



News out of China this week shows little has changed.

According to financial filings with the Hong Kong Stock Exchange, an unidentified investor who currently has “substantial” stake in the resort has entered into a Memorandum of Understanding with South Shore Holdings, the parent company to The 13. The agreement states that the financier will invest HK\$1.5 billion (\$191 million) into the fiscally troubled property.

South Shore says it will use the capital to pay down debt. The 13 – billed as an ultra-luxury 201 all-villa property located in Coloane Village south of the Cotai Strip – lost more than \$56 million in its most recent six-month financial report.

Property Sale

Inside Asian Gaming says South Shore is entertaining offers for the troubled resort. The 13 opened as a hotel in September. It has a casino floor capable of housing 66 VIP tables, but Macau gaming regulators say they haven’t received an application for such operations.

By the Numbers

The 13 came with a \$1.6 billion price tag. At just 201 rooms, that equates to a spend of nearly \$8 million per guestroom.

MGM Cotai, the latest multibillion-dollar integrated casino resort to open, cost \$3.4 billion and features 1,400 rooms. That comes to \$2.42 million per occupancy. Wynn Palace totaled \$4.4 billion for 1,706 rooms (\$2.58 million).

The 13 had previously reached an agreement with Melco Resorts for the casino license holder to operate its tables. Without gaming, The 13 is viewed as an unattractive proposition.

Without a casino, it would be nearly impossible to have gamblers book rooms separately with them,” Bloomberg analyst Margaret Ho explains.

The 13 is more than a mile south of The Parisian, which is the southernmost end of the Cotai Strip where Macau’s wealthiest gamblers come to play. [파워볼사이트](#)

Unlucky 13

As Hung began attracting investors for his casino resort in 2013, Chinese President Xi Jinping ordered federal law enforcement agencies to begin cracking down on VIP junket groups that cater to mainland VIPs. Xi viewed the operations as convenient channels for the country’s richest citizens to move their wealth out from under the communist regime to the tax haven. Gross gambling revenue subsequently plummeted from \$45 billion in 2013 to less than \$28 billion in 2016, a 38 percent loss. Casino operators switched their focus from the VIP to mass market in order to keep their hotel rooms filled.

But Hung pressed on, convinced the high roller inventory would be strong enough to support his resort. He used \$20 million of investor money to purchase 30 custom Rolls-Royce Phantom vehicles to service as guest shuttles.

Investors fled, sent the stock to pennies, and Hung eventually resigned.

The good news is that Macau experienced record visitation last year with 35.8 million arrivals.

The bad news is that the mass market is fueling the growth – not the VIP.