



PARADISE ENTERTAINMENT LIMITED

REPORTS 2019 INTERIM RESULTS

GROUP REPORTED REVENUE UP 5.0% YEAR-ON-YEAR TO HK\$592.0 MILLION

GROUP ADJUSTED EBITDA UP 6.0% YEAR-ON-YEAR TO HK\$63.3 MILLION

Hong Kong, 22 August 2019 – Paradise Entertainment Limited (“Paradise” or the “Company”, or together with its subsidiaries referred to as the “Group”) (HKEx stock code: 1180) is pleased to announce today its unaudited consolidated interim results for the six months ended 30 June 2019.

2019 INTERIM RESULTS HIGHLIGHTS

Group Interim Results

Achieved solid results with increases in both reported revenue and Adjusted EBITDA

- Group reported revenue up 5.0% year-on-year to HK\$592.0 million
- Group Adjusted EBITDA up 6.0% year-on-year to HK\$63.3 million
- Profit for the period was HK\$23.8 million

Casino Kam Pek Paradise

Affected by temporary suspension of LMG terminals for upgrade of all LMG terminals for new technical standards and improved features during the period (all completed up to 30 June 2019)

- Gross gaming revenue (“GGR”) decreased by 7.4% year-on-year to HK\$636.5 million
- Live-Multi Game (“LMG”) machines contributed around 38.8% of total GGR
- Average GGR per table per day in the LMG gaming tables was HK\$136,500
- Contributed Adjusted EBITDA to the Group for the period of HK\$66.0 million

Casino Waldo

Continued to ramp up and increase steadily in both GGR and visitation

- GGR in the casino increased by 12.8% year-on-year to HK\$267.4 million
- Average GGR per table per day in the LMG gaming tables was HK\$69,500
- Contributed positive Adjusted EBITDA to the Group for the period of HK\$0.3 million

Electronic Gaming Equipment and Systems

Key growth driver, upgrades and sales contributed to growth

- Revenue of electronic gaming equipment and systems up 69.7% year-on-year to HK\$92.8 million, driven mainly by sale and upgrade of LMG machines in Macau
- Research and development and other costs of the Group were HK\$42.6 million, dedicated to develop new innovative products

Outlook

Look forward to the debut of new slot machines in global gaming markets and continue to explore overseas opportunities

- Slot machines – look forward to the debut of our self-developed slot machines in the worldwide gaming markets including the Americas, Southeast Asia and Macau, etc.
- LMG – sale and upgrade of LMG machines continues through 2019 in Macau
- Other gaming equipment and systems – new innovative products are developed and ready to be deployed
- International – continuously exploring opportunities in global high-tech gaming technology and products

Balance Sheet

Healthy balance sheet, liquid with a low gearing ratio

- Cash and cash equivalents of HK\$270.8 million
- Net cash (cash and cash equivalents less bank and other borrowings) of HK\$182.0 million
- Low leverage position with a gearing ratio of 14.2% (bank and other borrowings over equity)



Mr. Jay Chun, Chairman and Managing Director of Paradise commented, “During the period under review, the Group continued to record solid results for 1H 2019 with 5.0% increase in total reported revenue to HK\$592.0 million and 6.0% increase in Adjusted EBITDA to HK\$63.3 million, when compared to those for 1H 2018.”

Electronic Gaming Equipment and Systems

For 1H 2019, revenue from electronic gaming equipment and systems segment amounted to HK\$92.8 million, representing an increase of 69.7% over that of 1H 2018. Revenue for 1H 2019 represented mainly the sale of a total of 461 LMG terminals and the provision of upgrading services to 605 LMG terminals at various casinos in Macau pursuant to the new technical standards when compared to sale of 217 LMG terminals to MGM Cotai in 1H 2018. Adjusted EBITDA from the electronic gaming equipment and systems segment for 1H 2019 was HK\$12.1 million, as compared to a loss of HK\$4.4 million for 1H 2018.

Casinos under the Group's Management

For 1H 2019, total GGR generated by Casino Kam Pek Paradise decreased by 7.4% to HK\$636.5 million when compared to that for 1H 2018. The decrease was mainly due to the temporary suspension of LMG terminals at the casino for upgrade of all LMG terminals for new technical standards and improved features during the period. Casino Kam Pek Paradise contributed an Adjusted EBITDA of HK\$66.0 million to the Group for 1H 2019.

As for Casino Waldo, total GGR generated increased by 12.8% to HK\$267.4 million when compared to that for 1H 2018. The casino also recorded an Adjusted EBITDA of HK\$0.3 million to the Group, as compared to a loss of HK\$25.3 million for 1H 2018. The turnaround was mainly caused by the increase in GGR generated by the casino and decrease in certain operating costs of the casino for 1H 2019.

Up to 30 June 2019, the Group has completed the upgrade of all the LMG terminals at the two casinos under the Group's management for full compliance with the new technical standards and installation of enhanced features to the LMG terminals.

Prospects

Mr. Jay Chun added, “We look forward to the debut of our self-developed slot machines in the worldwide gaming markets including the Americas, Southeast Asia and Macau, etc. Our new exhilarating slot games dazzled gaming patrons by delivering thrilling games which were highly acclaimed on the gaming floor. With a robust development pipeline to embrace slot machines' supply, the Group is well-positioned to place itself at the forefront of the global gaming industry as we are no longer a mere LMG products provider. We are confident that the brand-new slot machines will generate fresh revenue streams for the Group. The availability of slot machines and new games also marks the ambition of the Group to increase its product presence in the global gaming equipment market.

The Group is dedicated to innovate in the gaming equipment industry using top-notch and innovative technology to create new products. We are committed to research and development to offer a wide range of product lines and launch new gaming products to add sustainable growth impetus. We have gaming research and development and testing teams in our various offices including Las Vegas, Sydney, Taiwan, Zhuhai, Shenzhen and Macau. Although we started in Macau, we keep an eye on development opportunities globally, especially the North America and Southeast Asia markets. We are constantly striving to work towards the goal of offering a one-stop shop of electronic gaming equipment for casino operators and providing professional advisory on gaming technology. Whilst we will continue to remain focused on gaming products, on the development front, the Group also plans to invest in innovative and intelligent high-tech products which meet the requirement of highest level of communication technical standards, while at the same time exercising prudent control.



Looking ahead, the Group will never rest on its laurels but will continue to acquire top talents and increase its investment in high-tech and avant-garde gaming products, aiming to explore more opportunities in the gaming technology space and expand its market share in global gaming industry. The Group remains cautiously optimistic and will strive to identify new business opportunities in Macau and overseas markets and maximise returns to the Shareholders.”

Paradise Entertainment Limited

Paradise Entertainment Limited (HKEx: 1180) engages in the development, sale and leasing of electronic gaming equipment and systems globally, as well as the provision of casino management services in Macau. Paradise is the inventor, patent owner and sole provider of Live-Multi Game terminals and dominates the Electronic Table Games market in Macau. The Group has also been developing slot machines. Apart from operating two casinos, Casino Kam Pek Paradise and Casino Waldo, Paradise envisions to become a global leader in gaming equipment.

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

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