

Written by Administrator  
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By Debra Mao and Wendy Leung

Jan. 27 (Bloomberg) -- Hong Kong billionaire Stanley Ho withdrew a demand that family members return the bulk of his casino

fortune and pronounced the end of an ownership dispute that threatened to split Asia's largest gambling empire.

Ho, 89, said yesterday in a televised broadcast that he had agreed to transfer his 31.7 percent stake in Sociedade de Turismo e Diversoes de Macau SA to five of his children and the woman he calls his third wife. The day before, he said those family members took the stake without his consent, and he was ready to take legal action against them to get it back.

"I have been really unhappy recently because of the disputes, my family members were unhappy as well," Ho said, reading an off-camera cue card from a reclining chair as his daughter held a microphone. "The big problem has been resolved."

Two days of conflicting statements from Ho's lawyer and the public-relations company representing some family members helped drive the stock price of STDM unit SJM Holdings Ltd. down by 4.9 percent yesterday, slicing about \$480 million from its market value. SJM runs most casinos in the Chinese city of Macau, where gambling revenue is four times that of the Las Vegas Strip.

"I think it's still early to conclude that the dust has settled," Teng Yee Tan, an analyst with CIMB-GK Securities Ltd. in Hong Kong who has a "neutral" rating on the stock, said yesterday. "The families from the second, third and fourth wives have almost equal power in SJM."

### Division of Assets

After the statement was broadcast on TVB, one of Ho's daughters said the recent share transfers don't conform to his repeated statements that his estate be divided equally among his children. Ho has 16 surviving children from four women.

The children of Ho's deceased wife, Clementina De Mello Leitao, were left out of the division of his assets, daughter Angela Ho said.

"My father speaks to me often and has stated publicly about how he intends to divide his estate evenly amongst his children," she said in a statement e-mailed by her assistant.

STDM owns 56 percent of SJM, according to data compiled by Bloomberg. The STDM stake transferred to Ho's family members may be worth at least \$1.6 billion based on yesterday's closing price of SJM's stock, which fell 68 Hong Kong cents to HK\$13.12 after earlier sliding as much as 8.8 percent. In December, Ho transferred a 7.7 percent stake in SJM to Angela Leong, mother of his five youngest children.

Lisboa, Venetian

Stanley Ho also dismissed a lawyer he earlier hired to contest the dispute, he said in the broadcast. He was flanked by Chan Un-chan, whom he refers to as his third wife, and their daughter, Florinda. When he finished, they rolled the chair, with him still in it, out of the room in Chan's house.

"It seems like it's drawing to a close but there's always a chance that something else will pop up," said Aaron Fischer, a Hong Kong-based analyst for CLSA Ltd., who recommends buying the stock. "We still maintain a positive view because we think the management of the company will remain in place."

SJM operates 20 of Macau's 33 casinos, and its Lisboa and Grand Lisboa compete with Wynn Macau and Sands Macao on the city's peninsula. Sands China Ltd., a unit of billionaire Sheldon Adelson's Las Vegas-based company, also operates the Venetian Macao, the world's biggest casino by floor area, on an area of reclaimed land known as the Cotai Strip.

Bigger Than Vegas

SJM, Sands China and Wynn Macau Ltd. surged in Hong Kong trading in 2010 as total gambling revenue rose 58 percent to 188.3 billion patacas (\$23.5 billion) on spending by Chinese tourists. Macau's increase of \$8.6 billion last year is 50 percent more than the total gambling revenue for the Las Vegas Strip for all of 2010, according to data compiled by Bloomberg.

The Grand Lisboa's main casino floor, as big as an American football field and clouded by cigarette smoke, was filled last night with hundreds of mainland Chinese, some shouting and pounding on tables. People still wearing winter coats bet as much as HK\$100,000 (\$12,843) on a single hand of blackjack, oblivious to the dancer performing a cabaret act nearby.

The announcements over the public-address system were in Mandarin.

Ho built his fortune by luring bettors into smoke-filled halls with fading paint and worn carpets after Macau's colonial government in 1962 granted him and his partners a gambling monopoly. Born into a prosperous Eurasian family in 1921, Ho fled to Macau from Hong Kong during World War II.

### Family Conflicts

Macau ended Ho's monopoly in 2004, allowing the entry of operators including Adelson's Las Vegas Sands Corp. Ho was ranked Hong Kong's 13th-richest man, with a net worth of \$3.1 billion, by Forbes magazine this month.

This isn't the first conflict within the Ho family that's played out in public. Stanley Ho's sister Winnie Ho lost an appeal in 2008, when she sought to block SJM's initial public offering saying she was owed \$386 million in dividends. In 2001, Stanley Ho threatened to disinherit daughter Pansy when she dated the son of a business rival.

In a restaurant at the Grand Lisboa, Comei Kou was at the all-you-can-eat sashimi bar having dinner. Kou, who has worked for more than 20 years at another Ho-owned casino, said her co-workers were gossiping about this week's dispute.

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“It is like we are watching a TV drama,” Kou, 47, said between bites of raw salmon. “Money caused the fights.”

--With assistance from Debra Mao, Sophie Leung, William Mellor, and Mark Lee in Hong Kong and Frederik Balfour in Macau. Editors: Frank Longid, Michael Tighe

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