

Capturing Asia's fastest
growing economy

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

The Company's investment policy is to provide shareholders with an attractive total return through investing in property opportunities in one of the world's fastest growing and most dynamic regions – Macau and the Western Pearl River Delta of Southern China.

The Fund is managed by Sniper Capital Limited, an independent investment manager that specialises in property investment opportunities in niche, undervalued and developing markets.

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Company Highlights

+ 25.2%

uplift in adjusted NAV

+ 38.0%

uplift in portfolio valuations

US\$2.25

adjusted NAV per share (£1.126)

US\$148m

funds committed

US\$2.6bn

total value of sites assessed

US\$500m

value of current pipeline

Macau Milestones

-
- GDP growth hits +39.4% YoY*
-
- Gaming receipts +46.2% YoY to US\$4.8 billion*
-
- Visitor arrivals +21.3% to 12.64 million*
-
- Retails sales +27.1% to US\$800 million*
-
- World's largest casino resort, the Venetian Macao, opens
-

* First half 2007

About Macau

Macau is the only location in China where gaming is legal. In early 2002, the Macau government decided to break the gaming monopoly held for 40 years by casino magnate Stanley Ho, by awarding three new casino licences with a minimum investment requirement for each successful licensee of US\$800 million. In early 2002, the government announced that licences had been awarded to SJM (Stanley Ho), Wynn Resorts and a Galaxy Holdings/Las Vegas Sands consortium out of a total of 21 applicants. This catalysed a massive influx of new foreign investment which, as of mid-2007, had reached a total combined commitment level of over US\$35 billion. To date, less than 20% of this amount has been spent.

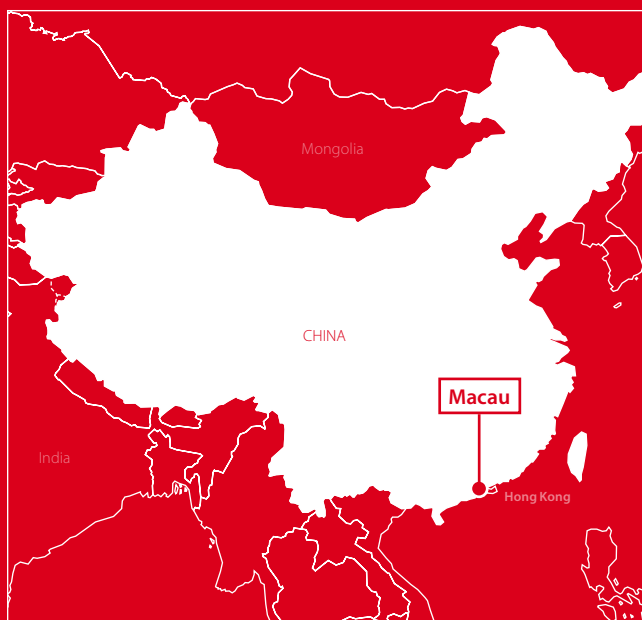
Macau is situated on the south-eastern coast of China, 60 kilometres south-west of Hong Kong and 145 kilometres south of Guangzhou, the capital of Guangdong Province. The territory is comprised of a peninsula and two islands with a total land area of 28.2 square kilometres. Previously a Special Territory of Portugal, Macau became a Special Administrative Region of the People's Republic of China on 20 December 1999 after almost 450 years of Portuguese rule.

2.78bn

people within a five-hour flight of Macau

us\$35bn

total foreign direct investment committed to Macau



QUICK REFERENCE

Location	S.E. coast of China, 60 km S.W. of Hong Kong
Population	520,400
Ethnic mix	95% Chinese origin
Area	28.2km ² /11 miles ² (2.5% the size of Hong Kong)
Official languages	Chinese and Portuguese
Monetary unit	Pataca (pegged to the Hong Kong Dollar)
Government	Special Administrative Region of China
Chief Executive	Edmund Ho Hau-wah
GDP per capita	US\$28,400 (2006)
GDP growth	39.4% (2Q07)
GDP drivers	Gaming, tourism, construction

GROWTH DRIVERS

Gaming

- Asia's gaming capital
- China's only legal gaming destination
- US\$35bn committed capital
- Less than 20% of committed FDI spent

Hotels & tourism

- World-class casino/resorts
- Emerging shopping destination
- Strong Chinese demand for luxury goods
- Resort/second home development

Infrastructure

- International airport expanding
- New China road and rail links
- Domestic light railway planned
- Hong Kong-Zhuhai/Macau bridge

Conventions & exhibitions

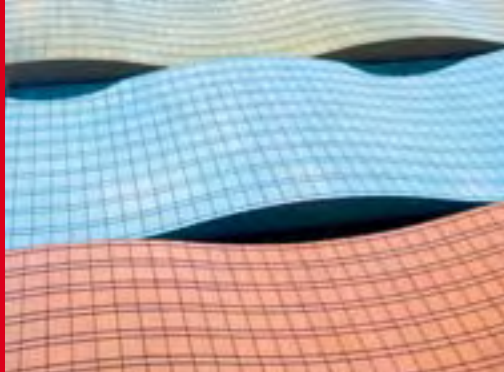
- Significant growth potential
- 60m convention delegates in China
- 1.5m ft² of new convention space
- World-class convention operators

Government

- Stable and proactive
- Supported by Beijing
- Secure land title/Rule of Law
- Favourable tax regime

China leverage

- Rising disposable incomes
- Strong Chinese gaming culture
- Massive influx of workers
- Western PRD economic integration



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 that are clearly differentiated by both location and sustainability of end-user demand, and which are geared towards growth sectors and often overlooked by larger developers or investors. The Company's investment policy is to provide shareholders with an attractive total return, primarily from capital growth but with the potential for dividends over the medium to longer term.

In June 2006, the Company floated on the Alternative Investment Market (AIM) of the London Stock Exchange, successfully placing 105 million new ordinary shares at £1.00 per share and raising £105 million (approximately US\$200 million). Its early-mover advantage and extensive local network has allowed it to execute its investment strategy rapidly. As of end-June 2007, the Company had committed approximately 78% of the funds raised at its IPO, and remains well-positioned to continue to invest in further opportunities that are expected to generate strong returns for its shareholders.

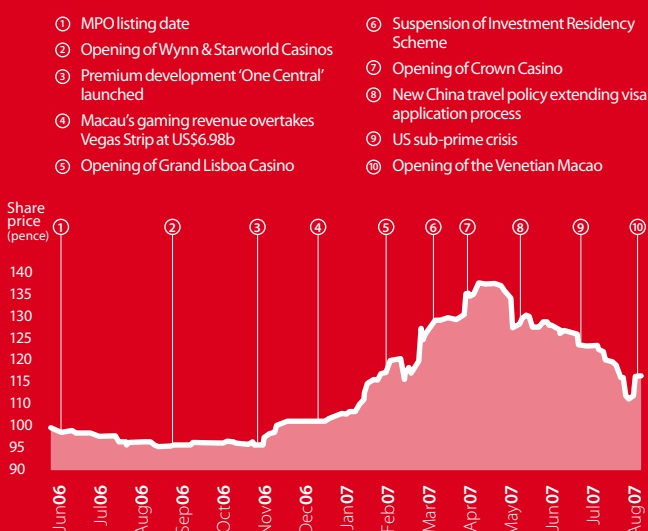
c. US\$200m

capital raised to date (£105 million)

560,000 ft²

estimated floor area of Company projects

MPO stock price and major Macau milestones



QUICK FACTS

Listing date	5 June 2006
Exchange	AIM (LSE)
Total shares issued	105 million
Number of shares held in treasury	0
Percentage of Non-Public Securities	52.82%
Issue price	100p
Share price*	115.5p
Market capitalisation*	£121.28 million
Stock code	MPO
Geographic focus	Macau & Western PRD
Country of incorporation	Guernsey
No. of acquisitions	Three
Total commitment	US\$148 million
Investment manager	Sniper Capital Limited

* as of 7 September 2007

INVESTMENT STRATEGY

1. Source

- Focus segments:
 - super-luxury residential
 - entry-level residential
 - well-positioned retail
 - leisure/commercial
 - affordable hotels/serviced apartments

2. Acquire

- Assets geared towards:
 - tourist and expatriate demand
 - new infrastructure spending
 - rising local disposable incomes
 - repositioning opportunities
 - casino-driven opportunities

3. Add value

- Redevelop/develop
- Reposition
- Refurbish
- Re-package
- Change of use

4. Value enhancement

- Partnering in new locations
- Leverage tenant relationships
- Re-lease existing assets
- Maximise space creation
- Leverage local government contacts

5. Exit

- Geared to maximising returns
- Structuring tax efficient disposals
- Block sales
- Presales to retail market
- Internationally focused buyers



Chairman's Statement

It gives me great pleasure to present to shareholders the maiden annual results of Macau Property Opportunities Fund Limited ('MPO' or 'the Company') for the period ended 30 June 2007. During its first full year of operation, MPO demonstrated encouraging progress in the execution of its investment strategy and firmly established itself as a leading investor in the Macau market.



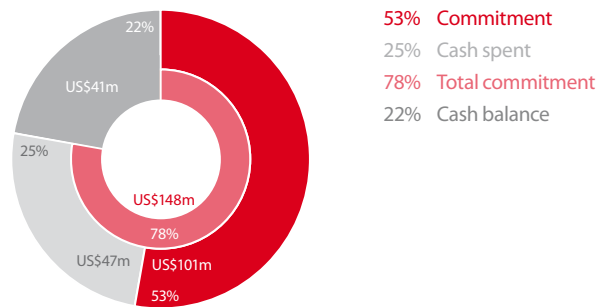
Since admission, the Company has made three strategic acquisitions out of a total of 93 sites assessed, each bringing with it unique and valuable attributes to the Company's portfolio. This high degree of selectivity clearly illustrates the Company's adherence to its stringent and disciplined investment process of acquiring well-positioned assets within targeted market segments. The combined acquisition and estimated development costs of these three projects takes MPO's total commitments to-date to US\$148 million, or approximately 78% of the Company's total equity, of which US\$47 million had been paid in cash as at 30 June 2007 out of a net US\$189 million raised on admission to trading on AIM.

The Adjusted NAV per share* as at 30 June 2007 was US\$2.2534 (112.6p), a 25.2% increase over the Company's NAV per share of US\$1.8001 (96.21p) on admission. These results demonstrate the ability of the Manager, Sniper Capital, to generate attractive total returns for the Company's shareholders through the acquisition of niche and strategically positioned assets in its target markets of Macau and the Western Pearl River Delta region of Southern China. I am pleased to note that this has been reflected in strong outperformance of the Company's stock price versus the overseas property fund sector since admission and that MPO remains one of the top performing AIM-listed overseas property funds this year.

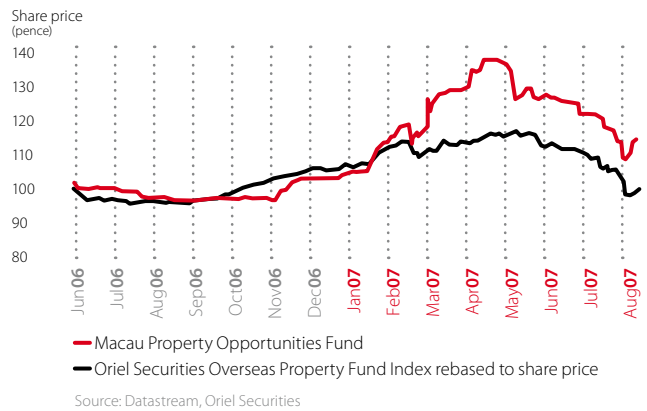
"This high degree of selectivity clearly illustrates the Company's adherence to its stringent and disciplined investment process of acquiring well-positioned assets within targeted market segments."



MPO capital allocation



MPO share price versus Oriel Securities OPF Index



Looking ahead, MPO continues to identify a strong flow of exciting investment opportunities, with nine sites having a combined value of approximately US\$500 million currently under negotiation. I remain satisfied with the quality and type of investment proposals being presented to the Board and am encouraged by the Manager's steadfast pursuit of our core investment principles.

With the compelling macro, micro and demographic trends in Macau and the surrounding Western Pearl River Delta combined with the focused and disciplined execution skills of Sniper Capital, I am confident that the Company has positive and exciting prospects and will continue to generate significant value for shareholders in the years ahead.

David Hinde

Chairman
Macau Property Opportunities Fund Limited

"These results demonstrate the ability of the Manager, Sniper Capital, to generate attractive total returns for the Company's shareholders through the acquisition of niche and strategically positioned assets in its target markets of Macau and the Western Pearl River Delta region of Southern China."

* 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.



Manager's Report

The Company's first full year of operation proved to be productive, with the successful completion of three acquisitions totalling US\$148 million in commitment value, or approximately 78% of the Company's total equity. Since then, the Manager has continued negotiations on a number of interesting opportunities, whilst adhering to its disciplined approach of seeking to acquire strategically well-positioned assets in its stated market segments.

With nine sites totalling approximately US\$500 million in combined acquisition value currently at advanced stages of review or negotiation, the Company is on course to be substantially invested by year-end.

Macau remains a small and difficult market in which to operate, with lengthy negotiation times going hand-in-hand with the most lucrative and best-positioned opportunities. Conversion of deals often requires overcoming multiple ownership structures, complex title issues and extended due diligence processes.

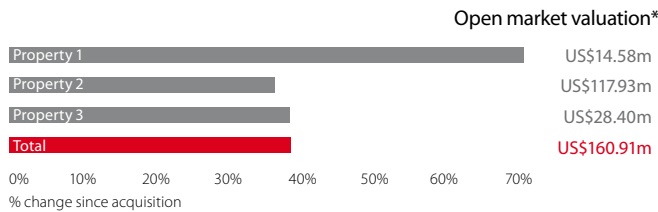
Despite the economic buoyancy being experienced in the Hong Kong and Macau labour markets, the Manager has successfully recruited a number of high quality individuals in the areas of research, finance, project management and operations. This has more than doubled the size of its team to 16 people since admission, and will further assist with the sourcing, development, marketing and management of the Company's properties. With an expanding local presence and growing reputation as one of the few key international operators in Macau, Sniper Capital is well-positioned to continue to expand and strengthen its resources over the coming year.

Sniper Capital's on-the-ground presence, strong reputation and well-established local network continue to generate a consistent stream of interesting and varied opportunities. The combination of its strong international relationships and local market presence is proving invaluable in allowing the Manager to maximise investor returns through combining international levels of quality in design, development and finishing with its local knowledge, partners and access to projects.

The Company's public profile has grown significantly during the year, assisted by our strategic investor relations efforts, the continued growth in international media coverage of Macau and a number of articles about MPO in high quality publications. With the recent launch of the Venetian Macao in August and a number of other high-profile casino/resort openings imminent, the international focus on Macau is set to escalate further.

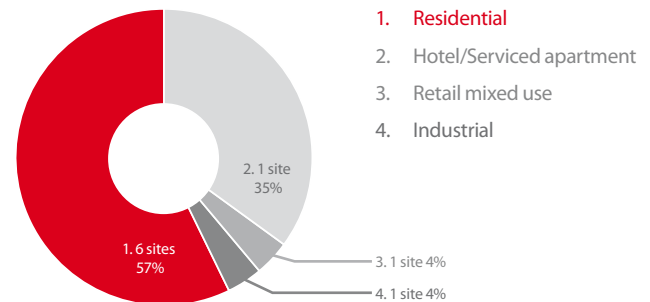


Portfolio valuation uplift



* Open market valuation by Savills (Macau) Limited as at 30 June 2007

Acquisition pipeline



Current investments & pipeline

In its maiden year, the Company has made three significant property acquisitions in Macau amounting to a total commitment (including estimated development costs) of US\$148 million. The Company's transaction flow has been achieved primarily by means of the Manager's well-established local network and to a lesser extent through an expanding range of relationships with local developers, financial institutions and agents.

The Company's three portfolio properties remain at various stages of development as indicated in the portfolio summary below.

We are pleased with the quality and positioning of these properties and have been in ongoing negotiations on a number of similarly interesting opportunities throughout the year. Sniper Capital continues to adhere to its disciplined approach of seeking to acquire strategically well positioned assets in its target market segments and continues to reject assets which are believed to be in less desirable locations or in sub-optimal market segments.

Steady progress is being made on a number of attractive investment opportunities and we remain optimistic that this should lead to further acquisition announcements 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 Sniper Capital is operating, there has been no reduction in the flow of interesting sites assessed over the last year, indicating the strength of our private local sourcing network.



We remain cautious of the middle-market residential sector across Macau, continuing to focus on our core target areas:

- residential projects in well-established neighbourhoods
- super-luxury residential projects in prime locations
- entry-level residential projects
- retail projects in well-established neighbourhoods
- leisure/commercial projects in strategic locations
- affordable hotel and serviced apartment projects in key locations.

The Manager believes that the Company has sufficient capital at the present time for the completion of the current owned and targeted acquisitions and, in addition, is in discussions with a number of institutions for the arrangement of debt financing for the development and redevelopment of all such projects.

Portfolio summary

Property	Sector	Type	Positioning	Current status	Acquisition cost (US\$m)	Expected redevelopment cost (US\$m)	Total capital commitment* (US\$m)
1	Residential	Redevelopment	Local residents	Planning	8.60	7.08	15.68
2	Residential	Development	Premium luxury	Construction	86.58	N/A	86.58
3	Residential	Redevelopment	Entry level	Consolidating	20.57	25.39	45.96
Total					115.75	32.47	148.22

*Includes acquisition and expected redevelopment costs.

Property Portfolio

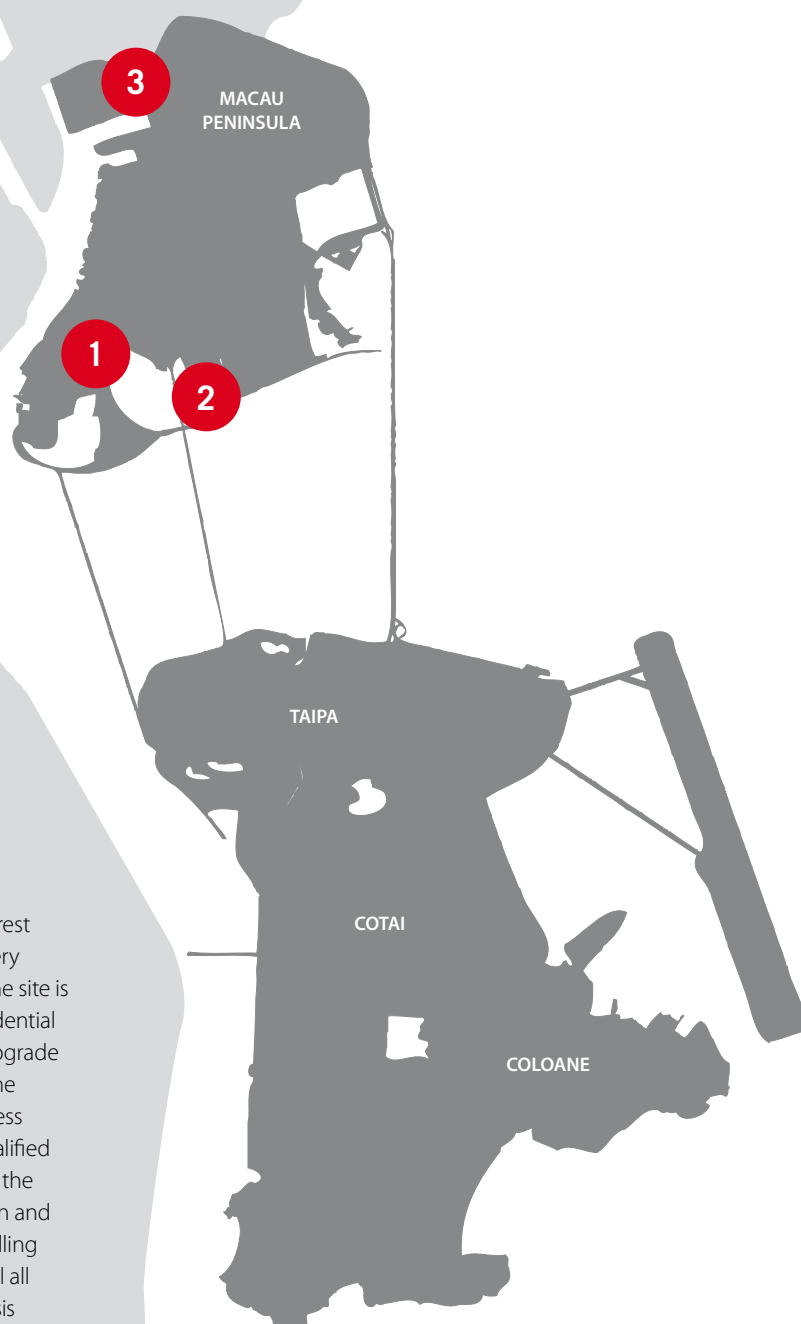
Manager's Report (continued)

The Company's three acquisitions to date have been on Macau Peninsula, all within the residential sector, but targeted at very different areas of this market segment.

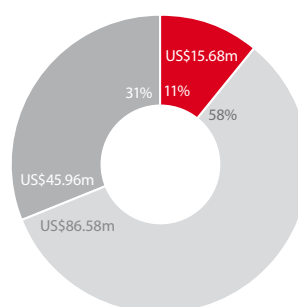
Property 1

Property 1 was acquired in October 2006 and is a 100% interest in a prime residential redevelopment project, located in a very well-established and popular residential neighbourhood. The site is currently unoccupied and is ideally suited for a mid-rise residential development targeted towards local residents seeking to upgrade the quality of their existing accommodation and facilities. The planning and design process for this site continues to progress well, with initial concepts having been received from prequalified 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 bodes well for the ultimate selling price of the units. It is the Company's current intention to sell all of the residential units in this project either on a pre-sale basis or on completion.

Acquisition date	17 October 2006
Sector	Residential
Location	South-Western Macau Peninsula
Current status	Planning
Title	Freehold
Classification	Residential/Commercial
Land area	13,000 ft ² /1,200 m ²
Acquisition cost	US\$8.6 million
Projected development cost	US\$7.08 million
Total commitment	US\$15.68 million
Positioning	Local middle-income residents
Proposed development	Apartments with car parking
Estimated completion date	End 2009



Portfolio composition (based on fully developed costs)



Property 1 US\$15.68m

Property 2 US\$86.58m

Property 3 US\$45.96m

Property 2

Property 2 was acquired in November 2006 and comprises an entire luxury residential tower (Tower Six), forming part of a high-end, mixed-use waterfront project, 'One Central', currently under construction in the heart of Macau. This prestigious project is being jointly developed by two of the region's top developers, Hongkong Land and Shun Tak Holdings, and includes a 400,000 square foot premier shopping complex, a 210-room, 6-star Mandarin Oriental Hotel and a 50,000 square foot clubhouse and infinity pool for the exclusive use of residents.

The residential portion of the project, 'One Central Residences', comprises seven residential towers, two of which have been sold en bloc by the developer and the remainder released and reportedly sold out to the public. Due for completion in 2009, 'One Central' is a development of unprecedented quality and positioning, setting new standards of design, finishing and luxury which give the Company immediate participation in one of its core target segments, the premium luxury residential market. Development is on schedule, with foundation work now completed 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. It is the Company's current intention to retain ownership of Tower Six until completion of the project.

Acquisition date	13 November 2006
Sector	Residential
Location	Central Macau Peninsula
Current status	Under construction
Title	Leasehold
Classification	Mixed-use
Gross floor area	148,000 ft ² /13,750 m ²
Acquisition cost	US\$86.58 million
Total commitment	US\$86.58 million
Positioning	Premium luxury
Proposed development	High-rise apartment tower
Estimated completion date	Mid-2009

Property 3

Property 3 was acquired in November 2006 and is a 100% interest in a redevelopment site located in an up-and-coming area for entry-level buyers situated close to the China border in the northern part of Macau. The surrounding area is now undergoing widespread regeneration and urban renewal, as demand for entry-level residential property increases and as available land in established areas becomes increasingly scarce. MPO intends to develop the site into a multi-storey residential project designed to cater for this rapidly growing market segment of entry-level purchasers. The Company remains in active negotiations to acquire additional parcels of land in the area to consolidate its holdings in this promising location, after which planning and architectural design processes will be initiated.

Acquisition date	13 November 2006
Sector	Residential
Location	Northern Macau Peninsula
Current status	Consolidating
Title	Leasehold
Classification	Residential/retail
Land area	20,000 ft ² /1,860 m ²
Acquisition cost	US\$20.57 million
Projected development cost	US\$25.39 million
Total commitment	US\$45.96 million
Positioning	Entry-level
Proposed development	High-rise apartment block
Estimated completion date	End 2009

Latest construction progress of 'One Central'

Shown below is the latest construction progress of the premium mixed-use development 'One Central', clearly showing its prime location adjacent to the Wynn and MGM casino/resorts and Nam Van Lake. The project, in which MPO owns a luxury residential tower, is being jointly developed by Hongkong Land and Shun Tak Holdings and is due for completion in 2009.



Manager's Report (continued)

10,788 (+39.5% YoY)

increase in property transactions 1H07

75,391 (+50% YoY)

non-resident workers as of end-June 2007

Property market

The Macau property market performed strongly during the year, with most sectors characterised by rapidly developing supply and demand dynamics and a range of very significant external and internal developments. The single largest driver remains the substantial ongoing foreign investment in hotels, casinos and integrated resorts. With the large number of projects planned and under construction by both foreign and domestic companies, this situation looks set to continue in the coming years. Domestically, a number of issues have arisen during the year which had significant and varying impact on different sectors of the Macau property market, including:

- government policy changes on residency scheme entitlements
- changes to visitor visa application regulations
- infrastructure spending
- reviews of development approvals and land policy
- increased regulation of foreign investment across the border in Mainland China

Although these domestic issues have caused some short-term uncertainty in the markets, we believe that over the longer term these issues should result in a stronger, better regulated and better structured market across Macau.

Residential

In the residential market the demand drivers remained robust throughout the year, with transactions in 1Q07 increasing by 115% YoY to 10,324. Secondary transactions rose 77% during this period while primary transactions surged by 254%. These numbers moderated slightly in 2Q07, but total transactions were still up 90% YoY for 1H07, with analysts forecasting continued significant growth in demand for local housing going forward. Demand has been driven by the strong population influx, rising household incomes and rapid household formation, with rental growth supported by imported labour for both the construction and operation of the new hotels, casinos and integrated resorts.



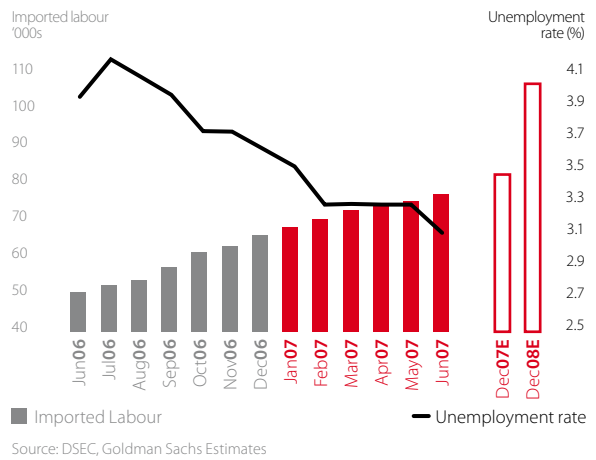
“The single largest driver remains the substantial ongoing foreign investment in hotels, casinos and integrated resorts.”

The effect of rising incomes can be seen most dramatically on residential property affordability, where overall affordability across the sector has improved despite the growth seen in property prices since 2005.

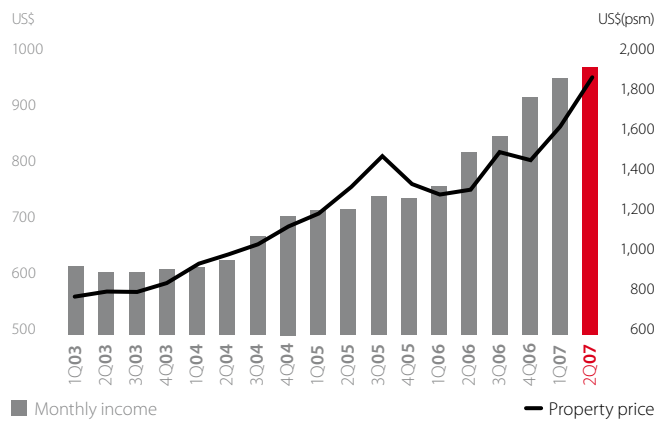
Looking ahead, some analysts are expecting household income to increase at 10% per annum for the next few years, but for residential property prices to accelerate to a 20% compound annual growth rate. This would have the effect of reducing overall affordability but still keeping it within ‘comfortable’ levels and well within current Hong Kong levels.

As experienced in other markets across Asia, however, declining levels of overall market affordability can have significant implications for developers of residential property, whether targeted at investors or the local population. The Company is therefore monitoring these developments carefully in order to fully capitalise on the opportunities such changes will inevitably present.

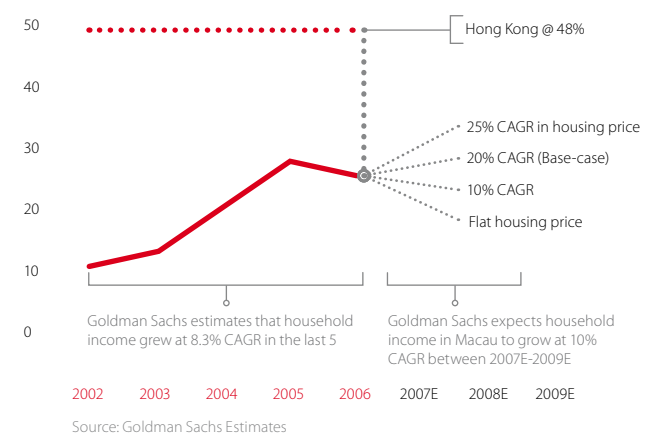
Macau imported labour vs unemployment rate



Monthly income vs. residential transacted unit price



Macau housing affordability ratio



Manager's Report (continued)

Residential (continued)

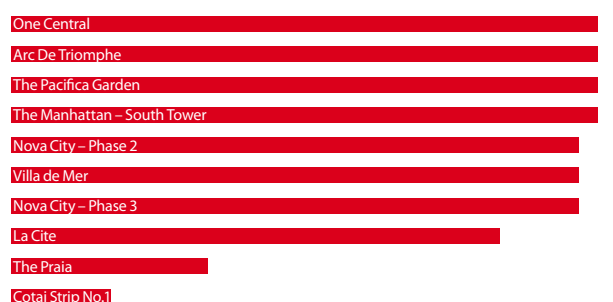
The strength of demand has created a positive year for Macau's residential property market, resulting in an impressive 90% sales record for the 10 residential projects launched for sale in the last 12 months. The rapid growth in employment from the new casino developments has driven down unemployment rates to historic lows of 3.0% and increased the population of Macau by 11% over the past 24 months. Imported labour at the end of 2Q07 was up 20.3% YoY. With further developments scheduled to reach completion every year for the next five years, there is currently no sign of this job growth situation changing. This is likely to continue to have substantial and positive effects on residential demand growth for the years ahead.

Goldman Sachs estimates that an average of 10,000 new households per year will be created from 2007 to 2010, representing a 13% growth in Macau's total population over the same period. This level of growth will far exceed the 24,000 households formed in the last 5 years, and far outstrips the current forecasts of residential property completions.

At the same time, the continued competition for labour from the new hotels and casinos has resulted in rapid growth in earnings and household income for Macau residents. This earnings growth has outstripped the growth seen in property prices since 2005, and looking ahead there seems little reason to see it moderate.

Hong Kong residential property prices are often used as a benchmark for Macau's residential rents and values, particularly in the luxury sector. Luxury residential prices in Hong Kong have been setting records during the last year, with new high-rise residential projects across Hong Kong and the New Territories increasingly commanding substantial premiums ranging from HK\$20,000 – HK\$40,000 per square feet. Against this backdrop, the current luxury residential prices being achieved in Macau for new super luxury high-rise projects of HK\$5,000 – HK\$7,000 per square feet should continue to be very attractive to Hong Kong investment capital, and leave considerable opportunity for price increases as they catch up with their Hong Kong equivalents.

Launched residential units



40% 50% 60% 70% 80% 90% 100%
% sold Source: Knight Frank



Heritage

Modern Macau has inherited a unique cultural legacy with history and traditions dating back to the 16th Century.



Manager's Report (continued)

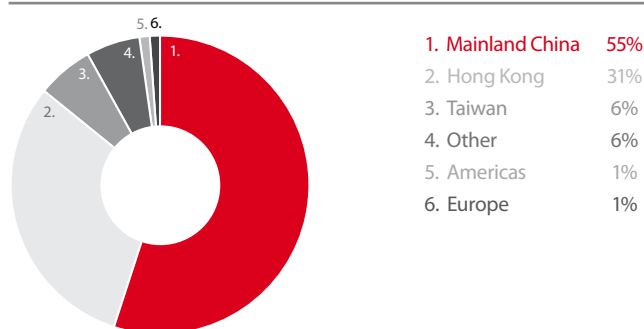
Casinos and hotels

Gaming receipts are the principal measure of success for the casino industry. For the six months to June 2007 these rose by 46.3% YoY to US\$4.8bn. This strong growth came on the back of visitor arrival growth for the six months to June 2007 of 21.3% YoY, bringing the cumulative number of visitors to 12.6 million for the 1H07. The much awaited growth in hotel nights in Macau is beginning to make itself felt, albeit slowly, with a YoY growth of 38.6% in June 2007, and with average hotel occupancy rate increasing by 3.3 percentage points to 73.7%, with 4-star hotels leading the way at 80.7%. The average length of stay of hotel guests increased by 0.11 nights to 1.26 nights, despite the number of hotel rooms increasing by 12.5% from 11,748 in June 2006 to 13,222 currently. The majority of hotel guests originated from Mainland China (45.3%) and Hong Kong (31.5%).

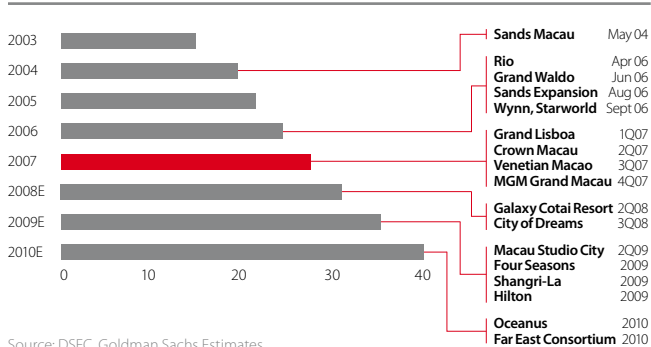
In May 2007, the Crown Macau in Taipa was opened by the US-listed Melco-PBL joint venture, adding to the market 222 gaming tables and 550 slot machines as well as VIP rooms, over five floors. The Crown presents itself as a 6-star contemporary hotel and casino primarily devoted to the high-end gaming market.

The latest milestone event for Macau was the August opening of the Las Vegas Sands' Macau flagship, the US\$2.3 billion, 3,000-room Venetian Macao resort. With a reported US\$25 million marketing budget, this will continue to make headlines over the coming months and is likely to kick-start the 'Integrated Resort' experience being developed on the Cotai Strip. The hotel, the casino, the arena and meetings/convention space were all fully operational on the opening date.

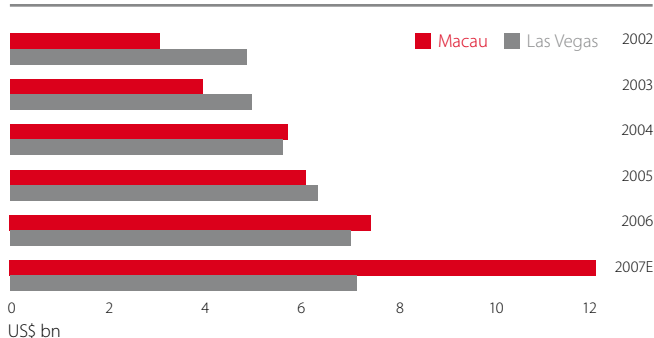
Visitor arrivals by origin



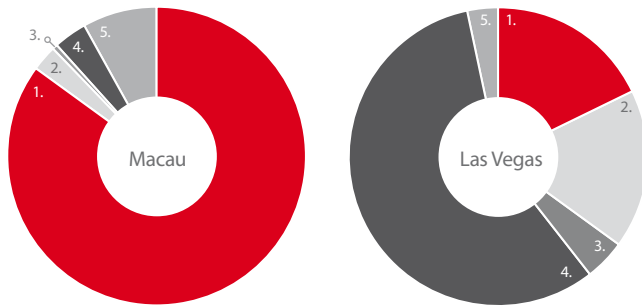
Visitor arrivals vs. casinos opening



Gaming revenue – Macau vs. Las Vegas Strip



Gaming revenue by activity – Macau vs. Las Vegas Strip



1. Baccarat 2. Black Jack 3. Roulette 4. Slot Machines 5. Others
Source: DICJ, NEVADA Gaming Commission, Jones Lang LaSalle Estimates



Artist's impression of the new Macau Light Railway Transit System scheduled for completion in 2011. Source: Infrastructure Development Office, Macau SAR

Announcements of new or expanded projects across Macau continue to be released and include:

- a second hotel block at the Wynn Macau following the success of its initial phase
- Macau Studio City's US\$4 billion, 6 million square feet project on the Cotai Strip which will include a Ritz-Carlton hotel, Marriott hotel and a Playboy club
- a proposed casino to be developed by Genting/Star Cruises opposite the Wynn Macau on the Macau Peninsula
- a proposed US\$3 billion Virgin Casino being planned on the Cotai Strip by Richard Branson of Virgin Group.

The Macau Gaming Bureau forecasts that 35 casinos will be operating by 2010 (versus 27 today), which should ensure the continued growth in the development of the casino and hotel sector in Macau.

Infrastructure

Macau infrastructure projects continue apace in order to keep up with the rapid development in the gaming and tourism sectors. Approval has been secured for the construction of the proposed Macau-Taipa tunnel, which is due to commence in October 2007, and work has also reached completion on a new border crossing with China.

The initial proposed plans for the Macau light rail project were recently released and it is understood that the final routing should soon be announced following a public consultation process. We believe that this project is an important part of Macau's overall public infrastructure plan and will contribute greatly towards easing current and future traffic congestion, as well as creating value in new locations as the system approaches operation.

12.64m(+21.3% YoY)

visitor arrivals 1H2007

US\$4.8bn(+46.2% YoY)

gaming receipts 1H2007

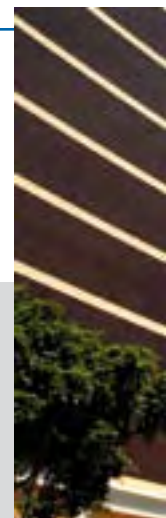
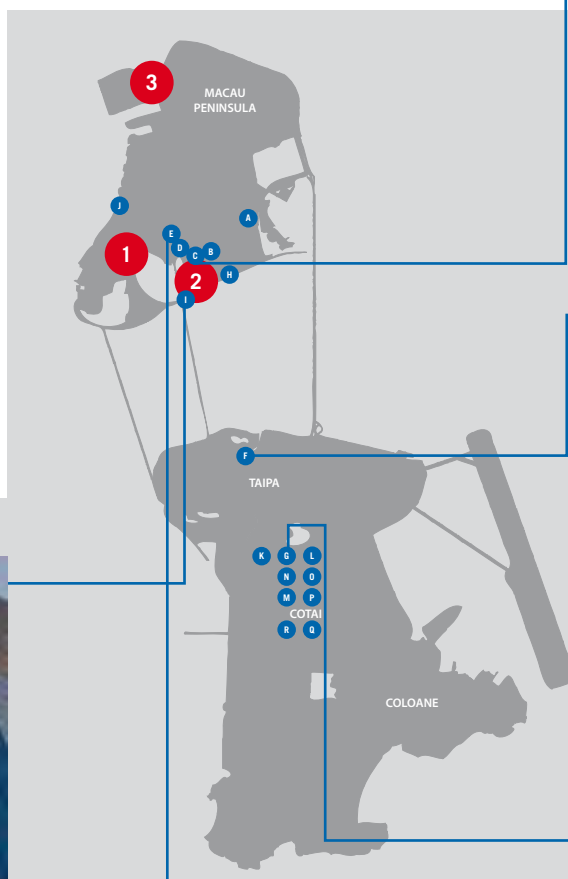


Macau's Major Casinos

Manager's Report (continued)

Since legalisation in the 1850's, gaming has been an integral part of the local economy. Macau's role as the only legalised gaming destination in China is now the principal driver behind the territory's spectacular re-invention and impressive growth. The breaking, of the 40-year monopoly held by Stanley Ho in 2002, thrust Macau onto the world stage and led to a renaissance of new casino development, culminating in the opening in August this year of the Venetian Macao.

By 2006, contributions from Sands Macau and Wynn Macau helped drive the territory's gaming receipts to US\$6.6 billion, topping takings from the Las Vegas Strip for the first time in history. With 11 more world-class projects planned and under construction, and yet more on the drawing board, Macau's place on the world gaming map seems assured.



Major casino projects

	Project	Group	Completion date
A	Sands Macau	LVS	2004
B	Star World	Galaxy	2006
C	Wynn	Wynn	2006
D	Lisboa	SJM	1970
E	Grand Lisboa	SJM	2007
F	Crown Macau	Melco/PBL	2007
G	Venetian Macao	LVS	2007
H	Trinity	Melco/PBL	2011
I	MGM Grand	MGM	2007
J	Ponte 16	SJM	2008/9
K	Galaxy Cotai	Galaxy	2008
L	City of Dreams	Melco/PBL	2008
M	Far East Consortium	LVS	2009
N	Four Seasons	LVS	2009
O	Shangri-la Traders	LVS	2009
P	Sheraton St Regis	LVS	2009
Q	Hilton Conrad	LVS	2009
R	Macau Studio City	E-Sun	2010



4,602 (+88.6% YoY)

number of gaming tables

16,124 (+312% YoY)

number of slot machines



Gaming

Macau is the only legal gaming destination in China and the casino industry has been at the heart of its economy for over 150 years.

Manager's Report (continued)

Retail

The retail sector can be divided into two very distinct sectors: casino retail, and the non-casino, or local retail sector. The casino retail sector is currently undergoing something of a renaissance, with the new casinos and resorts providing an estimated 4 million square feet of new casino retail space planned or under construction over the next few years. At the forefront of this renaissance is Las Vegas Sands Corporation's Venetian Macao, where over 400 retailers are reportedly now committed, representing 80% of the 1.2 million square feet of new retail space available. The influx of top international retailers is set to change Macau's retailing landscape dramatically and will likely drive the strong anticipated growth in the Territory's non-gaming revenues.

The non-casino, or local retail sector, is driven by different dynamics; however, this sector is also performing strongly with retail sales up 21.3% YoY. This growth is largely due to the rising disposable incomes and increased job security of local households as well as the growing influx of new workers and expatriates and the corresponding demand from local, Hong Kong and some international retailers wishing to cater to this demand.

MICE

The development of the Meeting, Incentive, Conference and Exhibition (MICE) industry is expected to have a significant impact on the Territory's non-gaming revenues over the next few years. It is anticipated that the MICE industry will grow dramatically from a very low base once the Venetian Macao convention and exhibition centre makes its presence fully felt during the rest of 2007 and into 2008. It is unofficially reported that the response from organisers for this new state-of-the-art facility has already been very strong and some estimates forecast this industry could attract an additional 1.12 million business travellers to Macau every year.

Office

The grade A office sector in Macau remains limited in terms of both supply and demand. However, there has recently been an increase in demand for grade B office space from the peripheral and support industries such as telecommunications, financial and other professional services, advertising agencies and logistics companies. As a result of this growth in demand, the office sector recorded the highest growth in the number and value of transactions in 1Q07, with increases of 266% and 458% YoY respectively. Again, this growth is off a relatively low base and is therefore likely to become more muted in the months and years ahead.

Manager's Report (continued)

Economic overview

In the first half of 2007, Macau's economy grew by 31.4% in real terms and 39.4% in nominal terms, mainly driven by private investment and exports of services.

Overall visitor spending increased on the back of the flourishing gaming and tourism sector, while exports of goods dropped. Exports of gaming services in the first half of 2007 grew by 46.2% and visitor arrivals continued to rise, up 21.3% YoY to 1H07, while per-capita spending of visitors increased by 0.8% YoY to US\$184. Visitors from Mainland China who make up 54% of the visitors had an average per-capita spending of US\$356.

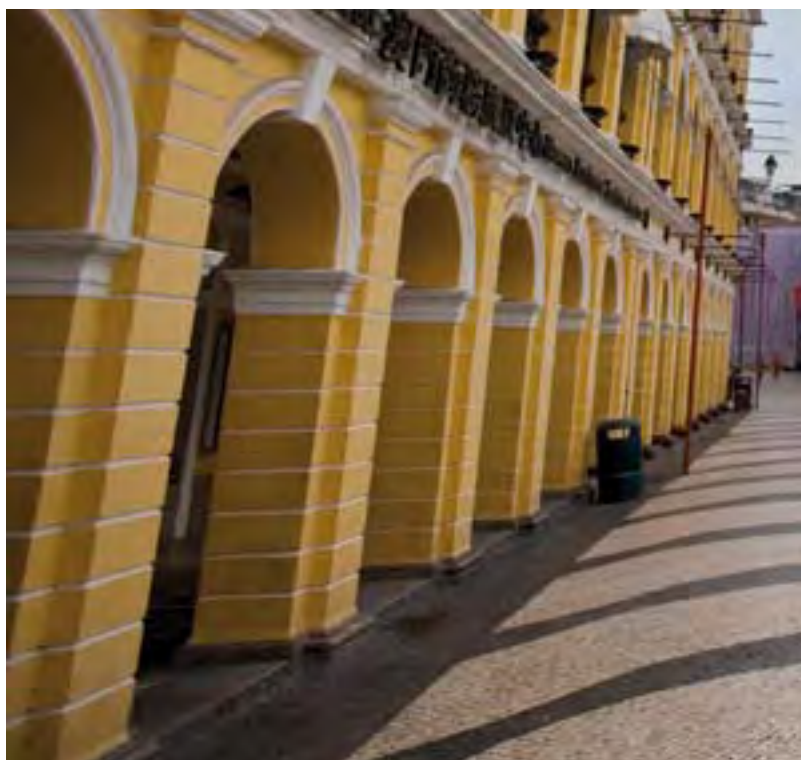
The domestic employment situation continued to improve and median employment earnings registered a significant increase which both contributed to a strong increase in private consumption expenditure. Overall median monthly employment earnings rose by 19.3% to US\$957 in 2Q07. Amongst the various economic activities, employment earning in the 'real estate business' logged the highest growth at 30.9%. As a result of the continued demand for labour, the unemployment rate dropped by 0.8% to 3.0% during 2Q07, and private consumption expenditure recorded real growth of 13.1%. The total value of retail sales grew by 5.4% over the first quarter of 2007 to US\$406 million in 2Q07, representing a strong 27.1% growth YoY.

Overall investment managed to sustain a strong growth rate, driven by the on-going construction of the large-scale gaming, integrated resort and entertainment facilities. As a result, investment in construction in the private sector surged by 42.4%, and by 77.4% in the public sector.

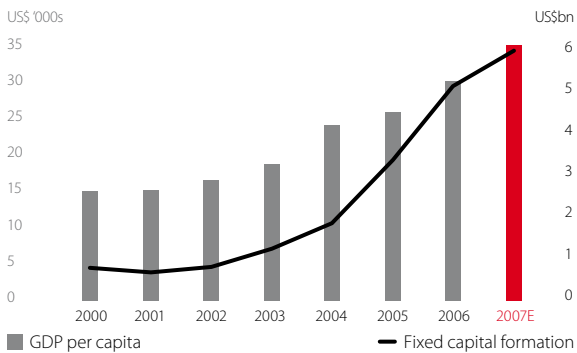
"Overall investment managed to sustain a strong growth rate, driven by the on-going construction of the large-scale gaming, integrated resort and entertainment facilities. As a result, investment in construction in the private sector surged by 42.4%, and by 77.4% in the public sector."

Key economic statistics

	Period	Figure	YoY%
Unemployment rate	Jun 07	3%	-0.8%
CPI	Jun 07	114.7	+5.3%
Visitor arrivals	Jan–Jun 07	12.64 m	+21.3%
Gaming receipts	Jan–Jun 07	US\$4.79 bn	+46.3%
Retail sales	2Q07	US\$400 m	+28.9%
Median monthly income	2Q07	US\$963	+19.3%
Real GDP	2Q07	US\$4.73 bn	+31.4%
Population	Jun 07	520,000	+5.87%



GDP per capita & fixed capital formation



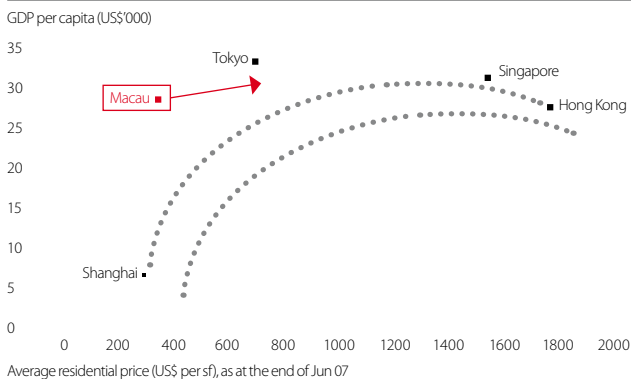
US\$800m(+27.1% YoY)

retail sales 1H2007

US\$8.9bn(+36.6% YoY)

GDP 1H2007

GDP per capita vs. residential unit prices



Government policy

The most immediate and dramatic policy issue to affect the Macau property market is the government's review of land policy. In particular the government is looking to introduce greater transparency to the government land disposal process, potentially through the introduction of a land auction system. The short-term impact of this is that applications for land swaps, land-use conversions and increased plot ratios have all been suspended or delayed pending the introduction of the new system. Some analysts predict that this delay could lead to a 30% drop in medium-term residential supply from 4,300 units per year to 3,100 units per year over the next four years. The longer-term impact of this land policy review is positive for the overall market as it will lead to a more level playing field for all market participants, better urban planning, more sustainable long-term growth and could provide an additional boost to property prices by allowing more international participants to enter the market.



Government

Since Portugal's handover to China in 1999, Macau is rapidly moving towards a more representative and transparent jurisdiction.

立法會
ASSEMBLEIA LEGISLATIVA



Manager's Report (continued)

Government policy (continued)

Another policy which is likely to be mildly positive for the residential investment market in Macau is the recent tightening of China's foreign investment rules, making it more difficult and more expensive for foreigners to invest profitably in the property markets of mainland China. Retail investors looking to gain exposure to China's economic growth in a more investor-friendly and tax-efficient jurisdiction will therefore look at Macau as an attractive way of securing such exposure.

Policies which have had a more negative impact on the Macau market include the suspension of the investment residency scheme in April 2007, and the recent restrictions by central government on multiple visa applications. The former is a scheme whereby foreign nationals investing US\$130,000 could apply for Macau residency. At the time, we suggested this was only a short-term measure and would have little or no lasting impact on the market, and indeed it seems the scheme is now set to be reintroduced with higher and more realistic investment thresholds.

The initial impact was a knee-jerk drop in low-end local housing prices, and even this has since recovered. The second policy could be more damaging in the short term to the growth of the gaming market in Macau by reducing the number of repeat visits by regular gamblers. In the longer term, however, we believe that it is a reflection of Central Government's desire to control problem gambling and to achieve a long-term and sustainable growth of the Macau gaming and convention market.

In general, government policy towards the development of the gaming, convention and integrated resort business in Macau is extremely positive both from the local government and China's central government. The ultimate goal of the authorities appears to be to ensure the long-term stable growth of these industries in Macau while at the same time balancing the needs of the local population and ensuring that the necessary infrastructure is put in place to facilitate and accommodate the pace of growth being generated.



Manager's Report (continued)

"Since its admission to AIM on 5 June 2006, Macau Property Opportunities Fund has recorded a strong set of financial results, reflecting its ability to execute according to its investment strategy and acquire niche sites at attractive prices."

Financial Review

Since its admission to AIM on 5 June 2006, Macau Property Opportunities Fund has recorded a strong set of financial results, reflecting its ability to execute according to its investment strategy and acquire niche sites at attractive prices. As at the financial year-end 30 June 2007, the Company has spent US\$47 million on three property acquisitions with a combined total commitment, including estimated redevelopment costs, of US\$148 million, out of converted net equity raised of US\$189 million.

The first site acquired is a prime residential redevelopment project, located in a very well-established neighbourhood on Macau Peninsula. The second site comprises an entire luxury residential tower, forming part of a high-end, mixed-use waterfront project on Macau Peninsula, 'One Central'. The third site is a redevelopment site located in an up-and-coming area for entry-level buyers on Macau Peninsula. These properties have been valued as at 30 June 2007 by Savills, resulting in an uplift in Adjusted NAV of US\$45 million (equivalent to an overall 38% increase above the cost of the three properties), which equates to an increase in the value of the Company of 23.2%.

When these property revaluations are combined with the operating profit/loss for the period, the Adjusted NAV of the Company has increased in US dollar terms by 25.2%, leading to the calculation of a performance fee accrual over and above the Basic Performance Hurdle of 10% per annum on a compounding basis.

The final audited results are summarised below:

	Date	US\$	£
NAV per share at admission #	05.06.06	1.8001	0.9621
NAV per share ##	30.06.07	1.8290	0.9140
NAV per share (after performance fee) ##	30.06.07	1.7928	0.8960
Adjusted NAV per share ##	30.06.07	2.2534	1.1260
Adjusted NAV per share (after performance fee) ##	30.06.07	2.2172	1.1080
Adjusted NAV uplift since Admission		25.2%	17.0%

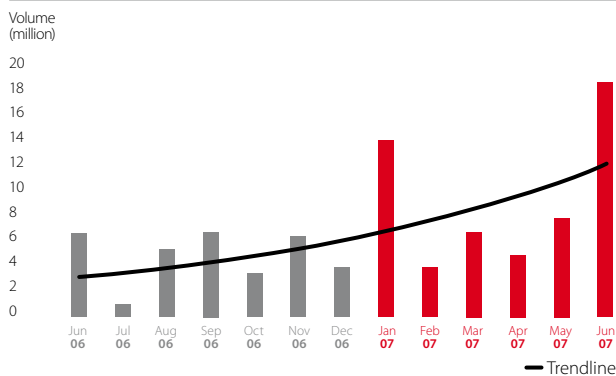
Using US\$/£ exchange rate of 1.871.

Using US\$/£ exchange rate of 2.001.

The net proceeds from the placing were £101.02 million after deducting expenses of Admission and Placing of £3.98 million. These net proceeds were converted into US dollars following the placing at an average exchange rate of US\$1.871/£, resulting in converted net proceeds from the placing of US\$189.01 million.

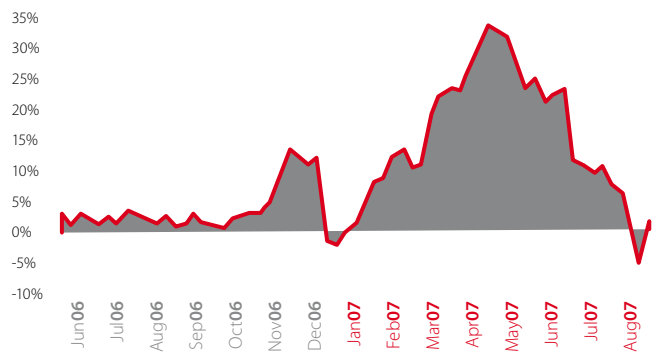


Monthly trading volume of MPO shares



Source: Bloomberg

MPO share price premium/discount to adjusted NAV



Source: Bloomberg, Sniper Capital

The Company's audited financial statements as at 30 June 2007 have been prepared in accordance with International Financial Reporting Standards (IFRS), and the three properties acquired by the Company to date have, therefore, been valued at the lower of cost and net realisable value. This treatment results in an Accounting NAV per share for the Company of US\$1.8290 compared to an NAV per share on admission to AIM of US\$1.8001. The main contributor to this increase is the interest income earned on cash balances that have been maintained by the Company during the period (primarily earned on cash balances that have been maintained with the Royal Bank of Scotland International in Guernsey).

Valuation

A valuation of all the Company's property holdings was carried out as at 30 June 2007 by Savills (Macau) Limited. Savills is one of the leading international property advisers, with over 140 offices and associates across the UK, Continental Europe, Asia Pacific and Africa, and with a strong presence in Hong Kong and Macau.

Savills' valuation has been used in the determination of the fair market value of the Company's property interests and, hence, has been used in the calculation of the NAV and the Adjusted NAV of the Company. The valuation has been carried out in accordance with the current Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards to calculate the Market Value (which is also defined by the Hong Kong Institute of Surveyors (HKIS)) of the properties in their existing state and physical condition. The Market Value of these properties is stated on page 9 of this document. The Adjusted NAV per share resulting from this uplift is US\$2.2534, representing an uplift of 25.2% to the NAV per share on admission to AIM.

Financing

The Company used cash that it held to purchase its first and third properties (as stated on page 26 of the Manager's Report). It is expected that bank financing will be obtained to pay for the redevelopment cost of these properties, and indicative terms have already been obtained from a number of international financial institutions who have expressed strong interest in providing financing for the redevelopment of these two properties.

The Company has taken advantage of the payment terms provided on the purchase of Tower 6 of 'One Central Residences', which has resulted in only 20% of the total acquisition cost being paid to the seller as of 30 June 2007. A further 10% of the total acquisition cost is due within 12 months of the financial year-end of the Company, with the 70% balance being payable on the handover of the property which is expected to occur during 2009. The Company expects to obtain bank financing to fully fund the payment of the 70% acquisition cost balance.

The Company will not breach its stated maximum level of gearing of 60% of the overall value of the Company.

Trading of shares

The Company's shares were listed at an offer price of £1.00 as of 5 June 2006. The highest share price since admission was £1.3625 on 8 May 2007, and the share price as of 7 September 2007 is £1.155 per share, representing a 2.6% premium above the Adjusted NAV per share as of 30 June 2007. The Company's shares have seen a steady increase in daily traded volumes since listing, with the average daily trading volume since admission now at approximately 300,000 shares per day. The highest daily volume traded was 8.96 million shares on 20 June 2007.

Significant shareholdings*

Name of shareholder	Number of shares	%
Amvescap (Invesco & Aim)	26,675,786	25.40%
GLG Partners	16,900,000	16.10%
Universities Superannuation Scheme	10,500,000	10.00%
Insight Investment Management	6,800,000	6.50%
JP Morgan Fleming Asset Management	5,048,481	4.80%
MPC Investors	4,465,604	4.20%
Midas Capital Partners	3,880,000	3.70%
	74,269,871	70.70%
Other	30,730,129	29.30%
Total	105,000,000	100.00%

* As of 30 June 2007

Manager's Report (continued)

Outlook

2007 is proving to be the most significant year yet in the transformation of Macau into a world-class gaming and leisure destination, culminating with the recent opening of the Venetian Macao in August. With a stream of new casino/resorts opening over the next few years and continued strength in all economic indicators, the outlook for the Macau property market continues to look positive.

The principal drivers of the residential and commercial property markets in Macau remain solidly intact, and the long-anticipated surge in the working population, combined with rapidly rising local disposable incomes and continued investor interest, all bode well for demand and price appreciation across the local residential and commercial property markets in Macau.

As the new generation of international quality construction projects begins to reach completion across the territory, the polarisation between the new and older properties will become ever more apparent and will almost certainly provide further impetus to the performance of new properties, particular those at the top end of the market. This phenomenon, combined with the rapid growth in expatriate rental demand, will add further fuel to investor interest in Macau and is positive for the performance of the Company's portfolio of high-end properties.

The Company's key focus remains on acquiring attractively valued and well-positioned assets and development projects, which exhibit clear differentiation against other projects as well as sustainability of future demand. With a strong pipeline of sites under review, the Company remains on track to be substantially invested by year-end.

Since admission to trading on AIM, MPO has capitalised on its early mover advantage to secure its position as a leading investor in the Macau property market. Looking ahead, the Company continues to identify a strong flow of investment opportunities which should further contribute to NAV growth and build on the Company's initial success in this market.

Tom Ashworth/Martin Tacon

Principals

Sniper Capital Limited





People

Despite social and demographic pressures, Macau's population is benefiting from unprecedented economic opportunities.

Board of Directors



David Hinde, Chairman

David Hinde qualified and practised as a solicitor for five years before moving into investment banking. Much of his career has been connected with Asia. From 1977 to 1982, he worked in Hong Kong for Wardley Limited, part of the HSBC Group, and then returned to London for 12 years to run the international corporate finance arm of Samuel Montagu & Co. Limited. From 1994 to 1998, he was an executive director of Dah Sing Financial Holdings Limited, the Hong Kong-based banking and financial services group. He is currently a non-executive Director of Dah Sing Banking Group Limited and chairman of INVESCO Asia Trust plc.



Tom Ashworth, Non-Executive Director

Tom Ashworth has over 20 years' experience in international financial markets. He started his career in London with HSBC Securities before transferring to Hong Kong in 1995. He later joined Morgan Stanley before establishing an independent specialist hedge fund research and brokerage business in 2000. He identified the investment potential for Macau at an early stage and over the past six years has established an extensive local network in the territory where he has undertaken several property-related business ventures. He is a director of the Fund's Investment Manager, Sniper Capital and a permanent resident of Macau.



Richard Barnes, Non-Executive Director

Richard Barnes is a Member of the Royal Institution of Chartered Surveyors and has over 20 years of experience in the commercial property sector. He has worked at Hillier Parker (CB Richard Ellis), Vigers (GVA Grimley) and Bernard Thorpe (DTZ) and is now a principal of BDP Barnes Daniels and Partners specialising in Channel Islands commercial property consultancy. He is Past President of the Jersey Group of the RICS and holds a number of directorships of listed property companies and other non-executive positions. He is a Jersey resident.



Alan Clifton, Non-Executive Director

Alan Clifton began his City career at stockbrokers Kitcat & Aitken, first as an analyst, later becoming a Partner and then a Managing Partner prior to the firm's acquisition by The Royal Bank of Canada. He was subsequently invited to be Managing Director of Morley Fund Management, the asset management arm of Aviva plc, the UK's largest insurance group. He is currently Chairman of JPMorgan Fleming Japanese Smaller Companies Trust plc and of Schroder UK Growth Fund plc and a Director of several other investment companies. He also serves as a Member of the Lord Chancellor's Strategic Investment Board.



Tim Henderson, Non-Executive Director

Tim Henderson joined HSBC in 1958 and between 1964 and 1993 held various executive positions in Asia before being appointed Senior Manager, HR Planning and Policy. He returned to Guernsey in 1994 to become Chief Executive of Leopold Joseph (Channel Islands) Limited. In 1998 he was appointed Business Manager of the James Capel operation in Guernsey. He has a Personal Fiduciary Licence issued by the Guernsey Financial Services Commission and currently holds a number of non-executive directorships in the financial sector. He is also a Fellow of the Institute of Directors and a Guernsey resident.

Managers & Advisers



Martin Tacon and Tom Ashworth Principals, Sniper Capital Limited

Martin Tacon and Tom Ashworth are the founding partners of Sniper Capital Limited which they established in 2004 to focus on property investment and development opportunities in niche, undervalued and developing markets. The duo bring with them over 40 years of combined experience and a wide range of complementary skill sets. As an experienced real estate professional, Mr Tacon has been actively involved in transaction driven property investment and finance for almost 20 years, mostly in Asia. He has an established record of identifying and capitalising on real estate opportunities within investment banking, structured finance and asset management businesses. Mr Ashworth brings two decades of experience in international financial markets in both London and Asia. Since locating to Hong Kong in 1995, he has established and successfully grown a number of businesses in the finance and alternative investment sectors and over the past five years has diversified into several property-related investment ventures.

Manager

The Company has appointed Sniper Capital Limited to be responsible for the day-to-day management of the Property Portfolio.

The Manager is a British Virgin Islands registered company incorporated in 2004. The principal activity of the Manager is to formulate proposals for investment in relevant properties for the approval of the Board and to provide associated investment management services.

Sniper Capital Limited is an independent investment manager focusing on property investment, development and redevelopment opportunities in niche and undervalued markets. Its investment strategy is to identify, acquire and develop properties clearly differentiated by location, value or sustainability of future demand.

For further information on the Manager, please refer to www.snipercapital.com

Investment Adviser

Sniper Capital Management Limited acts as Investment Adviser to the Manager to source and analyse potential property investment opportunities and to provide general property investment and management advice and related services in respect of the Company's investments. The company is registered in Macau.

Registered office

Macau Property Opportunities Fund Limited
PO Box 225
Le Marchant Street
St Peter Port, Guernsey
Channel Islands GY1 4HY

Manager

Sniper Capital Limited
PO Box 957
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Tortola
British Virgin Islands

Investor contact

Tel: +852 2292 6700
Fax: +852 2292 6777
Email: info@snipercapital.com

Directors' Report

The Directors present their report and audited financial statements of the Company for the period from incorporation on 18 May 2006 to 30 June 2007.

Principal activities

The Company is a Guernsey-registered closed-end investment fund traded on AIM, the market of that name operated by the London Stock Exchange. During the period its principal activities were property development and investment in Macau and Greater China.

Business review

A review of the business during the period, together with likely future developments, is contained in the Chairman's statement on pages 6 to 7 and in the Manager's report on pages 8 to 29.

Results and dividend

The results for the period are set out in the financial statements on pages 35 to 49.

The Directors have not recommended the payment of a dividend in respect of the period to 30 June 2007.

Directors

Biographies of the Directors who served during the period are detailed on page 30.

At the first Annual General Meeting of the Company all the Directors shall retire from office, and at each Annual General Meeting thereafter one third by number of the Directors shall retire from office in accordance with the Articles of Association.

A retiring Director shall be eligible for reappointment. No Director shall be required to vacate his office at any time by reason of the fact that he has attained any specific age.

Directors' interests

Directors who held office during the period and had interests in the shares of the Company as at 30 June 2007 were:

	ORDINARY SHARES OF US\$0.01	
	Held at 30 June 2007	Held at 5 June 2006
David Hinde	30,000	20,000
Thomas Ashworth	750,000	525,000
Richard Barnes	25,000	25,000
Alan Clifton	50,000	50,000
Timothy Henderson	25,000	25,000

Significant shareholdings

As at 30 June 2007, a total of seven shareholders held more than 3% each of the issued ordinary shares of the Company, accounting for a total amount of 74,269,871 shares or 70.7% of the issued shared capital. Full details are available on page 27 of the Manager's report.

Directors' remuneration

During the period the Directors received the following emoluments in the form of Directors' fees from the Company:

	US\$
David Hinde	85,848
Thomas Ashworth	–
Richard Barnes	53,655
Alan Clifton	64,360
Timothy Henderson	53,655*
Total	257,518

* as disclosed in note 13 on page 49, Tim Henderson also received Director's fees of US\$13,000 from subsidiaries.

Statement of Directors' responsibilities

The Directors are responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period and are in accordance with applicable laws. In preparing those financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 1994. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors

PricewaterhouseCoopers CI LLP have agreed to offer themselves for reappointment as Auditors of the Company and a resolution proposing their reappointment and authorising the Directors to determine their remuneration will be presented at the Annual General Meeting.

Annual General Meeting

The Annual General Meeting of the Company shall be held at 2.30 pm on 2 November 2007 at the Registered Office of the Company, Polygon Hall, Le Marchant Street, St Peter Port, Guernsey.

Corporate governance

Guernsey does not have its own corporate governance regime and as an AIM-listed Guernsey-registered company, the Company is not required to comply with the Combined Code on Corporate Governance ('the Code'). However, the Directors of the Company support best practice in Corporate Governance and its practical application to the Company's structure and decision-making processes as is appropriate to its size and current stage of development.

The Board of Directors

The Company is led and controlled by a Board comprising five non-executive Directors. The role of Chairman is held by David Hinde.

The Board determines the overall strategic direction of the Company and is responsible for the following:

- 1) reviewing objectives for the Company and setting the Company's strategy for fulfilling those objectives;
- 2) reviewing and approving investments, disposals and significant capital expenditure made by the Company;
- 3) reviewing the capital structure of the Company and ensuring necessary resources are in place for the Company to meet its objectives;
- 4) reviewing and monitoring the performance of the Manager, Administrator and other service providers to the Company;
- 5) reviewing key elements of the Company's performance.

Board meetings

The Board meets at least quarterly and as required from time to time to consider specific issues including all potential acquisitions and disposals.

The Board receives regular reports and papers prior to each board meeting to allow it to perform its duties. Prior to each of its quarterly meetings the Board receives reports from the Manager covering activities during the period, performance of relevant property markets, performance of the Company's assets, financing, compliance matters, working capital position and other areas of relevance to the Board. The Board also considers reports provided from time to time by the Administrator and other service providers.

The table opposite shows the attendance of Directors at quarterly Board meetings during the period to 30 June 2007:

	Maximum possible attendance	Actual attendance
David Hinde	3	3
Thomas Ashworth	3	3
Richard Barnes	3	3
Alan Clifton	3	3
Timothy Henderson	3	3

In addition to its regular quarterly meetings, the Board has also met on a number of occasions during the period to approve property acquisitions and for various other matters.

Audit Committee

The Board has operated an Audit Committee throughout the period under review. The Audit Committee is chaired by Mr Alan Clifton and meets not less than twice a year and is responsible for reviewing the interim and annual financial statements and reviewing with the auditors the results and effectiveness of the audit before their submission to the Board.

Management agreement

The Company has entered into an agreement with the Manager. This sets out the Manager's key responsibilities, which include proposing the property investment strategy to the Board, identifying property investments to recommend for acquisition and arranging appropriate financing to facilitate the transaction. The Manager is also responsible to the Board for all issues relating to property asset management.

Shareholder relations

Shareholder communications are a high priority of the Board. Management and staff of the Manager make themselves available at all reasonable times to meet with key shareholders and analysts. Feedback is provided by the Manager to Directors at quarterly Board meetings.

In addition, the Board is also kept fully apprised of all market commentary on the Company by the Manager and other professional advisors.

Through this process the Board seeks to monitor investor relations and to ensure that the Company's investor communication programme is effective.

Risk management

Each Director is aware of the risks inherent in the Company's business and understands the importance of identifying and evaluating these risks. The Board has adopted procedures and controls that enable it to manage these risks within acceptable limits and to meet all its legal and regulatory obligations.

On behalf of the Board

David Hinde
14 September 2007

Independent Auditors' Report

to the Members of Macau Property Opportunities Fund Limited

We have audited the consolidated financial statements of Macau Property Opportunities Fund Limited for the period ended 30 June 2007 which comprise the consolidated and company balance sheets, consolidated and company income statements, consolidated and company statements of changes in equity, consolidated and company cash flow statements and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable Guernsey law and International Financial Reporting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 64 of The Companies (Guernsey) Law, 1994 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with The Companies (Guernsey) Law, 1994. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Chairman's Statement, the Manager's Report, the Directors' Report and the Directors and Company information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, of the state of the Company's affairs as at 30 June 2007 and of its loss and cash flows for the period then ended;
- the financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 1994; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers CI LLP

Chartered Accountants
Guernsey, Channel Islands
14 September 2007

Consolidated Balance Sheet

As at 30 June 2007

	Notes	2007 US\$'000
ASSETS		
Current assets		
Inventories	5	56,084
Trade and other receivables	6	458
Prepayments		54
Cash and cash equivalents		144,297
		200,893
Total assets		200,893
EQUITY		
Capital and reserves attributable to the Company's equity-holders		
Share capital	8	1,050
Distributable reserves		187,960
Revaluation reserves		–
Retained earnings/(accumulated losses)		(524)
Foreign exchange on consolidation		(247)
Total equity		188,239
LIABILITIES		
Current liabilities		
Trade and other payables	7	12,654
Total liabilities		12,654
Total equity and liabilities		200,893

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2007.

The notes on pages 43 to 49 are an integral part of these consolidated financial statements.

Company Balance Sheet

As at 30 June 2007

	Notes	2007 US\$'000
ASSETS		
Non-current assets		
Investment in subsidiaries		(256)
Loans to subsidiaries		54,455
		54,199
Current assets		
Trade and other receivables	6	455
Prepayments		54
Cash and cash equivalents		137,790
		138,299
Total assets		192,498
EQUITY		
Capital and reserves attributable to the Company's equity-holders		
Share capital	8	1,050
Distributable reserves		187,960
Revaluation reserves		(256)
Retained earnings/(accumulated losses)		(237)
Total equity		188,517
LIABILITIES		
Current liabilities		
Trade and other payables	7	3,981
Total liabilities		3,981
Total equity and liabilities		192,498

The financial statements were approved by the Board of Directors and authorised for issue on 14 September 2007.

The notes on pages 43 to 49 are an integral part of these consolidated financial statements.

Consolidated Income Statement

Period ended 30 June 2007

	Notes	18 May 06- 30 June 07 US\$'000
Revenue		
Bank and other interest		8,876
Gains on foreign currency exchange		18
		8,894
Expenses		
Management fee		4,319
Performance fee		3,807
Non-Executive Directors' fees		338
Auditors' remuneration		52
General and administration expenses	10	902
		(9,418)
Loss before tax		(524)
Tax		—
Loss for the period		(524)
Attributable to:		
Equity-holders of the Company		(524)
		(524)
Basic and diluted loss per share for loss attributable to the equity-holders of the Company during the period	12	(0.0050)

The notes on pages 43 to 49 are an integral part of these consolidated financial statements.

Company Income Statement

Period ended 30 June 2007

	Notes	18 May 06- 30 June 07 US\$'000
Revenue		
Bank and other interest		8,815
Gains on foreign currency exchange		16
		8,831
Expenses		
Management fee		4,319
Performance fee		3,807
Non-Executive Directors' fees		258
Auditors' remuneration		52
General and administration expenses	10	632
		(9,068)
Loss before tax		(237)
Tax		—
Loss for the period		(237)
Attributable to:		
Equity-holders of the Company		(237)
		(237)

The notes on pages 43 to 49 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

Period ended 30 June 2007

Movements during the period	Notes	Share capital US\$'000	Share premium US\$'000	Retained earnings/ (accumulated losses) US\$'000	Distributable reserves US\$'000	Foreign exchange on consolidation US\$'000	Total US\$'000
Issue of shares		1,050	195,410	–	–	–	196,460
Cancellation of share premium	9	–	(195,410)	–	195,410	–	–
Placing fees and formation costs		–	–	–	(7,450)	–	(7,450)
Foreign exchange on consolidation		–	–	–	–	(247)	(247)
Loss for the period		–	–	(524)	–	–	(524)
Balance carried forward at 30 June 2007		1,050	–	(524)	187,960	(247)	188,239

The notes on pages 43 to 49 are an integral part of these consolidated financial statements.

Company Statement of Changes in Equity

Period ended 30 June 2007

Movements during the period	Notes	Share capital US\$'000	Share premium US\$'000	Retained earnings/ (accumulated losses) US\$'000	Distributable reserves US\$'000	Revaluation reserves US\$'000	Total US\$'000
Issue of shares		1,050	195,410	–	–	–	196,460
Cancellation of share premium	9	–	(195,410)	–	195,410	–	–
Placing fees and formation costs		–	–	–	(7,450)	–	(7,450)
Loss on investment in subsidiaries		–	–	–	–	(256)	(256)
Loss for the period		–	–	(237)	–	–	(237)
Balance carried forward at 30 June 2007		1,050	–	(237)	187,960	(256)	188,517

The notes on pages 43 to 49 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

Period ended 30 June 2007

	Notes	18 May 06- 30 June 07 US\$'000
Net cash used in operating activities	11	(5,434)
Cash flows from investing activities		
Expenditure on inventories		(47,468)
Interest received		8,418
Net cash used in investing activities		(39,050)
Cash flows from financing activities		
Proceeds on issue of shares		196,460
Placing fees and formation costs		(7,450)
Net cash generated from financing activities		189,010
Net increase in cash and cash equivalents		144,526
Cash and cash equivalents at beginning of period		-
Effect of foreign exchange rate changes		(229)
Cash and cash equivalents at end of period		144,297

The notes on pages 43 to 49 are an integral part of these consolidated financial statements.

Company Cash Flow Statement

Period ended 30 June 2007

	Notes	18 May 06- 30 June 07 US\$'000
Net cash used in operating activities	11	(5,141)
Cash flows from investing activities		
Loans to subsidiaries		(54,455)
Interest received		8,360
Net cash used in investing activities		(46,095)
Cash flows from financing activities		
Proceeds on issue of shares		196,460
Placing fees and formation costs		(7,450)
Net cash generated from financing activities		189,010
Net increase in cash and cash equivalents		137,774
Cash and cash equivalents at beginning of period		–
Effect of foreign exchange rate changes	16	16
Cash and cash equivalents at end of period		137,790

The notes on pages 43 to 49 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Period ended 30 June 2007

General information

Macau Property Opportunities Fund Limited is a company incorporated and registered in Guernsey under the Companies (Guernsey) Law, 1994 (as amended) on 18 May 2006. The address of the registered office is given on the inside back cover. The consolidated financial statements for the period ended 30 June 2007 comprise the financial statements of Macau Property Opportunities Fund Limited and its subsidiaries (together referred to as the 'Group'). The Group invests in commercial property and property-related ventures primarily in Macau and potentially in the Western Pearl River Delta region. These consolidated financial statements have been approved for issue by the Board of Directors on 14 September 2007.

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied throughout the current period, unless otherwise stated.

Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared on the historical cost basis.

IFRS requires management to make judgements, estimates and assumptions that affect the application of the reported amounts in these financial statements. Complex areas involving a higher degree of judgement, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

The Directors have opted for the early adoption of IFRS7 – Financial Instruments: Disclosures, and the complementary Amendment to IAS1, Presentation of Financial Statements – Capital Disclosures which is in issue for companies with an accounting period beginning on or after 1 January 2007.

Consolidation

The consolidated financial statements incorporate the financial statements of the Company and special-purpose entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of a special-purpose entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those segments operating in other economic environments.

The Directors are of the opinion that the Group is engaged in a single segment of business, being property investment and related business. The Group invests in commercial property and property-related ventures primarily in Macau and potentially in the Western Pearl River Delta region.

Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in US Dollars, which is the Company's functional and presentational currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Notes to the Consolidated Financial Statements – Continued

Period ended 30 June 2007

1. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i) Assets and liabilities for each balance sheet are presented at the closing rate at the date of that balance sheet;
- ii) Income and expenses for each income statement are translated at average exchange rates; and
- iii) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity.

Inventories

Properties and land that are being held or developed for future sale are classified as inventories at their deemed cost. They are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less cost to complete redevelopment and selling expenses. Deemed cost is the acquisition cost together with subsequent capital expenditure incurred, including capitalised interest where relevant.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

Cash and cash equivalents

Cash and cash equivalents in the balance sheets comprise cash at banks and on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value, with an original maturity of three months or less. For the purpose of the cash flow statements, cash and cash equivalents consist of cash and cash equivalents as defined above.

Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Shares issued by the Company are recorded at the amount of the proceeds received, net of incremental costs directly attributable to the issue of new shares.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and includes income from property trading.

Financial asset interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Expenses

Property and contract expenditure, including bid costs, incurred prior to the exchange of a contract is expensed as incurred, with the exception of expenditure on long-term development contracts.

Notes to the Consolidated Financial Statements – Continued

Period ended 30 June 2007

2. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk.

The Board of Directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and liquidity risk.

Market risk

a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the HK Dollar. Foreign exchange risk arises from future commercial transactions, recognised monetary assets and liabilities and net investments in foreign operations.

The Group's policy is not to enter into any currency hedging transactions.

The table below summarises the Group's exposure to foreign currency risk as at 30 June 2007. The Group's assets and liabilities at carrying amounts are included in the table, categorised by the currency at their carrying amount.

As at 30 June 2007	US\$'000	£'000	HK\$'000	Total
Inventories	–	–	56,084	56,084
Trade and other receivables	458	–	–	458
Prepayments	–	54	–	54
Cash and cash equivalents	123,570	192	20,535	144,297
Total assets	124,028	246	76,619	200,893
Trade and other payables	3,841	197	8,616	12,654
Total liabilities	3,841	197	8,616	12,654
Net assets	120,187	49	68,003	188,239

The table above presents financial assets and liabilities denominated in foreign currencies held by the Group as at 30 June 2007 and can be used to monitor foreign currency risk as at that date. If the US Dollar weakened/strengthened by 10% against the HK Dollar with all other variables held constant, the post-tax loss for the period would have been US\$6,800,000 higher/lower. If the US Dollar weakened/strengthened by 10% against Sterling with all other variables held constant, the post-tax loss for the period would have been US\$5,000 higher/lower.

The above sensitivity analysis does not take into consideration the effect of exchange rate movements on the shareholder equity if measured in Sterling.

b) Price risk

The Group is exposed to property price risk. The Group is not exposed to market risk with regard to financial instruments as it does not hold equity instruments.

c) Cash flow and fair value interest rate risk

The Group has significant interest-bearing assets in the form of bank deposits. Its income and operating cash flows are substantially independent of market interest rates.

Credit risk

The Group is not exposed to significant credit risk, as the income of the Group is derived from bank deposits only through the use of high credit quality financial institutions.

Notes to the Consolidated Financial Statements – Continued

Period ended 30 June 2007

2. FINANCIAL RISK MANAGEMENT – CONTINUED

Liquidity risk

The Group adopts a prudent approach to liquidity management and maintains sufficient cash reserves to meet its obligations. The Group maintains sufficient cash reserves to meet its current property development liabilities.

2007
US\$'000

Financial liabilities – current

Trade and other payables – maturity within one year	12,654
	12,654

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined as follows:

Net realisable value is based on the current market valuation provided by Savills (Macau) Limited, an independent valuer. Savills are required to make assumptions on establishing the current market valuation.

4. SUBSIDIARIES

All special-purpose vehicles are owned 100% by Macau Property Opportunities Fund Limited. The following subsidiaries have a year end of 31 December to coincide with the Macanese tax year:

MPOF Macau (Site 1) Limited	MPOF Macau (Site 2) Limited	MPOF Macau (Site 3) Limited
MPOF Macau (Site 4) Limited	MPOF Macau (Site 5) Limited	MPOF Macau (Site 6) Limited
MPOF Macau (Site 7) Limited	MPOF Macau (Site 8) Limited	MPOF Macau (Site 9) Limited
MPOF Macau (Site 10) Limited		

The consolidated financial statements include the financial statements of Macau Property Opportunities Fund Limited and the subsidiaries listed in the following table:

	Ownership	Incorporation		Ownership	Incorporation
MPOF Macau (Site 1) Limited	100%	Macau	MPOF (Monte) Limited	100%	Guernsey
MPOF Macau (Site 2) Limited	100%	Macau	MPOF (Paulo) Limited	100%	Guernsey
MPOF Macau (Site 3) Limited	100%	Macau	MPOF (Guia) Limited	100%	Guernsey
MPOF Macau (Site 4) Limited	100%	Macau	MPOF (Antonio) Limited	100%	Guernsey
MPOF Macau (Site 5) Limited	100%	Macau	MPOF (6A) Limited	100%	Guernsey
MPOF Macau (Site 6) Limited	100%	Macau	MPOF (6B) Limited	100%	Guernsey
MPOF Macau (Site 7) Limited	100%	Macau	MPOF (7A) Limited	100%	Guernsey
MPOF Macau (Site 8) Limited	100%	Macau	MPOF (7B) Limited	100%	Guernsey
MPOF Macau (Site 9) Limited	100%	Macau	MPOF (8A) Limited	100%	Guernsey
MPOF Macau (Site 10) Limited	100%	Macau	MPOF (8B) Limited	100%	Guernsey
MPOF (Penha) Limited	100%	Guernsey	MPOF (9A) Limited	100%	Guernsey
MPOF (Taipa) Limited	100%	Guernsey	MPOF (9B) Limited	100%	Guernsey
MPOF (Jose) Limited	100%	Guernsey	MPOF (10A) Limited	100%	Guernsey
MPOF (Sun) Limited	100%	Guernsey	MPOF (10B) Limited	100%	Guernsey
MPOF (Senado) Limited	100%	Guernsey	MPOF Mainland Company 1 Limited	100%	Barbados
MPOF (Domingos) Limited	100%	Guernsey			

Notes to the Consolidated Financial Statements – Continued
Period ended 30 June 2007

5. INVENTORIES

	2007 US\$'000
Cost of properties	56,084
	56,084

Cost of properties includes payments due on Tower Six of One Central Residences in the next 12 months totalling HK\$67,339,000 (US\$8,616,000). Macau Property Opportunities Fund Limited is guarantor for its subsidiary company in respect of this property. The total of the guarantee is HK\$572,379,000 (US\$73,233,000), of which HK\$67,339,000 (US\$8,616,000) is due within the next 12 months, and the balance is due on completion of the property development. As at 30 June 2007, HK\$33,669,500 (US\$4,308,000) is due to subsidiaries from the Company.

6. TRADE AND OTHER RECEIVABLES

	2007 US\$'000 Company	2007 US\$'000 Group
Interest receivable	455	458
	455	458

Other receivables do not carry any interest and are short-term in nature, and are accordingly stated at their nominal value.

7. TRADE AND OTHER PAYABLES

	2007 US\$'000 Company	2007 US\$'000 Group
Payments due for acquired property	–	8,616
Payable to the Manager	3,801	3,801
Trade and other payables	180	237
	3,981	12,654

The trade payable for acquired property represents contractual instalments of HK\$67,339,000 (US\$8,616,000) that are due within the next 12 months on the purchase of Tower Six of One Central Residences.

Other payables principally comprise amounts outstanding for ongoing costs. The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

8. SHARE CAPITAL

	2007 US\$'000 Company	2007 US\$'000 Group
Authorised:		
300 million Ordinary Shares of US\$0.01 each	3,000	3,000
Issued and fully paid:		
105 million Ordinary Shares of US\$0.01 each	1,050	1,050

The Company has one class of Ordinary Shares which carry no right to fixed income.

Notes to the Consolidated Financial Statements – Continued

Period ended 30 June 2007

9. SHARE PREMIUM

In accordance with the Listing prospectus and under Guernsey Statute, on 7 June 2006 an application was made to the Royal Court of Guernsey to have the share premium cancelled and re-designated as a distributable reserve. As such the share premium account was reduced by US\$195.41 million and a distributable reserve created for this amount.

10. GENERAL AND ADMINISTRATION EXPENSES

	18 May 06- 30 June 07 US\$'000 Company	18 May 06- 30 June 07 US\$'000 Group
Legal and professional	225	237
Holding Company administration	208	208
Guernsey SPV administration	–	99
Macau SPV administration	–	42
Insurance costs	40	40
Other operating expenses	159	276
General and administration expenses	632	902

11. NET CASH USED IN OPERATING ACTIVITIES

	18 May 06- 30 June 07 US\$'000 Company	18 May 06- 30 June 07 US\$'000 Group
Operating loss from continuing operations	(9,068)	(9,418)
Adjustments for:		
Increase/(decrease) in provisions	–	–
	(9,068)	(9,418)
Operating cash flows before movements in working capital		
(Increase) in receivables	(54)	(54)
Increase in payables	3,981	4,038
Cash used in operations	(5,141)	(5,434)
Interest paid	–	–
Net cash used in operating activities	(5,141)	(5,434)

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

12. BASIC AND DILUTED LOSS PER ORDINARY SHARE

The basic and diluted loss per equivalent Ordinary Share is based on the loss attributable to equity-holders for the period of US\$(524,000) and on the 105,000,000 weighted average number of Ordinary Shares in issue during the period.

	Loss attributable US\$'000	Weighted average no. of shares '000s	EPS US\$
Basic	(524)	105,000	(0.0050)
Diluted	(524)	105,000	(0.0050)

Notes to the Consolidated Financial Statements – Continued

Period ended 30 June 2007

13. RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

On 8 March 2007 Tim Henderson was appointed as a Director of all of the Guernsey incorporated subsidiaries of Macau Property Opportunities Fund Limited. In the period to 30 June 2007 Directors' fees of US\$80,000 were paid by the Guernsey incorporated subsidiaries, of which Mr Henderson received US\$13,000.

	18 May 06- 30 June 07 US\$'000 Company	18 May 06- 30 June 07 US\$'000 Group
Directors' fees	258	258
Subsidiary Directors' fees	–	80
	258	338

Tom Ashworth received no Directors' fees from the Company.

Tom Ashworth is a shareholder and Director of Sniper Capital Limited. Sniper Capital Limited is the Manager to the Company and received fees in the period as detailed in the Income Statement.

Tom Ashworth is a shareholder and Director of Adept Capital Services Limited. Adept Capital Services Limited provides administrative services to the Macanese SPVs and received fees in the period as detailed in Note 10.

14. MATERIAL CONTRACTS

Under the terms of an appointment made by the Board of Directors of Macau Property Opportunities Fund Limited on 23 May 2006, Sniper Capital Limited was appointed as Manager to the Company. The Manager is paid quarterly in advance a fee of 2.0% of the Net Asset Value, as adjusted to reflect the Property Investment Valuation Basis. In addition, Sniper Capital Limited is entitled to receive a Performance Fee of 20% of any return above the Basic Performance Hurdle as stated in the prospectus. A further 15% Super Performance Fee is payable if the Super Performance Hurdle is met, as stated in the Prospectus.

The first calculation period ends on 30 June 2007 and the amounts accrued in the financial statements are as follows:

	US\$
Performance Fee	3,807,300
Super Performance Fee	Nil

Notice of AGM

Macau Property Opportunities Fund Limited (the 'Company')

NOTICE is hereby given that the First Annual General Meeting of Macau Property Opportunities Fund Limited is to be held at the Registered Office of the Company, Polygon Hall, Le Marchant Street, St Peter Port, Guernsey, on 2 November 2007 at 2.30 pm for the transaction of the following business:

1. to receive and adopt the audited accounts, the Directors' report, and the Auditors' report for the period ended 30 June 2007.
2. to approve the Directors' remuneration for the period ended 30 June 2007.
3. to re-appoint David Richard Hinde as Director of the Company, retiring in accordance with the Company's Articles of Association.
4. to re-appoint Thomas William Ashworth as Director of the Company, retiring in accordance with the Company's Articles of Association.
5. to re-appoint Richard Hugh Barnes as Director of the Company, retiring in accordance with the Company's Articles of Association.
6. to re-appoint Alan Henry Clifton as Director of the Company, retiring in accordance with the Company's Articles of Association.
7. to re-appoint Timothy James Henderson as Director of the Company, retiring in accordance with the Company's Articles of Association.
8. to note that, in accordance with the statements made in the Company's prospectus, the Directors have recommended that no dividend be paid as at 30 June 2007.
9. to re-appoint PricewaterhouseCoopers CI LLP, who have indicated their willingness to continue in office, as Auditors of the Company to hold office until the next Annual General Meeting.
10. to authorise the Directors to determine the remuneration of PricewaterhouseCoopers CI LLP.
11. to consider, as special business which will be proposed as a Special Resolution, THAT the Company's Investment Policy and Strategy as defined in the Admission Document dated 30 May 2006 be approved in accordance with the AIM Rules;
12. to consider, as special business which will be proposed as a Special Resolution, THAT the Articles of Association be altered to:
 - a. amend the title of Article 6 to "POWER TO REQUIRE DISCLOSURE OF INTEREST";
 - b. include four new paragraphs at the commencement of Article 6 which will be as follows:

"6.1 Each Member shall be under an obligation to make certain notifications in accordance with the provisions of this Article 6.

6.2 If at any time the Company shall have a class of shares admitted to trading on AIM, the provisions of Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) ('DTR 5') of the UK Financial Services Authority Handbook (the '**Handbook**') shall be deemed to be incorporated by reference into these Articles and accordingly the vote holder and issuer notification rules set out in DTR 5 shall apply to the Company and each holder of shares. Notwithstanding the time limits for disclosure set out in DTR 5, the Company is required by Rule 17 of the AIM Rules to announce via a Regulatory Information Service, all the information contained in any vote holder notification 'without delay'.

6.3 For the purposes of the incorporation by reference of DTR 5 into these Articles and the application of DTR 5 to the Company and each holder of shares, the Company shall (for the purposes of this Article 6 only) be deemed to be an 'issuer', as such term is defined in DTR 5 (and not, for the avoidance of doubt, a 'non-UK issuer', as such term is defined in DTR 5).

6.4 For the purposes of this Article 6 only, defined terms in DTR 5 shall bear the meaning set out in DTR 5, and if the meaning of a defined term is not set out in DTR 5, the defined term shall bear the meaning set out in the Glossary to the Handbook (in such case, read as the definition applicable to DTR 5)."
 - c. amend the wording of existing Article 6.1 to read:

"6.5 In addition to the obligations set out in paragraphs 6.1 to 6.4 of this Article the Directors shall have the power by notice in writing to require any Member to disclose to the Company the identity of any person other than the Member (an '**interested party**') who has any interest in the shares held by the Member and the nature of such interest."

Heritage International Fund Managers Limited
Company Secretary
14 September 2007

Polygon Hall
Le Marchant Street
St Peter Port, Guernsey

Notes to the Notice of the Annual General Meeting:

1. A member is entitled to attend and vote at the meeting provided that all calls due from him in respect of his shares have been paid. A member is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. The proxy need not be a member of the Company.
2. A form of proxy is enclosed with this notice. To be effective, the instrument appointing a proxy (together with any power of attorney or other authority under which it is executed or a duly certified copy of such power) must be sent to Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than 48 hours before the time for holding the meeting or adjourned meeting as the case may be. A corporation may execute a proxy under its common seal or by the hand of a duly authorised officer or other agent. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting.
3. The quorum for the Meeting is at least two shareholders present in person or by proxy. The majority required for the passing of the Special Resolution is 75% or more of the total number of votes cast for and against such resolution.
4. In accordance with the Regulation 41 of the Uncertificated Securities Regulations 2001 and Article 17.5 of the Company's Articles of Association, only those members entered in the Register of Members of the Company at close of business on 31 October 2007 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at that meeting.
5. The Register of Directors' Interests kept by the Company shall be available for inspection by any Member between the hours of 10 am and 12 noon for a period of 14 days before and ending 3 days after the Annual General Meeting. The Register of Directors' Interests shall be produced at the commencement of the Annual General Meeting and shall remain open and accessible during the continuance of the Annual General Meeting to any person attending such meeting.

Explanatory note

Directors' remuneration report – resolution 2

The Directors' Remuneration Report Regulations 2002 ('the Regulations') came into force on 1 August 2002 and it is a requirement of the Regulations that all quoted companies produce a board-approved report on directors' remuneration for financial years ending on or after 31 December 2002. This report is set out in the Annual Report and Accounts. It is a further requirement of the Regulations that at the general meeting of the Company before which the Company's annual accounts for the financial year relate, an ordinary resolution be put to shareholders seeking approval of the remuneration report.

Notes

Directors and Company Information

Directors

David Hinde (Chairman)
Tom Ashworth
Richard Barnes
Alan Clifton
Tim Henderson

Audit Committee

Alan Clifton (Chairman)
Richard Barnes
Tim Henderson

Registered Office

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St Peter Port
Guernsey
GY1 4HY

Manager

Sniper Capital Limited
PO Box 957
Offshore Incorporations Centre
Road Town
British Virgins Islands

Investment Adviser

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

Independent Auditors

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St Peter Port
Guernsey
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Nominated Adviser & Broker

Collins Stewart Europe Limited
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Financial Adviser

West Hill Corporate Finance Limited
60 Lombard Street
London
EC3V 9EA

Public Relations

Hogarth Partnership Limited
No 1 London Bridge
London
SE1 9BG

Administrator & Company Secretary

Heritage International Fund Managers Limited
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GY1 4HY

Macau Administrator

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Hong Kong

Property Valuers

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