



PARADISE ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

ANNOUNCES 2024 INTERIM RESULTS

Hong Kong, 28 August 2024 – Paradise Entertainment Limited (“Paradise” or the “Company”, together with its subsidiaries collectively referred to as the “Group”) (HKEx stock code: 1180) announces today its unaudited consolidated interim results for the six months ended 30 June 2024.

2024 INTERIM RESULTS HIGHLIGHTS

Overall

- The Group’s reported revenue increased by 72.4% year-on-year to HK\$425.3 million
- The Group’s Adjusted EBITDA was a profit of HK\$147.7 million
- The Group’s profit for the period was HK\$119.4 million

Casino Kam Pek Paradise

- Total gross gaming revenue (“GGR”) increased by 48.3% year-on-year to HK\$651.7 million
- Contributed a profit of HK\$143.8 million to the Adjusted EBITDA of the Group

Electronic Gaming Equipment and Systems

- Revenue from the sale/leasing of electronic gaming equipment and systems in Macau increased by 1,743.2% year-on-year to HK\$68.2 million
- Contributed a profit of HK\$11.2 million (has taken into account research and development and other costs of HK\$14.5 million) to the Adjusted EBITDA of the Group

Balance Sheet

- Cash and cash equivalents of HK\$128.1 million
- Gearing ratio of 50.9% (total borrowings over net assets)

Interim Dividend

- The Company has declared an interim dividend of HK5.0 cents per share, amounting to HK\$52.6 million in aggregate, for the six months ended 30 June 2024, to the shareholders of the Company



Dr. Jay Chun, Co-Chairman and Managing Director of Paradise, commented, “We are pleased to report that the Group has continued to witness solid business recovery from the dissipation of the Covid-19 pandemic and has generated encouraging operational and financial results for the six months ended 30 June 2024. This positive development is attributed to the significant improvement in the tourism, hospitality, and gaming industries in Macau.”

Total reported revenue of the Group for the six months ended 30 June 2024 was HK\$425.3 million, representing an increase of 72.4% over that of HK\$246.7 million for the six months ended 30 June 2023. The increase in the total reported revenue of the Group was mainly due to the increase in revenue from the provision of casino management services in Macau and the sale of electronic gaming equipment and systems in Macau. The Group recorded a profit of HK\$119.4 million for the six months ended 30 June 2024, as compared with a loss of HK\$3.0 million for the six months ended 30 June 2023.

Provision of Casino Management Services in Macau

For the six months ended 30 June 2024, total GGR generated by Casino Kam Pek Paradise amounted to HK\$651.7 million, representing an increase of 48.3% over that of HK\$439.5 million for the six months ended 30 June 2023.

Adjusted EBITDA from the casino under the Group’s management in Macau segment for the six months ended 30 June 2024 was a profit of HK\$143.8 million, representing an increase of 157.7% over that of HK\$55.8 million for the six months ended 30 June 2023. The increase was mainly due to the increase in GGR generated by Casino Kam Pek Paradise in Macau when compared with that generated for the six months ended 30 June 2023, mainly due to the increase in the number of patrons to Casino Kam Pek Paradise during the six months ended 30 June 2024.

Electronic Gaming Equipment and Systems

For the six months ended 30 June 2024, revenue from electronic gaming equipment and systems segment amounted to HK\$68.2 million, representing an increase of 1,648.7% over that of HK\$3.9 million for the six months ended 30 June 2023. The amount included revenue from the sale/leasing of electronic gaming equipment and systems in Macau amounted to HK\$68.2 million, representing an increase of 1,743.2% over that of HK\$3.7 million for the six months ended 30 June 2023.

Adjusted EBITDA from the electronic gaming equipment and systems segment for the six months ended 30 June 2024 was a profit of HK\$11.2 million, as compared with a loss of HK\$17.5 million for the six months ended 30 June 2023. The turnaround of the Adjusted EBITDA of such business segment from a loss for the six months ended 30 June 2023 to a profit for the six months ended 30 June 2024 was mainly attributable to the increase in revenue from the sale of live multi game (“LMG”) terminals in Macau for the six months ended 30 June 2024 when compared with that for the six months ended 30 June 2023 which was offset by the increase in research and development and other costs of such business segment.

Prospects

Dr. Jay Chun added, “Since February 2023, Macau lifted all pandemic prevention measures and resumed full border openings, leading to a substantial surge in visitor numbers. In alignment with Macau’s continuous drive to revitalise its tourism appeal, the city hosted a diverse array of world-class events and concerts during the six months ended 30 June 2024, which attracted a significant influx of visitors from both Mainland China and international locales. This resurgence of tourism activity has been instrumental in driving the recovery of Macau’s hospitality and gaming sectors.



This influx of visitors had a profoundly positive impact on GGR of Macau, which increased by 42.1% to approximately MOP113.8 billion for the six months ended 30 June 2024, when compared with that of MOP80.1 billion for the corresponding period in 2023. Driven by such momentum, revenue from the provision of casino management services for Casino Kam Pek Paradise in Macau has continued to thrive in 2024, and the reported revenue of the Group from the provision of casino management services for Casino Kam Pek Paradise in Macau for the six months ended 30 June 2024 was HK\$356.5 million, representing an increase of 48.5% over that of HK\$240.0 million for the six months ended 30 June 2023. The Group has quickly seized the opportunities presented in the post-pandemic rebound in Macau. The Group also stepped up its promotional efforts and focused on the placement of its gaming machines and products to enhance user experience.

The Group is the sole provider of LMG systems and terminals in Macau, riding on its strong industry reputation and leading position. Its self-developed, patented LMG systems have gained the trust of a vast number of customers in Macau and worldwide. The cost-effectiveness and operational benefits of the Group's LMG systems have made them a popular choice among casino operators. Amidst the policy adjustments of the gaming industry in Macau and also the changes in customer needs, the Group experienced significant demand for its LMG systems. This reflects the market's confidence in the Group's capacity to capitalise on the transformation and solid development of the gaming industry. During the period under review, the Group managed to forge partnerships with certain casino operators in Macau to introduce the Group's proprietary LMG solutions to them, further enhancing the efficiency of their casinos, and supporting them in meeting the new technical standards for gaming machines and integrating new features such as new baccarat side bets into their existing gaming platforms. Additionally, the Group has poised to launch a new series of electronic table game ("ETG") products in Macau and elsewhere that are expected to be warmly welcomed by the markets. Based on the positive responses from early customer engagements, the Group is confident that this new ETG offering will contribute positively to its upcoming financial results.

To capture the shifting dynamics of the Asian gaming industry, the Group is also actively expanding its business of supplying gaming equipment and systems to other Asian markets, particularly the Philippines as it holds the title of the largest electronic gaming machine market in Asia, offering great flexibility with numerous casinos and a variety of gaming types. This presents a significant opportunity for the Group to leverage its expertise and innovative product offerings to cater to the diverse gaming preferences of the Philippine market. To support this strategic expansion, the Group is in the process of setting up a new office and showroom in the Philippines. This physical presence will enable the Group to establish a stronger foothold, enhance its customer relationships, and provide direct support and after-sale services to its customers in the region.

Looking ahead, the Group recognises that the global economic development remains vulnerable and unpredictable towards factors such as geopolitical tensions, monetary policies and high interest rates. In view of these uncertainties and challenges, the Group is committed to an adaptive but prudent approach. Recognising the immense potential in the growing markets across Asia, such as the Philippines, Vietnam, and Cambodia, as well as the North American markets, the Group will take a proactive approach to explore these overseas gaming opportunities in addition to the Macau gaming market."



Interim Dividend

The Company has declared an interim dividend of HK5.0 cents per share, amounting to HK\$52.6 million in aggregate, for the six months ended 30 June 2024, to the shareholders of the Company whose names appear in the register of members of the Company on 20 September 2024. The interim dividend is expected to be payable on 15 October 2024.

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. The Group 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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