



PRESS RELEASE

Paradise Entertainment Limited announces 2017 Interim Results

Total reported revenue recorded HK\$489.3 million Group Adjusted EBITDA turned positive to HK\$0.9 million

Hong Kong, 22 August 2017 – Paradise Entertainment Limited (“Paradise” or “the Group”) (HKEx stock code: 1180) today announces its consolidated interim results for the six months ended 30 June 2017.

Financial Highlights

- **Group revenue recorded HK\$489.3 million (-5.9% yoy)**
 - Casino services revenue recorded HK\$399.1 million (decreased by HK\$3.6 million or -0.9% yoy)
 - Gaming systems revenue recorded HK\$90.2 million (decreased by HK\$26.9 million or -23.0% yoy)
- **Group Adjusted EBITDA turned positive to HK\$0.9 million**
 - Casino services recorded adjusted EBITDA loss of HK\$28.4 million as compared to loss of HK\$36.2 million in the corresponding period
 - Gaming systems adjusted EBITDA recorded HK\$44.9 million (decreased by 4.2 million or -8.6% yoy)
- **Operating segments**
 - Gaming systems: Sold 78 LMG terminals in 1H 2017 as compared to 120 LMG terminals in Macau for the corresponding period; and recurring income from revenue sharing of 1,658 LMG terminals recorded HK\$70.0 million in 1H 2017
 - Casino services: Overall GGR at Casino Kam Pek Paradise decreased by 1.7% to HK\$587.7 million while overall GGR at Casino Waldo increased by 4.1% to HK\$249.0 million
- **The Group entered into a Letter of Intent with China Star Entertainment Limited on 29 June 2017 to acquire Hotel and Casino Lan Kwai Fong Macau**
 - The property has of 209 guest rooms, 84 gaming tables and a couple of restaurants and shops
 - Proposed acquisition price is HKD2.38 billion (subject to adjustment), and acquisition financing shall be generated internally and externally at project level
 - Effective cost synergies projected, including marketing, administrative and corporate overheads
 - Total gaming table under management shall grow from 79 to 163
- **Healthy balance sheet**
 - Well-maintained cash position (bank balances and cash of HK\$200.0 million and chips on hand of HK\$51.6 million as at 30 June 2017)

Mr. Jay Chun, Chairman and Managing Director of Paradise Entertainment Limited, said, “We are delighted to see improvement of group performance in this six months along with the recent Macau gross gaming revenue recovery.” Mr. Jay Chun continuous, “Macau’s total visitor arrivals for the first half of 2017 rose 5.4% year-on-year which mainly contributed from over-night visitor arrivals. We are continuously seeing steady improvement of foot traffic to our casino under management in the beginning of second half, and it shall rejuvenate our operational performance in the rest of the year.”



Total reported revenue of the Group for the six months ended 30 June 2017 was HK\$489.3 million, representing a decrease of 5.9% over that of HK\$519.8 million for the six months ended 30 June 2016. The decrease was partly due to the change of the contractual arrangement of the Casino Macau Jockey Club from provision of casino management services to revenue sharing from LMG terminals since 1st January 2017. Adjusted EBITDA for the six months ended 30 June 2017 was HK\$0.9 million, as compared to the loss of HK\$1.4 million for the six months ended 30 June 2016. The turnaround was mainly due to streamlining costs across casinos under management for the six months ended 30 June 2017.

The Group always retains a positive view on Macau gaming industry. As part of a long-term growth strategy, on 29 June 2017, the Group entered into a letter of intent with China Star Entertainment Limited and China Star Entertainment (BVI) Limited (a wholly-owned subsidiary of China Star Entertainment Limited) in relation to the proposed acquisition of the group of the target companies which owns and operates Hotel Lan Kwai Fong Macau and residential units which are currently being used as staff quarters. The proposed acquisition is in line with the Group's business strategies and represents a development of the Group's existing casino management service business. In addition, having its own hotel business will enable the Group to directly provide hospitality services to its patrons (instead of relying on hospitality services provided by other hotels) to support the Group's existing casino management service business. The Group will continue to look for potential opportunities in Macau and elsewhere to expand its business and to increase its market share in the gaming industry.

Mr. Jay Chun added, "The Group remains cautiously optimistic and will, as always, strive to grow our market share in both casino services and gaming systems in order to maximizing shareholders value."

Paradise Entertainment Limited (SEHK: 1180)

Paradise Entertainment Limited (1180.HK) 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>

For Investor Relations inquiries:

Bryan Wu

Investor Relations Manager

Paradise Entertainment Limited

(852) 2916 0817 or bryanwu@hk1180.com