S)B

SIDEMAN & BANCROFT LLP

One Embarcadero Center, Eighth Floor
San Francisco, California 94111-3629
Telephone: 415.392.1960
Facsimile: 415.392.0827

Writer's E-Mail: ekingston@sideman.com

March 21, 2007

Dennis K. Neilander, Chairman
Nevada State Gaming Control Board
1919 College Parkway
Carson City, Nevada 89706

Peter C. Bernhard, Chairman
Nevada State Gaming Commission
Bullivant Houser Bailey
3980 Howard Hughes Parkway
Suite 550
Las Vegas, Nevada 89109

Re: Statement Regarding the Proposed MGM Grand Macau

Dear Members of the Nevada Gaming Commission and Nevada State Gaming Control Board:

This statement is submitted on behalf of our client, Winnie Ho Yeun Ki, for the purpose of highlighting to the members of the Nevada State Gaming Control Board and Nevada Gaming Commission certain public allegations of which the Board and Commission may already be aware. These public allegations may bear on the question of whether or not the Board and/or Commission should permit Nevada's licensee, MGM Mirage, to participate in a joint venture with Pansy Ho of Hong Kong, whereby they would construct and operate a gaming facility in Macau.

Excerpts of various articles printed in magazines and newspapers within the public domain that may be relevant to the decision of the Board and Commission are set forth below, and copies of the cited articles are attached hereto as Exhibits 1 through 9. It must be emphasized that our firm has only recently been retained and does not yet have direct evidence or first hand knowledge concerning the truth of the allegations made in the referenced articles. However, because a hearing on this matter is scheduled before the Commission for March 23, 2007, on behalf of our client we highlight certain aspects of those allegations in furtherance of the public interest.

This statement will discuss two subjects: (1) Publicly available allegations of criminal conduct that have been made in connection with Stanley Ho, the father of Pansy Ho, and, in particular, with his vast casino and gaming enterprises; and (2) Pansy Ho's allegedly close connections to her father's business enterprises throughout the world. These subjects bear on the issues of control over the actual construction and operation of the proposed MGM Grand Macau Casino, whether Pansy Ho is a suitable business partner for MGM Mirage, and whether such partnership will have any detrimental effects on the integrity of the gaming industry.

1. Published Allegations Regarding Stanley Ho

There are numerous published articles detailing Mr. Ho's alleged ties to organized crime and to illegal activity that has allegedly occurred and allegedly continues to occur in his casino operations in Macau. In a June 24, 2004 *Far Eastern Economic Review* ("*The Review*") article, allegations were made of illicit dealings on the part of Mr. Ho's company, Sociedade de Turismo e Diversoes de Macau ("STDM"). *See* Exhibit 1. Highlights of *The Review's* story include the following:

- *The Review's* investigation reportedly uncovered an intricate money-laundering operation connected to the Casino Lisboa, the most well-known of Mr. Ho's casinos. As part of its investigation, *The Review* reported that it was able to illegally move over $12,000 out of mainland China to Macau, where it later acquired a check at Ho's Hotel Lisboa made on behalf of an STDM subsidiary, that was made payable to "cash." *See* Exh. 1, at pp. 43-44. *The Review* reported that this same method was also used by Hui Chiu Fan, a former Bank of China branch manager, who allegedly laundered $1.4 million in embezzled funds out of mainland China in the form of an STDM cheque. *Id.*, at p. 43. STDM cheques were reportedly also the subject of criminal charges brought by the Hong Kong District Court against Lo Hoi-chi, who was ultimately jailed for his role in illegal sporting bets. *Id.*, at p. 44.

- The same *Far Eastern Economic Review* article reported that STDM has allegedly historically functioned as a "bank" by providing gambling loans to convicted criminals, past or present Asian organized crime ("triad") bosses, and persons with triad links. *Id.*, at p. 45. *The Review* reported that a 2001 list of STDM VIP loans allegedly confirms that the operators who received most of the loans were convicted criminals and triad gang members. *Id.* *The Review* also reported that by March of 2000, the amount of money owed to STDM exceeded $864 million, with $339 million listed as unsecured loans, and $98 million listed as "doubtful debts." *Id.*

- As reported in *The Review* article, Ho has also allegedly ignored his own company's charter for over forty years by allegedly withholding $3.9 billion in profit that he was allegedly obliged to distribute to shareholders. *Id.* In a biography published by Lang Ha in 1997, Henry Fok, a wealthy Hong Kong businessman and founding shareholder of STDM, is reported to have stated that the allocation of shareholdings in STDM lacks transparency and is decided by Mr. Ho alone. *Id.*, at p. 46.

In an *Asian Pacific Post* article dated July 22, 2004, the allegedly illegal operations of Ho and his casinos are reported to have long been the subject of government investigations around the world. *See* Exhibit 2. Highlights of the *Asian Pacific Post* article include the following:

- The *Asian Pacific Post* article reported that files of British, Canadian, American and Australian intelligence agencies allegedly link Ho's operations to Asian organized crime.

Id., at p. 2. In Canada, Ho was reportedly listed as a Triad gang leader on the Asian Organized Crime Roster of the Royal Canadian Mounted Police. *Id.* He was also reportedly identified in several Canadian intelligence data banks, including the National Security Register of the Canadian spy agency, CSIS. *Id.*, at p. 6. According to the article, Ho has allegedly attempted several times to apply for casino licenses in Canada through the vehicle of his daughters' companies. *Id.*, at p. 5. Ultimately his Canadian licensing applications were reportedly withdrawn for "unspecified reasons," but allegedly following criminal checks. *Id.*

- The *Asian Pacific Post* article further reported that in the United States, Ho was allegedly listed by a U.S. Department of Justice official as one of twenty-seven people linked to Asian organized crime who are on an American watch list, although his name was allegedly removed from the list after his lawyers visited the Justice Department. *Id.*, at p. 6.

- The *Asian Pacific Post* article further reported that Ho has been unable to make headway into the Australian market due to allegedly extensive Australian Security Intelligence Organization reports on his background, connections and links. *Id.* As an alleged result of this intelligence, Ho reportedly failed in his attempts to acquire a casino license in Australia. *Id.*

- The *Asian Pacific Post* article also reported that the now-defunct New South Wales Gaming License Board created a report marked "never to be released" listing Ho as an "unsuitable person to hold a casino license." *Id.*

- The *Asian Pacific Post* article also reported that despite the allegedly wide knowledge of Ho's alleged connections to organized crime, he continues to have "unfettered access" to politicians and authorities. *Id.*, at p. 5.

An April 1, 2006 article in the *Sydney Morning Herald* also references the New South Wales Gaming License Board's alleged report. *See* Exhibit 3, at p. 2. Additional highlights from the April 1, 2006, *Sydney Morning Herald* article and from one dated March 19, 2005, include the following:

- As reported in the April 1, 2006 *The Sydney Morning Herald* article, Dr. Liu Renwen, a criminal law researcher at the Chinese Academy of Social Sciences in Beijing, reportedly believes that Ho's STDM is "one of the biggest money-laundering outlets for Chinese money." *Id.*, at p. 3.

- *The Sydney Morning Herald* also reported in a March 19, 2005 article that Hong Kong criminologist Angela Veng Mei Leong is reported to have said that the VIP rooms in Ho's casinos are informally subcontracted to criminal triads. *Id.*, at p. 5.

The *Las Vegas Sun* reported on August 19, 2005, that Ho's casinos were allegedly regarded as "snakepit(s) teeming with violent Chinese organized crime figures and brazen loan sharks and prostitutes." *See* Exhibit 5, at p. 1.

Various articles published in Hong Kong newspapers, *The Standard* and *The South Morning China Post*, copies of which are attached hereto collectively as Exhibit 6, have reported that an attorney for Winnie Ho was assaulted in alleged connection with his involvement in litigation between Winnie Ho and Stanley Ho and in connection with the attorney's legal work involving the triads. Specifically, in August 2006, Hong Kong attorney Albert Ho (no relation), representing Winnie Ho in a dispute involving Stanley Ho, was brutally beaten by three men wielding clubs and batons. Convictions were obtained against the assailants.

2. The Reported Business Relationship Between Stanley Ho and Pansy Ho

Pansy Ho's involvement in her father's enterprises is widely-reported. In a June 14, 2006, article in the *Las Vegas Business Press*, she is reported to have been Managing Director of the family's transportation company, Shun Tak Holdings, Chair of the Macau Tower Convention & Entertainment Centre built by her father, and as of 2003, a member of the STDM board of directors. *See* Exhibit 7, at pp. 1-2. The overlapping nature of control between the Ho family's businesses prompted one Sands executive to describe the business connections as "byzantine." *Id.*, at p. 2.

Moreover, as reported in the July 22, 2004, *Asian Pacific Post* article, when Ho has been unable to obtain casino licenses in various countries, "he has tried several times through his daughters Pansy and Daisy to apply for casino licenses...." *See* Exh. 2, at p. 5. According to a report published by *Skyline Technologies*, dated October 1, 2005, this purported "family strategy" appears to also involve the alleged granting of benefits to family members' businesses for what are seen as allegedly excessive discounts. *See* Exhibit 8, at p. 5. This article also reported that Pansy Ho allegedly recently sold property adjacent to the MGM Macau site to Shun Tak Holdings, run by her father Stanley, at a price that reflected an alleged 43% discount to its valuation. *Id.* Further, Stanley Ho, through his company SJM, is alleged to have granted Pansy a casino sub-concession at a cost of $200 million. *See* Exh. 7, at p. 1. In contrast, Pansy's brother Lawrence's company, Melco, allegedly purchased its sub-concession from Wynn Resorts for $900 million, an amount significantly higher that the price allegedly paid by Pansy to her father's company. *Id.*, at p. 5. According to a February 5, 2007 article in *The Australian*, Lawrence's company, Melco, in conjunction with James Packer's PBL, decided to buy their own casino license from Wynn Resorts after original plans to operate under an accord with Stanley Ho fell through for lack of approval by Australian gaming regulators. *See* Exhibit 9, at p. 1.

We leave it to the Board and Commission to determine whether it should investigate the allegations contained in the exhibited articles to ensure that the present proposal is not simply an effort by Stanley Ho to use his daughter in name only to open and operate a new casino with MGM.

3. The Board and Commission Should Determine Whether A Gaming License Grant to Pansy Ho Could Potentially Threaten the Integrity of the American Gaming Industry

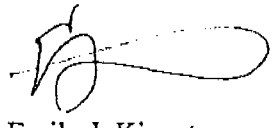
Given the published reports concerning Stanley Ho's alleged links to criminal activity and organized crime, and the alleged reported family strategy of maintaining and growing the Ho family patriarch's long-standing monopoly on Asian gambling, it is possible that a partnership between MGM Mirage and Pansy Ho will not be free of her father's influence and control, despite her assurances to the contrary.

We understand that the investigation by the Board has been exhaustive and thorough, and assume that these published allegations have been carefully considered and the individuals mentioned above interviewed with regard to the integrity of the Ho family's business dealings. At least two individuals, Hui Chiu Fan and Lo Hoi-chi, are reported to have first hand knowledge of Ho's alleged involvement in, and facilitation of, illegal money-laundering. Furthermore, other sources familiar with the business of purported Asian organized crime, such as Bertil Linter, Liu Renwen, and Angela Veng Mei Leong, may well be valuable resources for the Board and Commission.

The success of the American gaming industry, as it expands around the globe, depends on the continued integrity of the business dealings of our highly respected and respectable gaming enterprises. In light of the reported close personal and business relationship between Pansy Ho and her father, Stanley, the Board and Commission should carefully consider whether a collaboration between MGM and Pansy Ho will demonstrate to the world the importance Nevada places on maintaining the integrity of casino and gaming operations.

Thank you for your consideration of this statement.

Respectfully submitted,



Emily J. Kingston
Jeffrey C. Hallam
Richard J. Nelson

Encls.

Exhibit 1
To Statement Regarding
The Proposed MGM Grand
Macau
Submitted on Behalf of
Winnie Ho Yeun Ki

FAR EASTERN ECONOMIC
REVIEW

June 24, 2004
www.feer.com

TERRORISM
AN EXECUTIVE IS TARGETED IN INDONESIA
Page 14

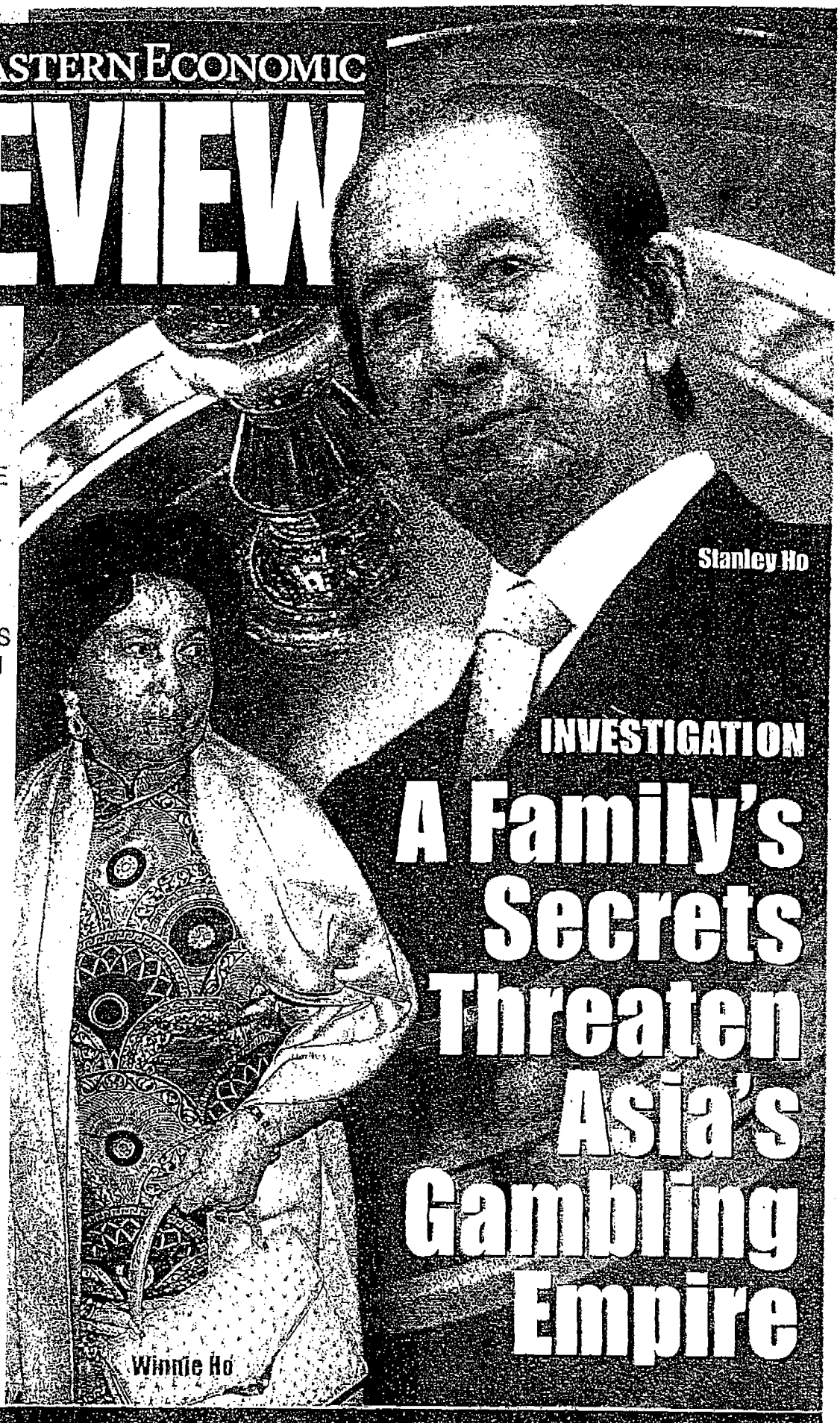
SECURITY
SAFETY COMES UNDER FIRE IN AFGHANISTAN
Page 22

MIGRATION
CHINA'S NEW DIASPORA
Page 28

FASHION
HOME-GROWN LABELS RAISE THEIR STYLE
Page 32

CONSUMERS
TEA ENJOYS A RENAISSANCE
Page 50

DOWJONES



INVESTIGATION

A Family's Secrets Threaten Asia's Gambling Empire

GAMING

Stanley Ho's Biggest Gamble

In trying to push his sister Winnie Ho out of the family's gambling empire, Stanley Ho, unquestionably Asia's casino king, has brought a torrent of litigation on his head, exposed his secretive family to unaccustomed public scrutiny and risks bringing down his house of cards

By Barry Wain/HONG KONG

FOUR YEARS AGO, Winnie Ho, one of Asia's most powerful women, sat down with her son, Michael, to reveal a secret she had kept from him for 41 years: His father wasn't the man he had always called "daddy."

His father was, in fact, her own cousin, Eric Hotung, the patriarch of Hong Kong's first aristocratic family and scion of the most famous of the compradors, or Chinese-speaking agents who gave the mighty British trading houses and banks—like today's HSBC Holdings—their start in the 19th century.

Winnie Ho also stunned Michael with the claim that she had been blackmailed for decades by her brother, casino king Stanley Ho. She claimed that the tycoon threatened to publicly shame her over her illegitimate son unless she helped him build his gaming empire in nearby Macau. For decades, she said, Stanley Ho used Michael's hidden identity to force her to relinquish much of her stake in the gaming operation, cheating her out of hundreds of millions of dollars—a charge that Stanley Ho strongly denies.

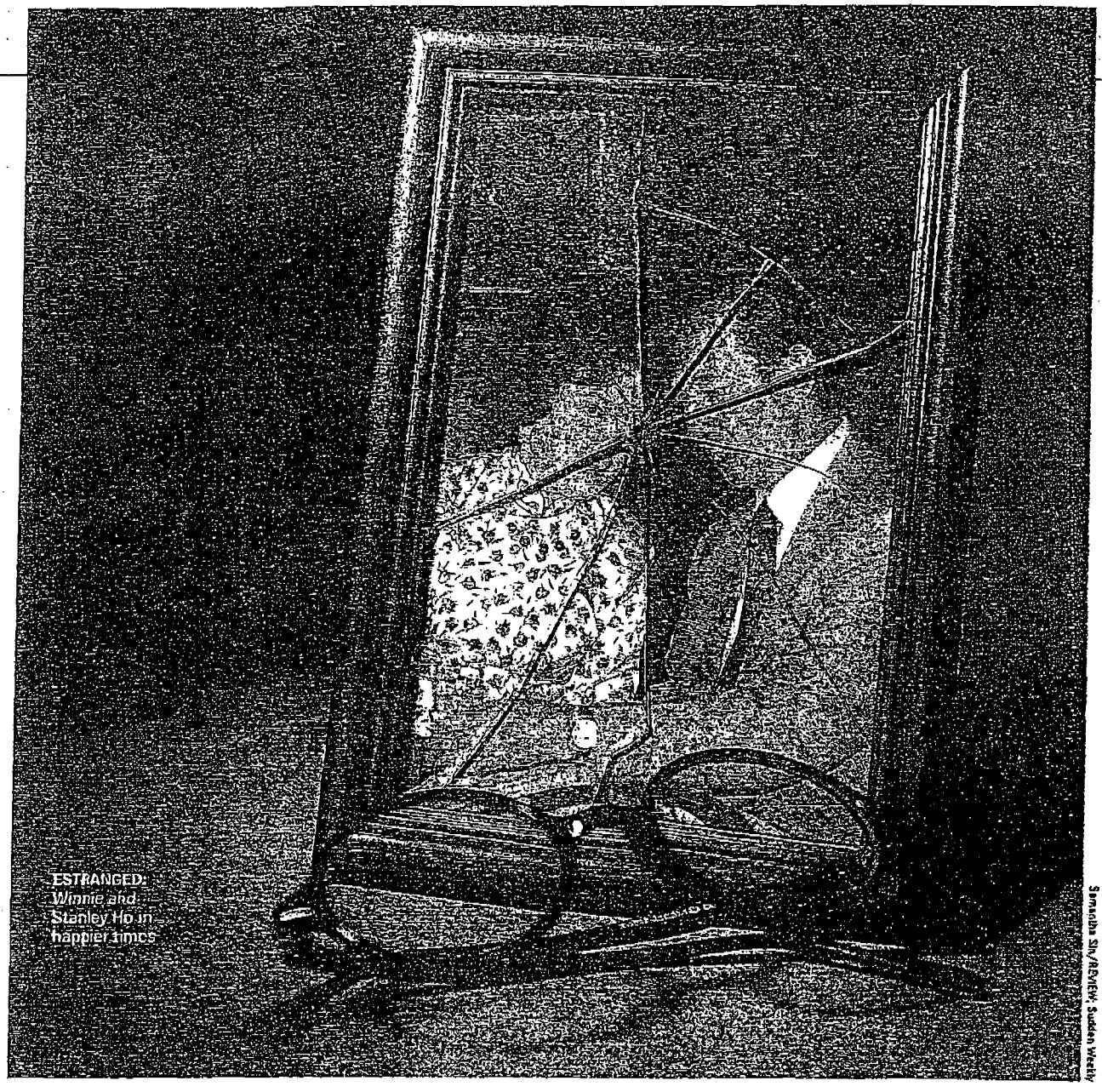
Whatever the truth of the matter, Winnie Ho and Michael are fighting back. They are using her inside knowledge—acquired from managing Stanley Ho's casinos for almost 25 years—in an effort to recover some of the money she says he owes her. The row has become increasingly bitter, punctuated by legal action, threats and charges traded in the Chinese-language tabloid press.

As the rift has widened, the stakes have risen. The confrontation comes at a particularly awkward time for both the Chinese government and Macau. The former Portuguese colony is in the process of opening the gaming industry long monopolized by Stanley Ho and his partners in the hope of capturing Asia's massive gaming potential. Trying to broaden Macau's appeal to include family-style entertainment and attract international conventions, the Macau government two years ago awarded gaming licences to two outside groups headed by big-name Las Vegas casino developers Steve Wynn and Sheldon Adelson.

Officials worry the exposure of the Ho family's dirty laundry could undermine efforts to liberalize gaming and present a fresh face. The row also suggests the newcomers from the United States are entering a world of cosy arrangements they may have a hard time competing with. Wynn and Adelson are required to comply with strict regula-

Imagine China

FAMILY JEWEL: The Lisboa is the flagship of Stanley Ho's gaming empire



ESTRANGED: *Winnie and Stanley Ho in happier times*

Samantha Sin/REVIEW; Sudden Weekly

tions imposed on their overseas activities by the terms of their licences with the Nevada Gaming Commission.

Revelations of Macau's dark side are already seeping out. While the enclave has long been a shadowy place where Chinese gangs called triads run prostitution, loan sharking and protection rackets, investigators have discovered a new wrinkle: a complex scheme under which Chinese on the booming mainland are illegally funnelling billions of dollars a year out of China, using Stanley Ho's casinos to bypass Beijing's currency controls.

While Winnie Ho says she has no knowledge of such activity, documents made available by her indicate a strong connection between organized crime and gaming in Macau. Those documents indicate that her brother's company, which owns the casinos, has flouted Macau's strict ban on lending for gaming for years, having granted loans to convicted criminals and well-known triad members. Winnie Ho further claims the company has ignored its own charter by withholding over the years nearly $4 billion in profit it was obliged to distribute to shareholders. Stanley Ho denies any wrongdoing and blames his sister for starting the dispute. While declining to respond to these accusations, Stanley Ho "doesn't accept any of the allegations" relating to casino operations and, in fact, rejects all of Winnie Ho's allegations, says his public-relations manager, Janet Wong.

The Ho dispute has partially lifted the veil on one of Asia's most hermetic and opaque firms: Sociedade de Turismo e Diversoes de Macau, Stanley Ho's multi-billion dollar gambling empire known as STDM. The conglomerate dominates Macau today as surely as it did before 1999, when Portugal returned Macau, the first and last Western settlement in China, to Beijing. With stakes in the territory's airport, its largest department store, reclamation and housing projects, hotels ▶▶

and a bank, STDM accounts for about two-thirds of Macau's $7.5 billion economy.

Fearing the fallout from such disclosures could adversely affect STDM and undermine the Macau economy at this critical time, Chinese government representatives have held separate talks with 82-year-old Stanley Ho and Winnie Ho, 81, to explore prospects for a settlement. Beijing's stand is that it is a "family affair" and "not the nation's affair," says one Chinese representative. "We want to see them shake hands, and all Macau people will be happy." But the two sides remain locked in combat.

Stanley Ho declined to be interviewed for this article. His spokeswoman, Janet Wong, said Stanley Ho's position is "total rejection of all the allegations made" by his sister, and he "doesn't intend to debate" publicly her comments about the operations of the casinos. Nor will Stanley Ho comment on issues—ranging from Winnie Ho's demand for a reorganization of her STDM shareholdings to her demand for the return of jewellery—that are the subject of court proceedings, she said.

Winnie Ho has made a number of criminal complaints in Macau and Hong Kong, "all of which have been dismissed by the investigating authorities," Wong says. If Winnie Ho or anyone else "considers that there is substance for complaint against any business" with which Stanley Ho is associated, they should refer those complaints "to the appropriate authority," she adds.

THE QUARREL HAS fractured one of Hong Kong's most prominent families, whose two branches trace their origin back 150 years to a Dutch-born master mariner named Bosman. He married a Chinese woman from Shanghai. Two of their sons became leading compradors, local middlemen who grew fabulously rich by opening doors for foreigners trading with China: Ho Tung, known as Sir Robert Hotung after being knighted by the British monarch, is the grandfather of Eric Hotung; Ho Fook is the grandfather of Stanley Ho.

Stanley Ho and Eric Hotung came of age in vastly different worlds. Stanley Ho, who likes to say he built his own fortune after his father fell on hard times, got his start bartering and smuggling in Macau during World War II. The territory had a reputation for shady business dealings and periodic violence ever since the Portuguese legalized gambling in 1847.

Apple Daily

FAVOURITE SON: Winnie (*right*) with Michael Mak

Forty miles away, across the mouth of China's Pearl River, Hong Kong prospered under British rule. Today, it is a dynamic city plugged into global markets. No citizen better represents this cosmopolitan legacy than Eric Hotung, a well-known philanthropist and graduate of Georgetown University with residences in Britain and the U.S.

Family members say the street-smart Stanley Ho has long envied his more refined cousin and has since adopted some of the more conspicuous accoutrements of success. Stanley Ho boasts of having 17 children from four women. His first wife died in February. These days, the billionaire is chauffeured around Hong Kong in a dark blue Rolls-Royce limousine bearing the licence plate "HK-1."

But long before all that, a teenage Eric Hotung fell in love with Stanley Ho's younger sister, Winnie, at a family celebration in 1941, according to a June 7, 2001, report in *Next* magazine published in Hong Kong. It said the family opposed the relationship and nothing came of it for years. But when the romance eventually blossomed, it changed the fortunes of both the family and Macau.

Since being taken back by Beijing in 1999, Macau has figured strongly in China's modernization and development plans. The territory also plays a sensitive economic and social role as the only place in China where gambling is legal. Without access to Macau, affluent Chinese might be tempted to gamble illegally or take their money abroad to play in casinos.

The Chinese government believes Macau, given the right operating conditions, has the potential to become Asia's Las Vegas. Chinese leaders have encouraged the Macau administration, headed by their hand-picked chief executive Edmund Ho (no relation to Stanley or Winnie), to introduce competition in gaming and remake Macau as a world-class leisure centre.

There is also a political element at play. Beijing's priority is to make Macau stable and prosperous as an inducement to Taiwan to rejoin the motherland under a similar "one country, two systems" formula. Hong Kong, China's other recently reclaimed colony, is currently being roiled by public demands for more democracy.

Soon after Beijing took over Macau, Chinese police in Beijing and Guangdong province worked quietly to reduce the power of triad gangs which, in the opinion of outside law-enforcement agencies, had infiltrated and actually outnumbered the Macau police force. "We monitored the situation and alerted the Macau police to stop things happening," says the Chinese government representative. "We [foiled] some kidnap cases and we found a lot of arms." Fighting between rival triad gangs in Macau has all but ceased, earning Edmund Ho high praise from Beijing.

But the Ho family controversy has

David Hancock/AFP

A BIG HEART: Eric Hotung spent $5 million on a hospital ship for the victims of the East Timor massacre

drawn attention to fresh if less obvious illegal activity that has burgeoned in recent years: a vast currency-smuggling operation in which mainland Chinese deposit funds underground inside China, collect the equivalent in Macau casinos and then spend or invest it overseas.

Under Chinese law, Chinese who leave the mainland as tourists or on business can take no more than $5,800 with them. Yet many of them can be seen wagering tens or even hundreds of thousands of dollars a night at the tables in Macau. Chinese government officials who monitor the flow say that, in fact, billions of dollars a year are smuggled to Hong Kong and Macau.

In a Chinese version of the *hawala* system common throughout South Asia and the Middle East, mainland Chinese deposit money with an underground network of agents connected to STDM casinos, which delivers the money in Macau. For the most part, it doesn't involve a physical transfer of currency, but rather an offsetting arrangement. On the way out, Chinese renminbi are converted to Hong Kong dollars, legal tender in Macau.

Chinese who deposit money inside the mainland and collect it in Macau casinos aren't required to gamble, according to the Chinese government officials. Indeed, the funds are available for collection in three convenient options—cash for shopping, chips for gambling or a cash cheque for easy transfer to another location, they say.

> "The casinos allow a gambler to walk in with a suitcase of money and walk out with a cheque"
>
> HONG KONG POLICE OFFICER

Last year, prosecutors told a Hong Kong court that $1.4 million of $26.5 million allegedly embezzled by a former Bank of China branch manager in China and illegally moved out of the mainland was in the form of an STDM cheque. Hui Chiu Fan, who used to manage the bank's Kaiping branch in Guangdong province, was on the run, they said.

Hong Kong police say there was nothing to arouse suspicion of a crime in Hong Kong until they were informed of the alleged fraud in China. The STDM cheque, for an amount considered "peanuts" by bankers, looked like casino winnings and wouldn't normally prompt banks to report suspicious activity, police say.

Hong Kong police say they interviewed a casino manager in Macau, who said the money was handled by a junket operator, a middleman who takes gamblers to so-called VIP rooms. "But the manager said he had no records," says a Hong Kong police officer. "So there was nothing to convince us the money had been won at gambling."

The REVIEW tested this underground network in Zhuhai—the mainland city across the border from Macau—with the help of Chinese contacts. About 100 dealers, working in a sprawling shopping centre called Frontier Square and selling everything from tissues to fake brand-name watches, were prepared to exchange cash on the spot, or transfer it to Macau.

The REVIEW deposited the equivalent of $12,900 with one Frontier Square stall owner selling cigarettes and drinks. His fees totalled $232. Hours later, we collected a cheque for the full amount, on production of an identity card, at ▶▶

the Hotel Lisboa, STDM's flagship casino and headquarters in Macau.

Payable in Hong Kong dollars, the cheque was stamped in Portuguese "for and on behalf of Sociedade de Jogos de Macau, S.A.," STDM's subsidiary that operates the company's 12 casinos. The cheque was drawn on the Hong Kong branch of a European bank and made payable to cash, which means the recipient can't easily be traced. The cheque was later accepted by another bank in Hong Kong, no questions asked.

Stanley Ho's spokeswoman Janet Wong declined to comment on this, saying, "If there are concerns about the operations of the casinos in Macau, these should be referred to the appropriate authority."

The People's Bank of China, the country's central bank, acknowledges that China is haemorrhaging currency, an illegal outflow it says it is trying to staunch. "We have noticed this practice, especially in coastal provinces like Guangdong, which are neighbouring Hong Kong and Macau," says Ling Tao, director-general of the Anti-Money Laundering Bureau of the People's Bank. "Starting from this year, we're [imposing] a nationwide clampdown on underground money houses, and coastal areas are the focus." But, he adds, "it is impossible to get rid of this problem overnight."

Asked specifically about the role of Macau's casinos in the illegal cross-border movement of money, Ling says: "It's possible to smuggle money out of the mainland this way and this is why we are clamping down." While Ling says the bank is "unclear of the size" of the outflow, he points to a recent Asian Development Bank report that estimates that money laundering—dealing in the proceeds of crime—amounts to 2%-5% of China's GDP, or between $28.2 billion and $70.5 billion a year. Macau authorities say money laundering isn't prevalent in the territory but that it is tightening up anyway.

Despite the crackdown ordered by the central government, authorities in Zhuhai keep "one eye closed," as one local Chinese official puts it, meaning they know about the underground trade and tolerate it. Their approach is pragmatic, the official says, accepting that currency controls may be needed as part of China's national policy, but recognizing also that local commercial realities require renminbi and Hong Kong dollars to be exchanged freely. For example, many Hong Kong companies with operations on the mainland use the underground network to do legitimate business, though they don't usually channel money through Macau casinos.

Macau-based Chinese government officials, who track the flow of funds using agents and informants working in the casinos and under cover, say that at least $1 billion of the billions channelled to Macau and Hong Kong every year is sent abroad—to North America, Europe and Southeast Asia.

Some of the money leaving China is the proceeds of corruption, the officials say, but they have no way of calculating how much. Funds sent abroad typically go into property in the U.S. and Canada to pave the way for the emigration of family members, say the Chinese officials and Hong Kong police.

Hong Kong authorities say it isn't their duty to enforce Beijing's currency controls. The international community's only concern is that Hong Kong doesn't become a money-laundering centre for drugs or terrorism, says a Western diplomat. Hong Kong takes steps to ensure that doesn't happen, he says.

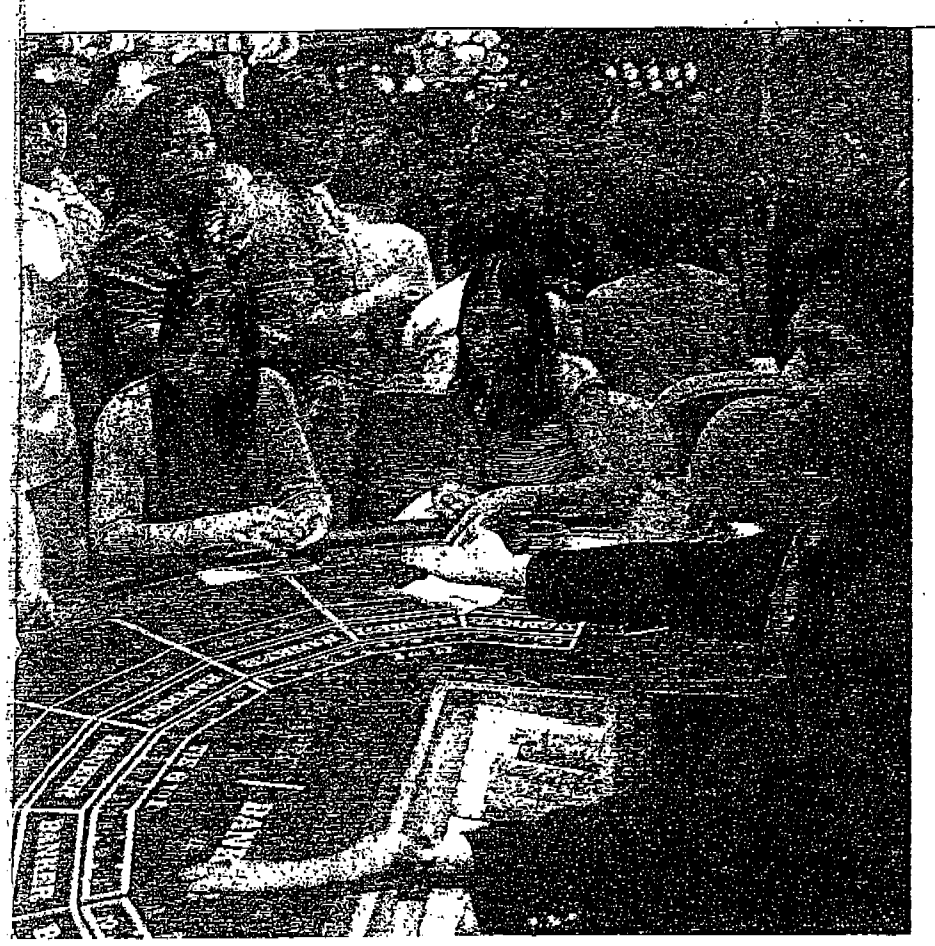
Still, the movement of money through Macau casinos amounts to a legal blind spot. Signs of this surfaced in September, when the Hong Kong District Court sentenced Lo Hoi-chi, 35, to jail for four months for taking bets on soccer games. Lo admitted accepting illegal bets, but he was acquitted of four related money-laundering charges—allegedly involving the proceeds of bookmaking totalling about $8.7 million—by invoking a connection with STDM.

Samantha Sin/REVIEW

Prosecutors said two cash cheques issued by STDM, totalling $129,000, were paid into Lo's bank accounts. In his defence, Lo said he was a middleman who took gamblers to VIP rooms in STDM's Lisboa Hotel. Because his customers didn't want to carry cash, he said, he acted as their guarantor to draw chips from the casino. Depending on whether they won or lost, STDM would either make a deposit into, or a deduction from, Lo's bank account. He would settle with his customers later, he said.

The judge in the case acquitted Lo and urged Hong Kong regulators to look into the matter of the two STDM cash cheques. "The loophole is in the casinos," says a Hong Kong police officer who studies the movement of illicit money. "They allow a gambler to walk in with a suitcase of money and walk out with a cheque." Janet Wong, Stanley Ho's spokeswoman, reiterated that complaints

PROSECUTORS SAID TWO CASH CHEQUES ISSUED BY STDM, TOTALLING $129,000, WERE PAID INTO LO'S BANK ACCOUNTS



DANGEROUS LIAISONS: Macau's casinos are known to have triad "connections"

"should be referred to the appropriate authority, which is the proper forum for any such matter to be addressed."

MANUEL JOAQUIM DAS NEVES, director of the Macau government's Gaming Inspection and Coordination Bureau, says money laundering isn't a serious problem. But he says Macau will adopt legislation this year to bring it into line with international practice. Measures will include requiring casinos to record the names of gamblers who buy chips above a yet-to-be-determined amount and tightening controls on cheques written by VIP rooms, he says. "If you control the issuing of cheques you can eliminate not all, but most, money laundering," he says.

Winnie Ho's documents indicate long-suspected triad involvement in the casinos through the VIP rooms, which are an integral part of the renminbi-smuggling network. Designed originally to allow well-heeled gamblers to play in relative comfort and privacy, VIP rooms have proven a boon to both STDM and Macau, driving gambling growth and profitability over the past 10-15 years. The government says the 61 VIP rooms currently generate 80% of total STDM casino revenue, which hit $3.5 billion in 2003, up 27% from a year earlier.

An STDM list of loans to VIP rooms in 2001 reveals the criminal penetration. The VIP room operators who received most of the loans included several convicted criminals and many others identified by retired Hong Kong police and Chinese government officials as past or present triad bosses and members, or persons with triad links. The Macau government's Neves acknowledges that triads have "influence" in the casinos, but says it is decreasing due to effective police work and the VIP rooms are now "under control." He says that under recent legislation, junket promoters and their sales agents are being licensed, and that in future people working in VIP rooms will be checked and rejected if they have criminal records.

Documents provided by Winnie Ho also indicate that STDM historically has functioned at times like a bank, though it isn't an authorized financial or credit institution. Under Macau criminal law, loans for gambling are illegal, though the Macau legislative assembly adopted legislation in May allowing gaming-licence holders, as well as junket operators, to provide loans to gamblers, effective from July 1. A typical monthly outstanding report shows STDM was owed $864.3 million on March 31, 2000, with $339.3 million of it unsecured and $98 million listed as "doubtful debts." Stanley Ho declined to comment specifically on these debts.

In an interview, Winnie Ho says she once signed an agreement as executive director of STDM for a $155 million loan that Stanley Ho personally approved for a mainland-born businessman who has interests in Macau property and construction and also operates a VIP room.

Winnie Ho also claims her brother has ignored the company's little-known articles of incorporation at the expense of shareholders such as herself. For example, Article 46 directs STDM to distribute as dividends 15% of annual profit to preference shareholders and the remainder to all shareholders—though some earnings can be put in a special fund for an "indispensable" cause. For years, STDM has paid the 15% dividend to preference shareholders but only 20% of the remaining profit to all shareholders, according to company reports and public statements.

Winnie Ho claims that STDM and Stanley Ho have withheld "accrued net profit" totalling more than $3.9 billion over the past four decades. Stanley Ho has defended the retention of profits as normal for any large company and necessary for SJM, STDM's 80%-owned casino subsidiary, to maintain its commitment to invest some $600 million in the coming years to meet the new competition.

Winnie Ho is no ordinary disgruntled shareholder. In fact, she claims, she provided STDM's entire start-up capital in 1962. At that time, Teddy Yip—a businessman married to Winnie Ho's younger sister—approached her, knowing she might have access to finance through Eric Hotung, her first cousin, lover and boss at his diversified Hong Kong property company.

Winnie Ho says she went into ▶▶

silent partnership with Yip in STDM, giving him HK$2 million (then worth about $352,000) that she says Eric Hotung had given her as a gift. Yip is deceased but Henry Fok, a wealthy Hong Kong businessman and the only other surviving founding shareholder, confirms Winnie Ho's contribution. In a biography by Lang Ha published in 1997, Fok is quoted saying that the four declared partners—including Stanley Ho—initially invested "not one cent." Eric Hotung has acknowledged giving Winnie Ho the money with no strings attached.

Although she says she should have been a full partner, Winnie Ho claims her brother took control of the company and manoeuvred to give himself and his allies more shares. Stanley Ho used a number of different tactics so that "his holding went from small to large and mine went from large to small," she says, leaving her with only a 7.3% stake—she claims slightly more—today. Fok is quoted in the biography as saying the allocation of shareholdings in STDM lacked transparency and was decided by Stanley Ho alone.

Stanley Ho declined to comment beyond his blanket denial of all his sister's allegations.

DESPITE WHAT SHE SAYS were constant clashes with her brother over her share of what soon became a booming empire, Winnie Ho received regular dividends for years and remained on speaking terms with Stanley Ho. In 1977, after Winnie Ho had been retired in the U.S. for four years, she says Stanley Ho asked her to return and take over management of the casinos, which he said were "in a mess." She agreed, settling in Macau and becoming a director of STDM and later executive director.

Her son Michael, now 45, says he couldn't understand why his mother suddenly left her immediate family. "After one phone call from Stanley, she packed and left within a week," he says, leaving her four teenage children to be raised by her husband, Mak Chi-wai, now deceased. Says Michael: "My mother told us, 'You will have to forgive me. You know your uncle. If I don't do it, I will get nothing.'"

Winnie Ho says she worried most about the impact on her son if her brother disclosed her secret: Eric Hotung was Michael's real father. Though her husband, Mak Chi-wai, knew the truth, she says, young Michael's resemblance to Eric Hotung had prompted gossip within the family.

During her employment, Winnie Ho's terms included a $64,500 monthly expense account that enabled her to travel and indulge her fondness for expensive jewellery. Among her most prized pieces: several gold rings, each set with 10 carats of flawless diamonds, purchased in London and valued at about $1 million apiece.

Winnie Ho was able to get jobs at STDM for her two eldest children. Anita Mak, now 48, works for STDM's Supervisory Committee. Winston Mak, 47, is an executive in the casino treasury and has other functions in the group.

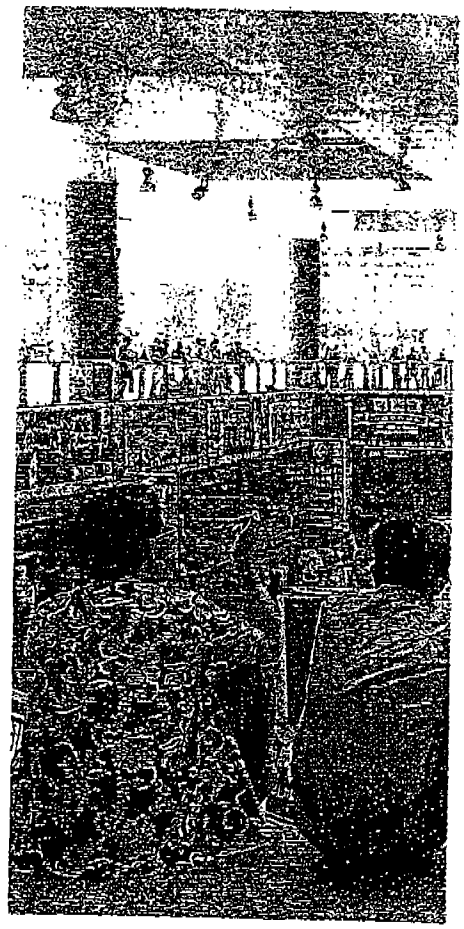
Winnie Ho began to seriously question the way the corporation was managed only in the late 1990s, after her son Michael returned to live in Hong Kong. One factor was her decision to rid herself of what she calls "my personal devil," by telling Michael the truth about his father. Michael says his mother's confession "came out of the blue. She wasn't emotional," he says. "I think she realized it was a secret that had been kept way too long."

Michael says he had been told earlier by a couple of relatives that Eric Hotung was his father, but he dismissed the suggestion because his mother denied it and he was exceptionally close to Mak Chi-wai, her husband. "No son could have a better relationship with a father," he says. "I watched TV on his lap as a kid. If he hadn't loved me so much, I probably would have discovered 10 years earlier that he wasn't my real father."

Winnie Ho says things came to a head between her and Stanley Ho after she filed a lawsuit in the Macau courts on December 26, 2001, to compel STDM to take steps to register her shares in the name of a company she controls rather than in her personal name; that, she says, would protect her shareholding in the event of her death. Five days later, on New Year's Eve, Stanley Ho's chief lieutenant went to her office and fired her on the spot. STDM subsequently booted Winnie Ho off the board as well.

Since then, the conflict has raged in the courts and in the Chinese-language tabloids. Winnie Ho and Stanley Ho have filed a couple of dozen legal actions against each other, mainly in Macau. She has complained that he has stopped paying her dividends, that he once used his security team to detain her against her will

"Starting from this year, we're [imposing] a nationwide clampdown on underground money houses" LING TAO, DIRECTOR GENERAL, ANTI-MONEY LAUNDERING BUREAU



UNDERGROUND MALL: The Frontier Square in Zhuhai is a money-changing centre

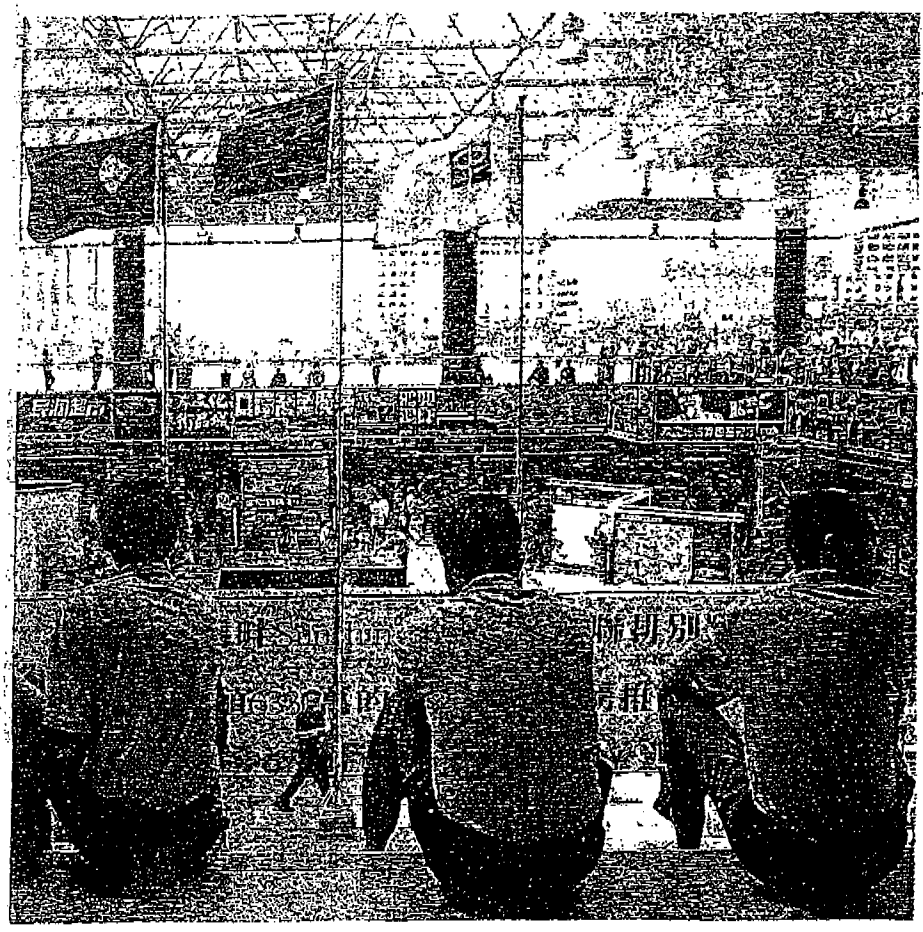
in Macau and threatened her life if she ever returned there. Macau police dismissed the criminal complaint regarding her alleged detention.

C.K. Mok, a Hong Kong lawyer who represented Winnie Ho in two criminal complaints and one civil action against Stanley Ho in Hong Kong in 2001 and 2002, was assaulted twice in the streets of Hong Kong within five months in 2002 and early 2003. He wasn't seriously injured, but required hospital treatment for head wounds after the second attack. No one has alleged that Stanley Ho had anything to do with these attacks and police have made no arrests. Mok remains a legal adviser to Winnie Ho, but she has retained lawyers from other firms to handle work involving Stanley Ho.

In April, as Winnie Ho prepared to go to Macau to answer police questions in connection with a complaint filed by her brother alleging malicious prosecution, she and members of her team of lawyers and accountants received threats in the mail. In coloured letters mounted on paper, they read: "Stop talking. Don't come to Macau. Remember C.K. Mok." Three recipients of the threatening letters—Michael, a lawyer and an accountant—reported this to the police.

Stanley Ho has tried to show that Winnie Ho is in financial distress as a result of her son's allegedly irresponsible behaviour. In a series of comments to reporters in Hong Kong in mid-2001, Stanley Ho said he had lent his sister a total of $19.4 million in the previous two months to cover Michael's gambling debts.

But when Michael denied he gambled, Stanley Ho said the debts were incurred speculating in foreign currency and futures trading. In response, Michael placed large advertisements in two papers and held a press conference to denounce the accusations as "absolute lies."



Samantha Sin/REVIEW

Today, the Chinese government fears the tense sibling stand-off has the potential to destabilize conditions in Macau. Chinese officials say they have made no proposals of their own to end the saga, but attempted to bridge the differences between Stanley Ho and Winnie Ho.

Winnie Ho says her brother wants to buy her out to strengthen his hold on STDM so he can pass the company on to immediate family members. While Stanley Ho has denied publicly that he is trying to buy his sister's shares, Winnie Ho says he has approached her privately through an emissary seeking to buy her stake. One approach took place over dinner in Hong Kong on February 22, 2003.

Draft documents shown to the REVIEW by Winnie Ho indicate Stanley Ho had planned to give stakes in STDM to Pansy Ho, 41, his daughter, and to two of the women who have borne him children, Ina Chan and Angela Leong. Stanley Ho asked Winnie Ho to sign the documents pledging not to oppose the transfer of shares to the women, but she refused, she says.

Stanley Ho has installed Pansy Ho as managing director of his Hong Kong-listed company that controls most sea transport between Hong Kong and Macau and made her a director of STDM, possibly positioning her to take over from him.

At Eric Hotung's request, Michael says he is changing his name from Michael Eric Alexander Bos Mak to Michael Eric Alexander Bosman Hotung. In Chinese tradition, as a sign of respect he has waited to make the change three years after the death of Mak Chi-wai, the man he considered "a friend, a buddy, a father."

Winnie Ho now finds herself fairly isolated within the family. She cut contact with children Anita and Winston after they filed suit to force her to leave some of her shareholding in STDM to them. And she says her relations with Stanley are beyond repair. "I don't have a brother any more," she says.

But Winnie Ho is closer than ever to Michael, whom she acknowledges as always her favourite, since that "happy moment," as he calls it, when she unburdened herself with the truth about his father. "I feel one doesn't need to have many children," she says. "It is enough to have one who truly treats you well." ■

Exhibit 2
To Statement Regarding
The Proposed MGM Grand
Macau
Submitted on Behalf of
Winnie Ho Yeun Ki

he Asian Pacific Post
award winning independent news

FREE Classifieds | Subscribe | Newsletter | Minisites

Search >>

About Us | Subscribe | Submit a Classified Ad | Contact Us

Coming Sunni. Little Mosque on the Prairie

Digg this story | Email this Story | Request Info | Print

Casino Connections Part 2 - Stanley Ho's house of cards

Thu, July 22 2004

Money laundered through Macau casino ended up in Richmond and Vancouver banks

Stanley Ho

Stanley Ho, the undisputed gambling czar of Macau has friends in high places in virtually every corner of the globe.

In Canada, he has been feted and wooed and given medals by the likes of Jean Chretien, Brian Mulroney and several premiers of British Columbia.

Former U.S. president Bill Clinton, deposed Philippine president Joseph Estrada, ex-British premier Margaret Thatcher and China's top dog Jiang Zemin are just some of the names on his rolodex.

The trim billionaire has the ugliest mansion in Vancouver, that is at the entrance of Stanley Park, while his business ventures stretch from coast-to-coast.

Ho, 83, who has three wives and 17 children, is described by his mouthpieces as "a well-respected international entrepreneur."

But there is a dark side to the casino magnate, one which is

secretly recorded in Canadian, American, British and Australian intelligence files.

The intelligence data, which has been vehemently denied by Ho and his friends in high places, state the operations of the gambling king are intricately linked to Asian organized crime.

A RCMP document called the Asian Organized Crime Roster has him listed as Triad leader while a similar American report put Ho on a watchlist.

But all the alleged criminal connections are downplayed and Ho continues to build his global business empire with little hindrance and a lot of influence.

Now, however, an investigation by the Far Eastern Economic Review magazine shows that police suspicions about Ho's operations are not too off the mark.

A report by prize-winning writer Barry Wain alleges that Ho's multibillion-dollar gaming flagship Sociedad de Tourism e Diversoes de Macau (STDM) is allegedly at the centre of a money-laundering scheme moving billions of dollars out of China through Macau into Hong Kong.

Some of the laundered money has already made its way into B.C. banks and casinos.

Prosecutors in Hong Kong who are handling the Bank of China scandal say US$1.4 million of US$26.5 million allegedly embezzled by a former bank branch manager was illegally moved in the form of an STDM cheque.

The money was allegedly taken by Hui Chiu Fan who with two accomplices entered Canada via Vancouver using false identities.

The trio of fugitive bankers then deposited large amounts into accounts at the Royal Bank Canada branch on Ackroyd Road in Richmond and the Vancouver area branches of the Hongkong Shanghai Banking Corporation and the Canadian Imperial Bank of Commerce.

Hong Kong police said Hui's STDM cheque, looked like casino winnings and did not trigger warnings at the banks where he cashed it.

As part of their investigation Hong Kong police interviewed a casino manager in Macau, who said the money was handled by a junket operator, a middleman who takes gamblers to so-called VIP rooms. But the manager said

Inside the casino Lisboa he had no records.

Asian organize crime investigators in Vancouver tracking Hui and his accomplices spotted them at a house in Richmond two years ago. The house was once used as a marijuana grow operation. Later they had information that trio were hiding out in an area outside Hollywood in California.

Last April one of the three, Yu Zhendong, 41, was handed over to Chinese authorities on the condition that he not be tortured or put to death. He was arrested in Nevada where some of the alleged money he siphoned was laundered through local casinos. The other two remain at large.

The Lisboa hotel and casino

The Review said it sent a team of reporters to Zhuhai, the city directly across the Chinese border from Macau, where they said they had deposited the equivalent of US$12,900 (HK$100,620) with the owner of a stall in a sprawling shopping centre called Frontier Square. About 100 dealers in the centre, the report said, were willing to exchange cash on the spot or transfer it to Macau.

The Review team paid fees totalling US$232 to the stall owner.

"Hours later," the story said, "we collected a cheque for the full amount, on production of an identity card, at Ho's crown jewel, the Hotel Lisboa, STDM's flagship casino and heaquarters in Macau.

"Payable in Hong Kong dollars, the cheque was stamped in Portuguese for and on behalf of Sociedade de Jogos de Macau SA, STDM's subsidiary that operates the company's 12 casinos."

The cheque was drawn on the Hong Kong branch of an unnamed European bank and made payable in cash, which means the recipient cannot be easily traced. The cheque was later accepted by another bank in Hong Kong with no questions asked, according to the magazine.

The Hong Kong Standard said under Chinese law, citizens who leave the mainland as tourists or on business can take no more than US$5,800 with them. Yet, the report said, many can be seen wagering tens or even hundreds of thousands of dollars a night at the tables in Macau. Central government officials were quoted as saying billions of dollars a year are smuggled to Hong Kong and Macau.

Chinese who deposit money inside the mainland and collect it

in Macau casinos are not required to gamble, according to central government officials. Indeed, the report says, the funds are available for collection in three convenient options - cash for shopping, chips for gambling or a cash cheque for easy transfer to another location, they say.

For the most part, the story said, the system does not involve a physical transfer of currency, but rather an offsetting arrangement such as the one practised by Review reporters.

It quoted Macau-based central government officials tracking the flow of funds using agents and informants working in the casinos and under cover as saying at least US$1 billion of the billions channelled to Macau and Hong Kong every year are sent abroad to North American, Europe and Southeast Asia.

Some of the money, the Review said, is the proceeds of corruption, although officials have no way to calculate how much. Funds sent abroad typically go into property in the US and Canada to pave the way for the emigration of family members, according to Chinese officials and Hong Kong police.

Ho's spokeswoman, Janet Wong, declined comment on the money-laundering story.

Ho's family, including his daughter, Pansy who had applied to open a casino in Vancouver under the administration of Premier Glen Clark, is also mired in a family feud that is shedding light on some of the casino king's operations.

Winnie Ho

Winnie Ho, one of Asia's most powerful women and Stanley Ho's sister, claims that he had forced her to relinquish her stake in the Macau gaming operations and deprived her of hundreds of millions of dollars after she provided the entire startup capital for STDM in 1962.

Documents provided to the Review by Winnie Ho allegedly indicate triad involvement in Ho's casinos through VIP rooms, which were originally designed to allow well-heeled gamblers to play in relative privacy and comfort. The VIP rooms, it continues, have proven a boon to both STDM and Macau.

Allegedly, the story continues, a STDM list of loans to VIP rooms in 2001 includes loans from several convicted criminals and many others identified by retired Hong Kong police and central government officials as past or present triad bosses and members or persons with triad links.

The control for the VIP rooms triggered a bloody gang war in Macau, which spilt over into the Lower Mainland. (see Casino connections in the last issue of The Asian Pacific Post)

Documents provided by Winnie Ho also allegedly indicate that STDM has historically functioned at times like a bank, although it is not an authorised financial or credit institution.

Ho has issued a blanket denial of his sister's allegations.

The casino czar, while having influential connections worldwide, is no stranger to controversy.

Pansy Ho

He has tried several times through his daughters Pansy and Daisy to apply for casino licences in B.C., Alberta and Ontario.

After withdrawing them, for unspecified reasons but following criminal checks, Ho gained entry into the Canadian gaming world by teaming up with a B.C. computer whiz to develop a virtual casino, called DrHo.com.

DrHo.com is based in Antigua with technology designed by Vancouver-based Eyeball.com Network Inc.

Gamblers play poker, blackjack, roulette and a host of other games in real time with live dealers.

Asian Organized crime sources told The Asian Pacific Post that Ho and his connections are listed in numerous classified intelligence files.

"I am sure that our politicians know about this but he still has unfettered access to them," said the source, adding the issue has been raised in the House of Commons.

During another scandal involving him in the Philippines that caused the stock market to crash, Ho took out ads in Manila newspapers to defend himself from allegations that he was linked to organized crime.

Those allegations stemmed from reports in Canadian government files.

In the ads, Ho noted his "substantial investments" in Los Angeles, San Francisco, Vancouver, Calgary and Toronto.

"I have traveled freely and been welcomed there, including to Vancouver in 1997 when I hosted delegates at my hotel (Sutton Place) in Vancouver for the APEC conference, and to the United States when I met with President Clinton," he said.

Ho by then was named or listed in several Canadian intelligence databanks including the National Security Register of the Canadian spy agency ? CSIS.

In the United States, a report prepared for the Department of Justice by Philip Baridon listed Ho as one of 27 people linked to Asian organized crime who are on an American watchlist. Ho's named was removed after his lawyers visited with Department of Justice.

Unlike Canada or the United States, Ho has never been able to make much headway into Australia because of extensive Australian Security Intelligence Organisation reports on his background, connections and links.

Ho does not view the country as a "friendly nation", according to a Queensland-based China analyst.

Ho failed in his attempts to get a casino licence in Australia.

The New South Wales Gaming Licensing Board (now defunct) has a report on Stanley Ho which is stamped "never to be released." Its officials have deemed Ho "an unsuitable person to hold a casino licence".

Digg this story | Email this Story | Request Info | Print

Copyright © 2007 Asian Pacific Post. All Right Reserved.

Back to Top

Powered by mycyberGURU.com
A company inspired by Harbinder Singh Sewak

Exhibit 3
To Statement Regarding
The Proposed MGM Grand
Macau
Submitted on Behalf of
Winnie Ho Yeun Ki

A bet bigger than Vegas

April 1, 2006

Macau's casinos are booming - even James Packer is in on it. Mary-Anne Toy examines the enclave's future.

Macau's official tourist map doesn't mention casinos. It highlights its sporting venues, its historical sites, even its karaoke bars, but not the 18 legal casinos that have propelled this tiny former Portuguese enclave into a multibillion-dollar development frenzy that has ensnared some of the world's biggest casino operators - including James Packer's PBL.

Instead, the map marks each casino site with a discreet Ace of Spades. This is how Macau would like to see itself: as a sophisticated tourist destination, not a seedy backwater where working girls circulate in smoke-filled casinos as desperate punters risk all.

PBL's contribution to Macau's clean-up and transformation into the desired "integrated resort" - a family-friendly combination of gambling, convention facilities and entertainment - is its $US256 million ($A357 million) Crown Macau six-star hotel, spa and casino.

Packer's new casino is still covered in bamboo scaffolding and, after several hitches, is now due to open in the second half of next year. PBL's joint venture partner in Macau is Melco, the Hong Kong-listed company run by Lawrence Ho, the favourite son of Macau casino king Stanley Ho.

Packer and Lawrence Ho are hoping that Crown Macau will emulate the gargantuan Sands casino, which opened in 2004 and made back its $US265 million investment within the first year. This is the kind of return that has Hong Kong investors gripped with "Macau Mania", snapping up anything connected to Macau property and gaming.

Across the road from the Crown Macau site, Macau Mania has already snared some ancient deities. The share price of the Hong Kong-listed company that owns the Greek Mythology casino has been surging, although the company does not own a casino licence. Investors seem to be putting up money on the blind hope of future profits.

Greek Mythology leases the casino business from Stanley Ho and pays him 20 per cent of the gross revenue, but with hot competition looming, there is a question over how much profits can be made from this business.

Even more ambitious than Crown Macau is PBL/Melco's $US1 billion City of Dreams, a huge casino, entertainment and residential complex. It was to have included an underwater casino, but that part of the plan was quietly shelved last year.

Construction cranes crowd Macau's skyline, testimony to the $US24 billion of investment expected over the next decade in an area of just 27 square kilometres (half of it reclaimed land). Already under way are $US10 billion worth of new casinos, hotels, convention centres, luxury housing, retail and other infrastructure.

The reason for all the investment is simple. Macau's gaming revenues, up 11 per cent to $US5.5billion last year, are set to pass Vegas' this year. The enclave, returned to China in 1999, is exquisitely positioned. Since China began easing travel restrictions from the mainland to Macau in 2003, tourist numbers have leapt more than 25 per cent a year. At the southern tip of the

mainland, it is within easy reach of China's swelling ranks of affluent city dwellers and ideally positioned to tap into the pool of 1.3 billion potential customers. Casino gambling is illegal in mainland China and Beijing has given its blessing to Macau's ambitions to become the regional gaming hub.

Analysts bullishly forecast 15-20 per cent growth this year. Deutsche Bank is predicting 20 per cent average growth through to 2008, which adds up to a $US8-10 billion gaming market.

Looming over any story of modern Macau is the tall, elegant figure of Stanley Ho. Ho built his $US6.5 billion fortune after winning a monopoly right to operate casinos in Macau. His private company STDM, owned jointly with Hong Kong billionaire Henry Fok and minority shareholders such as his sister Winnie Ho, once accounted for two-thirds of Macau's GDP.

Ho's companies own 15 of Macau's 18 casinos plus hotels, retail and housing. He controls the ports, transport and construction. However, the avuncular Ho didn't build his empire without picking up a little colour on the way. Allegations are repeatedly raised about Ho's association with Chinese organised crime - the so-called triads - and the alleged involvement of his casinos in money laundering. Recent embezzlement cases have confirmed Macau's role as a conduit for corrupt Chinese officials to get their illegal earnings out of the People's Republic.

The alleged triad links have raised probity concerns in countries such as Australia, the US and Singapore, which have strict rules on who can hold a gaming licence. No findings of unsuitability have been made publicly against Ho and he has never been charged with any criminal offences. Macau's triads, who went on a rampage to settle turf boundaries in the lead-up to the 1999 return to Chinese sovereignty, have been largely quiet, thanks to the influence of Beijing - which ended the mayhem by threatening to send in the army - and what some observers say is Ho's ability to maintain an equilibrium between all of Macau's competing elements.

In 1986, Ho was reportedly forced out of the Hudson Conway consortium, which won Melbourne's casino licence, because of probity concerns, and the tender for what is now the Star City casino in Sydney's Darling Harbour followed a similar pattern. It has been reported that NSW gaming authorities have a report marked "never to be released" saying Ho should never be given a licence, although official channels will not confirm this.

A very public and bitter brawl with his younger sister Winnie Ho, 83, has seen more dirty laundry aired.

In 2001, with his monopoly about to end, Ho transferred all of STDM's casino assets into a wholly owned subsidiary called SJM. Winnie, who ran her brother's casinos for 25 years, accused him of effectively reducing the value of her holding. Instead of taking 100 per cent of the shares in the subsidiary, STDM took only 80 per cent. The other 20 per cent went to Ho and close associates.

In addition to fighting his sister, Ho's casinos have been facing competition for the first time. The two new gaming concessions issued went to Hong Kong's Lui family, big in hotels and construction, and Las Vegas veteran Steve Wynn. Under a formula known as "3+3", each of the three concession holders can sell one sub-concession each. Sands was the first of the new operators to open, and observers says its success has inevitably taken some market share from Ho.

He sold SJM's sub-concession to his daughter, Pansy Ho, and her joint venture partner MGM Mirage for $US230 million. So with Lawrence Ho and James Packer snapping up Steve Wynn's sub-concession, Stanley Ho still has stakes in three of the six concessions on Macau (all six concession

and sub-concession holders are entitled to a virtually unlimited number of casinos or tables or machines until June 2022).

Ho still controls as much as 70 per cent of Macau's gaming profits because of his grip on the high rollers drawn to his casinos' VIP rooms. The VIP rooms are effectively subcontracted out to so-called junket operators, who find the high rollers, provide credit (which until recently was illegal) and get them to Macau. Most of the junket operators have thinly disguised organised crime links.

Hong Kong criminologist Angela Veng Mei Leong said last year that most of Macau's junket operators were associated with triad gangs such as 14K, Wo On Lok, Wo Shing Wo and Big Circle. Because casino gambling is illegal on the mainland and the bulk of VIP gambling has always been on credit, the triads provide an essential banking system for gamblers - and money launderers.

The new operators, such as Wynn, lobbied for and won legislation allowing them to offer credit for gambling, to enable them to compete with the VIP rooms, but so far have been slow to offer credit due to uncertainties about recovering bad debts and their tax treatment.

Dr Liu Renwen, a criminal law researcher with the Chinese Academy of Social Sciences in Beijing, told The Age last year: "STDM, as the biggest Macau casino group, is also one of the biggest money-laundering outlets for Chinese money."

One of the ways it works is like this. Punters in nearby mainland cities such as Zhuhai exchange Chinese currency and get gambling chips on arrival in Macau. The Macau casino cashier will then exchange casino winnings into Hong Kong dollar cheques. The cheques, made out for cash and therefore virtually untraceable, are cashed without question by Hong Kong banks.

Winnie Ho showed documents to the Asian Wall Street Journal suggesting that Ho's casinos had long flouted the law against providing credit for gambling, including extending credit to known criminals.

Stephen Vickers spent 18 years with the Royal Hong Kong Police tracking and breaking up triad gangs. He was head of the Criminal Intelligence Bureau, supervising 280 staff, before he left the force for the private sector. He is now president and chief executive of International Risk Limited, which advises corporate clients about investment risks and provides business intelligence.

Vickers says Macau is being cleaned up, slowly, but organised crime remains a fact of life there.

He doesn't doubt that the cards and dice will be rolled according to the rules, but warns "the real, real threat is the junkets, it's the secret undergound banks, it's money laundering through more subtle methods".

The other key risk for foreign players is getting too close to Macau's "exotic and colourful" elements and risking their casino licences in their home jurisdiction. "That is the sword of Damocles that sits over the heads of all the foreign players operating in Macau who have a licence somewhere else that matters to them," Vickers says.

David Green used to regulate Adelaide's casinos. He came to Macau five years ago to advise its new government on casino liberalisation. Now PriceWaterhouseCoopers' director of gaming practice, Green says PBL/Melco have paid a high price to grab the last casino sub-concession but this gives them their own casino licence and buys them some distance from Stanley Ho and probity concerns.

Last year the partners had planned a deal similar to Greek Mythology's arrangement; PBL/Melco's original deal involved leasing the casino business from Ho's SJM and paying him 20 per cent of their gross gaming revenue. "It potentially makes an easier path in a regulatory sense for PBL, because there is now no direct nexus with SJM," Green says.

Since PBL bought the sub-concession, further steps have been taken to distance the joint venture from Ho. He resigned as chairman of Melco, ostensibly to clear the way for a Hong Kong listing for SJM, although he retains about 12 per cent of Melco's shares. His daughter Pansy is also being put through the regulatory hoops by Nevada gaming regulators, who control MGM Mirage's Las Vegas licence, because of possible SJM influence.

Green cautions that foreign investors such as PBL face other potential problems, the key one being the assumption that Macau can easily or quickly become a Vegas-style resort destination.

Macau now has 10,000 hotel rooms, with up to 20,000 more due for completion in the next two years.

"When you've only got three-quarter occupancy and a question over how much of that is paying occupancy, it just makes me wonder whether people are overcooking things. I am not saying they are wrong, but the case has still to be proven," he says.

"It entirely depends on the theory that there is a capacity for these (new) properties to generate their own demand . . . but this (Macau) is not a resort - just look outside. There's no beaches, swaying palms or gentle music. It is very much an urban destination and not everyone wants to go to an urban destination . . . so there is a lot of selling of Macau to be done, because it isn't just going to happen."

Subscribe to The Age and WIN an African adventure with Peregrine, valued at $15,000

Copyright © 2006. The Age Company Ltd.

Exhibit 4
To Statement Regarding
The Proposed MGM Grand
Macau
Submitted on Behalf of
Winnie Ho Yeun Ki

The Sydney Morning Herald

Enter the dragon

March 19, 2005

'Unsuitable' ... Stanley Ho, pictured with fourth wife Angela, was forced out of the bidding for Melbourne's Crown and Sydney's Star City casinos.
Photo: *Bloomberg*

In dealing with Macau's Ho dynasty, the Packers may be risking the house for a place at the biggest game in Asia, writes Hamish McDonald.

For the past three months, Chinese police and central bank officials have been mounting a publicity drive to stop a hemorrhage of cash estimated at $US70 billion ($88.3 billion) a year that leaves the country through a network of underground banks, many connected to cross-border casinos.

Thousands of money launderers in 150 syndicates have been arrested and about 10 billion yuan ($1.52 billion) seized. Casinos that used to depend on Chinese trippers - some of them officials blowing embezzled or corruptly earned funds - in seedy towns and "free-trade zones" just across the borders in Burma, Vietnam, Russia and North Korea, have closed for want of customers.

But one of the main problem areas is hardly mentioned: the porous border with the tiny enclave of Macau, handed back to China in 1999 as a Hong Kong-style autonomous region after four centuries of languorous Portuguese rule. The only place in greater China where gambling is legal,

the $US1.8 billion in tax paid by casinos on their cash flow provides most of the Macau government's revenue.

At Frontier Square in the neighbouring Chinese city of Zhuhai this week, it was business as usual in the underground shopping mall that funnels Chinese punters to the fast-track immigration hall standing between them and the gambling tables. Dozens of snack stands ostensibly selling cans of soft drink, tissues and cigarette packs have on their counters the kind of electronic banknote counting machine you normally see in banks.

AdvertisementAdvertisement

Guided by one of dozens of middle-aged women standing around the immigration hall entrance with fold-up luggage trolleys ready for low-margin smuggling ("You want me to carry anything across for you? Whatever you've got - cameras, electronics, DVDs - anything except drugs"), the *Herald* found one such stall ready to change 200,000 yuan ($30,478) - the sum we suggested as needed for a gambling binge - into Hong Kong dollars across the border.

Officially, the People's Bank of China, the central bank, allows departing travellers to take out only $US4000 in foreign currency and 6000 yuan, the foreign money being obtained after a time-consuming bank visit. Here there was no limit, and a reasonably attractive rate: 1.06 yuan for the HK dollar, shaded down to 1.0595 for the larger amount we were proposing to exchange.

"You pay the Chinese money in here," said the young woman in charge, as she counted out bundles of $HK500 notes to a young Chinese man from her top drawer. "We can give you the Hong Kong dollars now, or it will be ready for you at the cashier's counter in the casino by the time you cross the border and get there. You just show your ID."

The casinos allegedly involved are the dozen operated in Macau by tycoon Dr Stanley Ho's Sociedade de Turismo e Diversoes de Macau, something acknowledged this week by one of the Chinese government's leading advisers in the anti-money-laundering campaign, Dr Liu Renwen, a criminal law researcher with the Chinese Academy of Social Sciences in Beijing. "STDM, as the biggest Macau casino group, is also one of the biggest money-laundering outlets for Chinese money," he says.

Liu outlines a system in which the casinos maintain a network of agency relationships with underground banks on the mainland, providing punters with gambling funds in the form of physical currency, gambling chips on arrival, or HK dollar cheques from the casino cashier. The potential for

laundering funds beyond gambling purposes is obviously great, and court cases are starting to show that corrupt Chinese officials have been using the channel to get their illegal earnings out of China.

The Beijing legal expert is equally frank about the China's organised crime gangs, the triads, which many sources say effectively run the VIP rooms for high-roller gamblers in STDM's casinos, and run much of the money-laundering in tandem with the casino cashiers.

"It's like prostitution, which is illegal in China, when it's discovered going on in a hotel," Dr Liu says. "The top manager can say, 'It's nothing to do with me.' It's the same with Stanley Ho. He is a public figure and a very important person in Macau. If he were punished, it would bring a serious reaction. But personally I believe that Stanley Ho seriously knows what is going on."

But asked why the role of Macau in general and Ho's STDM is not mentioned in the ongoing Chinese crackdown, Liu looks a little embarrassed. "My authority said this kind of question would not be convenient for me to answer," he says.

Five years after the red and green Portuguese flag was hauled down in Macau, it seems Ho, 83, continues to enjoy political favour under the red flag of communist China - the result of decades working on his "patriotic" credentials and helpful business partnerships of equally long standing.

His previous monopoly concession on gambling, enjoyed for 40 turbulent but bountiful years, may have expired in 2001 and two new concessionaires admitted - the Hong Kong K.Wah construction group's Galaxy and Las Vegas-based Wynn Resorts - on 20-year terms, but Ho remains the uncrowned king of Macau.

His casinos, aside from being the largest taxpayer, are the largest employer in the territory after the government, along with the associated empire of hotels, port and airport facilities, real estate and the jetfoil ferry links to Hong Kong. About 10,000 people - or 5 per cent of the workforce - are on his payrolls.

And as one of the three concessionaires, any would-be new entries have to consider a subconcession from STDM. Galaxy is already opening its own casinos and has given sub-concessions to US entrepreneur Sheldon Adelson's Las Vegas Sands to open two glitzy American-style casinos, involving a $US1 billion-plus punt on Macau's future. Wynn has similar plans of its own.

So it is not all that surprising that following in the footsteps of Kirk Kerkorian's MGM-Mirage casino chain, Kerry Packer's Publishing & Broadcasting Ltd has courted Stanley Ho. Last June, PBL chairman James Packer and Crown Casino chief Rowen Craigie were talking to Lawrence Ho, the elder son of Stanley Ho who runs the group's Hong Kong-listed Melco International.

In November, it was announced that PBL and Melco would become joint-venture partners for new casino investments around Asia, starting with PBL paying $US163 million for a 28 per cent stake in Macau's new Park-Hyatt hotel and casino project. In projects in China, Ho's group would keep 60 per cent stake and management control. Elsewhere in Asia, the roles would be reversed, with PBL taking the lead.

At the end of last month, the PBL-Melco partners were among more than a dozen groups who put in proposals for possibly two new casino projects being considered by Singapore as a new dimension for its structurally limited economy.

The proposals are not yet bids, because Singapore is still not yet convinced that casinos will be worth the social ills they bring: problem gambling, loan sharks, prostitution, and money laundering. It may be a year or two before Prime Minister Lee Hsien-loong, son of founding leader Lee Kuan Yew, decides whether economic growth demands a break from Singapore's notoriously strict behavioural standards.

Given this nervousness, some analysts are amazed that PBL has teamed up with Ho, who embodies all the ambiguous and shadowy image of Macau's past, to win over the Singaporeans.

"I was astounded that Packer would go into business with this gentleman," says an Australian lawyer closely involved in gaming licensing, who asked not to be identified. "The Singaporeans are squeaky clean, impeccable. It's interesting, too, that Packer would potentially prejudice his land-based assets here in Australia. Because if it blows up, it can come back and haunt him here."

Under the terms of PBL's licences for Melbourne's Crown and Perth's Burswood casino, all of its business partners have to undergo "probity" clearances from the Victorian and West Australian gaming authorities. This assessment is under way, with WA's authority leaving the actual research to the Victorian Commission for Gambling Regulation, which has Ian Dunn as chairman and Peter Cohen as chief executive.

In the early 1980s, Ho was part owner, through an investment in a Federal Hotels Group subsidiary, of the casinos in Hobart, Darwin and Launceston. But in 1986 he was forced to drop out of the Hudson Conway consortium which won the Crown concession in Melbourne. During the tender for what is now the Star City casino in Sydney's Darling Harbour, Ho was deemed to be an "unsuitable" person to hold a casino licence by NSW authorities.

What is different about Ho now? The Victorian and WA authorities can make their decision on his probity without publishing any reasons. A negative finding would scupper the PBL foray into Asia.

Could the Packer camp have made another monumentally bad choice of business partner, on the scale of the One.Tel debacle and the costly tie-up with India's notorious sharemarket manipulator Ketan Parekh and the hyped-up Himachal Futuristic group?

But not everyone is down on Ho and his empire. Last month, MGM-Mirage announced that the Mississippi Gaming Commission had given clearance for its 50-50 joint venture with Pansy Ho, elder daughter of Stanley and chief executive of his listed Hong Kong flagship, Shun Tak. The gaming authority in MGM-Mirage's home state, Nevada, has also given the green light, and construction of the huge MGM Grand Macau casino starts shortly.

PBL will be hoping that its partner, Lawrence Ho's Melco, will also be sufficiently distant from the father's controversial past.

Possibly Stanley Ho - and Macau - might be making a late-in-life transition away from the image tainted by the seedy world of STDM's casinos, memorably described four years ago as places of "hard, desperate gambling" by Macau legislator Au Chong-kit. "Either you make money at the tables or you kill yourself," Au told Hong Kong magazine *Asiaweek*.

Ho's life has been a struggle to emerge with profit and dignity from the shadows of Southern China's rich and ruthless Pearl River estuary, flanked by the former foreign trading posts of Hong Kong and Macau.

Born in 1921 to a son of Ho Fuk, a comprador to the former Scottish opium trading house Jardine Matheson, and a Portuguese mother, Stanley Ho grew up in wealth and privilege, a tall and handsome Eurasian who became an adept ballroom dancer, in between-the-wars Hong Kong. But the family fortune disappeared in the 1930s stockmarket crash. His father fled with his debts to Saigon.

Two uncles committed suicide. Stanley Ho struggled on a scholarship at Hong Kong University, then escaped to neutral Macau when the Japanese

seized Hong Kong at the end of 1941. In this enclave, Ho found his feet, working with a Japanese-owned trading company to swap Macau's stock of scrap metal, ships, spare parts, gold and gems for the food its refugee-swollen population needed for survival. The trade was dangerous, involving at least one sea battle with pirates in the Pearl delta as he brought goods out of Japanese-occupied Guangdong.

At the end of the war, Ho returned to Hong Kong with a considerable fortune and a Portuguese wife, who died a year ago and was given a funeral in Macau worthy of royalty. Ho started the Shun Tak property and transport group, building barracks for the returning British garrison. The tango-dancing Ho became a celebrity in Hong Kong's nightlife as well, eventually taking three other wives or concubines and siring a total of 17 children.

In 1962, he made a spectacular return to Macau when his STDM won the colony's gambling monopoly with a then astonishing bid of $US460,000. Partners included Henry Fok, a trader who made his fortune shipping embargoed goods to communist China during the Korean War and the later Cold War years, and who remains Beijing's grey eminence in Hong Kong's legislature.

The oddly shaped Hotel Lisboa casino - designed, it is said, on feng shui principles aimed at keeping money flowing one way, inwards - became a cash cow, returning some 35 to 40 per cent of its cash flow in profits. A string of themed casinos followed. As well as controlling the transport links that brought Hong Kong punters to his tables, Ho spread his investments and philanthropic donations around Macau, including to the University of East Asia which conferred the honorary doctorate he uses for his moniker.

The investments in building up Macau's infrastructure helped get him a 15-year extension to the gambling monopoly in 1986, but by then a frenetic mood had set into the colony - as in Hong Kong - as the countdown started to the end of colonial rule.

In 1982, Ho set up the first VIP room in one of his casinos. According to Beijing law researcher Dr Liu, there are now 61 such rooms in STDM casinos, providing about 80 per cent of the group's gambling profit. But the VIP rooms were informally subcontracted to the triads, as outlined by Hong Kong criminologist Angela Veng Mei Leong. She says a "lawless" space was created for the triads, where the rules were enforced by the muscle of the 14K, Wo On Lok, Wo Shing Wo and Big Circle gangs.

Although the triad members running the VIP rooms sometimes victimised their clients through loan sharking, prostitution and blackmail, the gangs brought a kind of order in a society where the local people often

turned for justice to the triads rather than the police and the mysterious Portuguese judicial system. Indeed, the estimated 13,000 triads vastly outnumbered the 5000 police. "The triads were allowed in the casinos because they were highly productive and did not interfere with the system," Leung wrote in her master's thesis.

Things got out of hand as the December 1999 handover to China approached. An unruly triad leader and VIP room operator known as Broken Tooth Koi unleashed gang warfare in the streets. Chinese police mounted a crackdown on Macau gang activities across the border, and local police finally arrested Koi in mid-1999, putting him away for 15 years. A massive Chinese army show of force at the handover pushed the triads back into the shadows.

"They know how to behave," says Harald Bruning, a German journalist based in Macau for many years. "In their way, they are patriotic, too. Before it was all right to challenge the foreign Portuguese. They won't take on the Chinese Government, and many are shifting into legal businesses."

Macau, too, is trying to clean up its act. The new American casinos are designed to bring a different kind of gambling, where flutters at the tables and machines are accompanied by Las Vegas-style luxury accommodation, themed shopping malls, lavish buffets, and top-name entertainers. Almost a year into the new era, the revenue flow is up 20 to 30 per cent.

The sleazy atmosphere of diehard gambling, illegally obtained money, and lingering vice has hardly been dispelled. But a new customer base is also being created as a result of China's relaxation of cross-border travel, the wealth of its middle-class and small entrepreneurs, and the ongoing relaxation of currency controls as it moves to convertibility of the yuan.

In Hong Kong and Macau, the name Stanley Ho, or "brother Sun" from his Chinese personal name Hung-sun, still evokes undertones of fear and menace.

"Everyone is so petrified of him, the only thing they'll say is what a generous donor to charities he is," says one former newspaper editor.

"Stanley is respected, but in a Chinese kind of way," says Bertil Lintner, Swedish writer of *Blood Brothers*, a book on crime, business and political links in Asia. It has a long chapter on Macau. "Everyone knows that he's connected with the triads, especially Kai-Sze Wai (Wai Ng) of the 14K, but it's not talked about openly. So Stanley is both feared and respected, but he's getting old, and he's not as active as he used to be. But he's

still well-connected in China, which explains why everyone ducks the question of his involvement with organised crime."

"He is seen as a charitable businessman," says criminologist Angela Leung. "Although some people are kind of, a little bit nervous between him and triads – but it's not that often we talk about it. But on paper everything seems to be legitimate."

Ho courteously declined an interview for this article, but in the past has vigorously denied any links with triads, or involvement of his casinos in illegal activity.

While stories – possibly urban myths – circulate Hong Kong about the terrible fate and humiliations of those who seriously insult or oppose him, Ho himself lives in fear of violence, surrounded by one of the biggest security screens of any Asian businessman. He has been targeted in two kidnapping attempts. In 1987, one of Ho's key lieutenants was slashed behind the knees with a meat chopper (a favourite triad weapon) and bled to death.

The empire itself is unravelling from within. Ho's estranged sister Winnie, 82, is battling him for what she claims is her fair stake in STDM, put by one report in 2001 at 7 per cent, both for herself and her son, Michael Mak Shun-ming. She recently revealed that Mak was born of a secret love affair with her cousin (and Ho's), the philanthropist Sir Eric Hotung.

Sir Eric has meanwhile been sued by three of his eight children, after he tried to revoke two trusts set up for them in 1979 because they "didn't match up". He lost the case in the Hong Kong High Court on March 4.

The two disputes have opened up the lives of one of Hong Kong's wealthiest and most reclusive families, keeping Hong Kong newspapers enthralled for several years. But Winnie Ho's battle with brother Stanley has seen some damaging dirt thrown that authorities may find hard to ignore.

This includes material suggesting STDM's casinos have illegally given credit to known criminals. More recently, Winnie Ho was reported by the *Asian Wall Street Journal* to have complained to the Hong Kong Securities and Futures Commission that in a corporate reshuffle in 2002, STDM put 80 per cent of its casino assets into a Macau subsidiary called Sociedade de Jogos de Macau. The other 20 per cent was allegedly placed with Ho and some of his associates for a fraction of the $US1.3 billion that some reports say the stake is worth.

The shuffle diluted the ownership of Hong Kong-listed Shun Tak in the gambling operation in a way that Winnie Ho is said to deem unfavourable to other shareholders than Ho and associates - although Shun Tak chief executive Pansy Ho called the move "reasonable" at a Shun Tak general meeting last year.

PBL's direct partner Melco also got into some hot water last November, shortly before the joint-venture announcement, when the HK Stock Exchange suspended trading in its shares after Stanley Ho was quoted suggesting Macau gaming assets could be injected into Melco. He issued a denial of the statement after eight days of sharply zigzagging share prices.

Whether PBL actually gets a share of the casino at the Park-Hyatt development is yet to be seen. The Australian side's $US163 million has so far got it a share in the hotel. Becoming a subconcession holder in the casino still requires consent of the Macau Gaming Inspection and Co-ordination Bureau. After approving the MGM-Mirage subconcession from STDM, the bureau may pause before approving more entrants.

Whether Ho is more acceptable than he was in Sydney in 1986 will be apparent soon in the probity check by the Victorian gaming commission, and in whom Singapore invites to a formal round of bidding, if it goes ahead with casino plans.

In Kuala Lumpur, Edward Ong, an analyst with Macquarie Research, has watched the Singapore process carefully, partly because of a proposal by Malaysia's Genting casino. Asked if there would be any amber lights flashing at the name Stanley Ho, Ong pauses.

"I reckon that the Singapore Government would have done its own homework, and given that the casino will be built on Singapore soil, they would have the ability to pass legislation to enforce what they wanted," he says.

"Therefore I would suggest that while it is ideal to have people who pass the fit and proper test by the highest standards, perhaps the people backing the casino need not be as important as the systems that have to be implemented. It could be just the financial backing at the end of the day."

Exhibit 5
To Statement Regarding
The Proposed MGM Grand
Macau
Submitted on Behalf of
Winnie Ho Yeun Ki

Return to the referring page.

Las Vegas SUN

August 19, 2005

Ho, MGM Mirage deal should pass regulators

By Richard N. Velotta <velotta@lasvegassun.com>
LAS VEGAS SUN

When Macau opened up its casino market to foreign investors, no one would have guessed that a Nevada casino operator would end up dealing with casino kingpin Stanley Ho, whose casinos were regarded as a snakepit teeming with violent Chinese organized crime figures and brazen loan sharks and prostitutes.

Three years later, the state's biggest casino operator is partnering with Ho's daughter after buying rights to build a casino from Ho himself.

Most gaming industry leaders and observers expect MGM Mirage's partnership with Pansy Ho, daughter of Asia's leading casino mogul, to stand up to Nevada's regulatory scrutiny.

Experts say the deal between the Las Vegas-based casino company and Pansy Ho would be looked upon favorably because regulators have been assured that Stanley Ho would not be associated with the venture.

In an interview with the Sun, Pansy Ho said the ventures she oversees in Macau involve tourism enterprises associated with the city's casinos -- boat transportation, the area's only golf course, the city's primary convention center, the municipal airport and the Macau Tower tourist attraction among them.

Pansy Ho is managing director of Shun Tak Holdings Ltd., an umbrella company for several tourism enterprises, but Shun Tak is not associated with the MGM Mirage deal.

"I really don't have that much experience with gaming because my company works primarily in transportation, food and beverage and entertainment," she said.

Pansy Ho was in Las Vegas last week with a contingent of tourism and government leaders from Macau to introduce Las Vegas to some of the special administrative region's cultural highlights.

Pansy has been designated as the heir of her 84-year-old father's empire. Hong Kong media have tagged her as a party girl-turned-serious businesswoman who has a business degree from the University of Santa Clara in California. She says the "party girl" label is a misconception; she says she organizes parties as part of her responsibilities with Shun Tak, but she's not a participant.

While her father's company is acknowledged as the largest fish in the Asian gaming pond, Pansy said her father has no role in the partnership with MGM Mirage.

Stanley Ho's Sociedade de Jogos de Macau -- known in the region as SJM -- controls 80 percent of Macau's five-star hotel rooms and includes the largest casino in the city, the Lisboa, and one of the newest properties, the Casino New Century-Greek Mythology on the island of Taipa.

Ho continues to hold a tight grip on the high-roller action of Macau, but some critics say his casinos allow interaction with organized crime figures -- an allegation boosters of the region say is part of Macau's notorious past.

Ho held a 40-year monopoly on gaming in Macau, but that changed in 1999 when the city became a special administrative region that, like Hong Kong, was turned over to Chinese control. The new government in 2003 granted three gaming concessions, one to Ho, one to Wynn Resorts Ltd. and one to a partnership that included Las Vegas Sands Inc.

Although MGM Mirage was shut out of the initial list of concessionaires, Nevada's biggest operator able to enter the market through a subconcession from Ho to MGM Grand Paradise Ltd., a 50-50 partnership between Ho's eldest daughter and the Las Vegas company.

MGM Mirage put $180 million in equity into the deal while Pansy Ho put $80 million into it. MGM Mirage also has the responsibility to deliver a $100 million interest-bearing loan to the partnership.

Third-party financing is being sought to fund the remaining costs of the project, which is expected to open in late 2007.

MGM Mirage has not disclosed how much was paid to Stanley Ho for the subconcession, but Hong Kong media reports said it was about $200 million.

Terry Lanni, chief executive of MGM Mirage, said the MGM Grand Macau project, which broke ground in June is now pegged to cost $1 billion after initially being projected at $975 million.

He said while Pansy Ho is not a key figure in her father's casino empire that she understands the business and probably was being modest in her role.

"She's extremely bright and has a great deal of experience with various travel and tourism operations," Lanni said. "She may not have a direct background in gaming, but she'll learn from our people more about some of the vagaries of the industry. She'll be very involved and will have a significant role. She was tremendously valuable in selecting an architect and a contractor for our project there. She's the managing director, but decisions are made jointly."

Lanni said he can understand how Pansy can keep her distance from her father.

"I have a number of friends in a variety of businesses who don't want their children involved in their industry for a number of reasons," Lanni said. "I can attest to the fact that she is rather unfamiliar with some of the specifics of the gaming industry. But she has a number of other strengths."

Marc Falcone, a Deutsche Bank gaming analyst who has watched American casino companies emerge as competition has unfolded in Macau, said MGM Mirage executives have been very diligent in making sure Nevada regulators are apprised of their dealings with Pansy Ho and her role in the venture.

"She has a strong reputation as an intelligent business woman and that's most important to her participation with the joint venture," Falcone said. "She's been the managing director, but she doesn't directly handle the day-to-day operation.

"All the Nevada operators (in Macau) have been very diligent about working within the Nevada regulatory environment to remain in compliance with their licensing," Falcone said. "MGM doesn't view her as a liability."

Dennis Neilander, chairman of the state Gaming Control Board, said investigators are still gathering information about Pansy Ho and her association with MGM Mirage and that it would be premature for him to comment directly on her role.

Neilander said foreign operators don't have to be licensed to engage in partnerships with local casinos abroad. Only one state -- Mississippi -- requires board approval on such deals and it has endorsed MGM Mirage's association with Pansy Ho.

Neilander explained that the board would evaluate investigative findings to determine if Pansy Ho is a suitable partner for MGM Mirage. State regulators could ask her to file a detailed application if board members can't reconcile specific issues.

There's no timeline in place for the board to consider Pansy Ho's suitability.

A frequent critic of the casino industry says he thinks regulators shouldn't try to delve into the Ho family's history of associations.

Bill Thompson, a professor of public administration at the University of Nevada, Las Vegas, and a frequent critic of the industry, said gaming regulators would find themselves in "a quagmire" if they sought out all of Stanley Ho's associations.

Instead, he would hope that investigators would focus primarily on Pansy Ho's record.

"They should say, 'OK, we're monitoring things from this day forward,' and not try to scrape the barrel for all these associations," Thompson said.

Thompson said Stanley Ho has been a successful operator and a supporter of the region's culture and charitable causes. He said he was able to build his empire by making numerous contacts in China and noted that Wynn and Las Vegas Sands may also need to reach into China for future partnerships.

Stanley Ho has denied any connection to organized crime in the region. But his estranged sister, Winnie Ho, vows that her brother has associated with criminals involved in loan sharking, prostitution and illegal gambling.

An executive with one of MGM Mirage's rivals in the Macau market, Las Vegas Sands President Bill Weidner, has been quoted in local media as saying that his company wouldn't partner with Stanley or Pansy Ho. And he said he believes that the father controls his daughter's businesses.

Asked about his opinion, Weidner chose not to comment.

Pansy Ho said many things changed in Macau when the area was turned over to Chinese control.

Edmund Ho -- a former banker who is no relation to Stanley or Pansy -- became chief executive of Macau and vowed to make the control of crime a priority.

Pansy Ho said the Chinese government had a greater ability to enforce the law than the Portuguese administrators who were formerly in place, even stationing 1,000 troops in Macau to get tough with gangsters known as the "Triad."

The government convicted and executed some of the gangsters and, just before the handover to the Chinese, authorities "caught the most troublesome guy."

Wan Kuok-koi, known in the region as "Broken Tooth," was given a 15-year sentence in November 1999 after a trial that Pansy Ho said was a turning point for the gaming industry because it signaled a tougher regulatory environment.

Lanni also applauded Edmund Ho's emergence as an effective administrator and said the environment in Macau has some interesting parallels to Las Vegas' notorious past.

"Ben Siegel was a handsome guy that was one of the founding fathers of the industry as we know it today," Lanni said. "But over time, people like Grant Sawyer, Harry Reid, Howard Hughes and many others helped turn it into a very legitimate business with significant background checks and regulatory safeguards.

"Our history has a lot in common with theirs."

Return to the referring page.
Las Vegas SUN main page

Questions or problems? Click here.

All contents copyright 2005 Las Vegas SUN, Inc.

Exhibit 6
To Statement Regarding
The Proposed MGM Grand
Macau
Submitted on Behalf of
Winnie Ho Yeun Ki

Newsp

Newspaper South China | Date 22-

22-8-06 A1

Albert Ho says attack sparked by legal work

Police also looking at lawmaker's personal life and Legco role in search for motive

Norma Connolly, Jimmy Cheung, and Donald Asprey

Democratic Party legislator Albert Ho Chun-yan believes the brutal attack on him was more likely provoked by his work as a lawyer than his role as a legislator, party chairman Lee Wing-tat said yesterday.

Police, however, said they were looking into Mr Ho's legislative and legal work and his personal life to try to find a motive behind the bashing.

Mr Ho, 55, remained in stable condition yesterday in Queen Mary Hospital, where he was being treated for a broken nose and eye and head injuries. He was visited throughout the day by fellow legislators and government figures.

The Democratic Party vice-chairman was attacked by three wooden baton wielding men in their 20s in a McDonald's restaurant in Queen's Road Central on Sunday afternoon, while a fourth man was believed to have been keeping watch outside.

Speaking after visiting his battered colleague yesterday, Mr Lee said Mr Ho's sight was blurred and he was unable to open his right eye. He was to undergo more tests with an ophthalmologist.

"His nose is badly broken and may need an operation. He also finds it difficult to talk but there is no serious damage to the skull and he is alert and full of energy," Mr Lee said.

Revealing Mr Ho's belief that the attack may have been sparked by his legal work, Mr Lee said: "Albert and his firm have a reputation for taking cases that others do not dare [to touch]. We don't want to speculate but one case stands out in that the previous lawyer was also attacked.

"He is in good spirits. He said he would not bow to pressure and vows to continue with his work as normal at both his law firm and the Legislative Council."

Chief Inspector Alice Lee Nga-lai of the Hong Kong Island Regional Crime Unit, who is heading the case, said the investigation was proceeding on several fronts.

"We are focusing on investigating the political activities of Mr Ho, party affairs, perhaps the business dealings involving his solicitor's office as well as his personal affairs."

Police will revisit the scene on Sunday to try to find more witnesses who frequent the area on Sundays.

Chief Executive Donald Tsang Yam-kuen joined the chorus of condemnation of the attack, saying it was a challenge to Hong Kong's political system and law and order.

"I don't care how much time it takes and how far the criminals have escaped. Be it to the end of the world, we will hunt them down and brin them to justice," he said.

Speaking after visiting Mr Ho Secretary for Justice Wong Yan-lun said Hong Kong had zero tolerance for such violence, and praised Mr H for his courage in taking up thorn legal cases.

Police said Mr Ho had not report ed any threats or intimidation t police prior to the attack.

However, in May a group of in digenous villagers, outraged at th legislator's stance on rural housin policies, warned he would "see hi own coffin" and in a letter addresse to him said: "If you mess with us, w will definitely mess with you."

He also represents Winnie H Yuen-ki, sister of Macau casino mo gul Stanley Ho Hung-sun in an on going legal battle between the es tranged siblings. A lawyer workin on the case was previously attacke and suffered head injuries.

Police are appealing for witnesse to call on any of the three hotline 28607885, 28607886 and 28607848.

Lawmakers condemn attack – A3
Editorial, Ming's view – A10

HO'S YEAR OF CONTROVERSY

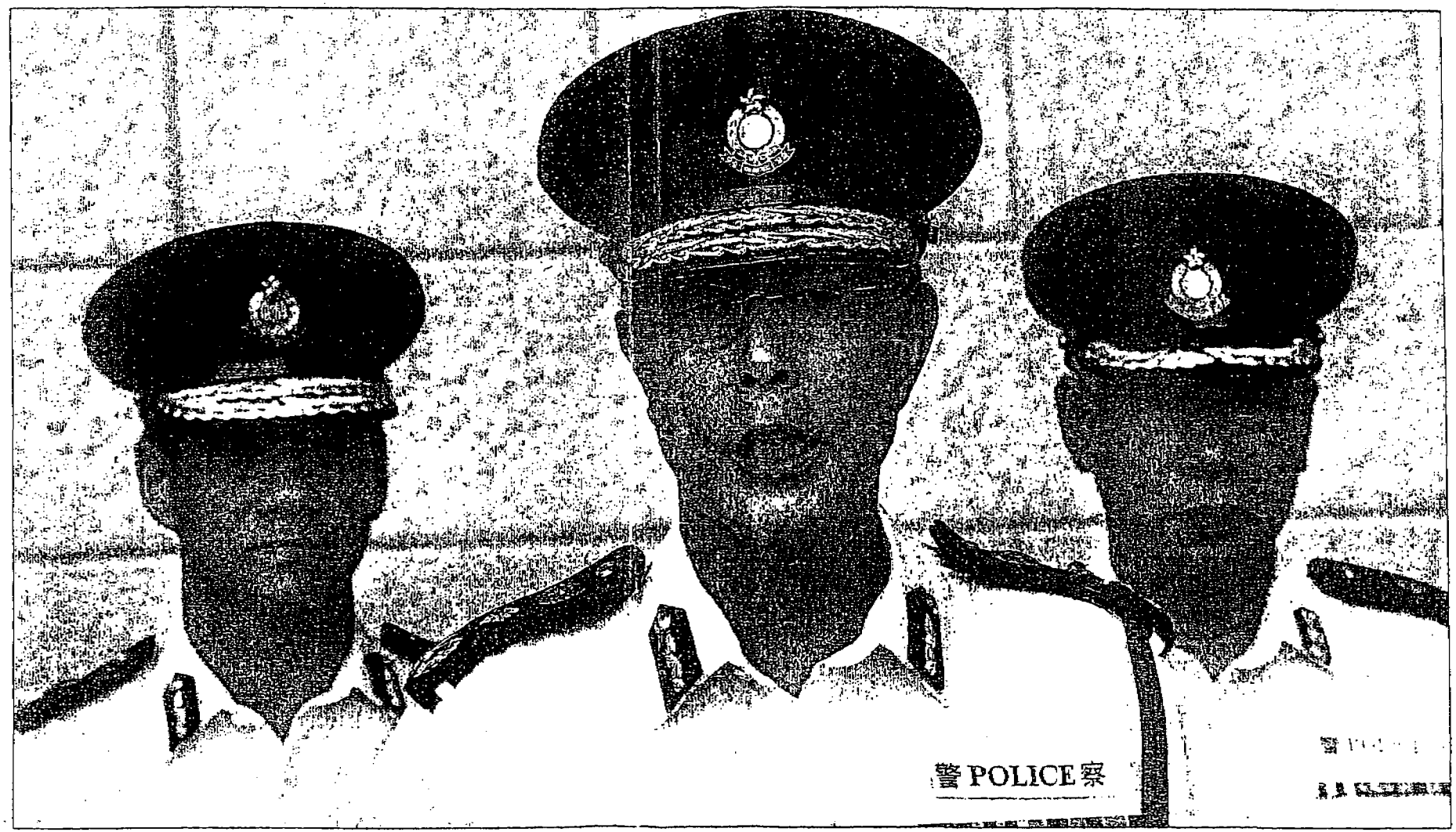
February Starts a weekly 24-hour hunger strike to support mainland lawyer Gao Zhisheng (left), who had his business licence withdrawn for representing residents forcibly evicted.

May Questions small-house policy enshrined in the Basic Law, which says traditional rights for indigenous villagers should be maintained.

Indigenous villagers in New Territories Secretary confront Mr Ho in Legco but he declines to apologise. He was punched on the shoulder in his district office in Tuen Mun in June.

May Represents the Moon Valley Foundation, controlled by Winnie Ho Yuen-ki, sister of Macau casino mogul Stanley Ho Hung-sun to challenge the legitimacy of a Sociedade de Turismo e Diversões de Macau shareholders' meeting on March, which approved splitting its assets of Sociedade de Jogos de Macau (SJM) to an HK company.

August Plans to go to Diaoyu Islands to declare them under Chinese sovereignty. The trip is suspended.



Dick Lee (centre), with his deputy Tang King-shing (left) and director of operations Peter Yam Tat-wing, speaks after meeting lawmakers in an hour-long meeting yesterday. Photo: Robert Ng

Police chief vows to personally probe threats to public figures

Full Text (427 words)

Copyright South China Morning Post Ltd. Aug 23, 2006

Police chief Dick Lee Ming-kwai pledged yesterday to look personally at all cases of intimidation and vandalism directed at public figures in the wake of the brutal attack on Democratic Party lawmaker Albert Ho Chun-yan.

"I guarantee I will personally look at all these cases, be they minor or serious cases. Regional commanders will also keep an eye on them," Mr Lee said.

His comments follow criticism the force has not taken complaints seriously enough in the past.

Speaking after an hour-long meeting with eight lawmakers, the commissioner also would not rule out seeking help from overseas law enforcement agencies in bringing Mr Ho's attackers to justice.

Mr Lee said police were looking into every possibility before narrowing down the investigation area.

"The Hong Kong Police Force has a close partnering relationship with its overseas counterparts and intelligence units," he said. "If there's such a need, we can make our arrests via our network."

He reiterated the investigation would take into account Mr Ho's political activities, his involvement in the Democratic Party, his legal work and personal affairs.

Mr Lee also called on lawmakers to report to police any intimidation and vandalism directed at them or their offices. "There have been cases in which letters with threatening items were sent to district councillors and legislators in the past. I reiterate this is a criminal offence. If there is sufficient evidence, we will bring the offenders to justice," he said.

Mr Lee also said police could provide professional advice to lawmakers on how to strengthen their security.

Police figures revealed that only three out of 18 cases concerning intimidation of 10 lawmakers in the past three years had been solved.

"It is not an individual incident," Civic Party leader Audrey Eu Yuet-mee said, referring to the attack on Mr Ho. "It's not an incident that only concerns the pro-democracy camp. It also concerns other people in public office, Hong Kong's security and rule of law."

Ms Eu said while she was glad to learn Mr Lee was committed to taking the cases seriously, she said some lawmakers who had reported intimidation and vandalism in the past had been given the impression that the cases were minor and a waste of public resources.

Democratic Party chairman Lee Wing-tat said it was not the first time legislators had been attacked.

"There have been numerous of attacks on public figures but the number of those being caught is relatively low," he said. "We don't want to give a wrong message to the community that criminals who attack public figures can escape."

A source close to the Labour Department said the government was working hard to draft an acceptable proposal and critical to that would be developing a pledge employers would be obliged to follow.

"[It could be] similar to the outsourcing system, where points are deducted from a contractor's profile upon breaking of rules, which can result in the company being barred from bidding for government projects," the source said.

Deputy chairman of the Federation of Hong Kong Industries Lau Chin-ho, an employer representative on the board, said a fine or reduced access to some government services was being considered to punish firms not following the pledge. "If offending companies are ... offered less privileges or priorities when they subscribe to the services of the Labour Department, would you call it a punishment?" he asked.

Police chief vows probe threats to l

After Albert Ho attack, Dick Lee says he won't rule out help

Dikky Sinn and Jimmy Cheung

Police chief Dick Lee Ming-kwai pledged yesterday to look personally at all cases of intimidation and vandalism directed at public figures in the wake of the brutal attack on Democratic Party lawmaker Albert Ho Chun-yan.

"I guarantee I will personally look at all these cases, be they minor or serious cases. Regional commanders will also keep an eye on them," Mr Lee said.

His comments follow criticism the force has not taken complaints seriously enough in the past.

Speaking after an hour-long meeting with eight lawmakers, the commissioner also would not rule out seeking help from overseas law enforcement agencies in bringing Mr Ho's attackers to justice.

Mr Lee said police were looking into every possibility before narrowing down the investigation area.

"The Hong Kong Police Force has a close partnering relationship with its overseas counterparts and intelligence units," he said. "If there's such a need, we can make our arrests via our network."

He reiterated the investigation would take into account Mr Ho's political activities, his involvement in the Democratic Party, his legal work and personal affairs.

Mr Lee also called on lawmakers to report to police any intimidation and vandalism directed at them or their offices. "There have been cases in which letters with threatening items were sent to district councillors and legislators in the past. I reiterate this is a criminal offence. If there is sufficient evidence, we will bring the offenders to justic said.

Mr Lee also said police provide professional advice t makers on how to strengthen security.

Police figures revealed that three out of 18 cases concernin timidation of 10 lawmakers i past three years had been solv

"It is not an individual incid

No place for violence, says casino tycoon

Martin Wong

Macau casino mogul Stanley Ho Hung-sun, asked to comment last night on the attack on Albert Ho Chun-yan, said he did not want to see such violent acts taking place.

Speaking at his Hong Kong headquarters in the Shun Tak Centre, Mr Ho said he believed police would find the culprits soon.

"I do not like to see such kinds of violence happening in Hong Kong or in Macau," he said. "I am confident that the police force, under the brilliant leadership of the police commissioner, can solve the crime quickly.

"I know over half of the 60 lawmakers pretty well. But for this one, sorry, I don't know him. I have not even shaken hands with him and therefore I don't have any criticism [against him] either."

Stanley Ho: police hope

The casino mogul is involved in one of the controversial lawsuits being handled by Albert Ho.

The Democrat legislator and lawyer is representing the Moon Valley Foundation, controlled by Stanley Ho's sister, Winnie Ho Yuen-ki, in its challenge to the legitimacy of a planned HK$15 billion initial public offering of Mr Ho's gaming flagship Sociedade de Jogos de Macau (SJM).

The foundation questioned the legitimacy of a SJM shareholders' meeting in March that approved spinning off assets to a Hong Kong company.

In a statement last night, Winnie Ho said she admired Albert Ho's virtue and professionalism in not bowing to pressure.

"I believe that all Hong Kong people will pray for Mr Ho, wishing him a quick recovery so that he can serve others again," she said.

A similar statement, condemning the attack and offering condolences to Albert Ho, was also released by Ms Ho on Sunday, the night of the assault.

Asked about the lawsuit, Stanley Ho said he did not think Albert Ho had a chance of winning.

South China 23-8-06 A1

Bashed Democrat gives account of Sunday's attack and the legal cases that may have triggered it

I will not bow to triads, says defiant Albert Ho

Albert Ho, accompanied by Democratic Party colleagues Lee Wing-tat and Fred Li Wah-ming, meets the media yesterday. Photo: Robert Ng

Jikky Sinn and Donald Asprey

Battered Democratic Party legislator Albert Ho Chun-yan pledged yesterday not to shy away from his legal work involving triad members, which he believes is behind Sunday's brutal attack on him.

Speaking publicly for the first time since the attack, Mr Ho said he would not bow to violence and would resume his duties as a lawyer and legislator without fear after his recovery.

"I'm well aware of the risk arising from my work," he said. "But as I've chosen to be a lawmaker and lawyer handling these cases, I will not be scared off, because by being scared and bowing to violence, I would end up giving up all the things I believe are worthwhile.

"I reiterate, I will not yield to violence. I will not bow to triad societies."

Mr Ho said he had not received any threats before the attack but he had handled cases involving land disputes in the New Territories and debt-collection that "jeopardise the interests of certain triad societies or certain people who are using their own means to make money unlawfully and illegally".

He had also taken over cases [illegible] jected to violence and severely injured.

Mr Ho said he had already passed to police details of cases involving triads that he had handled in the past six to 12 months.

"I will not rule out any possibility that any of these cases might be the cause of this attack. But I would not like to speculate. I leave it in the good hands of the police."

The solicitor is also representing Winnie Ho Yuen-ki, sister of Macau casino mogul Stanley Ho Hung-sun in a legal battle between the estranged siblings. A lawyer on the case was previously attacked and suffered head injuries.

Dressed in blue pyjamas and sitting in a wheelchair, Mr Ho appeared in good spirits as he gave his account of the bashing.

The Democratic Party vice-chairman was attacked by three baton-wielding men in their 20s after he stopped at a McDonald's restaurant in Queen's Road Central on Sunday afternoon after a protest march against the proposed goods and services tax. A fourth man was believed to have been keeping watch outside.

"Suddenly and very quickly, someone grabbed my arms from the back, then hit me very hard on [illegible]

"Two people then held me on the ground and hit my head with clubs, and broke my nose and mouth. It took one to two minutes. If it had lasted longer, I don't know what would have happened to me."

Mr Ho has had laser surgery to repair a detached retina and will have another operation on his broken nose in a few days.

He expressed gratitude to a McDonald's staff member who offered him first aid after the attack.

"She immediately came to me and tried to comfort me with ice and tried to stop the bleeding from my mouth and nose. She's indeed very brave and very kind," he said, adding that he would send the woman a basket of fruit in thanks.

Mr Ho called on anyone who had seen the attack to assist the [illegible] not require any special police protection. "Unless I'm protected like a state leader, you can protect me this month, but not the next."

Police Commissioner Dick Lee Ming-kwai said the investigation was progressing well. Police had collected evidence at the scene, interviewed some witnesses and conducted a fingerprint examination and DNA profiling.

Meanwhile, "Bus Uncle" Roger Chan Yuet-tung – who shot to fame when he was filmed lecturing a young man on a bus – unsuccessfully tried to visit Mr Ho, who was resting in bed at the time.

Describing the attack as shocking, he complained: "Hong Kong has turned into a violent city."

Pledge by police chief – A3

Copyright South China Morning Post Ltd. Aug 23, 2006

Battered Democratic Party legislator Albert Ho Chun-yan pledged yesterday not to shy away from his legal work involving triad members, which he believes is behind Sunday's brutal attack on him.

Speaking publicly for the first time since the attack, Mr Ho said he would not bow to violence and would resume his duties as a lawyer and legislator without fear after his recovery.

"I'm well aware of the risk arising from my work," he said. "But as I've chosen to be a lawmaker and lawyer handling these cases, I will not be scared off, because by being scared and bowing to violence, I would end up giving up all the things I believe are worthwhile.

"I reiterate, I will not yield to violence, I will not bow to triad societies."

Mr Ho said he had not received any threats before the attack but he had handled cases involving land disputes in the New Territories and debt-collection that "jeopardise the interests of certain triad societies or certain people who are using their own means to make money unlawfully and illegally".

He had also taken over cases from lawyers who had been subjected to violence and severely injured.

Mr Ho said he had already passed to police details of cases involving triads that he had handled in the past six to 12 months.

"I will not rule out any possibility that any of these cases might be the cause of this attack. But I would not like to speculate. I leave it in the good hands of the police."

The solicitor is also representing Winnie Ho Yuen-ki, sister of Macau casino mogul Stanley Ho Hung-sun in a legal battle between the estranged siblings. A lawyer on the case was previously attacked and suffered head injuries.

Dressed in blue pyjamas and sitting in a wheelchair, Mr Ho appeared in good spirits as he gave his account of the bashing.

The Democratic Party vice-chairman was attacked by three baton- wielding men in their 20s after he stopped at a McDonald's restaurant in Queen's Road Central on Sunday afternoon after a protest march against the proposed goods and services tax. A fourth man was believed to have been keeping watch outside.

"Suddenly and very quickly, someone grabbed my arms from the back, then hit me very hard on the back of the head," he said. "Two people then held me on the ground and hit my head with clubs, and broke my nose and mouth. It took one to two minutes. If it had lasted longer, I don't know what would have happened to me."

Mr Ho has had laser surgery to repair a detached retina and will have another operation on his broken nose in a few days.

He expressed gratitude to a McDonald's staff member who offered him first aid after the attack.

"She immediately came to me and tried to comfort me with ice and tried to stop the bleeding from my mouth and nose. She's indeed very brave and very kind," he said, adding that he would send the woman a basket of fruit in thanks.

Mr Ho called on anyone who had seen the attack to assist the police investigation. He said he did not require any special police protection. "Unless I'm protected like a state leader, you can protect me this month, but not the next."

Police Commissioner Dick Lee Ming-kwai said the investigation was progressing well. Police had collected evidence at the scene, interviewed some witnesses and conducted a fingerprint examination and DNA profiling.

Meanwhile, "Bus Uncle" Roger Chan Yuet-tung - who shot to fame when he was filmed lecturing a young man on a bus - unsuccessfully tried to visit Mr Ho, who was resting in bed at the time.

Describing the attack as shocking, he complained: "Hong Kong has turned into a violent city."

Pledge by police chief - A3

Harry's view - A10

Copyright © 2007 ProQuest Information and Learning Company. All rights reserved. Terms and Conditions

Text-only interface

The Standard | Metro
M1
Tuesday, August 22, 2006 The Standard

I'll never be cowed, promises Albert Ho

Albert Ho remains in stable condition in hospital with severe bruises to his face. Chief inspector Alice Lee, inset, says police are following several leads.

Michael Ng

Democratic Party vice chairman Albert Ho Chun-yan, who was injured in a brutal attack by three baseball wielding thugs in Central Sunday, vowed he would not be intimidated and would return to his legislative and solicitor's duties after he has recovered.

Chief Executive Donald Tsang Yam-kuen Monday expressed outrage at the assault, pledging the police would go all out to track down the assailants "no matter how long it takes."

Ho, who suffered a broken nose and severe bruising to his face and body after he was set upon inside a McDonald's restaurant on Queen's Road Central, remained in Queen Mary Hospital in a stable condition Monday.

Democratic Party chairman Lee Wing-tat, who visited Ho Monday, conveyed Ho's appreciation for the public's concern over the attack.

Lee said Ho was adapt to backdown

"He strongly condemned such an act of violence, saying it was completely intolerable in a civilized society like Hong Kong that lived by the rule of law," he said.

Lee said the assault could have been related to Ho's work as a solicitor rather than being politically motivated, but he refused to speculate on the motives.

He hoped the culprits could be arrested as soon as possible to restore public confidence in Hong Kong's security.

But just 24 hours after the attack on Ho, staff at radical legislator Leung Kwok-hung's office Monday received an intimidating letter concerning Leung's recent appeal against the covert surveillance law bill and containing a razor. Leung is at present on a trip to Europe. The matter was reported to police.

Tsang, who visited Ho in hospital late Sunday, said he shared the public's anger over the assault.

"I don't care how long it takes, or

Secretary for Security Ambrose Lee Siu-kwong, who also visited Ho, condemned the attack, saying police would not tolerate such brutal acts.

Secretary for Justice Wong Yan-lung described Ho as a person who always strived for justice and believed the assault would not deter him from continuing his role as a solicitor.

The Law Society of Hong Kong and the Hong Kong Bar Association expressed shock over the assault, saying if it was proved the attack had arisen from Ho's professional involvement in legal disputes, it would constitute a serious threat to the rule of law in Hong Kong.

A witness to the assault, Democratic Party central committee member Howard Lam Chi-kin, told *Sing Tao Daily*, the sister publication of *The Standard*, Monday he was so stunned by the attack that he could not take any action to stop the assailants.

"My mind just went blank during

wedding ring even after he was badly injured.

Lam said there was at least one journalist at the scene, who he hoped could provide information to police.

Alice Lee Nga-lai, chief inspector of the police regional crime unit of Hong Kong Island division, said that investigations were following several leads, including Ho's political activities, party affairs, business dealings through his solicitor's office and his private affairs.

Lee confirmed that Ho had not complained to police about having been threatened, but refused to disclose whether police had retrieved tape recordings on the CCTV system near McDonald's, or whether they would boost protection for Ho and other legislators who had received threats.

Legislators from various political fronts held a joint press conference Monday to condemn the attack and urged police to act swiftly.

Ming-kwai to discuss their concern over the case. Unionist lawmaker Lee Cheuk-yan said if the police failed to make any quick arrest in the case, it would undermine public confidence in the territory's security.

Liberal Party vice chairwoman Selina Chow Liang Shuk-yee deplored the attack, saying assaults on public figures would never be tolerated in Hong Kong

Newspaper clippings

Newspaper South China	Date 22-8-06	Remarks A3 p.2/2

Lawmakers condemn attack and demand police address threats

ny Cheung
Norma Connolly

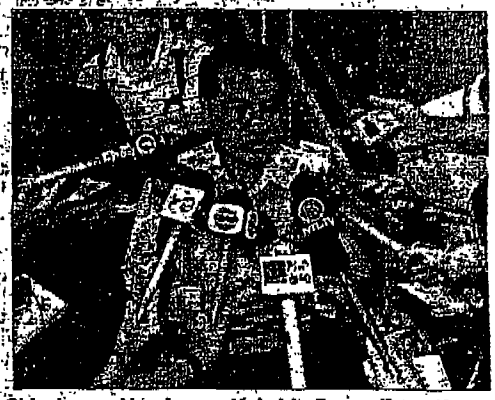
Lawmakers from different parties joined forces yesterday to condemn the attack on Democrat Albert Ho Chun-yan and demanded that the police take intimidation and vandalism cases involving public figures more seriously.

They said failure to arrest anyone in most previous cases had damaged public confidence and affected Hong Kong's international image as a safe city.

"It's a blatant challenge to the strong governance of the Tsang administration. It is like Shanghai in the 40s when everything was controlled by triads," said independent legislator Albert Chan Wai-yip.

They plan to meet police chief Dick Lee Ming-kwai to impress upon him the need to bring the attackers to justice.

While some Legco members said protection for individual members would be difficult, others said the Legislative Council should discuss whether more security measures were needed.



Emily Lau Wai-hing, Mandy Tam Heung-man, Fernando Cheung Chiu-hung, Alan Leong Kah-kit, Ronny Tong Ka-wah, Audrey Eu (left) and Lee Wing-tat (right) visit Mr Ho in hospital to voice their sympathy. Photos: Robert Ng

At a hastily arranged press conference following the attack on Mr Ho, the Civic Party, The Frontier, The Alliance, the Democratic Party and its independent allies hit out at the use of violence against public figures.

The Liberal Party and the Democratic Alliance for the Betterment and Progress of Hong Kong were supportive of the joint action, but did not send anyone to attend, according to members at the press conference.

Civic Party leader Audrey Eu Yuet-mee said police had not taken reports of threats and vandalism seriously, saying this would encourage more attacks.

"Police just say you are in politics and therefore you have to take this kind of risk," she said.

Patrick Lau Sau-shing, of The Alliance, was upset by suggestions that the attack might be related t Mr Ho's business as a solicitor.

"Mr Ho is a lawyer and a cham pion of justice," he said. "I am sad dened that a professional like hin has been beaten up like that."

He suggested Legco member study the need for tighter security.

The Law Society said in a state ment it was gravely concerned tha if the assault was motivated by M Ho's work as a solicitor, the inciden would "constitute a serious threa to the rule of law in Hong Kong".

"Lawyers must be able to repre sent their clients without fear fo their personal safety. The unlawfu use of force and violence is repre hensible," it said, adding that i urged the police to "spare no effor in bringing the attackers to justice"

The chairman of the Bar Associ ation, Philip Dykes, said the associ ation deplored the attack on Mr Ho

He said the association would b "very shocked" if it were establishe that the attack was related to M Ho's work as a lawyer.

CUTTER BLADE FOUND IN LETTER TO 'LONG HAIR'

A letter with a cutter blade was found at the Central office of April Fifth Action Group legislator "Long Hair" Leung Kwok-hung yesterday, a day after the attack on Democrat lawmaker Albert Ho Chun-yan.

Mr Leung is out of town on holiday but his staff reported the case to the police. Earlier this month, Civic Party legislator Audrey Eu Yuet-mee received a death threat along with a cutter blade in a letter a day after the controversial covert surveillance bill was passed.

Keith Au Kwok-kuen, assistant to Mr Leung, said the letter warned Mr Leung that if he did not commit suicide within three days of receiving the letter, he would be tracked down at the Legislative Council.

It was postmarked July 18 but Mr Au said it became lost in piles of letters and he only opened it yesterday.

"Around 3pm I opened the letter and found a cutter blade attached," he said.

Mr Au said he was unable to reach Mr Leung, who is in Eastern Europe, and is expected back on September 7. *Rayna Shamdasani*

Newspaper clippings

Newspaper South China	Date 22-8-06	Remarks A1C P 1/2

Violent forces must not be allowed to prevail

The savage attack on legislator Albert Ho Chun-yan on Sunday struck at the heart of Hong Kong's claim to be a civilised and law-abiding society. What made the crime so frightening was that the violence was inflicted on a public figure inside a crowded fast-food restaurant in Central before the eyes of scores of customers. Whoever masterminded the attack obviously aimed to maximise its shock impact on the public. The message could not be clearer: those who dare to offend as Mr Ho has apparently done would have no way of escaping the punishment meted out to him.

Debunking the effectiveness of such a message must now be the priority of the police, if Hong Kong wants to reclaim its image as a safe and peace-loving society. This city must not allow anyone, whatever his motive, to use violence as a means of warning off his enemies, opponents or critics. If such a vicious attack can be made against a lawmaker in the open, one shudders to think what terrible things the underworld could do to ordinary citizens in the back alleys.

As a lawyer, Mr Ho has a track record of taking on sensitive cases that other lawyers shun. As a politician, he has spoken out against injustices in Hong Kong and on the mainland. It is possible that some of the powerful interests whose feathers he has ruffled may be tempted to teach him a lesson. That such a thought has been translated into action by at least one party is worrying. Even more disconcerting is the prospect of the crime remaining unsolved.

While Hong Kong is not a city riddled with crime and the streets are generally safe, the regrettable truth is that violence against public figures is not uncommon and the police force's record of solving such attacks has been abysmal. In 1998, outspoken talk-show host Albert Cheng King-hon was ambushed outside the radio station where he worked. In 1996, veteran journalist Leung Tin-wai was attacked inside his office by hitmen who posed as visitors. Both suffered serious injuries and the cases sparked widespread outrage in the community. Despite rewards offered by the police for leads, the culprits remain at large. Over the years, other politicians have also been roughed up in various ways, but their attackers have rarely been caught.

Trying to apprehend the thugs who battered Mr Ho will be no less difficult. Although the attack took place in a public venue, it came very suddenly. The victims were so stunned that it would not be easy for them to identify their attackers. So were other diners inside the fast-food restaurant.

Speaking through his colleagues, Mr Ho yesterday vowed not to bend to the forces of evil. That is what we expect of a legislator who has not shied away from controversies and pressures. Still, we must not underestimate Mr Ho's courage in saying these words. Anybody who has been similarly victimised may conclude that the safest course of action for him and his family would be to do as his enemies want – stop his actions against them and keep quiet. It would be unfortunate, but understandable, if Mr Ho were to do that, as success for his attackers would encourage them to use the same tactics against others. Only Mr Ho is in the best position to know who might have instigated the attack on him.

So far, the motive behind the attack remains unknown, and it would not be proper to speculate on its probable causes. However, a disturbing development in recent years is that violence has increasingly been used against those caught up in commercial and political disputes. It is a trend that must not be permitted to spread and become entrenched in Hong Kong.

Chief Executive Donald Tsang Yam-kuen has rightly said that the police would spare no effort to catch those responsible for attacking Mr Ho. We call on everyone who may have useful information about the case to pass it on to the police. Getting to the bottom of the matter is not just a case of delivering justice to Mr Ho, but ensuring good prevails over evil in Hong Kong.

Newspaper clippings

Newspaper South China	Date 22-8-06	Remarks A 10 P. 2/2

Highest standards have to be set for Saddam trial

An impartial and strong judiciary is a key principle underpinning a sound democracy. Iraqi authorities need to keep this firmly in mind as the second trial of former president Saddam Hussein proceeds.

Iraq's democratic foundations are shaky, if Hussein's first trial is any indicator. Disorder marked the nine months of proceedings, with Hussein constantly arguing with the five-judge panel and his legal team repeatedly walking out, necessitating court-appointed replacements. The chief judge resigned amid criticism of his handling of the case, three defence lawyers were killed and a heavy reliance was placed on evidence from anonymous witnesses.

This is not the international-standard justice promised by the country's leaders when announcing in 2004 that Iraqi courts would try Hussein. Whatever the verdict to be handed down in October may be, judicial practice has been flawed and a cornerstone of democracy jolted.

There is every reason why authorities should want otherwise. Iraq cannot put its unfortunate past behind it and move confidently forward without Hussein and others from his time in power having faced fair and transparent justice. Violence between his Muslim Sunni supporters and the Muslim Shi'ite majority is already preventing the development and freedom that Iraqis were promised through the democratic election of a government. With Hussein likely to be executed if found guilty, extremists are almost certain to heighten their struggle in the name of his martyrdom. Convincing such people of his guilt, if that is what judges determine, will be difficult. But without proper legal due process, there is no chance of making them see otherwise; they will forever see him as having been illegally ousted from power.

The crimes the former leader has been accused of are of the highest possible magnitude: genocide, war crimes and crimes against humanity. He and his co-accused are alleged to have ordered the killing of tens of thousands of people from opposing ethnic and religious groups. They are crimes that, for the sake of the best possibility of impartiality, should have been tried before foreign judges outside Iraq's borders.

Those suggestions were rejected by the country's interim leaders. Now, amid an insurgency, terrorism and associated insecurity, the best efforts must be made to ensure the new trial is conducted to the standard that has been promised.

If Iraq's leaders truly want to build a sound nation, they have to start with dealing properly with the past: by ensuring that the trials of Hussein and his former associates are conducted openly and fairly. There can be no chance of a healing process for the nation's divided religious and ethnic groups without this.

For Iraq's sake, justice has to be seen to be done – and the best opportunity comes with the trial now under way.

Thugs batter lawmaker Albert Ho

Democratic Party legislator is bashed by three baton-wielding men in a 'well planned attack' at fast-food outlet

Martin Wong

Government officials and politicians have condemned yesterday's blatant daylight attack on lawmaker Albert Ho Chun-yan, saying it was a serious incident that could not be tolerated.

The Democratic Party vice-chairman was bashed inside a McDonald's outlet in Queen's Road Central shortly after taking part in a protest march against the proposed goods and services tax.

Mr Ho, 55, and Democratic Party central committee member Howard Lam Chi-kin, 31, were seated in the fast-food restaurant at about 5.30pm when three attackers rushed in.

"Three muscular men, wearing caps and jeans, sprinted towards us," Mr Lam said.

Mr Lam was shoved aside, while Mr Ho was pushed onto the floor.

Albert Ho at yesterday's rally, during which a baseball bat was used to break a symbolic chopper.

The three men beat Mr Ho about the head and body with baseball bats and police batons, Mr Lam said. The attack lasted as long as three minutes, he said.

More than 150 customers were packed inside the restaurant when the attack took place, sending shocked and frightened diners fleeing into the street. The restaurant manager described the scene as chaotic.

The three attackers also fled during the mayhem. A broken piece of a wooden baton, about 30cm long, was later found at the scene.

During the rally, a baseball bat was used to break a cardboard chopper, symbolising the GST.

Mr Lam said the attack was obviously well planned. "They were very well organised and very prudent. They wore their caps in a way that you could not recognise their faces and they acted very fast," he said.

There was no CCTV inside the restaurant, and police are investigating whether any CCTVs nearby had captured the attackers' escape.

Mr Ho was taken to Queen Mary Hospital suffering from head, arm and facial injuries, including a broken nose.

Despite his injuries, the lawmaker waved to reporters last night as he was wheeled on a gurney from casualty to a private room, where he spent the night.

"Thanks very much for your concern. I am OK. I am OK," he said. The hospital last night listed Mr Ho's condition as stable.

Mr Lam suffered minor injuries to his head and arms while trying to help his colleague during the attack. He was discharged from Queen Mary after treatment.

Mr Ho was visited last night by Chief Executive Donald Tsang Yam-kuen and lawmakers from across the political spectrum.

Mr Tsang offered any necessary assistance to Mr Ho and his family and pledged that every effort would be made to track down the culprits.

A bruised and battered Albert Ho waves to reporters, saying "I'm OK, I'm OK", as he is wheeled to his room at Queen Mary Hospital. Photos: Martin Chan

It was the first time a Hong Kong lawmaker had been victim of such an attack, Democratic Party chairman Lee Wing-tat said after a group of party members visited Mr Ho in hospital.

Mr Lee said Mr Ho believed the attack was either related to his role as a legislator or his work as a lawyer. "Mr Ho said he would not bow to pressure and would resume his duties on both fronts after he has recovered," he added.

> "They wore their caps in a way you could not recognise their faces and they acted very fast"
>
> Howard Lam Chi-kin
> Democratic Party member

Secretary for Security Ambrose Lee Siu-kwong also condemned the attack. "Hong Kong is a peaceful and lawful society and we will not tolerate such a violent act," he said. "Police are seriously investigating the case with a view to bringing the culprits to justice."

In 1996, former radio talk show host Albert Cheng King-hon was chopped outside the Commercial Radio headquarters. His attackers have never been caught. Journalist Leung Tin-wai was also severely injured in a chopping attack in 1996.

Police have urged anyone with information about the attack on Mr Ho to call 2860 7885 or 2860 7806.

Full Text (567 words)

Copyright South China Morning Post Ltd. Aug 21, 2006

Government officials and politicians have condemned yesterday's blatant daylight attack on lawmaker Albert Ho Chun-yan, saying it was a serious incident that could not be tolerated.

The Democratic Party vice-chairman was bashed inside a McDonald's outlet in Queen's Road Central shortly after taking part in a protest march against the proposed goods and services tax.

"Three muscular men, wearing caps and jeans, sprinted towards us," Mr Lam said.

Mr Lam was shoved aside, while Mr Ho was pushed onto the floor.

The three men beat Mr Ho about the head and body with baseball bats and police batons, Mr Lam said. The attack lasted as long as three minutes, he said.

More than 150 customers were packed inside the restaurant when the attack took place, sending shocked and frightened diners fleeing into the street. The restaurant manager described the scene as chaotic.

The three attackers also fled during the mayhem. A broken piece of a wooden baton, about 30cm long, was later found at the scene.

During the rally, a baseball bat was used to break a cardboard chopper, symbolising the GST.

Mr Lam said the attack was obviously well planned. "They were very well organised and very prudent. They wore their caps in a way that you could not recognise their faces and they acted very fast," he said.

There was no CCTV inside the restaurant, and police are investigating whether any CCTVs nearby had captured the attackers' escape.

Mr Ho was taken to Queen Mary Hospital suffering from head, arm and facial injuries, including a broken nose.

Despite his injuries, the lawmaker waved to reporters last night as he was wheeled on a gurney from casualty to a private room, where he spent the night.

"Thanks very much for your concern. I am OK. I am OK," he said. The hospital last night listed Mr Ho's condition as stable.

Mr Lam suffered minor injuries to his head and arms while trying to help his colleague during the attack. He was discharged from Queen Mary after treatment.

Mr Ho was visited last night by Chief Executive Donald Tsang Yam- kuen and lawmakers from across the political spectrum.

Mr Tsang offered any necessary assistance to Mr Ho and his family and pledged that every effort would be made to track down the culprits.

It was the first time a Hong Kong lawmaker had been victim of such an attack, Democratic Party chairman Lee Wing-tat said after a group of party members visited Mr Ho in hospital.

Mr Lee said Mr Ho believed the attack was either related to his role as a legislator or his work as a lawyer. "Mr Ho said he would not bow to pressure and would resume his duties on both fronts after he has recovered," he added.

Secretary for Security Ambrose Lee Siu-kwong also condemned the attack. "Hong Kong is a peaceful and lawful society and we will not tolerate such a violent act," he said. "Police are seriously investigating the case with a view to bringing the culprits to justice."

In 1998, former radio talk show host Albert Cheng King-hon was chopped outside the Commercial Radio headquarters. His attackers have never been caught. Journalist Leung Tin-wai was also severely injured in a chopping attack in 1996.

Police have urged anyone with information about the attack on Mr Ho to call 2860 7885 or 2860 7886.

Police round on critics - A3

Copyright © 2007 ProQuest Information and Learning Company. All rights reserved. Terms and Conditions

Maximum jail for Ho attackers

The Standard Feb 13, 2007

Mastermind still at large, says judge

Leung Kwan-ping, left, and Cheung Wing-ho are taken away after both being sentenced to four years and eight months. BOBY TSUI

Jonathan Cheng

A District Court judge has jailed four men for their role in the brutal attack last summer on Democratic legislator Albert Ho Chun-yan, but added that the nature of the crime convinced him there was a "far more sinister motive than has been revealed."

The four men, including the two who swung baseball bats at Ho's head as he ate in a McDonald's in Central last August, were given four years and eight months each in jail — the maximum penalty for District Court cases, once the defendants' guilty pleas were taken into account.

"This was a cowardly, unprovoked and brutal attack by an armed gang on a prominent Hong Kong public figure," said District Court Judge Kevin Browne.

He called the attack "a deliberate affront to the rule of law" that was designed to attract publicity, humiliate and intimidate Ho.

Browne also made it clear he did not believe the defendants' alleged motive for their attack on Ho, saying he believed the true mastermind behind the attack was still on the loose, confident that the four defendants would not reveal his identity even after their arrest and conviction.

Ho, speaking just minutes after Browne delivered his verdict, said he was "satisfied" that the sentences were not light, but added he shared the judge's suspicions.

"There are still people who have not been arrested," Ho said. "I hope the police will continue to work hard on their investigation."

Ho said that, until the mastermind was arrested, he would remain a potential target for a further attack.

Ho, who is a solicitor, has represented some controversial clients in court, and sections of the media were quick last year to make a link between Ho's beating and some high-profile legal work he has been involved in which has led to clashes with powerful men such as Macau casino mogul Stanley Ho Hung-sun.

Stanley Ho has repeatedly denied the allegations, calling a link "absolutely impossible," and saying the only connection he had with the lawmaker was their surnames.

Albert Ho has not made any direct accusation, but said last year the attack was likely related to legal cases he had worked on which were against triads.

Police said Monday they respected the court's judgment, and would continue to investigate the case.

In a statement to police last week, the alleged "pay master," 44-year-old mainland migrant and former construction worker Leung Kwan-ping, said he had plotted the attack as retaliation for an alleged snub by one of Ho's secretaries last year.

Leung said he was seeking help in applying for welfare payments and public housing, and was so upset by Ho's lack of response that he paid two men HK$25,000 to attack the lawmaker — despite being in financial straits at the time.

Ho dismissed the motive, calling it "incredible" and a "joke," pointing out Leung had claimed to have trouble finding the money for food when he asked for Ho's help last year.

Leung's lawyer said last week that the defendant had managed to bankroll the operation because he suddenly came into money doing renovation work just before the attack.

But delivering his verdict Monday, Browne dismissed the story as "inherently incredible," noting significant differences in the accounts given by the four men after their arrests.

"I don't believe the conspiracy was conceived or financed by [Leung]," Browne said.

The judge then proceeded to administer the harshest sentences he was empowered to give, saying the full seven-year penalty "would not be a day too long" — were it not for the customary one-third discount offered to those who plead guilty.

As Browne read out the sentences, the four men standing in the defendant's dock appeared to be disengaged and displayed no obvious reaction.

The attack took place on August 20 last year, after Ho led a 1,500-strong protest through Central against the government's proposed goods and services tax.

Following the Sunday rally, at about 5.15pm, Ho went to a McDonald's restaurant in Central for a hamburger and a drink.

CONTINUED M2

Attacker Cheung Wing-ho, circled in blue cap, was present at the anti-GST rally led by Albert Ho, circled in green shirt. SINGTAO

Ho attackers get maximum sentence

FROM M1

As he was eating with fellow Democrat Lam Tze-kin, Ho was suddenly hit from behind taking blows onto the back of his head and his upper body, leaving him bleeding profusely.

Although the attack took place in a crowded restaurant, the two assailants — Cheung Wing-ho, 29, and Chan Chun-kit, 27 — were able to slip away after the attack, which lasted between 30 seconds and a minute.

The two suspects remained at large for nearly two months before being arrested by Hong Kong and mainland authorities.

The attack shocked a city that is accustomed to low levels of violence and spurred fears that those who took a stand against the powerful would be subjected to threats of violence.

Just days after the attack, Ho and another pro-democratic lawmaker received threatening letters with razor blades enclosed, with Ho's letter referring specifically to his beating.

"You bastard, how did you survive? You should count yourself lucky to be alive," the letter read. "You won't be so lucky next time."

During the hearing last week, the defense counsel for Cheung and Chan described them as "mere mercenaries" who were paid HK$8,000 and HK$17,000, respectively, for their role in the incident. Chan also pleaded to a second charge of attacking Lam, and was given a concurrent sentence of 16 months.

The fourth man sentenced Monday, Leung Fu-keung, 57, also admitted to helping in the attack, though he was not paid for his role and supposedly participated to help out his friend Leung Kwan-ping.

Both men have criminal records dating back to the 1980s, including Leung Kwan-ping's convictions for weapons possession, manslaughter and drug trafficking.

jonathan.cheng@singtaonewscorp.com

The Standard
China's Business Newspaper

Maximum jail for Ho attackers

A District Court judge has jailed four men for their role in the brutal attack last summer on Democratic legislator Albert Ho Chun-yan, but added that the nature of the crime convinced him there was a "far more sinister motive than has been revealed."

Jonathan Cheng

Tuesday, February 13, 2007

A District Court judge has jailed four men for their role in the brutal attack last summer on Democratic legislator Albert Ho Chun-yan, but added that the nature of the crime convinced him there was a "far more sinister motive than has been revealed."

The four men, including the two who swung baseball bats at Ho's head as he ate in a McDonald's in Central last August, were given four years and eight months each in jail - the maximum penalty for District Court cases, once the defendants' guilty pleas were taken into account.

"This was a cowardly, unprovoked and brutal attack by an armed gang on a prominent Hong Kong public figure," said District Court Judge Kevin Browne.

He called the attack "a deliberate affront to the rule of law" that was designed to attract publicity, humiliate and intimidate Ho.

Browne also made it clear he did not believe the defendants' alleged motive for their attack on Ho, saying he believed the true mastermind behind the attack was still on the loose, confident that the four defendants would not reveal his identity even after their arrest and conviction.

Ho, speaking just minutes after Browne delivered his verdict, said he was "satisfied" that the sentences were not light, but added he shared the judge's suspicions.

"There are still people who have not been arrested," Ho said. "I hope the police will continue to work hard on their investigation."

Ho said that, until the mastermind was arrested, he would remain a potential target for a further attack.

Ho, who is a solicitor, has represented some controversial clients in court, and sections of the media were quick last year to make a link between Ho's beating and some high-profile legal work he has been involved in which has led to clashes with powerful men such as Macau casino mogul Stanley Ho Hung-sun.

Stanley Ho has repeatedly denied the allegations, calling a link "absolutely impossible," and saying the only connection he had with the lawmaker was their surnames.

Albert Ho has not made any direct accusation, but said last year the attack was likely related to legal cases he had worked on which were against triads.

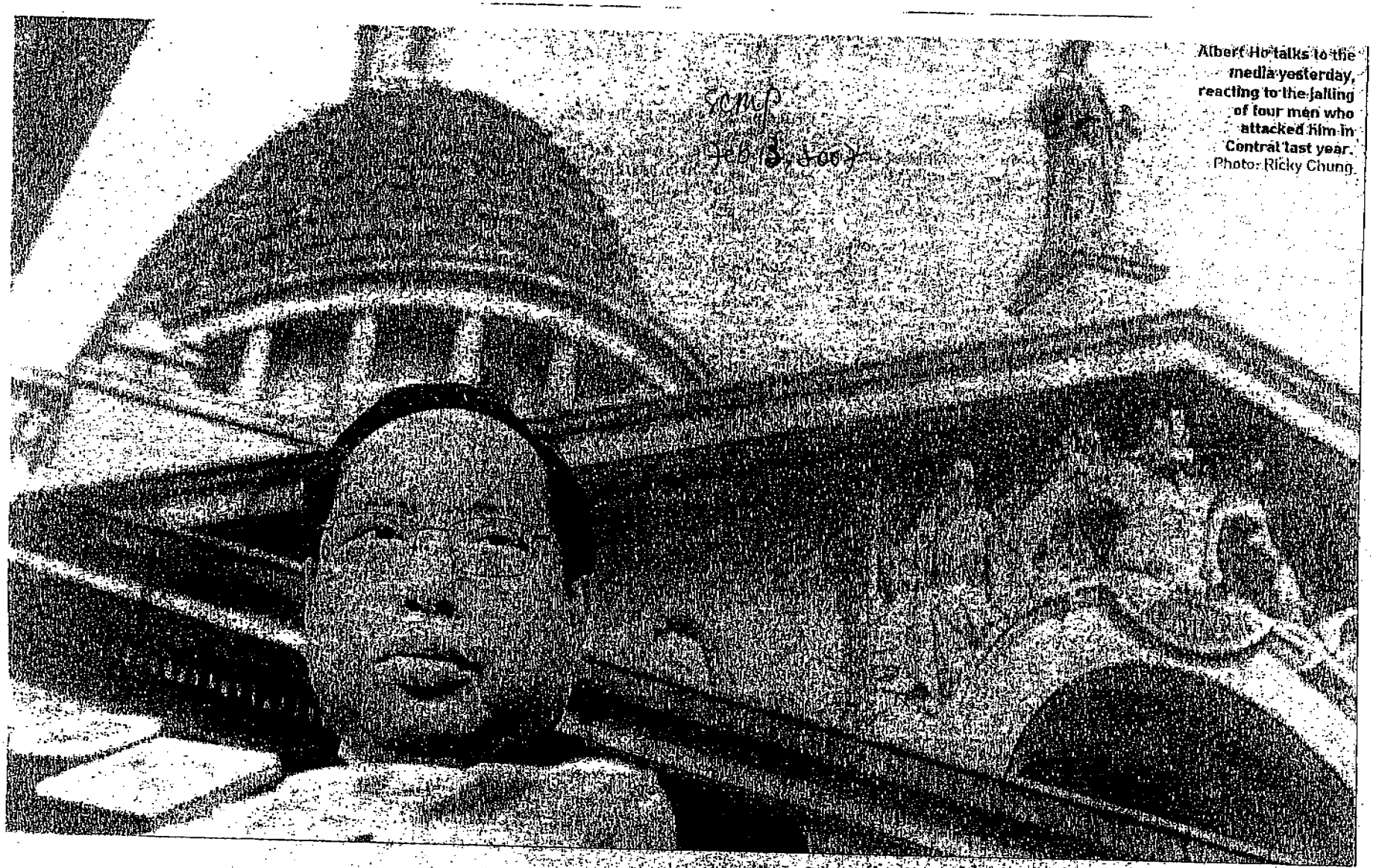
Police said Monday they respected the court's judgment, and would continue to investigate the case.

In a statement to police last week, the alleged "pay master," 44-year-old mainland migrant and former construction worker Leung Kwan-ping, said he had plotted the attack as retaliation for an alleged snub by one of Ho's secretaries last year.

Leung said he was seeking help in applying for welfare payments and public housing, and was so upset by Ho's lack of response that he paid two men HK$25,000 to attack the lawmaker - despite being in financial straits at the time.

Ho dismissed the motive, calling it "incredible" and a "joke," pointing out Leung had claimed to have trouble finding the money for food when he asked for Ho's help last year.

Leung's lawyer said last week that the defendant had managed to bankroll the operation because he suddenly came



Albert Ho talks to the media yesterday, reacting to the jailing of four men who attacked him in Central last year. Photo: Ricky Chung

SCMP Feb 13 2007

ailings see justice partly done, says Albert Ho

ert Weng and Robin Kwong

...ocratic Party chairman Albert ... Lau-yan said yesterday he felt ... had been partly done after ... that four men who admit... conspiring to attack him last ... had been jailed.

In the District Court, the four ... each sentenced to four years ... eight months in prison.

But Mr Ho said he still feared for ... safety so long as the mastermind ... the attack remained at large.

Mr Ho and other lawmakers also ... that the judge believed the as... ...lants' explanation for the attack ... incredible, and they urged ... to continue investigating.

"I must confess, I cannot put my ... entirely to rest," Mr Ho said. "I ... not say I feel as safe as before the ... I started to take up certain ... cases."

... who is a solicitor, ... the attack may ... legal ... up.

"I have some thoughts about ... is the mastermind, but it is in... ...propriate for me to mention any ... without evidence," he said. ... added that he had already told ... of possible suspects, and the ... had followed up on his sug... ...tions, but ruled out one of them.

A police spokesman yesterday ... firmed a 56 year-old man was on police bail, and another suspect had yet to be arrested. Two other suspects have been released unconditionally without charge.

Mr Ho said it was "not a simple case", while Emily Lau Wai-hing, of The Frontier, said she was not ... ...ble the whole truth would come ... in light. They haven't even solved ... my cases from before. So, of course, based on their track record I do not have much hope," she said.

Ms Lau's offices have been vandalised, including an incident in 2004 when posters were burned and threatening words daubed outside the premises.

Deputy chairman of the Legislative Council's security panel, James To Kun-sun, said: "At first, the important work was to look at the tapes and figure out how the attack occurred, but now we're at a bottleneck. A breakthrough will only come if someone suddenly decides to change their mind and comes forward on their own, or if there is some special incentive for them to do so."

He suggested police offer a cash reward to spur people to come forward.

Ms Lau also called on police to step up efforts. "It would give the public a very poor message if there are people who could do such a shameful thing and the police's hands are tied," she said.

TRAUMATIC TIMES

August 20, 2006 Albert Ho Chun-yan is attacked in a McDonald's restaurant in Central.

August 21 He links the attack to his work as a lawyer rather than his role as a legislator.

August 24 Mr Ho receives a death threat accompanied by a cutter blade at his law office hours after being discharged from hospital.

August 28 Police release sketches of two suspects and appeal for information.

October 12 Four men and a woman are arrested.

October 14 Three suspects are each charged with wounding Mr Ho with intent.

October 17 A 56-year-old man is arrested.

October 24 A 77-year-old man is arrested.

October 2007 Leung Kwan-ping, one of four defendants, tells the District Court he ordered the attack on Mr Ho after the legislator failed to help him get welfare and housing assistance.

Copyright South China Morning Post Ltd. Feb 13, 2007

Democratic Party chairman Albert Ho Chun-yan said yesterday he felt justice had been partly done after hearing that four men who admitted conspiring to attack him last summer had been jailed.

In the District Court, the four were each sentenced to four years and eight months in prison.

But Mr Ho said he still feared for his safety so long as the mastermind of the attack remained at large.

Mr Ho and other lawmakers also said that the judge believed the assailants' explanation for the attack was incredible, and they urged police to continue investigating.

"I must confess, I cannot put my mind entirely to rest," Mr Ho said. "I cannot say I feel as safe as before the time I started to take up certain risky cases."

The Democrat, who is a solicitor, has said he believes the attack may have been related to sensitive legal cases he had taken up.

"I have some thoughts about who is the mastermind, but it is inappropriate for me to mention any names without evidence," he said. He added that he had already told police of possible suspects, and the force had followed up on his suggestions, but ruled out one of them.

A police spokesman yesterday confirmed a 56 year-old man was on police bail, and another suspect had yet to be arrested. Two other suspects have been released unconditionally without charge.

Mr Ho said it was "not a simple case", while Emily Lau Wai-hing, of The Frontier, said she was not optimistic the whole truth would come to light. "They haven't even solved my cases from before. So, of course, based on their track record I do not have much hope," she said.

Ms Lau's offices have been vandalised, including an incident in 2004 when posters were burned and threatening words daubed outside the premises.

Deputy chairman of the Legislative Council's security panel, James To Kun-sun, said: "At first, the important work was to look at the tapes and figure out how the attack occurred, but now we're at a bottleneck. A breakthrough will only come if someone suddenly decides to change their mind and comes forward on their own, or if there is some special incentive for them to do so."

He suggested police offer a cash reward to spur people to come forward.

Ms Lau also called on police to step up efforts. "It would give the public a very poor message if there are people who could do such a shameful thing and the police's hands are tied," she said.

Copyright © 2007 ProQuest Information and Learning Company. All rights reserved. Terms and Conditions

Text-only interface

ProQuest COMPANY

Exhibit 7
To Statement Regarding
The Proposed MGM Grand
Macau
Submitted on Behalf of
Winnie Ho Yeun Ki

Six degrees of separation

Ho family influence in Macau gaming is not abating

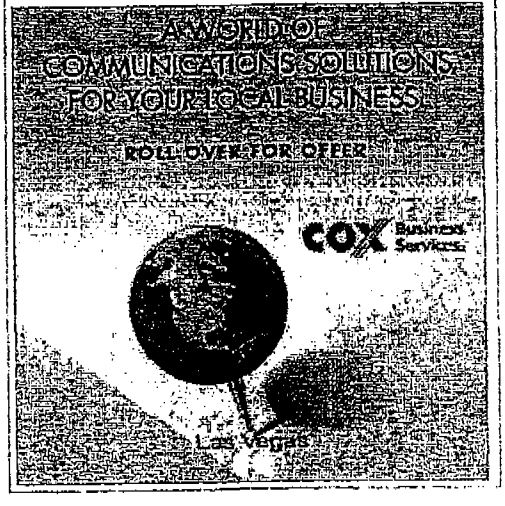
BY DAVID MCKEE
BUSINESS PRESS

"(Ho's) very name brings an air of class and style to gambling, and anything he touches is known to turn to gold." -- Gambling Online Magazine, 2004

What do Kim Jong IL and J. Terrence Lanni have in common? They've both done business with Stanley Ho, who is the undisputed casino king of Macau, site of this week's Asian Gaming Expo. Ho is "a long-standing friend of the North Korean government," according to the Los Angeles Times, and owns a casino in Pyongyang, adjacent to Workers' Party headquarters. In 2003, Ho acted as a go-between when Kim Jong IL's regime offered asylum to Saddam Hussein.

As MGM Mirage CEO, Lanni paid Ho $209 million for a Macau casino subconcession, a joint venture between MGM Mirage and Pansy Ho, the elder Ho's daughter and business "heir apparent," according to China Daily. MGM Mirage owns half of the joint venture, MGM Grand Paradise, as does Pansy Ho. She also receives a consulting fee, .87 percent of the $1.06 billion cost of the in-progress, 28-story MGM Grand Macau casino-resort.

Pansy Ho's minority interest in the 28-story MGM Grand Macau has attracted scrutiny from gaming regulators.



Pansy Ho, 44, is managing director of Shun Tak Holdings, the Ho family's blue-chip transportation outfit, founded in 1972. It controls more than 90 percent of the ferry traffic between Macau and Hong Kong, including a 20-vessel jetfoil fleet. Shun Tak holds an ownership stake in Stanley Ho's profitable conglomerate, Sociedade de Turismo e Diversoes de Macau (STDM). STDM is majority owner of Ho's casino business, Sociedade de Jogos de Macau (SJM). In June 2004, the Hong Kong Standard reported that Shun Tak directly owned 11.5 percent of SJM. In 2003, Pansy Ho was elected to STDM's board. She also chairs the Macau Tower Convention & Entertainment Centre, built by her father. Small wonder a Las Vegas Sands executive described the Ho family's Macanese connections as "byzantine."

The related-party transaction between MGM Mirage and the Ho business empire has been sufficient to prompt a New Jersey Division of Gaming Enforcement inquiry. "Pansy Ho's reputed independence from her father (is) at issue," reported the Las Vegas Sun, which later reported that the pact "has raised eyebrows in the investment community because of Stanley Ho's business dealings in Macau, where gang warfare and loan sharking were once rampant."

In 2002, then-Las Vegas Review Journal reporters Dave Berns and Jeff Simpson described Ho's monopoly-era product as "dingy, organized crime-

ridden offerings ... plagued by (triad) control of individual gaming tables, prostitution and loan sharking." The previous year, Macanese legislator Stanley Au told Asia Week, "the feeling you get when you visit Macau is that (it's about) hard, desperate gambling."

INQUIRY NEARING END?

The Nevada Gaming Control Board is also looking into the Hos' business relationship, pursuant to MGM Mirage's application to have Pansy Ho approved under Nevada's "foreign gaming" statute. The Control Board's Mark Clayton said he is precluded from comment because the inquiry hasn't concluded, although fellow board member Bobby Siller characterized it as close to completion 14 months ago. Nevada regulators have been examining the Ho businesses for almost two years. Mississippi regulators have already given the arrangement a thumbs-up.

Calls to New Jersey's DGE and Casino Control Commission were not returned.

"The issue," explained James Rutherford, the overseas desk editor for "International Gaming & Wagering Business" magazine, "was whether SJM (Stanley Ho's casino entity) would in some way be involved in the MGM development or its operations."

Generally speaking, Clayton said, Nevada gaming companies venturing overseas are well advised to perform the best due diligence possible on their partners and the regulatory structure to which they'll be subject. Gambling, he added, is expected to be conducted at the same standards as in Nevada and any "misstep" abroad can bring discipline at home.

Responsible for a third of Macau's gross domestic product and tax revenues alike, Stanley Ho is the colossus who dominates the Macanese business scene, much as his 1,109-foot Macau Tower overshadows the former Portugese colony. "His companies have been, for all intents and purposes, the Macau economy, and are significant players in Hong Kong and throughout East Asia," said Rutherford.

"With all respect, no, he's not" in every facet of Macau's economy, responded MGM Mirage spokesman Alan Feldman, "and it's perfectly possible to not do business with Stanley Ho."

"Any Macau citizen or tourist who decided to avoid spending money on Stanley Ho Hung-sun's properties would find life very difficult," declared a South China Morning Post feature story, published in May 2004. It noted that when business rival, Venetian Hotel & Resort owner Sheldon Adelson visited Macau, he had to stay at a Ho-owned hotel. Macau entrepreneur David Chow told Asia Week that when he pitched the $110 million Fisherman's Wharf amusement park, Stanley Ho rolled out a comparable proposal. Chow felt his only option was to bring Ho onboard in a joint venture.

WAR PROFITEER

Stanley Ho was born in Hong Kong in 1921. After the fall of the city in 1941, he made neutral Macau his base of operations and earned his initial fortune trading with the Japanese during World War II, gaining preferential access to shipping lanes from the occupiers. After the war, the Empire of the Rising Sun fell, but Ho's ascent continued unabated.

In 1962 he won the rights to Macau's casino operation for $410,000. A decade later, he opened his flagship, Hotel Lisboa Casino, described by the Washington Post as "a windowless space that epitomized the seedy reputation of this gambling enclave in southern China."

That initial casino has grown into a 16-property empire in Macau alone, including the new, $799 million Oceanus, slated for a 2009 opening. Ho has achieved this expansion partly by dint of selling subconcessions to operators like Greek Mythology Entertainment Group. Its casino, in the New Century Hotel, pays 40 percent of its take to Ho's Sociedade de Jogos de Macau and another 20 percent to Ho himself.

Rutherford describes Ho as "an extremely astute operator who was instrumental in transforming an industry backwater in Macau into one of the world's largest table game markets." This was done by Ho's innovation of leasing private gambling rooms to subconcessionaires who, in return for absorbing the risk, brought junkets of high rollers from Hong Kong and mainland China.

GANGLAND TRIADS

Out of this lucrative side business extends much of Stanley Ho's disrepute. As Rutherford and others have noted, Macau's casinos operated in a gray area, not illegal yet barely regulated. Casino scholar Angela Veng wrote, "a 'lawless' space was created for triads" who soon staked out rival turf, sometimes violently, and "it is not uncommon for triads to blackmail the gambling room operators or their customers," some of whom were also shaken down for tips.

Since casinos couldn't extend credit, gambling salons became the province of loan sharks. "Prostitutes prowl outside the gaming halls," reported the Tapei Times, while the Telegraph observed that, at Hotel Lisboa, they "stroll brazenly around the well-worn carpets."

As for the VIP rooms, Veng noted that by the 1990s they "had become dysfunctional and served as a vector for corruption, loan sharking, money laundering and skimming operations." In fact, the U.S. State Department designated Macau's casinos as a nexus for money laundering in March 2005.

Rutherford places much of the blame for this degeneracy upon laissez-faire colonial policies, when "a spike in gangland violence in the closing years of Portuguese rule may have been a prime factor in China's decision to dismantle Ho's monopoly. Beijing has a vested interest in Macau's success and its ability to attract foreign investment and is not going to stand for any triad shenanigans that might impede that or damage the resort's reputation."

Through 65 years, Ho's business reach has extended to airlines, hotels, banking, dredging operations, utilities, roads, bridges, golf courses, amusement parks, horse racing, dog tracks, television and gambling ventures in Spain, Portugal, Vietnam and North Korea -- not to mention an Antigua-based Internet casino, DrHo888.com.

Since Sands Macau doesn't venture into the private gambling room business (and would probably face great regulatory peril if it did), Ho's dominance of the VIP trade appears secure. Perhaps that will change by next summer, when the $1.2 billion Wynn Macau opens. "The Sands challenged Ho in terms of the grind market," said an industry source familiar with Macau. "Now Wynn's going to challenge Ho in his own market."

Feldman believes there's elbow room in all Macau niches. "From all we can gather, Sands has come into the market and been hugely successful. Mr. Ho's operation has grown," expansion that Feldman expects to continue when MGM Grand Macau opens in autumn 2007.

BUYOUT AGREEMENTS

As Pansy Ho undergoes the vetting process in both Nevada and New Jersey, the question arises: What becomes of MGM Mirage's investment if regulators find either Ms. Ho or her business relationship to her father "inappropriate?" Feldman responded that the joint venture agreement clearly spells out, in such an eventuality, one party can buy out the other.

As the end of his gambling monopoly drew near, Ho warned of dire consequences unless the Chinese government extended it. "If there is more than one licensee, there will be fighting between the two licensees. This would be dangerous," he prophesied darkly to the "Far Eastern Economic Review". Ho forecast an apocalyptic scenario of lower betting limits, plummeting salaries, falling employment and depleted tax revenues.

Yet the post-monopoly era has seen Macanese gambling revenues escalate to

a scale rivaling the Las Vegas Strip. Sands Macau, the brainchild of Adelson, does $2.6 million per day and Ho's Casino Lisboa rakes in 2.5 times as much. Macau's casinos are on pace to exceed $6 billion in revenue this year. Wagering on greyhounds, instant lotteries, soccer and basketball have seen varying degrees of decline, some quite severe, while horse racing remains volatile.

"Stanley Ho has no relationship to this company at all," Feldman said of the overlapping ownership between MGM Mirage, Pansy Ho, Shun Tak, STDM and SJM. "You need to separate ownership and control. I may own a thousand shares of Station Casinos. That makes me a part-owner of Station Casinos. But that doesn't mean I control anything at Station Casinos. The fact that, through one of her other businesses, Ms. Ho may have some percentage or shares in SJM doesn't mean that she has any control over anything in that company." Nor does it mean that Stanley Ho could impose his will on MGM Mirage simply because Pansy Ho has a foot in both companies, Feldman's argument ran.

American regulators, he added, need to exercise constant vigilance. "But in this particular case, I am aware in a first-hand sense of the fact that the whole profile of this has been raised to almost hysteria by other licensees in that market who clearly fear the competition."

MGM Mirage's other prospective competitors in Macau include Galaxy Casinos, Wynn Resorts and the newest subconcessionaire, a joint venture between Australian media heir John Packer and Stanley Ho's son, Lawrence. The latter duo paid Wynn $900 million for their subconcession, already appraised at $1.36 billion.

Was MGM Mirage's $209 million fee a bargain? "It speaks for itself," Feldman said.

Exhibit 8
To Statement Regarding
The Proposed MGM Grand
Macau
Submitted on Behalf of
Winnie Ho Yeun Ki

1 October 2005

News Stories:

October Headlines

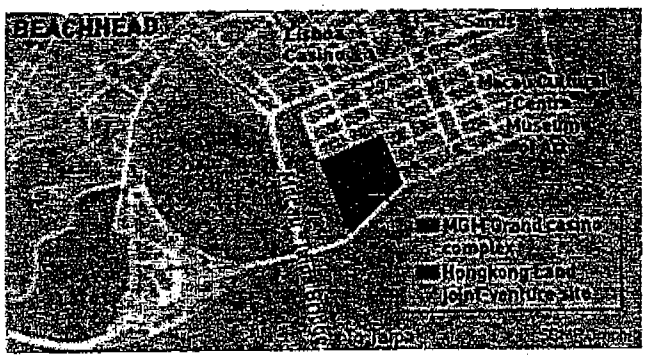
Click-on these handy "jump links" to quickly access the news item you're looking for.

1. Hongkong Land stakes $6b on Macau with Shun Tak
2. Battle lines drawn on urban renewal
3. Chao firm to spend $2b on Coloane project
4. HK Land in Macau first with Shun Tak

1. Hongkong Land stakes $6b on Macau with Shun Tak

PEGGY SITO, SCMP 1 October 2005

Talking shop .... Shun Tak's Daisy Ho and Hongkong Land's Robert Wong, who says the deal will not be the firms' last in Macau: Photo: *Edward Wong*



Hongkong Land Holdings has made its first foray into Macau's property market in a joint venture with Shun Tak Holdings to build a $6 billion residential-retail-hotel project on the waterfront.

Robert Wong Yau-chung, a residential property executive director of Hongkong Land, said the development - with a gross floor area of 2.6 million square feet - "is definitely not our last project in Macau".

The project, which will not include gaming, is expected to be completed in 2009.

Mr Wong said the company had no timetable to announce its next Macau move.

Central's biggest landlord, lured by Macau's bubbling economy which grew 8.2 per cent in the second quarter, said it had agreed to pay Pansy Ho Chiu-king, a daughter

of Shun Tak chairman Stanley Ho Hung-sun, $638.5 million in cash for a 49 per cent stake in a 197,660 sq ft site.

Ms Ho is also the managing director of Shun Tak.

The site is adjacent to the casino-hotel complex MGM Grand Paradise, a 50-50 venture between the United States-based MGM Mirage and Ms Ho.

As part of the arrangement, Shun Tak would acquire the remaining 51 per cent stake from Ms Ho for $664.6 million, said Daisy Ho Chiu-fung, a deputy managing director of Shun Tak and sister of Ms Pansy Ho.

The consideration, subject to the final size of the development, will be settled by an issue of new shares.

Shun Tak said it would issue between 89.7 million and 100.6 million shares at $6.81 each to Ms Pansy Ho for the purchase.

Neither party would disclose the investment cost for the joint venture but Shun Tak said in yesterday's announcement that its 51 per cent stake was estimated to be no more than $2.9 billion, including land cost.

The development will incorporate an estimated 1.9 million sq ft of residential and serviced apartments, all with a view of Nam Van Lake and Macau Tower.
It also includes about 380,000 sq ft of retail space on the lake front that will be managed by Hongkong Land and a 320,000 sq ft, 210-room, five-star hotel, which will be managed by Mandarin Oriental Hotel.

Mandarin Oriental manages Mandarin Oriental Hotel in Macau, which is equally owned by Shun Tak and the hotel group.

"There will be no gaming element in this development complex," Mr Wong said.

The gaming business was not the company's investment strategy, he added.

He said the project's location would be at the heart of the Macau casino district.

Not far away is the Lisboa hotel casino, which is owned by Mr Ho, and MGM Grand Macau, which is slated to open in late 2007.

The project is expected to be approved by the Macau government in a few months.

Mr Wong believes Macau will see a robust demand for quality homes despite concerns over the fast rising prices.

"The outlook is good and that is why we see other Hong Kong developers going into the market," he said.

Henderson Land Development has a $4 billion residential-retail-hotel complex in the Taipa reclamation area in the pipeline while Kerry Properties is planning to build a high-end residential project in Cotai with a gross floor area of at least 2.8 million sq ft.

2. Battle lines drawn on urban renewal
Doug Crets, The Standard 1 October 2005

Chief Executive Donald Tsang's plan to build a HK$6 billion government headquarters on the long-vacant Tamar site in Central is crystalizing the debate over the direction Hong Kong's urban environment should take.

Chief Executive Donald Tsang's plan to build a HK$6 billion government headquarters on the long-vacant Tamar site in Central is crystalizing the debate over the direction Hong Kong's urban environment should take.

Against Tsang's wish for a government headquarters at the site, the pro- Beijing Democratic Alliance for the Betterment and Progress of Hong Kong and its property developer allies say they want yet more commercial and retail space there in one of the world's most crowded city centers.

But this time the questions are coming from dozens of elite business professionals rather than the traditional green protest groups who have largely been ignored by the government.

They include businesses like the Kadoorie Group, the Airport Authority, and CLP Power, as well as such figures as Hongkong & Shanghai Banking Corp chairman Vincent Cheng and chief operating officer Andrew Long, and Swire Properties director and general manager Gordon Ongley.

They belong to a variety of civic groups formed in the past few months to attempt to persuade the government to take a closer look at policy decisions they feel are damaging the harbor and culturally rich neighborhoods such as Wan Chai's "Wedding Card Street," which is to be redeveloped.

Concerned that Hong Kong has fallen far behind other world cities in attempting to preserve its neighborhoods as vibrant communities, they met recently as part of an attempt to influence the dialogue on "urban regeneration."

Says Paul Zimmerman, convenor of Designing Hong Kong Harbour District, an urban design umbrella group: "The failure of Hong Kong is that its urban and transport planning mechanism is outdated, and there is no leadership apparent within government willing to take charge."

"Change will have to come either from the chief secretary or the chief executive's office, and they appear pre- occupied with China relations, constitutional affairs and 'lazy' large-scale infrastructure and development projects" like the West Kowloon cultural district.

Zimmerman adds that he and his associates intend to submit a proposal directly to Tsang, advocating a secretariat for planning to centralize planning decisions that are now shuffled between as many as 30 different fragmented agencies and departments.

Activists say the government is planning to increase the total gross floor area by 9.24 million square feet on reclaimed land in Central - twice as much as the entire International Finance Center site, which includes a shopping mall, hotel and serviced apartments.

The projected government headquarters at the Tamar site itself will cover 3.69 million sqft, with 322,000 sqft of parking.

Analysts outside Hong Kong say planning for a sustainable future is increasingly demanding a mentality that puts design and community attitudes first.

One of those participating in this effort is Richard Brown, who was invited to Hong Kong to speak to professionals about urban regeneration and London's success in urban planning.

He played a major role in turning parts of London's Thames Valley into the largest urban green space in England's history to prepare for the 2012 Olympic games.

His message to Hong Kong - do not just build, but build better and smarter and the city will prosper.

Richard Marshall, regional director of urban design for the Asian wing of EDAW, said: "To be competitive in the global economy, you have to create spaces people want to be in."

Peter Cookson Smith, director of design firm Urbis, works very closely with Hong

Kong's Planning Department.

"There is a paralysis in government about what to do next," he said.

He says that Hong Kong lacks the clear mechanisms that other countries have to put "good projects, done with feasibility studies," in place.

3. Chao firm to spend $2b on Coloane project
Staff reporter, The Standard 1 October 2005

Cheuk Nang (Holdings), a Hong Kong- listed firm controlled by property tycoon Cecil Chao, will spend HK$2 billion developing a Macau site it plans to buy.

Cheuk Nang (Holdings), a Hong Kong- listed firm controlled by property tycoon Cecil Chao, will spend HK$2 billion developing a Macau site it plans to buy.

The announcement came as the company said net profit for the year to the end of June surged 1,195 percent to HK$373.3 million from HK$28.8 million a year ago, thanks to gains arising from revaluation of investment properties. Turnover about doubled to HK$101 million.

The company will report "plans for investing HK$2 billion in the development at Coloane Island" Monday, executive chairman Chao said Friday.

The site, with an area of 97,359 square feet, is located on the north side of Coloane Island. Cheuk Nang said last week it will pay HK$800 million for a 99 percent stake.

Cheuk Nang has said it plans to build a complex on the site that will house deluxe apartments for sale, serviced apartments and a clubhouse with a casino, to be leased to an operator.

The firm, which had HK$8.4 million in cash as of the end of last year, said it will fund the development from internal resources. It has already paid a HK$266 million deposit on the site.

Shares of Cheuk Nang have lost 5.73 percent since the announcement of the Macau site purchase, trimming the stock's gain to 18.3 percent this year.

4. HK Land in Macau first with Shun Tak
Danny Chung, The Standard 1 October 2005

Pansy Ho, with father Stanley Ho, is said to have cut the deal with Hongkong Ladn, and Shun Tak came in after tahtn. Photo: *Sing To*

Shun Tak Holdings, run by casino mogul Stanley Ho, has formed a joint venture with Central's biggest landlord Hongkong Land to develop a mixed- use property project in Macau.

Shun Tak Holdings, run by casino mogul Stanley Ho, has formed a joint venture with

Central's biggest landlord Hongkong Land to develop a mixed- use property project in Macau.

Shun Tak, a ferry services to property group, paid HK$665 million for a 51 percent stake in the site, located at the reclamation area on Taipa Island, according to a stock exchange notice released Friday. The site is adjacent to the MGM Grand Paradise casino and hotel complex that is currently being built.

The seller was Ho's daughter, Pansy, executive director of Shun Tak.

Hongkong Land paid HK$639 million for the remaining 49 percent stake, marking its first foray into the property market in Macau.

The price paid by Shun Tak and Hongkong Land represents a 43 percent discount to the latest HK$2.3 billion valuation of the site made by property consultant Chesterton Petty.

Shun Tak deputy managing director Daisy Ho did not answer a question on why the site was sold at such a large discount to its estimated value, saying only that Shun Tak agreed to its price only after Hongkong Land had cut a deal with Pansy Ho.

The project will feature 1.9 million square feet in gross floor area of residential flats and serviced apartments plus 380,000 square feet of high-quality retail space and a 320,000 square foot, 210-room luxury hotel.

The hotel will be run by Mandarin Oriental Hotel Group for 25 years under a management agreement. There will be no casino on the property.

Depending on government approval, the residential and retail portions are due for completion in 2008, with the hotel and serviced apartments following in 2009.

Daisy Ho said "firm figures" for total investment on the project are not available because the building plans had yet to be approved by the government. She expected approval to take a few months.

However, according to Shun Tak's stock exchange notice, estimated total development costs attributable to Shun Tak would not exceed HK$2.9 billion, including land costs.

Based on historical construction cost data compiled by construction consultant Levett & Bailey, total construction costs alone could total HK$2.7 billion.

Shun Tak will rely on internal resources to finance its part of the development, Daisy Ho said.

While both companies said there would be no clear division of labor for tasks in the joint venture, she said Shun Tak would manage the sale of residential flats and serviced apartments while its partner would manage the retail mall.

The company gave no indication of when presales of flats would be conducted. Hongkong Land executive director Robert Wong said it was too early to say when presales would be conducted.

UBS analyst Eric Wong maintained his "buy" rating for Shun Tak, saying it made a smart move in partnering with expert companies for the project.

"The most important thing to note is that they appointed two world-class managers to look after this property," he said, adding that Shun Tak's HK$2.8 billion of cash on hand should be plenty to finance the project.

Exhibit 9
To Statement Regarding
The Proposed MGM Grand
Macau
Submitted on Behalf of
Winnie Ho Yeun Ki

NEWS.com.au

Ho probe could hit Packer

By Glenda Korporaal
February 05, 2007 12:00am

Article fro... THE AUSTRALIAN

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 $1 billion casino to open this year with 600 rooms and a casino with 300 tables and 1000 poker machines.

James Packer's PBL (pbl.ASX:**Quote,News**) 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 $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 $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 $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.

Company Research

Enter ASX code or company name for the latest stock quotes and research Aegis Independent Equities Research

GO

Copyright 2007 News Limited. All times AEDT (GMT +11).