

Sands China shares tumble on US investigation of parent - Reuters

Written by Administrator
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low

* Sands China shares fall to two-month

* Weak investor sentiment to linger in near term

* Investigation unlikely to impact Macau business - analysts

By [Farah Master](#)

HONG KONG, March 2 (Reuters) - Shares of Sands China Ltd (1928.HK), the Macau unit of billionaire Sheldon Adelson's Las Vegas Sands Corp (LVS.N), slumped to a two-month low on Wednesday after the U.S. casino operator said it was being scrutinised by U.S. anti-corruption agencies.

The selloff came after Sands China, 70 percent owned by the U.S gaming giant, said its 2010 net profit more than tripled on surging demand in the world's largest gambling market. [ID:nTOE72007C]

Las Vegas Sands has attracted the scrutiny of U.S. anti-corruption agencies after a former top Macau executive hurled accusations of malfeasance, sending its shares down more than 6 percent. [ID:nN01103609]

Former Sands China CEO Steve Jacobs, who is suing Sands in Nevada courts for breach of contract, has accused the company of, among other things, seeking to use "improper leverage" against senior Macau government officials

"There are some pretty serious allegations there and it is not going to help their share price in the near term," said Philip Tulk, head of Asian Conglomerates and Gaming at RBS in Hong Kong.

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Hong Kong-listed Sands China was down 7.6 percent by 0335 GMT, underperforming Hang Seng Index's [.HSI](#) 1.7 percent decline.

Sands China, valued at around \$19 billion, competes in the former Portuguese colony with tycoon Stanley Ho's SJM Holdings Ltd (0880.HK), MGM Resorts International (MGM.N), Galaxy Entertainment Group Ltd (0027.HK) and Melco Crown Entertainment Ltd (MPEL.O). Wynn Resorts Ltd (WYNN.O) also operates in the territory through Wynn Macau Ltd (1128.HK).

Sands China shares have underperformed rivals over the past 12 months, up about 65 percent compared with Wynn Macau's more than 100 percent gain, and SJM's (0880.HK) advance of about 190 percent.

Analysts said that while investor sentiment was weak, there was unlikely to a direct impact on the company's Macau business.

Aaron Fischer, head of Consumer & Gaming at CLSA, said they were not adjusting their earnings estimate for Sands China.

"This news does not come as a major surprise and we are not aware of any investigations taking place in Macau," he said.

Sands operates three lucrative casinos in Macau, including the Venetian Macau, a resort-hotel it says is large enough to hold ninety Boeing 747 jumbo jets. (Editing by Chris Lewis)

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