



INVESTOR UPDATE

Macau Property Opportunities Fund

Third 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	118.25p
Market Capitalisation	£124,162,500
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 17 October 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

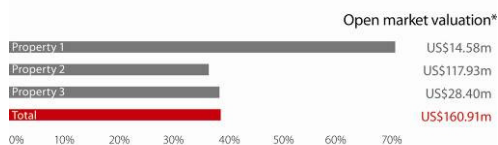
- Maiden final results announced
- 25.2% uplift in adjusted NAV since admission
- Nine sites under negotiation worth US\$500 million
- Residential property prices escalate following Venetian opening

Fund Overview

In September, the Company announced its maiden set of annual results for the period ended 30 June 2007. These reported that the Adjusted NAV per share* had increased by 25.2% to US\$2.2534 (112.6p) since admission, driven by a 38% uplift in the valuation of the Company's portfolio properties, following a review undertaken by Savills. These returns clearly reflect the quality and superior positioning of the properties acquired during the period and reinforce the Company's investment strategy of maintaining a high degree of selectivity when acquiring sites.

The Company continues to negotiate on a further nine sites totalling approximately US\$500 million in aggregate acquisition value. Several of these are now at advanced stages of review and negotiation and have progressed to the formal due diligence stage. It is our belief that numerous projects in Macau are being driven by speculators seeking to generate short-term profits in a rapidly growing market. We continue to reject a considerable number of opportunities which do not meet our standards of positioning and location and which are therefore unlikely to attract the strength of end-user demand necessary to command a premium rating over the longer term.

Portfolio valuation uplift



*Open market valuation by Savills (Macau) Limited as at 30 June

Acquisition pipeline



The Company's portfolio properties continue to progress on schedule.

The architectural assessment and selection process for Property 1, to be developed into a low-rise apartment block geared towards local residents, has been completed and the conceptual design phase has commenced. Demolition of the existing structure is anticipated in the first quarter of 2008 with construction expected to commence by mid-year. Residential prices continue to escalate in the vicinity, aided by the neighbourhood's sought after location and several government initiatives to renovate adjacent heritage sites.

The development of "One Central", Hongkong Land and Shun Tak Holdings' premier mixed-use project in which the Company has purchased a super-luxury residential tower (Property 2), continues to advance. The retail podium and car park levels have been completed and construction of the seven residential towers and Mandarin Oriental hotel is now underway. Secondary market activity for units in the project remains brisk with prices in excess of HK\$7,000 (US\$900) per square foot being achieved for well-located units. We expect demand to continue to strengthen when the adjacent 600 room MGM Grand Macau casino resort opens later this year, further cementing One Central's status as Macau's top luxury residential development.

Property 3 is scheduled to be redeveloped into affordable apartments for local residents. We are continuing in our attempts to consolidate adjacent sites before commencing with the planning process and redevelopment of the property.

*NAV per share & Adjusted NAV per share as at 30 June 2007. Adjusted NAV per share is calculated by taking the NAV per share calculated under IFRS and adjusting inter alia to include the properties owned by the Company at net realisable value rather than at the lower of cost or net realisable value.

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To obtain a hard copy of the Company's Annual Report, please email your postal address to info@snipercapital.com

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Market Overview

We continue to believe that we are at a relatively early stage in the long-term regeneration cycle of Macau. The Territory's ongoing growth and transformation will be marked by key milestone events which will have the continuing effect of heightening international awareness and attracting an increasing number of visitors drawn by a broader range of product offerings. The opening of the western-backed casino, the Sands Macao in May 2004, was the first such major event followed by the launch of the Wynn Macao in late 2006. The instantaneous success of these and similar operations has confirmed the demand for western-style offerings as well as the significant growth potential of the mass gaming market (gaming revenues in Macau have historically been dominated by high roller VIP rooms).



A view of Venetian Macao's 550,000 square feet gaming floor

In August, the most significant milestone to-date took place with the long awaited opening of the US\$2.4 billion Venetian Macao-Resort-Hotel. Public response has been overwhelming with 2.5 million people visiting the complex in the first six weeks. The Venetian Macao is the first destination to open on the Cotai Strip, the five square kilometres of reclaimed land earmarked for casino resort development, and marks the beginning of the Cotai Strip's emergence as a "mega" resort destination.

Confidence in Macau's future was further boosted in September, with the announcement that Harrah's Entertainment, Inc., the world's largest provider of branded casino entertainment, had acquired a golf course situated in a prime Cotai Strip location. Harrah's is yet to reveal its intentions for the site, but market speculation suggests that the company may ultimately develop this into an integrated casino/hotel resort.

Property Market

The residential property market advanced strongly during the quarter driven by the Venetian opening and the high profile public launch of "One Grantai", a residential complex by a local developer overlooking the Cotai Strip. Several prime units reportedly achieved prices of over HK\$8,000 (US\$1,000) per square foot. The residential leasing market also continued to firm, driven by the continued influx of foreign workers. This demand has been particularly evident on Taipa Island, due to its location near to the Venetian which currently employs 15,000 staff and is in the process of hiring many more.

Infrastructure

The Macau government has announced the first phase of the Light Rail Transit system. Construction is scheduled to start next year and is expected to take four years, with the system starting operation in 2011. With 23 stations and a length of 20 kilometres, the system will be capable of carrying up to 8,000 passengers per hour. This project will be critical in helping to tackle Macau's growing congestion problems.

Economy

Macau's economy continues to benefit from the fast-growing gaming and tourism industries. According to government statistics, gross gaming receipts in the second quarter surged by 48.9% in nominal terms. The number of visitor arrivals reached 17 million in the first 8 months of 2007, up by 21.8% over the same period last year, while total non-gaming visitor spending in the second quarter grew by 14.2%. The Chinese "National Day Golden Week" holiday in early October attracted an even larger flow of tourists from China, providing both casinos/hotels and retail shops with a significant boost to business.

Summary

The successful opening of the Venetian Macao is the most significant milestone to-date in the transformation of Macau into a world class gaming and leisure destination. The next three years will see the emergence of the Cotai Strip as home to 14 casino hotels offering truly integrated tourist and business destinations and employing tens of thousands of people. With at least US\$25 billion of unspent foreign investment capital committed to long term projects, Macau's continued economic prosperity appears assured. The Company's focus remains on acquiring assets that are attractively valued, well-positioned and clearly differentiated in order to ensure strong end-user demand.