MACAU PROPERTY
OPPORTUNITIES FUND

A Land of Possibilities

INTERIM REPORT FOR THE PERIOD
ENDED 31 DECEMBER 2013

Palácio do Governo (Government Palace) at Praia Grande and Hotel Bela Vista on the far left, circa 1920.

MACAU PROPERTY
OPPORTUNITIES FUND

Listed on the London Stock Exchange, MPO is the only quoted property fund dedicated to investing in Macau. The Company seeks to deliver long-term returns from the investment in and development of high quality properties in Macau and China's Pearl River Delta.

From its early days as a prosperous trading port 500 years ago, Macau has evolved to become the world's largest gaming market, and one of the fastest growing economies. Strategically situated at the southern tip of the Pearl River Delta region, Macau thrives with rich promise as it enters a new era of mass market growth, driven by regional infrastructure advancement, and mega resort development.

Cover image:
View of Praia Grande in front of Grémio Militar, 1902, from a stereoview entitled "On the promenade of Macao, the Monte Carlo of the Far East, China". Photograph by Herbert George Ponting.

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KEY HIGHLIGHTS

Total Adjusted NAV
US$413.6M
Uplift of 16.4% during the period

Share buy-backs
£12.7M
During the period

Macau economic growth
14%
EIU forecast for 2013

Zhuhai properties
Disposal completed for US$64.7m

The Waterside
Occupancy rate stabilised at 90%

Senado Square
Significant increase in valuation

The Fountainside
Final sales programme ongoing

Adjusted NAV per share*

US$4.95

Uplift of 25.5% during the period

* Equivalent to £2.99, based on a Dollar/Sterling exchange rate of 1.657 as at 31 December 2013. For IFRS NAV and NAV reconciliation, please see the table on page 21 and Note 9 to the financial statements respectively.

Macau gaming revenues

US$45B

Largest gaming market in the world

Macau retail sales

US$8B

Year-on-year growth of 19%

CHAIRMAN'S MESSAGE

Your Company continues to make strong headway.

MPO's Adjusted Net Asset Value per share rose to a new high, driven by continued market strength and our asset enhancement and share buy-back programmes. Since the period end, we have completed the divestment of our Zhuhai properties and will be recommending a distribution to shareholders.

We remain resolutely committed to maximising values and rewarding our shareholders.

David Hinde, Chairman of the Board, Macau Property Opportunities Fund Limited.

FUND PERFORMANCE

Macau property values rose strongly during the period, driven by a lack of new supply and several notable transactions at record prices.

In the six months to 31 December 2013, the market value of MPO's portfolio appreciated 24.7% to reach US$565 million, with Adjusted NAV rising 16.4% to US$413.6 million. This translates to US$4.95 (£2.99)[1] per share – an increase of 25.5%.

IFRS NAV[2] increased 7.0% to US$250 million, or US$2.99 per share – up 15.3%.

MPO's loan-to-value ratio increased slightly to 22%[3], and cash balances totalled US$13.4 million, inclusive of US$3.7 million in deposits pledged as collateral for banking facilities.

A further 7.2% of our outstanding issued shares were repurchased and cancelled during the period, taking the total amount of buy-backs undertaken to 20.5% of the original issued share capital.

The benefits of this are finally being felt. During the period, our share price discount to Adjusted NAV per share narrowed from 41% to 28% – despite a strong rise in NAV per share.

PORTFOLIO UPDATE

Our asset management team continues to implement creative strategies that are successfully driving portfolio values.

The Waterside, the Fund's cornerstone asset, continues to perform well. Occupancy has stabilised at above 90% and rental values continue to rise. This exceptional residential tower has few rivals in terms of its market position.

The Fountainside, our low-density residential development located in a sought-after Macau neighbourhood, has now received its sales permit and the final sales programme has commenced.

Senado Square, our delayed, but prime retail redevelopment project, has seen a significant rise in its valuation, driven by several record retail transactions in the area.

1 Based on a Dollar/Sterling exchange rate of 1.657 as at 31 December 2013.

2 For IFRS NAV per share, which excludes the valuation uplift in properties treated as inventories, please see table on page 21.

3 Assuming a full drawdown of its committed loan facilities and based on MPO's portfolio value as at 31 December 2013.

Adjusted NAV per share

US$4.95

Uplift of 25.5% during the period

The Green House, our exclusive luxury residence, has been further enhanced to an even higher standard. Prime properties are scarce in Macau and we believe the asset has potential for further growth in value.

The sale of *APAC Logistics Centre* and *Cove Residence*, our logistics and residential sites located in nearby Zhuhai, China, was recently completed for US$64.7 million. The sale generated a net 21% internal rate of return for shareholders.

FUTURE STRATEGY

As highlighted in my last report, MPO's eight-year continuation vote is due at the end of 2014. Over the past few months, we have considered this issue comprehensively, taking into account feedback from shareholders and our ongoing commitment to maximising shareholder value at a time when Macau's growth prospects remain extremely promising.

Consequently, we will be holding an EGM in the near future at which shareholders will be asked to approve a number of proposals including the following;

1. a distribution to shareholders of approximately US$29 million, or US$0.35 (21p) per share, representing the entire net profit generated by the sale of our Zhuhai properties; and

2. the proposal to bring forward the continuation vote to the upcoming EGM and the scheduling of the next continuation vote to no later than 31 December 2016.

   Subject to the passing of the above resolution, the Board intends that not less than 50% of any future net profits from asset sales will be distributed to shareholders and further acquisitions will be considered only if exceptional shorter-term opportunities present themselves.

"MACAU'S ECONOMIC AND DEMOGRAPHIC FUNDAMENTALS REMAIN INTACT AND POWERFUL."

In addition, opportunistic share buy-backs will continue to have the utmost priority.

Further information in relation to the upcoming EGM will be provided in a forthcoming circular to shareholders.

OUTLOOK

Macau's economic and demographic fundamentals remain intact and powerful. Major infrastructure and resort projects are expected to raise its profile further and increase the appeal of its property market.

Macau's rising profile as an international leisure and tourism destination, alongside increasing affluence in the region, is likely to continue supporting the growth of the city's property market.

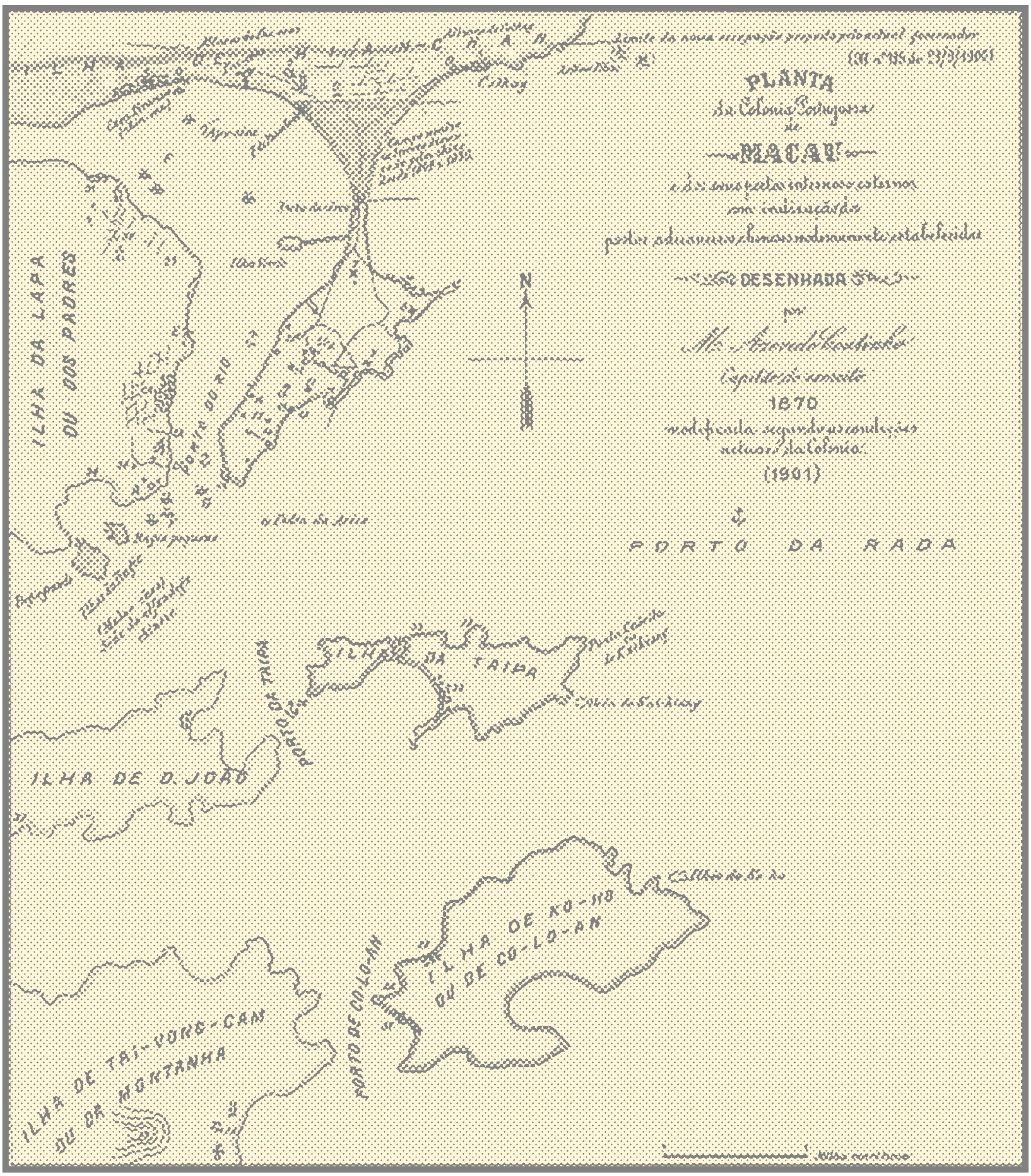
We believe the implementation of our future strategy, to be proposed at an upcoming EGM, will allow for the full maximisation of MPO's portfolio.

DAVID HINDE

Chairman of the Board
Macau Property Opportunities Fund Limited

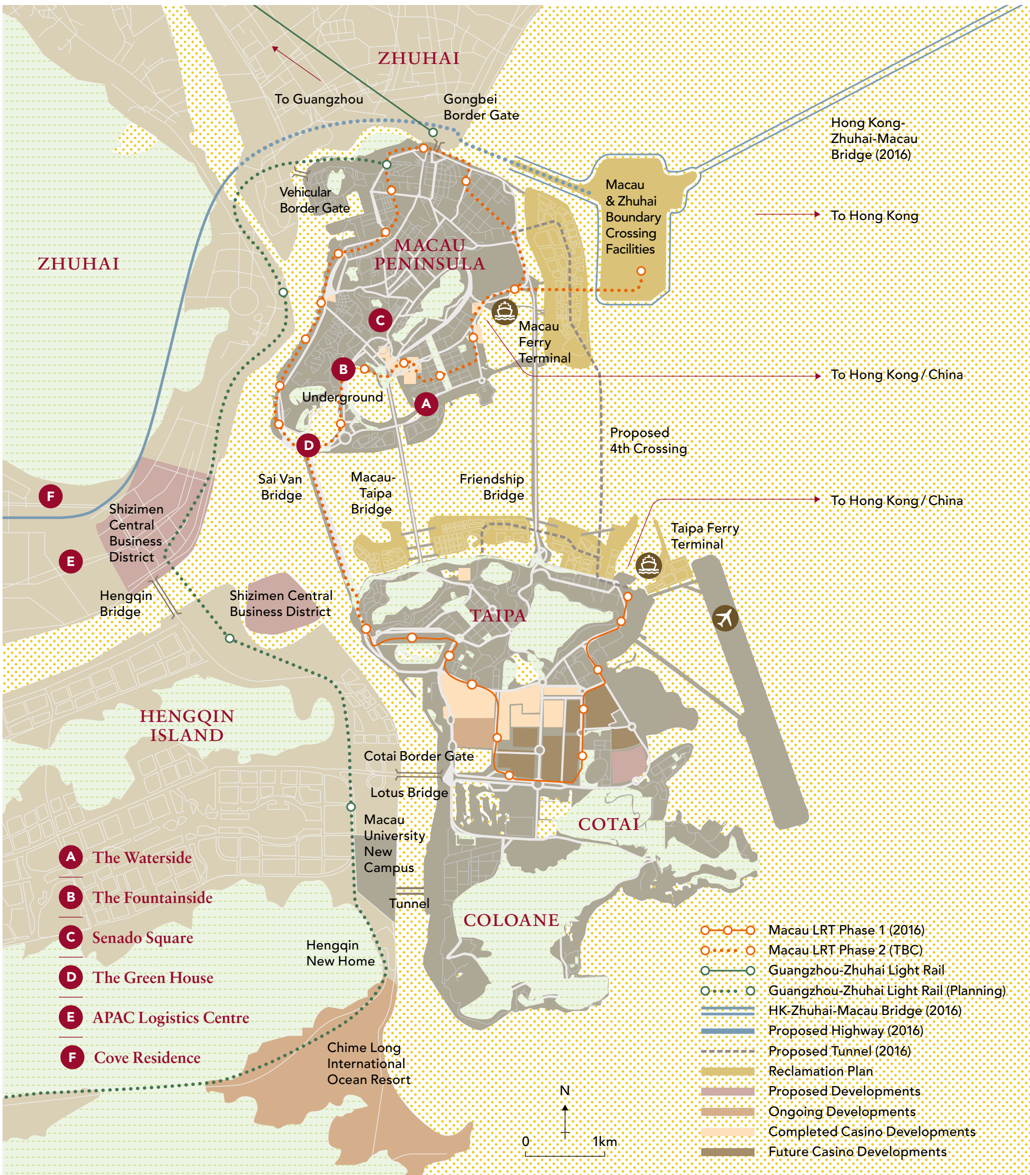
27 February 2014

Macau, 1901



Map of Portuguese Macau in 1901, its inner and outer harbours, and neighbouring Chinese customs posts. Cartography by M. Azevdeo Coutinho.

Macau, 2014



Alignments and locations are indicative only. Source: Sniper Capital Research.

PORTFOLIO OVERVIEW

Summary

AS AT 31 DECEMBER 2013

1 Tower Six of One Central Residences; please refer to the disclaimer on page 48.

2 Individual units at One Central Residences.

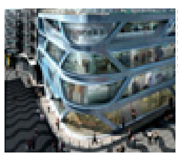
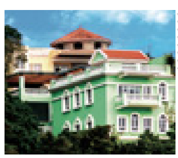
3 Jointly acquired as part of a combined investment in August 2008.

4 Including acquisition and (where appropriate) project development costs.

5 Based on independent valuations of Savills (Macau) Limited as at 31 December 2013, apart from *APAC Logistics Centre* and *Cove Residence* which are based on sales proceeds.

6 Assuming a full drawdown of its committed loan facilities and based on MPO's portfolio value as at 31 December 2013.



PROPERTY	SECTOR
The Waterside[1] One Central[2]	Luxury residential
The Fountainside	Low-density residential
Senado Square	Prime retail
The Green House	Luxury private home
APAC Logistics Centre[3] Cove Residence[3]	Warehousing and logistics Residential
Smaller Property	Residential

Portfolio Valuation Uplift

24.7%

Over the period

Loan-to-Value[6]

22%

Versus 20% at 30 June 2013

TYPE	CURRENT STATUS	UPLIFT (CURRENT PERIOD)	COMMITMENT[4] (US$ MILLION)	MARKET VALUATION[5] (US$ MILLION)
Investment	Leasing and asset management	21% 28%	99 25	267.9 40.0
Redevelopment	Completed and selling	13%	22	73.3
Redevelopment	Advanced planning	37%	37	100.6
Investment	Hold	12%	4	18.1
Investment/ Development	Divestment underway	43%	45	64.7
Investment	Hold	N/A	N/A	0.4
			TOTAL 232.0	TOTAL 565.0

PORTFOLIO
OVERVIEW

Composition by Project

(BASED ON MARKET VALUE)

Street in 1870, presumably Rua da Alfândega, near Largo do Senado (Senado Square). Photograph by John Thomson.

47.4%
A THE WATERSIDE [1]
Valuation:
US$267.9 million

17.8%
B SENADO SQUARE
Valuation:
US$100.6 million

13.0%
C THE FOUNTAINSIDE
Valuation:
US$73.3 million

11.5%
D APAC LOGISTICS CENTRE [2] & COVE RESIDENCE [2]
Valuation:
US$64.7 million

7.1%
E ONE CENTRAL [3]
Valuation:
US$40.0 million

3.2%
F OTHER PROPERTY ASSETS [4]
Valuation:
US$18.5 million

1 Tower Six of One Central Residences; please refer to the disclaimer on page 48.

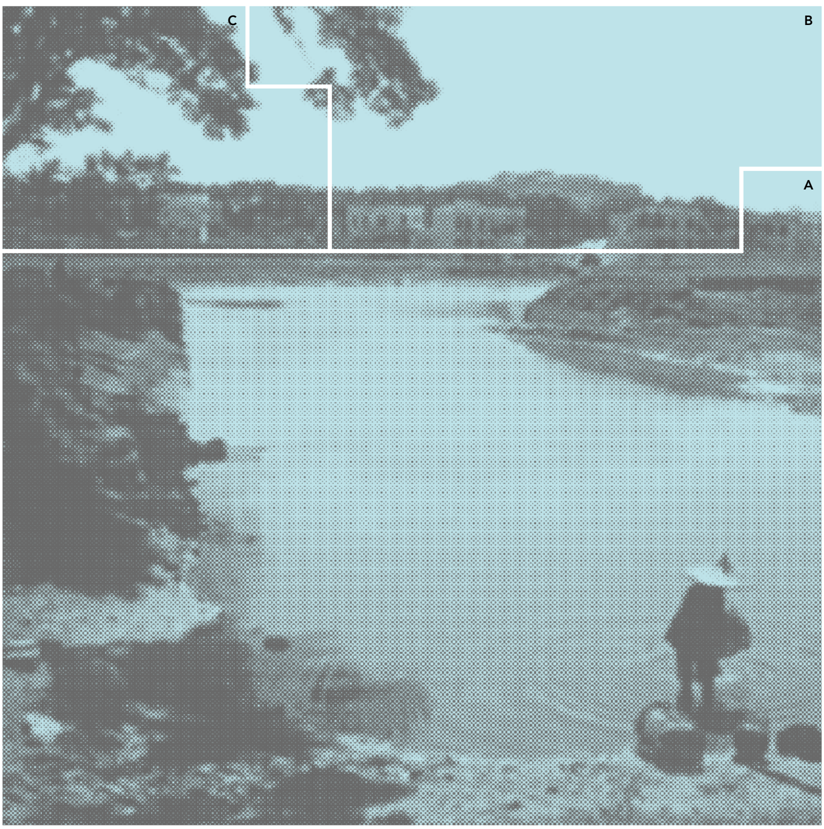
2 Jointly acquired as part of a combined investment in August 2008.

3 Individual units at One Central Residences.

4 Includes *The Green House* and a smaller property asset.

PORTFOLIO
OVERVIEW

Composition by Sector



Lake at Mong-Há, circa 1920, which served as fairgrounds in the Macao Industrial Exposition and Fair of 1926.

70.7%
A RESIDENTIAL

17.8%
B RETAIL

11.5%
C WAREHOUSE / LOGISTICS

PORTFOLIO
OVERVIEW

The Waterside

LUXURY RESIDENTIAL

Comprising 59 tailored luxury apartments housed in an enbloc-owned tower at One Central Residences, *The Waterside* is one of the most sought-after leased residential addresses in Macau. The exclusive waterfront property includes standard units, five exclusive simplex and duplex apartments, and a special collection of premium high-floor units.

Rental values continue to rise as the occupancy level stabilises at above 90%. Our primary focus remains on further driving rental growth at the property.

Property Details

PROPERTY TYPE
Investment

CURRENT STATUS
Leasing and asset management

GROSS FLOOR AREA
148,000 square feet

ACQUISITION COST
US$88 million

VALUATION
US$267.9 million
+21% over the period
+205% since acquisition

PORTFOLIO OVERVIEW

The Fountainside

LOW-DENSITY RESIDENTIAL

The Fountainside is a niche low-density residential development located in the prestigious historic Penha Hill district, housing a collection of 38 apartments and four villas. 22 standard units – representing 35% of the project's total GFA – have already been pre-sold, and the remaining units are currently being marketed for sale.

Accounting for more than 20% of the property's value, the villas feature amenities such as an attached garden and a private garage and are being marketed on an exclusive basis to high-net-worth individuals.

Property Details

PROPERTY TYPE
Redevelopment

CURRENT STATUS
Completed and selling

GROSS FLOOR AREA
80,000 square feet

TOTAL COMMITMENT
US$22 million

Acquisition cost:
US$8 million

Project development cost:
US$14 million

VALUATION
US$73.3 million
+13% over the period
+807% since acquisition

PORTFOLIO
OVERVIEW

Senado Square

PRIME RETAIL

Senado Square is MPO's flagship retail development, situated in the heart of Macau's vibrant shopping district and UNESCO-listed historic centre. Designed by Arquitectonica – the creative team behind City of Dreams – *Senado Square* has received glowing praise and reviews for its sustainable principles and contemporary design.

Despite delays in the planning process, the value of the property continues to benefit from strong demand for retail sites in Macau. Once completed and leased, *Senado Square* will be marketed for sale as a prime retail investment asset.

Property Details

PROPERTY TYPE
Redevelopment

CURRENT STATUS
Advanced planning

GROSS FLOOR AREA
70,000 square feet

TOTAL COMMITMENT
US$37 million

Acquisition cost:
US$16 million

Project development cost:
US$21 million

VALUATION
US$100.6 million
+37% over the period
+525% since acquisition

PORTFOLIO OVERVIEW

The Green House

LUXURY PRIVATE HOME

Located atop Penha Hill, *The Green House* offers unobstructed, breathtaking views of Macau's landscape. Combining exclusivity with a central location, *The Green House* is a rare and much-coveted asset.

Since its acquisition in late 2007, the luxury private home continues to attract buyer interest and has seen its valuation appreciate more than fourfold. Houses offering a combination of exclusivity and prime location are a rare commodity in Macau, with less than 50 houses in the Penha Hill area. We intend to retain the property and divest only at an opportune time, once a sufficient premium is achieved.

Property Details

PROPERTY TYPE
Investment

CURRENT STATUS
Hold

GROSS FLOOR AREA
5,200 square feet

ACQUISITION COST
US$4 million

VALUATION
US$18.1 million
+12% over the period
+411% since acquisition

PORTFOLIO
OVERVIEW

APAC Logistics Centre

WAREHOUSING & LOGISTICS

In August 2013, the Fund entered into an agreement to divest both properties for a combined value of US$64.7 million. The transaction was completed as of 21 February 2014 and 90% of the sales consideration has been paid to the Fund. The remaining 10% is held in escrow to be released to the Fund six months after the sale completion date.

Located near key infrastructure projects in the emerging Zhuhai region, in the western Pearl River Delta, *APAC Logistics Centre* and *Cove Residence* are well positioned to tap into burgeoning demand arising from long-term economic growth in the region.

Property Details

PROPERTY TYPE
Investment / Development

CURRENT STATUS
Divestment underway

GROSS FLOOR AREA
APAC Logistics Centre:
1,300,000 square feet

GROSS FLOOR AREA
Cove Residence:
215,000 square feet

PORTFOLIO
OVERVIEW

Cove Residence

RESIDENTIAL

Property Details

TOTAL COMMITMENT
APAC Logistics Centre
and *Cove Residence*:
US$45 million

Acquisition cost:
US$11 million

Project development cost:
US$34 million

SALES PROCEEDS
APAC Logistics Centre
and *Cove Residence*:
US$64.7 million
+43% over the period
+484% since acquisition

Overview

Macau Property Opportunities Fund performed well in the six months to 31 December 2013 with Adjusted Net Asset Value per share appreciating 25.5%.

Macau continues to set new records in gaming revenue and tourism spending. And yet this remarkable growth story appears far from over. Demand for Macau property should continue to rise.

FINANCIAL RESULTS

In the six months to 31 December 2013, the market value of MPO's portfolio rose 24.7% to US$565 million. This represents a premium of US$363 million, or 180%, over the total costs of the properties themselves.

IFRS NAV rose 7.0% to US$250 million and Adjusted NAV (which includes the valuation uplift in properties treated as inventories) increased 16.4% to US$413.6 million during the same period. IFRS NAV per share and Adjusted NAV per share stood at US$2.99 and US$4.95 respectively, as at the period's end. In sterling, Adjusted NAV per share was £2.99, based on a dollar/sterling exchange rate of 1.657 as at 31 December 2013.

MPO's share price at the end of the period was £2.16 – an increase of 41% for the period, equating to a discount to Adjusted NAV per share of 28%, versus 41% six months earlier. MPO's shares outperformed their peers in 2013 and have continued to do so since the period end, reaching a 52-week high of £2.24 on 20 January 2014.

Note:

The Company's interim financial statements as at 31 December 2013 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. All properties in the Company's portfolio have been valued by Savills (Macau) Limited.

Development properties classified as inventories are included in the financial statements at the lower of cost and net realisable value, whereas properties classified as investment properties are carried at fair value.

Please refer to Notes 11 and 12 on pages 46 and 47 for more information on share buy-backs and related party transactions.

MPO Half-Year Financial Summary

	31 DEC 13	30 JUN 13
NAV (IFRS) (US$ million)	**250.0**	233.7
Uplift of inventories held at cost to market value	**163.6**	121.6
Adjusted NAV (US$ million)	**413.6**	355.3
NAV per share (IFRS) (US$)	**2.99**	2.60
Adjusted NAV per share (US$)	**4.95**	3.95
Adjusted NAV per share (£)*	**2.99**	2.60
Share price as at period end (£)	**2.16**	1.54
Portfolio valuation (adjusted basis) (US$ million)	**565.0**	452.9
Loan-to-value ratio (%)	**22**	20

* Based on the following US$/GBP exchange rates: 1.521 at 30 June 2013 and 1.657 as at 31 December 2013.

LIABILITY MANAGEMENT

In accordance with IFRS, MPO's total assets amounted to US$416 million as at the period end and total liabilities were US$166 million, of which the outstanding loan facility on One Central Residences accounted for US$107 million.

As at 31 December 2013, the Company held a cash balance equivalent to US$13.4 million, of which US$3.7 million was pledged as collateral for its banking facilities.

Assuming a full drawdown of its committed loan facilities and based on the Company's portfolio value as at 31 December 2013, MPO's total loan-to-value ratio would be 21.7%, a slight increase from 20.1% six months earlier.

THE WATERSIDE – DRIVING RENTAL GROWTH

Centrally located and with unparalleled views in Macau, *The Waterside* continued to raise the bar for excellence in Macau's leased residential property segment. Occupancy rates have stabilised above 90% and the average rental rate rose to HK$23.57 from HK$22.30 on a per-square-foot basis – an increase of 5.7% over the period.

However, net rental yields declined slightly, from 2.1% to 1.8%, in the six months to 31 December 2013 due to a strong rise in the asset's value.

With this in mind and with demand for luxury rental accommodation continuing to rise in the region, driving rental growth remains our overriding objective. We are continuously upgrading all apartments and organising campaigns to cement *The Waterside's* position as the premier luxury rental address in Macau.

OTHER UNITS AT ONE CENTRAL RESIDENCES – OPPORTUNISTIC DISPOSALS

We continued with our opportunistic disposals strategy for our 10 remaining units in other towers at One Central Residences. During the period, four units were in the process of being sold between 16% and 30% higher than their latest available valuations in September 2013, reflecting the exceptional demand for well-located units in Macau. Of the US$15 million in net proceeds that the sales will generate, 70% will be used to pay down debt.

THE FOUNTAINSIDE – BRIGHT SALES PROSPECTS

The Fountainside, our 80,000 square feet low-density residential development in Macau's exclusive Penha Hill district, has now received its sales permit. The final sales phase has been launched in a buoyant property market with limited new supply.

Comprising 38 apartments and four villas, *The Fountainside* sets a new standard for residential design in the neighbourhood, with its heritage architecture, sustainable features and generous amenities.

All main lobby, external façade, pavement and road works around the property have been completed. We expect to receive an occupancy permit for the property by mid-2014, following which unit handovers and full payments can proceed.

22 standard units have been pre-sold and the remaining 20 units – 14 standard units, two duplexes and four villas – will be targeted at high-net-worth individuals.

THE GREEN HOUSE – ENHANCING APPEAL

Located on Penha Hill, in an exclusive neighbourhood that overlooks Sai Van Lake, *The Green House* continues to attract ongoing interest from potential buyers.

Tailored to meet demand for one-of-a-kind ultra-luxury homes in Macau, the 5,000 square feet mansion has seen its market value appreciate more than fourfold since acquisition at the end of 2007.

New refurbishment works have been carried out on the property to further enhance its value and appeal.

Significant Shareholders (as at 31 January 2014)

NAME OF SHAREHOLDER	NO. OF SHARES	%
Lazard Asset Management LLC	15,566,521	18.81
Universities Superannuation Scheme	10,500,000	12.69
Sniper Investments Limited	9,300,000	11.24
Invesco Asset Management	6,365,295	7.69
Apollo Multi Asset Management	4,260,500	5.15
Goldman Sachs	4,072,423	4.92
Subtotal	**50,064,739**	**60.50**
Other	32,675,261	39.50
Total	**82,740,000**	**100.00**

APAC LOGISTICS CENTRE AND COVE RESIDENCE – DISPOSAL COMPLETED

In August 2013, the Company entered into a formal sales and purchase agreement to dispose of both projects for a combined price of RMB392 million (US$64.7 million). On 21 February 2014, 90% of the total sales consideration was received. The remaining 10% in retention funds will be released to MPO six months after the deal's completion.

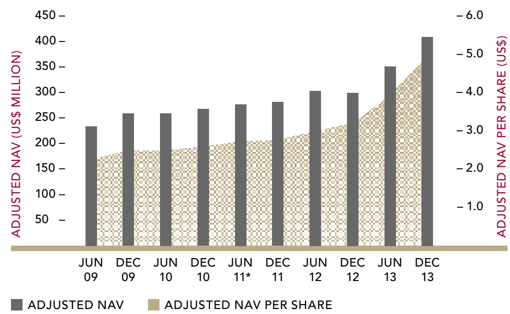
Offering more than 1.3 million square feet of state-of-the-art logistics facilities, *APAC Logistics Centre* is one of the largest multifunctional warehouses in the western Pearl River Delta. The neighbouring *Cove Residence*, with 484 studio, one- and two-bedroom units, will provide 215,000 square feet of living space, tailored to meet rising demand for leased accommodation in the region.

SENADO SQUARE – APPROVAL IN PROCESS

Located in the heart of the city's most popular shopping and tourism district, the 70,000 square feet *Senado Square* retail project will help spur the regeneration of the city's heritage quarter once completed.

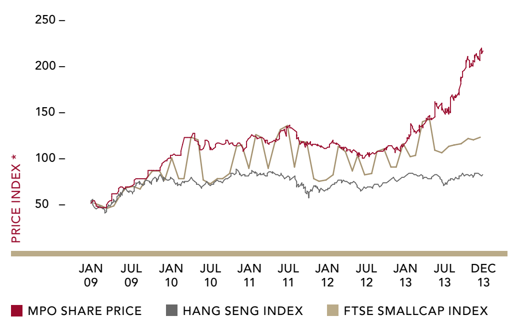
We continue to work in tandem with relevant government bodies to gain the necessary design, planning and construction approvals for this delayed but promising project. Construction is now expected to commence in early 2015. Meanwhile, driven by several record retail transactions in the area, the project has seen a significant increase in its valuation.

Adjusted Net Asset Value



* After deducting US$0.17 (c. 8%) per share returned to shareholders in July 2011.

MPO Share Price outperformed the Hang Seng and FTSE SmallCap Indexes

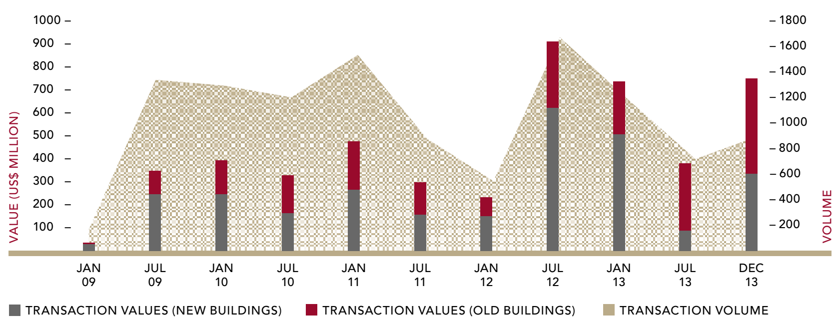


* Rebased to MPO share price. Source: Bloomberg, Sniper Capital Research.

Property Market Outlook

Macau's property market remains supported by strong fundamentals and is growing in parallel with the city's economic expansion. The territory's rising profile as an international leisure and tourism destination, alongside increasing wealth in the region, is likely to continue to fuel demand for the city's properties.

Macau Residential Transaction Value & Volume



Source: Government of Macao Special Administrative Region Statistics and Census Service (DSEC).

A BUOYANT PROPERTY SECTOR

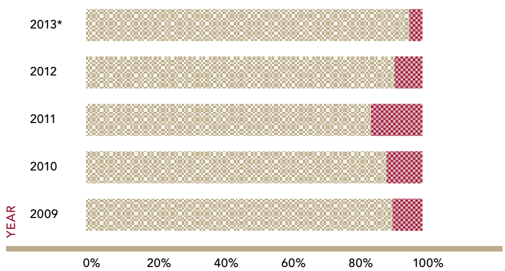
Macau's property market remained strong last year; home prices soared 50% year-on-year, according to media reports. Property agents forecast that the average home price will exceed US$1,220 per square foot this year after setting a record of US$1,140 per square foot last May.

Several notable residential transactions have taken place in the past few months, indicating the strength of the market.

A 7,495 square feet penthouse at One Central Residences was sold for around US$3,000 per square foot. Standard units at One Central Residences are now transacted at above US$1,500 per square foot, according to recent deal records.

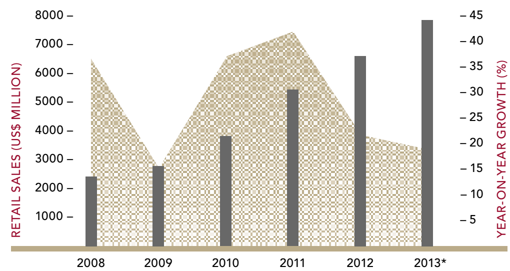
Properties in neighbouring Hengqin also enjoyed significant price appreciation. Two residential sites were sold for US$826 million and US$1 billion, respectively, and experts expect units on the site to be priced at above US$460 per square foot to allow the developers to make reasonable profits.

Local vs. Foreign Buyers in Macau's Residential Market



* From Q1 to Q3. Source: DSEC.

Macau Retail Sales & Year-on-Year Growth



* Annualised 2013. Source: DSEC.

RISING LAND PREMIUMS

Taking into consideration the sharp rise in construction costs and property values, the government announced a new calculation standard for land premiums, factoring in a substantial upward adjustment.

Developers will now have to pay up to five times more in premiums for land intended for commercial use, and three times more for land intended for housing blocks with more than seven floors.

Adjustments to land premiums will increase project costs for developers, and in turn will likely be passed on to homebuyers.

The new calculation standard will not apply to projects whose construction plans have already been approved. MPO's existing properties should benefit from the new measure, as average home prices will be supported by the higher prices of new properties.

CHINA'S URBANISATION DRIVE

Home prices in China's first-tier cities have surged more than 20% year-on-year, despite tougher property market cooling measures rolled out in 2013.

A growing middle class and ongoing urbanisation remain key drivers of domestic property demand in China.

Chinese leaders reaffirmed their intention to turn urbanisation into a powerful engine to drive growth and rebalance the economy at a crucial Communist Party meeting last November.

The country's official level of urbanisation stands at around 52%, and the government aims to increase that figure to 70% by 2025, meaning that 250 million more people will be moving into cities in the next decade.

Consulting firm McKinsey forecasts that China's new middle class will earn RMB60,000-229,000 (US$9,920 to US$37,860) a year by 2022, further supporting demand for property and consumer products.

Macroeconomic Outlook

Economic growth in Macau remains strong and shows little signs of slowing. With more large-scale casino, hotel, entertainment, leisure and shopping developments on the horizon, Macau is set to enter another exciting phase of growth as the city gradually transforms itself from a gaming hub to a multi-faceted tourism destination.

MORE BALANCED GROWTH

Macau continues to set new records for gaming revenues, generating US$45.2 billion in 2013 – six times more than Las Vegas. Bank analysts forecast that the territory's gaming revenue will reach US$77 billion annually by 2017.

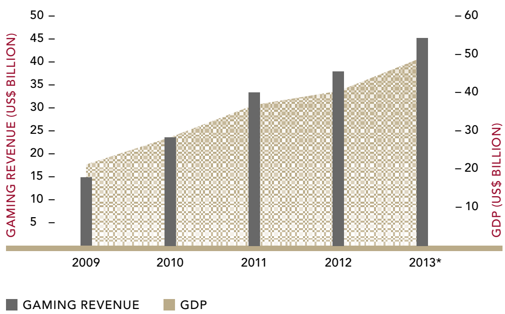
VIP sector and mass-market gaming have both performed well in the past year, although mass-market growth continued to outstrip growth in the VIP segment, rising 35% year-on-year, aided by a 40% year-on-year jump in the fourth quarter alone. Revenues in the high-roller market grew 13% year-on-year, making up two-thirds of the territory's total gaming take.

The city is also making more efforts to diversify its economy. More non-gaming facilities, entertainment programmes and food & beverage options are on offer to attract a more diverse range of visitors.

With world-class facilities, the territory is increasingly becoming a stop on the global concert circuit. International pop stars such as Rihanna and Alicia Keys all performed in Macau last year. Philippine boxing legend and eight-division world champion, Manny Pacquiao, fought a championship bout in Macau to much global media fanfare.

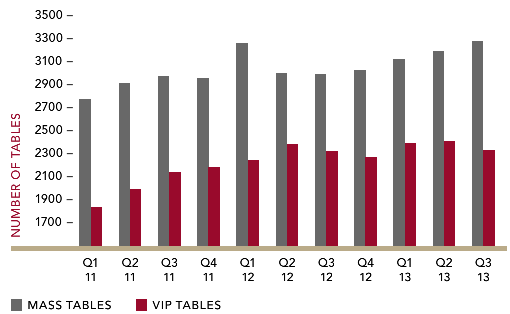
Macau is gradually shedding its image as a town that revolves around gambling, and is well on its way to becoming a multi-attraction tourism destination.

Gaming Revenues & GDP



* Annualised 2013. Source: DSEC, DICJ.

Increasing Numbers of Mass Tables (Operators shifting VIP tables to mass)



Source: Morgan Stanley Research.

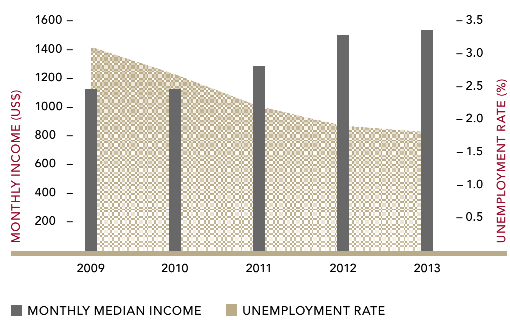
RISING INCOMES AND RETAIL EXPANSION

Macau's economy, supported by the booming gaming and tourism industries, continues to expand. According to the latest Economist Intelligence Unit report, the territory's economy is expected to grow at around 12% in 2013-14, making it one of the fastest-growing economies in the world.

Macau's unemployment rate, at around 1.8%, is one of the lowest in the world. A tight labour market continues to drive wages higher, and the monthly median earnings of Macau residents grew 15% year-on-year to around 15,000 patacas (US$1,877).

Rising incomes have also continued to drive retail sales growth. Retail sales in the city have expanded for several consecutive quarters, fuelled mainly by sales of upmarket goods. Retail sales revenues grew to US$1.95 billion in the third quarter of last year, 23% higher than a year earlier.

Monthly Income & Unemployment Rate



Source: DSEC.

HOTEL BOOM

An unprecedented hotel-building boom is also under way, with a number of new brands set to open in the next few years.

Macau currently has 27,773 rooms spread across 97 hotels. This stands in stark contrast to neighbouring Hong Kong, which has close to 70,000 hotel rooms and Las Vegas, with 150,000. With occupancy levels in Macau averaging well above 80%, the city is in urgent need of greater room capacity. Over 20,000 additional rooms are expected to come to market by 2018.

Sands Cotai Central, in its next phase of expansion, is expected to open the 460-room St. Regis Hotel later this year.

Galaxy Phase Two will see the arrival of the JW Marriott Hotel and The Ritz-Carlton in 2014 and 2015 respectively, together offering 1,280 new rooms.

Macau Studio City, slated to open in 2016, will offer about 1,600 rooms in total.

SJM Holdings has also struck a deal with Italian fashion house Versace to build a luxury Palazzo Versace Hotel boasting 270 rooms, which is due to open in 2017.

The revamp of Macau's Fisherman's Wharf, a development by local tycoon David Chow, will also include three new hotels with a combined 1,263 rooms.

Upcoming Hotel Projects

NAME	LOCATION	NO. OF ROOMS	OPENING DATE
St. Regis	Sands Cotai Central	460	2014
JM Marriott		1,060	2014
The Ritz-Carlton	Galaxy Phase Two	220	2015
Macau Studio City	Macau Studio City	1,600	2015
Hollywood Roosevelt	Taipa	373	2015
Harbourview Hotel		444	2014
Legend Palace Hotel		219	2015
Lengendale Hotel	Fisherman's Wharf	600	2016
The Parisian		3,000	2015
Wynn Cotai		2,000	2016
Louis XIII Casino Resort		246	2016
MGM Cotai	Cotai	1,600	2016
Lisboa Palace		1,450	2017
Palazzo Versace Hotel	SJM Cotai	270	2017
	Total	13,542	

Hollywood Roosevelt, a historic boutique hotel in Los Angeles that counts numerous celebrities as its guests, will open its first Asian branch near the Cotai Strip in mid-2015, with 373 rooms.

Last but not least, the highly-publicised Louis XIII casino resort will also open in 2016. Positioned as "the world's most luxurious and extravagant hotel and casino", the hotel will offer around 230 duplex suites and 16 villas.

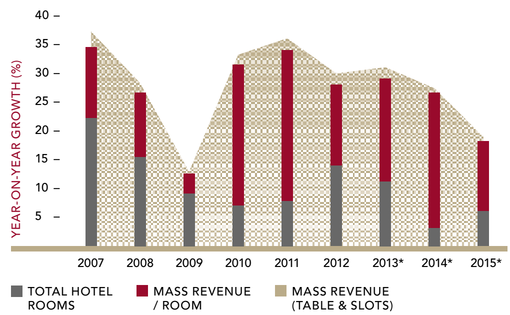
REGIONAL DEVELOPMENT

Across the mainland border in Hengqin, significant growth is also in evidence. The new University of Macau campus – 20 times the size of its predecessor – opened last autumn, and the Chimelong Ocean Kingdom theme park began operations in late January.

Regional infrastructure projects have also continued full steam ahead. Construction is well under way on the Hong Kong-Zhuhai-Macau Bridge. The US$9 billion project will consist of 42km of dual three-lane carriageway with a 6.7km undersea tunnel.

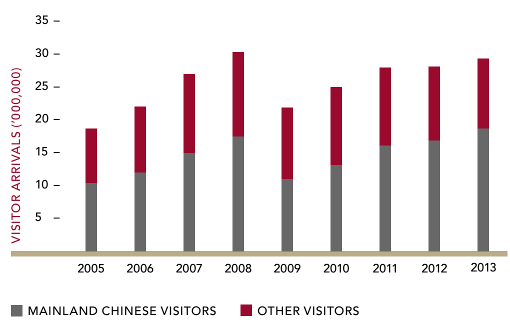
Following Shanghai's lead, a proposal to build a regional free trade zone encompassing Guangdong province, Hong Kong and Macau has been submitted to China's State Council. The plan, if approved, will help to spur further regional co-operation and integration among the three Pearl River Delta economic powerhouses.

Hotel Rooms Constrain Mass Revenue Growth



* Estimates. Source: CEIC, Morgan Stanley Research.

Increasing Visitor Arrivals from Mainland China



Source: DSEC.

RISKS AND UNCERTAINTIES*

* The full list of risks and uncertainties are disclosed in the Corporate Governance Report of the annual financial statements as of 30 June 2013. There have been no changes to the Group's principal risks and uncertainties in the six month period to 31 December 2013 and the Board of Directors does not anticipate any changes to the principal risks and uncertainties in the next six months.

We are excited about Macau's future, yet some uncertainties remain.

A potential change in the interest rate cycle in the United States could have potentially negative effects on property markets in emerging economies.

Uncertainty about China's economic growth projections remains as the country tries to reposition its economy as a long-term, consumption-driven model. The rapid rise in Chinese property prices could herald a potential correction.

Macau continues to be constrained by its limited capacity to host more tourists. The problem will persist in the short-term, but we believe the opening of new resorts, alongside developments on neighbouring Hengqin Island, will gradually alleviate the problem.

Chinese President Xi Jinping has been leading an ongoing anti-corruption campaign, which might negatively impact the VIP gaming market and in turn the overall performance of casinos. The gaming industry also faces potential competition in the region as casino projects in destinations such as the Philippines and Japan emerge. Nevertheless, we believe Macau is well positioned to see off such challenges, thanks to its proximity to large markets and sheer critical mass.

Macau also continues to grapple with ongoing challenges, including a labour shortage, rising wage and construction costs, and protracted approvals procedures for sensitive development projects.

"DESPITE THESE CHALLENGES, THERE ARE FEW CITIES IN THE WORLD THAT ARE TRANSFORMING AS RAPIDLY AS MACAU."

SUMMARY

The territory's success story is continuing to unfold as it evolves from being primarily a gaming hub to a world leading leisure and tourism destination.

As Macau garners increasingly greater international attention, property in the city will become even more appealing to locals and foreigners alike. MPO's portfolio of assets remains well-positioned to ride Macau's next phase of growth.

Going Concern & Directors' Statement of Responsibilities

GOING CONCERN

Your Board have considered the likely outcome of the continuation vote to be proposed at the EGM. In our view there is no material uncertainty that the resolution for the Company not to continue as constituted will be defeated. Accordingly, and in view of the Company's strong cash position and banking facilities, the financial statements have been prepared on the going concern basis. Further details are set out on page 38 in Note 1 to the financial statements.

DIRECTORS' STATEMENT OF RESPONSIBILITIES

The Directors are responsible for preparing this half-yearly financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union; and
- the Chairman's Message and Investment Manager's Report meet the requirements of an interim management
report, and include a fair review of the information required by:

  a. DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim condensed consolidated financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b. DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

DAVID HINDE

Chairman

27 February 2014

Independent Review Report to Macau Property Opportunities Fund Limited

INTRODUCTION

We have been engaged by Macau Property Opportunities Fund Limited to review the interim condensed consolidated financial statements in the interim financial report for the six months ended 31 December 2013 which comprise the Interim Condensed Consolidated Statement of Financial Position, the Interim Condensed Consolidated Statement of Comprehensive Income, the Interim Condensed Consolidated Statement of Changes in Equity, the Interim Condensed Consolidated Statement of Cash Flows and the related notes 1 to 13. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements (UK and Ireland) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

DIRECTORS' RESPONSIBILITIES

The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The interim condensed consolidated financial statements included in this interim financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the interim condensed consolidated financial statements in the interim financial report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements in the interim financial report for the six months ended 31 December 2013 are not prepared, in all material respects, in accordance with International Accounting Standard 34 and with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

ERNST & YOUNG LLP

Guernsey, Channel Islands

27 February 2014

Notes:

1. The maintenance and integrity of the Macau Property Opportunities Fund Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial information since it was initially presented on the website.

2. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Interim Condensed Consolidated Statement of Financial Position (Unaudited)

AS AT 31 DECEMBER 2013

	NOTE	UNAUDITED 31 DEC 2013 US$'000	UNAUDITED 31 DEC 2012 US$'000	AUDITED 30 JUN 2013 US$'000
ASSETS				
NON-CURRENT ASSETS				
Investment property	3	**332,608**	239,848	266,498
Deposits with lenders	4	**3,704**	6,747	4,899
Financial assets at fair value through profit or loss – interest rate swap	6	**260**	-	183
		336,572	246,595	271,580
CURRENT ASSETS				
Inventories	5	**68,834**	62,460	64,768
Trade and other receivables		**186**	227	216
Prepayments		**1,051**	842	732
Cash and cash equivalents		**9,736**	15,193	9,864
		79,807	78,722	75,580
TOTAL ASSETS		**416,379**	325,317	347,160
EQUITY				
CAPITAL AND RESERVES ATTRIBUTABLE TO THE COMPANY'S EQUITY HOLDERS				
Share capital		**835**	948	900
Retained earnings		**127,155**	59,837	90,746
Distributable reserves		**120,853**	151,595	141,212
Foreign currency translation reserve		**1,178**	616	840
TOTAL EQUITY		**250,021**	212,996	233,698
LIABILITIES				
NON-CURRENT LIABILITIES				
Interest-bearing loans	7	**119,863**	93,223	80,962
Financial liabilities at fair value through profit or loss – interest rate swap	6	**-**	1,537	-
		119,863	94,760	80,962
CURRENT LIABILITIES				
Provisions	13	**1,345**	-	-
Trade and other payables		**6,392**	6,009	2,978
Performance fee provision	11	**19,870**	-	10,938
Deferred income/deposits on property sales	3	**6,519**	-	-
Deferred income/deposits on property pre-sales		**5,508**	4,143	4,504
Interest-bearing loans	7	**5,933**	6,580	13,142
Financial liabilities at fair value through profit or loss – interest rate swap	6	**928**	829	938
		46,495	17,561	32,500
TOTAL LIABILITIES		**166,358**	112,321	113,462
TOTAL EQUITY AND LIABILITIES		**416,379**	325,317	347,160
Net Asset Value per share (US$)	9	**2.99**	2.25	2.60
Adjusted Net Asset Value per share (US$)	9	**4.95**	3.19	3.95

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 27 February 2014.

The notes on pages 37 to 47 form part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)

FOR THE 6 MONTH PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

	NOTE	UNAUDITED 6 MONTHS 1 JUL 13 – 31 DEC 13 US$'000	UNAUDITED 6 MONTHS 1 JUL 12 – 31 DEC 12 US$'000	AUDITED 12 MONTHS 1 JUL 12 – 30 JUN 13 US$'000
INCOME				
Sales of inventories		-	6,998	6,995
Rental income		2,520	2,142	4,209
Net gain from fair value adjustment on investment property	3	62,527	7,156	48,465
Gain on disposal of investment property		-	-	3,606
(Loss)/gain on foreign currency translation		(68)	37	(87)
		64,979	16,333	63,188
EXPENSES				
Cost of sales of inventories	5	-	6,341	6,339
Management fee	11	3,614	3,067	6,301
Performance fee	11	19,874	-	10,938
Non-Executive Directors' fees	11	122	129	242
Auditors' remuneration		64	56	115
Property operating expenses		656	609	1,140
Sales and marketing expenses		1,160	322	533
General and administration expenses		934	854	1,467
		(26,424)	(11,378)	(27,075)
OPERATING PROFIT FOR THE PERIOD/YEAR		38,555	4,955	36,113
FINANCE INCOME AND EXPENSES				
Net gain on valuation of interest rate swap		87	66	1,677
Bank loan interest		(1,316)	(1,277)	(2,491)
Interest expense on interest rate swap		(518)	(408)	(866)
Other financing costs		(400)	(133)	(322)
Bank and other interest		1	38	39
		(2,146)	(1,714)	(1,963)
PROFIT FOR THE PERIOD/YEAR		36,409	3,241	34,150
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
Exchange difference on translating foreign operations		338	317	541
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD/YEAR		36,747	3,558	34,691
PROFIT ATTRIBUTABLE TO:				
Equity holders of the Company		36,409	3,241	34,150
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Equity holders of the Company		36,747	3,558	34,691

	NOTE	UNAUDITED 6 MONTHS 1 JUL 13 – 31 DEC 13 US $	UNAUDITED 6 MONTHS 1 JUL 12 – 31 DEC 12 US $	AUDITED 12 MONTHS 1 JUL 12 – 30 JUN 13 US $
BASIC AND DILUTED PROFIT PER ORDINARY SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY DURING THE PERIOD/YEAR	8	0.4115	0.0326	0.3560

All items in the above statement are derived from continuing operations.

The notes on pages 37 to 47 form part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

MOVEMENT FOR THE 6 MONTH PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

	NOTE	SHARE CAPITAL US$'000	RETAINED EARNINGS US$'000	DISTRIBUTABLE RESERVES US$'000	FOREIGN CURRENCY TRANSLATION RESERVE US$'000	TOTAL US$'000
BALANCE BROUGHT FORWARD AT 1 JULY 2013		**900**	**90,746**	**141,212**	**840**	**233,698**
Profit for the period		-	**36,409**	-	-	36,409
Items that may be reclassified subsequently to profit or loss						
Exchange difference on translating foreign operations		-	-	-	338	338
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-	**36,409**	-	**338**	**36,747**
Share buy-back	12	(65)	-	(20,359)	-	(20,424)
BALANCE CARRIED FORWARD AT 31 DECEMBER 2013		**835**	**127,155**	**120,853**	**1,178**	**250,021**

MOVEMENT FOR THE 6 MONTH PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012 (UNAUDITED)

	NOTE	SHARE CAPITAL US$'000	RETAINED EARNINGS US$'000	DISTRIBUTABLE RESERVES US$'000	FOREIGN CURRENCY TRANSLATION RESERVE US$'000	TOTAL US$'000
Balance brought forward at 1 July 2012		1,020	56,596	163,896	299	221,811
Profit for the period		-	3,241	-	-	3,241
Items that may be reclassified subsequently to profit or loss						
Exchange difference on translating foreign operations		-	-	-	317	317
Total comprehensive income for the period		-	3,241	-	317	3,558
Share buy-back	12	(72)	-	(12,301)	-	(12,373)
Balance carried forward at 31 December 2012		948	59,837	151,595	616	212,996

MOVEMENT FOR THE YEAR FROM 1 JULY 2012 TO 31 DECEMBER 2013 (AUDITED)

	NOTE	SHARE CAPITAL US$'000	RETAINED EARNINGS US$'000	DISTRIBUTABLE RESERVES US$'000	FOREIGN CURRENCY TRANSLATION RESERVE US$'000	TOTAL US$'000
Balance brought forward at 1 July 2012		1,020	56,596	163,896	299	221,811
Profit for the year		-	34,150	-	-	34,150
Items that may be reclassified subsequently to profit or loss						
Exchange difference on translating foreign operations		-	-	-	541	541
Total comprehensive income for the year		-	34,150	-	541	34,691
Share buy-back	12	(120)	-	(22,684)	-	(22,804)
Balance carried forward at 30 June 2013		900	90,746	141,212	840	233,698

The notes on pages 37 to 47 form part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

FOR THE 6 MONTH PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

	NOTE	UNAUDITED 6 MONTHS 1 JUL 13 – 31 DEC 13 US$'000	UNAUDITED 6 MONTHS 1 JUL 12 – 31 DEC 12 US$'000	AUDITED 12 MONTHS 1 JUL 12 – 30 JUN 13 US$'000
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	10	(6,416)	4,713	(3,060)
CASH FLOWS FROM INVESTING ACTIVITIES				
Capital expenditure on investment properties	3	(3,583)	(7,684)	(8,502)
Proceeds from disposal of investment property	3	-	-	19,081
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		(3,583)	(7,684)	10,579
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank borrowings		102,414	-	3,579
Repayment of bank borrowings		(70,722)	(3,512)	(12,790)
Decrease/(increase) in pledged bank balances		1,195	(157)	1,691
Share buy-back	12	(20,424)	(12,373)	(22,804)
Interest and bank charges paid		(2,535)	(1,780)	(3,434)
NET CASH GENERATED/(USED IN) FROM FINANCING ACTIVITIES		9,928	(17,822)	(33,758)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(71)	(20,793)	(26,239)
Cash and cash equivalents at beginning of period/year		9,864	36,077	36,077
Effect of foreign exchange rate changes		(57)	(91)	26
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR		9,736	15,193	9,864

The notes on pages 37 to 47 form part of these interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

GENERAL INFORMATION

Macau Property Opportunities Fund Limited (the "Company") is a Company incorporated and registered in Guernsey under The Companies (Guernsey) Law, 1994. This law was replaced by the Companies (Guernsey) Law, 2008 on 1 July 2008. The Company is an authorised entity under the Authorised Closed-Ended Investment Schemes Rules 2008 and is regulated by the Guernsey Financial Services Commission. The address of the registered office is given on page 48.

The interim condensed consolidated financial statements for the six months ended 31 December 2013 comprise the interim financial statements of the Company and its subsidiaries (together referred to as the "Group").

The Group invests in residential and commercial property and property-related ventures primarily in Macau and in the Western Pearl River Delta region of Mainland China.

There have been no changes to the Group's principal risks and uncertainties in the six month period to 31 December 2013 and the Board of Directors does not anticipate any changes to the principal risks and uncertainties in the second half of the year. Principal risks and uncertainties are further discussed in the Investment Manager's Report on page 30.

The interim condensed consolidated financial statements are presented in US Dollars ("US$") and are rounded to the nearest thousand ($'000).

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on 27 February 2014.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union; applicable legal and regulatory requirements of Guernsey Law and under the historical cost convention as modified by the revaluation of investment properties and derivative financial instruments.

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual financial statements. The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 30 June 2013.

New standards and interpretations

At the date of authorisation of these financial statements, the following standards and interpretations that are relevant to the Group, have been applied in these financial statements:

IFRS 7 Financial Instruments: – The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, such involvement.

IFRS 13: Fair value measurement: – IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 does expand the disclosure requirements in respect of fair value measurement. In particular, the financial statements will, as well as other disclosures, contain:

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- An analysis of the fair value hierarchy for investment property (as well as for financial instruments);
- Information about the sensitivity of fair value measurements to changes in unobservable estimation inputs; and
- A detailed commentary on the Group's valuations methods and procedures.

In addition the following improvements have been applied:

IAS 1 Presentation of Financial Statements – This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 32 Financial Instruments, Presentation – This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting – The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

Going concern

As part of their assessment of the going concern of the Group, the Directors have reviewed the comprehensive cash flow forecasts prepared by management which make assumptions based upon current and expected future market conditions. It is the Directors' belief that, based upon those forecasts and their assessment of the Group's committed banking facilities, it is appropriate to prepare the financial statements of the Group on the going concern basis. In arriving at their conclusion that the Group currently has adequate financial resources, the Directors have taken into consideration the fact that the Group has unrestricted cash of US$9.7 million as at 31 December 2013 and is expected to continue to comply with the covenants of its banking facilities going forward.

The Directors have also considered the implications of the continuation vote on the application of the going concern basis as described below. At an Extraordinary General Meeting of the Company to be held in the very near future, a special resolution will be proposed that the Company ceases to continue as constituted. For the special resolution to be passed, a 75% majority in favour is required. If the resolution is passed, the Directors are required to formulate proposals to be put to the Shareholders to reorganise, unitise, reconstruct or wind up the Company. The Directors have considered the future of the Company and have received input from the Manager, some significant Shareholders and the Investment Adviser. In view of the commercial rationale for the Company to continue as constituted, the support expressed by shareholders and the proximity to the period end of the EGM at which the continuation vote will be proposed, the Directors consider that there is no material uncertainty which may cast significant doubt as to the likelihood of the Company continuing as a going concern. The Directors therefore consider that it is appropriate for the financial statements to be prepared on the going concern basis of accounting.

Seasonal and cyclical variations

The Group does not operate in an industry where significant or cyclical variations as a result of seasonal activity are experienced during the financial year.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

2. SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those segments operating in other economic environments.

The Directors are of the opinion that the Group is engaged in a single segment of business, being property investment, development and related business. This segment includes residential and commercial property and property-related ventures primarily in Macau and in the Western Pearl River Delta region of Mainland China.

3. INVESTMENT PROPERTY

	UNAUDITED 1 JUL 13 – 31 DEC 13 US$'000	UNAUDITED 1 JUL 12 – 31 DEC 12 US$'000	AUDITED 1 JUL 12 – 30 JUN 13 US$'000
AT BEGINNING OF THE PERIOD/YEAR	**266,498**	225,008	225,008
Capital expenditure on property	**3,500**	7,472	8,452
Disposals	-	-	(19,081)
Gain on disposal of investment property	-	-	3,606
Fair value adjustment	**62,527**	7,156	48,465
Exchange difference	**83**	212	48
BALANCE AT END OF THE PERIOD/YEAR	**332,608**	239,848	266,498

The Group's investment properties were revalued at 31 December 2013 by independent, professionally-qualified valuers Savills (Macau) Limited. The valuation has been carried out in accordance with the current Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards to calculate the market value of the investment properties in their existing state and physical condition, with the assumptions that:

- The owner sells the property in the open market without any arrangement which could serve to affect the value of the property.
- The property is held for investment purposes.
- The property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

The fair value of investment property is determined by Savills (Macau) Limited using recognised valuation techniques. In some cases, the fair values are determined based on recent real estate transactions with similar characteristics and location to those of the Group assets.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the reporting date.

Capital expenditure in the period relates to the fit out costs for *The Waterside* and the planning, design and development costs for the *APAC Logistics Centre* and *Cove Residence*.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

3. INVESTMENT PROPERTY (CONTINUED)

Rental income arising from *The Waterside* of US$2,459,449 (6 months ended 31 December 2012: US$2,045,898, 12 months ended 30 June 2013: US$4,041,133) was received during the period. Direct operating expenses of US$354,864 (6 months ended 31 December 2012: US$364,281, 12 months ended 30 June 2013: US$712,124) arising from *The Waterside* that generated rental income were incurred during the 6 month period. Direct operating expenses during the period arising from vacant units totalled US$17,359 (6 months ended 31 December 2012: US$19,299, 12 months ended 30 June 2013: US$45,817).

The *APAC Logistics Centre* located in the Zhuhai Free Trade Zone, China, generated rental income of US$60,990 (6 months ended 31 December 2012: US$95,639, 12 months ended 30 June 2013: US$168,025) during the period. Direct operating expenses of US$34,281 (6 months ended 31 December 2012: US$58,143, 12 months ended 30 June 2013: US$91,125) arising from the *APAC Logistics Centre* that generated rental income were incurred during the 6 month period. Direct operating expenses during the period arising from vacant units totalled US$11,724 (6 months ended 31 December 2012: US$15,182, 12 months ended 30 June 2013: US$32,413).

On 11 July 2013, the Group executed a Letter of Intent for the sale of the *APAC Logistics Centre* and *Cove Residence*. The agreed sales price was RMB392 million (US$65 million). Upon satisfactory completion of the due diligence procedures, a Sale and Purchase agreement was signed on 23 August 2013 and a deposit of US$6,519,000 was received.

Subsequent to the period end, the sale was completed on 21 February 2014 and the Group has received a total of RMB352 million (US$58 million), or 90% of the total sales consideration. The remaining 10%, or c. US$6.4 million, will be held in escrow as retention funds and will be released to the Group six months after the completion date, so long as no breaches of representations or terms have occurred during this period.

Trade and other receivables mainly consists of rent receivable. Any debtors past due have not been impaired, the effect of which is immaterial to the Company.

The following table shows the assumptions used in valuing the investment properties:

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

3. INVESTMENT PROPERTY (CONTINUED)

	PROPERTY INFORMATION	CARRYING AMOUNT/FAIR VALUE AS AT 31 DEC 2013 US$'000	VALUATION TECHNIQUE	INPUT	UNOBSERVABLE AND OBSERVABLE INPUTS USED IN DETERMINATION OF FAIR VALUES	OTHER KEY INFORMATION
NAME	*The Waterside*	267,871	Income Capitalisation	Term rent	HK$ 23.4 psf	Age of building
				Term yield (inclusive of management fee and furniture)	1.80%	Remaining useful life of building
TYPE	Completed apartments			Reversionary rent	HK$ 24.7 psf	
LOCATION	One Central Tower 6 Macau			Reversionary yield (exclusive of management fee and furniture)	2.00%	
NAME	*APAC Logistics Centre* and *Cove Residence*	64,737	Completed Sale Transaction	Sales Price	N/A	Based on completed sales consideration
TYPE	Industrial Phase 1 under construction Industrial Phase 2a under construction Industrial Phase 2b under construction Dormitory Phase 2a under construction					
LOCATION	Zhuhai Free Trade Zone China					
	TOTAL	**332,608**				

The fair value of *The Waterside* is determined using the income capitalisation method where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate. The difference between gross and net rental income includes the same expense categories as those for the DCF method with the exception that certain expenses are not measured over time, but included on the basis of a time weighted average, such as the average lease up costs. Under the income capitalisation method, over and under-rent situations are separately capitalised (discounted).

If the estimated reversionary rent increased/decreased by 5%, (and all other assumptions remained the same) the fair value of *The Waterside* would increase by US$13 million or decrease by US$13 million.

If the term and reversionary yields increased/decreased by 5%, (and all other assumptions remained the same) the fair value of *The Waterside* would increase by US$13 million or decrease by US$14 million.

The same valuation method was deployed in 2012 and 2013.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

3. INVESTMENT PROPERTY (CONTINUED)

The fair valuation of the *APAC Logistics Centre* and *Cove Residence* is determined based on the completed sales consideration. Direct comparison and income capitalisation method were used to determine the fair value as of 30 June 2013 and in the prior periods. The change in valuation technique is due to the sale transaction having been completed on 21 February 2014, and therefore the sales consideration best represents the fair value of the properties as of 31 December 2013.

All properties are currently valued at their highest and best use. There is no extra evidence available to suggest that any property has an alternative use that would provide a greater fair value measurement.

Fair value

IFRS 13 requires disclosure of fair value measurement by level. The level in the fair value hierarchy within which the financial assets are categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

Financial assets are classified in their entirety into only one of the three levels.

The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Investment properties are fair valued at each reporting date. The Company's investment property has been classified within Level 3 as they have unobservable inputs.

There have been no transfers between levels during the period.

4. DEPOSITS WITH LENDERS

Pledged bank balances represents deposits pledged to the Group's bankers to secure the banking facilities and interest rate swaps granted to the Group. Deposits have been pledged to secure long-term banking facilities and interest rate swaps and are, therefore, classified as non-current assets. There are no other significant terms and conditions associated with these pledged bank balances.

	UNAUDITED 31 DEC 13 US$'000	UNAUDITED 31 DEC 12 US$'000	AUDITED 30 JUN 13 US$'000
Pledged for loan covenants	**1,850**	4,142	2,659
Pledged for interest rate swaps	**1,854**	2,605	2,240
	3,704	6,747	4,899

5. INVENTORIES

	UNAUDITED 1 JUL 13 – 31 DEC 13 US$'000	UNAUDITED 1 JUL 12 – 31 DEC 12 US$'000	AUDITED 1 JUL 12 – 30 JUN 13 US$'000
COST			
BALANCE BROUGHT FORWARD	**64,768**	64,921	64,921
Additions	**4,046**	3,819	6,171
Disposals	**-**	(6,341)	(6,339)
Exchange difference	**20**	61	15
BALANCE CARRIED FORWARD	**68,834**	62,460	64,768

Additions include capital expenditure, development costs and capitalisation of financing costs. Financing costs of US$247,000 (31 December 2012: US$64,000, 30 June 2013: US$183,000) relating to *The Fountainside* loan facility were capitalised during the period.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

5. INVENTORIES (CONTINUED)

Under IFRS, inventories are valued at the lower of cost and net realisable value. The carrying amounts for inventories as at 31 December 2013 amounts to US$68,834,000 (6 months ended 31 December 2012: US$62,460,000, 12 months ended 30 June 2013: US$64,768,000). Total market value as at 31 December 2013 as determined by independent, professionally-qualified valuer, Savills (Macau) Limited, was US$232,385,000 (6 months ended 31 December 2012: US$152,113,000, 12 months ended 30 June 2013: US$186,402,000)).

6. INTEREST RATE SWAPS

During the period the Group paid net interest of US$518,000 (31 December 2012: US$408,000, 30 June 2013: US$866,000) as shown in financing expenses on the consolidated statement of comprehensive income.

The swaps are treated as financial liabilities at fair value through profit or loss with a net period end value of US$668,000 (31 December 2012: US$2,366,000, 30 June 2013: US$755,000). For the period ended, a fair value gain of US$87,000 (31 December 2012: US$66,000, 30 June 2013: US$1,677,000) arising from the interest rate swaps in aggregate has been recognised in the consolidated statement of comprehensive income.

There are no changes in the counterparty credit risk during the period. The swaps did not change levels in 2012 or 2013. They are classified as level 2.

Standard Chartered Bank

The Group has entered into five interest rate swaps with Standard Chartered Bank to mitigate risks associated with the variability of cash flows arising from interest rate fluctuations.

The total notional amount for the interest rate swaps is HK$500,000,000 (US$64,485,001), being a notional amount of HK$100,000,000 for each swap. The tenure of each swap is five years, with the earliest maturity date being 6 August 2015 and the latest being 20 May 2016.

Under these swaps, the Group receives quarterly interest at variable rates of three-month HIBOR and pays quarterly interest at fixed rates ranging from 1.395% to 2.09% per annum. The Group has placed HK$14,375,000 (US$1,853,944) (31 December 2012: HKD$20,188,000 (US$2,604,000), 30 June 2013: HK$17,375,000 (US$2,240,159)) with Standard Chartered Bank as a pledged deposit to secure the interest rate swap facilities.

Hang Seng Bank

The Group has also entered into an interest rate swap with Hang Seng Bank to mitigate risks associated with the variability of cash flows arising from interest rate fluctuations. The notional amount for the interest rate swap is HK$250,000,000 (US$32,242,501) (31 December 2012: HKD$ Nil (US$ Nil), 30 June 2013: HK$250,000,000 (US$32,232,499)), the tenure of the swap is five years with maturity date of 19 March 2018. Under this swap, the Group receives quarterly interest at variable rates of three-month HIBOR and pays quarterly interest at fixed rate of 1% per annum.

7. INTEREST-BEARING LOANS

	UNAUDITED 31 DEC 13 US$'000	UNAUDITED 31 DEC 12 US$'000	AUDITED 30 JUN 13 US$'000
Bank loans – Secured			
- Current portion	**5,933**	6,580	13,142
- Non-current portion	**119,863**	93,223	80,962
	125,796	99,803	94,104

The Group has a term loan facility with Hang Seng Bank for *The Waterside* and the individual One Central Residences units. On 17 September 2013 the loan facility was renegotiated. The facility amount has been increased to HK$828 million (US$106.8 million). A new tranche (tranche 3) of HK$750 million (US$96.7 million) of the facility was drawndown and used to fully repay HK$157.7 million (US$20.3 million) of tranche 2 of the previous loan and repay HK$390.9 million (US$50.4 million) of tranche 1. This new tranche has a tenure of 7 years until 19 September 2020 and is subject to

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

7. INTEREST-BEARING LOANS (CONTINUED)

interest at 2.25% per annum over the one, two or three-month HIBOR rate; the choice of rate is at the Group's discretion. The principal is to be repaid in half-yearly instalments commencing two years after the drawdown date. The loan-to-value covenant is 60%. The facility is secured by means of a first registered legal mortgage over *The Waterside* and the individual residential units owned by the Group at One Central Residences as well as a pledge of all income from the units. The Group is the guarantor for the credit facility. In addition, the Group is required to maintain a cash reserve equal to six months' interest with the lender.

As at 31 December 2013, tranche 1 has an outstanding balance of HK$79.4 million (US$10.2 million) (31 December 2012: HKD$470 million (US$60.6 million), 30 June 2013: HK$470 million (US$60.6 million)); while tranche 2 was repaid in full during the period ((31 December 2012: HKD$158 million (US$20.3 million), 30 June 2013: HK$158 million (US$20.3 million)). Tranche 3 has an outstanding balance of HK$750 million (US$96.7 million) (31 December 2012: HKD$ Nil (US$ Nil), 30 June 2013: HK$ Nil (US$ Nil)). Interest is paid quarterly on this loan facility. As at 31 December 2013, the loan-to-value ratio for the Hang Seng One Central facility was 34.74%.

The Group has a credit facility with Banco Weng Hang S.A. to finance *The Fountainside* redevelopment which was secured by a first legal mortgage over the property as well as a pledge of all income from *The Fountainside* units. The facility was renegotiated in July 2013 for up to HK$100 million (US$12.9 million) until 20 September 2015, with interest charged at 2.6% per annum over the three-month HIBOR rate. The bank also released HK$21 million (US$2.7 million) of the charged deposits to the Group to fund future development projects. During the period HK$44 million (US$5.7 million) was drawndown. As at 31 December 2013, HK$100 million (US$12.9 million) (31 December 2012: HKD$51 million (US$6.6 million), 30 June 2013: HK$56 million (US$7.2 million)) of the facility had been drawdown. The loan-to-value covenant is 60%. This facility is non-recourse to the Group. As at 31 December 2013, proceeds of US$0.8 million (31 December 2012: US$4.1 million, 30 June 2013: US$2.7 million) received from the pre-sale of *The Fountainside* units were pledged with the lender. Interest is paid monthly on this loan facility. As at 31 December 2013, the loan-to-value ratio for this facility was 17.61%.

On 29 June 2012 the Group arranged a two year term loan facility with Wing Lung Bank to refinance the purchase of *The Green House*. As at 31 December 2013, the facility had an outstanding balance of HK$46 million (US$6 million) (31 December 2012: HKD$46 million (US$6 million), 30 June 2013: HK$46 million (US$6 million)). The interest rate applicable to the Wing Lung Bank loan facility is 3.5% per annum over the three-month HIBOR rate. This facility is secured by a first legal mortgage over the property as well as a pledge of all income from the property.

The facility is for up to HK$46 million. The loan-to-value covenant is 55%. The Group is the guarantor for this term loan. Interest is paid quarterly on this loan facility. As at 31 December 2013, the loan-to-value ratio for this facility was 32.86%.

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing loans is based on discounted cash flows using prevailing market interest rates for debts with similar credit risk and maturity. As at 31 December 2013, the fair value of the financial liabilities was US$159,000 lower than the carrying value of the financial liabilities (31 December 2012: no material difference between amortised cost and fair value, 30 June 2013 the fair value of the financial liabilities was US$1.6 million lower than the carrying value of the financial liabilities).

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

8. BASIC AND DILUTED EARNINGS

Earnings per share is based upon the following data:

	UNAUDITED 1 JUL 13 – 31 DEC 13	UNAUDITED 1 JUL 12 – 31 DEC 12	AUDITED 1 JUL 12 – 30 JUN 13
Profit for the period/year (US$)	**36,409,000**	3,241,000	34,150,000
Weighted average number of Ordinary Shares	**88,472,826**	99,269,090	95,929,418
Basic and diluted earnings per share (US$)	**0.4115**	0.0326	0.3560

The earnings per share (EPS) is based on the profit for the period/year and on the weighted average number of shares in issue for the period/year.

9. NET ASSET VALUE RECONCILIATION

	UNAUDITED 31 DEC 13 US$'000	UNAUDITED 31 DEC 12 US$'000	AUDITED 30 JUN 13 US$'000
Net assets attributable to ordinary shareholders	**250,021**	212,996	233,698
Uplift of inventories held at cost to market value	**163,550**	89,653	121,634
ADJUSTED NET ASSET VALUE	**413,571**	302,649	355,332
Number of Ordinary Shares Outstanding ('000)	**83,500**	94,780	90,000
NAV PER SHARE (IFRS) (US$)	**2.99**	2.25	2.60
ADJUSTED NAV PER SHARE (US$)	**4.95**	3.19	3.95
ADJUSTED NAV PER SHARE (£)*	**2.99**	1.97	2.60

* US$:GBP rates as at relevant period end

The NAV per share is arrived at by dividing the net assets as at the date of the consolidated statement of financial position, by the number of Ordinary Shares in issue at that date.

Under IFRS, inventories are carried at the lower of cost and net realisable value. The Adjusted NAV includes the uplift of inventories to their market values.

The Adjusted NAV per share is arrived at by dividing the Adjusted Net Asset Value as at the date of the consolidated statement of financial position, by the number of Ordinary Shares in issue at that date.

There are no potentially dilutive shares in issue.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

10. CASH FLOWS FROM OPERATING ACTIVITIES

CASH FLOWS FROM OPERATING ACTIVITIES	UNAUDITED 6 MONTHS 1 JUL 13 – 31 DEC 2013 US$'000	UNAUDITED 6 MONTHS 1 JUL 12 – 31 DEC 2012 US$'000 (RESTATED*)	AUDITED 12 MONTHS 1 JUL 12 – 30 JUN 13 US$'000
Profit for the period/year	**36,409**	3,241	34,150
Adjustments for:			
Net gain on valuation of interest rate swap	**(87)**	(66)	(1,677)
Net gain from fair value adjustment on investment property	**(62,527)**	(7,156)	(48,465)
Gain on disposal of investment property	**-**	-	(3,606)
Net finance costs	**2,233**	1,780	3,640
Operating cash flows before movements in working capital	**(23,972)**	(2,201)	(15,958)
Effect of foreign exchange rate changes	**395**	408	515
Movement in receivables	**(19)**	141	21
Movement in payables	**21,246**	3,904	12,209
Movement in inventories	**(4,066)**	2,461	153
Net change in working capital	**17,161**	6,506	12,383
Net cash (used in) /from operating activities	**(6,416)**	4,713	(3,060)

* During 2012, investment properties were reclassified as investing activities in the Consolidated Statement of Cashflows. The total amount of US$7,646,000 was reclassed in order to bring the statement in line with current standard IAS7 – Statement of Cashflows.

Cash and cash equivalents (which are presented as a single class of assets on the face of the Interim Condensed Consolidated Statement of Financial Position) comprise cash at bank and other short-term, highly-liquid investments with a maturity of three months or less.

11. RELATED PARTY TRANSACTIONS

Directors of the Company are all Non-Executive and by way of remuneration receive only an annual fee.

	UNAUDITED 6 MONTHS 1 JUL 13 – 31 DEC 13 US$'000	UNAUDITED 6 MONTHS 1 JUL 12 – 31 DEC 12 US$'000	AUDITED 12 MONTHS 1 JUL 12 – 30 JUN 13 US$'000
Directors' fees	**122**	129	242

Thomas Ashworth is a shareholder and Director of Sniper Capital Limited. Sniper Capital Limited is the Manager to the Group and received management fees during the period as detailed in the Interim Condensed Consolidated Statement of Comprehensive Income. Management fees are paid quarterly in advance and amounted to US$3.6m (31 December 2012: US$3.1m, 30 June 2013: US$6.3m) at a fee of 2.0% per annum of the Net Asset Value, as adjusted to reflect the Property Investment Valuation Basis. Thomas Ashworth received no Directors' fees from the Group.

Performance fee of US$19,870,000 was accrued at period end (31 December 2012: US$ Nil, 30 June 2013: US$10,938,000). Performance fee of US$10,942,659 was paid during the period (31 December 2012: US$ Nil, 30 June 2013: US$ Nil).

Thomas Ashworth is a shareholder and Director of Adept Capital Partners Services Limited. Adept Capital Partners Services Limited provides administrative services to the Macanese, Hong Kong and British Virgin Islands SPVs and received fees during the period of US$50,000 of which US$ nil was outstanding at the period end (31 December 2012: US$51,000 of which nil was outstanding, 30 June 2013: US$101,000 of which US$ nil was outstanding).

The Group has a Development Management Services Agreement with a development management company named Headland Developments Limited ("Headland"). Headland is part-owned by Thomas Ashworth and

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2013 TO 31 DECEMBER 2013

11. RELATED PARTY TRANSACTIONS (CONTINUED)

therefore constitutes a related party of the Group. During the period, Development Management Services fees of HK$1,681,242 (US$216,830) (31 December 2012: HK$2,661,000 (US$343,000), 30 June 2013: HK$5,446,000 (US$702,000)) were capitalised in investment property and HK$2,188,450 (US$282,244) (31 December 2012: HK$2,746,000 (US$354,000), 30 June 2013: HK$5,898,000 (US$760,000)) were capitalised in inventories. As at 31 December 2013 US$158,762 (31 December 2012: US$119,836, 30 June 2013: US$386,927) was outstanding.

All intercompany loans and related interest are eliminated on consolidation.

12. ORDINARY SHARE REPURCHASES

During the period, under the authority first granted in the Extraordinary General Meeting of 28 June 2010, and renewed at each Annual General Meeting since then, the Company repurchased 6,500,000 Ordinary Shares or 6.19% of the originally issued shares, at an average share price of 194.65p. All shares bought back under the buy-back programme were cancelled.

The following table summarises all shares repurchased by the Company:

	NUMBER OF SHARES	REPURCHASE PRICE PER SHARE *
05 May 2011	925,000	131.00 **
06 May 2011	750,000	131.00 **
17 May 2011	525,000	133.21 **
Sub-total	**2,200,000**	**131.53**
08 July 2011	300,000	135.33 **
22 May 2012	100,000	103.00
28 May 2012	50,000	103.00
06 June 2012	150,000	103.00
12 June 2012	65,000	103.00
29 June 2012	135,000	105.00
Sub-total	**800,000**	**115.46**
12 July 2012	2,000,000	100.00
07 August 2012	47,300	105.50
10 August 2012	22,950	105.50
03 December 2012	4,404,483	110.50
04 December 2012	595,517	112.00
14 December 2012	25,000	111.00
21 December 2012	125,000	117.00
28 March 2013	1,000,000	140.00
09 April 2013	2,000,000	142.00
10 April 2013	1,250,000	144.00
11 April 2013	529,750	145.00
Sub-total	**12,000,000**	**121.58**
29 August 2013	1,500,000	168.50
12 December 2013	5,000,000	202.50
Sub-total	**6,500,000**	**194.65**
Total/Average	**21,500,000**	**144.47**

* Price in pence Sterling

** Price in pence Sterling and prior to the distribution of US$17.9 million to shareholders on 12 July 2011 equating to 10.76 pence per share.

13. PROVISIONS

	UNAUDITED 31 DEC 13 US$'000	UNAUDITED 31 DEC 12 US$'000	AUDITED 30 JUN 13 US$'000
Provision	**1,345**	-	-

As at 31 December 2013 and following initial correspondence with the Macau tax authorities during the period, a provision of US$1,345,000 was made for potential additional stamp duty and related costs due in relation to *The Waterside*.

14. SUBSEQUENT EVENTS

On 30 January 2014, a further 760,000 shares were repurchased at a price of 206.086p and cancelled.

Other than the sale of the *APAC Logistics Centre* and *Cove Residence* disclosed in Note 3, there are no other material subsequent events.

Directors and Company Information

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Alan Clifton
Wilfred Woo
Chris Russell

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Macau Property Opportunities Fund

The remains of the original façade of Igreja da Mater Dei circa 1900, more famously known as Ruínas de São Paulo (Ruins of St. Paul's).