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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Paradise Entertainment Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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PARADISE ENTERTAINMENT LIMITED

滙彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1180)

PROPOSALS INVOLVING RE-ELECTION OF RETIRING DIRECTORS AND GRANT OF GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of the Company (the “Annual General Meeting”) to be held at Unit C, 19th Floor, Entertainment Building, 30 Queen’s Road Central, Hong Kong on Thursday, 21 May 2020 at 11:00 a.m. is set out on pages 14 to 18 of this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

* For identification purposes only

17 April 2020

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This circular (both English and Chinese versions) is now available in printed form and on the websites of the Company at www.hk1180.com and the Stock Exchange at www.hkexnews.hk.

DEFINITION

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Annual General Meeting”	the annual general meeting of the Company to be held at Unit C, 19th Floor, Entertainment Building, 30 Queen’s Road Central, Hong Kong on Thursday, 21 May 2020 at 11:00 a.m., notice of which is set out on pages 14 to 18 of this circular, or any adjournment thereof
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company and as amended from time to time, and “Bye-law” shall mean a bye-law of the Bye-laws
“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
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares as set out in ordinary resolution no. 6 in the notice convening the Annual General Meeting
“Latest Practicable Date”	8 April 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macao” or “Macau”	the Macao Special Administration Region of the PRC

DEFINITION

“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares as set out in ordinary resolution no. 5 in the notice convening the Annual General Meeting
“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
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent

LETTER FROM THE BOARD



PARADISE ENTERTAINMENT LIMITED

滙彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1180)

Executive Directors:

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

Mr. Hu Liming

Head Office and Principal

Place of Business:

Unit C, 19th Floor

Entertainment Building

30 Queen's Road Central

Hong Kong

Independent Non-Executive Directors:

Mr. Li John Zongyang

Mr. Kai-Shing Tao

Ms. Tang Kiu Sam Alice

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

17 April 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSALS INVOLVING
RE-ELECTION OF RETIRING DIRECTORS
AND
GRANT OF GENERAL MANDATES
TO REPURCHASE AND ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The Directors wish to seek the approval of the Shareholders at the Annual General Meeting for, among other things, (i) the re-election of retiring Directors and (ii) the grant of the Repurchase Mandate and the Issue Mandate.

The purpose of this circular is to provide you with details of (i) the re-election of retiring Directors and (ii) the grant of the Repurchase Mandate and the Issue Mandate, and to give you notice of the Annual General Meeting.

* For identification purposes only

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Bye-law 87 of the Bye-laws, Mr. Jay Chun, the Chairman and Managing Director of the Company, and Ms. Tang Kiu Sam Alice, an independent non-executive Director, will retire by rotation at the Annual General Meeting, and they, being eligible, will then be eligible for and will offer themselves for re-election. Biographical details of the retiring Directors who are proposed to be re-elected are set out in Appendix I to this circular.

The re-election of retiring Directors has been reviewed by the Nomination Committee which made recommendation to the Board that the re-election be proposed for Shareholders' approval at the Annual General Meeting. Each of the independent non-executive Directors, including Ms. Tang Kiu Sam Alice, has made an annual confirmation of independence pursuant to rule 3.13 of the Listing Rules. The Nomination Committee, comprising a majority of independent non-executive Directors, has also reviewed and assessed the independence of each individual independent non-executive Director based on the respective annual confirmation of independence (against the independence guidelines as set out in rule 3.13 of the Listing Rules) provided by them. All the independent non-executive Directors have satisfied the independence guidelines set out in rule 3.13 of the Listing Rules. The Nomination Committee has recommended both retiring Directors, Mr. Jay Chun and Ms. Tang Kiu Sam Alice, to the Board for re-election at the Annual General Meeting.

The Board has also adopted a board diversity policy of the Company recognising and embracing the benefits of having a diverse Board to include and make good use of the differences in the skills, educational background, race, gender and other qualities of Directors with a view of enhancing the quality of its performance. All Board members' appointments and/or re-appointments will be based on merit while taking into account diversity. As disclosed in Appendix I, Mr. Jay Chun possesses solid background in information technology and marketing and Ms. Tang Kiu Sam Alice possesses solid experience in development and marketing of gaming products. Moreover, Ms. Tang Kiu Sam Alice can provide balanced insights into decision making to the Board from the perspective of a female. During the tenure of Mr. Jay Chun as executive Director and Ms. Tang Kiu Sam Alice as independent non-executor Director, both retiring Directors had given valuable contribution to the Company.

Having taken into consideration the above and the annual confirmation of independence made by Ms. Tang Kiu Sam Alice pursuant to the independence guidelines set out in rule 3.13 of the Listing Rules, the Board considers Ms. Tang Kiu Sam Alice to be independent to provide independent, balanced and objective view to the affairs of the Company. In view of their extensive knowledge and experience, the Board recommends Mr. Jay Chun and Ms. Tang Kiu Sam Alice be re-elected at the Annual General Meeting. Accordingly, ordinary resolutions will be proposed to, among others, re-elect Mr. Jay Chun and Ms. Tang Kiu Sam Alice as executive Director and independent non-executive Director, respectively, at the Annual General Meeting.

LETTER FROM THE BOARD

GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES

The Directors wish to propose two ordinary resolutions at the Annual General Meeting to give the Directors new general mandates:

- (i) to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the Annual General Meeting; and
- (ii) to allot, issue and otherwise deal with new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the Annual General Meeting.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,052,185,315 Shares. Subject to the passing of the proposed resolution for the grant of the Issue Mandate at the Annual General Meeting and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed to issue and allot a maximum of 210,437,063 Shares under the Issue Mandate. In addition, subject to the passing of the proposed resolution for the grant of the Repurchase Mandate at the Annual General Meeting and on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed to repurchase a maximum of 105,218,531 Shares under the Repurchase Mandate.

The Issue Mandate and the Repurchase Mandate will remain in force until the earliest of (i) the conclusion of the next annual general meeting of the Company, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held, or (iii) the revocation or variation of the authority given under the resolutions for the grant of the Issue Mandate and the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting.

In addition, a separate ordinary resolution will also be proposed at the Annual General Meeting to add to the Issue Mandate those Shares repurchased by the Company under the Repurchase Mandate granted to the Directors at the Annual General Meeting, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the Annual General Meeting.

An explanatory statement containing information regarding the Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at Unit C, 19th Floor, Entertainment Building, 30 Queen's Road Central, Hong Kong on Thursday, 21 May 2020 at 11:00 a.m. is set out on pages 14 to 18 of this circular for the purpose of considering and, if thought fit, passing with or without amendments the resolutions as set out therein. The vote of the Shareholders at the Annual General Meeting will be taken by poll in accordance with rule 13.39(4) of the Listing Rules and the Company will announce the results of the poll in the manner prescribed under rule 13.39(5) of the Listing Rules.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed. Whether or not the Shareholders are able to attend the Annual General Meeting, the Shareholders are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders is required to abstain from voting at the Annual General Meeting pursuant to the Listing Rules and/or the Bye-laws.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other facts the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors are of the opinion that the resolutions in relation to, among other things, (i) the re-election of retiring Directors and (ii) the grant of the Repurchase Mandate and the Issue Mandate as set out in the notice of the Annual General Meeting are all in the interests of the Company and the Shareholders. Accordingly, the Directors recommend all the Shareholders to vote in favour of all such resolutions.

LETTER FROM THE BOARD

GENERAL

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Paradise Entertainment Limited
Jay Chun
Chairman and Managing Director

The biographical and other details of the retiring Directors standing for re-election at the Annual General Meeting are set out below:

(i) Mr. Jay Chun (“Mr. Chun”)

Mr. Jay Chun, aged 55, is the Chairman and Managing Director of the Company, also alternate Director to Mr. Shan Shiyong, alias, Sin Sai Yung. He is the chairman of the Nomination Committee and a member of the Remuneration Committee. He is also a director of various subsidiaries of the Company. Mr. Chun is a talented entrepreneur and manager. He possesses solid background in information technology and marketing, and has nearly 30 years of management and investment experience. He holds a master’s degree in business administration from the W.P. Carey School of Business at the Arizona State University and a bachelor’s degree in computer science from the Shanghai University of Science and Technology. Mr. Chun joined the Group and was appointed as the Managing Director of the Company in January 1999 and was appointed as the Chairman of the Board in July 2002.

Mr. Chun is one of the founder members of Macau Gaming Equipment Manufacturers Association (“MGEMA”) and has been the chairman of MGEMA since its establishment in 2012. MGEMA is a non-profit making association established to promote Macau gaming equipment industry and the common interests of the gaming equipment manufacturers by providing a platform for the exchange of technology and trade promotion, an aspect which is of great importance to the gaming industry.

In recognition of his exemplary contributions to the community, Mr. Chun has been a member of the Shandong Provincial Committee of the Chinese People’s Political Consultative Conference of the PRC since January 2018 and a member of the Economic Development Council of the Macau government since November 2017. In addition, Mr. Chun has been actively participating in community services. Mr. Chun is presently the chairman of Ze Ai Association, a prominent non-profit making charitable organisation working to improve the education and well-being of people in Macau so as to make Macau a better society for all people and the next generation. In recognition of his outstanding achievement in Macau’s entertainment and leisure industry, in October 2019, Mr. Chun was honoured with the award of “20 Persons in 20 Years: the Most Valuable Persons of Macao’s Tourism and Leisure Industry from 1999 to 2019”.

Mr. Chun did not hold any directorships in any other listed public companies during the three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Chun and August Profit Investments Limited, a company wholly-owned by Mr. Chun, were beneficially interested in an aggregate of 630,960,880 Shares, representing approximately 59.96% of the existing issued share capital of the Company.

Mr. Chun has no service contract with the Company and he is not appointed for a specific term, but he is subject to retirement by rotation and re-election at least once every 3 years in accordance with the Bye-laws.

For the year ended 31 December 2019, Mr. Chun received a Director's emolument of HK\$13,468,000. The Director's emolument was based on mutual agreement between the Board and Mr. Chun and Mr. Chun's responsibilities and duties in the Company as well as the prevailing market conditions.

Mr. Chun is the spouse of Ms. Feng Yi, Jenny, the Group's Casino General Manager (being one of the senior management of the Company). Save as disclosed, as at the Latest Practicable Date, Mr. Chun did not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed herein, there is no information required to be disclosed relating to Mr. Chun that is required to be disclosed pursuant to any of the requirements under rule 13.51(2) of the Listing Rules, and there are no other matters relating to his re-election as an executive Director that need to be brought to the attention of the Shareholders.

(ii) Ms. Tang Kiu Sam Alice ("Ms. Tang")

Ms. Tang Kiu Sam Alice, aged 38, was appointed as an independent non-executive Director on 25 April 2014. She is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Ms. Tang graduated with a bachelor of science degree in e-commerce from the Brunel University in London. Ms. Tang has more than 15 years of business development experience in the gaming industry and has comprehensive knowledge in gaming operations and products, strategic planning, sales and marketing and is experienced in product development with successful launches of a series of gaming products including video slot machines, electronic table games and slot management system. Ms. Tang is currently the managing director of Winning Asia Technology Macau Limited.

Ms. Tang did not hold any directorships in any other listed public companies during the three years preceding the Latest Practicable Date. Other than being an independent non-executive Director, Ms. Tang did not hold any directorship in other members of the Group.

As at the Latest Practicable Date, Ms. Tang did not have any interests or short positions in the Shares or underlying Shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Ms. Tang has no service contract with the Company and she is not appointed for a specific term, but she is subject to retirement by rotation and re-election at least once every 3 years in accordance with the Bye-laws.

For the year ended 31 December 2019, Ms. Tang received a Director's fee of HK\$240,000. The Director's fee was based on mutual agreement between the Board and Ms. Tang and Ms. Tang's responsibilities and duties in the Company as well as the prevailing market conditions.

Ms. Tang did not have any relationships with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company as at the Latest Practicable Date.

Save as disclosed herein, there is no information required to be disclosed relating to Ms. Tang that is required to be disclosed pursuant to any of the requirements under rule 13.51(2) of the Listing Rules, and there are no other matters relating to her re-election as an independent non-executive Director that need to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement as required by the Listing Rules to be presented to Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,052,185,315 Shares. Assuming that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 105,218,531 Shares.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the memorandum of association of the Company, the Bye-laws and the applicable laws of Bermuda. As compared to the financial position of the Company as at 31 December 2019 (being the date of its latest audited financial statements), the Directors consider that there might be a material adverse impact on the working capital and the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of Bermuda, the memorandum of association of the Company and the Bye-laws.

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No core connected persons of the Company have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to sell any of the Shares held by them to the Company in the event that the Company is authorised to make repurchases of Shares.

EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a shareholder or a group of shareholders acting in concert, depending on the level of increase of the shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Jay Chun and August Profit Investments Limited, a company wholly-owned by Mr. Jay Chun (together, the "Chun and Associate"), are beneficially interested in approximately 59.96% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the interests of the Chun and Associate would be increased to approximately 66.63% of the issued share capital of the Company. In the opinion of the Directors, such increase may not give rise to an obligation to make a mandatory offer under rule 26 of the Takeovers Code. The Directors are not aware of any consequence which the exercise in full of the Repurchase Mandate would have under the Takeovers Code.

In any event, the Directors do not intend to exercise the Repurchase Mandate to an extent which would reduce the aggregate amount of the total issued share capital of the Company in public hands to below 25% which is the minimum prescribed public float requirement under the Listing Rules.

MARKET PRICE

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months immediately prior to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2019		
April	1.33	1.10
May	1.31	1.07
June	1.28	1.10
July	1.24	1.08
August	1.14	0.87
September	0.98	0.82
October	0.94	0.78
November	0.93	0.82
December	0.89	0.68
2020		
January	0.90	0.75
February	0.90	0.63
March	0.76	0.64
April (up to and including the Latest Practicable Date)	0.73	0.68

SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares on the Stock Exchange during the six months period preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



PARADISE ENTERTAINMENT LIMITED

滙彩控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1180)

NOTICE IS HEREBY GIVEN that the annual general meeting of the shareholders of Paradise Entertainment Limited (the “Company”) will be held at Unit C, 19th Floor, Entertainment Building, 30 Queen’s Road Central, Hong Kong on Thursday, 21 May 2020 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements, the directors’ report and the independent auditor’s report for the year ended 31 December 2019.
2. (a) To re-elect Mr. Jay Chun as an executive director of the Company.

(b) To re-elect Ms. Tang Kiu Sam Alice as an independent non-executive director of the Company.
3. To authorise the board of directors to fix the directors’ remuneration.
4. To re-appoint Deloitte Touche Tohmatsu as independent auditor of the Company and to authorise the board of directors to fix their remuneration.
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

* For identification purposes only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of the shares of the Company to be repurchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- 6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) of this resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot, grant, distribute and otherwise deal with additional shares of the Company, and to make or grant offers, agreements, options (including warrants, bonds, notes and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such power either during or after the Relevant Period, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the directors of the Company during the Relevant Period to make, issue or grant offers, agreements, options (including warrants, bonds, notes and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted, issued, granted, distributed or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued, granted, distributed or otherwise dealt with (whether pursuant to an option, a conversion or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares of the Company upon the

NOTICE OF ANNUAL GENERAL MEETING

exercise of rights of subscription or conversion under the terms of any warrants of the Company or any bonds, notes, debentures and securities which are convertible into shares of the Company; or (iii) an issue of shares of the Company as scrip dividends pursuant to the bye-laws of the Company from time to time; or (iv) an issue of shares of the Company under any share option scheme or similar arrangement providing for the grant to employees (including directors) of the Company and/or any of its subsidiaries of the rights to subscribe for shares of the Company, shall not exceed 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the directors of the Company to the holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the law of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT**, conditional upon the passing of ordinary resolutions nos. 5 and 6 in this Notice, the general mandate granted to the directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue, grant, distribute and otherwise deal with shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Company which has been repurchased by the Company since the granting of such general mandate pursuant to the exercise by the directors of the Company of the powers of the Company to repurchase such amount of shares, provided that such amount shall not exceed 10 per cent of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution.”

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

Hong Kong, 17 April 2020

Head office and principal place of business:

Unit C, 19th Floor
Entertainment Building
30 Queen's Road Central
Hong Kong

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

- (1) For the purpose of determining the shareholders who are entitled to attend and vote at the meeting, the register of members of the Company will be closed from Monday, 18 May 2020 to Thursday, 21 May 2020 (both days inclusive). In order to qualify for attending and voting at the meeting, all transfer documents must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Friday, 15 May 2020.
- (2) A shareholder entitled to attend and vote at the meeting may appoint one or more than one proxy to attend and to vote instead of him. A proxy need not be a shareholder of the Company.

NOTICE OF ANNUAL GENERAL MEETING

- (3) In the case of joint holders of any share, any one of such persons may vote at the said meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders is present at the said meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (4) In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, must be deposited at the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of a form or proxy will not preclude shareholders from attending and voting in person should they so desire.
- (5) A form of proxy for use at the meeting is enclosed with the circular of the Company dated 17 April 2020 (the "Circular") despatched to its shareholders.
- (6) As set out in the Letter from the Board included in the Circular, each of the resolutions set out in this notice shall be voted by poll and the board of directors of the Company recommends the shareholders to vote in favour of the resolutions to be proposed at the meeting. Please refer to the Circular for details of the matters for which the resolutions are concerned.
- (7) If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal is in force at or at any time after 8:30 a.m. on the date of the meeting, the meeting will be postponed or adjourned. The Company will post an announcement on the websites of the Company at www.hk1180.com and The Stock Exchange of Hong Kong Limited at www.hkexnews.hk to notify the shareholders of the date, time and place of the rescheduled meeting.

The meeting will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.

- (8) Taking into account of the recent development of the epidemic caused by novel coronavirus pneumonia (COVID-19), the Company will implement the following prevention and control measures at the annual general meeting against the epidemic to protect the shareholders from the risk of infection:
 - (i) Compulsory body temperature check will be conducted for every shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue;
 - (ii) Every shareholder or proxy is required to wear surgical facial mask throughout the meeting; and
 - (iii) No refreshment will be served.

Furthermore, the Company wishes to advise the shareholders, particularly shareholders who are subject to quarantine in relation to COVID-19, that they may appoint any person or the chairman of the annual general meeting as a proxy to vote on the resolution, instead of attending the annual general meeting in person.

As at the date of this notice, the executive directors of the Company 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 of the Company are Mr. Li John Zongyang, Mr. Kai-Shing Tao and Ms. Tang Kiu Sam Alice.