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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 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 first quarter ended 31 March 2017 (“Q1 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 was HK\$235.3 million in Q1 2017, representing a decrease of 9.8% from HK\$260.8 million in the corresponding period in 2016 (“Q1 2016”).
- Adjusted EBITDA of the Group was a loss of HK\$10.1 million in Q1 2017, as compared to a profit of HK\$0.7 million in Q1 2016.
- Adjusted EBITDA from the provision of casino management services was a loss of HK\$26.4 million in Q1 2017, representing an increase of 1.9% from the loss of HK\$25.9 million in Q1 2016. Adjusted EBITDA from the development, sale and leasing of electronic gaming equipment and system was a profit of HK\$23.6 million in Q1 2017, representing a decrease of 29.3% from HK\$33.4 million in Q1 2016.
- Total gross gaming revenue from the gaming operations at Casino Kam Pek Paradise was HK\$274.9 million in Q1 2017, representing a decrease of 7.5% from HK\$297.1 million in Q1 2016. Total gross gaming revenue from the gaming operations at Casino Waldo was HK\$117.2 million in Q1 2017, representing an increase of 4.5% from HK\$112.1 million in Q1 2016.
- Cash and cash equivalents held by the Group were HK\$348.6 million as at 31 March 2017.

* *For identification purpose only*

REPORTED REVENUE AND ADJUSTED EBITDA

The Group's reported revenue and Adjusted EBITDA

	First quarter ended 31 March	
	2017	2016
	<i>HK\$ million</i>	<i>HK\$ million</i>
Reported revenue	235.3	260.8
Adjusted EBITDA	(10.1)	0.7

The Group recorded total reported revenue of HK\$235.3 million in Q1 2017, representing a decrease of 9.8% from HK\$260.8 million in Q1 2016. Adjusted EBITDA of the Group was a loss of HK\$10.1 million in Q1 2017, as compared to a profit of HK\$0.7 million in Q1 2016.

Provision of casino management services

	First quarter ended 31 March	
	2017	2016
	<i>HK\$ million</i>	<i>HK\$ million</i>
Reported revenue	186.5	194.3
Adjusted EBITDA	(26.4)	(25.9)

Reported revenue from the provision of casino management services contributed 79.3% of the total reported revenue for Q1 2017 (Q1 2016: 74.5%). Adjusted EBITDA from the provision of casino management services was a loss of HK\$26.4 million in Q1 2017, representing an increase of 1.9% from the loss of HK\$25.9 million in Q1 2016.

Development, sale and leasing of electronic gaming equipment and system

	First quarter ended 31 March	
	2017	2016
	<i>HK\$ million</i>	<i>HK\$ million</i>
Reported revenue:	48.8	66.5
Revenue sharing from LMG terminals	33.7	38.3
Sale of machines	15.1	28.2
Adjusted EBITDA	23.6	33.4

Reported revenue from the development, sale and leasing of electronic gaming equipment and system contributed 20.7% of the total reported revenue for Q1 2017 (Q1 2016: 25.5%). Adjusted EBITDA from the development, sale and leasing of electronic gaming equipment and system was a profit of HK\$23.6 million in Q1 2017, representing a decrease of 29.3% from HK\$33.4 million in Q1 2016.

SELECTED KEY OPERATIONAL DATA

		Casino Kam Pek Paradise		Casino Waldo	
		First quarter ended 31 March			
		2017	2016	2017	2016
Traditional gaming tables					
GGR	<i>(HK\$ million)</i>	151.9	148.4	91.0	87.1
Gaming tables	<i>(Average no. of tables)</i>	37	37	26	26
Net win/table/day	<i>(HK\$ thousand)</i>	45.6	44.1	38.9	36.8
LMG tables					
GGR	<i>(HK\$ million)</i>	112.2	130.1	24.0	23.5
Terminals	<i>(Average no. of terminals/tables)</i>	946/10	924/10	300/4	300/4
Net win/terminal/day	<i>(HK\$)</i>	1,318	1,547	889	861
Net win/LMG table/day	<i>(HK\$ thousand)</i>	124.7	143.0	66.7	64.6
Total gaming tables					
GGR	<i>(HK\$ million)</i>	264.1	278.5	115.0	110.6
Gaming tables	<i>(Average no. of tables)</i>	47	47	30	30
Net win/table/day	<i>(HK\$ thousand)</i>	62.4	65.1	42.6	40.5
Slot					
GGR	<i>(HK\$ million)</i>	10.8	18.6	2.2	1.5
Slot machines	<i>(Average no. of units)</i>	136	194	162	175
Net win/slot/day	<i>(HK\$)</i>	882	1,054	151	94
Total GGR	<i>(HK\$ million)</i>	<u>274.9</u>	<u>297.1</u>	<u>117.2</u>	<u>112.1</u>

CASH AND CASH EQUIVALENT

As at 31 March 2017, cash and cash equivalents held by the Group amounted to HK\$348.6 million. After taking into account the carrying amount of promissory note of HK\$91.0 million as at 31 March 2017 which falls due on 18 June 2017, net cash and cash equivalents held by the Group were HK\$257.6 million as at 31 March 2017.

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 year attributable to owner of the Company before interest income, finance costs, income tax expense, depreciation of property, plant and equipment, amortisation of intangible assets, prepayment of machine costs recognised as expenses, gain or loss on disposal of property, plant and equipment, loss arising from assignment of intangible assets and impairment loss on 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
“Directors”	the directors of the Company
“GGR”	gross gaming revenue, being total net win generated by all casino gaming activities combined, calculated before deduction of commissions and expenses, if any
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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, 15 May 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.