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PARADISE ENTERTAINMENT LIMITED

滙彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1180)

ANNOUNCEMENT ON CERTAIN SELECTED UNAUDITED KEY PERFORMANCE INDICATORS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules, and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board hereby announces certain selected unaudited key performance indicators of the Group for the first quarter ended 31 March 2018 (“Q1 2018”) to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

HIGHLIGHTS

- Total reported revenue of the Group in Q1 2018 was HK\$308.4 million, representing an increase of 31.1% from HK\$235.3 million in the corresponding period in 2017 (“Q1 2017”).
- Adjusted EBITDA of the Group in Q1 2018 was HK\$51.8 million, as compared to a loss of HK\$10.1 million in Q1 2017.
- Total GGR from the gaming operations at Casino Kam Pek Paradise in Q1 2018 was HK\$354.4 million, representing an increase of 28.9% from HK\$274.9 million in Q1 2017.
- Total GGR from the gaming operations at Casino Waldo in Q1 2018 was HK\$113.3 million, representing a decrease of 3.3% from HK\$117.2 million in Q1 2017.
- As at 31 March 2018, the Group held bank balances and cash of HK\$261.7 million and chips on hand of HK\$32.9 million.

* *For identification purposes only*

REPORTED REVENUE

	First quarter ended 31 March	
	2018	2017
	HK\$ million	HK\$ million
Casinos under the Group's management*	257.6	216.5
Electronic gaming equipment and systems^	<u>50.8</u>	<u>18.8</u>
Total reported revenue	<u><u>308.4</u></u>	<u><u>235.3</u></u>

*: *Being revenue generated from the casinos in which the Group provides casino management services*

^: *Revenue from electronic gaming equipment and systems for Q1 2018 did not include the intercompany revenue derived from the LMG machines deployed at casinos under the Group's management amounting to HK\$35.0 million (Q1 2017: HK\$30.0 million), which was included in the reported revenue of casinos under the Group's management in the above table*

Reported revenue from casinos under the Group's management in Q1 2018 was HK\$257.6 million, representing an increase of 19.0% from HK\$216.5 million in Q1 2017.

Reported revenue from electronic gaming equipment and systems in Q1 2018 was HK\$50.8 million, representing an increase of 170.2% from HK\$18.8 million in Q1 2017.

ADJUSTED EBITDA

	First quarter ended 31 March	
	2018	2017
	HK\$ million	HK\$ million
Casinos under the Group's management	44.8	2.5
Electronic gaming equipment and systems	<u>13.8</u>	<u>(4.5)</u>
	58.6	(2.0)
Other expenses	<u>(6.8)</u>	<u>(8.1)</u>
Adjusted EBITDA	<u><u>51.8</u></u>	<u><u>(10.1)</u></u>

Adjusted EBITDA from casinos under the Group's management segment in Q1 2018 was HK\$44.8 million, representing an increase of 1,692.0% from HK\$2.5 million in Q1 2017.

Adjusted EBITDA from electronic gaming equipment and systems segment in Q1 2018 was HK\$13.8 million, as compared to a loss of HK\$4.5 million in Q1 2017.

SELECTED KEY OPERATIONAL DATA

		Casino Kam Pek Paradise			
		2018		2017	
		Casino Waldo			
		2018		2017	
		First quarter ended 31 March			
		2018	2017	2018	2017
Traditional gaming tables					
GGR	<i>(HK\$ million)</i>	200.6	151.9	83.1	91.0
Gaming tables	<i>(Average no. of tables)</i>	39	37	25	26
Net win/table/day	<i>(HK\$ thousand)</i>	57.2	45.6	36.9	38.9
LMG tables					
GGR	<i>(HK\$ million)</i>	139.1	112.2	27.7	24.0
Terminals	<i>(Average no. of terminals/tables)</i>	1,000/10	946/10	400/5	300/4
Net win/terminal/day	<i>(HK\$)</i>	1,546	1,318	769	889
Net win/LMG table/day	<i>(HK\$ thousand)</i>	154.6	124.7	61.6	66.7
Total gaming tables					
GGR	<i>(HK\$ million)</i>	339.7	264.1	110.8	115.0
Gaming tables	<i>(Average no. of tables)</i>	49	47	30	30
Net win/table/day	<i>(HK\$ thousand)</i>	77.0	62.4	41.0	42.6
Slot machines					
GGR	<i>(HK\$ million)</i>	14.7	10.8	2.5	2.2
Slot machines	<i>(Average no. of units)</i>	194	136	176	162
Net win/unit/day	<i>(HK\$)</i>	842	882	158	151
Total GGR	<i>(HK\$ million)</i>	<u>354.4</u>	<u>274.9</u>	<u>113.3</u>	<u>117.2</u>

BANK BALANCES AND CASH, AND CHIPS ON HAND

As at 31 March 2018, the Group held bank balances and cash of HK\$261.7 million and chips on hand of HK\$32.9 million.

IMPORTANT NOTE

Shareholders of the Company and potential investors should be advised that the selected key performance indicators as disclosed above relate only to certain parts of the Group's operations and are based on the Group's internal records and management accounts. The above financial data has not been reviewed or audited by the Company's audit committee or independent auditor and is not a forecast of the performance of the Group as a whole. The Board cautions shareholders of the Company and potential investors not to rely unduly on such data and to exercise caution when dealing in the securities of the Company.

DEFINITION

In this announcement, the following expressions have the following meanings unless the context otherwise requires:

“Adjusted EBITDA”	the Group’s profit or loss for the period before interest income, finance costs, income tax expense, depreciation of property, plant and equipment, amortisation of intangible assets, gain or loss on disposal of property, plant and equipment, and costs incurred or associated with corporate exercises or potential projects, where applicable
“Board”	the board of Directors
“Company”	Paradise Entertainment Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Director(s)”	the director(s) of the Company
“GGR”	gross gaming revenue, being total net win generated by all casino gaming activities combined, calculated before deduction of commissions and other expenses, if any
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“LMG”	live multi game
“%”	per cent

By Order of the Board
Paradise Entertainment Limited
Chan Kin Man
Company Secretary

Hong Kong, 14 May 2018

As at the date of this announcement, the executive Directors are Mr. Jay Chun (Chairman and Managing Director, also alternate Director to Mr. Shan Shiyong, alias, Sin Sai Yung), Mr. Shan Shiyong, alias, Sin Sai Yung and Mr. Hu Liming and the independent non-executive Directors are Mr. Li John Zongyang, Mr. Kai-Shing Tao and Ms. Tang Kiu Sam Alice.