PARADISE ENTERTAINMENT LIMITED

滙彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1180)

PROFIT WARNING

This announcement is made by Paradise Entertainment Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors of the Company wishes to inform the shareholders (the "**Shareholders**") and potential investors of the Company that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2025 (the "**Reporting Period**") and the information currently available to the Board, the Group is expected to report a profit of HK$139.4 million for the Reporting Period, representing a decrease of HK$242.5 million or 63.5% when compared with that of HK$381.9 million for the year ended 31 December 2024 (the "**Preceding Period**"). This decrease in profit was mainly due to (i) a decrease of HK$85.2 million or 11.9% in the Group's revenue from the provision of casino management services in Macau when compared with that of the Preceding Period; (ii) a decrease of HK$165.5 million or 45.3% in the Group's revenue from the sale and/or leasing of electronic gaming equipment and systems when compared with that of the Preceding Period; and (iii) the Group's payment to its employees and reimbursement to SJM Resorts, Limited ("**SJM Resorts**") for those gaming operation staff employed by SJM Resorts who worked for Casino Kam Pek Paradise (the "**Casino**") under the Group's management in Macau totalling HK$42.1 million which is expected to be charged to the consolidated financial statements as expenses for the Reporting Period for employees' compensation and benefits, including long service payments, as a results of the cessation of operations of the Casino.

On 9 June 2025, the Company was advised by SJM Resorts that the service agreement (the "**Service Agreement**") between the Group and SJM Resorts for the provision of casino management services by the Group to SJM Resorts at the Casino would not be renewed or extended upon its original expiry date of 31 December 2025. The Company was further advised by SJM Resorts in November 2025 that the business operations of the Casino would be terminated on 2 December 2025. Consequently, the Group ceased to provide casino management services to SJM Resorts at the Casino with effect from 2 December 2025. Further details regarding this cessation of casino management services were set out in the Company's announcements dated 9 June 2025 and 26 November 2025. The non-renewal of the Service Agreement and the cessation of operations of the Casino had an adverse impact on the business performance of the Casino. Moreover, the early termination of operations of the Casino on 2 December 2025 resulted in a loss of nearly one month of anticipated income for the Group in the Reporting Period when compared with the revenue reported for the Preceding Period. Furthermore, the cessation of operations of the Casino necessitated the Group's payment to its employees and reimbursement to SJM Resorts for employees' compensation and benefits, including long service payments, as mentioned above.

* *For identification purposes only*

The Group also experienced a decrease in revenue from the sale and/or leasing of electronic gaming equipment and systems during the Reporting Period when compared with that of the Preceding Period, particularly with regard to the sale of live multi game ("**LMG**") terminals and systems in Macau. In the Preceding Period, the LMG terminals achieved widespread popularity due to their innovative advancements in gaming technology and the Group recognised significant revenue from the sale of LMG terminals and systems in the consolidated financial statement of the Group for the Preceding Period. The sale of the LMG terminals were weakened during the Reporting Period, primarily because customers might opt to postpone their purchases in anticipation of our upcoming LMG system, namely "Black Coral", which was first announced by the Group in late 2024. Black Coral, currently planned for launch in 2026, is designed to incorporate advanced technological features, including integrated analytics and widgets that present historical and real-time gameplay data in a clear and accessible format. By highlighting observable patterns derived from actual gameplay outcomes through intuitive visualisation, the system aims to enhance player engagement and the overall gaming experience. Revenue recognition of this new version of LMG systems has not yet occurred. The Group anticipates that Black Coral will enhance player engagement and accelerate the replacement of existing LMG terminals and systems in operation, hence driving future revenue growth of the Group in this segment.

The Group is still in the course of finalising its audited consolidated financial results for the Reporting Period. The information contained in this announcement is only based on the Board's preliminary assessment of the information currently available, including but not limited to the management accounts of the Group for the Reporting Period, which has not been audited by the Company's independent auditor nor reviewed by the audit committee of the Board, and may be subject to further adjustments. The Shareholders and potential investors of the Company should refer to the Company's annual results announcement for the Reporting Period, which is expected to be published by the end of March 2026.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 9 March 2026

As at the date of this announcement, the executive directors of the Company are Dr. Jay Chun (Chairman 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.