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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 2016

This announcement is issued pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “Board”) of Paradise Entertainment Limited (the “Company”) hereby announces certain selected unaudited key performance indicators of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 September 2016 (“Q3 2016”) and the nine months ended 30 September 2016 (“YTD 2016”) to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

HIGHLIGHTS FOR THE THIRD QUARTER AND THE FIRST NINE MONTHS ENDED 30 SEPTEMBER 2016 (UNAUDITED)

- Total revenue of the Group in Q3 2016 increased by 38.6% from the corresponding period in 2015 (“Q3 2015”) to approximately HK\$352 million and YTD 2016 increased by 5.7% from the corresponding period in 2015 (“YTD 2015”) to approximately HK\$872 million.
- Adjusted EBITDA¹ of the Group in Q3 2016 increased by approximately HK\$80 million over Q3 2015 to approximately HK\$78 million and YTD 2016 increased by 27.1% from YTD 2015 to approximately HK\$61 million.
- The increases in total revenue and improved adjusted EBITDA in Q3 2016 and YTD 2016 when compared to the corresponding periods in 2015 were mainly attributable to the increase in sales of live multi game (“LMG”) terminals.

¹ *Adjusted EBITDA is profit attributable to owners of the Company before taxation, finance cost, loss on disposal of patents, depreciation and amortization and interest income.*

* *For identification purpose only*

Key Indicators for the Group

	Three months ended		Nine months ended	
	30 September		30 September	
	2016	2015	2016	2015
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	352	254	872	825
Adjusted EBITDA	78	(2)	61	48

Provision of casino services

Revenue generated by the provision of casino services contributed 72.1% of the total revenue for the nine months ended 30 September 2016. The adjusted EBITDA in Q3 2016 turned from negative of approximately HK\$(15) million to positive of approximately HK\$8 million when compared to the corresponding period in 2015 while the adjusted EBITDA in YTD 2016 decreased by a further approximately HK\$30 million from the YTD 2015 to negative of approximately HK\$(44) million. The improvement in the adjusted EBITDA in Q3 2016 when compared to the same corresponding period and the first nine months for 2016 was mainly attributable to the optimization of the cost structure of the Group.

Key Indicators for Casino Service

	Three months ended		Nine months ended	
	30 September		30 September	
	2016	2015	2016	2015
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	226	215	629	672
Adjusted EBITDA	8	(15)	(44)	(14)

Sales and revenue sharing of live multi game (“LMG”) terminals

Revenue generated by the sales and revenue sharing of LMG terminals contributed 27.9% of the total revenue for the nine months ended 30 September 2016. The adjusted EBITDA in Q3 2016 increased by 305.3% over Q3 2015 to approximately HK\$77 million and the adjusted EBITDA in YTD 2016 increased by 51.8% from the YTD 2015 to approximately HK\$126 million. The increases in adjusted EBITDA in Q3 2016 and YTD 2016 over the same corresponding periods were attributable to increase in sales of LMG terminals.

Key Indicators for Gaming System

	Three months ended		Nine months ended	
	30 September		30 September	
	2016	2015	2016	2015
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Revenue	126	39	243	153
Adjusted EBITDA	77	19	126	83

The Group maintained a strong and liquid financial position, with cash and bank balances of approximately HK\$358 million and debt of approximately HK\$85 million as at 30 September 2016.

IMPORTANT NOTE

Shareholders and potential investors should be advised that the above financial data relates only to certain parts of the Group's operations and is based on the Group's internal records and management accounts. The above financial data has not been reviewed or audited by independent auditors and is not a forecast of the performance of the Group as a whole. The Board cautions shareholders and potential investors not to rely unduly on such data and to exercise caution when dealing in the securities of the Company.

By Order of the Board
Paradise Entertainment Limited
Stella Ho
Company Secretary

Hong Kong, 10 November 2016

As at the date of this announcement, the executive directors of the Company are Mr. Jay Chun (Chairman and Managing Director), Mr. Shan Shiyong, alias, Sin Sai Yung and Mr. Hu Liming and the independent non-executive directors of the Company are Mr. Kai-Shing Tao, Mr. Li John Zongyang and Ms. Tang Kiu Sam Alice.