



Paradise

# Paradise Entertainment Limited

*(Incorporated in Bermuda with limited liability)*

1180.HK

2023 Annual Results

26 March 2024

# 1. Company Overview



## About Paradise

Paradise is proud to be one of the worldwide leading electronic gaming equipment and systems suppliers for high-tech and innovative products and delivers unique and professional casino management services focusing on mass markets. It also provides total solutions for supply of smart charging stations and equipment to electric vehicles.

# Business Segments



## PROVISION OF CASINO MANAGEMENT SERVICES

- Provide casino management services to Casino Kam Pek Paradise, a satellite casino of SJM Resorts, Limited (“SJM Resorts”) in Macau, which generates stable and strong net cash inflows to the Group
- Focus on mass gaming segment in the Macau Peninsula
- Fully utilise the Group’s patented high-tech innovative electronic table gaming experience into the satellite casino, which is unprecedented, unique and prominent in the industry



## ELECTRONIC GAMING EQUIPMENT AND SYSTEMS

- Inventor, patent-owner and sole-supplier of our flagship product **LMG** in Macau
- Deployment of new self-developed **slot** machines in North American, South-east Asian and Macau markets
- Dedicated to research and development of new innovative gaming equipment and systems
- Our high-tech innovative electronic gaming experience is fully utilised in the casino managed by us generating stable and strong net cash inflows



## SMART CHARGING STATIONS AND EQUIPMENT

- Provide total solutions for smart charging stations and equipment to electric motorcycles, bicycles and vehicles, etc.
- Gather and provide analysis of scientific, comprehensive, safe and eco-friendly smart charging big data to relevant government institutions, owners or property management companies of commercial, residential or industrial premises, etc.
- Cope with the increasing demand of safe and eco-friendly smart charging stations and equipment in Mainland China

# 2. Business Update

For the year ended 31 December 2023



# BUSINESS UPDATE – 2023

1. With the Covid-19 pandemic situation being gradually under control, since early 2023, the Macau government has started to ease travel restrictions and lifted its quarantine requirements for inbound business and leisure travellers.
2. The Group entered into a new service agreement with SJM Resorts on 30 December 2022 for our provision of casino management services in Casino Kam Pek Paradise (which operates under SJM Resorts' gaming concession) for the period from 1 January 2023 to 31 December 2025.
3. Benefitting from the recovery of the gaming markets from the severe impacts of the pandemic, the Group's gaming business in Macau has demonstrated notable improvements as a result.



# BUSINESS UPDATE – 2023 (continued)



4. The enactment of the new gaming law proved to clear the uncertainties regarding the prospects of the gaming industry in Macau.
5. 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.
6. 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.

## Casino Management Services

# GAMING TABLES AND MACHINES IN OPERATION

(Average number of units)		FY2023 <sup>^</sup>	FY2022
 (managed by the Group since Aug 2008)	<i>Traditional gaming tables</i>	24	31
	<i>LMG gaming tables/machines</i>	10/860	8/493
	Total gaming tables	34	39
	<b>Slot machines</b>	96	98

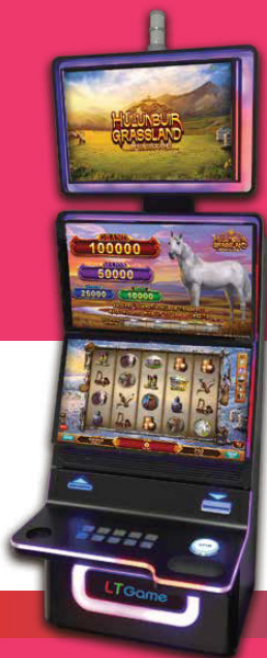
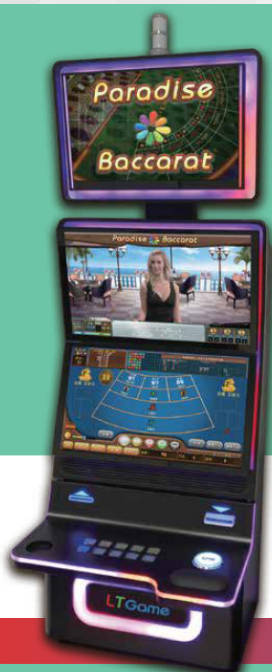


The numbers shown in above table represent average number of gaming tables and machines which were in operation during the relevant periods.

<sup>^</sup> Pursuant to the service contract, the Group has been allocated quotas for managing 30 gaming tables and 100 slot machines in Casino Kam Pek Paradise for the period from 1 January 2023 to 31 December 2025. In addition, the Group has been further allocated quotas for managing additional 10 gaming tables in Casino Kam Pek Paradise for the period from 8 May 2023 to 31 October 2023.

## Electronic Gaming Equipment & Systems

# DEPLOYMENT OF GAMING MACHINES



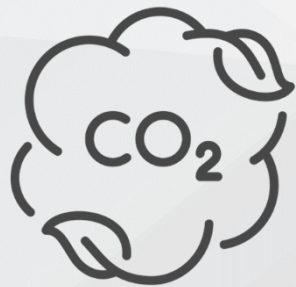
Major deployment during the year	FY2023 (HK\$ 'million)	FY2022 (HK\$ 'million)
Sale of <b>LMG</b> machines in Macau	48.5 <i>(260 units)</i>	-
Provision of upgrading services to <b>LMG</b> machines in Macau	5.1	3.5
Leasing of <b>LMG</b> machines in Macau	3.2	3.9
Sale of <b>Slot</b> machines in overseas markets	-	20.3 <i>(498 units)</i>
Leasing of <b>Slot</b> machines in overseas markets	-	1.0
Total revenue	<u>56.8</u>	<u>28.7</u>



Innovative and Renewable Energy Solutions Business in Mainland China

# SUPPLY OF SMART CHARGING STATIONS AND EQUIPMENT FOR ELECTRIC VEHICLES

During the year ended 31 December 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 2023, this business contributed a revenue of HK\$12.4 million to the Group's reported revenue.



# 3. Financial Update

For the year ended 31 December 2023



# FINANCIAL HIGHLIGHTS – 2023 ANNUAL RESULTS

**GGR**

Casino Kam Pek Paradise

HK\$ **1,033.6** m

(2022: HK\$490.9m)

**+110.6% YoY**



**Adjusted EBITDA**

HK\$ **133.6** m

(2022: loss of HK\$109.0m)

**Turnaround**  
loss → Profit



**Reported Revenue**

HK\$ **634.3** m

(2022: HK\$297.8m)

**+113.0% YoY**



**Net Profit**

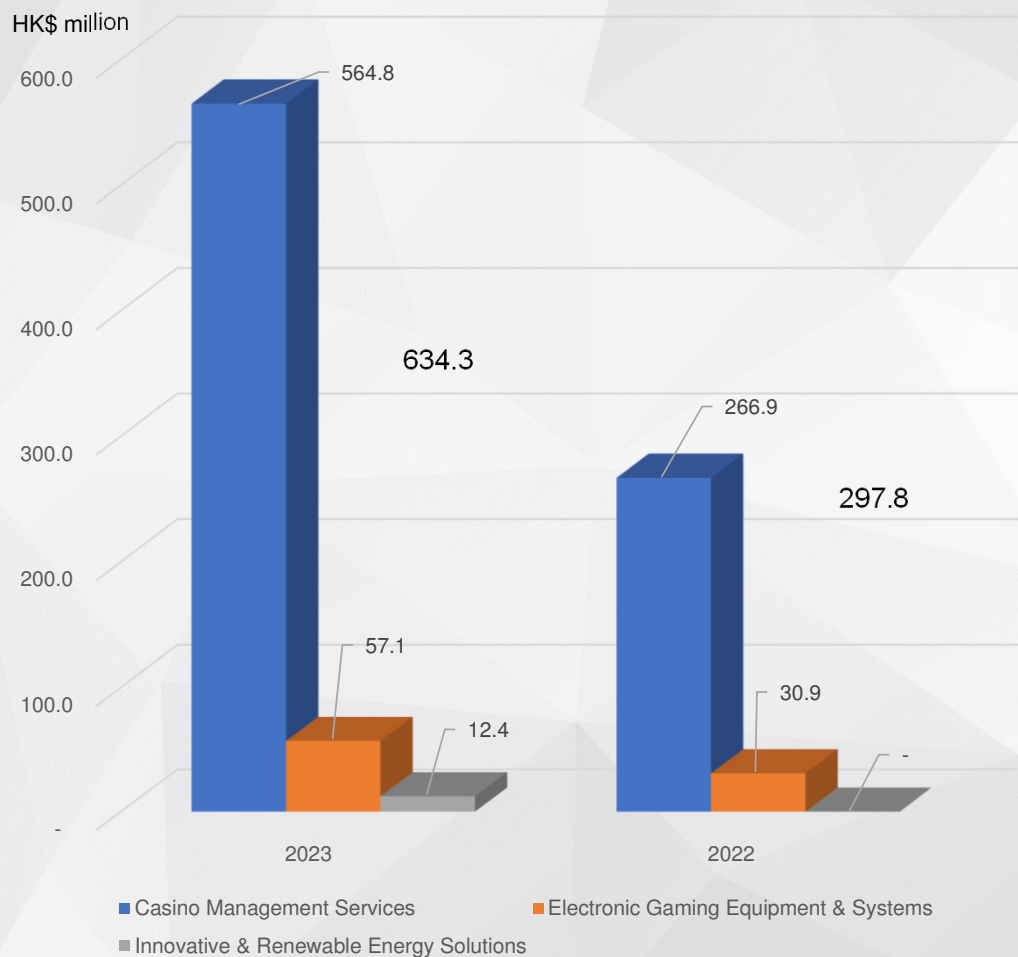
HK\$ **60.9** m

(2022: net loss of HK\$166.3m)

**Turnaround**  
loss → Profit

# GROUP REVENUE & ADJUSTED EBITDA

## Reported Revenue by Segments



## Group Adjusted EBITDA by Nature

HK\$ million	FY2023	FY2022
<b>Casino under the Group's management:</b>		
• Casino Kam Pek Paradise	<b>162.8</b>	(38.0)
<b>Subtotal</b>	<b>162.8</b>	(38.0)
<b>Electronic gaming equipment and systems:</b>		
• Sale/leasing	<b>11.1</b>	(18.4)
• R&D and other costs	<b>(26.2)</b>	(37.4)
• Royalty income from IGT	<b>0.3</b>	2.2
<b>Subtotal</b>	<b>(14.8)</b>	(53.6)
<b>Other businesses</b>	<b>2.9</b>	(3.7)
<b>Corporate and other expenses</b>	<b>(17.3)</b>	(13.7)
<b>Group Adjusted EBITDA</b>	<b>133.6</b>	(109.0)

# CASINO UNDER MANAGEMENT PERFORMANCE HIGHLIGHTS



**FY2023**

**FY2022**



**GGR**

HK\$ **1,033.6m [+110.6%]**

HK\$ 490.9m

- Traditional Tables

HK\$ **452.7m [+118.2%]**

HK\$ 207.5m

- LMG

HK\$ **530.9m [+107.5%]**

HK\$ 255.9m

- Slot Machines

HK\$ **50.0m [+81.8%]**

HK\$ 27.5m



**GGR Contribution**

- Traditional Tables

**43.8%**

42.3%

- LMG

**51.4%**

52.1%

- Slot Machines

**4.8%**

5.6%

**100.0%**

100.0%



**Reported Revenue**

HK\$ **564.8m [+111.6%]**

HK\$ 266.9m



**Adjusted EBITDA (loss)**

HK\$ **162.8m**

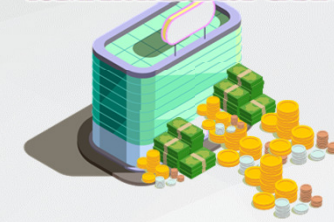
HK\$ (38.0)m



# KPIs FOR CASINO UNDER MANAGEMENT



金碧匯彩娛樂場  
KAMPEK PARADISE CASINO



	<u>FY2023</u> HK\$	<u>FY2022</u> HK\$
Total GGR for the year	<b>1,033.6 million</b>	490.9 million
Traditional Gaming Tables GGR per table/day 	<b>51,700</b>	18,300
LMG Gaming Tables GGR per table/day 	<b>145,500</b>	87,600
GGR per terminal/day 	<b>1,691</b>	1,422
Blended Tables GGR per table/day 	<b>79,300</b>	32,600

# ELECTRONIC GAMING EQUIPMENT & SYSTEMS PERFORMANCE HIGHLIGHTS



	<u>FY2023</u>			<u>FY2022</u>		
	<u>Macau</u>	<u>Overseas</u>	<u>Total</u>	<u>Macau</u>	<u>Overseas</u>	<u>Total</u>
★ Reported Revenue	HK\$56.8m	-	<u>HK\$56.8m</u>	HK\$7.4m	HK\$21.3m	<u>HK\$28.7m</u>
★ R&D and Other Costs in EBITDA			<u>HK\$(26.2)m</u>			<u>HK\$(37.4)m</u>
★ Adjusted EBITDA (loss)			<u>HK\$(14.8) m</u>			<u>HK\$(53.6) m</u>



# 4. Summary of Our Key Differentiators



## Patent-Protected Technologies and Strong Team of Talents (Gaming Machines)

Inventor, patent owner and sole supplier of our flagship product **LMG** in Macau; self-developed **slot** machines to deploy in North American, South-east Asian and Macau markets; possess over 100 professionals in Macau, Hong Kong, Mainland China and US



## Policy-Fuelled Growth Opportunity (LMG)

With limited table quota, casinos in Macau do not have enough tables to fill their big casinos. **LMG** terminals and accessories save valuable table quota for casinos so that they can utilise tables for the highest and best use



## Over the Hurdles (Slot)

Has invested few years on R&D on **slot** cabinets and games and getting necessary certification and licences, and started to deploy self-developed **slot** machines in US and regions nearby, Macau and other Southeast Asian Countries such as the Philippines



Paradise



## Increasing Demand for Electronic Gaming Machines (Gaming Machines)

Macau is shifting from VIP to mass market; awareness of public health is increasing with the outbreak of Covid-19; operating cost of traditional gaming tables keeps increasing



## Synergistic Application (Gaming Machines and Casino Management)

Our high-tech innovative electronic gaming experience is fully utilised in the casino managed by us generating stable and strong net cash inflows



## Policy-Fuelled Growth Opportunity (Smart Charging Stations and Equipment)

Committed unwaveringly and swiftly to global substantiality for the supply of innovative or renewable energy solutions united by shared value and inspiring mission to the Central Government's major strategic deployment of "Emission Peak" and "Carbon Neutrality"



## Low Valuation (Corporate)

Comparatively, Paradise's valuation is cheaper than other Macau gaming stocks or other gaming tech companies



# 5. Contacts Information



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