

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



## PARADISE ENTERTAINMENT LIMITED

滙彩控股有限公司\*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1180)

### ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

#### RESULTS

The Board announces the audited consolidated annual results of the Group for the year ended 31 December 2024 as follows:

#### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	2024 HK\$'000	2023 HK\$'000
Revenue	4	1,084,850	634,281
Cost of sales and services		<u>(407,776)</u>	<u>(309,749)</u>
Gross profit		677,074	324,532
Other income, gains and losses		35,345	18,308
Marketing, selling and distribution costs		(112,745)	(104,583)
Operating and administrative expenses		(180,645)	(145,231)
Amortisation of intangible assets		(12,138)	(12,138)
Finance costs	6	<u>(11,324)</u>	<u>(18,648)</u>
Profit before taxation	7	395,567	62,240
Taxation	8	<u>(13,624)</u>	<u>(1,303)</u>
Profit for the year		<u><u>381,943</u></u>	<u><u>60,937</u></u>
Profit (loss) for the year attributable to:			
— Owners of the Company		361,057	65,782
— Non-controlling interests		<u>20,886</u>	<u>(4,845)</u>
		<u><u>381,943</u></u>	<u><u>60,937</u></u>
		HK cents	HK cents
Basic earnings per Share	10	<u><u>34.3</u></u>	<u><u>6.3</u></u>

\* For identification purposes only

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<b>2024</b> <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit for the year	<b>381,943</b>	60,937
Other comprehensive income (expense) for the year:		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	<b>2,012</b>	2,587
Reclassification of cumulative translation reserve upon deregistration of foreign operations	<u><b>(6,210)</b></u>	<u>—</u>
	<u><b>(4,198)</b></u>	<u>2,587</u>
Total comprehensive income for the year	<u><b>377,745</b></u>	<u>63,524</u>
Total comprehensive income (expense) for the year attributable to:		
— Owners of the Company	<b>356,542</b>	68,371
— Non-controlling interests	<u><b>21,203</b></u>	<u>(4,847)</u>
	<u><b>377,745</b></u>	<u>63,524</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	<i>Notes</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		215,751	227,649
Right-of-use assets		19,899	24,262
Intangible assets		8,091	20,229
Interests in a joint venture		—	—
Deferred tax assets		385	164
Other assets		9,202	25,010
Pledged bank deposits		<u>48,134</u>	<u>47,346</u>
		<u>301,462</u>	<u>344,660</u>
<b>Current assets</b>			
Inventories		32,710	33,785
Trade and other receivables	11	101,262	82,064
Amount due from a related company		2,256	2,256
Bank balances and cash		<u>389,181</u>	<u>59,627</u>
		<u>525,409</u>	<u>177,732</u>
<b>Current liabilities</b>			
Trade and other payables	12	59,867	78,901
Amounts due to Directors		5,043	1,796
Taxation payable		18,785	5,060
Bank borrowings — due within one year		10,952	10,150
Other borrowings — due within one year		10,269	6,637
Lease liabilities		16,519	14,031
Contract liabilities		28,180	11,968
Loans from a Shareholder		<u>23,492</u>	<u>20,778</u>
		<u>173,107</u>	<u>149,321</u>
<b>Net current assets</b>		<u>352,302</u>	<u>28,411</u>
<b>Total assets less current liabilities</b>		<u>653,764</u>	<u>373,071</u>
<b>Non-current liabilities</b>			
Bank borrowings — due after one year		104,654	115,650
Other borrowings — due after one year		208	243
Lease liabilities		6,773	13,094
Loans from a Shareholder		<u>2,078</u>	<u>25,570</u>
		<u>113,713</u>	<u>154,557</u>
<b>Net assets</b>		<u>540,051</u>	<u>218,514</u>
<b>Capital and reserves</b>			
Share capital		1,052	1,052
Reserves		<u>500,566</u>	<u>196,633</u>
Equity attributable to owners of the Company		501,618	197,685
Non-controlling interests		<u>38,433</u>	<u>20,829</u>
<b>Total equity</b>		<u>540,051</u>	<u>218,514</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

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. Its ultimate holding company is August Profit Investments Limited, a company established in the British Virgin Islands. In the opinion of the Directors, the Company's ultimate controlling party is Dr. Chun, who is also an executive Director. The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and the principal place of business of the Company is Unit C, 19/F., Entertainment Building, 30 Queen's Road Central, Hong Kong.

The Company is an investment holding company of a diverse group of companies that are principally engaged in the provision of casino management services, and the development, sale and leasing of electronic gaming equipment and systems.

The consolidated financial statements are presented in HK\$, which is also the functional currency of the Company.

### 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

### 3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

#### Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## **New and amendments to HKFRSs in issue but not yet effective**

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRS Accounting Standards — Volume 11 <sup>3</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027

Except for the new and amendments to HKFRSs mentioned below, the Directors anticipate that the application of all other amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### ***Amendments to HKFRS 9 and HKFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”***

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. As a result of the clarification made by the amendments on the derecognition of financial assets and liabilities, the Group can only derecognise financial assets and financial liabilities settled via cheques on the date the cheques have been cleared in the bank account.

### ***HKFRS 18 “Presentation and Disclosure in Financial Statements”***

HKFRS 18 “Presentation and Disclosure in Financial Statements”, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

#### 4. REVENUE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Casino management services:		
Provision of casino management services, recognised over time	<u>718,308</u>	<u>564,759</u>
Gaming systems:		
— Macau		
Sale of electronic gaming equipment and systems, recognised at a point in time	359,287	53,588
Leasing of electronic gaming equipment and systems — variable operating lease payments	<u>3,687</u>	<u>3,244</u>
	<u>362,974</u>	<u>56,832</u>
— Overseas		
Sale of electronic gaming equipment and systems, recognised at a point in time	<u>2,304</u>	<u>—</u>
— Royalty income, recognised over time	<u>—</u>	<u>342</u>
	<u>365,278</u>	<u>57,174</u>
Innovative and renewable energy solutions business:		
Sale of smart charging equipment, recognised at a point in time	42	12,348
Provision of charging services to electric vehicles, recognised over time	<u>1,222</u>	<u>—</u>
	<u>1,264</u>	<u>12,348</u>
	<u>1,084,850</u>	<u>634,281</u>
Analysis of revenue:		
Recognised over time	719,530	565,101
Recognised at a point in time	<u>361,633</u>	<u>65,936</u>
Revenue recognition for revenue from contracts with customers	1,081,163	631,037
Leasing income — variable operating lease payments	<u>3,687</u>	<u>3,244</u>
	<u>1,084,850</u>	<u>634,281</u>

## 5. SEGMENT INFORMATION

The executive Directors have been identified as the chief operating decision makers (the “CODM”). The CODM reviews the business with the following reportable and operating segments:

Casino management services	—	Provision of casino management services in Macau
Gaming systems	—	Development, sale and leasing of electronic gaming equipment and systems and royalty income
Innovative and renewable energy solutions business	—	Supply of smart charging stations, smart charging equipment and charging services for electric motorcycles, bicycles, and vehicles, etc.

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 from/earned by each segment without allocation of corporate income and expenses, finance costs and taxation. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

### Segment revenue and results

Information regarding the above segments is reported below:

#### For the year ended 31 December 2024

	Casino management services <i>HK\$'000</i>	Gaming systems <i>HK\$'000</i>	Innovative and renewable energy solutions business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>718,308</u>	<u>365,278</u>	<u>1,264</u>		<u>1,084,850</u>
Segment results	<u>271,907</u>	<u>151,266</u>	<u>(1,310)</u>		421,863
Unallocated corporate income					18,326
Unallocated corporate expenses					(33,298)
Finance costs					<u>(11,324)</u>
Profit before taxation					395,567
Taxation					<u>(13,624)</u>
Profit for the year					<u>381,943</u>
Other information					
Capital expenditure	12,666	7,101	258	7,589	27,614
Amortisation of intangible assets	12,138	—	—	—	12,138
Depreciation of property, plant and equipment	17,034	8,779	673	1,164	27,650
Depreciation of right-of-use assets	10,550	2,767	—	2,599	15,916
Loss on write-off of property, plant and equipment	—	—	—	8	8
Write-down of inventories	—	2,209	—	—	2,209
Gain on deregistration of subsidiaries	—	—	(1)	(6,209)	<u>(6,210)</u>



For the year ended 31 December 2023

	Casino management services <i>HK\$'000</i>	Gaming systems <i>HK\$'000</i>	Innovative and renewable energy solutions business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>564,759</u>	<u>57,174</u>	<u>12,348</u>		<u>634,281</u>
Segment results	<u>126,206</u>	<u>(28,721)</u>	<u>1,797</u>		99,282
Unallocated corporate income					8,229
Unallocated corporate expenses					(26,623)
Finance costs					<u>(18,648)</u>
Profit before taxation					62,240
Taxation					<u>(1,303)</u>
Profit for the year					<u>60,937</u>
Other information					
Capital expenditure	9,490	4,347	6,656	1,314	21,807
Amortisation of intangible assets	12,138	—	—	—	12,138
Depreciation of property, plant and equipment	14,683	12,143	115	1,003	27,944
Depreciation of right-of-use assets	10,621	2,959	508	849	14,937
Loss (gain) on disposal/write-off of property, plant and equipment	—	34	2	(183)	(147)
Write-down of inventories	<u>—</u>	<u>5,111</u>	<u>—</u>	<u>11</u>	<u>5,122</u>

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

## Geographical information

The Group's operations are principally located in Macau and the PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations.

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Macau	1,081,282	621,591
The PRC	1,264	12,348
Others	<u>2,304</u>	<u>342</u>
	<u><b>1,084,850</b></u>	<u><b>634,281</b></u>

The Group's non-current assets (excluding financial assets) are mainly located in Macau.

## Information about major customers

During the year ended 31 December 2024, revenue derived from two customers (2023: one customer), each of which contributed over 10% of the Group's revenue, is as follows:

	Customer A		Customer B	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i> <i>(Note)</i>
Casino management services segment	718,308	564,759	—	N/A
Gaming systems segment	<u>58,377</u>	<u>223</u>	<u>229,887</u>	N/A
	<u><b>776,685</b></u>	<u><b>564,982</b></u>	<u><b>229,887</b></u>	N/A

*Note:* The revenue derived from Customer B for the year ended 31 December 2023 did not contribute over 10% of the total revenue of the Group for that year.

## 6. FINANCE COSTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on:		
— bank borrowings	3,931	4,014
— loans from a Shareholder	4,530	10,783
— lease liabilities	<u>2,863</u>	<u>3,851</u>
	<u><b>11,324</b></u>	<u><b>18,648</b></u>

## 7. PROFIT BEFORE TAXATION

	2024 HK\$'000	2023 HK\$'000
Profit before taxation has been arrived at after charging:		
Directors' emoluments	19,476	16,448
Other staff costs		
— Salaries and other benefits	92,518	89,660
— Retirement benefit scheme contributions	2,848	2,172
Total staff costs	114,842	108,280
Auditor's remuneration	2,380	2,180
Cost of inventories recognised as expenses (included in cost of sales and services)	109,100	26,624
Cost of inventories recognised as expenses (included in operating and administrative expenses)	15,127	7,945
Depreciation of property, plant and equipment	27,650	27,944
Depreciation of right-of-use assets	15,916	14,937
Commission expenses for casino management services (included in marketing, selling and distribution costs)	40,464	41,858
Research and development expenditure ( <i>note</i> ) (included in operating and administrative expenses)	32,516	27,477
Write-down of inventories (included in cost of sales and services)	2,209	5,122

*Note:* Research and development expenditure for the year ended 31 December 2024 of HK\$32,516,000 (2023: HK\$27,477,000) mainly includes staff costs of HK\$26,356,000 (2023: HK\$20,237,000), depreciation of property, plant and equipment of HK\$593,000 (2023: HK\$912,000) and depreciation of right-of-use assets of HK\$1,939,000 (2023: HK\$1,780,000) which are included in the respective total amounts disclosed separately above.

## 8. TAXATION

	2024 HK\$'000	2023 HK\$'000
Current taxation charges:		
— Macau Complementary Tax	13,075	—
— Dividend Tax	2,232	1,368
— PRC Enterprise Income Tax	38	99
	15,345	1,467
Overprovision of Macau Complementary Tax in prior years	(1,500)	—
Deferred tax credit	(221)	(164)
Taxation	13,624	1,303

No provision for Hong Kong Profits Tax has been recognised in the consolidated financial statements as the Group did not generate any assessable profit in Hong Kong for both years.

Macau Complementary Tax (“Macau CT”) is calculated at 12% of the estimated assessable profit. No provision for Macau CT was made in the consolidated financial statements for the year ended 31 December 2023 as the Group did not generate any assessable profit for the year.

Pursuant to the letter issued by the Financial Services Bureau of the Macau government dated 28 October 2020, 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 Resorts is not subject to Macau CT for the period from 1 April 2020 to 26 June 2022 since it is derived from SJM Resorts’ 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 Despach no. 89/2020 of 23 March 2020.

Pursuant to the terms of no. 2 of article 28 of the Law 16/2001 and Despach no. 19/2024 published on 29 January 2024, SJM Resorts’ income generated from gaming operations is not subject to Macau CT for the period from 1 January 2023 to 31 December 2027. Since the revenue generated from the service agreement signed between LT (Macau) and SJM Resorts is derived from SJM Resorts’ gaming revenue, the Group is in the progress of applying for exemption approval from Financial Services Bureau of the Macau government for the period from 1 January 2023 to 31 December 2025.

Pursuant to the letter issued by the Financial Services Bureau of the Macau government dated 28 October 2020, LT Macau is obligated to pay lump sum dividend tax of MOP388,000 (equivalent to HK\$376,000) for the period from 1 January 2021 to 31 December 2021 and MOP190,000 (equivalent to HK\$184,000) for the period from 1 January 2022 to 26 June 2022, respectively, 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 casino under the Group’s management. These lump sum dividend tax payments are required regardless of whether dividends were actually distributed or whether LT Macau had distributable profits in the relevant periods. For the year ended 31 December 2024, the Group provided dividend tax of HK\$2,232,000 (2023: HK\$1,368,000) on the same basis as SJM Resorts and the amount was charged to the consolidated statement of profit or loss.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Regulation on the Implementation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

No provision for taxation for the overseas subsidiaries was made in the consolidated financial statements as the Group did not generate any assessable profit for both years.

## 9. DIVIDEND

	<b>2024</b>	2023
	<b>HK\$’000</b>	HK\$’000
Dividend for the Shareholders recognised as distribution during the year:		
Interim dividend per Share declared and paid		
— 2024: HK5.0 cents (2023: nil)	<u><u>52,609</u></u>	<u><u>—</u></u>

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2024 of HK11.0 cents (2023: nil) per Share, in an aggregate amount of HK\$115,740,000 (2023: nil), has been proposed by the Directors and is subject to approval by the Shareholders at the 2025 AGM.

## 10. EARNINGS PER SHARE

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>Profit</b>		
Profit for the year attributable to owners of the Company for the purposes of calculating basic earnings per Share	<u>361,057</u>	<u>65,782</u>
	2024 '000	2023 '000
<b>Number of Shares</b>		
Weighted average number of Shares for the purposes of calculating basic earnings per Share	<u>1,052,185</u>	<u>1,052,185</u>

For the years ended 31 December 2024 and 2023, no diluted earnings per Share were presented as there were no dilutive potential ordinary shares.

## 11. TRADE AND OTHER RECEIVABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables ( <i>note i</i> )	53,609	54,894
Deposits paid	15,193	4,395
Deposit paid to SJM Resorts for the Group's provision of casino management services	12,114	—
Loan receivable ( <i>note ii</i> )	4,126	6,970
Other receivables	11,424	11,090
Prepayments	<u>4,796</u>	<u>4,715</u>
	<u>101,262</u>	<u>82,064</u>

*Notes:*

- (i) As at 1 January 2023, the carrying amount of trade receivables from contracts with customers was HK\$4,134,000.

As at 31 December 2024, trade receivables of HK\$53,609,000 (2023: HK\$54,894,000) comprised receivables from contracts with customers and lease receivables of HK\$52,179,000 (2023: HK\$54,581,000) and HK\$1,430,000 (2023: HK\$313,000), respectively.

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 limits 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\$48,353,000 (2023: HK\$51,743,000), which are not past due. The Directors considered that trade receivables are of good credit quality given the continuous subsequent settlements from the gaming operator and other customers and forward-looking information such as the economic outlook.

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

As at 31 December 2024, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$5,256,000 (2023: HK\$3,151,000) which are past due as at the reporting date. Out of the past due balances at 31 December 2024, HK\$2,214,000 (2023: HK\$2,000) was past due 90 days or more and was not considered as in default based on historical repayment pattern from the specific debtors. The Group does not hold any collateral over these balances.

As at 31 December 2024, 90.2% (2023: 94.3%) of the trade receivables that are not credit-impaired have the best credit scoring attributable under the internal credit scoring system used by the Group.

The 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:

	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Age:		
0–30 days	<b>48,353</b>	51,743
31–60 days	<b>445</b>	1,645
61–90 days	<b>304</b>	1,335
91–180 days	<b>2,343</b>	171
181–365 days	<b>1,027</b>	—
Over 365 days	<b>1,137</b>	—
	<b>53,609</b>	54,894

- (ii) The amount represented a loan granted by the Group to a third party which is a company incorporated in Japan and principally engaged in the development and manufacture of gaming products. The loan is unsecured, bears interest at the rate of 8% per annum and is guaranteed by a director of an indirect non-wholly owned subsidiary of the Company who also holds an 18% shareholding in this non-wholly owned subsidiary. The maturity date of the outstanding loan principal and accrued interest is 5 October 2025 (2023: 5 October 2024). At 31 December 2024, an amount of the interest receivable of HK\$79,000 (2023: HK\$332,000) accrued from the loan was included in other receivables.

Subsequent to 31 December 2024, an interim dividend was declared by the non-wholly owned subsidiary of the Company. The non-controlling shareholder of the subsidiary assigned certain of its dividend entitled to fully settle the outstanding loan and interest amount through the interim dividend declared.

## 12. TRADE AND OTHER PAYABLES

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	5,009	16,979
Accrued staff costs	15,414	14,021
Accrued promotional expenses	21,418	19,476
Deposits received	640	640
Payable for acquisition of property, plant and equipment	3,269	4,717
Other sundry payables	10,935	15,224
Other accrued expenses	<u>3,182</u>	<u>7,844</u>
	<u><u>59,867</u></u>	<u><u>78,901</u></u>

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Age:		
0–30 days	4,222	6,140
31–60 days	255	2,846
61–90 days	62	1,648
91–365 days	175	5,433
Over 365 days	<u>295</u>	<u>912</u>
	<u><u>5,009</u></u>	<u><u>16,979</u></u>

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

## 13. CAPITAL COMMITMENTS

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Capital expenditure in respect of property, plant and equipment contracted for but not provided for in the consolidated financial statements	<u><u>7,812</u></u>	<u><u>5,463</u></u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business and Financial Review

#### *Overview of Results*

During the year ended 31 December 2024, the Group demonstrated robust performance, benefiting significantly from the record-high sale of our self-developed patented flagship product, the LMG terminals and systems, to key gaming operators in Macau. Additionally, revenue from our casino management services at Casino Kam Pek Paradise increased, driven by the popularity in and strong performance of LMG machines offered in and the number of patrons to the casino. LMG terminals have gained considerable popularity among gaming operators, particularly in light of rising operational and labor costs. The expansion of the facilitated individual travel scheme, combined with the successful efforts of the Macau government in organising a great number of international events and enriching the context of trades and exhibitions, as well as a solid recovery in the gaming industry, contributed to a sustained influx of visitors from Mainland China to Macau during the year ended 31 December 2024. The increase in tourist arrivals to Macau during the year ended 31 December 2024 has benefited the Group's operations in Macau by boosting the number of patrons at Casino Kam Pek Paradise and enhancing the demand for and popularity of the Group's electronic gaming equipment and systems (including the LMG terminals and related products) to casino operators in Macau. Overall, the Group's results for the year ended 31 December 2024 reflect its ability to leverage market opportunities and adapt to evolving industry trends.

Total reported revenue of the Group for the year ended 31 December 2024 was HK\$1,084.9 million, representing an increase of 71.0% over that of HK\$634.3 million for the year ended 31 December 2023. 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 and the sale of electronic gaming equipment and systems in Macau.



An analysis of reported revenue by nature is as follows:

	<b>2024</b>	2023
	<i>HK\$ million</i>	<i>HK\$ million</i>
Casino under the Group's management in Macau:		
Casino Kam Pek Paradise	<u>718.3</u>	<u>564.8</u>
Electronic gaming equipment and systems:		
Sale/leasing of electronic gaming equipment and systems in Macau*	<b>363.0</b>	56.8
Sale/leasing of electronic gaming equipment and systems overseas	<b>2.3</b>	—
Royalty income from IGT	<u>—</u>	<u>0.3</u>
	<u><b>365.3</b></u>	<u>57.1</u>
Innovative and renewable energy solutions business in Mainland China	<u>1.3</u>	<u>12.4</u>
Total reported revenue	<u><b>1,084.9</b></u>	<u>634.3</u>

\* *Leasing revenue in Macau for the years ended 31 December 2024 and 31 December 2023 did not include the intercompany revenue derived from the LMG terminals, and slot machines and ETG machines deployed at the casino under the Group's management amounting to HK\$177.5 million (2023: HK\$116.8 million) and HK\$1.7 million (2023: HK\$1.4 million), respectively, which was included in the reported revenue of Casino Kam Pek Paradise under the Group's management in the above table.*

The Group recorded a profit of HK\$381.9 million for the year ended 31 December 2024, representing an increase of 527.1% over that of HK\$60.9 million for the year ended 31 December 2023.

Adjusted EBITDA for the year ended 31 December 2024 was a profit of HK\$453.0 million, representing an increase of 239.1% over that of HK\$133.6 million for the year ended 31 December 2023.

Adjusted EBITDA (non-HKFRSs measure) is the Group's profit for the year before interest income, finance costs, taxation, depreciation of property, plant and equipment, depreciation of right-of-use assets, gain arising from early termination of lease contracts, amortisation of intangible assets, gain on deregistration of subsidiaries, gain on disposal/write-off of property, plant and equipment, and costs incurred or associated with corporate exercises or potential projects, where applicable.

Adjusted EBITDA is used by the management of the Group as the primary measure of the operating performance of the Group and to compare the operating performance of the Group with that of other companies operating in the same or similar business sectors as the Group. Adjusted EBITDA is presented as a supplemental disclosure for the Shareholders or potential investors and is widely used to measure the performance, and as a basis for valuation, of companies operating in the same or similar business sectors as the Group. Adjusted EBITDA does not have a standardised meaning prescribed by

HKFRSs, and should not be interpreted as an alternative to profit/loss or operating profit/loss (as an indicator of operating performance) or to cash flows generated from/used in operations (as a measure of liquidity), in each case, as determined in accordance with HKFRSs. As a result, Adjusted EBITDA as presented by the Group in this announcement may not be directly comparable to other similarly titled measures presented by other companies.

The following table reconciles profit for the year to Adjusted EBITDA. The Group considers that excluding the below items from profit for the year to arrive at Adjusted EBITDA provides a more accurate representation of the Group's operating performance from its primary business activities and allows for better comparability with other industry participants which may have different financing arrangements.

	<b>2024</b>	2023
	<i>HK\$ million</i>	<i>HK\$ million</i>
Profit for the year	<b>381.9</b>	60.9
Adjustments for:		
Interest income <sup>(1)</sup>	<b>(3.4)</b>	(2.0)
Finance costs <sup>(2)</sup>	<b>11.3</b>	18.6
Taxation <sup>(3)</sup>	<b>13.6</b>	1.3
Depreciation of property, plant and equipment <sup>(4)</sup>	<b>27.7</b>	27.9
Depreciation of right-of-use assets <sup>(4)</sup>	<b>15.9</b>	14.9
Gain arising from early termination of lease contracts <sup>(5)</sup>	<b>—</b>	(0.1)
Amortisation of intangible assets <sup>(4)</sup>	<b>12.1</b>	12.1
Gain on deregistration of subsidiaries <sup>(5)</sup>	<b>(6.2)</b>	—
Gain on disposal/write-off of property, plant and equipment <sup>(5)</sup>	<b>—</b>	(0.1)
Others <sup>(6)</sup>	<b>0.1</b>	0.1
	<b>453.0</b>	133.6
Adjusted EBITDA	<b>453.0</b>	133.6

*Notes:*

- (1) Interest income is excluded from profit for the year to arrive at Adjusted EBITDA as it is a non-operating item which does not directly relate to the primary operations of the Group.
- (2) Finance costs are excluded from profit for the year to arrive at Adjusted EBITDA as they relate to the capital structure of the Group but are not directly associated with the Group's day-to-day operating performance.
- (3) Taxation is excluded from profit for the year to arrive at Adjusted EBITDA as it is a non-operating item associated with the Group's income tax obligations which may differ from year-to-year due to changes in tax laws or policies, or other non-recurring events.
- (4) These items are excluded from profit for the year to arrive at Adjusted EBITDA as they are non-cash expenses not directly related to the Group's operating cash flows.

- (5) These items are excluded from profit for the year to arrive at Adjusted EBITDA as they are non-recurring events that are not part of the Group's primary operations. No adjustment was made for gain arising from early termination of lease contracts and gain on disposal/write-off of property, plant and equipment in the year ended 31 December 2024 and gain on deregistration of subsidiaries in the year ended 31 December 2023 as there were no such events being recognised in the consolidated financial statements of the Group for the relevant years.
- (6) Others represent mainly rounding differences when converting the adjusting items from the nearest HK\$ thousand (as extracted from the Group's consolidated financial statements) to the nearest HK\$ million (as presented above). The rounding was made to align the presentation format across the table which displays figures in HK\$ million.

An analysis of Adjusted EBITDA by nature is as follows:

	<b>2024</b> <i>HK\$ million</i>	2023 <i>HK\$ million</i>
Casino under the Group's management in Macau:		
Casino Kam Pek Paradise	<u>310.4</u>	<u>162.8</u>
Electronic gaming equipment and systems:		
Sale/leasing of electronic gaming equipment and systems	187.8	11.1
Research and development and other costs	(31.4)	(26.2)
ETG distribution from IGT	<u>—</u>	<u>0.3</u>
	<u>156.4</u>	<u>(14.8)</u>
Other businesses	0.7	2.9
Corporate and other expenses	<u>(14.5)</u>	<u>(17.3)</u>
Adjusted EBITDA	<u><u>453.0</u></u>	<u><u>133.6</u></u>

Adjusted EBITDA from the casino under the Group's management in Macau segment for the year ended 31 December 2024 was a profit of HK\$310.4 million, representing an increase of 90.7% over that of HK\$162.8 million for the year ended 31 December 2023. The increase was mainly due to the increase in total GGR, particularly the GGR from LMG terminals, generated by Casino Kam Pek Paradise in Macau when compared with that generated for the year ended 31 December 2023, which in turn was mainly due to the increase in the number of patrons to Casino Kam Pek Paradise during the year ended 31 December 2024 as mentioned above.

Adjusted EBITDA from the electronic gaming equipment and systems segment for the year ended 31 December 2024 was a profit of HK\$156.4 million, as compared with a loss of HK\$14.8 million for the year ended 31 December 2023. The turnaround of the Adjusted EBITDA of such business segment from a loss for the year ended 31 December 2023 to a profit for the year ended 31 December 2024 was mainly attributable to the increase in revenue from the sale/leasing of LMG terminals in Macau for the year ended 31 December 2024 when compared with that for the year ended 31 December 2023 which was offset by the increase in research and development and other costs of such business segment.

***Provision of Casino Management Services in Macau***

The following table sets out the average numbers of gaming tables, LMG terminals, and slot machines and ETG machines which were in operation in Casino Kam Pek Paradise under the Group's management for the years ended 31 December 2024 and 31 December 2023:

	<b>2024</b>	2023
Traditional gaming tables	<b>20</b>	24
LMG gaming tables	<b>10</b>	10
LMG terminals	<b>951</b>	860
Slot machines and ETG machines	<b><u>94</u></b>	<u>96</u>

Pursuant to a service contract entered into between SJM Resorts and the Group on 30 December 2022 for the Group's provision of casino management services in Casino Kam Pek Paradise for the period from 1 January 2023 to 31 December 2025, the Group has been allocated quotas for managing 30 gaming tables and 100 units of slot machines and ETG machines in Casino Kam Pek Paradise. Pursuant to an offer letter issued by SJM Resorts to the Group on 23 May 2023 which was accepted by the Group on 5 June 2023, the Group was further allocated quotas for managing 10 gaming tables in Casino Kam Pek Paradise for the period from 8 May 2023 to 31 October 2023.

As at 31 December 2024, the Group managed a total of 30 (as at 31 December 2023: 30) gaming tables and 100 (as at 31 December 2023: 100) units of slot machines and ETG machines (including 32 (as at 31 December 2023: 28) units of the Group's innovative machines) in Casino Kam Pek Paradise.

The following table sets out certain key operational data of gaming tables, LMG terminals, and slot machines and ETG machines which were in operation in Casino Kam Pek Paradise under the Group's management for the years ended 31 December 2024 and 31 December 2023:

		2024	2023
<b>Traditional gaming tables</b>			
GGR	<i>(HK\$ million)</i>	<b>454.5</b>	452.7
Gaming tables	<i>(Average no. of tables)</i>	<b>20</b>	24
GGR/table/day	<i>(HK\$ thousand)</i>	<b>62.1</b>	51.7
<b>LMG gaming tables</b>			
GGR	<i>(HK\$ million)</i>	<b>806.6</b>	530.9
Terminals/gaming tables	<i>(Average no. of terminals/tables)</i>	<b>951/10</b>	860/10
GGR/terminal/day	<i>(HK\$)</i>	<b>2,317</b>	1,691
GGR/table/day	<i>(HK\$ thousand)</i>	<b>220.4</b>	145.5
<b>Total gaming tables</b>			
GGR	<i>(HK\$ million)</i>	<b>1,261.1</b>	983.6
Gaming tables	<i>(Average no. of tables)</i>	<b>30</b>	34
GGR/table/day	<i>(HK\$ thousand)</i>	<b>114.9</b>	79.3
<b>Slot machines and ETG machines</b>			
GGR	<i>(HK\$ million)</i>	<b>52.0</b>	50.0
Machines	<i>(Average no. of units)</i>	<b>94</b>	96
GGR/unit/day	<i>(HK\$)</i>	<b>1,511</b>	1,427
<b>Total GGR</b>	<i>(HK\$ million)</i>	<b><u>1,313.1</u></b>	<b><u>1,033.6</u></b>

For the year ended 31 December 2024, total GGR generated by Casino Kam Pek Paradise amounted to HK\$1,313.1 million, representing an increase of 27.0% over that of HK\$1,033.6 million for the year ended 31 December 2023. The increase was mainly due to the increase in GGR generated by the LMG terminals following an increase in the popularity of the LMG terminals offered in and the number of patrons to the casino.

A breakdown of revenue attributable to the Group for the casino under the Group's management in Macau for the years ended 31 December 2024 and 31 December 2023 is as follows:

	<b>2024</b>	2023
	<i>HK\$ million</i>	<i>HK\$ million</i>
Casino Kam Pek Paradise:		
Traditional gaming tables	<b>250.0</b>	249.0
LMG gaming tables	<b>443.6</b>	292.0
Slot machines and ETG machines	<u>24.7</u>	<u>23.8</u>
	<u><b>718.3</b></u>	<u>564.8</u>

Total revenue attributable to the Group generated by Casino Kam Pek Paradise for the year ended 31 December 2024 was HK\$718.3 million, representing an increase of 27.2% over that of HK\$564.8 million for the year ended 31 December 2023.

### ***Development, Sale and Leasing of Electronic Gaming Equipment and Systems and Royalty Income from IGT***

#### *Sale/Leasing of Electronic Gaming Equipment and Systems in Macau*

For the year ended 31 December 2024, revenue from sale/leasing of electronic gaming equipment and systems in Macau amounted to HK\$363.0 million, representing an increase of 539.1% over that of HK\$56.8 million for the year ended 31 December 2023. Revenue for the year ended 31 December 2024 in Macau comprised revenue of (i) HK\$316.4 million (2023: HK\$48.5 million) derived from the sale of a total of 1,461 (2023: 260) gaming machines including mainly LMG terminals in Macau; (ii) HK\$42.9 million (2023: HK\$5.1 million) derived mainly from the sale of other gaming equipment and systems, and the provision of upgrading services to LMG terminals and other services in Macau; and (iii) HK\$3.7 million (2023: HK\$3.2 million) derived from leasing of electronic gaming equipment and systems in Macau. The increase in the Group's revenue from the sale/leasing of electronic gaming equipment and systems to key casino operators in Macau was mainly due to the increase in demand for and popularity of LMG terminals and related products in Macau during the year ended 31 December 2024.

#### *Sale/Leasing of Electronic Gaming Equipment and Systems in Overseas Markets*

For the year ended 31 December 2024, revenue from sale/leasing of electronic gaming equipment and systems in overseas markets amounted to HK\$2.3 million which represented mainly sale of slot machines and gaming systems in the Southeast Asian markets. For the year ended 31 December 2023, the Group did not generate any revenue from the sale/leasing of electronic gaming equipment and systems in overseas markets.

In view of the increasing appeal of electronic gaming equipment and systems to both the casino operators and patrons, in addition to the home market of Macau, the Group is expanding its business of supplying gaming equipment and systems to other Asian markets, particularly the Philippines market, as well as the North American markets. As for the Philippines market, as at 31 December 2024, the Group had a total of 24 units of the Group's innovative slot machines deployed in casino premises of two leading integrated resorts in the Philippines for trial and a total of 144 mini slot machines for local market in the Philippines.

#### *Royalty income from IGT*

In April 2016, the Group entered into a strategic agreement with IGT whereby the Group has 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 related ETG machine deployed in the global market (other than Macau).

With reference to the royalty statements provided by IGT to the Group, the Group did not recognise any royalty income from IGT for the year ended 31 December 2024, and the Group recognised royalty income of HK\$0.3 million for the year ended 31 December 2023. Up to 31 December 2024, the Group has accumulatively recognised a total royalty income of HK\$14.7 million from IGT.

#### *Innovative and Renewable Energy Solutions Business in Mainland China*

In addition to the Group's core gaming business as mentioned above (namely, the provision of casino management services in Macau, and the development, sale and leasing of electronic gaming equipment and systems), the Group commenced a business of engaging in the supply of smart charging stations, smart charging equipment and charging services for electric motorcycles, bicycles, and vehicles, etc. to customers in Mainland China during the year ended 31 December 2023. During the year ended 31 December 2024, this business contributed a revenue of HK\$1.3 million (2023: HK\$12.4 million) to the Group's reported revenue.

## **PROSPECTS**

Macau is well-positioned for a transformative future, actively aligning with national development initiatives such as the Greater Bay Area. This strategic alignment not only enhances Macau's global presence but also fosters an inclusive environment that attracts international talents to collaboratively build a thriving Macau. The Group maintains a positive outlook on Macau's prospects, supported by several key factors. Firstly, recent policies of Macau emphasise a focus on the mass gaming market, which aligns seamlessly with the Group's business development strategy. Notably, the recent expansion of the individual travel scheme and the new visa regulations for residents and residence permit holders in the Hengqin Guangdong-Macao In-Depth Cooperation Zone, etc. significantly enhance accessibility for visitors from Mainland China to enter into Macau. Additionally, the ongoing development of Macau's infrastructure, such as the opening of the fourth Macau-Taipa Bridge in the second half of 2024 and the inauguration of the Jinhai Bridge, which provides for a direct car and rail link from



Zhuhai Airport to Hengqin and Macau, plays a crucial role in positioning Macau to accommodate a significant increase in visitors from Mainland China and beyond. These advancements further solidify Macau's position as a premier destination.

The Group is strategically committed to catering to the mass market, with our cutting-edge electronic gaming equipment and systems at Casino Kam Pek Paradise specifically designed to deliver patrons an unmatched and immersive gaming experience. As the Group is navigating the three-year transition period for satellite casinos in Macau under the newly enacted Macau gaming law, we remain firmly committed to delivering exemplary casino management services. Our proactive approach includes identifying and pursuing collaboration opportunities that align with the evolving regulatory landscape, ultimately contributing to the sustainable growth of Macau's gaming industry. By leveraging these developments, we aim to ensure that our operations remain at the forefront of this vibrant market.

As the sole provider of LMG systems and terminals in Macau, the Group leverages its strong industry reputation and leading position to drive innovation. We are committed to continually enhancing our advanced LMG systems to earn the trust of a diverse customer base in Macau and beyond. In light of the recent policy adjustments within the Macau gaming industry and evolving customer needs, the launch of our new version of the LMG systems presents an attractive solution for casino operators, offering improved cost-effectiveness and operational efficiencies. We are confident in our ability to capitalise on the ongoing transformation and robust growth of the gaming industry. On 26 November 2024, the Group publicly announced a series of innovated gaming products, including our new slant-top cabinet, "Speedwave", designed for the next generation of LMG systems, alongside the groundbreaking ETG machines such as "Mori Dice" and various new slot games. We will continue to innovate and develop new gaming products to meet diverse market demands, utilising flexible production capabilities to ensure timely delivery to our customers.

Beyond the Macau gaming market, the Group is actively pursuing business opportunities in international markets, including Southeast Asia, South Asia and North America, to expand our electronic gaming equipment and systems portfolio. We look forward to the opening of a new office and showroom in Manila, the Philippines, in 2025, reinforcing our confidence in the strong potential for the Group's innovative machines in the region. Additionally, we have successfully supplied our innovative gaming products and systems to the gaming markets in the Philippines, Vietnam and Laos, etc. up to 31 December 2024. To enhance our presence in the U.S. gaming market, the Group has opened a showroom in Las Vegas, U.S., providing comprehensive services for sale and lease of gaming machines in the U.S. gaming market. Through various global partnerships, we gain direct access to international markets, leveraging the expertise of established local players in sale channels and regulatory compliance, thereby strengthening our position in the global gaming industry.

To adapt to the evolving dynamics of the global gaming market landscape, the Group will continue to invest in product design and deliver comprehensive solutions for prestigious casino operators. We have also established new production lines in Macau to meet the growing demand for electronic gaming machines, both locally and globally. This investment will not only create job opportunities but also enable us to ensure fast delivery with exceptional quality control for our customers.



By leveraging the synergies between the Group's two principal businesses, we will prioritise the feedback of casino operators and gaming patrons to enhance the overall gaming experience. As a research and development-focused company, we will adopt a proactive approach to explore potential opportunities across various types of gaming machines and systems, both in Macau and internationally. While the uncertain global economic outlook presents challenges, we are committed to maintaining a prudent approach in managing our businesses in the years to come. Simultaneously, we will continue to explore selective, value-accretive transactions and new business opportunities to contribute to the Group's future development.

## **DIVIDENDS**

The Board recommended a final dividend of HK11.0 cents (2023: nil) per Share for the year ended 31 December 2024, subject to approval by the Shareholders at the 2025 AGM. The final dividend payable in this connection will be HK\$115.7 million, calculated on the basis of 1,052,185,315 Shares in issue at the date of this announcement. The proposed final dividend payable is not recognised as payable as at 31 December 2024 in the consolidated financial statements of the Group for the year ended 31 December 2024. The final dividend (subject to Shareholders' approval) is expected to be paid on Wednesday, 25 June 2025 to Shareholders whose names appear on the Company's register of members on Wednesday, 4 June 2025. Together with an interim dividend of HK5.0 cents (2023: nil) per Share, the total dividend for the year ended 31 December 2024 will amount to HK16.0 cents (2023: nil) per Share.

## **CLOSURE OF REGISTER OF MEMBERS**

Details of the closure of the Company's register of members will be as follows:

### **For Determining the Entitlement to Attend and Vote at the 2025 AGM**

The 2025 AGM is scheduled to be held on Tuesday, 27 May 2025. For determining the entitlement of the Shareholders to attend and vote at the 2025 AGM, the register of members of the Company will be closed from Wednesday, 21 May 2025 to Tuesday, 27 May 2025 (both days inclusive), and during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2025 AGM, all Share transfer documents accompanied by the relevant share certificates must be lodged for registration with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 20 May 2025.

### **For Determining the Entitlement to the Proposed Final Dividend**

The proposed final dividend is subject to the approval of Shareholders at the 2025 AGM. For determining the entitlement of the Shareholders to the proposed final dividend, the register of members of the Company will be closed from Monday, 2 June 2025 to Wednesday, 4 June 2025 (both days inclusive), and during which period no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all Share transfer documents accompanied by the relevant share certificates

must be lodged for registration with Tricor Investor Services Limited, the Company's Hong Kong branch share registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 30 May 2025.

## **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, other borrowings and loans from a Shareholder. The Group has generally funded its operations from internal resources, bank borrowings, other borrowings, loans from a Shareholder, and/or equity financing.

The Group has adopted a prudent financial management approach towards its financial and treasury policies. During the year ended 31 December 2024, 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 opportunities in accordance with the Group's strategic direction and development.

As at 31 December 2024, the consolidated net assets of the Group amounted to HK\$540.1 million, representing an increase of HK\$321.6 million or 147.2% from HK\$218.5 million as at 31 December 2023. The increase in consolidated net assets of the Group was mainly due to the Group's profit of HK\$381.9 million for the year ended 31 December 2024 as reduced by the payment of interim dividend for the six months ended 30 June 2024 of HK\$52.6 million.

### **Pledged Bank Deposits, and Bank Balances and Cash**

As at 31 December 2024, the Group held pledged bank deposits of HK\$48.1 million, and bank balances and cash of HK\$389.2 million.

The Group's pledged bank deposits of HK\$48.1 million as at 31 December 2024 were the fixed deposits denominated in HK\$, the Group's functional currency, and placed at a Macau bank with an original maturity of 12 months. The Group's pledged bank deposits of HK\$47.3 million as at 31 December 2023 comprised fixed deposits of HK\$46.5 million denominated in HK\$ and placed at a Macau bank with an original maturity of 12 months and HK\$0.8 million denominated in MOP and placed at a Macau bank with an original maturity of 12 months.

Included in the bank balances and cash of HK\$389.2 million (2023: HK\$59.6 million) as at 31 December 2024 were fixed deposits of HK\$172.2 million (2023: nil) denominated in HK\$, MOP and US\$ and placed at banks in Macau with original maturities ranging from 2 to 12 months. The Group's bank balances and cash were mainly denominated in HK\$, MOP and US\$. Given that MOP is pegged to HK\$ and HK\$ is linked to US\$, the Group considers the exposure to exchange rate risk normal for its bank deposits and cash denominated in MOP and US\$.

## Loans from a Shareholder

As at 31 December 2024 and 31 December 2023, the Group had the following outstanding loan facilities offered by Dr. Chun:

- (i) pursuant to a deed of loan dated 14 March 2022 and subsequent deeds of amendment entered into between Dr. Chun and the Group, Dr. Chun agreed to provide a loan facility amounting to HK\$120.0 million to the Group. The loan was conducted on normal commercial terms and was unsecured, carried interest at 10.0% per annum and had a maturity date on 31 March 2024. Any amounts repaid by the Group under the loan facility could be re-drawn or reborrowed during the term of the deed of loan. The loan was early settled in full during the year ended 31 December 2023 and there was no outstanding amount under this deed of loan as at 31 December 2024 and 31 December 2023; and
- (ii) pursuant to two other deeds of loan dated 18 January 2023 entered into between Dr. Chun and the Group, Dr. Chun agreed to provide term loan facilities totalling HK\$70.0 million for a 3-year period to the Group. The loans are conducted on normal commercial terms and are unsecured, carry interest at 12.5% per annum and are repayable in monthly instalments. The loans have been fully drawn down by the Group on inception and partially repaid during the year ended 31 December 2023. As at 31 December 2024, the total outstanding loan principal under these deeds of loan was HK\$25.6 million (31 December 2023: HK\$46.3 million).

## Borrowings and Gearing Ratio

As at 31 December 2024, the Group had total outstanding indebtedness of HK\$156.7 million (2023: HK\$180.8 million) comprising:

- (i) secured and unguaranteed bank borrowings of HK\$115.6 million (2023: HK\$125.8 million) (note 1);
- (ii) unsecured and unguaranteed loans from a Shareholder of HK\$25.6 million (2023: HK\$46.3 million) (note 2);
- (iii) unsecured and unguaranteed other borrowings of HK\$10.5 million (2023: HK\$6.9 million) (note 3); and
- (iv) unsecured and unguaranteed amounts due to Directors of HK\$5.0 million (2023: HK\$1.8 million) (note 4).

### Notes:

- (1) The bank borrowings carried interest at prevailing market rates and were on floating rate basis.
- (2) The loans from a Shareholder carried interest at fixed rate of 12.5% per annum.
- (3) The other borrowings were interest-free.
- (4) The amounts due to Directors were interest-free.

The maturity profile of the total outstanding indebtedness of HK\$156.7 million as at 31 December 2024 spread over a period of more than five years, with HK\$49.8 million repayable on demand or within one year, HK\$13.3 million in the second year, HK\$42.5 million in the third to fifth year, and HK\$51.1 million over five years. The Group's total outstanding indebtedness was mainly denominated in MOP, HK\$ and RMB. Given that MOP is pegged to HK\$, the Group considers the exposure to exchange rate risk normal for its indebtedness denominated in MOP. The Group has net exchange exposure to RMB as it maintains certain other borrowings denominated in RMB during the year ended 31 December 2024. The Group manages its foreign currency risk of RMB against HK\$ by closely monitoring the movement of the exchange rate and may consider specific hedge for significant foreign exchange exposure should additional needs arise.

The Group's gearing ratio (expressed as a percentage of consolidated total borrowings over consolidated net assets of the Group) as at 31 December 2024 was 29.0% (2023: 82.7%). The decrease in the Group's gearing ratio was mainly due to the decrease in consolidated total borrowings of the Group of HK\$24.1 million, which in turn was mainly due to the repayment of loans from a Shareholder, and the increase in consolidated net assets of the Group of HK\$321.6 million during the year ended 31 December 2024.

During the year ended 31 December 2024, the Group did not employ any financial instruments for hedging purposes.

## **CAPITAL COMMITMENTS**

As at 31 December 2024, the Group had capital commitments in respect of acquisition of property, plant and equipment which are contracted for but not provided for in the consolidated financial statements of HK\$7.8 million (2023: HK\$5.5 million). The capital commitments will be funded by internal resources of the Group.

## **FOREIGN EXCHANGE EXPOSURE**

The majority of the Group's income and expenses, bank deposits and borrowings are denominated in HK\$ (the Group's functional currency), MOP, RMB and US\$. HK\$ are 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 any specific hedge for fluctuation of US\$ or MOP against HK\$ is necessary. The Group has net exchange exposure to RMB as it maintains certain bank deposits and other borrowings denominated in RMB during the year ended 31 December 2024. The Group manages its foreign currency risk of RMB against HK\$ by closely monitoring the movement of the exchange rate and may consider specific hedge for significant foreign exchange exposure should additional need arise.

## **CHARGES ON GROUP ASSETS**

As at 31 December 2024, the Group had charges on its leasehold land and buildings with total carrying amount of HK\$185.1 million and bank fixed deposits of HK\$48.1 million, details of which are as follows:

- (i) leasehold land and buildings with carrying amount of HK\$107.2 million to secure a bank borrowing offered by a bank to the Group;
- (ii) leasehold land and buildings with carrying amount of HK\$77.9 million to secure bank borrowings offered by a bank to the Group; and
- (iii) bank fixed deposits totalling HK\$48.1 million to secure for a guarantee issued by a bank in favour of SJM Resorts in the amount of HK\$45.7 million for the period from 1 April 2020 to 31 December 2026 for the Group's fulfilment of all its obligations, including the reimbursement by the Group to SJM Resorts of the employees' compensation and benefits for those gaming operation employees employed by SJM Resorts who work for the casino under the Group's management in Macau, as stipulated under the service agreements (and all related supplemental agreements) entered into between SJM Resorts and the Group for the provision of casino management services by the Group to SJM Resorts.

## **CONTINGENT LIABILITIES**

As at 31 December 2024, the Group did not have any significant contingent liabilities.

## **MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS**

There were no material acquisitions or disposals (including material acquisitions and disposals of subsidiaries, associates and joint ventures), or significant investments of the Group during the year ended 31 December 2024.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at 31 December 2024 and the date of this announcement, save as disclosed under the sub-section headed "Capital Commitments" above, the Group had no other plans for material investments or capital assets.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 31 December 2024, the Group had approximately 730 employees, including approximately 400 gaming operation employees who were employed by SJM Resorts to work for Casino Kam Pek Paradise under the Group's management. Remunerations of these gaming operation employees were paid by SJM Resorts and the Group reimbursed SJM Resorts in full for their salaries and other benefits.

Total staff costs, including Directors' emoluments, for the year ended 31 December 2024 amounted to HK\$238.6 million (2023: HK\$228.7 million), including HK\$123.8 million (2023: HK\$120.4 million) for gaming operation employees employed by SJM Resorts for Casino Kam Pek Paradise.

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, share awards, retirement benefits, subsidised medical care, pension funds and training programmes are offered to eligible employees of the Group.

## **EVENTS AFTER THE REPORTING PERIOD**

Save as disclosed elsewhere in this announcement, there is no important event after 31 December 2024 which is required to be disclosed.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

In the opinion of the Board, the Company has complied with the code provisions as set out in the CG Code throughout the year ended 31 December 2024 except for the following deviation.

### **Code Provision C.2.1**

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

During the year ended 31 December 2024 and up to 26 March 2025, Dr. Chun and Mr. Zhang Jianjun were Co-chairmen of the Board and were responsible for the management of the Board and ensuring that all major and appropriate issues were discussed by the Board in a timely and constructive manner. On 27 March 2025, Mr. Zhang Jianjun tendered his resignation as an executive Director and a Co-chairman of the Board, and Dr. Chun was re-designated from a Co-chairman of the Board to the Chairman of the Board. Dr. Chun also serves as the Managing Director of the Company throughout the year ended 31 December 2024 and up to date of this announcement.



Dr. Chun takes care of the day-to-day management of the Group's business and implements the Group's policies, strategic plans and business goals formulated by the Board. In the opinion of the Board, the roles of the Managing Director and the chief executive officer were the same. The Board also considers that the present structure (Dr. Chun is both the Chairman of the Board (a Co-chairman of the Board during the year ended 31 December 2024 and up to 26 March 2025) and the Managing Director of the Company) provides the Group with strong and consistent leadership and allows for efficient and effective business planning and execution, while the balance of power and authority for the present arrangement has been and is adequately ensured to protect the interests of the Company and the Shareholders by the current Board, which also comprises another executive Director with diversified background and experience, and a sufficient number of independent non-executive Directors that can scrutinise important decisions with their independent judgment and monitor the power exercised by the Chairman of the Board and the Managing Director of the Company. Hence, the Board believes that it is in the best interest of the Shareholders that Dr. Chun will continue to assume the roles of the Chairman of the Board and the Managing Director of the Company. The Company will review the current structure as and when it becomes appropriate in the future.

## **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 year ended 31 December 2024.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

Neither the Company nor any of its subsidiaries had purchased, sold, redeemed or cancelled any of the Company's listed securities (including treasury shares) during the year ended 31 December 2024.

## **UPDATE ON DIRECTORS' INFORMATION**

On 27 March 2025, Mr. Zhang Jianjun tendered his resignation as an executive Director and a Co-chairman of the Board, and Dr. Chun was re-designated from a Co-chairman of the Board to the Chairman of the Board. Further details of the resignation and re-designation of Directors are set out in the Company's announcement dated 27 March 2025.

Save as disclosed, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## **INDEPENDENT AUDITOR**

The consolidated financial statements of the Company for the year ended 31 December 2024 were audited by the Company's independent auditor, Messrs. Deloitte Touche Tohmatsu. A resolution will be proposed at the 2025 AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as the independent auditor of the Company.

## **REVIEW OF AUDITED CONSOLIDATED FINANCIAL STATEMENTS BY THE AUDIT COMMITTEE**

The Audit Committee has reviewed with the management and the independent auditor of the Company the audited consolidated financial statements of the Group for the year ended 31 December 2024 and the related accounting principles and practices adopted by the Group.

### **SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's independent auditor, Messrs. Deloitte Touche Tohmatsu (the "Auditor"), to the amounts set out in the audited consolidated financial statements of the Group for the year approved by the Board on 27 March 2025. The work performed by the Auditor in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by the Auditor on the preliminary announcement.

### **DEFINITIONS**

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

"2025 AGM"	the forthcoming annual general meeting of the Company to be held on 27 May 2025
"Adjusted EBITDA"	the Group's profit for the year before interest income, finance costs, taxation, depreciation of property, plant and equipment, depreciation of right-of-use assets, gain arising from early termination of lease contracts, amortisation of intangible assets, gain on deregistration of subsidiaries, gain on disposal/write-off of property, plant and equipment, and costs incurred or associated with corporate exercises or potential projects, where applicable
"Audit Committee"	the audit committee of the Board
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code contained in Appendix C1 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
"Director(s)"	the director(s) of the Company



“Dr. Chun”	Dr. Jay Chun, the controlling Shareholder, the Chairman of the Board, an executive Director and the Managing Director of the Company
“ETG”	electronic table game
“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
“HKAS”	Hong Kong Accounting Standard
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s)
“HKICPA”	the Hong Kong Institute of Certified Public Accountants
“HK\$” and “HK cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“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
“Macao” or “Macau”	the Macao Special Administrative Region of the PRC
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
“MOP”	Macau Pataca, the lawful currency of Macau
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“SJM Resorts”	SJM Resorts, Limited, one of the concessionaires for operation of casinos in Macau
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“U.S.”	the United States of America
“US\$”	the United States dollars, the lawful currency of the U.S.
“%”	per cent

By Order of the Board  
**Paradise Entertainment Limited**  
**Chan Kin Man**  
*Company Secretary*

Hong Kong, 27 March 2025

*As at the date of this announcement, the executive directors of the Company are Dr. Jay Chun (Chairman of the Board and Managing Director, also alternate director to Mr. Shan Shiyong, alias, Sin Sai Yung) and Mr. Shan Shiyong, alias, Sin Sai Yung, and the independent non-executive directors of the Company are Mr. Li John Zongyang, Ms. Tang Kiu Sam Alice and Dr. Liu Ka Ying Rebecca.*