming Revenues for the first quarter of 2014 is at P7,210.3 million which shows a 23.4% decline over the same period last year. All segments generally saw an improvement in volume except for VIP Overseas, which is affected by the difference in international calendar of activities. While the Company’s win rate has improved over fourth quarter 2013, this remains lower than that posted during first quarter 2013.

Total table count remains the same at 287, while count of slot machines increased to 1,853 (from 1,699) and count of ETG rose to 210 (from 100). The Company recently announced the approval of PAGCOR of additional gaming capacity based on its Phase 1 room count, bringing the total gaming capacity to 420 tables, and 4,148 combined gaming machine count. The Company is currently evaluating all options for the optimum deployment of the additional capacity.

Hotel, Food, Beverage & Others

The Company’s hotel, F&B and other revenues is at P575.3 million for the three months ended March 31, 2014 or P136.8 million lower compared to similar period last year. The decline in hotel, F&B and other revenue is largely due to the strategy of using its hotel and F&B to increase customer engagement.

Hotel occupancy rates for the three months ended March 31, 2014 remains solid with all three hotels, Maxims, Remington and Marriott, registering occupancy rate of at least 85%. Room count for Remington is at 712, an increase of 12 rooms from same period in 2013. Marriott and Maxims room count remains the same at 342 and 172 rooms, respectively.

Other Operating Income

Other Operating Income is at P215.8 million for the three months ended March 31, 2014, 21.0% higher compared to the P178.3 million recorded in the same period last year. Mall, cinema and parking are some of the revenue streams recorded under Other Operating Income.

Net Revenues

Net revenues is at P7,529.3 million for the three months ended March 31, 2014, after deduction of Promotional Allowance of P472.1 million. Promotional allowances as a percent of gaming revenue improved from 8.4% in 2013 to 6.5% in first quarter 2014.

Direct Costs

Travellers' Direct Costs posted a decline of 32.7% to P2,252.0 million from P3,347.5 million reported in the three months ended March 31, 2013 primarily due to lower gaming taxes and licenses attributable to lower Gaming revenue. Likewise direct costs related to gaming have gone down as part of cost management initiatives.

Gross Profit

Gross Profit is at P5,277.3 million for the three months ended March 31, 2014.

General and Administrative Expenses

The Company's general and administrative expenses is at P3,062.3 million for the three months ended March 31, 2014, a 38.1% improvement from the P4,944.6 million recorded during the same period in 2013. The decline in General & Administrative expenses is the impact of cost management initiatives which the Company started on in the second half of 2013.

Operating Profit/ EBITDA

Travellers' Operating Profit for the first three months of 2014 is at P2,215.0 million or 70.7% higher compared to the P1,297.3 million reported during the same period in 2013.

EBITDA for the three months ended March 31, 2014 is at P2,611.4 million or 31.5% higher compared to the P1,986.4 million reported in the same period last year. Depreciation is at P396.4 million for the first three months of 2014 compared to P689.1 million 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 increased by 47.9% from P363.8 million for the three months ended March 31 2013 to P538.1 million for same months recorded in 2014. The increase in finance cost is primarily due to net foreign exchange losses incurred in the valuation of dollar denominated debt instruments. This accounted for P186.2 million for the first quarter of 2014.

Finance Income

The Company posted P51.0 million finance income arising from money market placements.

Profit Before Tax

Travellers' Profit Before Tax grew to P1,727.9 million for the three months ended March 31, 2014, 69.4% or P707.8 million higher compared to similar period in 2013.

Tax Expense

The Company's tax expense declined from P24.6 million for the three months ended March 31, 2013 to P10.0 million of the same period in 2014.

Profit for the Period

The Company posted a strong net profit of P1,717.8 million for the first three months of 2014, a P722.4 million improvement compared to same period in 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 and Chief Executive Officer

Hong Kong, 15 May 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, and three Independent Non-executive Directors, namely Mr. Alan Howard Smith, Mr. Heah Sieu Lay and Mr. Lam Wai Hon, Ambrose.