

Ho probe could hit Packer

Nevada gaming regulators are set to examine the Macau links between MGM Mirage and the daughter of 84-year-old Macau casino billionaire Stanley Ho, a move that could have implications for James Packer's plans to expand his casino interests in Las Vegas.

Nevada's regulators confirmed late last week that they could hold a formal inquiry this month into the proposed links between MGM Mirage and Pansy Ho.

MGM Mirage, a major casino operator in Las Vegas, and Pansy Ho have a joint venture to develop the MGM Grand Macau, a USD 1 billion casino to open this year with 600 rooms and a casino with 300 tables and 1000 poker machines.

James Packer's PBL is close to opening its first casino in Macau, the Crown Macau, in a joint venture with Pansy's younger brother Lawrence Ho and is also constructing a USD 2 billion City of Dreams hotel casino complex in the city.

If Nevada regulators determine that Pansy Ho is an unsuitable partner for MGM Mirage it could have implications for how they would regard any proposal by James Packer to operate a casino in the state.

Mr Packer, who has close personal ties with Las Vegas casino operator Steve Wynn, was reported last year as being interested in several properties in the US gambling capital.

Stanley Ho, who was revealed last week as donating funds to the NSW Labor Party, held the monopoly on the Macau gaming market for 40 years until the city opened up its market to foreign competition in 2002.

Mr Ho senior has a controversial reputation as a result of the city's reputation as having links with money laundering, loan

sharking, prostitution and Asian organised crime.

Mr Ho, who has 17 children by four wives, was reported to have been discouraged by authorities in NSW from being involved in a consortium bidding for the Sydney casino in the early 1990s.

But with his long-time monopoly on the Macau casino under serious challenge from foreign competitors such as PBL, Steve Wynn, MGM Mirage and Sheldon Adelson's Las Vegas Sands group, Ho senior is reported to be keen to look for new business opportunities outside the city.

Gaming regulators in Victoria and Western Australia, where PBL operates casinos, held a two-year probity investigation into James Packer's joint venture with Lawrence Ho after PBL first announced its interest in Macau in November 2004. PBL's link with Lawrence Ho was not approved until last September when James Packer's PBL and Lawrence's Ho's Melco spent \$US900 million to buy their own casino licence in Macau instead of original plans to operate casinos under an accord with Stanley Ho.

PBL and Lawrence Ho's Melco last year successfully raised more than USD 1 billion by selling off a stake in their Macau casino operators on the US over-the-counter market, Nasdaq.

The Nevada Gaming Control board is expected to discuss the matter when it meets in Carson City this Wednesday. Pansy Ho, who operates the Ho family's Shun Tak ferry, property and other businesses in Macau, is expected to give evidence at a hearing that could be held late this month, to argue she is independent from her father.

Meanwhile, Malaysian casino operator Genting International has been forced to deny Stanley Ho will have an interest in its proposed USD 5 billion casino and resort on Singapore's Sentosa Island. Genting and sister firm Star Cruises won the right to develop Singapore's second casino last December in a bidding war. Mr Packer's PBL was in one of the other two

consortiums bidding for the licence.

The Packer-linked consortium reportedly offered the highest bid, with a proposal including a theme park called Harry's Island.

Some Singapore sources at the time indicated that Mr Packer's links with Lawrence Ho could have been an issue in straitlaced Singapore, although the proposal involved the casino being operated by PBL's Melbourne-based Crown group. Star Cruises announced in late January that the company would be opening a casino in Macau and selling a stake of about 7 per cent in the company to interests associated with Stanley Ho. Star Cruises said it had reached an agreement with Stanley Ho's Macau company to operate a casino in a boutique hotel to be built in Macau. The news was followed by reports that Genting group also sold part of its 25 per cent in the proposed Singapore casino resort to Stanley Ho.

The Singapore Straits Times said that Genting had been questioned by the Government and that reports that Genting was talking to Stanley Ho had „raised a red flag“ in Singapore.

„Mr Ho will not be having an interest in the Resorts World at Sentosa,“ his spokesman Jackson Loy said on Friday.

Singapore lifted its 40-year ban on casinos recently in a bid to boost tourism and business convention traffic into the city-state.

Mr Adelson's Las Vegas Sands group won the right to build the first casino/hotel development called the Marina Bay Sands early last year. PBL was one of the original bidders for that project but dropped out before the licence was awarded.

However, it became involved in the bidding war for the second casino late last year after being invited to join the Eighth Wonder consortium.

Gaming regulators in New Jersey, where MGM Mirage co-owns the Borgata casino in Atlantic City, have been examining the proposed MGM Mirage link with Pansy Ho for some time.

But the gaming industry has been watching for the moves by the authorities in Nevada, where MGM Mirage operates a string of upmarket casinos, including the Bellagio, the Luxor, MGM Grand, Excalibur, Monte Carlo and Mandalay Bay.

Las Vegas and Macau have been neck and neck in the race for the largest turnover from casino gambling with the Asian capital edging ahead of the more upmarket Las Vegas late last year.

MGM Mirage chairman Terry Lanni told the Nevada Gaming Control Board last month that he had no doubts about Pansy's independence from her father.

„If I had any concern she wasn't an independent person, then (the deal) wouldn't be where it is right now," he said.

The Gaming Control Board has commissioned an investigative report on Pansy Ho.

After its hearings, the board will make a recommendation on her suitability as a partner for a Nevada-based casino operator.

This would then be referred to the Nevada Gaming Commission.