



PARADISE ENTERTAINMENT LIMITED

REPORTS 2021 INTERIM RESULTS

Hong Kong, 26 August 2021 – 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 2021.

2021 INTERIM RESULTS HIGHLIGHTS

Overall

- The Group’s reported revenue increased by 45.5% year-on-year to HK\$257.9 million
- The Group’s Adjusted EBITDA for the period recorded a turnaround from loss to profit of HK\$5.1 million
- The Group’s loss for the period was HK\$21.5 million

Casino Kam Pek Paradise

- Total gross gaming revenue (“GGR”) increased by 58.9% year-on-year to HK\$416.9 million
- Contributed HK\$39.1 million to Adjusted EBITDA of the Group

Electronic Gaming Equipment and Systems

- Revenue increased by 164.9% year-on-year to HK\$30.2 million
- Provided upgrading services to 1,228 LMG terminals at various casinos in Macau and sale of 12 slot machines in overseas markets
- Contributed a loss of HK\$14.3 million to Adjusted EBITDA of the Group
- Incurred research and development and other costs of HK\$27.9 million (included in the loss of HK\$14.3 million to Adjusted EBITDA of this segment). Dedicated to develop new innovative products and enhance our competitive advantages, attract more demand and increase market penetration and shares in the long run

Balance Sheet

- Cash and cash equivalents of HK\$145.1 million
- Net cash (cash and cash equivalents less bank and other borrowings) of HK\$8.9 million
- Gearing ratio of 35.4% (total borrowings over net assets)



Mr. Jay Chun, Chairman and Managing Director of Paradise commented, “The outbreak of Covid-19 since early 2020 continued to bring unprecedented challenges and adverse impacts to the global economy, as well as our Group’s results for the six months ended 30 June 2021. With the launch of mass vaccination programs in most countries since the second half of 2020, we are delighted to bring hope and light to the end of the tunnel for the resumption to our normal life. However, the rollout of vaccination programs in some parts of the world has been slow or delayed due to various factors. New virus variants have also fueled a rise in the number of infected cases across countries and regions.”

According to the statistical information published by DICJ, Macau’s total GGR for the six months ended 30 June 2021 was MOP49.0 billion, up 45.4% over the same period last year, but it was only 32.8% of Macau’s GGR for the six months ended 30 June 2019. Moreover, Macau’s total GGR for June 2021 dropped 37.4% when compared with that for May 2021. Visitations to Macau also exhibited similar trends. Arrivals in Macau for the six months ended 30 June 2021 was 3.9 million, up 20.2% over the same period last year, but it was only 19.4% of visitation to Macau for the six months ended 30 June 2019. Visitations to Macau for June 2021 dropped 39.0% when compared with that for May 2021. The month-on-month decline in June 2021 followed an outbreak of the pandemic in the neighboring Guangdong Province in late May 2021. In addition, the current wave of new virus variant transmissions in certain parts of Mainland China in recent months and the identification of new cases in Macau in early August 2021 have also tightened the prevention and control measures in Macau and the regions nearby. All these demonstrate that the pandemic remains fluid and fragile, lifted measures may be reintroduced if there are adverse developments to the pandemic in Macau and other regions with access to Macau. It is still uncertain as to how long it will take for the economy to regain its full momentum.

Albeit uncertain and difficult business environment, the Group is pleased to report the encouraging results and feedback from the debut of our self-developed slot machines in the North American markets. These slot machines were characterised by popular games which are straight-forward, simple and perfectly suited for high denomination areas with non-progressive, standalone progressive and linked progressive options. We have received positive feedbacks, orders and reorders from customers. The Group is dedicated to the continuous innovation in the gaming equipment industry using top-notch and innovative technology to create more good gaming products that align well with casinos of mass market worldwide.

The gaming markets in Macau and across the globe still face immense volatilities depending on the development of the pandemic, and unforeseen situations such as the effectiveness of the present vaccines. Nevertheless, in view of the increasing awareness of health issues, we were delighted that the distinctive features of our innovative flagship products, the LMG machines, have continued to perform well. LMG provides gaming patrons a more private, spacious and safe environment which are well aligned with the specific safety measures and requirements imposed by the relevant authority to maintain a safe distance between gaming tables, and between gaming machines. The outperformance of the LMG has highlighted the importance of taking the prevailing health issues into account when designing and developing gaming products as well as on casino management strategy, where technology can facilitate such attainment. The Group will continue to invest in research and development and other costs on electronic gaming equipment and systems. We believe such investment strategy will create a solid platform for our future growth in both Macau and the global market in the long run.

In recent years, the Group has been investing increasingly in research and development of 5G, AI and other related high-tech products. The Group’s latest research accomplishments including smart wear, smart home and 5G wireless terminal high-tech products adhere to the trend of transformation of high-tech development in wireless edge of 5G and AI. These high-tech products enhance human being’s quality of life significantly in areas of education, sports and living, etc. and are highly acclaimed by sports lovers and parents. In the years to come, we are confident that these high-tech products will be more closely integrated with entertainment business for the continuous enhancement of players’



experience and generate fresh revenue streams for the Group.

Mr. Jay Chun added, “We expect to continue facing strong and unsteady headwinds and do not anticipate a solid rebound in our overall performance, especially the Covid-19 vaccines remain uncertain as to whether they can completely tackle the present new virus variants, with further uncertainties as to whether other unknown new virus variants may arise thereafter. We will continue to assess the impact of the pandemic on our operation and financial performance and closely monitor our exposure to the risks and uncertainties in connection with the pandemic and will take appropriate measures as necessary to minimise the risks.”

Paradise Entertainment Limited

Paradise Entertainment Limited (HKEx: 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 envisions to become a global leader in gaming equipment. 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. The Group has started to launch slot machines in Macau and overseas markets by way of sale and leasing. In addition, the Group also develops high-tech products including artificial intelligence related products in areas of education, sports and living, etc.

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

For Investor & Media Enquiries, please contact:

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