



PRESS RELEASE

Paradise Entertainment Limited announces 2016 Annual Results

**Total reported revenue up 6.5% yoy to HK\$1,163.3 million
EBTIDA for the group up 40.1% yoy to HK\$97.5 million**

Hong Kong, 29 March 2017 – Paradise Entertainment Limited (“Paradise”, together with its subsidiaries collectively referred to as the “Group”) (HKEx stock code: 1180) today announces its consolidated annual results for the year ended 31 December 2016.

Financial Highlights for 2016 Annual Results:

- **Group revenue increased to HK\$1,163.3 million (+6.5% yoy)**
 - Gaming system revenue recorded HK\$336.9 million (increased by HK\$135.9 million or +67.6% yoy)
 - Casino services revenue recorded HK\$826.4 million (decreased by HK\$64.7 million or -7.3% yoy)
- **Group Adjusted EBITDA increased to HK\$97.5 million (+40.1% yoy)**
 - Gaming system adjusted EBITDA increased to HK\$177.7 million (+71.2% yoy)
 - Casino service recorded adjusted EBITDA loss of HK\$53.1 million as compared to loss of HK\$9 million in the previous year
- **The Group entered into a strategic agreement with IGT in April 2016**
 - Assigned and licensed LIVE and RNG ETG technology to IGT
 - Received a non-refundable upfront payment of US\$12.95 million (approximately HK\$101.0 million) and entitled a 15-year earn-out payment for every ETG deployment in global market (other than Macau)
 - A one-off accounting loss from such assignment of intangible assets to IGT of HK\$334.8 million was recognized by the Group
- **Operating segments**
 - Gaming system: Sold 991 LMG terminals in 2016 as compared to 236 LMG terminals in the previous year; and a stable recurring income from revenue sharing of 1,680 LMG terminals in 2016
 - Casino service: Overall GGR from casinos under management dropped (-6.7% yoy)
- **Healthy balance sheet**
 - Well-maintained cash position of HK\$370.7 million as at 31 December 2016

Mr. Jay Chun, Chairman and Managing Director, said, “The year 2016 has been a transformational year for the Group. Our management team has successfully executed the business strategies and we achieved solid results on the back of a challenging environment as the market coped with the economic and regulatory concerns in China.” Mr. Chun continued, “The macro headwind is coming to an end. Macau’s GGR has indicated a recovery from the third quarter of 2016 and continued to perform well into early 2017.”

The Group’s revenue increased by 6.5% year-on-year to HK\$1,163.3 million in 2016 as compared to HK\$1,092.1 million in 2015, while the Group’s Adjusted EBITDA increased by 40.1% to HK\$97.5 million as compared to HK\$69.6 million in 2015. Meanwhile, in 2016, the Group’s gaming system segment saw a remarkable demand of the flagship product LMG terminals from Macau flagship casinos opening and the additional deployment in various



casinos. The Group sold a total of 893 LMG terminals at 6 casinos in Macau market and 98 LMG terminals at 4 casinos in the overseas markets for the year ended 31 December 2016.

In April 2016, the Group entered into a strategic agreement with IGT, a global leader in electronic gaming machine industry. With IGT's extensive experience and effective global sales network, the partnership will help further boost the sales and subsequently help increase the revenue base and generate a scalable income to the Group under the 15-year earn-out payments arrangement. During 2016, the Group saw an encouraging growth momentum on ETG machines deployment, with over 250 terminals deployment in 7 casinos, in the United States.

Mr. Chun added, "Looking ahead, the Group remains cautiously optimistic and will continue to expand our existing businesses. We will continue to develop our product line further, catering not only to the Macau gaming market but the overseas markets as well. As always, the Group pledges to seek and evaluate every opportunity and will strive to achieve long-term sustainable growth in order to maximise returns to our shareholders."

Paradise Entertainment Limited (SEHK: 1180)

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

For more information about Paradise Entertainment Limited, please visit our company website: <http://www.hk1180.com> or LinkedIn: <https://www.linkedin.com/company/lt-game-ltd>

Corporate Strategy & Investor Relations inquiries:

Bryan Wu

Investor Relations Manager

bryanwu@hk1180.com

(852) 2916 0817 / (852) 9168 6118

(853) 6332 5228 / (86) 18576453107