



Paradise Entertainment Announces 2018 Interim Results
Turnaround Net Profit of HK\$26.3 million in 1H 2018
Electronic Gaming Equipment and Systems Became Key Growth Driver

Financial Highlights for Consolidated Interim Results in 1H 2018 vs. 1H 2017:

- Reported revenue increased by 15.2% to HK\$563.9 million in 1H 2018, representing:
 - Up 102.6% to HK\$54.7 million of revenue from electronic gaming equipment and systems
 - Up 10.1% to HK\$509.2 million of revenue from casinos under the Group's management
- Adjusted EBITDA increased significantly to HK\$59.7 million in 1H 2018 from HK\$0.9 million in 1H 2017
- Turnaround net profit of HK\$26.3 million in 1H 2018 from a net loss of HK\$35.3 million in 1H 2017
- A strong cash position of HK\$293.9 million (including pledged bank deposit, bank balances and cash, and chips on hand) as at 30 June 2018

(HK\$ Million)	1H 2018	1H 2017	YoY%
Reported Revenue	563.9	489.3	+15.2
Adjusted EBITDA	59.7	0.9	+6,533.3
Net Profit/(loss)	26.3	(35.3)	N/A

Hong Kong, 22 August 2018 – Paradise Entertainment Limited (“Paradise” or together with its subsidiaries as the “Group”, SEHK: 1180), a leading provider of electronic gaming equipment and systems and casino management services in Macau, is pleased to announce today its unaudited consolidated interim results for the six months ended 30 June 2018.

During the review period, gross gaming revenue (“GGR”) from the casinos under the Group’s management and revenue from sale of electronic gaming equipment and systems recorded a satisfactory growth, contributing to the increase in total reported revenue of the Group for 1H 2018 to HK\$563.9 million, up 15.2% from HK\$489.3 million for 1H 2017. Adjusted EBITDA of the Group for 1H 2018 rose to HK\$59.7 million from HK\$0.9 million for 1H 2017. The Group reported a turnaround net profit of HK\$26.3 million in 1H 2018 from a loss of HK\$35.3 million in 1H 2017.

Mr. Jay Chun, Chairman and Managing Director of Paradise commented, “During the period under review, the Group continue to make relentless efforts in product innovation, technology upgrade and customer expansion. Our efforts have begun to bear fruit and contributed to solid results despite the challenging and competitive operating environment in Macau.”

Electronic Gaming Equipment and Systems

For 1H 2018, sale of electronic gaming equipment and systems soared up 162.6% to HK\$49.9 million from HK\$19.0 million in 1H 2017, mainly driven by the Group's deployment of a total of 217 live-multi game terminals and other accessories like X-Stadium at MGM Cotai upon its opening on 13 February 2018.

Adjusted EBITDA from the segment for 1H 2018 reported a narrowed loss of HK\$4.4 million, as compared to a loss of HK\$10.9 million in 1H 2017. Taking into account of the stepped-up investments in research and development amounting to HK\$29.7 million in 1H 2018, as compared to HK\$18.3 million in 1H 2017, the performance of the segment during the review period showed significant improvement.

Mr. Jay Chun added, "In December 2017, DICJ, the Gaming Inspection and Coordination Bureau in Macau, published the Dealer-Operated Electronic Table Game ("DETG") Technical Standards Version 1.0 (the "Technical Standards"), effective from 1 January 2018. The Technical Standards provides that all existing DETG machines should be updated on or before 31 December 2019, which has accelerated the upgrading and replacement cycles of all the deployed DETG machines of the Group in Macau. As the inventor, patent-owner and sole-supplier of DETG machines, the Group is technically competent and well-positioned to benefit from the Technical Standards."

Besides collaboration with IGT, the Group has recently licensed Interblock, a worldwide leading developer and supplier of luxury electronic table gaming products, the non-exclusive rights of certain intellectual property of non-live multi-game in Macau. Allying with these leading global providers of electronic gaming products, the Group has leveraged their extensive sales and distribution network, and commercialization expertise not only in distribution of its existing and new electronic gaming products but also in penetrating its gaming products distribution into Macau and overseas markets. Mr. Jay Chun added, "We look forward to deepening collaboration with Interblock by exploring our other high-tech gaming products such as slot machines and other upcoming products, with an aim to further enlarge our market share in the electronic gaming equipment market."

Casinos under the Group's Management

Macau's total GGR has been climbing since third quarter 2016 and has recorded a 18.9% increase in 1H 2018 when compared with that of 1H 2017. Total GGR generated by the two casinos under the Group's management ramp up by 10.5% to HK\$924.5 million in 1H 2018. Total revenue attributable to the Group generated by the casinos under the Group's management for 1H 2018 was HK\$509.2 million, up 10.1% from HK\$462.3 million in 1H 2017. Adjusted EBITDA from the segment for 1H 2018 was HK\$78.5 million, soared up 175.4% from HK\$28.5 million in 1H 2017.

Mr. Jay Chun said, "Looking ahead, the Group remains cautiously optimistic and will continue to increase our investment in high-tech electronic gaming products. We will continue to introduce new gaming products to the market, adding impetus for sustainable growth of the Group. Furthermore, we aim to provide casinos with more diversified and upgraded products and expand our market share in the gaming industry in Macau and overseas. We will continue to identify new business opportunities and maximize returns to our shareholders."

Paradise Entertainment Limited

Paradise Entertainment Limited (SEHK: 1180) was incorporated in Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Group is principally engaged in the development, sale and leasing of electronic gaming equipment and systems and provision of casino management services in Macau.

For more information about Paradise Entertainment Limited, please visit our company's website: <http://www.hk1180.com>.

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