

#### Quick Facts

Listing Date	5 June 2006
Exchange Listing	AIM (London)
Total Shares Issued	105,000,000
Issue price	100p
Latest Share Price	86.5p
Market Capitalisation	£90,825,000
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 at 31 December 2007. The next Adjusted NAV will be released with the Company's annual results in September.

All remaining data as of 8 July 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

- US\$82.5m loan facility agreed
- Second anniversary of listing
- Progression of development sites
- Quality projects still in demand
- Macau economy remains robust

#### Fund Overview

##### Agreed Loan Facility

In June, MPO agreed attractive terms for a US\$82.5 million forward commitment loan facility with a consortium of international and Macanese banks led by HSBC. This will be used to meet the Company's outstanding obligation for Tower 6 and 25 individual units in Macau's premier residential development One Central Residences. Drawdown of the loan will be upon handover in 2009 and is subject to the agreement of final documentation.

Although the Macau market remains relatively unaffected by tightening global liquidity, securing the facility was viewed as a prudent measure that allows the Company to continue to pursue its investment strategy with confidence. The facility extends until 30 September 2012 at an interest rate of 3-month HIBOR plus 1.4% per annum.

The Company is also in advanced discussions regarding construction financing for its redevelopment projects. Further details will be released in due course.



Latest construction progress of the premier mixed-use development One Central in which MPO owns Tower 6 and 25 individual residential units.

#### Profile & Coverage

On 5 June, MPO celebrated the second anniversary of its listing on AIM. Since then, the Company has committed approximately 120% of its equity and, as of 31 December 2007, had successfully grown its portfolio value by over 50%.

In May, MPO was nominated by the Financial Times and Investors Chronicle AIM Investment Awards in the "Best AIM Property Investment of the Year Award". This category recognises those companies that have identified and capitalised upon outstanding opportunities.

*"MPO's niche positioning and developer status, coupled with the uniqueness of Macau's growth story, continue to attract widespread attention."*

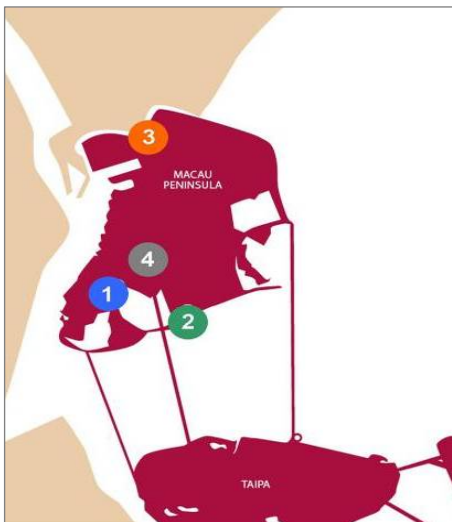
MPO has received increasing analyst coverage and has been recommended as a top-five stock selection in the Oriel Securities Directory of Overseas Property Funds published in the spring.

MPO's niche positioning and developer status, coupled with the uniqueness of Macau's growth story, continue to attract widespread attention. We are continually seeking to widen our shareholder base and create further media awareness through an ongoing and proactive public relations campaign.

#### Share Price Activity

MPO's stock price has suffered from the weak sentiment prevailing in the London-listed property sector, although the shares continue to outperform the Overseas Property Fund sector. Recent price weakness has been accompanied by a significant increase in trading volume, as long term investors in the Company have consolidated their holdings at an attractive discount to the latest published adjusted NAV per share of 130p (as at 31 December 2007).

Portfolio Summary



Property 1

Sector	Residential
Type	Redevelopment
Positioning	Niche
Current Status	Advanced Design
Valuation*	US\$16.8m

Property 2

Sector	Residential
Type	Development
Positioning	Premium
Current Status	Under 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	Initial 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 Company's annual results for the period to end June 2008 will be released in September 2008.

Portfolio Summary

Property 1 (Niche Residential):

Located in a popular residential neighbourhood, Property 1's planning and design process has now reached an advanced stage. A top local architect has been appointed to liaise with the Government Heritage Department in order to optimise the redevelopment of the site in this architecturally sensitive area. Site investigation work has commenced in order to establish ground conditions and facilitate foundation design of the project.

Property 2 (Premium Residential):

Prices of One Central Residences have remained firm in Q2, despite a slowdown in transactions and general market activity. Ongoing delays which have affected a number of other developments, combined with purchasers becoming more selective, further reinforce One Central's position as the location of choice for the truly high-end residential market in Macau.

Construction continues to progress smoothly. MPO's Tower 6 has now reached the 37th floor out of the planned 40 floors and topping-out is expected in Q3 this year. This, together with the other 25 well-situated units purchased by MPO, leaves the Company with approximately 12% of the total residential floor space in the development.

"Macau's economy continues to flourish, despite the various problems being experienced in the major global economies."

Property 3 (Entry-level Residential):

The value of property in northern Macau Peninsula has increased noticeably due to a number of factors: A Government auction earlier this year of nearby development sites achieved record prices, the high-profile launch of a new mid-market residential project, and ongoing improvements to the area's infrastructure. This provides a positive environment for Property 3, located in the heart of this emerging local residential area, and we are currently actively seeking to consolidate our investment.

Property 4 (Mixed-use):

This is a mixed-use retail redevelopment project located in Macau's prime tourist area, which continues to benefit from the territory's tourism boom and rapidly growing retail sales. According to Jones Lang LaSalle, Macau's high-street shop rentals and capital values in Q1 have surged by 7.4% QoQ and 6.2% QoQ respectively, and are forecast to maintain their upward trend in the years ahead. This should help enhance both the portfolio valuation and the targeted rental

levels on completion of the project. The planning process has started with the appointment of a retail consultant to provide advice on the project's positioning, design and prospective tenant mix.



Senado Square, where Property 4 is located. This prime tourist area attracts heavy pedestrian traffic.

Pipeline

The weaker global sentiment has seen a number of vendors becoming more open to negotiation which is assisting greatly with the Company's acquisition strategy. With cash in hand and the ability to move quickly, MPO is in a strong position to convert pipeline sites at attractive prices. The Company is currently negotiating on a range of interesting opportunities valued at a combined US\$260 million.

Market Overview

Economy

Macau's economy continues to flourish, despite the various problems being experienced in the major global economies. In Q1, Macau's GDP grew by 31.6% YoY in real terms, compared with 22.1% YoY growth in Q4 2007. Unemployment remains at a record low of 2.9%.

The only unfavourable economic data is inflation, with CPI running at 8.95% for May. Recent Government measures to help alleviate the effects of inflation, in the form of stamp duty and mortgage relief, public housing initiatives and cash handouts, appear to have been successful in appeasing public opinion. With high local food, fuel and housing costs likely to prevail, inflation is unlikely to abate in the near future. This is likely to have a lasting impact on property values due to the resulting negative real interest rates.

Property Market

Notwithstanding the worldwide liquidity crisis and a slowdown in domestic transactions, overall sentiment remains optimistic for the future of Macau's property market. Negative real interest rates, planning delays for many projects and strong growth of local affordability are continuing to push up capital values and rental rates. A recent Jones Lang LaSalle report stated that high-end residential property values and rents in



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Q1 rose by 11.9% QoQ and 6.9% QoQ respectively. We believe that these growth rates have levelled off in Q2 on the back of quieter market activity, but the fundamentals remain intact.

During Q2, two new large-scale residential projects – *The Residencia* on Macau Peninsula (625 units) and *Windsor Arch* on Taipa Island (1,600 units) launched high-profile marketing campaigns, both priced to appeal to international investors.

In the residential rental market, the ongoing influx of foreign workers remains the major driving force. As of May, there were over 95,000 expatriate workers living in Macau. This number is expected grow in line with the opening of new casinos over the next three years.

**“Gaming revenue figures show that Macau continues to grow faster than the competition, thus securing its position as the world’s gaming capital.”**

**Government Policies**

In April, the Macau Government announced that no new gaming licences would be granted and that land allocations for future casino developments would be halted. In addition, no new applications to add gaming tables or slot machines at existing casinos will be approved pending further studies. However, gaming projects under construction, approved or under discussion, will not be affected.

This new policy is a public demonstration of the Government’s commitment to maintaining a healthy and sustainable development of the gaming industry. It allows some breathing space for consolidation by the existing gaming operators and is likely to place greater focus on non-gaming segments of Macau’s economy.

**Gaming Revenues**

Gaming revenue figures show that Macau continues to grow faster than the competition, thus securing its position as the world’s gaming capital. According to Lusa News Agency, June’s gaming revenue increased 70% YoY to US\$1.22 billion.

**Infrastructure**

CotaiJet, operated by LVS Corp., has increased the frequency of its ferry services between Macau and Hong Kong and has started night sailing from June. This service expansion should help boost traffic volume to the Cotai Strip, and is crucial to driving the expansion of the Venetian Macao’s MICE business.

The Macau Government is taking significant steps towards alleviating pedestrian border traffic congestion at the main border gate between Macau and China. An ambitious expansion project which commenced in June, will increase the daily handling capacity from 300,000 to 500,000 visitors.



The expansion of CotaiJet ferry services will assist the flow of passenger traffic between Hong Kong and Macau, currently dominated by Turbojet (right).

**Summary**

Macau’s unique economic drivers are likely to continue to insulate it from the brunt of the global financial turmoil. However, as we have repeatedly stated, astute portfolio positioning is essential to maximising NAV growth. We continue to avoid the mass mid-market residential segment, preferring instead the premium high-end sector. Our three redevelopment projects leave us well positioned towards our other favoured segments: the affordable residential and retail sectors where we expect to see strong and sustained demand in the years ahead.

**Did You Know ?**

Unlike Las Vegas, where slot machines account for almost 70% of the gaming market, Macau is dominated by table games. These account for a massive 96% of the market of which over 87% is derived from one game – baccarat – the most popular game by far amongst Chinese gamblers.

