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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 2017

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 9 November 2017 reporting on its consolidated financial results as at and for the nine months ended 30 September 2017 (“9M 2017”) 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 2017:

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TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016 *(Amounts in Philippine Pesos) (Unaudited)*

	<u>2017</u>	<u>2016</u>
NET REVENUES		
Gaming	P 12,800,941,455	P 18,015,862,647
Non-gaming:		
Hotel, food, beverage and others	2,040,539,644	1,785,768,781
Other operating income	859,553,913	974,757,612
	15,701,035,012	20,776,389,040
Less: Promotional allowance	1,341,039,433	1,843,684,473
	14,359,995,579	18,932,704,567
DIRECT COSTS	6,769,177,399	7,882,702,451
GROSS PROFIT	7,590,818,180	11,050,002,116
GENERAL AND ADMINISTRATIVE EXPENSES	6,430,805,040	7,423,213,272
OPERATING PROFIT	1,160,013,140	3,626,788,844

	2017	2016
OTHER INCOME (CHARGES)		
Finance costs	(769,112,531)	(572,757,370)
Loss from casualty, net of insurance claims	(320,721,519)	-
Finance income	131,320,445	64,379,625
Share in net loss of joint venture	(10,179,282)	(553,506)
	(968,692,887)	(508,931,251)
PROFIT BEFORE TAX	191,320,253	3,117,857,593
TAX EXPENSE	228,161,625	137,731,414
NET PROFIT (LOSS) FOR THE PERIOD	(36,841,372)	2,980,126,179
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized fair value gains (losses) on available-for-sale financial assets	(200,000)	5,120,000
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P (37,041,372)	P 2,985,246,179

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS
(Based on the Financial Statements for the nine months ended September 30, 2017 and 2016)

<i>In Million Pesos</i>	For the nine months		
	2017	2016	% Change
GROSS REVENUES			
Gaming	P 12,800.9	P 18,015.9	-28.9%
Non-gaming	2,900.1	2,760.5	5.1%
Total	15,701.0	20,776.4	-24.4%
NET REVENUES	14,360.0	18,932.7	-24.2%
EBITDA	2,588.9	4,853.1	-46.7%
NET PROFIT (LOSS)	(36.8)	2,980.1	-101.2%
Net profit margin (%)	-0.2%	14.3%	
EBITDA margin (%)	16.5%	23.4%	

Gross Revenues

Gross revenues for the nine months and three months ended September 30, 2017 amounted to P15,701.0 million and P4,477.9 million, respectively, from P20,776.4 million and P7,068.4 million for the same periods of 2016.

Gaming Revenues

Gross gaming revenues for the nine months ended September 30, 2017 amounted to P12,800.9 million from P18,015.9 million for the same period of 2016. Gross gaming revenues for the three months ended September 30, 2017, on the other hand, amounted to P3,551.6 million from P6,209.2 million for same period of 2016.

Casino revenues were 81.5% of total revenues for the nine months ended September 30, 2017 and 79.3% of total revenues for the three months ended September 30, 2017.

The number of tables and slot machines at the end of September 30, 2017 were 228 and 1,425, respectively.

Hotel, Food, Beverage & Others

Revenue from hotel, food, beverage and others increased by 14.3% to P2,040.5 million for the nine months ended September 30, 2017 from P1,785.8 million for the same period last year. The increase was primarily due to the rise in revenue contribution from the Marriott Grand Ballroom and the additional 228 rooms from the Marriott West Wing.

Occupancy rates for the nine months ended September 30, 2017 averaged 78%. Occupancy rates for the three hotels are as follows: Maxims – 68%, Marriott – 69%, and Remington – 88%.

Revenue from hotel, food, beverage and others increased by 7.5% to P584.9 million for the three months ended September 30, 2017 compared to P544.0 million for the same period of 2016.

Occupancy rates for the three months ended September 30, 2017 averaged 74%. Occupancy rates for the three hotels are as follows: Maxims – 57%, Marriott – 62%, and Remington – 90%.

Room count remains the same at 172, 570 and 712, respectively. Due to on-going renovations, operating rooms for the Maxims hotels is 154 while Remington hotel is 534.

Other Operating Income

Other operating income amounted to P859.6 million for the nine months ended September 30, 2017 from P974.8 million for the same period of 2016.

Other operating income increased by 8.3% to P341.4 million for the three months ended September 30, 2017 from P315.2 million for the same period of 2016 due to increase in miscellaneous income.

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.

Net Revenues

Net revenues amounted to P14,360.0 million for the nine months ended September 30, 2017 from P18,932.7 million for the same period of 2016. Promotional allowance for the nine months ended September 30, 2017 decreased by 27.3% to P1,341.0 million from P1,843.7 million for the same period of 2016. The percentage of promotional allowance to gross gaming revenues stood at 10.5% for the nine months ended September 30, 2017.

Net revenues amounted to P3,989.3 million for the three months ended September 30, 2017 from P6,474.0 million for the same period of 2016. Promotional allowance for the three months ended September 30, 2017 decreased by 17.8% to P488.6 million from P594.4 million for the same period of 2016. The percentage of promotional allowance to gross gaming revenues stood at 13.8%.

Due to the June 2 incident, casino operations resumed at the end of June which resulted to lower net revenues for the nine months and three months ended September 30, 2017 compared to the same periods of 2016.

Direct Costs

Direct costs for the nine months and three months ended September 30, 2017 decreased to P6,769.2 million and P2,017.5 million, respectively, from P7,882.7 million and P2,731.1 million, respectively, for the same periods in 2016. This was primarily due to lower gaming license fees as a result of lower gross gaming revenues.

Gross Profit

Gross profit for the nine months and three months ended September 30, 2017 decreased by P3,459.2 million and P1,771.1 million, respectively, compared to the same periods of 2016.

General & Administrative Expenses

General and administrative expenses decreased by 13.4% and 10.7% for the nine months and three months ended September 30, 2017, respectively, compared to the same periods last year. The decrease was primarily due to lower rebates and miscellaneous expenses.

Operating Profit

Operating profit amounted to P1,160.0 million for the nine months ended September 30, 2017 compared to P3,626.8 million for the same period of 2016.

Operating losses amounted to P73.0 million for the three months ended September 30, 2017 compared to an operating profit of P1,453.9 million for the same period of 2016.

Non-operating Income and Expenses

Other costs increased by P459.8 million for the nine months ended September 30, 2017 due to higher interest expenses, and recognition of loss from casualty.

Finance costs increased by 34.3% to P769.1 million for the nine months ended September 30, 2017 from P572.8 million for the same period of 2016. The increase was due to the rise of interest expense as a result of the increase in borrowings to fund the ongoing expansion projects.

Finance costs decreased by 30.2% to P203.6 million for the three months ended September 30, 2017 from P291.8 million for the same period of 2016 due to lower foreign currency translation losses.

Foreign exchange losses recognized for the nine months ended September 30, 2017 amounted to P75.4 million compared to P216.6 million recognized in the same period of 2016. This is due to the Company's outstanding USD300.0 million corporate bond which will mature in November 2017.

Finance income for the nine months and three months ended September 30, 2017 amounted to P131.3 million and P63.7 million, respectively, compared to P64.4 million and P19.2 million for the same periods in 2016.

Losses from casualty as a result of the June 2 incident amounted to P161.9 million for the three months ended September 30, 2017.

Profit Before Tax

Profit before tax amounted to P191.3 million for the nine months ended September 30, 2017 compared to P3,117.9 million for the same period of 2016.

Tax Expense

Tax expense increased to P228.2 million for the nine months ended September 30, 2017 from P137.7 million for the same period of 2016. The increase was due to the expiration of a previously recognized asset in 2014.

Net Loss for the Period

The Company posted a P36.8 million net loss for the nine months ended September 30, 2017 compared to a net profit of P2,980.1 million for the same period of 2016.

EBITDA

The Company's EBITDA reached P2,588.9 million for the nine months ended September 30, 2017 compared to P4,853.1 million for the same period in 2016. EBITDA for the three months ended September 30, 2017 amounted to P401.3 million compared to P1,864.3 million for the same period of 2016.

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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, 9 November 2017

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.