



PARADISE ENTERTAINMENT LIMITED

(Incorporated in Bermuda with limited liability)

REPORTS 2023 ANNUAL RESULTS

Hong Kong, 26 March 2024 – Paradise Entertainment Limited (“Paradise” or the “Company”, together with its subsidiaries referred to as the “Group”) (HKEx stock code: 1180) announces today its audited consolidated annual results for the year ended 31 December 2023.

2023 ANNUAL RESULTS HIGHLIGHTS

Overall

- The Group’s reported revenue increased by 113.0% year-on-year to HK\$634.3 million
- The Group’s Adjusted EBITDA was a profit of HK\$133.6 million
- The Group’s profit for the year was HK\$60.9 million

Casino Kam Pek Paradise

- Total gross gaming revenue (“GGR”) increased by 110.6% year-on-year to HK\$1,033.6 million
- Contributed a profit of HK\$162.8 million to the Adjusted EBITDA of the Group

Electronic Gaming Equipment and Systems

- Revenue increased by 84.8% year-on-year to HK\$57.1 million, including revenue from the sale/leasing of electronic gaming equipment and systems in Macau of HK\$56.8 million
- Incurred a loss of HK\$14.8 million (including research and development and other costs of HK\$26.2 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\$12.4 million to the reported revenue of the Group

Balance Sheet

- Cash and cash equivalents of HK\$59.6 million
- Gearing ratio of 82.7% (total borrowings over net assets)



Dr. Jay Chun, Co-Chairman and Managing Director of Paradise, commented, “We are pleased to see that since early 2023, global business activities have been gradually resumed to normal with the easing of pandemic measures. For the year ended 31 December 2023, we witnessed a strong recovery and impressive performance of the gaming market in Macau.”

Total reported revenue of the Group for the year ended 31 December 2023 was HK\$634.3 million, representing an increase of 113.0% over that of HK\$297.8 million for the year ended 31 December 2022. 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, the sale of electronic gaming equipment and systems in Macau, and the new innovative and renewable energy solutions business.

Provision of Casino Management Services in Macau

For the year ended 31 December 2023, total GGR generated by Casino Kam Pek Paradise amounted to HK\$1,033.6 million, representing an increase of 110.6% over that of HK\$490.9 million for the year ended 31 December 2022.

Adjusted EBITDA from the casino under the Group’s management in Macau segment for the year ended 31 December 2023 was a profit of HK\$162.8 million, as compared with a loss of HK\$38.0 million for the year ended 31 December 2022. The turnaround from loss to profit was mainly due to the increase in GGR generated by Casino Kam Pek Paradise in Macau when compared with that generated for the year ended 31 December 2022, mainly due to the increase in the number of patrons to Casino Kam Pek Paradise

Electronic Gaming Equipment and Systems

For the year ended 31 December 2023, revenue from electronic gaming equipment and systems segment amounted to HK\$57.1 million (including revenue from sale/leasing of electronic gaming equipment and systems in Macau of HK\$56.8 million), representing an increase of 84.8% over that of HK\$30.9 million for the year ended 31 December 2022.

Adjusted EBITDA from the electronic gaming equipment and systems segment for the year ended 31 December 2023 was a loss of HK\$14.8 million, as compared with a loss of HK\$53.6 million for the year ended 31 December 2022. The decrease in loss of the segment was mainly due to the turnaround of the Adjusted EBITDA from sale/leasing of electronic gaming equipment and systems from a loss of HK\$18.4 million for the year ended 31 December 2022 to a profit of HK\$11.1 million for the year ended 31 December 2023 which was mainly attributable to the increase in revenue from the sale and provision of upgrading services to LMG terminals in Macau for the year ended 31 December 2023 when compared with that for the year ended 31 December 2022, and the Group’s effective cost-saving strategy implemented to research and development and other expenses associated with electronic gaming equipment and systems which 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 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 the year ended 31 December 2023, this business contributed a revenue of HK\$12.4 million (2022: not applicable) to the Group’s reported revenue.



Prospects

Dr. Jay Chun added, “Thanks to the signing of the new contracts in respect of the 10-year gaming concession and the enactment of the new gaming law commencing from 1 January 2023, which proved to clear the uncertainties regarding the prospects of the gaming industry in Macau. We remain confident in the future of the gaming business in Macau.

In addition to the Macau gaming market, the Group is actively seeking potential business opportunities in overseas markets to expand its business of electronic gaming equipment and systems. We consider that there is huge potential for electronic table games and slot machines to grow in not only the Macau gaming market, but also the fast-growing Southeast Asian gaming markets such as the Philippines, Vietnam, and Cambodia, and the North American gaming markets. For instance, the Philippines market has good potential as the Philippines already holds the title of the largest electronic gaming machine market in Asia, offering better flexibility with numerous casinos and a variety of gaming types. Further, the Philippines market is relatively more international and adheres to general standards for gaming machines aligning with global norms. The electronic gaming equipment and systems developed for the Philippines market can normally be promoted to other gaming markets in the world with little modification. The Group is ready to go into these markets to expand its businesses in these Southeast Asian gaming markets, while it will continue to explore business opportunities in the North American gaming markets.

We will continue to leverage and optimise our unique and privileged position that embraces synergies of two principal business segments, the provision of casino management services in Macau and the development, sale and leasing of electronic gaming equipment and systems in Macau and overseas gaming markets to enhance operation efficiency and add value to our products and services to cope with challenges arising from the ever-changing markets. This is a strong core strategic competence that we have built over the years and will continue to offer us a competitive advantage in the future. Adhering to our vision and mission, we will keep driving our investment on the research and development on technology and innovation for high-tech gaming products and utilise the research and development results of frontier technology striving to bolster the market competitiveness of our businesses as a major electronic gaming equipment and systems supplier in the industry.

As for comprehensive development in the long run, 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 to expand our sources of income and future earning capability, create more value for the Group and seek higher returns for our Shareholders. The “dual carbon” goals of “Peaking Carbon Emissions” and “Achieving Carbon Neutrality” have highlighted the determination of the government in Mainland China to undergo green transformation. The Group has timely seized this opportunity to commence 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. 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 is pleased to see this new business activity has started to bring some returns and plans to invest more in this area. In this new era, a shift towards low carbon production and living is emerging. As a high-tech enterprise and with this in mind, the Group will continue to invest in high technology and research and development, and launch new high-tech innovative products to align with the national policy on the technology development and low carbon for the betterment of the people’s quality of life.”



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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