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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 THIRD QUARTER AND THE NINE MONTHS ENDED 30 SEPTEMBER 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 three months ended 30 September 2018 (“Q3 2018”) and the nine months ended 30 September 2018 (“YTD 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 Q3 2018 was HK\$272.3 million, representing an increase of 1.9% from HK\$267.3 million in the corresponding period in 2017 (“Q3 2017”), and in YTD 2018 was HK\$836.2 million, representing an increase of 10.5% from HK\$756.6 million in the corresponding period in 2017 (“YTD 2017”).
- Adjusted EBITDA of the Group in Q3 2018 was HK\$19.7 million, representing a decrease of 57.3% from HK\$46.1 million in Q3 2017, and in YTD 2018 was HK\$79.4 million, representing an increase of 68.9% from HK\$47.0 million in YTD 2017.
- Total GGR from the gaming operations at Casino Kam Pek Paradise in Q3 2018 was HK\$356.5 million, representing an increase of 6.1% from HK\$336.1 million in Q3 2017, and in YTD 2018 was HK\$1,044.0 million, representing an increase of 13.0% from HK\$923.8 million in YTD 2017.
- Total GGR from the gaming operations at Casino Waldo in Q3 2018 was HK\$133.7 million, representing a decrease of 3.5% from HK\$138.6 million in Q3 2017, and in YTD 2018 was HK\$370.7 million, representing a decrease of 4.4% from HK\$387.6 million in YTD 2017.
- As at 30 September 2018, the Group held bank balances and cash of HK\$251.9 million and chips on hand of HK\$30.6 million.

\* For identification purposes only

## REPORTED REVENUE

	Three months ended		Nine months ended	
	30 September		30 September	
	2018	2017	2018	2017
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Casinos under the Group's management	270.4	262.2	779.6	724.6
Electronic gaming equipment and systems*	1.9	5.1	56.6	32.0
Total reported revenue	<u>272.3</u>	<u>267.3</u>	<u>836.2</u>	<u>756.6</u>

\*: Revenue from electronic gaming equipment and systems for Q3 2018 and YTD 2018 did not include the intercompany revenue derived from the LMG terminals deployed at casinos under the Group's management amounting to HK\$36.9 million and HK\$112.0 million, respectively (Q3 2017 and YTD 2017: HK\$36.5 million and HK\$99.8 million, respectively), which were 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 Q3 2018 was HK\$270.4 million, representing an increase of 3.1% from HK\$262.2 million in Q3 2017, and in YTD 2018 was HK\$779.6 million, representing an increase of 7.6% from HK\$724.6 million in YTD 2017.

Reported revenue from electronic gaming equipment and systems in Q3 2018 was HK\$1.9 million, representing a decrease of 62.7% from HK\$5.1 million in Q3 2017, and in YTD 2018 was HK\$56.6 million, representing an increase of 76.9% from HK\$32.0 million in YTD 2017.

## ADJUSTED EBITDA

	Three months ended		Nine months ended	
	30 September		30 September	
	2018	2017	2018	2017
	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Casinos under the Group's management	50.3	73.1	128.8	101.6
Electronic gaming equipment and systems	(23.4)	(17.9)	(27.8)	(28.8)
Other expenses	<u>26.9</u>	<u>55.2</u>	<u>101.0</u>	<u>72.8</u>
Adjusted EBITDA	<u>(7.2)</u>	<u>(9.1)</u>	<u>(21.6)</u>	<u>(25.8)</u>
	<u>19.7</u>	<u>46.1</u>	<u>79.4</u>	<u>47.0</u>

Adjusted EBITDA from casinos under the Group's management segment in Q3 2018 was HK\$50.3 million, representing a decrease of 31.2% from HK\$73.1 million in Q3 2017, and in YTD 2018 was HK\$128.8 million, representing an increase of 26.8% from HK\$101.6 million in YTD 2017.

Adjusted EBITDA from electronic gaming equipment and systems segment in Q3 2018 was a loss of HK\$23.4 million, representing an increase of 30.7% over that of loss of HK\$17.9 million in Q3 2017, and in YTD 2018 was a loss of HK\$27.8 million, representing a decrease of 3.5% over the loss of HK\$28.8 million in YTD 2017.

## SELECTED KEY OPERATIONAL DATA

### Casino Kam Pek Paradise

		Three months ended		Nine months ended	
		30 September 2018	2017	30 September 2018	2017
<b>Traditional gaming tables</b>					
GGR	<i>(HK\$ million)</i>	<b>203.9</b>	185.6	<b>575.5</b>	517.5
Gaming tables	<i>(Average no. of tables)</i>	<b>39</b>	39	<b>39</b>	38
Net win/table/day	<i>(HK\$ thousand)</i>	<b>56.8</b>	51.7	<b>54.1</b>	49.9
<b>LMG tables</b>					
GGR	<i>(HK\$ million)</i>	<b>135.5</b>	137.0	<b>419.0</b>	371.4
Terminals	<i>(Average no. of terminals/tables)</i>	<b>1,000/10</b>	1,000/10	<b>1,000/10</b>	964/10
Net win/terminal/day	<i>(HK\$)</i>	<b>1,473</b>	1,489	<b>1,535</b>	1,411
Net win/LMG table/day	<i>(HK\$ thousand)</i>	<b>147.3</b>	148.9	<b>153.5</b>	136.0
<b>Total gaming tables</b>					
GGR	<i>(HK\$ million)</i>	<b>339.4</b>	322.6	<b>994.5</b>	888.9
Gaming tables	<i>(Average no. of tables)</i>	<b>49</b>	49	<b>49</b>	48
Net win/table/day	<i>(HK\$ thousand)</i>	<b>75.3</b>	71.6	<b>74.3</b>	67.8
<b>Slot machines</b>					
GGR	<i>(HK\$ million)</i>	<b>17.1</b>	13.5	<b>49.5</b>	34.9
Slot machines	<i>(Average no. of units)</i>	<b>194</b>	194	<b>194</b>	173
Net win/unit/day	<i>(HK\$)</i>	<b>958</b>	756	<b>935</b>	739
<b>Total GGR</b>	<i>(HK\$ million)</i>	<b><u>356.5</u></b>	<u>336.1</u>	<b><u>1,044.0</u></b>	<u>923.8</u>

## Casino Waldo

		Three months ended		Nine months ended	
		30 September 2018	2017	30 September 2018	2017
<b>Traditional gaming tables</b>					
GGR	<i>(HK\$ million)</i>	<b>99.6</b>	107.2	<b>274.0</b>	298.3
Gaming tables	<i>(Average no. of tables)</i>	<b>25</b>	25	<b>25</b>	25
Net win/table/day	<i>(HK\$ thousand)</i>	<b>43.3</b>	46.6	<b>40.1</b>	43.7
<b>LMG tables</b>					
GGR	<i>(HK\$ million)</i>	<b>32.1</b>	29.1	<b>90.3</b>	82.3
Terminals	<i>(Average no. of terminals/tables)</i>	<b>430/5</b>	335/5	<b>420/5</b>	316/5
Net win/terminal/day	<i>(HK\$)</i>	<b>811</b>	944	<b>788</b>	954
Net win/LMG table/day	<i>(HK\$ thousand)</i>	<b>69.8</b>	63.3	<b>66.2</b>	60.3
<b>Total gaming tables</b>					
GGR	<i>(HK\$ million)</i>	<b>131.7</b>	136.3	<b>364.3</b>	380.6
Gaming tables	<i>(Average no. of tables)</i>	<b>30</b>	30	<b>30</b>	30
Net win/table/day	<i>(HK\$ thousand)</i>	<b>47.7</b>	49.4	<b>44.5</b>	46.5
<b>Slot machines</b>					
GGR	<i>(HK\$ million)</i>	<b>2.0</b>	2.3	<b>6.4</b>	7.0
Slot machines	<i>(Average no. of units)</i>	<b>176</b>	166	<b>176</b>	162
Net win/unit/day	<i>(HK\$)</i>	<b>124</b>	151	<b>133</b>	158
<b>Total GGR</b>	<i>(HK\$ million)</i>	<b><u>133.7</u></b>	<b><u>138.6</u></b>	<b><u>370.7</u></b>	<b><u>387.6</u></b>

## BANK BALANCES AND CASH, AND CHIPS ON HAND

As at 30 September 2018, the Group held bank balances and cash of HK\$251.9 million and chips on hand of HK\$30.6 million.

## IMPORTANT NOTE

Shareholders of the Company and potential investors should be advised that the selected unaudited 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.

## DEFINITIONS

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, 12 November 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.*