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<https://scmp.com/news/hong-kong/law-and-crime/article/3158474/macau-junket-king-alvin-chaus-life-limelight-goes-bust>

Hong Kong/ Law and Crime

Macau 'junket king' Alvin Chau's life in the limelight goes bust after illegal gambling arrest

Suncity Group's high-flying owner had an appealing rags-to-riches tale, but reportedly built his empire with the help of convicted gangsters

The 47-year-old, now sitting in a Macau prison cell, has repeatedly defended himself in recent years from accusations of illegal dealings in mainland China



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Published: 8:00am, 5 Dec, 2021 ▾

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Alvin Chau, founder and chairman of Macau's Suncity Group, was arrested over illegal gambling allegations last week. Photo: Bloomberg

With his signature slicked-back hair and well-tailored suits, Alvin Chau Cheok-wa looked more like a celebrity than a businessman as he basked in the limelight, often with his beautiful Malaysian-American mistress draped over his arm.

Last weekend, Chau, the boss of Macau's largest casino junket operator, made the headlines again, but this time in handcuffs.

The chief executive of Suncity Group was arrested over his alleged connection to an illegal cross-border gambling and money-laundering syndicate.

Macau junket king Alvin Chau's arrest a warning to casinos

4 Dec 2021



Macau's judiciary police on November 28 announced they had detained nine men and two women amid an investigation into an illegal gambling platform operated by a junket company for mainlanders.

Among them was a 47-year-old Macau businessman surnamed Chau – identified as the head of the syndicate – but police did not reveal his full name.

The arrest came more than a year after Chau produced a video denying rumours circulating online and in Macau that he was being investigated for sending employees to the mainland to take part in illegal gambling activities.

Now, Chau, the founder of the Suncity empire who stood down earlier this month as chairman of the Hong Kong-listed Suncity Group Holdings Ltd, is in pretrial detention in Macau's Coloane prison.



Alvin Chau (centre) is taken in for questioning last week after mainland Chinese authorities issued an arrest warrant over cross-border gambling allegations. Photo: Facebook

Humble beginnings

Before his downfall, Chau's story was the archetypal rags-to-riches tale of a Macau-born native. Reportedly from a humble background, Chau entered the industry at just 20 years old, working to create a business from scratch that would earn him the informal title "junket king".

Such was the Suncity empire's importance to the city's gaming industry that every local casino had a VIP room devoted solely to the company's high roller guests.

During his climb to the top, Chau reportedly became a disciple of Macau triad boss Wan Kuok-koi, aka Broken Tooth Koi, in 1995. After Wan was imprisoned in 1999, it was believed Chau visited him often, deepening their personal relationship.

Wan would ultimately ask a friend to give Chau the HK\$30 million (US\$3.8 million) he needed to bankroll what would become the Suncity Group, launched in 2007.

"Before I was 30 years old, I was nothing. After 30 years old, I began to have some thoughts and goals. Like I said before, I am not a magnate," Chau said in an interview with the now-defunct *Apple Daily* newspaper in 2017.



I think we will see most of the junkets disappear. Consolidation was already happening even before this Ben Lee, managing partner of iGamiX Management & Consulting

Junket operators such as Suncity reach out to high rollers outside Macau, providing them with transport and accommodation arrangements as well as extending them lines of credit and other personalised services.

At their height in 2011, punters flown in by the city's junket businesses contributed as much as 73 per cent of Macau's overall gaming revenue. But that figure had declined to about 50 per cent before the pandemic hit last year.

As Macau's largest junket operator, Suncity is estimated to employ about 12,000 agents and control a 40 per cent market share.

Ben Lee, a gambling analyst and managing partner of iGamiX Management & Consulting, said Suncity's role in the city's casino industry was crucial, calling junkets a vital lifeline.

As Suncity's operations grew, Chau was also carving out a unique space for himself, Lee said.



Macau police arrested 11 people in all in last week's crackdown on allege illegal gambling. Photo: Handout

"He was a larger than life icon who brought glamour to a once murky industry segment, and was universally respected by all, including his competitors," he said.

But with his arrest, things are about to change.

"I think we will see most of the junkets disappear," Lee said.

"Consolidation was already happening, even before this, and the latest development will only accelerate that. We think only casual junkets from Southeast Asia will continue. However, that market is but a small fraction of the China volume."

Glenn McCartney, associate dean of the University of Macau's faculty of business administration, also agreed that "the role of Suncity has been very important" for the city's casino industry.

"They were part of the fabric of the gaming industry," he said.

But he added that the importance of junket operators had begun to decline around 2014. About a year later, the gambling hub's regulators began tightening up the rules on the companies.

While the mass market grew, earnings from premium players began declining, making up about 46 per cent of Macau's gross gaming revenue for 2019.



Alvin Chau's Suncity Group controlled about 40 per cent of Macau's junket market. Photo: Reuters

Fingers pointed

Back in mid-2019, the first hints that all was not well with Suncity began to appear. State news agency Xinhua's *Economic Information Daily* ran a report pointing fingers at Chau, alleging that a Suncity online gambling platform operated by Chau in the Philippines and Cambodia had penetrated into the mainland.

The platform, which can be accessed through a smartphone app, reportedly transmitted live footage of casinos in the Philippines and Cambodia and employed more than a thousand telemarketers offering one-on-one 24-hour service to place bets on behalf of customers.

The voice functions supported not only Mandarin, but also Cantonese and Northeastern Mandarin, while the gambling chips could be settled in yuan.

The yearly betting amounts were reportedly worth more than a trillion yuan (US\$156 billion), twice as much as the mainland's 2018 lottery revenue of 511.47 billion yuan. The report criticised the platforms for posing a great danger to the country's socio-economic order and financial security.



Wan Kuok-koi, aka Broken Tooth Koi, seen here in a 1998 file photo, reportedly helped Alvin Chau land the HK\$30 million he needed to launch his junket empire. Photo: Handout

Business diversification

Over the years, as it ventured overseas, Suncity also expanded into a wide range of businesses including finance, property, tourism, catering and entertainment.

In 2011, Chau established Sun Entertainment Culture in Hong Kong, which signed artists such as Canto-pop singers Andy Hui Chi-on and Wilfred Lau Ho-lung, as well as award-winning film director Derek Tsang Kwok-cheung.

The company produced local films, including *The White Storm*, *Vulgaria* and *The Way We Dance*.

“After some time, I thought of getting involved in the entertainment industry and productions, which might be profitable and help our branding in the long term, similar to the Emperor Entertainment Group,” he once told *Apple Daily*.

According to Inside Asian Gaming, Suncity’s travel business contributed RMB110 million (US\$16.7 million), or more than half the group’s revenue in 2020.

Its share in Tigre de Cristal, a resort in Russia, cost RMB42.4 million, while it earned RMB37.7 million from its property management arm in mainland China.



Alvin Chau's Sun Entertainment Culture was purportedly an investor in the patriotic blockbuster *Operation Red Sea*, something later denied by the film's producer. Photo: CWH

Chau also served for a time as chairman of Macau Films & Television Productions and Culture Association. He told *People's Daily* last year that he had collaborated on the production of patriotic blockbusters such as *Operation Red Sea* and *Operation Mekong*.

Promotion for the two mainland-produced films on Suncity Group's Facebook page cited Sun Entertainment Culture as one of their investors.

But after Chau's arrest on Monday, Chinese media outlet Guancha published an article mentioning speculation that his investment in the blockbusters may have served as a way to launder his money.

The production company behind the two films, Bona Film Group, released a statement that same day, saying Sun Entertainment Culture "did not actually participate in the investment of the two films nor receive any investment return" as they had "failed to make payments on time".

'Wholeheartedly connected to the motherland'

Chau sought to display his patriotism in other ways as well, becoming a member of the 11th Guangdong provincial committee of the Chinese People's Political Consultative Conference in 2013.

In an interview with state-owned broadcaster CCTV last year, he talked about how he had established the Inspirational Youth Association in 2011.

In addition to nurturing promising young people in Macau and mainland China, the organisation also helped them explore opportunities in the [Greater Bay Area](#).

"From having a few dozen employees in 2007, when we first started, to 4,500 employees today ... at this stage, we have to foster the value of our brand and corporate responsibility," he said.



We have neither had any colleagues stationed in nor participating in any gaming-related duties in mainland China

Alvin Chau in a video released in 2020

In the now-famous video uploaded by the Suncity Group in 2020, Chau also addressed accusations the company had bankrolled Hong Kong protesters, describing the allegations as “absurd and unreasonable”.

“My company is deeply rooted in Macau, and wholeheartedly connected to the motherland,” he said. “Why would I jeopardise my country?”

Responding to rumours that Suncity had engaged in unlawful gambling, he emphasised that the company “had completely abided by the law of Macau”.

“We have neither had any colleagues stationed in nor participating in any gaming-related duties in mainland China. We have never participated in any underground fund transfers,” he said.

“Our employees, funds, company and business are all entrenched in Macau and in other countries that can operate our business legally.”



Junket operators such as Suncity Group once accounted for more than 70 per cent of Macau's gaming revenue. Photo: Bloomberg

Personal Life

Like many magnates and tycoons, details of Chau's personal life often became fodder for entertainment magazines. Married to Macau entrepreneur Heidi Chan, 40, with whom he has three children, Chau began to appear in paparazzi snapshots in 2014 with model and actress Mandy Lieu, 36.

Born to an American father and Malaysian-Chinese mother, Lieu became a model at 17 and came to Hong Kong a year later.

Living in Britain now, Lieu admitted to the relationship in a 2020 interview with newspaper the *Evening Standard*, saying she had given birth to three daughters and a son fathered by Chau. The couple broke up in 2019.

“With the children, we are always going to be a family – he is the reasoning voice of the family, asking if they have done their homework, whereas I want to know how their sunflower seeds are doing,” she said of Chau.



Alvin Chau and his former mistress Mandy Lieu pose with their son, one of four children the couple had together. Photo: Weibo

While Chau's arrest hogged the headlines over the past week, local media in Hong Kong also seized on reports that just three weeks earlier, on November 4, Lieu had mortgaged a Mid-Levels flat worth HK\$120 million to Melco Resorts & Entertainment Ltd to clear debts for her former companion.

The company is a subsidiary of Melco International Development, which is chaired by Lawrence Ho Yau-lung, son of the late Stanley Ho.

In addition to being famous for his junket business and colourful private life, Chau was once dubbed "Wash Rice Wa" by local media, a nickname he never understood, he said.

The moniker came from *City Japes*, a 1986 Cantonese sitcom, as one of the characters with that nickname also had the word "Wa" in his full name.

"No one [I know] calls me by this name," he told *Apple Daily* in 2017.

By his telling, he was only personally called by that nickname once or twice – more than a decade ago – while the people around him now mostly addressed him as "Wa Gor" or "boss".

But Chau's arrest may have opened the door for that nickname to be resurrected, as netizens have noted, "washing rice" also means money laundering in Cantonese.