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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 2017

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 2017 (“Q3 2017”) and the nine months ended 30 September 2017 (“YTD 2017”) 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 2017 was HK\$267.3 million, representing a decrease of 24.1% from HK\$352.1 million in the corresponding period in 2016 (“Q3 2016”), and in YTD 2017 was HK\$756.6 million, representing a decrease of 13.2% from HK\$871.9 million in the corresponding period in 2016 (“YTD 2016”).
- Adjusted EBITDA of the Group in Q3 2017 was HK\$46.1 million, representing a decrease of 46.3% from HK\$85.8 million in Q3 2016, and in YTD 2017 was HK\$47.0 million, representing a decrease of 44.3% from HK\$84.4 million in YTD 2016.
- Total GGR from the gaming operations at Casino Kam Pek Paradise in Q3 2017 was HK\$336.1 million, representing a decrease of 2.1% from HK\$343.4 million in Q3 2016, and in YTD 2017 was HK\$923.8 million, representing a decrease of 1.8% from HK\$941.1 million in YTD 2016.
- Total GGR from the gaming operations at Casino Waldo in Q3 2017 was HK\$138.6 million, representing an increase of 11.7% from HK\$124.1 million in Q3 2016, and in YTD 2017 was HK\$387.6 million, representing an increase of 6.7% from HK\$363.2 million in YTD 2016.
- As at 30 September 2017, the Group held bank balances and cash of HK\$213.1 million and chips on hand of HK\$54.5 million.

* For identification purposes only

REPORTED REVENUE

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Casino management services	225.7	226.0	624.8	628.7
Gaming systems:				
— Sale of electronic gaming equipment and systems	2.1	87.0	21.1	130.5
— Leasing of electronic gaming equipment and systems	39.5	39.1	110.7	112.7
Sub-total	<u>41.6</u>	<u>126.1</u>	<u>131.8</u>	<u>243.2</u>
Total reported revenue	<u>267.3</u>	<u>352.1</u>	<u>756.6</u>	<u>871.9</u>

Reported revenue from casino management services segment in Q3 2017 was HK\$225.7 million, representing a decrease of 0.1% from HK\$226.0 million in Q3 2016, and in YTD 2017 was HK\$624.8 million, representing a decrease of 0.6% from HK\$628.7 million in YTD 2016.

Reported revenue from gaming systems segment in Q3 2017 was HK\$41.6 million, representing a decrease of 67.0% from HK\$126.1 million in Q3 2016, and in YTD 2017 was HK\$131.8 million, representing a decrease of 45.8% from HK\$243.2 million in YTD 2016.

ADJUSTED EBITDA

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Casino management services	37.9	15.0	9.5	(21.2)
Gaming systems	17.0	77.5	61.9	126.6
Sub-total	54.9	92.5	71.4	105.4
Unallocated corporate expenses	(8.8)	(6.7)	(24.4)	(21.0)
Adjusted EBITDA	<u>46.1</u>	<u>85.8</u>	<u>47.0</u>	<u>84.4</u>

Adjusted EBITDA from casino management services segment in Q3 2017 was HK\$37.9 million, representing an increase of 152.7% from HK\$15.0 million in Q3 2016, and in YTD 2017 was HK\$9.5 million, as compared to a loss of HK\$21.2 million in YTD 2016.

Adjusted EBITDA from gaming systems segment in Q3 2017 was HK\$17.0 million, representing a decrease of 78.1% from HK\$77.5 million in Q3 2016, and in YTD 2017 was HK\$61.9 million, representing a decrease of 51.1% from HK\$126.6 million in YTD 2016.

SELECTED KEY OPERATIONAL DATA

Casino Kam Pek Paradise

		Three months ended		Nine months ended	
		30 September 2017	2016	30 September 2017	2016
Traditional gaming tables					
GGR	<i>(HK\$ million)</i>	185.6	195.8	517.5	506.2
Gaming tables	<i>(Average no. of tables)</i>	39	37	38	37
Net win/table/day	<i>(HK\$ thousand)</i>	51.7	57.5	49.9	49.9
LMG tables					
GGR	<i>(HK\$ million)</i>	137.0	129.8	371.4	380.2
Terminals	<i>(Average no. of terminals/tables)</i>	1,000/10	936/10	964/10	932/10
Net win/terminal/day	<i>(HK\$)</i>	1,489	1,507	1,411	1,489
Net win/LMG table/day	<i>(HK\$ thousand)</i>	148.9	141.1	136.0	138.8
Total gaming tables					
GGR	<i>(HK\$ million)</i>	322.6	325.6	888.9	886.4
Gaming tables	<i>(Average no. of tables)</i>	49	47	48	47
Net win/table/day	<i>(HK\$ thousand)</i>	71.6	75.3	67.8	68.8
Slot					
GGR	<i>(HK\$ million)</i>	13.5	17.8	34.9	54.7
Slot machines	<i>(Average no. of units)</i>	194	194	173	194
Net win/slot/day	<i>(HK\$)</i>	756	997	739	1,029
Total GGR	<i>(HK\$ million)</i>	<u>336.1</u>	<u>343.4</u>	<u>923.8</u>	<u>941.1</u>

Casino Waldo

		Three months ended 30 September		Nine months ended 30 September	
		2017	2016	2017	2016
Traditional gaming tables					
GGR	<i>(HK\$ million)</i>	107.2	96.2	298.3	288.5
Gaming tables	<i>(Average no. of tables)</i>	25	26	25	26
Net win/table/day	<i>(HK\$ thousand)</i>	46.6	40.2	43.7	40.5
LMG tables					
GGR	<i>(HK\$ million)</i>	29.1	25.8	82.3	70.1
Terminals	<i>(Average no. of terminals/tables)</i>	335/5	300/4	316/5	300/4
Net win/terminal/day	<i>(HK\$)</i>	944	935	954	853
Net win/LMG table/day	<i>(HK\$ thousand)</i>	63.3	70.1	60.3	64.0
Total gaming tables					
GGR	<i>(HK\$ million)</i>	136.3	122.0	380.6	358.6
Gaming tables	<i>(Average no. of tables)</i>	30	30	30	30
Net win/table/day	<i>(HK\$ thousand)</i>	49.4	44.2	46.5	43.6
Slot					
GGR	<i>(HK\$ million)</i>	2.3	2.1	7.0	4.6
Slot machines	<i>(Average no. of units)</i>	166	185	162	182
Net win/slot/day	<i>(HK\$)</i>	151	123	158	92
Total GGR	<i>(HK\$ million)</i>	<u>138.6</u>	<u>124.1</u>	<u>387.6</u>	<u>363.2</u>

BANK BALANCES AND CASH, AND CHIPS ON HAND

As at 30 September 2017, the Group held bank balances and cash of HK\$213.1 million and chips on hand of HK\$54.5 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 loss arising from assignment of intangible assets, 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, 13 November 2017

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.