



PARADISE ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

REPORTS 2023 INTERIM RESULTS

Hong Kong, 29 August 2023 – Paradise Entertainment Limited (“Paradise” or the “Company”, together with its subsidiaries referred to as the “Group”) (HKEx stock code: 1180) announces today its unaudited consolidated interim results for the six months ended 30 June 2023.

2023 INTERIM RESULTS HIGHLIGHTS

Overall

- The Group’s reported revenue increased by 36.2% year-on-year to HK\$246.7 million
- The Group’s Adjusted EBITDA was a profit of HK\$31.0 million
- The Group’s loss for the period was HK\$3.0 million

Casino Kam Pek Paradise

- Total gross gaming revenue (“GGR”) increased by 55.2% year-on-year to HK\$439.5 million
- Contributed a profit of HK\$55.8 million to the Adjusted EBITDA of the Group

Electronic Gaming Equipment and Systems

- Revenue from the sales/leasing of electronic gaming equipment and systems was HK\$3.9 million
- Incurred a loss of HK\$17.5 million to the Adjusted EBITDA of the Group

Innovative and Renewable Energy Solutions Business

- Has commenced a new business of engaging in the supply of smart charging stations and smart charging equipment for electric motorcycles, bicycles, and vehicles, etc. to customers in Mainland China
- Contributed a revenue of HK\$2.8 million to the reported revenue of the Group

Balance Sheet

- Cash and cash equivalents of HK\$56.1 million
- Gearing ratio of 150.3% (total borrowings over net assets)



Dr. Jay Chun, Co-Chairman and Managing Director of Paradise commented, “The impact of the Covid-19 pandemic on the global economy has further weakened. With the lifting of quarantine restrictions and reopening of borders, we are pleased to see that the market is gradually stepping out of the negative impact of the Covid-19 pandemic and heading towards the path of normality.”

Total reported revenue of the Group for the six months ended 30 June 2023 was HK\$246.7 million, representing an increase of 36.2% over that of HK\$181.1 million for the six months ended 30 June 2022. The increase was mainly due to the increase in revenue from the provision of casino management services in Macau, which was partially offset by the decrease in revenue from the sale/leasing of electronic gaming equipment and systems in overseas markets.

Provision of Casino Management Services in Macau

For the six months ended 30 June 2023, total GGR generated by Casino Kam Pek Paradise amounted to HK\$439.5 million, representing an increase of 55.2% over that of HK\$283.1 million for the six months ended 30 June 2022.

Adjusted EBITDA from the casino under the Group’s management segment for the six months ended 30 June 2023 was a profit of HK\$55.8 million, as compared with a loss of HK\$23.3 million for the six months ended 30 June 2022. The turnaround from loss to profit was mainly due to the increase in GGR generated by Casino Kam Pek Paradise when compared with that generated for the six months ended 30 June 2022, mainly due to the increase in the number of patrons to Casino Kam Pek Paradise.

Electronic Gaming Equipment and Systems

For the six months ended 30 June 2023, revenue from electronic gaming equipment and systems segment amounted to HK\$3.9 million, representing a decrease of 85.6% over that of HK\$27.1 million for the six months ended 30 June 2022. The Group did not generate any revenue from the sale/leasing of electronic gaming equipment and systems in overseas markets for the six months ended 30 June 2023 (six months ended 30 June 2022: HK\$21.3 million). Under the prevalence of the Covid-19 pandemic, the Group’s deployment strategy during that period in the North American markets was to promote sale rather than leasing of slot machines and other electronic gaming equipment and systems. The Group managed to dispose of all the units in the year ended 31 December 2022 and accordingly, there was no revenue from the sale/leasing of electronic gaming equipment and systems in overseas markets recorded for the six months ended 30 June 2023. As the global economic growth is expected to be on the rising trend after the pandemic, the Group has planned to invest relatively more in developing innovative new electronic gaming equipment and systems for overseas markets going forward, in particular the North American markets.

Adjusted EBITDA from the electronic gaming equipment and systems segment for the six months ended 30 June 2023 was a loss of HK\$17.5 million, as compared with a loss of HK\$30.4 million for the six months ended 30 June 2022. The decrease in loss of the segment was mainly due to the Group’s effective cost-saving strategy implemented in response to the Covid-19 pandemic, and specifically, the success in cost control related to research and development and other expenses associated with electronic gaming equipment and systems. These efforts included relocating certain work activities which were previously conducted in overseas offices to offices in Macau and Mainland China.

Innovative and Renewable Energy Solutions Business in Mainland China

During the six months ended 30 June 2023, the Group has commenced a new business of engaging in the supply of smart charging stations and smart charging equipment for electric motorcycles, bicycles, and vehicles, etc. to customers in Mainland China. During the six months ended 30 June 2023, this business contributed a revenue of HK\$2.8 million to the Group’s reported revenue.



Prospects

Dr. Jay Chun added, “With the reopening of borders between Hong Kong, Macau and Mainland China, revenue from the provision of casino management services for Casino Kam Pek Paradise in Macau has made a significant contribution to the improvement on the Group’s business and financial results. The enactment of the new gaming law coupled with the issuance of new gaming concessions last year marked an important milestone for the healthy and orderly development of the Macau gaming industry, in that it not only provided a set of clear and succinct regulations and guidelines to the business participants, forming a solid prognosis of the current situation and future trends, but also fully unleashed the intrinsic development potentials of the Macau gaming market.

As one of the world’s leading electronic gaming equipment and systems technology-driven suppliers, we are committed to innovation, research and development to offer a wide range of diversified and advanced gaming-related products to both gaming patrons and casino operators. As always, we will continue in our unwavering commitment to invest in the development of high-tech gaming products and utilise the research and development results of frontier technology in order to strive to establish our core competitiveness as a major electronic gaming equipment and systems supplier with prominent influence and reputation in the industry.

While our core gaming businesses are no doubt crucial to our growth, we also recognise the importance of seeking diversified expansion of the Group’s business portfolio in related industries, thereby expanding the Group’s sources of income and future earning capability, and creating greater value for our Shareholders and other stakeholders. We are delighted to embrace the implementation of the policies and measures adopted or announced by the government in Mainland China with an aim to fulfilling its strategic goals of “Peaking Carbon Emissions” and “Achieving Carbon Neutrality”, to reduce carbon emissions, to increase its intended national contributions in response to climate change, and to promote comprehensive green transformation in economic and social development. To integrate our business strategy into China’s national long-term environmental development plan, the Group has commenced a new business activity of engaging in the supply of smart charging stations and related equipment for electric motorcycles, bicycles, and vehicles, etc. (collectively, “E-Vehicles”) to customers in Mainland China. The Group believes that, given the increasing promotion of the use of innovative and renewable energy and reduction of carbon emissions, there is a potential growing demand for E-Vehicles and related smart charging stations and equipment in Mainland China. The Group plans to invest more in this area to attain the Group’s strategic development goals of becoming a provider of comprehensive solutions to smart charging. As a high-tech enterprise, the Group will continue to invest in high technology and research and development, and launch new high-tech innovative products to contribute to our country’s technology development and environmental protection.

Looking ahead, despite that global economies and Macau gaming industries are expected to recover from the Covid-19 pandemic, we do not expect a full recovery can be attained in the short term as the global business environment will generally remain unstable from a macro-economic point of view, for example, continue to be plagued by geopolitical risks, energy shortages, and trade frictions between leading countries, coupled with unfavorable factors such as high inflation and interest rate hikes, etc. Against the backdrop of the current global challenges, we are pleased to witness encouraging figures in terms of GGR, spending and visitation, and additionally, the ease of travel to Macau for customers from Mainland China, Hong Kong and elsewhere remained a competitive advantage as compared to other gaming jurisdictions. Macau, no doubt, remains as an unparalleled gaming hub in the world. The Group remains optimistic about Macau’s gaming outlook in the long term. On the other hand, to mitigate the impacts of climate change and ensure energy security, countries around the world will continue to increase their investments in the innovative and renewable energy solutions business, which is undoubtedly facing unprecedented development opportunities. The Group will continue to keep abreast of market trends and adopt a prudent approach to secure more business opportunities.”



Paradise Entertainment Limited

Paradise Entertainment Limited (HKEx stock code: 1180) engages in the development, sale and leasing of electronic gaming equipment and systems, as well as the provision of casino management services in Macau. Paradise is the inventor, patent owner and sole provider of live multi game terminals and dominates the electronic table games market in Macau. The Group has also been developing slot machines. Apart from casino management business in Macau, Paradise envisions to become a global leader in gaming equipment. In addition, the Group also develops high-tech innovative products and engages in business related to environmental protection and smart charging business in Mainland China.

For more information about Paradise Entertainment Limited, please visit our company's website: <http://www.hk1180.com>.

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