



**Paradise**

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**Paradise Entertainment Limited**

*(Incorporated in Bermuda with limited liability)*

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**1180.HK**

**2024 Interim Results Presentation**

28 August 2024

# Agenda



- 1 **About Paradise Entertainment**
- 2 **Executive Summary For Interim Results 2024**
- 3 **2024 Interim Results in a Glimpse**
- 4 **Casino Management Services Benefited From GGR Recovery**
- 5 **Increasing Demands in Electronic Gaming Equipment and Systems**
- 6 **New Focus Games and Awards in 2024**
- 7 **Key Dates For 2024 Interim Dividend**
- 8 **Summary of Our Key Differentiators**



# 1 About Paradise Entertainment



金碧匯彩娛樂場  
KAMPEK PARADISE CASINO

## Casino Management Services

Casino Kam Pek Paradise



83.8%

LTGame

## Electronic Gaming Equipment and Systems

Live Multi- Game  
("LMG")  
Systems



Electronic Table  
Games  
("ETG")



16.0%

Slot Machines



- Provider of Casino Management Services to Casino Kam Pek Paradise, a Satellite Casino of SJM Resorts, Limited in Macau
- One of the Worldwide Leading and Innovative Electronic Gaming Equipment and Systems Suppliers Focusing on Mass Markets

○ represents % of revenue contribution to the Group for the six months ended 30 June 2024

# 1 About Paradise Entertainment



## 2 Executive Summary For Interim Results 2024



### The Group

- ❑ Reported revenue: **HK\$425.3m**, +72.4% YoY and +9.7% HoH
- ❑ Adjusted EBITDA: **HK\$147.7m**, +376.5% YoY and +44.0% HoH
- ❑ Profit for the period: **HK\$119.4m**, turned to profit YoY and +86.9% HoH

### Casino Management Services

- ❑ Gross gaming revenue (“GGR”): **HK\$651.7m**, +48.3% YoY and +9.7% HoH
- ❑ Adjusted EBITDA: **HK\$143.8m**, +157.7% YoY and +34.4% HoH
- ❑ Daily GGR per gaming table: **HK\$114,700**, +59.3% YoY and +30.4% HoH

### Electronic Gaming Equipment and Systems

- ❑ Reported revenue: **HK\$68.2m**, +1,648.7% YoY and +28.2% HoH
- ❑ Adjusted EBITDA: **HK\$11.2m**, turned to profit YoY and +314.8% HoH
- ❑ Penetration into Southeast Asia Regions – e.g. The Philippines

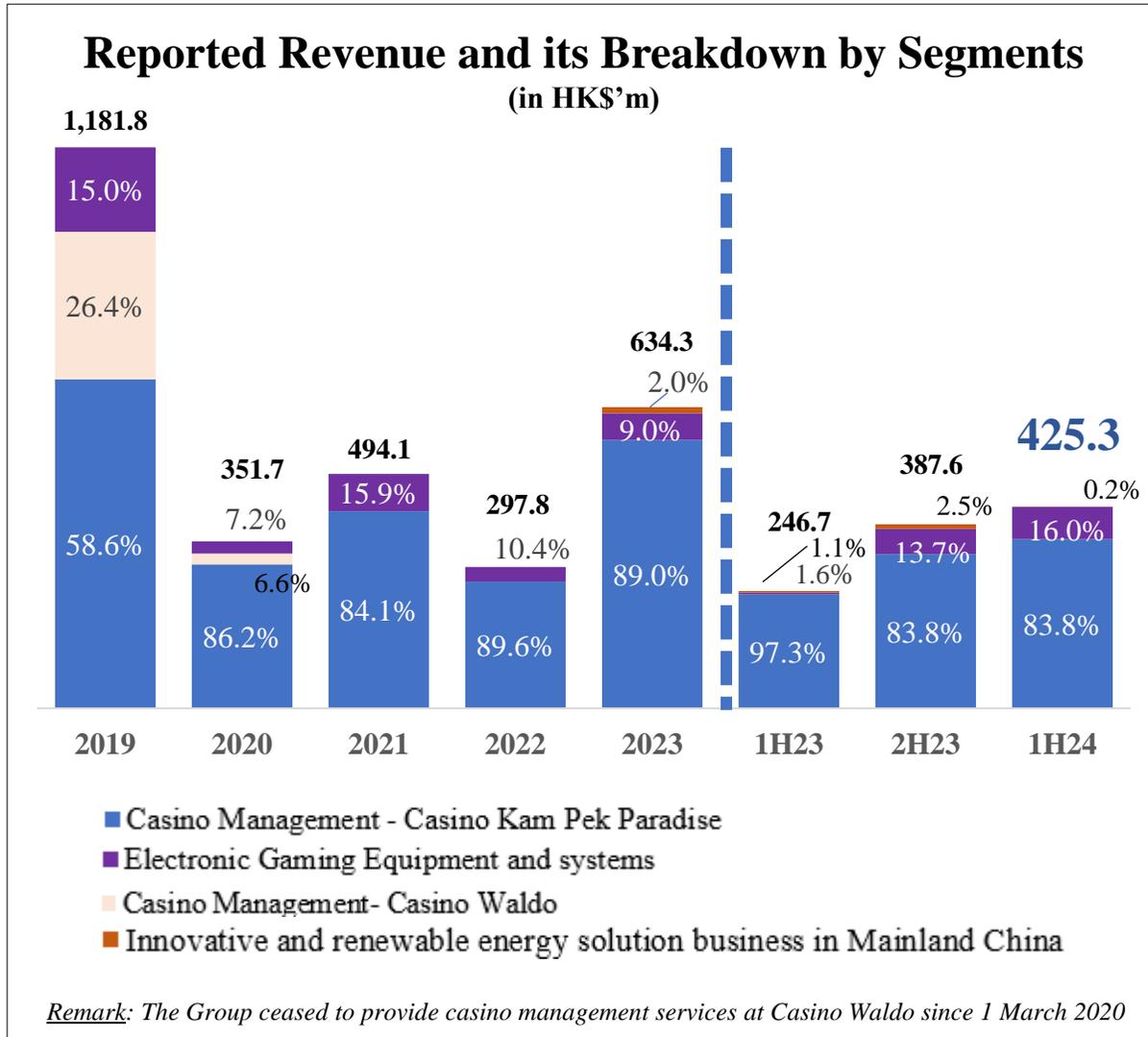
#### *Remarks:*

- YoY refers to 1H24 vs 1H23
- HoH refers to 1H24 vs 2H23

### 3 2024 Interim Results in a Glimpse – Group’s Reported Revenue



Reported Revenue: **HK\$425.3m**, +72.4% YoY and +9.7% HoH

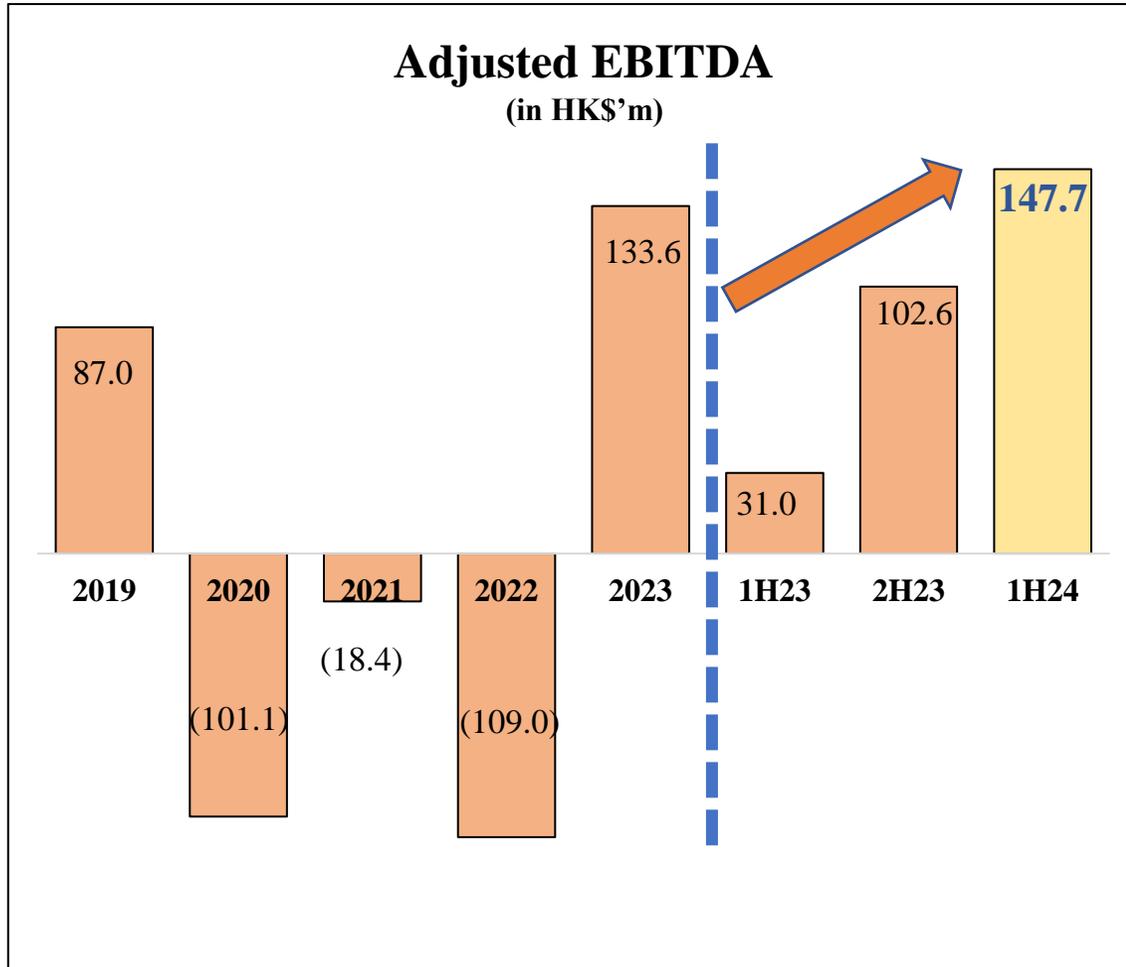


By Segments	YoY	HoH
Casino Management Services	+48.5%	+9.8%
Electronic Gaming Equipment and Systems	+1,648.7%	+28.2%
<b>Total</b>	<b>+72.4%</b>	<b>+9.7%</b>

### 3 2024 Interim Results in a Glimpse – Group’s Adjusted EBITDA



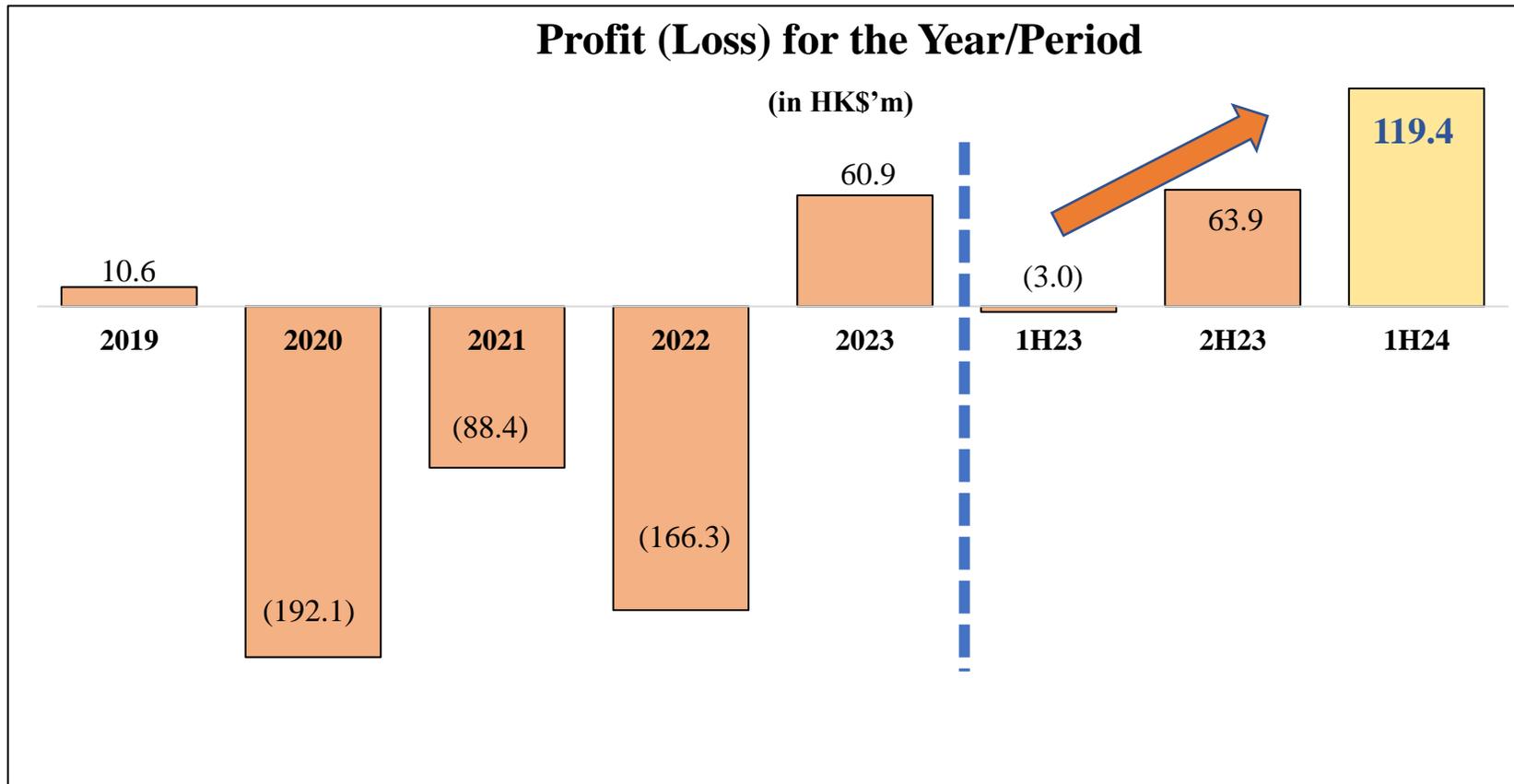
Adjusted EBITDA: **HK\$147.7m**, +376.5% YoY and +44.0% HoH



By Segments	YoY	HoH
Casino Management Services	+157.7%	+34.4%
Electronic Gaming Equipment and Systems	Turned to profit	+314.8%
<b>Total</b>	<b>+376.5%</b>	<b>+44.0%</b>

### 3 2024 Interim Results in a Glimpse – Group’s Profit

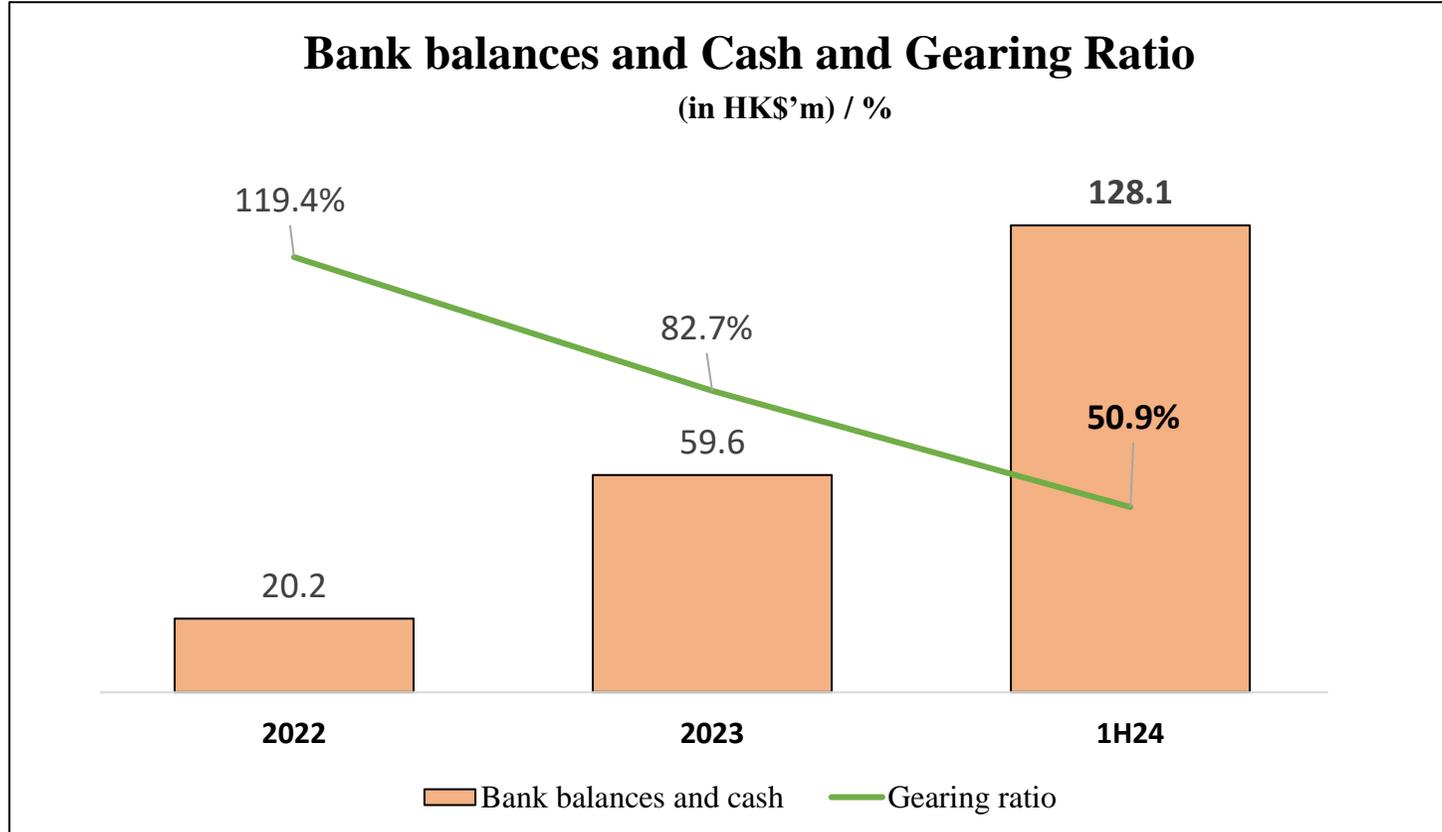
Profit for the Period: **HK\$119.4m**, Turned to Profit YoY and +86.9% HoH



### 3 2024 Interim Results in a Glimpse – Group’s Balance Sheet



## Maintains a Healthy Liquidity Position



As at 30 June 2024:

- ❑ bank balances and cash of **HK\$128.1m**  
(31 December 2023: HK\$59.6m)
- ❑ total outstanding indebtedness of **HK\$169.5m**  
(31 December 2023: HK\$180.8m)
- ❑ gearing ratio of **50.9%**  
(31 December 2023: 82.7%)
- ❑ capex at **HK\$13.3m** for 1H24

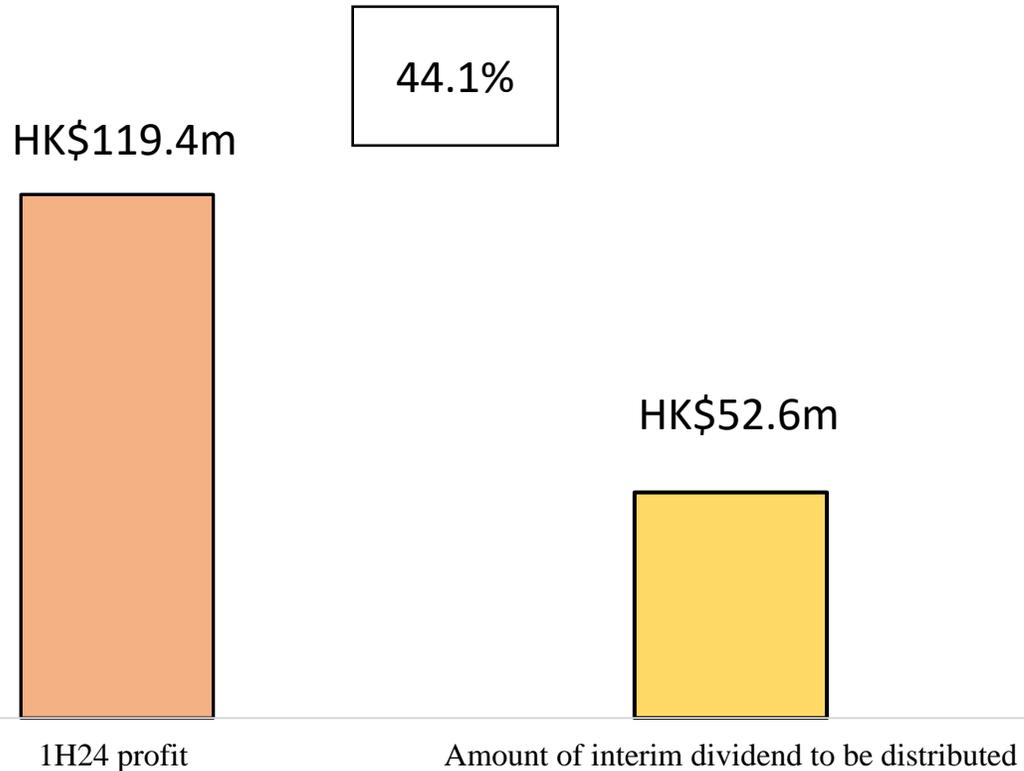
*Remark: Gearing ratio = total borrowings over net assets of the Group*

### 3 2024 Interim Results in a Glimpse – Interim Dividend



Resumes Interim Dividend in 1H24 as Returns to Shareholders

**Dividend Payout Ratio**  
(interim dividend over profit for the period)



- The Board has declared an interim dividend of HK5.0 cents per share for 1H24
- Has resumed dividend since 2018 as shareholders' returns
- Dividend payout ratio (interim dividend over profit of the Group for 1H24) of 44.1%

# 4 Casino Management Services Benefited From GGR Recovery



## 4 Casino Management Services Benefited From GGR Recovery



### Casino Management Services

Total GGR: **HK\$651.7m**, +48.3% YoY and +9.7% HoH

Casino Kam Pek Paradise	1H2024	1H2023	YoY
Average No. of Gaming Tables in Operation	30	32	
Total GGR for the Period	<b>HK\$651.7m</b>	HK\$439.5m	+48.3%
Traditional Gaming Tables GGR/table/day	<b>HK\$66,000</b>	HK\$45,800	+44.1%
LMG Gaming Tables GGR/table/day	<b>HK\$211,900</b>	HK\$139,000	+52.4%
GGR/terminal/day	<b>HK\$2,216</b>	HK\$1,435	+54.4%
Blended Tables GGR/table/day	<b>HK\$114,700</b>	HK\$72,000	+59.3%
Slot Machines GGR/unit/day	<b>HK\$1,486</b>	HK\$1,309	+13.5%

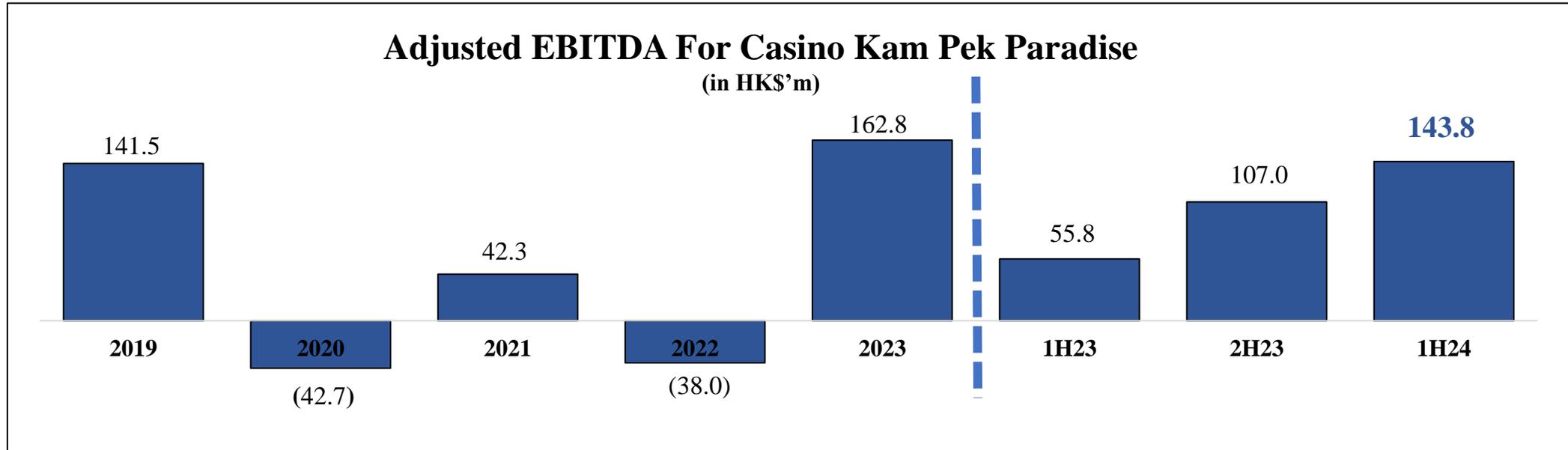
### GGR contribution in 1H24:

- ❑ Traditional table: **36.9%**  
(1H2023: 43.3%)
- ❑ LMG: **59.2%**  
(1H2023: 51.6%)
- ❑ Slot machine: **3.9%**  
(1H2023: 5.1%)

# 4 Casino Management Services Benefited From GGR Recovery

## Casino Management Services

Adjusted EBITDA: **HK\$143.8m**, +157.7% YoY and +34.4% HoH



	2019	2020	2021	2022	2023	1H23	2H23	1H24
Adjusted EBITDA margin on GGR	11.1%	N/A	5.6%	N/A	15.8%	12.7%	18.0%	<b>22.1%</b>

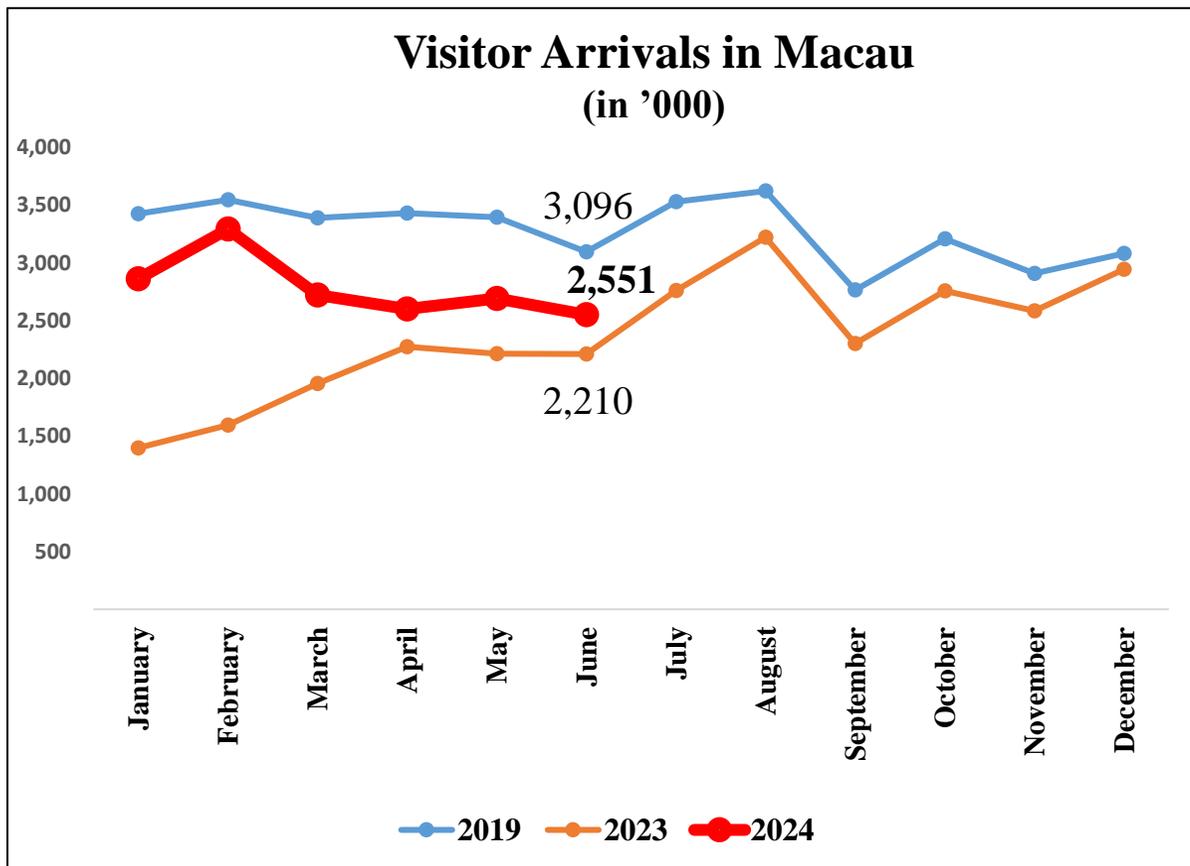
**Adjusted EBITDA margin on GGR: 22.1%** (1H23: 12.7%)

# 4 Casino Management Services Benefited From GGR Recovery



## Casino Management Services

Visitor Arrivals in Macau – room to grow  
Relaxation of “Individual Visit Scheme”



## Principal Source of Mainland Visitors To Macau

Regions	1H24 Tourists to Macau	1H23 Tourists to Macau	YoY
Guangdong	6,069,705	4,159,824	45.9%
Fujian	262,317	203,607	28.8%
Zhejiang	413,381	275,025	50.3%
Hunan	264,539	189,006	40.0%
Jiangsu	384,184	281,146	36.6%
Henan	145,490	99,833	45.7%
Sichuan	230,364	158,990	44.9%
Beijing	282,623	154,881	82.5%
Shanghai	471,960	333,219	41.6%
Tianjin	65,203	44,082	47.9%
Chongqing	123,055	87,394	40.8%
Hubei	269,012	206,661	30.2%
Guangxi	240,099	207,875	15.5%
Jiangxi	125,318	109,300	14.7%
Liaoning	144,304	86,935	66.0%
Anhui	119,144	77,330	54.1%
Shanxi	98,115	51,272	91.4%
Shandong	162,670	92,923	75.1%
Heilongjiang	99,162	57,751	71.7%
Hebei	101,460	56,428	79.8%
Shaanxi	105,081	53,393	96.8%
Inner Mongolia	45,175	21,577	109.4%
Jilin	89,799	49,071	83.0%
Others	1,225,839	486,656	151.9%
<b>Total</b>	<b>11,537,999</b>	<b>7,544,179</b>	<b>52.9%</b>

Source: Government of Macao Special Administrative Region Statistics and Census Service

# 4 Casino Management Services Benefited From GGR Recovery

## Casino Management Services

### Mass Market Focus

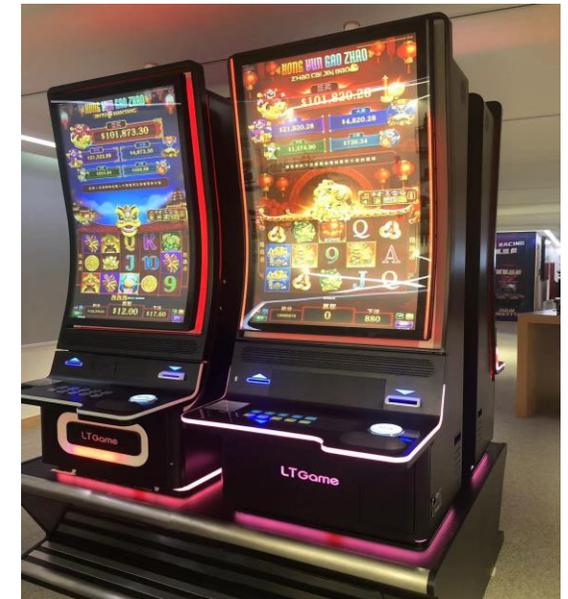
▲ Lower Minimum Bets



▲ Higher Capacity



▲ Higher Engagement of Games



10  
LMG  
Tables



~1,000  
LMG  
Terminals

20  
Traditional  
Mass Tables

~100  
Slot  
Machines

*Remark: Numbers represent average numbers of gaming tables, LMG tables and terminals, and slot machines in operation for 1H2024*

# 5 Increasing Demands in Electronic Gaming Equipment and Systems



# LTGame



## 5 Increasing Demands in Electronic Gaming Equipment and Systems

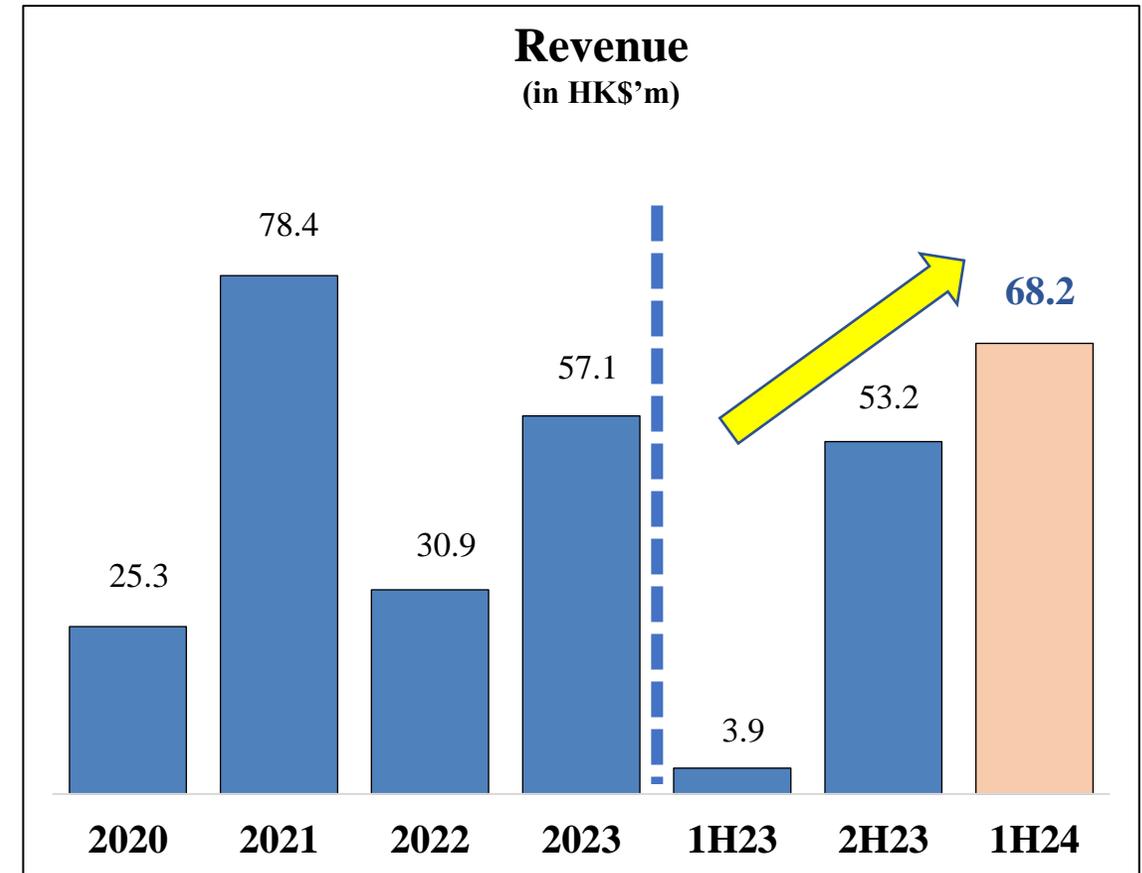


### Electronic Gaming Equipment and Systems

Revenue of **HK\$68.2m**, +1,648.7% YoY and +28.2% HoH

#### Revenue of 1H24:

- **Sale (HK\$47.1m)**
  - 69.1% of total segment revenue
  - No. of LMG terminals sold: 235
  - Partnership with major casino operators in Macau
- **Upgrade and other sales/services (HK\$19.2m)**
  - 28.1% of total segment revenue
  - Upgrading services to LMG terminals
  - New technical standards requirements
- **Leasing (HK\$1.9m)**



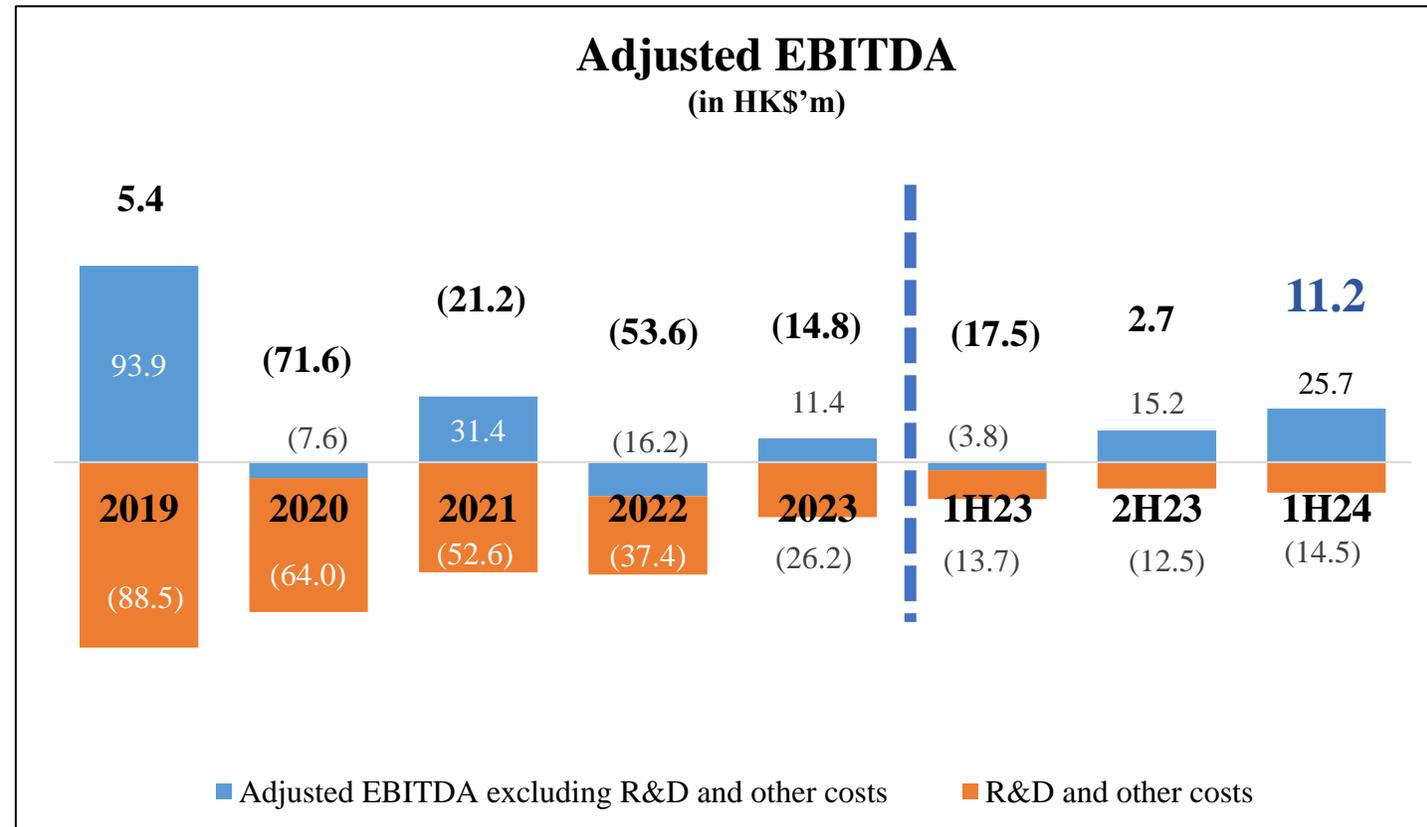
## 5 Increasing Demands in Electronic Gaming Equipment and Systems



### Electronic Gaming Equipment and Systems

Adjusted EBITDA of **HK\$11.2m**, turned to Profit YoY and +314.8% HoH

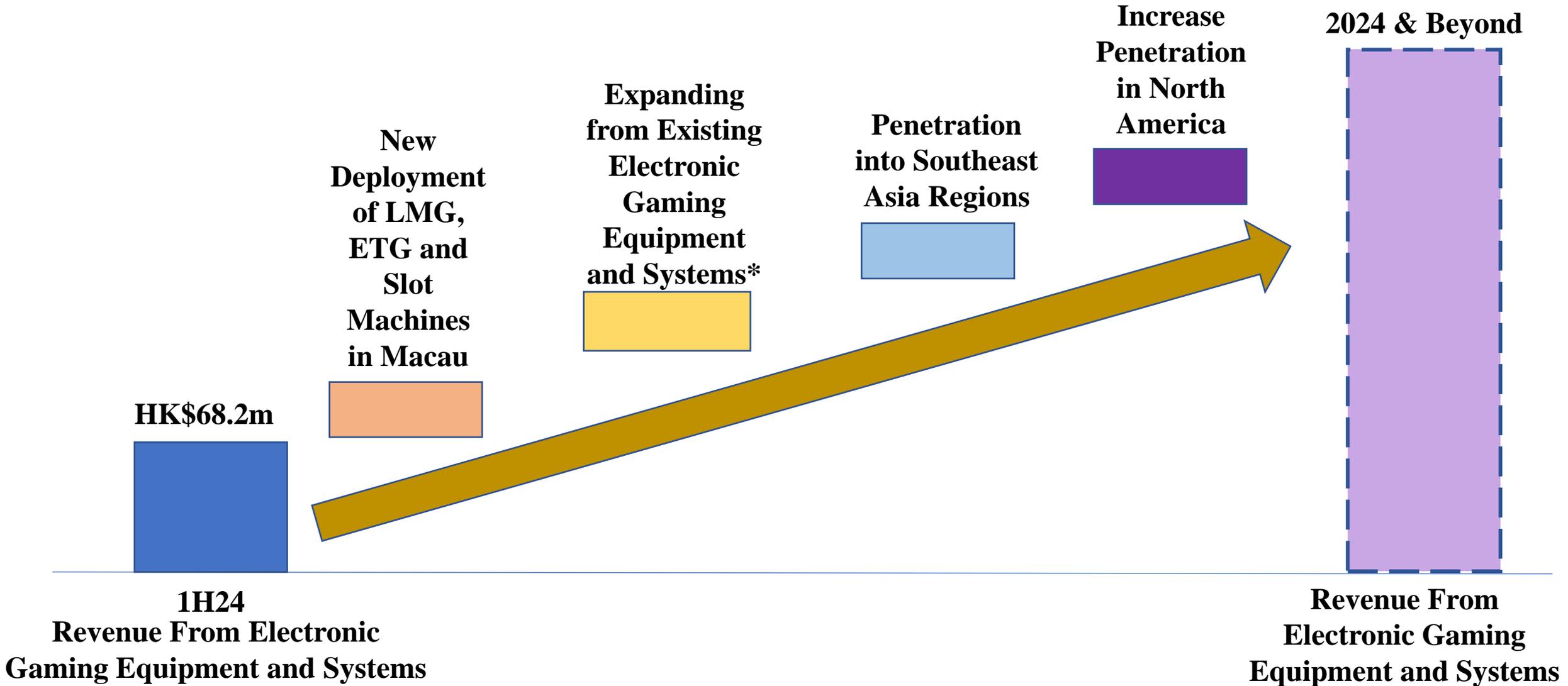
- Adjusted EBITDA turned to profit of **HK\$11.2m** in 1H24
- Adjusted EBITDA margin improves to **16.4%**
- Lower R&D costs, attributable to strategically reallocation of R&D work activities from US and Australia to Mainland China



# 5 Increasing Demands in Electronic Gaming Equipment and Systems



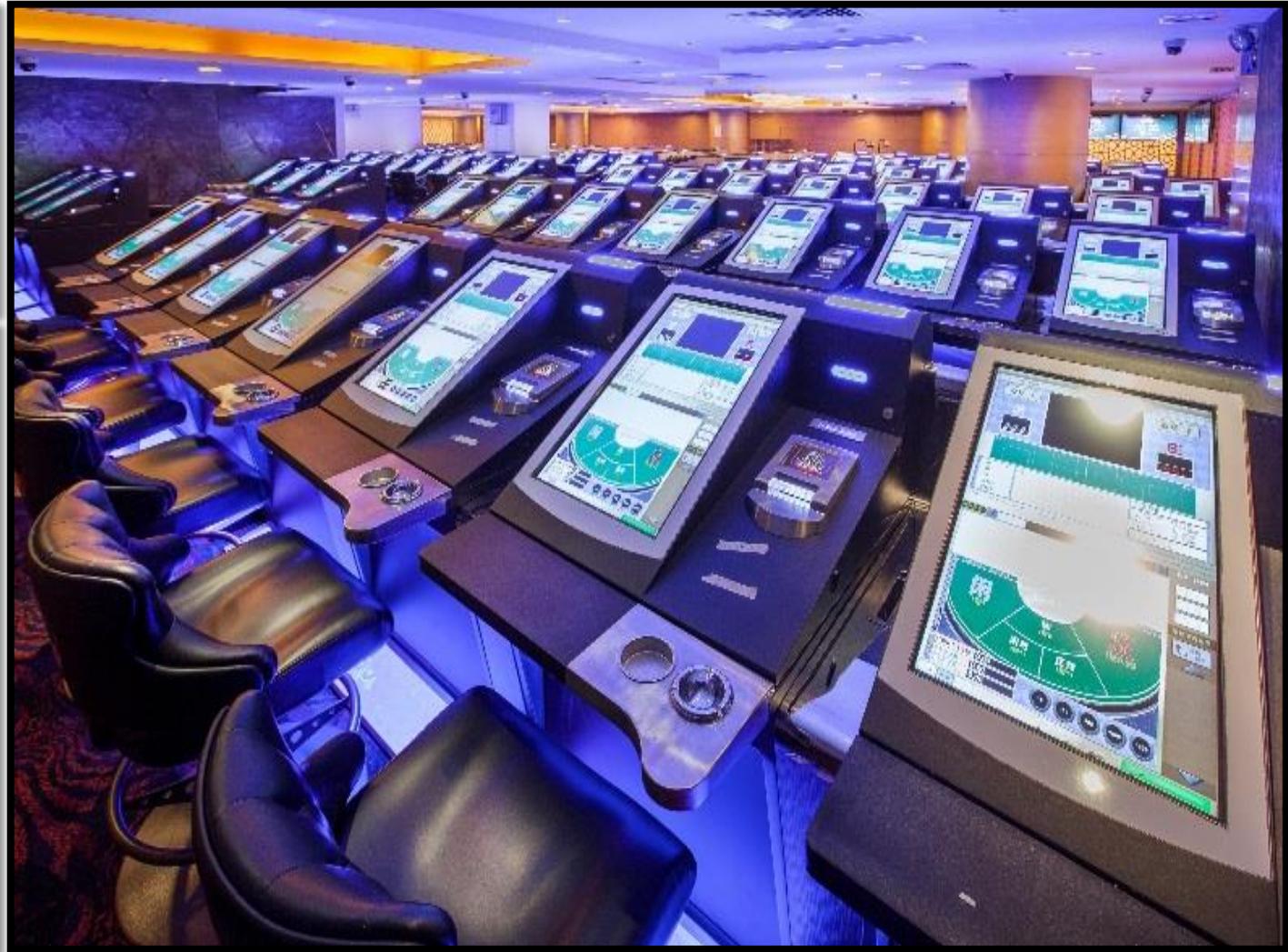
## Electronic Gaming Equipment and Systems



\* Expansion of existing gaming equipment and systems includes side betting, ancillaries, accessories, card shoes, and game viewers, etc.

# 5 Increasing Demands in Electronic Gaming Equipment and Systems

## Electronic Gaming Equipment and Systems



# 5 Increasing Demands in Electronic Gaming Equipment and Systems



## Electronic Gaming Equipment and Systems



### Penetration into Southeast Asia Regions – e.g. The Philippines

- According to Department of Tourism of The Philippines, the country has a total of **5.5m and 3.6m** international visitors in 2023 and first seven months of 2024, respectively, but still below 2019's 8.3m
- Gross gaming revenue hit a record of **US\$3.3b** in 1H24, **19.2%** higher than 1H23. Philippine Amusement and Gaming Corporation (“PAGCOR”) predicted to have **double digit** YoY\* growth in 2024
- For the January to July 2024, the majority of tourist came from key markets such as South Korea (26.2%), the United States (16.3%), Mainland China (6.2%), Japan (6.0%) and Australia (4.2%)



### Major Integrated Resorts in Entertainment City of Manila



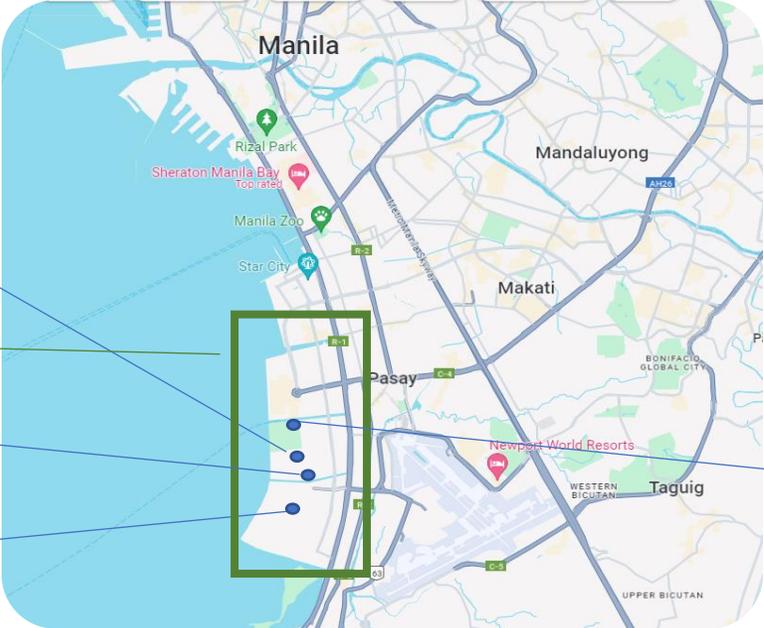
**City of Dreams Manila**



**Solaire Resort & Casino**



**Okada Manila**



The Group is setting up its office and showroom in Central Business Park, Manila to support the growing business needs of the region

\* Source: igaming business – (<https://igamingbusiness.com/finance/full-year-results/philippines-gaming-revenue-reaches-record-2023/>)

# 5 Increasing Demands in Electronic Gaming Equipment and Systems

## Electronic Gaming Equipment and Systems



### The Philippines

Traditional Slot Machines



Mini Slot Machines - Bingo



Electronic Table Games



Products

15+ Integrated Resorts\*



~ 50 Casino under Casino Filipino\*\*



Gaming Centers in Shopping Malls



Channels

Sources:

\* Based on Philippine Amusement and Gaming Corporation (PAGCOR) supervised entities

(<http://www.amlc.gov.ph/images/PDFs/PR2023/LIST%20OF%20PAGCOR%20SUPERVISED%20ENTITIES%20REGISTERED%20WITH%20AMLC%20AS%20OF%2031%20JANUARY%202023.pdf>)

\*\* Based on PAGCOR

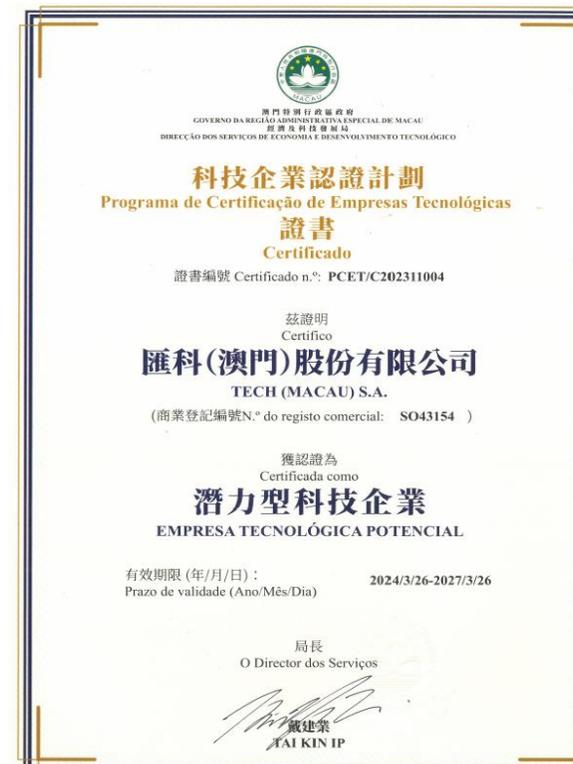
(<https://www.casinofilipino.ph/>)

# 6 New Focus Games and Awards in 2024

## Electronic Gaming Equipment and Systems

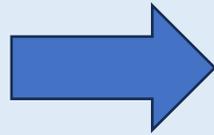
Approval of self-developed game “**Mori Dice**” in July 2024

Awarded “**Potential Technology Enterprise**”(潛力型科技企業) certificate in Macau in May 2024

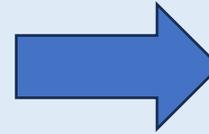


## 7 Key Dates For 2024 Interim Dividend

Declaration  
28 August 2024



Book Close Period  
17 - 20 September  
2024



Payment  
15 October 2024

# 8 Summary of Our Key Differentiators



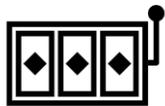
## Patent-Protected Technologies and Strong Team of Talents (Gaming Machines)

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 and Mainland China.



## 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



## Low Valuation (Corporate)

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



## 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"



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To follow us on WeChat



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