



INVESTOR UPDATE

Macau Property Opportunities Fund

First Quarter 2007

Quick Facts

Listing Date	5 June 2006
Exchange Listing	AIM (London)
Total Shares Issued	105,000,000
Issue price	100p
Latest Share Price	127.50p
Market Capitalisation	£133,875,000
Stock Code	MPO
Country of Incorporation	Guernsey
Max. Level of Gearing	60%
Current Gearing Level	0%
No. of Acquisitions	Three
Total Commitment	US\$148 million
Investment Manager	Sniper Capital

All data as of end-March 2007

About the Fund

Macau Property Opportunities Fund Limited is a closed-end investment company incorporated in Guernsey and listed on the Alternative Investment Market of the London Stock Exchange.

The Company's investment policy is to provide shareholders with an attractive total return, which is expected to comprise primarily capital growth, but with the potential for dividends over the medium to long term.

The Company focuses on investing in property opportunities primarily in Macau, but also potentially in the Western Pearl River Delta region and in exceptional circumstances, greater China.

www.mpofund.com



Highlights

- Maiden interim results announced
- 13.8% uplift in first-half Adjusted NAV
- Eight sites under negotiation worth US\$280 million
- Strong performance and increased turnover in Company's shares

Fund Overview

In February, the Company announced its maiden interim results for the period to 31 December 2006. The valuations of the portfolio properties, undertaken by Savills, increased by 21%, translating into a 13.8% uplift in the Fund's Adjusted NAV. The properties were acquired towards the end of the first half, therefore giving less time for the valuations to benefit from the ongoing growth in land prices. This rapid uplift reflects the attractive prices paid for the properties and the redevelopment potential of Properties 1 & 3.

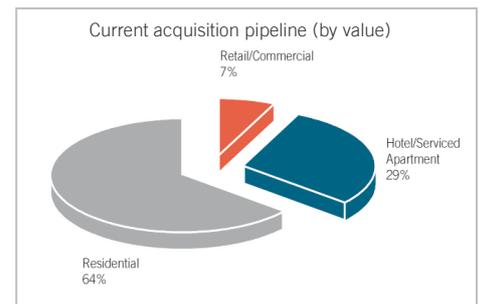
Portfolio Valuation Summary

Property	Sector	Type	Acquisition Cost	Open Market Valuation*	Increase
1	Residential	Redevelopment	US\$8.6m	US\$13.21m	53.6%
2	Residential	Development	US\$86.58m	US\$101.28m	17.0%
3	Residential	Redevelopment	US\$20.57m	US\$25.64m	25.0%
					21.0%

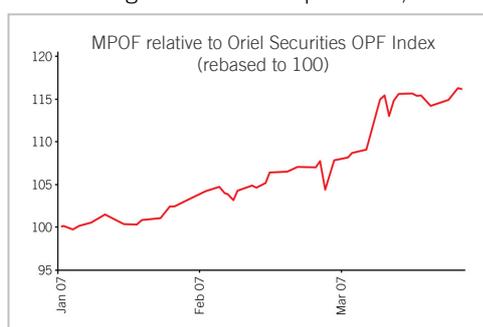
* Interim valuations are unaudited and were conducted by Savills Macau

The current status of the three portfolio properties is as follows: Property 1 remains in the early stages of the planning and design process. It is the Investment Manager's intention to redevelop this site into an eight storey apartment block aimed towards upper-middle class local residents. Property 2 is a 32-storey residential tower in a premium luxury mixed-use development. The project is well underway, with foundation work almost complete and superstructure construction expected to commence soon for the parking and retail podium areas. Property 3 is to be redeveloped into affordable apartments for local residents. The Investment Manager is currently seeking to consolidate its holdings in the surrounding area before proceeding to the planning approval stage. The completion dates for all three properties are currently targeted for the end of 2009.

The Investment Manager continues to adhere to its stringent and disciplined investment process of acquiring well-positioned assets within clearly defined niche market segments. Despite seeing an ongoing and well-diversified stream of potential sites, the vast majority of these continue to be rejected due to unattractive prices, poor location, inappropriate market segments or failed legal due diligence. No further acquisitions were announced during the quarter, but the current pipeline remains strong with 36 sites worth a combined US\$900 million spread across a mix of market segments. Of these, eight sites with a combined acquisition value of US\$280 million, or twice the Fund's available equity, are at various stages of negotiation.



The Company's profile has grown significantly following the recent launch of its public and investor relations strategy coupled with increasing international coverage of Macau as a gaming centre to rival Las Vegas. In the UK in particular, Macau coverage has escalated since Sir Richard Branson's



Source: Datastream, Oriel Securities

Virgin Group said it was looking to invest in a casino resort in the territory. Consequently, MPOF was one of the best performing Overseas Property Funds ("OPFs") during the first quarter, with its shares rising by 24% in absolute terms and outperforming the OPF sector by 17%. This was accompanied by a healthy turnover in the stock, with average volume reaching almost 400,000 shares per day during the period. The number of individual transactions also rose sharply, reflecting the continued diversification in the Company's shareholder base.

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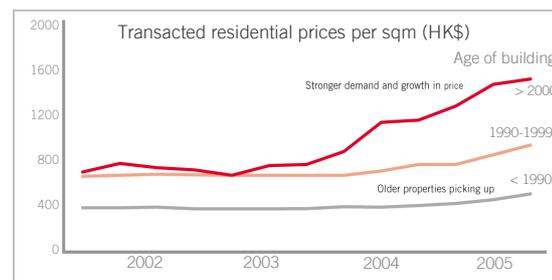
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Market Overview

The residential property market remained the centre of attention in the first quarter. Buying momentum continued following the successful launch of One Central in Q4 2006, with market analysts predicting a 15-20% growth in residential prices for 2007. As indicated in the adjacent chart, price performance of newer stock is likely to continue to outstrip older properties. Recent strong sales performance at the Shun Tak/Hopewell Nova City project on Taipa

(Phase II currently being 95% sold) plus the launch of Shun Tak's Harbour Mile on Macau Peninsula and Chinese Estate's 24 block project close to the Cotai strip later this year, should ensure that transaction volumes continue to increase. Foreign investors remain key participants, particularly at the top end of the market, accounting for 35% of all residential transactions in 2006 (58% by value). Sustained investor appetite, however, will only be achieved through the development of strong growth in rental demand going forward to ensure adequate investment yields. The early signs of this are already starting to appear, with JLL stating that stronger occupier demand is becoming evident and expected to grow throughout the rest of the year. Macau's growing international profile as a destination city will continue to drive demand for residential properties from occupiers, investors and increasingly wealthy locals.



Source: Macau Statistics and Census Service

The retail sector has also been attracting widespread attention. Focus has been on the mega-brands rapidly filling the six million square feet of retail space estimated to be opening over the next three years. The 1.2 million square feet in the Venetian is believed to be over 80% committed. Once open, these outlets are reported to be collaborating with each other and the Macau government for a widespread campaign promoting Macau to the rapidly growing Chinese consumer market. This is likely to continue to drive retail spending at or beyond the 21% growth rate seen in 2006 and catalyse the long predicted growth in Macau's non-gaming revenues.

On the gaming front, the first quarter was marked by the successful opening of Stanley Ho's visually controversial Grand Lisboa casino, encompassing 240 tables, 484 slot machines and 30 VIP tables. The casino played host to 10,000 visitors on its first day. Chinese New Year was another record for Macau, with tourist arrivals up approximately 20% YoY to over 500,000. Gaming revenues reached almost US\$1.5 billion in the first two months of the year, an increase of almost 50% YoY. The continued high quality supply of new casino product combined with announcements of yet further new resorts should continue to drive interest and demand through 2007 and beyond.

The five year expansion plan for the Macau Airport has finally been announced, with an estimated investment of HK\$4 billion and a completion date during 2011. With 19 additional aprons and an enlarged and improved passenger terminal, the airport's capacity will increase to 32 flights per hour and eight million passengers per year, up from six million currently. Construction of the new adjacent ferry terminal is continuing and is expected to be completed and operational in 2008.

Key Economic Statistics

	Period	Figure	YoY % Change
Unemployment Rate	Q4 2006	3.50%	-0.40%
CPI (Composite)	End-2006	108.42	+5.15%
Visitor Arrivals	Jan-Feb 2007	4,208,300	+22.50%
Gaming Receipts	Jan-Feb 2007	US\$1.48 billion	+48.90%
Median Monthly Employment Income	Q4 2006	US\$909.27	+25.30%
Real GDP	2006	US\$14.2 billion	+16.6%
Retail Sales Value	2006	US\$1.3 billion	+21.50%
Population	End-2006	513,400	+6.0%

Source: DSEC Macau

Summary

Macau continues to transform at an increasingly rapid pace. 2007 will be the most significant year so far culminating with the opening of the first integrated casino-resort, the 3,000 room Venetian Macau, in the third quarter. With less than 15% of the estimated US\$30-35 billion foreign investment committed spent to-date and property prices remaining attractively valued, the Investment Manager continues to believe that Macau is at an early stage in its re-rating cycle. The Company's key focus remains on acquiring attractively valued and well-positioned assets, which exhibit clear differentiation and sustainability of future demand. With a strong negotiation pipeline, some of which are at advanced stages, the Fund is on track to be fully invested by year-end.

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