PARADISE ENTERTAINMENT LIMITED

滙彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1180)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

RESULTS

The Board announces the unaudited consolidated interim results of the Group for the six months ended 30 June 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2019

		Six months ended 30 June	
		2019	2018
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**591,963**	563,928
Cost of sales and services		**(321,913)**	(317,051)
Gross profit		**270,050**	246,877
Other income, gains and losses		**9,353**	7,492
Marketing, selling and distribution costs		**(112,776)**	(107,336)
Operating and administrative expenses		**(134,352)**	(114,418)
Amortisation of intangible assets		**(6,069)**	(6,069)
Finance costs	*5*	**(1,423)**	—
Share of losses of joint ventures		**(788)**	—
Profit before taxation	*6*	**23,995**	26,546
Taxation	*7*	**(202)**	(225)
Profit for the period		**23,793**	26,321
Profit for the period attributable to:			
— owners of the Company		**19,446**	25,313
— non-controlling interests		**4,347**	1,008
		23,793	26,321
Basic earnings per share	*9*	**HK1.8 cents**	HK2.4 cents

* *For identification purposes only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period	**23,793**	26,321
Other comprehensive income (expense):		
Item that will not be reclassified to profit or loss:		
Fair value gain (loss) on investment in equity instruments designated at fair value through other comprehensive income	**73**	(271)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(583)**	(469)
Other comprehensive expense for the period	**(510)**	(740)
Total comprehensive income for the period	**23,283**	25,581
Total comprehensive income for the period attributable to:		
— owners of the Company	**18,910**	24,625
— non-controlling interests	**4,373**	956
	23,283	25,581

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	Notes	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Non-current assets			
Property, plant and equipment		**227,814**	246,938
Right-of-use assets		**22,140**	—
Intangible assets		**74,850**	80,919
Interests in joint ventures		**2,151**	—
Investment in equity instruments designated at fair value through other comprehensive income		**1,501**	1,428
Other assets		**17,653**	4,363
		346,109	333,648
Current assets			
Inventories		**68,950**	78,998
Trade and other receivables	*10*	**170,036**	176,199
Amount due from a related company		**1,163**	901
Pledged bank deposit		**28,800**	28,800
Bank balances and cash		**242,012**	264,827
		510,961	549,725
Current liabilities			
Trade and other payables	*11*	**108,235**	151,492
Amounts due to Directors		**2,290**	2,239
Amounts due to joint ventures		**78**	—
Taxation payable		**11,730**	11,878
Bank borrowing — due within one year		**5,108**	5,048
Lease liabilities		**10,504**	—
		137,945	170,657
Net current assets		**373,016**	379,068
Total assets less current liabilities		**719,125**	712,716

	At 30 June 2019 *HK$'000* (unaudited)	At 31 December 2018 *HK$'000* (audited)
Non-current liabilities		
Bank borrowing — due after one year	**81,427**	83,998
Lease liabilities	**11,977**	—
	93,404	83,998
Net assets	**625,721**	628,718
Capital and reserves		
Share capital	**1,052**	1,052
Reserves	**574,468**	581,863
Equity attributable to owners of the Company	**575,520**	582,915
Non-controlling interests	**50,201**	45,803
	625,721	628,718

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2019

1. GENERAL

The Company was incorporated in Bermuda as an exempted company with limited liability and its Shares are listed on the Main Board of the Stock Exchange.

The condensed consolidated financial statements are presented in HK$, which is also the functional currency of the Company, and have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 Interim Financial Reporting issued by the HKICPA as well as with the applicable disclosure requirements of Appendix 16 to the Listing Rules.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for investment in equity instruments designated at fair value through other comprehensive income, which is measured at fair value at the end of each reporting period.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 31 December 2018.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

2.1 Impacts and changes in accounting policies of application on HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 Leases and the related interpretations.

Transition and summary of effects arising from initial application of HKFRS 16

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) — Int 4 Determining whether an Arrangement Contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

iii. applied a single discount rate to a portfolio of leases with similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rates for certain leases of properties in Macau, Hong Kong and the PRC were determined on a portfolio basis; and

iv. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group recognised lease liabilities of HK$22,150,000 and right-of-use assets of HK$22,150,000 upon application of HKFRS 16 at 1 January 2019.

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	HK$'000
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	22,150
By class:	
Leasehold land and buildings	21,614
Motor vehicles	536
	22,150

As a lessor

The Directors anticipate that the application of HKFRS 16 will have no material impact on the condensed consolidated financial statements in the current period.

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018	**Adjustments**	**Carrying amounts under HKFRS 16 at 1 January 2019**
	HK$'000	*HK$'000*	*HK$'000*
Non-current asset			
Right-of-use assets	—	22,150	22,150
Current liability			
Lease liabilities	—	(8,833)	(8,833)
Non-current liability			
Lease liabilities	—	(13,317)	(13,317)

Note: For the purpose of reporting cash flows from operating activities under indirect method for the six months ended 30 June 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

2.2 Impacts and changes in accounting policies of application of other new and amendments to HKFRSs

Impacts and changes in accounting policies of application on Amendments to HKAS 28 Long-term Interests in Associates and Joint Ventures

The amendments clarify that the Group applies HKFRS 9, including the impairment requirements, to long-term interests in joint ventures to which the equity method is not applied that form part of the net investment in the investee. Furthermore, in applying HKFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by HKAS 28 Investments in Associates and Joint Ventures ("HKAS 28") (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with HKAS 28).

As at 30 June 2019, amounts due from joint ventures of HK$2,915,000 are considered as long-term interests that, in substance, form part of the Group's net investments in the joint ventures. However, the application of the Amendments to HKAS 28 has had no impact on the condensed consolidated financial statements as the Group's existing accounting policies are consistent with the requirements clarified by the amendments.

HKAS 23 Borrowing Costs

For any specific borrowing that remains outstanding after the related qualifying asset is ready for its intended use or sale, that borrowing becomes part of the funds that the Group borrows generally when calculating the capitalisation rate on general borrowings.

3. REVENUE

An analysis of the Group's revenue is as follows:

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Casino management services:		
Provision of casino management services, recognised over time	**499,162**	509,162
Electronic gaming equipment and systems:		
Sale of electronic gaming equipment and systems, recognised at a point in time	**89,325**	49,877
Leasing of electronic gaming equipment and systems	**2,401**	3,960
Royalty income, recognised over time	**1,075**	929
	92,801	54,766
Total	**591,963**	563,928
Analysis of revenue:		
Recognised over time	**500,237**	510,091
Recognised at a point in time	**89,325**	49,877
Revenue recognition for revenue from contracts with customers	**589,562**	559,968
Leasing income	**2,401**	3,960
Total	**591,963**	563,928

4. SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision makers (the "CODM"). The executive Directors review the Group's business with the following operating and reportable segments:

Casino management services	—	Provision of casino management services in Macau
Gaming systems	—	Development, sale and leasing of electronic gaming equipment and systems

The Group monitors the operating results of its business units separately for the purposes of making decisions about resource allocation and performance assessment. Segment results represent the operating profit or loss earned by each segment without allocation of corporate income and expenses, share of losses of joint ventures, finance costs and income tax expenses. This is the measure reported to the executive Directors for the purposes of resource allocation and assessment of segment performance.

Information regarding the above segments is reported below:

For the six months ended 30 June 2019 (unaudited)

	Casino management services *HK$'000*	Gaming systems *HK$'000*	Unallocated *HK$'000*	Consolidated *HK$'000*
Segment revenue	**499,162**	**92,801**		**591,963**
Segment results	**36,281**	**6,625**		**42,906**
Unallocated corporate expenses				**(16,700)**
Finance costs				**(1,423)**
Share of losses of joint ventures				**(788)**
Profit before taxation				**23,995**
Taxation				**(202)**
Profit for the period				**23,793**
Other information				
Capital expenditure	**4,517**	**5,553**	**31**	**10,101**
Amortisation of intangible assets	**6,069**	**—**	**—**	**6,069**
Depreciation of property, plant and equipment	**24,457**	**4,890**	**523**	**29,870**
Depreciation of right-of-use assets	**1,773**	**1,164**	**1,991**	**4,928**

For the six months ended 30 June 2018 (unaudited)

	Casino management services	Gaming systems	Unallocated	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Segment revenue	509,162	54,766		563,928
Segment results	47,956	(6,390)		41,566
Unallocated corporate income				7
Unallocated corporate expenses				(15,027)
Profit before taxation				26,546
Taxation				(225)
Profit for the period				26,321
Other information				
Capital expenditure	8,128	4,822	160	13,110
Amortisation of intangible assets	6,069	—	—	6,069
Depreciation of property, plant and equipment	25,672	2,850	592	29,114

No analysis of the Group's assets and liabilities by operating and reportable segments and geographical information of segment results and segment assets are disclosed as they are not regularly provided to the CODM.

5. FINANCE COSTS

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank borrowing	**1,100**	—
Interest on lease liabilities	**323**	—
	1,423	—

6. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging:		
Cost of inventories recognised as expenses	**23,455**	15,001
Depreciation of property, plant and equipment	**29,870**	29,114
Depreciation of right-of-use assets	**4,928**	—
Short-term lease rentals in respect of rented premises	**26,037**	—
Variable lease rentals in respect of rented premises which are not included in lease liabilities	**15,338**	—
Operating lease rentals in respect of rented premises	**—**	19,024
Research and development expenditure *(note)*	**44,247**	30,289
Loss on disposal of property, plant and equipment	**—**	2
Write-down of inventories	**436**	—

Note: Research and development expenditure for the six months ended 30 June 2019 of HK$44,247,000 (six months ended 30 June 2018: HK$30,289,000) includes staff costs of HK$20,122,000, depreciation of property, plant and equipment of HK$501,000, depreciation of right-to-use assets of HK$925,000, short-term lease expenses of HK$504,000 and other expenses of HK$22,195,000 (six months ended 30 June 2018: staff costs of HK$16,883,000, depreciation of property, plant and equipment of HK$461,000, operating lease expenses of HK$1,171,000 and other expenses of HK$11,774,000).

7. TAXATION

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Current tax charge:		
Lump Sum Dividend Tax	**189**	189
PRC Enterprise Income Tax	**13**	36
	202	225

The provision for taxation is calculated on the assessable profit for operating subsidiaries established in the PRC at the PRC Enterprise Income Tax rate of 25% prevailing in the PRC. Taxation for overseas subsidiaries, except for those incorporated in the PRC, are charged at the appropriate current rate of taxation ruling in the relevant countries.

No provision for Macau Complementary Tax ("Macau CT") or Hong Kong Profits Tax is made in the condensed consolidated financial statements as the Group did not generate any assessable profit in Macau and Hong Kong for both interim periods.

Pursuant to the confirmation letters issued by the Financial Services Bureau of the Macau government dated 15 August 2017, the revenue generated from the service agreement signed between LT (Macau) Limited ("LT Macau"), a wholly-owned subsidiary of the Company incorporated in Macau, and SJM is not subject to Macau CT for the years ended/ending 31 December 2017 to 2019 and the three months ending 31 March 2020, respectively, since it is derived from SJM's gaming revenue, for which gaming revenue is exempted from Macau CT pursuant to the terms of no. 2 of article 28 of the Law 16/2001 and the exemption granted by Despatch no. 378/2011 of 23 November 2011.

Pursuant to the approval letter issued by the Financial Services Bureau of the Macau government dated 15 August 2017, LT Macau is obligated to pay an annual lump sum dividend withholding tax of MOP389,000 (equivalent to HK$378,000) for each of the years ended/ending 31 December 2017 to 2019 and MOP97,000 (equivalent to HK$94,000) for the three months ending 31 March 2020 as payment in lieu of Macau CT otherwise due by the shareholders of LT Macau on dividend distributions from gaming profits generated in relation to the operation of the casinos at Casino Kam Pek Paradise, Casino Lisboa, and Casino Macau Jockey Club. These annual lump sum tax payments are required regardless of whether dividends are actually distributed or whether LT Macau has distributable profits in the relevant years. For the six months ended 30 June 2019, provision for taxation of HK$189,000 (six months ended 30 June 2018: HK$189,000) has been recognised which was charged to the condensed consolidated statement of profit or loss.

No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future taxable profit streams.

8. DIVIDEND

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Final dividend paid, per Share — HK2.5 cents for 2018	**26,305**	—

No dividend was paid, declared or proposed in respect of both interim periods.

9. EARNINGS PER SHARE

The calculation of basic earnings per Share attributable to the owners of the Company is based on the following data:

	Six months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings		
Profit for the period attributable to the owners of the Company for the purposes of basic earnings per Share	**19,446**	25,313

	Six months ended 30 June	
	2019	2018
	’000	*’000*
	(unaudited)	(unaudited)
Number of Shares		
Weighted average number of Shares for the purposes of basic earnings per Share	**1,052,185**	1,052,185

For the six months ended 30 June 2019 and 30 June 2018, no diluted earnings per Share were presented as there were no dilutive potential Shares.

10. TRADE AND OTHER RECEIVABLES

	At	At
	30 June	31 December
	2019	2018
	HK$’000	*HK$’000*
	(unaudited)	(audited)
Trade receivables, net *(note i)*	**64,657**	72,451
Chips on hand *(note ii)*	**30,816**	29,354
Deposits paid	**46,040**	45,176
Loan receivable *(note iii)*	**15,600**	15,600
Other receivables and prepayments *(note iii)*	**12,923**	13,618
	170,036	176,199

Notes:

(i) At the end of the reporting period, trade receivables comprise amounts receivable from the gaming operators for the Group’s provision of casino management services and customers for the Group’s sale of electronic gaming equipment and systems. No interest is charged on the trade receivables.

Before accepting any new customer, the Group gathers and assesses the credit information of the potential customer in considering the customer’s quality and determining the credit limits for that customer. Recoverability and credit limit of the existing customers are reviewed by the Group regularly. At the end of the reporting period, included in the Group’s trade receivable balances are receivables with aggregate carrying amount of HK$61,542,000 (31 December 2018: HK$69,739,000), which are neither past due nor impaired.

The Group normally allows a credit period with an average of 30 days to the gaming operators and customers.

Following is the aged analysis of trade receivables (net of loss allowance) based on the date of monthly statements of service income or the invoice date at the end of the reporting period:

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Age:		
0–30 days	**60,252**	69,812
31–60 days	**2,557**	524
61–90 days	**843**	126
91–180 days	**935**	159
181–365 days	**70**	1,830
	64,657	72,451

(ii) Chips on hand represent chips issued by gaming operators in Macau which can be exchanged into their cash amounts.

(iii) Pursuant to a loan agreement dated 5 October 2016, LT View Limited, a wholly-owned subsidiary of the Company incorporated in the BVI, agreed to grant a loan to LT Game Japan Limited ("LT Japan"), a company which is incorporated in Japan and is principally engaged in the development and manufacture of gaming products, in the principal amount of US$2,000,000 (equivalent to HK$15,600,000) with interest charged at the rate of 8% per annum. The loan is unsecured and guaranteed by Mr. Pak Suil, who holds an 18% shareholding in, and is a director of, LT Game Limited, an indirect subsidiary of the Company incorporated in the BVI. Pursuant to the loan agreement and the subsequent amendments to the loan agreement (collectively referred to as the "Loan Agreement"), the maturity date of the loan principal and accrued interest thereon is 5 October 2019.

At 30 June 2019, HK$3,416,000 (31 December 2018: HK$2,797,000) was included in other receivables and prepayments in respect of the interest receivable pursuant to the Loan Agreement.

11. TRADE AND OTHER PAYABLES

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Trade payables	**19,545**	21,426
Accrued staff costs	**27,343**	29,213
Accrued promotional expenses	**30,616**	32,802
Contract liabilities	**18,105**	44,878
Deposits received	**997**	1,086
Other sundry payables	**4,108**	15,552
Other accrued expenses	**7,521**	6,535
	108,235	151,492

Following is the aged analysis of trade payables at the end of the reporting period based on the invoice date:

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Age:		
0–30 days	**18,522**	14,672
31–60 days	**68**	5,665
61–90 days	**503**	250
91–365 days	**277**	839
Over 365 days	**175**	—
	19,545	21,426

The average credit period of trade payables is 30 days. No interest is charged on trade payables.

12. CAPITAL COMMITMENTS

	At 30 June 2019 HK$'000 (unaudited)	At 31 December 2018 HK$'000 (audited)
Capital expenditure in respect of property, plant and equipment contracted for but not provided for in the condensed consolidated financial statements	**81,636**	1,062

13. RELATED PARTY TRANSACTIONS

Except for disclosure elsewhere in the condensed consolidated financial statements, the Group had the following significant transactions during the reporting period with related parties:

	Six months ended 30 June 2019 HK$'000 (unaudited)	2018 HK$'000 (unaudited)
Sale of electronic gaming equipment and systems *(note i)*	**581**	376
Consultancy fee *(note ii)*	**240**	270
Staff costs *(note iii)*	**2,326**	2,481

Notes:

(i) The related party is a company wholly-owned by the brother-in-law of Mr. Jay Chun, an executive Director. These transactions constitute continuing connected transactions for the purpose of Chapter 14A of the Listing Rules.

(ii) The related party is the brother-in-law of Mr. Jay Chun, an executive Director.

(iii) The related party is the spouse of Mr. Jay Chun, an executive Director. The transactions were charged at pre-determined amounts agreed between the parties involved.

14. EVENT AFTER THE REPORTING PERIOD

During the six months ended 30 June 2019, the Group entered into sale and purchase agreements with an independent third party to acquire from him certain properties in Macau at a total consideration of HK$90,000,000. The acquisition was financed by internal resources of the Group and a new bank borrowing with principal of HK$63,000,000. The bank borrowing carries prevailing market rate and is secured by a mortgage over certain properties acquired by the Group. The bank borrowing was drawn down by the Group to finance the acquisition and the sale and purchase transaction was completed on 8 August 2019. Further details regarding the acquisition are set out in the Company's announcements dated 4 June 2019 and 8 August 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Business and Financial Review

Overview of Results

Total reported revenue of the Group for the six months ended 30 June 2019 was HK$592.0 million, representing an increase of 5.0% over that of HK$563.9 million for the six months ended 30 June 2018. The increase was mainly attributable to an increase in revenue from sale of electronic gaming equipment and systems. An analysis of reported revenue by properties/nature is as follows:

	Six months ended 30 June	
	2019	2018
	HK$ million	*HK$ million*
Casinos under the Group's management:		
Casino Kam Pek Paradise	**347.0**	374.6
Casino Waldo	**152.2**	134.6
	499.2	509.2
Electronic gaming equipment and systems:		
Sale of electronic gaming equipment and systems	**89.3**	49.9
Leasing of electronic gaming equipment and systems*	**2.4**	3.9
Royalty income from IGT	**1.1**	0.9
	92.8	54.7
Total reported revenue	**592.0**	563.9

* *Leasing revenue for the six months ended 30 June 2019 did not include the intercompany revenue derived from the LMG terminals deployed at the two casinos under the Group's management amounting to HK$68.2 million (six months ended 30 June 2018: HK$75.2 million) which was included in the reported revenue of respective casinos under the Group's management in the above table.*

Adjusted EBITDA for the six months ended 30 June 2019 was HK$63.3 million, representing an increase of 6.0% over that of HK$59.7 million for the six months ended 30 June 2018. The following table reconciles profit for the period to Adjusted EBITDA:

	Six months ended 30 June	
	2019	2018
	HK$ million	*HK$ million*
Profit for the period	**23.8**	26.3
Adjustments for:		
Interest income	**(3.0)**	(2.0)
Finance costs	**1.4**	—
Income tax expense	**0.2**	0.2
Depreciation of property, plant and equipment	**29.9**	29.1
Depreciation of right-of-use assets	**4.9**	—
Amortisation of intangible assets	**6.1**	6.1
Adjusted EBITDA	**63.3**	59.7

An analysis of Adjusted EBITDA by properties/nature is as follows:

	Six months ended 30 June	
	2019	2018
	HK$ million	*HK$ million*
Casinos under the Group's management:		
Casino Kam Pek Paradise	**66.0**	103.8
Casino Waldo	**0.3**	(25.3)
	66.3	78.5
Electronic gaming equipment and systems:		
Sale of electronic gaming equipment and systems	**51.8**	22.0
Leasing of electronic gaming equipment and systems	**1.8**	2.4
Research and development and other costs	**(42.6)**	(29.7)
ETG distribution from IGT	**1.1**	0.9
	12.1	(4.4)
Others	**(15.1)**	(14.4)
Adjusted EBITDA	**63.3**	59.7

Adjusted EBITDA from casinos under the Group's management for the six months ended 30 June 2019 was HK$66.3 million, representing a decrease of 15.5% over that of HK$78.5 million for the six months ended 30 June 2018. The decrease was mainly due to the decrease in GGR generated by Casino Kam Pek Paradise for the six months ended 30 June 2019 which in turn was mainly affected by the temporary suspension of LMG terminals at the casino for upgrade of the LMG terminals pursuant to the Technical Standards during the six months ended 30 June 2019. As for Casino Waldo, it recorded an Adjusted EBITDA of HK$0.3 million for the six months ended 30 June 2019, as compared to a loss of HK$25.3 million for the six months ended 30 June 2018. The turnaround was mainly caused by the increase in GGR generated by the casino and decrease in certain operating costs of the casino for the six months ended 30 June 2019.

Up to 30 June 2019, the Group has completed the upgrade of all the LMG terminals at the two casinos under the Group's management for full compliance with the Technical Standards and installation of enhanced features to the LMG terminals.

Adjusted EBITDA from the electronic gaming equipment and systems segment for the six months ended 30 June 2019 was HK$12.1 million, as compared to a loss of HK$4.4 million for the six months ended 30 June 2018. For the six months ended 30 June 2019, sale of electronic gaming equipment and systems contributed Adjusted EBITDA of HK$51.8 million (six months ended 30 June 2018: HK$22.0 million) to the Group. On the other hand, the Group increased its investment in research and development and other costs on new/upgraded ETG machines, slot machines, casino management systems, etc. from HK$29.7 million for the six months ended 30 June 2018 to HK$42.6 million for the six months ended 30 June 2019. For the six months ended 30 June 2019, ETG distribution from IGT contributed Adjusted EBITDA of HK$1.1 million (six months ended 30 June 2018: HK$0.9 million) to the Group.

The Group recorded a profit of HK$23.8 million for the six months ended 30 June 2019, representing a decrease of 9.5% over that of HK$26.3 million for the six months ended 30 June 2018.

Provision of Casino Management Services

The following table sets forth operational data on the provision of casino management services by the Group for the six months ended 30 June 2019 and 30 June 2018:

	Six months ended 30 June					
	2019			2018		
(Average no. of units)	**Casino Kam Pek Paradise**	**Casino Waldo**	**Total**	Casino Kam Pek Paradise	Casino Waldo	Total
Traditional gaming tables	**39**	**25**	**64**	39	25	64
LMG gaming tables	**10**	**5**	**15**	10	5	15
LMG terminals	**1,000**	**432**	**1,432**	1,000	416	1,416
Slot machines	**194**	**176**	**370**	194	176	370

As at 30 June 2019, the Group had a total of 79 (31 December 2018: 79) gaming tables under management.

The following tables set out certain key operational data of mass gaming tables, LMG terminals and slot machines deployed at the two casinos under the Group's management for the six months ended 30 June 2019 and 30 June 2018:

		Casino Kam Pek Paradise		Casino Waldo	
		Six months ended 30 June			
		2019	2018	**2019**	2018
Traditional gaming tables					
GGR	*(HK$ million)*	**362.6**	371.6	**200.7**	174.4
Gaming tables	*(Average no. of tables)*	**39**	39	**25**	25
Net win/table/day	*(HK$ thousand)*	**51.4**	52.6	**44.4**	38.5
LMG gaming tables					
GGR	*(HK$ million)*	**247.1**	283.5	**62.9**	58.2
Terminals	*(Average no. of terminals/tables)*	**1,000/10**	1,000/10	**432/5**	416/5
Net win/terminal/day	*(HK$)*	**1,365**	1,566	**804**	773
Net win/LMG gaming table/day	*(HK$ thousand)*	**136.5**	156.6	**69.5**	64.3
Total gaming tables					
GGR	*(HK$ million)*	**609.7**	655.1	**263.6**	232.6
Gaming tables	*(Average no. of tables)*	**49**	49	**30**	30
Net win/table/day	*(HK$ thousand)*	**68.7**	73.9	**48.5**	42.8
Slot machines					
GGR	*(HK$ million)*	**26.8**	32.4	**3.8**	4.4
Slot machines	*(Average no. of units)*	**194**	194	**176**	176
Net win/unit/day	*(HK$)*	**763**	923	**119**	138
Total GGR	*(HK$ million)*	**636.5**	687.5	**267.4**	237.0

For the six months ended 30 June 2019, total GGR generated by Casino Kam Pek Paradise amounted to HK$636.5 million, representing a decrease of 7.4% over that of the last corresponding period of HK$687.5 million. Total GGR generated by Casino Waldo for the six months ended 30 June 2019 amounted to HK$267.4 million, representing an increase of 12.8% over that of the last corresponding period of HK$237.0 million.

Breakdown of revenue attributable to the Group for the two casinos under the Group's management for the six months ended 30 June 2019 and 30 June 2018 is as follows:

	Six months ended 30 June	
	2019	2018
	HK$ million	*HK$ million*
Casino Kam Pek Paradise:		
Traditional gaming tables	**199.4**	204.4
LMG gaming tables	**135.9**	155.9
Slot machines	**11.7**	14.3
	347.0	374.6
Casino Waldo:		
Traditional gaming tables	**114.2**	99.1
LMG gaming tables	**35.8**	33.0
Slot machines	**2.2**	2.5
	152.2	134.6
	499.2	509.2

Total revenue attributable to the Group generated by the casinos under the Group's management was HK$499.2 million, representing a decrease of 2.0% over that of HK$509.2 million for the six months ended 30 June 2018. The net decrease in total revenue was due to the decrease of 7.4% in revenue from Casino Kam Pek Paradise which was partially offset by the increase of 13.1% in revenue from Casino Waldo for the six months ended 30 June 2019 when compared to those for the six months ended 30 June 2018.

Development, Sale and Leasing of Electronic Gaming Equipment and Systems

Sale of Electronic Gaming Equipment and Systems

For the six months ended 30 June 2019, revenue from sale of electronic gaming equipment and systems amounted to HK$89.3 million, representing an increase of 79.0% over that of HK$49.9 million for the six months ended 30 June 2018. Revenue for the six months ended 30 June 2019 represented mainly the sale of a total of 461 LMG terminals to and the provision of upgrading services to 605 LMG terminals at various casinos in Macau pursuant to the Technical Standards (six months ended 30 June 2018: mainly the sale of 217 LMG terminals to MGM Cotai).

Leasing of Electronic Gaming Equipment and Systems

For the six months ended 30 June 2019, revenue from leasing of electronic gaming equipment and systems amounted to HK$2.4 million, representing a decrease of 38.5% over that of HK$3.9 million for the six months ended 30 June 2018.

The following tables set out certain key operational data of LMG terminals (excluding those LMG terminals deployed at the two casinos under the Group's management) and the related revenue shared by the Group for the six months ended 30 June 2019 and 30 June 2018:

		Six months ended 30 June	
		2019	2018
GGR from LMG terminals	*(HK$ million)*	**8.4**	15.2
No. of LMG terminals	*(Average no. of terminals)*	**76**	259
Net win/terminal/day	*(HK$)*	**611**	324
Revenue sharing	*(HK$ million)*	**2.3**	3.6

ETG Distribution from IGT

In April 2016, the Group entered into a strategic agreement with IGT and assigned and licensed certain patents and associated technology to IGT in return for a non-refundable upfront payment of US$12.95 million (approximately HK$101.0 million) and a 15-year earn-out payment for every ETG machine deployed in the global market (other than Macau).

With reference to the royalty statements provided by IGT to the Group, the Group recognised royalty income of HK$1.1 million for the six months ended 30 June 2019 (for the six months ended 30 June 2018: HK$0.9 million). Up to 30 June 2019, the Group has accumulatively recognised a total revenue of HK$6.6 million from ETG distribution from IGT.

PROSPECTS

The Group embraces synergies of its two principal business segments, namely the provision of casino management services and the development, sale and leasing of electronic gaming equipment and systems. This unique business model provides us with a privileged positioning in the market by possessing profound knowledge in both casino management and gaming products and helps us capture opportunities in the fast-growing mass gaming market.

Despite the continuing global headwinds and challenging times, the shift to mass gaming market has continued to stabilise Macau's gaming market since its bounce back in or about 2016. This market trend towards the mass gaming market has been attributed by the increase of visitors to Macau. Looking forward, we have confidence that the improved infrastructures such as the Hong Kong-Zhuhai-Macao Bridge and the soon-to-operate Light Rapid Transit of Macau, together with the increasing number of tourist attractions and entertainment, will definitely enhance the appeal of inbound tourists to Macau, thereby shall continue to fuel the growth of the mass gaming market. The two casinos under the Group's management, namely Casino Kam Pek Paradise and Casino Waldo, shall continue to derive more patronages from mass gaming market for years to come.

The two casinos under the Group's management continue to be the synergistic bond between our two principal business segments. We are in a distinctive position to obtain direct feedback from gaming patrons when new innovative gaming products are developed. Such unique business model offers us a fundamental competitive advantage in the market. Strategically, we are able to know what appeals to gaming patrons and casino operators alike. During the period under review, coupled with the smooth completion of upgrading the LMG terminals in the two casinos under the Group's management for the compliance of new requirements set out by the Technical Standards, we have also successfully developed and started to launch our self-developed slot machines for trial. This represents one of our key milestones for diversifying our business into the slot machine market ever since we developed LMG terminals, our flagship product. Together with our other new innovative ETG products, as well as our LMG ancillary products, we expect better results in the two casinos under the Group's management and continuous improvement in their operating efficiencies which could in turn provide strong cash flow for research and development of our new innovative products.

We look forward to the debut of our self-developed slot machines in the worldwide gaming markets including the Americas, Southeast Asia and Macau, etc. Our new exhilarating slot games dazzled gaming patrons by delivering thrilling games which were highly acclaimed on the gaming floor. With a robust development pipeline to embrace slot machines' supply, the Group is well-positioned to place itself at the forefront of the global gaming industry as we are no longer a mere LMG products provider. We are confident that the brand-new slot machines will generate fresh revenue streams for the Group. The availability of slot machines and new games also marks the ambition of the Group to increase its product presence in the global gaming equipment market.

The Group is dedicated to innovate in the gaming equipment industry using top-notch and innovative technology to create new products. We are committed to research and development to offer a wide range of product lines and launch new gaming products to add sustainable growth impetus. We have gaming research and development and testing teams in our various offices including Las Vegas, Sydney, Taiwan, Zhuhai, Shenzhen and Macau. Although we started in Macau, we keep an eye on development opportunities globally, especially the North America and Southeast Asia markets. We are constantly striving to work towards the goal of offering a one-stop shop of electronic gaming equipment for casino operators and providing professional advisory on gaming technology. Whilst we will continue to remain focused on gaming products, on the development front, the Group also plans to invest in innovative and intelligent high-tech products which meet the requirement of highest level of communication technical standards, while at the same time exercising prudent control.

Looking ahead, the Group will never rest on its laurels but will continue to acquire top talents and increase its investment in high-tech and avant-garde gaming products, aiming to explore more opportunities in the gaming technology space and expand its market share in global gaming industry. The Group remains cautiously optimistic and will strive to identify new business opportunities in Macau and overseas markets and maximise returns to the Shareholders.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's liquidity needs primarily comprise working capital including research and development expenditure, capital expenditure, and repayment of bank borrowings. The Group has generally funded its operations from internal resources, bank and other borrowings and/or equity financing.

The Group has adopted a prudent financial management approach towards its financial and treasury policies. During the year under review, the Group was on track with this approach to maintain a healthy liquidity position. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. The Group may utilise the balance of cash for appropriate investment in accordance with the Group's strategic direction and development.

As at 30 June 2019, consolidated net assets of the Group amounted to HK$625.7 million, representing a net decrease of HK$3.0 million or 0.5% from HK$628.7 million as at 31 December 2018. During the six months ended 30 June 2019, consolidated net assets of the Group was increased by the Group's profit for the period of HK$23.8 million and was decreased by the payment of the Company's final dividend for the year ended 31 December 2018 of HK$26.3 million.

Pledged Bank Deposit, Bank Balances and Cash, and Chips on Hand

As at 30 June 2019, the Group held pledged bank deposit of HK$28.8 million, bank balances and cash of HK$242.0 million and chips on hand of HK$30.8 million. Included in the bank balances and cash as at 30 June 2019 were fixed deposits of HK$110.2 million placed at banks in Macau with maturities ranging from 2 to 12 months. The fixed deposits were denominated in HK$ (the Group's functional currency) and US$.

Borrowing and Gearing Ratio

As at 30 June 2019, the Group had outstanding (i) secured and unguaranteed bank borrowing of approximately HK$86.5 million (31 December 2018: HK$89.0 million); and (ii) unsecured and unguaranteed amounts due to Directors of HK$2.3 million (31 December 2018: HK$2.2 million).

The Group's bank borrowing carried interest at prevailing market rates and was on floating rate basis. The bank borrowing was denominated in MOP. Given MOP is pegged to HK$, the Group considers the exposure to exchange rate risk is normal for its bank borrowing denominated in MOP. The maturity profile of the bank borrowing of HK$86.5 million as at 30 June 2019 spread over a period of more than five years, with HK$5.1 million repayable within one year, HK$5.3 million in the second year, HK$16.5 million in the third to fifth years and HK$59.6 million over five years. The amounts due to Directors were interest-free and repayable on demand.

The Group's gearing ratio (expressed as a percentage of total borrowings over net assets) as at 30 June 2019 was 14.2% (31 December 2018: 14.5%).

During the six months ended 30 June 2019, the Group did not employ any financial instruments for hedging purposes.

ACQUISITION OF THE PROPERTIES

The Purchaser (an indirect wholly-owned subsidiary of the Company) entered into provisional sale and purchase agreements with the Vendor on 4 June 2019, pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the Properties at a total consideration of HK$90.0 million. As at 30 June 2019, the Purchaser paid a total deposit of HK$10.0 million to the Vendor pursuant to the provisional sale and purchase agreements.

The sale and purchase transaction was completed on 8 August 2019. Upon completion, the Properties are held by the Company through its indirect wholly-owned subsidiary and have been consolidated into the consolidated financial statements of the Group. The consideration for the acquisition of the Properties was funded by internal resources of the Group and a new bank borrowing secured by a mortgage over the two property units of the Properties.

The Properties are intended to be used by the Group for its own use (subject to negotiation with the tenant on the termination of an existing lease). At present, 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 can reduce the Group's ongoing rental expenses. The acquisition of the Properties constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. Further details regarding the acquisition of the Properties are set out in the Company's announcements dated 4 June 2019 and 8 August 2019.

CAPITAL COMMITMENTS

As at 30 June 2019, the Group had capital commitment in respect of acquisition of property, plant and equipment which is contracted but not provided for of HK$81.6 million (31 December 2018: HK$1.1 million). The capital commitment as at 30 June 2019 included the balance of the purchase consideration in relation to the acquisition of the Properties amounting to HK$80.0 million which was settled on the date of completion of the acquisition of the Properties of 8 August 2019.

FOREIGN EXCHANGE EXPOSURE

The majority of the Group's income and expenses, bank fixed deposits and bank borrowing are denominated in HK$ (the Group's functional currency), MOP and US$. HK$ is linked to US$ and the exchange rate between these two currencies has remained relatively stable over the past several years. MOP is pegged to HK$, and in many cases the two currencies are used interchangeably in Macau. Due to the stable exchange rates between HK$ and US$ and between HK$ and MOP, the Group does not consider that any specific hedge for currency fluctuation is necessary.

CHARGES ON GROUP ASSETS

As at 30 June 2019, leasehold land and buildings of the Group with the carrying amount of HK$130.8 million were pledged to secure a bank borrowing offered by a bank to the Group.

In addition, as at 30 June 2019, a fixed deposit of HK$28.8 million placed at a bank was pledged to secure for a guarantee in the amount of HK$28.8 million issued by the bank for the period from 30 April 2018 to 31 March 2020 in favour of SJM for the Group's fulfilment of all its obligations, in particular for reimbursement by the Group to SJM of the employees' compensation and benefits for those gaming operation employees employed by SJM who work for the casino under the Group's management, as stipulated under the service agreement (and all related supplemental agreements) entered into between SJM and the Group for provision of casino management services by the Group to SJM.

CONTINGENT LIABILITIES

As at 30 June 2019, the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2019, the Group had approximately 1,180 employees, including approximately 740 gaming operation employees who were employed by SJM or Galaxy to work for the two casinos under the Group's management. These gaming operation employees were paid by SJM or Galaxy and the Group reimbursed SJM or Galaxy in full for their salaries and other benefits.

The terms of employment of employees conform to normal commercial practice. The remuneration policy for the employees of the Group is principally set up by the Board and the management of the Company on the basis of the relevant employees' qualifications, competence, work performance, industry experience, relevant market trend and the Group's operating results, etc. Discretionary bonuses are granted to employees based on merit and in accordance with industry practice. Other benefits including share options, retirement benefits, subsidised medical care, pension funds and training programmes are offered to eligible employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2019.

UPDATE ON DIRECTORS' INFORMATION

Biographical details of each of the Directors are set out in the Annual Report 2018 of the Company dated 26 March 2019.

With effect from 1 January 2019, the annual remuneration of Mr. Hu Liming, an executive Director, was revised from HK$120,000 to HK$240,000.

With effect from 1 January 2019, the annual Directors' fee of each of Mr. Li John Zongyang, Mr. Kai-Shing Tao and Ms. Tang Kiu Sam Alice, independent non-executive Directors, was revised from HK$120,000 to HK$240,000.

Saved as disclosed, the Company is not aware of any changes in the Directors' information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules subsequent to the date of the Annual Report 2018 of the Company.

CORPORATE GOVERNANCE

Compliance with the CG Code

In the opinion of the Board, the Company has complied with the CG Code throughout the six months ended 30 June 2019, save for the following deviations:

Code Provision A.2.1

Mr. Jay Chun is the Chairman and the Managing Director of the Company. In the opinion of the Board, the roles of the Managing Director and the chief executive officer are the same. Although under code provision A.2.1 of the CG Code, the roles of the Chairman and chief executive officer should be separate and should not be performed by the same individual, the Board considers that the present structure provides the Group with strong and consistent leadership and allows for efficient and effective business planning and execution. Hence, the Board believes that it is in the best interest of the Shareholders that Mr. Jay Chun will continue to assume the roles of the Chairman of the Board and the Managing Director of the Company. However, the Company will review the current structure as and when it becomes appropriate in future.

Code Provision A.4.1

In accordance with code provision A.4.1 of the CG Code, non-executive Directors should be appointed for a specific term, subject to re-election. Currently, none of the Directors (including the independent non-executive Directors) is appointed for a specific term. However, all Directors (including the independent non-executive Directors) are subject to retirement by rotation at least once every three years at annual general meeting of the Company in accordance with the provision of the Bye-laws of the Company, and their terms of appointment will be reviewed when they are due for re-election.

Compliance with the Model Code

The Company has adopted the Model Code as the code of conduct regarding Directors' securities transactions. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the requirements set out in the Model Code during the six months ended 30 June 2019.

REVIEW OF INTERIM REPORT 2019 AND UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Interim Report 2019 including the unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2019 has been reviewed by the audit committee of the Company. The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2019 have also been reviewed by Deloitte Touch Tohmatsu, the Company's independent auditor, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

EVENTS AFTER THE REPORTING PERIOD

Other than the completion of acquisition of the Properties on 8 August 2019 as disclosed, there is no event after the reporting period which is required to be disclosed.

DEFINITIONS

The following expressions shall, unless the content otherwise states, have the following meanings:

"Adjusted EBITDA"	the Group's profit or loss for the period before interest income, finance costs, income tax expense, depreciation of property, plant and equipment, depreciation on right-of-use assets, amortisation of intangible assets, gain or loss on disposal of property, plant and equipment, and costs incurred or associated with corporate exercises or potential projects, where applicable
"Board"	the board of Directors
"BVI"	the British Virgin Islands

"CG Code"	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
"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
"DETG"	Dealer-operated Electronic Table Game
"Director(s)"	the director(s) of the Company
"ETG"	electronic table game
"Galaxy"	Galaxy Casino, S.A., one of the three concessionaires for operation of casinos in Macau
"GGR"	gross gaming revenue, being total net win generated by all casino gaming activities combined, calculated before deduction of commissions and other expenses, if any
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKICPA"	Hong Kong Institute of Certified Public Accountants
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IGT"	a Nevada corporation and a subsidiary of International Game Technology PLC, which is listed on the New York Stock Exchange under the trading symbol "IGT"
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"LMG"	live multi game
"Macau"	the Macao Special Administrative Region of the PRC
"Model Code"	the Model Code for Securities Transaction by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"MOP"	Macau Pataca, the lawful currency of Macau
"PRC"	the People's Republic of China
"Properties"	Units 10A and 10B of Industrial Kin Ip at 175-179 Avenida de Venceslau de Morais, Macau, with the rights to use two parking spaces

"Purchaser"	Grand Step Limited, a company incorporated in Macau and an indirect wholly-owned subsidiary of the Company
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
"Share(s)"	ordinary share(s) of HK$0.001 each in the share capital of the Company
"Share Option Scheme"	the share option scheme of the Company adopted by the Company at the annual general meeting held on 25 May 2017
"Shareholder(s)"	holder(s) of the Shares
"SJM"	Sociedade de Jogos de Macau, S.A., one of the three concessionaires for operation of casinos in Macau
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Technical Standards"	DETG Technical Standards Version 1.0 published by the Gaming Inspection and Coordination Bureau in Macau
"US$"	the United States dollars, the lawful currency of the United States of America
"Vendor"	an individual 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, 22 August 2019

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.