



Macau Property Opportunities Fund

Investor Update Q1 2008

Quick Facts

Listing Date	5 June 2006
Exchange Listing	AIM (London)
Total Shares Issued	105,000,000
Issue price	100p
Latest Share Price	103.5p
Market Capitalisation	£108,675,000
Latest Adjusted NAV*	130p
Stock Code	MPO
Max. Level of Gearing	60%
Current Gearing Level	0%
No. of Key Acquisitions	Four
Total Commitment	US\$227 million
Manager	Sniper Capital

* As of 31 December 2007

All remaining data as of 8 April 2008

About the Fund

Macau Property Opportunities Fund Limited, managed by Sniper Capital Limited, is an AIM-listed investment company focusing exclusively on property development and investment opportunities in Macau and the surrounding Pearl River Delta region of Southern China.

The Company's core strategy is to take advantage of niche and undervalued opportunities in the property sector which are clearly differentiated in terms of both location and sustainability of end-user demand.

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Quarterly Highlights

- Interim results reflect 17% Adjusted NAV uplift
- Progression of pipeline negotiations
- Macau's GDP per capita highest in Asia
- Gaming revenue ahead of Nevada
- Ongoing demand for properties

Fund Overview

MPO started the year on an active note, with the primary focus being on the redevelopment of Property 1 and on progressing the Company's pipeline properties. These sites, worth a combined US\$550 million in acquisition value, remain diversified across a mix of interesting opportunities, ranging from affordable housing projects to warehousing and logistics developments.

Discussions on several of these sites have now reached advanced stages and we look forward to updating shareholders on progress in the near future.

"The Company's four key properties are at various stages of development, planning or consolidation and are well placed to continue contributing to the value of the Company going forward."

During the quarter, the Company announced its interim results for the period to 31 December 2007. The valuations of the Company's portfolio properties rose by 22%, resulting in a 17% increase in the adjusted NAV per share to US\$2.60 (130p) as at the end of 2007.

Portfolio Summary

The Company's four key properties are at various stages of development, planning or consolidation and are well placed to continue contributing to the value of the Company going forward.

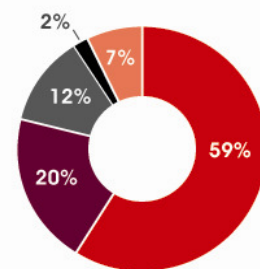
Property 1:

The planning and design process for this redevelopment project is progressing well and the vicinity continues to grow in popularity due to its central location and established neighbourhood. A steady improvement in the quality of local retail offerings is also underway, as disposable income and household wealth improve in the area. This bodes well for the ultimate sales and marketing of the property.

Property 2 (One Central):

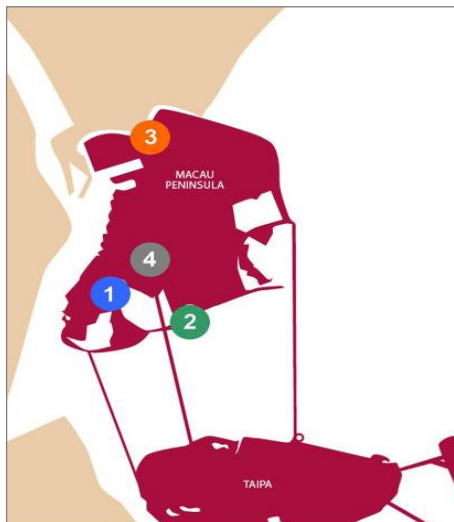
In our opinion, the ongoing delays being experienced by many of Macau's proposed developments continue to further enhance the value of this unique and prestigious mixed-use development. During the quarter, the Company purchased an additional, well-positioned unit in the project, bringing the total number of individually purchased units to 25. When combined with Tower 6, which was purchased by the Company from

Portfolio composition
(based on fully developed costs)



Property 1	US\$15.7m
Property 2	US\$134.8m
Property 3	US\$46.0m
Property 4	US\$26.7m
Other Assets	US\$3.5m
Total	US\$226.7m

Portfolio Summary



Property 1

Sector	Residential
Type	Redevelopment
Positioning	Luxury
Current Status	Design Process
Valuation*	US\$16.8m

Property 2

Sector	Residential
Type	Development
Positioning	Premium Luxury
Current Status	Construction
Valuation*	US\$194.9m

Property 3

Sector	Residential
Type	Redevelopment
Positioning	Entry-level
Current Status	Consolidating
Valuation*	US\$30.6m

Property 4

Sector	Mixed-use
Type	Redevelopment
Positioning	Retail/Tourism
Current Status	Planning
Valuation*	US\$30.1m

Other Assets

Sector	Various
Type	Various
Positioning	Various
Current Status	Various
Valuation*	US\$6.8m

Summary*

Valuation	US\$279.3m
Uplift(current period)	+22.1%
Uplift (since acquisition)	+51.4%

*As of 31 December 2007

the developer in late 2006, the combined investment in One Central Residence now totals 200,000 square feet, representing approximately 12% of the total residential floor space in the development. We expect interest and prices to strengthen further as the development nears its estimated completion date in 2009.

Property 3: This entry-level residential redevelopment property in the north of Macau Peninsula has benefited from a number of events recently. These include the record-breaking sale, by the Government, of two adjacent plots of land at auction in January, as well as the Government’s recent concessions on stamp duty for flats purchased for less than US\$385,000. This again improves the attractiveness of this market sector and validates the Company’s strategic positioning within this segment.

Property 4: This site benefits from a prime central location in the context of the rapidly expanding retail and tourism industries in Macau. The Company’s initiatives to redevelop this site into a mixed-use retail and entertainment project remain on schedule. Retail consultants are currently being short listed to advise on the overall project themes and suitable tenant mix, prior to the appointment of design consultants.



One Central's prime location overlooking the Nam Van Lake and adjacent to the MGM Grand Macau and Wynn Macau Resort.

Debt Financing
Due to the rapid deterioration in the global debt environment, the Company has taken steps to secure forward financing for the balance payable on its One Central investment (due upon handover of the units in 2009) and for the redevelopment cost of Property 1. Terms have been agreed in principle with a consortium of reputable lenders and the facility is now subject to the banks’ normal internal approval processes.

Investor & Media Relations
The Company’s focused investment strategy and its niche positioning towards Macau’s high growth market continue to attract attention from both new investors and a widening media audience. Despite the

current weak sentiment towards property stocks, MPO shares have remained resilient and continue to outperform the Overseas Property Fund sector.

Market Overview

Economy
Macau’s economy continues to grow at a rapid rate and its GDP per capita is now the highest in Asia, having overtaken Japan, Hong Kong and Singapore, according to data recently issued by the Macau government and the IMF. Macau’s GDP soared by 27% in 2007 to US\$19.2 billion against 6.3% and 11.4% growth recorded respectively by neighbouring Hong Kong and Mainland China for the same period. This significant surge was driven primarily by a 47% rise in gaming revenues, a 23% growth in visitor arrivals to 27 million and a 23% increase in overall investment.

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Such robust growth does not come without a price, however. Recently released data for February showed domestic inflation escalated with an increase of 9.5% YoY in the Consumer Price Index, largely driven by rising costs of housing, fuel and foodstuffs due to the harsh winter in Mainland China.

The principal impact on Macau of the global credit and liquidity problems has to date been a reduction in Macau’s Best Lending Rates from 5.75% to 5.25%. These latest rate cuts are likely to provide additional impetus to local property demand, as investors perceive property investment as an attractive asset class in the face of negative real interest rates and rising inflation.

In response to the rising levels of inflation in Macau, the Government recently announced a number of measures to help alleviate the impact of rising costs on lower-income families. These range from subsidising electricity bills to extra financial assistance. This is in addition to the aforementioned concessions on stamp duty and mortgage interest relief, designed to help lower-income residents to purchase residential property in the territory.

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Property Market

According to Jones Lang LaSalle, prices in Macau's luxury residential sector jumped 28.5% YoY in 2007. It is expected that the record-breaking land sales results in January will further boost sentiment in the residential market.

Significant market activities during Q1 2008 included the acquisition, by Marriott Vacation Club International, of 30 units in Buckingham, a recently launched residential project in Taipa, which will be turned into timeshare vacation homes for its members. Other new residential projects launched this quarter are mainly on the Macau Peninsula, with asking prices ranging from US\$400-\$600 per square feet.

Limited supply and the continuing influx of foreign workers have placed further upward pressure on rental prices. Official data shows that there were over 85,000 immigrant workers in Macau in 2007. This number is expected to exceed 100,000 by end 2008.

"2008 has started on a strong note for the Macau gaming industry, with official data reporting a 67% YoY jump in January gaming revenues to US\$1.3 billion."

Retail Market

One of the most compelling statistics to come out of 2007 was Macau's Q4 retail sales, which showed a staggering growth of 40% YoY. This translates into a full year increase in 2007, of 33% over 2006. This has been largely driven by the "Venetian effect" which goes some way towards silencing the critics of the viability of the "Vegas Model" in Macau. In February, the Venetian Macao opened a 16,000 square feet Manchester United Megastore, and May 2008 will see the opening of Macau's DFS Galleria, 110,000 square feet of luxury brand shopping in the podium of the Four Seasons Hotel,

connected to the Venetian shopping centre. These significant retail spaces will help further cement Macau's "destination" retail credentials.

Gaming Revenues

2008 has started on a strong note for the Macau gaming industry, with official data reporting a 67% YoY jump in January gaming revenues to US\$1.3 billion. This is in stark contrast to figures released by the Nevada Gaming Control Board, which showed that its January gaming revenue had slumped by 4.8% YoY to US\$1.1 billion - the first recorded drop since 2001. Significantly, this is also the first time that Macau's gaming revenue has surpassed Nevada and comes just a year after Macau overtook the Las Vegas Strip's annual gaming revenues.

Infrastructure

One of the more significant infrastructure announcements this quarter was the news that Hong Kong, Zhuhai and Macau have reached a consensus on the financing of the long-awaited Hong Kong-Zhuhai-Macau Bridge. It has been agreed that excess construction costs will be shared on the basis of the estimated benefits that the bridge will bring to each region. The project has been greatly assisted by the intervention of the Beijing Government, which appears to have placed a high priority on the successful conclusion of this project. It is estimated that Macau's tourism, gaming and MICE industry will greatly benefit from this project with travel time between Hong Kong and Macau reduced to just a 20-minute journey.

Summary

A combination of a negative real interest rate environment and strong inflation, coupled with an ongoing influx of foreign workers should continue to fuel strong demand for residential properties. The Fund's niche positioning and strong property portfolio provides a solid base to maximise value for its shareholders.

Did You Know ?

Launched in August 2007, the US\$2.3 billion Venetian Macao-Resort-Hotel is the third largest building in the world. At almost 11 million square feet of gross floor area, the building is large enough to hold 90 Boeing 747 jumbo jets.

