

The Chinese Gambler – September 2007

Foreword by Simon Holliday, Partner GBGC	3
Contents	5
Introduction	9
China	11
Background	11
The Chinese and Gambling	12
Lotteries	12
Beyond Lotteries	18
Keno and Video Lottery Terminals	19
Internet Gambling	21
mGaming	23
Advertising	24
Illegal Gambling	24
Horseracing and Sports Betting	26
The Hong Kong Jockey Club Our Favourite for Mainland China	27
Casinos a Step Too Far?	28
Regional Competition	29
Market Forecasts	29
Doing Business in China	31
Key Participants in the Chinese Market	33
568 Network	33
888 Holdings	33
AGTech Holdings	34
American Wagering Inc	34
Betex	34
Brilliance	36
Champion Technology Holdings	37
China Gloria	38
China Telecom/China Unicom/China Mobile	39
ChinaLotSynergy	39
ChinaLotto	41
China Renji	41
China Vanguard Group	42
Compulot	42
Cryptologic	42
C Y Foundation Group	43
Dynasty Gaming	43
Gala Coral	44
Gamex	44

General Lottery	44
GreatGate Sports and Entertainment	44
Hai Wei	44
International Game Technology	44
Inspur Group	45
Intralot	45
Ladbrokes	45
Lottomatica/GTECH	46
M Dream China	46
Playtech	46
PartyGaming	47
Rex Capital	48
Scientific Games	49
VODOne	50
WinWin Gaming	50
WPT Enterprises	51
Chinese Regional Lottery Sales/Key Economic Data 2002 to 2006	52
Hong Kong (SAR)	53
Background	53
Hong Kong Jockey Club	53
Gross Profits Tax	57
Rebate Scheme	55
Guaranteed Duty Payment	55
2005/06 and 2006/07 Results	56
Horserace Betting	57
Soccer Betting	57
Mark Six Lottery	58
Interactive Betting	59
Market Forecasts	60
Results by Market Channel	61
Casinos in Hong Kong?	62
Problem Gambling	63
Macau (SAR)	65
Background	65
History of Gambling in Macau	65
Visitor Numbers	66
Casinos	68
Concessions	68
Sub-Concessions	69
Location	70
Market Value	70

Market Share	73
Taxation	73
Business Models	75
VIP/High Roller	76
Third Party Owned or Operated Rooms	78
Mass Market	81
Gaming Machines	83
Advertising	85
Design	85
Market Risks	85
Oversupply/Intensity of Intra-Market Competition	85
Development of the Mass Market/the Popularity of Slots	86
Labour Market	87
Getting There	89
Infrastructure	91
Number of Concessions/Sub-Concessions	92
Customer Service	93
Non-Gaming Revenue	93
Regional Competition	93
China's Economy	95
Politics	95
Internet Gaming	96
Market Forecasts	96
Hengqin Island	101
Company Ownership	102
Betting	103
Slot Parlours	105
Lotteries	106
Key Participants in the Macau Market	106
A-Max Holdings	106
Aristocrat Leisure	107
Dore Holdings	107
Emperor Entertainment Hotel	109
Galaxy Entertainment	109
Golden Resorts	112
Las Vegas Sands	113
Melco PBL Entertainment	119
MGM Mirage	126
Sociedade de Jogos de Macau	127
Wynn Resorts	129
Macau Visitor Numbers	134

Taiwan	137
Background	137
Lotteries	137
Public Welfare Lottery	137
Sports Lottery	138
Casinos for Taiwan	139
Internet Gambling	141
Key Companies in Taiwan	141
Amazing Holdings	141
GigaMedia	142
Key Demographic, Economic and Social Data	143