

# Saipan Casino Staggers With \$514m Haul In First Half

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A small, temporary Saipan casino controlled by Hong Kong-based Imperial Pacific International has reported an extraordinary \$514m in revenue for the first half of 2016, outgunning top casinos in Macau, Singapore and the Philippines.

Best Sunshine Live casino, named after Imperial Pacific's Northern Mariana Islands subsidiary Best Sunshine International, took in just under HK\$4bn (\$514m) in revenue, according to the Hong Kong-listed company's first six-month report since VIP operations began in November.

Adjusted EBITDA amounted to HK\$1.25bn and net profit was HK\$837m for the first half, a result all the more stunning for being based almost entirely on income from 16 VIP tables, the Hong Kong Stock Exchange filing said on Monday.

The property also had 32 mass-market tables at the end of the reporting period, but the revenue split between them was stark, with the 16 VIP tables accruing HK\$3.8bn, or 96 percent of all revenue, based on rolling volume of HK\$104.65bn (\$13.5bn).

The 32 mass tables settled for revenue of HK\$121m, or a mere 3 percent, while electronic gaming machines took in a meagre HK\$27m, or less than 1 percent of total revenue.

Those results implied per-day, per-table rolling volume of HK\$36m (\$4.7m) and revenue of HK\$1.3m (\$170,500) over the reporting period, far outstripping Macau's best performing junket rooms, as well as overall net profit of about \$594,000 per day.

Those run rates are about seven times those of the Macau market, an Asia-based gaming consultant told GamblingCompliance today, and would easily surpass Macau even at the height of its earning power several years ago.

"Those are downright amazing figures for a remote destination like Saipan considering that the average rolling per table per day in Macau is US\$700,000 and gross win is US\$22,500 for the VIP tables," said Ben Lee, managing partner of gaming consultancy IGamiX, which manages an unconnected e-gaming club in Saipan.

"Galaxy, our top ranking operator in Macau, does about an average gross gaming revenue of US\$8.75bn each month, followed by Wynn with an average of US\$4.1bn, on 400 and 200 VIP tables respectively," he said.

In rolling volume terms, Best Sunshine Live's second-quarter figure of \$7.4bn surpassed Las Vegas Sands' two Asia flagships, The Venetian Macao and Marina Bay Sands, and with far fewer tables.

However, Imperial Pacific also reported a customer gambling debt impairment of HK\$291m for the six-month period, with overall gambler debt of HK\$3.7bn at the end of June, or a little under company revenue over the same period.

Imperial Pacific shares in Hong Kong seemed oblivious to the massive reported profit, spiking briefly at HK\$0.156 on Tuesday after the results were released before falling to just below HK\$0.15 today at 2pm.

Although Best Sunshine Live's results will have turned heads in the region, the company itself has warned of VIP market saturation until the company's permanent 350-suite Imperial Pacific Resort with 200 to 300 gaming tables opens early next year.

"VIP gaming operations will cease to grow and have become saturated" because of the casino's "operational scale and service reception capability" and the limited number of hotels in Saipan, a company filing said on May 4.

Management reiterated this point on Tuesday.

"The utilisation rate of our tables is very high," said Shen Yan, company president for global capital markets, in remarks carried by the Nikkei Asian Review.

Best Sunshine International president Mark Brown attributed the massive revenue from Chinese and Korean customers in part to the company's hospitality, including accommodation in the form of yachts and villas complete with "fishing and scuba-diving and snorkelling and sky-diving, all the things that go with a beautiful island", the Review reported.

Still, the sheer scale of this week's results is likely to bring scrutiny not only from US agencies but also Chinese officials cracking down on gambling by Chinese nationals overseas.

The Northern Mariana Islands is a United States jurisdiction and must comply with US financial and anti-money laundering (AML) laws.

Last year, the US Treasury's Financial Crimes Enforcement Network (FinCEN) [fined](#) the owners of the Tinian Dynasty Hotel & Casino on nearby Tinian island \$75m for failing to file transaction reports, educate staff on AML procedures and "wilfully" facilitating suspicious transactions.

Since then Imperial Pacific, which has close ties to the once-powerful Macau junket Hengsheng, has bulked up the membership of its board with heavyweights such as retired US judge Eugene Sullivan, whose law firm includes partner and former FBI director Louis Freeh, and former CIA director Robert Woolsey.

Imperial Pacific also hired Ernst & Young as auditors in June.

Still, the company's activities have attracted controversy, including local complaints about the amount of revenue directed to the Commonwealth of the Northern Mariana Islands, as well as how laws were passed that favoured the company.

Company executives have also seen bad press over the years, with former Las Vegas Sands, Wynn Resorts and NagaCorp executive Mark Brown [refused a licence](#) to work at The Star casino in Sydney by the New South Wales state gaming regulator.

As a former top Deutsche Bank official, Shen Yan was fined and ordered to serve community service in Hong Kong in 2011 for carrying an unlicensed firearm and bullets at Hong Kong International Airport.