

Best Sunshine Live Casino A Success

by Michael Zhu

The Innovation Group would like to congratulate our client, Hong Kong-listed Imperial Pacific International Holdings Limited, on their continued success and accomplishment at the Best Sunshine Live casino in Saipan, the Commonwealth of Northern Mariana Islands (CNMI). For the first seven months of 2016, their temporary property has generated a rolling chip volume of US\$15.22 billion, representing an average of US\$2.17 billion per month or more than 5% of Macau's total VIP rolling chip volume during the same period of time.

A corollary to this success has been Imperial Pacific's ability to capitalize on the current trend in the Asian gaming market where junket operators are continuously expanding their reach and scope to markets outside of Macau. Such a shift has moved beyond opening up junket rooms in other markets to making large capital commitments to integrated resort (IR) development with a strategic plan to capitalize on the proximity to key feeder markets, exotic natural and cultural elements of the destination, and a more favorable operating and regulatory environment.

The Innovation Group had the opportunity to provide a development feasibility and market assessment for Imperial Pacific in 2014 and update in 2016. Referencing our study, the client officially opened the US\$25-million Best Sunshine Live, the very first casino in Saipan, in November 2015 to provide effective training and other support for the phased integrated resort (IR) complex development. The company is currently developing the Grand Mariana Resort, scheduled to open in the first quarter of 2017. The US\$500-million venue, Phase I of the master development plan, will feature 350 luxury suites, 15 villas, more than 200 gaming tables, 400-plus slot machines, a number of Michelin-starred restaurants, and other leisure and entertainment amenities. The Innovation Group has been continuing to provide advisory and consultancy support services in Imperial Pacific's development journey in Saipan.

In a broader context, we believe that China's "One Belt, One Road" Initiative (一帶一路) will further help enable the Asian gaming industry to expand the supply of leisure and entertainment facilities in the region, to better stimulate tourism and attract more visitors, and to capitalize on the booming and increasingly wealthy middle class from the counties along the corridor during the next stage of development. The Innovation Group has been closely watching the markets and monitoring the progress, and will continue to provide services for our clients advising the profound impacts and long term outcomes that are going to re-establish the norms and reshape the gaming industry, both in the region and globally.