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PARADISE ENTERTAINMENT LIMITED

滙彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1180)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF PROPERTIES

The Board is pleased to announce that on 15 June 2018 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Provisional S&P Agreement, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Properties at a consideration of HK\$128.5 million.

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 15 June 2018 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into the Provisional S&P Agreement, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Properties at a consideration of HK\$128.5 million.

THE PROVISIONAL S&P AGREEMENT

The principal terms of the Provisional S&P Agreement are set out below:

- (1) Date: 15 June 2018
- (2) Parties: Century Force Limited, an indirect wholly-owned subsidiary of the Company, as the purchaser; and

An independent third party of the Company and its connected persons, as the vendor.

* For identification purposes only

- (3) Other information of the Properties: The Properties have a gross floor area of approximately 33,000 square feet designated for industrial use and are intended principally to be used as warehouses by the Group.
- (4) Consideration and payment terms: The Consideration for the Properties is HK\$128.5 million, which shall be payable in cash in the following manner:
- (a) upon signing of the Provisional S&P Agreement, the Purchaser has paid an initial deposit of HK\$2.0 million;
 - (b) on or before 25 June 2018, the Purchaser shall pay an additional deposit of HK\$10,850,000, such that the sum of the initial deposit and the additional deposit paid shall be equivalent to 10% of the Consideration; and
 - (c) on the date of completion of the Acquisition, the Purchaser shall pay the remaining 90% of the Consideration, being HK\$115,650,000.
- The Consideration was determined between the parties after arm's length negotiations and on normal commercial terms, primarily with reference to the valuation of the Properties conducted by an independent third party property valuer of approximately HK\$129.9 million as at 15 June 2018. The Directors considered that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. The Consideration will be funded by internal resources of the Group and bank loan.
- (5) Completion: Completion of the Acquisition is expected to take place on or before 15 October 2018, subject to the satisfaction of the customary conditions precedent set out in the Provisional S&P Agreement.

REASONS FOR THE ACQUISITION

The Group has been, in its ordinary and usual course of business, developing electronic gaming equipment and systems for sale in Macau and the overseas market, and specialising in developing table game automation and innovative technologies that improve game efficiency and optimise operations. Currently the Group leases certain warehouses in Macau for storing its inventories, which include, among other things, electronic gaming machines, equipment, spare parts and thereby incurs rental expenses on an ongoing basis. The Directors consider that the Acquisition provides an excellent opportunity for the Group to reduce ongoing rental payments for the inventory storage. The Board considers that the terms of the Provisional S&P Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition exceed 5% but are below 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INFORMATION ON THE VENDOR

The Vendor is a private company incorporated under the laws of Macau with limited liability. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendor is a property holding company, and that the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

INFORMATION ON THE GROUP AND THE PURCHASER

The Group is principally engaged in the provision of casino management services and the development, sale and leasing of electronic gaming equipment and systems. The Purchaser was incorporated under the laws of Macau, and is an indirect wholly-owned subsidiary of the Company mainly for property holding business in Macau.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

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| “Acquisition” | the proposed acquisition of the Properties by the Purchaser from the Vendor pursuant to the Provisional S&P Agreement |
| “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 |
| “connected persons” | has the meaning ascribed to it under the Listing Rules |
| “Consideration” | the total consideration of the Acquisition under the terms of the Provisional S&P Agreement |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

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| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Macau” | the Macao Special Administrative Region of the People’s Republic of China |
| “Properties” | Units 2A, 2B, 2D, 2F, 7C, 7H of Centro Polytex at 45 Estrada Marginal Da Areia Preta, Macau |
| “Provisional S&P Agreement” | the provisional sale and purchase agreement dated 15 June 2018 entered into between the Purchaser and the Vendor in respect of the acquisition of the Properties |
| “Purchaser” | Century Force Limited, a company incorporated in Macau and an indirect wholly-owned subsidiary of the Company |
| “Shareholders” | holders of the Shares |
| “Shares” | ordinary shares of HK\$0.001 each in the share capital of the Company |
| “Vendor” | a company incorporated in Macau that holds the legal title to the Properties as at the date of this announcement, and an independent third party of the Company |
| “%” | per cent. |

By Order of the Board
Paradise Entertainment Limited
Chan Kin Man
Company Secretary

Hong Kong, 19 June 2018

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.