



INVESTOR UPDATE

Macau Property Opportunities Fund

Second 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	124.50p
Market Capitalisation	£130,725,000
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-June 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.mpopfund.com

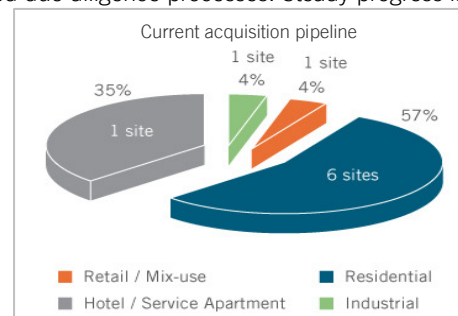


Highlights

- Nine sites under negotiation worth US\$500 million
- Design process of Property 1 underway
- Escalation of strategic media campaign
- Strengthening luxury residential sector in Macau

Fund Overview

Although no further acquisitions were announced during the quarter, the Investment Manager has continued negotiations on a number of attractive opportunities, whilst adhering to its disciplined approach of seeking to acquire strategically well positioned assets in its stated market segments. Investors should be aware that lengthy negotiation lead times often go hand-in-hand with the most lucrative and best positioned sites, where conversion of deals requires overcoming multiple ownership structures, complex title issues and extended due diligence processes. Steady progress is being made on a number of such sites and the Investment Manager is optimistic that this should lead to the Company's next acquisition being announced in the near future. Currently nine sites with a combined acquisition value of approximately US\$500 million are at advanced stages of negotiation. Despite the small, niche market in which the Investment Manager is operating, it is worth stressing that there has been little adverse impact on the ability to source interesting sites over the last year, indicating the strength of the Investment Manager's private local network.



The Company's three portfolio properties remains at various stages of progress as indicated below.

Portfolio Summary

Property	Sector	Type	Positioning	Current Status	Capital Commitment
1	Residential	Redevelopment	Local Residents	Design Process	US\$15.68m
2	Residential	Development	Premium Luxury	Construction	US\$86.58m
3	Residential	Redevelopment	Entry Level	Consolidating	US\$45.96m
Total					US\$148.22m

The planning and design process for Property 1, to be developed into an eight storey apartment block, continues to progress well with initial concepts having been received from a shortlist of architects and with construction expected to commence in the first half of 2008. In the meantime, continued price escalation and income growth in the vicinity appears to augur well for the ultimate selling prices of the units. Property 2 is a high-end residential tower located in Macau's premier mixed-use project, One Central. Development is on schedule with foundation work now completed



Latest construction progress of One Central

and construction of the podium area well advanced. The surrounding area continues to be transformed with the scheduled opening of the adjacent MGM Macau later this year and the announcement by Wynn Macau of a second hotel tower due for completion in 2010. These premier destinations, coupled with high quality brands secured for One Central's retail area, will further cement this location as a prestigious alternative to the evolving Cotai Strip. Property 3, located in the north of Macau, is to be redeveloped into affordable apartments for local residents. The Investment Manager is continuing with its attempts to consolidate sites in the immediate area before commencing with the planning and redevelopment process.

The Company's public profile has continued to grow significantly assisted by a continued increase in international media coverage of Macau and a number of strategic articles in high quality publications. With the forthcoming launch of the Venetian Macau in August and with other casino/resort developments to follow soon after, the international focus on Macau is set to increase further. The Company has just completed its first full financial year and its maiden audited results are expected to be published in September.

Contacts

Public Relations

Hogarth Partnership Limited
No. 1 London Bridge
London SE1 9BG

Andrew Jaques

James Longfield / Sarah Richardson
Tel: +44 20 7357 9477

Nominated Adviser & Broker

Collins Stewart Limited
9th Floor
88 Wood Street
London EC2V 7QR

Hugh Field

Tel: +44 20 7523 8325

Company Secretary & Administrator

Heritage International Fund Managers Limited
Polygon Hall, PO Box 225
Le Manchant Street, St. Peter Port,
Guernsey GY1 4HY

Mark Huntley / Laurence McNairn

Tel: +44 1481 716000

Investment Adviser

Sniper Capital Management Limited
918 Avenida da Amizade
14/F, World Trade Centre
Macau

Investor Contact

Tel: +852 2292 6700

Email: info@snipercapital.com

Website: www.snipercapital.com

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Market Overview

The recent highlight in the Macau gaming sector was the opening of the Crown Macau on 12 May by the US listed Melco-PBL joint venture. The Crown's five floors of gaming, its cafes and bars are all open and its fleet of 60 buses is operating, but its hotel, restaurants and sky lounge are not expected to open until the end of July. Promising the first six-star experience in Macau, the Crown has something to prove in the increasingly competitive marketplace, particularly given its isolated location and slow operational start.

The next milestone event will be the opening of the Las Vegas Sands' Macau flagship, the US\$2.3 billion, 3,000 room Venetian Macau resort in late August. With a reported US\$20 million marketing budget, this is certain to be a headline event and is likely to kick start the 'Integrated Resort' experience being developed on the Cotai Strip. According to reports, the hotel, the casino, the arena and meetings/convention space are all expected to be fully operational on the opening date. An estimated 23 restaurants including the resort's signature restaurants Morton's, Roka and Canton Restaurant will also open in August along with more than 100 Grand Canal retail Shoppes.

The residential property market performed well during the first quarter, driven by the ever solid fundamentals, but then suffered an unexpected setback in April as the government announced the suspension of the investment immigration scheme (a scheme whereby the investment of US\$130,000 or more in a Macau property entitled you to apply for Macau residency). The suspension of the scheme gained much publicity, but we believe that it has little relevance to the performance of the property market going forward and, in any event, it is our expectation that it is likely to be reinstated at a later stage with a more realistic investment of US\$300,000 or higher.

These events had little effect on the pricing and sales of new properties which have generally continued their upward trend since the launches of new projects including The Praia (now reportedly 60% sold) and One Central (reportedly 100% sold) in Q4 2006. Reports of secondary transaction prices of One Central are regularly quoted as reference points for the high-end residential market in general and as benchmarks for planned projects, with the latest prices topping HK\$6,000 (US\$770) per square foot and new project pre-launch pricing being rumoured at over HK\$10,000 (US\$1,280) per square foot.

The anticipated growth in the residential leasing market is beginning to make itself felt both in the gradual growth in asking and achieved rental levels as well as in occupancy rates at the more popular developments. This sentiment is driven by the anticipated 100,000 foreigners expected to be working in Macau by the end of 2007. In addition, according to a recent survey by the Institute for Tourism Studies in Macau an extra 100,000 imported workers will be needed by 2010 to cope with hotel and casino growth, representing approximately a further 35% growth in the working population of Macau.

This growth in anticipated rental demand is further supporting investor interest in new luxury and high quality residential projects. Most property market commentators are looking for continued solid growth in most residential sectors, and the luxury sector in particular, on the back of strong economic fundamentals, continued investor demand and growing domestic affordability levels. The market is also likely to continue to be driven by key milestones such as the opening of The Venetian and ongoing announcements of new casino projects.

Key Economic Statistics

	Period	Figure	YoY % Change
Unemployment Rate	Q1 2007	3.20%	-0.80%
CPI (Composite)	Jan – May 2007	112.04	+4.62%
Visitor Arrivals	Q1 2007	6,369,700	+21.40%
Gaming Receipts	Q1 2007	US\$2.25 billion	+43.50%
Median Monthly Employment Income	Q1 2007	US\$943.3	+26.53%
Real GDP	Q1 2007 (est.)	US\$4.13 billion	+32.9%
Retail Sales Value	Q1 2007	US\$386 million	+25.30%
Population	Q1 2007	520,400	+5.87%

Source: DSEC Macau

Summary

2007 is proving to be the most significant year to-date in the transformation of Macau into a world class gaming and leisure destination, culminating with the opening of the Venetian Macau in August. With a stream of new casino/resorts opening over the next few years and with the long anticipated surge in the working population expected to continue, property prices appear well under-pinned at current levels. The Company's key focus remains on acquiring attractively valued and well-positioned assets, which exhibit clear differentiation and sustainability of future demand. With an attractive pipeline of sites under review, the Fund remains on track to be substantially fully invested by year-end.