A DISTINCT HORIZON

Macau Property Opportunities Fund

INTERIM REPORT FOR THE PERIOD ENDED 31 DECEMBER 2012

The geography of Macau,
circa 1890, vintage engraving.

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MACAU PROPERTY OPPORTUNITIES FUND (MPO)

Listed on the London Stock Exchange, MPO is the only quoted property fund solely dedicated to investing in Macau. The Company seeks to deliver long-term returns from the investment in and development of high quality properties in Macau and China's Pearl River Delta.

From its early days as a prosperous trading port 500 years ago, Macau has evolved over the years to become the world's largest gaming market, and one of the fastest growing cities. Situated in the Pearl River Delta region, Macau is blessed with a unique terrain surrounded by water, a symbol of wealth and life in the local culture, and undulating hills, a symbol of health.

Key Highlights

THE WATERSIDE
uplifts in rental yields

THE FOUNTAINSIDE
prepares for debut

TOTAL ADJUSTED NAV

US$303M

Decrease (Current Period) -1.3%[1]
Uplift (Year-on-Year) +6.3%

ADJUSTED NAV PER SHARE

US$3.19

£1.97[2]

Uplift (Current Period) +6.2%
Uplift (Year-on-Year) +14.9%

1 MPO deployed part of its cash to buy back shares.

2 Based on a Dollar/Sterling exchange rate of 1.62 as at 31 December 2012.

For IFRS NAV and NAV reconciliation, please see the table on page 21 and Note 9 to the financial statements respectively.

SHARE BUYBACKS

adds 3.2% to Adjusted NAV per share

MACAU PROPERTY MARKET

remains buoyant

Chairman's Message

David Hinde
CHAIRMAN OF THE BOARD
MACAU PROPERTY
OPPORTUNITIES FUND LIMITED

I am very pleased to report that in the first half of our fiscal year 2013, Macau Property Opportunities Fund delivered a solid set of results. We are nearing the finishing line for a number of our developments, and have reached new milestones in our asset management programme. We have also executed a series of accretive stock buybacks, remaining true to our commitment to narrow our share price discount to the Adjusted NAV per share.

ADJUSTED NAV PER SHARE[1]

+6.2% TO US$3.19

PROPERTY PORTFOLIO VALUATION

+6.5% TO US$392M

FUND PERFORMANCE

Leveraging on Macau's dynamic economy, the Fund continues to grow at a healthy pace. In the six months to 31 December 2012, the Fund's property portfolio appreciated 6.5% to US$392 million in market value. Adjusted NAV decreased slightly to US$303 million from the June figure of US$307 million as the Fund deployed US$12.4 million of its cash to buy back shares. Adjusted NAV per share, however, registered an uplift of 14.9% year-on-year and 6.2% over the June figure (in US$ terms), to US$3.19 or £1.97[2].

MPO's loan-to-value ratio remained at a conservative level of 24%[3], while its cash balance amounted to US$22 million inclusive of US$7 million deposits pledged as collateral for banking facilities.

During the period, MPO's share price rose 11.4% versus 5.9% for the benchmark FTSE 100 Index. Encouragingly, this momentum has continued, with our share price reaching a 52-week high of £1.38 as at 25 January 2013.

1 For IFRS NAV per share please see table on page 21.

2 Based on a Dollar/Sterling exchange rate of 1.62 as at 31 December 2012.

3 Assuming a full drawdown of its committed loan facilities and based on MPO's portfolio value as at 31 December 2012.

Seven rounds of share buybacks were executed over the six months to 31 December 2012, totalling 7,220,250 shares at an average price of £1.08 per share. Worth US$12.4 million in value, these repurchases, and their subsequent cancellations, represented 7% of MPO's issued share capital and added 3.2% to Adjusted NAV per share.

PORTFOLIO UPDATE

We are close to unlocking further value for our shareholders with a number of the Fund's development projects nearing completion.

The Fountainside, a low-density prime residential development in Macau, is expected to launch its final sales programme in the second quarter of 2013 once the main construction work has been completed. With limited new housing supply in the territory, we are optimistic that this will attract strong demand from local buyers.

SHARE BUYBACKS
(FOR THIS PERIOD)

US$12.4M

Across the China border in Zhuhai, the main contract work on our two developments, *APAC Logistics Centre* Phase Two and *Cove Residence*, is nearly complete. The local government is considering a new master plan which, if confirmed, could positively impact MPO's logistics site by allowing a re-zoning to commercial usage. In light of this potential policy change, the Manager is currently redrafting plans for the remaining undeveloped land.

The Waterside, our largest asset by market value, is now consistently achieving an occupancy rate of more than 80% with rental growth of 15% per square foot versus a year ago. We are continuing to seek new ways to maximise yields on the property.

STRATEGY

Effective share buybacks remain our immediate priority, both to enhance Adjusted NAV per share and to further narrow the share price discount. Our overriding objective remains to reward our shareholders whether by continued share buybacks, unlocking value through appropriate divestment or by identifying new accretive acquisitions.

"Effective share buybacks remain our immediate priority."

GROWING ON A HEALTHY TRAJECTORY

Despite a new wave of property cooling measures introduced by the Macau government last year, local property prices remain resilient.

Rising local demand fuelled by a fast growing economy coupled with limited housing supply, continue to lend fundamental support to Macau's property market. We expect the basic mismatch of demand and supply to persist even if the government introduces further property cooling measures.

Looking ahead, Macau's transition to mass market gaming and tourism is beginning to take shape, assisted by the rapid development of key infrastructure projects in the region. From Mainland China's inter-urban high-speed trains to the future Hong Kong-Zhuhai-Macau Bridge, the city is increasingly within easy access of tens of millions of mass-market tourists.

A new wave of world-class mega resorts is also in the Cotai planning pipeline, with a number of casino operators obtaining land approvals in 2012. These new resorts will further secure Macau's global gaming position and will drive mass market visitation in the coming years with non-gaming elements increasingly being emphasised as the next driver of growth.

There are still potential risks ahead that we may need to navigate, such as visa policy tightening by Mainland China or a negative impact on VIP gaming revenues from the central government's anti-graft campaign. Nevertheless, we believe Macau is about to open a new exciting chapter in its development. We are confident that MPO's well-positioned portfolio will continue to perform as part of the territory's exceptional growth story.

David Hinde
CHAIRMAN OF THE BOARD
MACAU PROPERTY
OPPORTUNITIES FUND LIMITED

26 FEBRUARY 2013

REGIONAL INTEGRATION

Pearl River Delta Region

The Pagoda of the Rocks, Macau, circa 1870, antique wood engraving.

MPO PORTFOLIO SITES

Macau and Surrounds

Old wharf, Macau,
circa 1860, vintage illustration.

PORTFOLIO OVERVIEW

Portfolio Uplift

6%

THE WATERSIDE[2]

Uplift
(since acquisition in 2006):
117%

4%

OTHER PROPERTY ASSETS[1]

Uplift
(since acquisition):
76%

2%

SENADO SQUARE

Uplift
(since acquisition in 2007):
299%

Uplift

(CURRENT PERIOD) FOR PROJECTS

(Based on market value)

1 Includes the *Green House*, the *Sky House* and a smaller property asset, acquired in 2007, 2012, and 2008 respectively.

2 Tower Six of One Central Residences. Please refer to the disclaimer on page 48.

3 Jointly acquired as part of a combined investment in August 2008.

PORTFOLIO VALUATION UPLIFT

+6.5%

(Current Period)

PORTFOLIO VALUATION UPLIFT

+17.4%

(Year-on-Year)

15%

APAC LOGISTICS CENTRE & COVE RESIDENCE[3]

Uplift (since acquisition in 2008):

201%

13%

THE FOUNTAINSIDE

Uplift (since acquisition in 2006):

489%

6%

ONE CENTRAL INDIVIDUAL UNITS

Uplift (since acquisition in 2007 & 2008):

8%

PORTFOLIO OVERVIEW

Portfolio Composition

PORTFOLIO VALUATION

US$392M

LOAN-TO-VALUE

24%[1]

Versus 27% as at 30 June 2012

49%
THE WATERSIDE[4]
Valuation:
US$190,691,600

16%
SENADO SQUARE
Valuation:
US$64,252,000

12%
THE FOUNTAINSIDE
Valuation:
US$47,608,400

9%
APAC LOGISTICS CENTRE & COVE RESIDENCE[3]
Valuation:
US$33,416,200

7%
OTHER PROPERTY ASSETS[2]
Valuation:
US$29,174,000

7%
ONE CENTRAL INDIVIDUAL UNITS
Valuation:
US$26,819,400

Composition

BY PROJECTS

(Based on market value)

1 Assuming a full drawdown of MPO's committed credit facilities and based on portfolio value as at 31 December 2012. Market value information is based on independent valuations of the Company's portfolio properties by Savills (Macau) Limited as at 31 December 2012.

2 Includes the *Green House*, the *Sky House* and a smaller property asset.

3 Jointly acquired as part of a combined investment in August 2008.

4 Tower Six of One Central Residences. Please refer to the disclaimer on page 48.

The Waterside

LUXURY RESIDENTIAL

PROPERTY DETAILS

PROPERTY TYPE
Investment

CURRENT STATUS
Leasing and asset management

GROSS FLOOR AREA
148,000 sq ft / 13,750 sq m

ACQUISITION COST
US$87,286,000

VALUATION
US$190,691,600
+11% year-on-year
+117% since acquisition

The Waterside, the Fund's cornerstone investment asset, pursues a premium leasing strategy. Comprising 59 tailored luxury apartments housed in an enbloc-owned tower at One Central Residences, the exclusive waterfront property includes standard units, a special collection of premium high-floor units, as well as five exclusive simplex and duplex apartments. Residents enjoy flexible leasing packages, personalised concierge services and exclusive privileges as *The Waterside Club* members. Rental values continue to grow at *The Waterside* while occupancy levels have stabilised at above 80%.

The Fountainside

LOW-DENSITY RESIDENTIAL

PROPERTY DETAILS

PROPERTY TYPE
Redevelopment

CURRENT STATUS
Nearing completion

GROSS FLOOR AREA
80,000 sq ft / 7,430 sq m

TOTAL COMMITMENT
US$20,000,000
Acquisition cost:
US$8,600,000
Project development cost:
US$11,400,000

VALUATION
US$47,608,400
+32% year-on-year
+489% since acquisition

The Fountainside is a niche residential development in a prime location within the historical Penha Hill district, encompassing a low-density collection of 38 apartments and four villas. 20 standard units – representing 35% of the project's total GFA – have been pre-sold at an average price of US$590 per square foot. Accounting for 30% of the project value, the Villas will be marketed on an exclusive basis and feature amenities such as an attached garden and a private garage.

Senado Square

PRIME RETAIL

PROPERTY DETAILS

PROPERTY TYPE
Redevelopment

CURRENT STATUS
Advanced planning

GROSS FLOOR AREA
70,000 sq ft / 6,500 sq m

TOTAL COMMITMENT
US$33,000,000
Acquisition cost:
US$16,000,000
Project development cost:
US$17,000,000

VALUATION
US$64,252,000
+14% year-on-year
+299% since acquisition

Senado Square is MPO's flagship retail development, situated in the heart of Macau's vibrant shopping destination and UNESCO-endorsed historical centre. Designed by Arquitectonica – the creative team behind Melco Crown's US$2.4 billion City of Dreams – *Senado Square* has received positive reviews for its sustainable concept and contemporary design. The project is well-positioned to benefit from growth in the city's non-gaming sectors.

Once completed and leased to a choice tenant mix, the development will be marketed for sale as a prime retail investment asset with stabilised cash flows.

The Green House & The Sky House

LUXURY PRIVATE HOMES

THE GREEN HOUSE

PROPERTY DETAILS

THE GREEN HOUSE	THE SKY HOUSE
PROPERTY TYPE Investment	PROPERTY TYPE Investment
CURRENT STATUS Hold	CURRENT STATUS Hold
GROSS FLOOR AREA 5,200 sq ft / 480 sq m	GROSS FLOOR AREA 8,200 sq ft / 760 sq m
ACQUISITION COST US$3,500,000	ACQUISITION COST US$12,570,000
VALUATION US$13,031,000 +34% year-on-year +269% since acquisition	VALUATION US$15,740,400 +24% since acquisition in late-April 2012

The *Green House* and the *Sky House* form part of MPO's complementary strategy of acquiring attractively-priced luxury private homes in prime locations across Macau.

Acquired in late-2007, the *Green House* is located atop Penha Hill and offers unobstructed views of Macau's landscape. The *Sky House*, a triplex penthouse in Tower Three of One Central Residences was added to the Fund's portfolio in April 2012. The *Sky House* spans three floors and is fully fitted with a private internal elevator, expansive balconies and a private swimming pool.

Combining exclusivity with a central location, the *Green House* and the *Sky House* are rare and highly coveted. We intend to retain both properties in their current condition and divest at an opportune time.

APAC Logistics Centre & Cove Residence

WAREHOUSING & LOGISTICS / ENTRY-LEVEL RESIDENTIAL

APAC LOGISTICS CENTRE PHASE TWO

PROPERTY DETAILS

TOTAL COMMITMENT
US$45,000,000
Acquisition cost:
US$11,000,000
Project development cost:
US$34,000,000

VALUATION
US$33,416,200
+43% year-on-year
+201% since acquisition

APAC LOGISTICS CENTRE

PROPERTY TYPE
Investment / Development

CURRENT STATUS
Leasing (existing facility) and Phase Two nearing completion

GROSS FLOOR AREA
1,300,000 sq ft / 120,770 sq m

COVE RESIDENCE

PROPERTY TYPE
Investment / Development

CURRENT STATUS
Nearing completion

GROSS FLOOR AREA
215,000 sq ft / 19,970 sq m

Located near key infrastructure projects in the emerging region of Zhuhai, western Pearl River Delta, *APAC Logistics Centre* and *Cove Residence* are well-positioned to tap into the emerging demand arising from the long-term growth of the region.

Further plans for the second and final development phase of *APAC Logistics Centre* have been put on hold until the new masterplan by the Zhuhai government is formally announced at year-end. It is expected that the *APAC Logistics Centre* site will be re-designated from industrial to commercial use, potentially adding additional plot ratio to the development.

Cove Residence, a 484-unit entry-level residential development is located on a site close to *APAC Logistics Centre.* Negotiations are currently underway with a number of prospective tenants who have shown initial leasing interest in taking up space for their staff quarters.

Manager's Report

Over the six months to 31 December 2012, continued progress was made at our development projects and a number of creative asset management strategies were implemented to further enhance portfolio values.

With an exciting new stage of resort and infrastructure developments planned in and around Macau, MPO's portfolio remains well-positioned to continue to grow in value and profile as the city further establishes itself as a top international leisure and tourism destination.

Note:

The Company's interim financial statements as at 31 December 2012 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. All properties in the Company's portfolio have been valued by Savills (Macau) Limited.

Development properties classified as inventories are included in the financial statements at the lower of cost and net realisable value, whereas properties classified as investment properties are carried at fair value.

FINANCIAL RESULTS

As at 31 December 2012, the market valuation of MPO's properties, as detailed in the portfolio summary of this report, stood at US$392 million, an increase of 6.5% over the June valuation on a like-for-like basis. This represents a premium of US$227 million or 138% over the acquisition cost of the properties.

The IFRS Net Asset Value (NAV) and the Adjusted NAV declined slightly to US$213 million and US$303 million respectively in the six months to 31 December 2012, as the Company utilised some of its cash to repurchase shares. Adjusted NAV per share, on the other hand, rose 6.2% over the June figure and 14.9% on a year-on-year basis, reaching US$3.19 as at period end. In Sterling terms, Adjusted NAV per share was £1.97, based on a Dollar/Sterling exchange rate of 1.62 as at 31 December 2012.

MPO's share price at period end was £1.17 – an increase of 11.4% for the period – equating to a discount to Adjusted NAV per share of 41% versus 45% six months ago. The share price has remained robust post the period-end, resulting in the discount narrowing further to 37% as at 25 February 2013.

MPO HALF-YEAR FINANCIAL SUMMARY

	31 Dec 12	30 Jun 12
NAV (IFRS) (US$ million)	**213.0**	221.8
NAV per share (IFRS) (US$)	**2.25**	2.17
Adjusted NAV (US$ million)	**302.6**	306.7
Adjusted NAV per share (US$)	**3.19**	3.01
Adjusted NAV per share (£) [1]	**1.97**	1.91
Share price as at period end (£)	**1.17**	1.05
Property valuation (adjusted basis) (US$ million) [2]	**392.0**	374.8
Loan-to-value ratio (%)	**24**	27

1 Based on the following US$/GBP exchange rates: 1.57 at 30 June 2012 and 1.62 at 31 December 2012.

2 Market value based on independent valuations of the Company's portfolio properties by Savills (Macau) Limited.

CAPITAL MANAGEMENT

In accordance with International Financial Reporting Standards, the Company's total assets were US$325 million as at 31 December 2012. Total liabilities were US$112 million, of which the outstanding loan facility on One Central Residences constituted US$81 million. MPO has secured attractive levels of borrowing costs, averaging HIBOR plus 2.5% per annum.

The Company held a cash balance of US$22 million as at period end, of which US$7 million was pledged as collateral for banking facilities.

Assuming a full drawdown of its committed loan facilities and based on the Company's portfolio value as at 31 December 2012, MPO's total loan-to-value ratio would be 24%, a slight decline from 27% six months ago.

This level of gearing is well within the maximum 60% overall Group loan-to-value covenant. We believe that there remains ample room to grow Adjusted NAV without increasing our overall debt level excessively.

SHARE BUYBACKS
(1 JULY TO 31 DECEMBER 2012)

Date	Volume	Price (£)	Value (£)	Shares Outstanding
12 July	2,000,000	1.00	2,000,000	100,000,000
7 August	47,300	1.06	49,902	99,952,700
10 August	22,950	1.06	24,212	99,929,750
3 December	4,404,483	1.11	4,866,954	95,525,267
4 December	595,517	1.12	666,979	94,929,750
14 December	25,000	1.11	27,750	94,904,750
21 December	125,000	1.17	146,250	94,779,750
Total	**7,220,250**	**1.08**	**7,782,047**	

DRIVING NAV GROWTH

As the Chairman has noted, value-accretive and timely share buybacks remain a top priority for the Company.

Over the six months to 31 December 2012, 3.2% was added to the Company's Adjusted NAV per share through a series of share buybacks amounting to US$12.4 million in total value. The 7,220,250 shares repurchased and cancelled represented 7% of the Company's total issued share capital.

We continue to strive to maximise returns on the Company's portfolio of assets, and expect to unlock further value for investors as we approach the completion dates of a number of our development projects. In addition to share buybacks, we may also consider new acquisitions, in exceptional circumstances, if they are accretive to our portfolio value.

THE WATERSIDE: RISING RENTAL VALUES

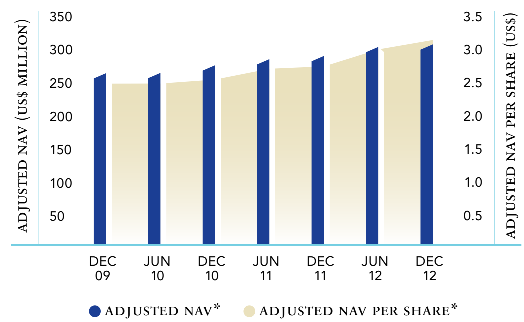
As the premier residential address in Macau with panoramic views over the Nam Van Lake, *The Waterside* continued to experience an increase in both occupancy rates and rental values. With occupancy now stabilised above 80%, net rental yields at the 148,000 square feet tower rose slightly to 2.4% from 2.3% on a per square foot basis in the six months to 31 December 2012.

Effective rents for standard units as at the end of 2012 increased to HK$21.20 (c.US$2.70) per square foot per month – 15% higher than a year earlier.

We are optimistic that rental values will remain firm as Macau's population continues to grow and as the government's property cooling measures divert a number of potential property buyers towards the rental market.

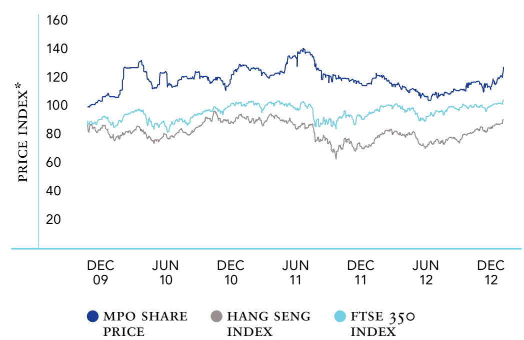
"We continue to strive to maximise returns on the Company's portfolio of assets."

ADJUSTED NET ASSET VALUE



* After deducting US$0.17 (c.8%) per share returned to shareholders in July 2011.

MPO SHARE PRICE VS. HSI/FTSE 350



* Rebased to MPO share price.
Source: Bloomberg, Sniper Capital Research

We are continuing to implement a number of proactive strategies to further grow rental values and maximise yields at *The Waterside*.

A pipeline of marketing initiatives is underway and we are continuing to execute a targeted Asia-wide media campaign to promote the premises.

The Waterside Club, launched in 2011, has been well-received by residents. Determined to set a definition for Macau's luxury residential rental accommodation, we continue to enhance and expand the lifestyle experience of our increasingly international tenant base.

In addition to the 59 units at *The Waterside*, MPO owns another 10 units in One Central Residences, with a combined gross floor area of 23,137 square feet. We will continue to pursue an opportunistic disposal strategy for these properties when we deem offers to be sufficiently attractive.

SIGNIFICANT SHAREHOLDERS
(AS AT 31 JANUARY 2013)

Name of shareholder	No. of shares	%
Invesco Asset Management	29,434,567	31.06
Lazard Asset Management LLC	11,756,796	12.40
Universities Superannuation Scheme	10,500,000	11.08
Sniper Investments Limited	6,809,500	7.18
Apollo Multi Asset Management	5,234,000	5.52
MAM Funds Plc	3,650,000	3.85
Subtotal	67,384,863	71.09
Other	27,394,887	28.91
Total	**94,779,750**	**100**

THE FOUNTAINSIDE: PREPARES FOR DEBUT

Located in the scenic and exclusive neighbourhood of Penha Hill in Macau, this 80,000 square feet development, comprising 38 apartments and four villas, has attracted strong interest and demand since its inception. On completion, *The Fountainside* is expected to set a new standard of design for residential accommodation in this area, with its historic façade, attractive architecture, sustainable design features, generous lobbies and well-appointed units.

To-date, 20 of the standard units or 35% of the total Gross Floor Area have been pre-sold. The remaining units will be launched once the main contract work is finished by mid-2013. The four villas, each featuring amenities ranging from private gardens, balconies, European kitchens and private garages, will be marketed on an exclusive basis, targeting wealthy locals and foreigners alike.

The Fountainside is expected to obtain its occupancy permit in the second half of 2013, following which the units will be handed over to their buyers.

APAC LOGISTICS CENTRE AND COVE RESIDENCE: ON TRACK FOR COMPLETION

Strategically located close to numerous ports and highways in the Western Pearl River Delta of China, *APAC Logistics Centre* and *Cove Residence* solidify MPO's successful first foray into Mainland China. Offering over 1.3 million square feet of state-of-the-art facilities upon completion of its second development phase, *APAC Logistics Centre* will be one of the largest multi-functional warehouses in the western Pearl River Delta.

The industrial site is potentially set to benefit from a major re-zoning initiative later this year as the local government looks to upgrade the land use for the whole industrial zone from "industrial" to "commercial" as part of a wider master plan for the region. We are currently in the process of applying to the local government for better development parameters and a more valuable mix of land use for the undeveloped portion of our site.

The neighbouring *Cove Residence*, comprising 484 studio, one and two bed-room units, will provide 215,000 square feet of living space tailored to the rising demand for affordable leased accommodation in the region. Two show flats, which were launched at *Cove Residence* for marketing purposes, have been well-received by potential tenants.

Main contract work for both projects has now been completed. The Company is actively sourcing tenants for both premises and is seeing increasing demand as the economic momentum of Shizimen Central Business District and Hengqin Island gathers pace.

THE SKY HOUSE AND THE GREEN HOUSE: ONE OF A KIND

The *Sky House*, an 8,000 square feet triplex apartment spanning the three top floors of One Central's Tower Three, commands majestic views of Macau's landscape. Equipped with its own balcony, swimming pool and indoor private elevator, the property is a true definition of luxury living and status.

Similar in stature to the *Sky House*, which is tailored to the taste of high net worth individuals, the 5,000 square feet mansion, the *Green House*, is located on top of Penha Hill in an exclusive neighbourhood that oversees the Sai Van Lake and Mainland China. The rare property, acquired at the end of 2007, and subsequently refurbished, continues to see on going interest from potential buyers.

Such iconic assets are rare finds in Macau and consequently we believe command a substantial premium. We remain opportunistic sellers in the medium term, with the ultimate objective of maximising investor returns.

SENADO SQUARE: MAKING PROGRESS

Negotiations for the development plan of our *Senado Square* project, the Company's flagship retail development, are in the final stages. Following extensive discussions, we have now obtained approval to proceed with formal planning applications for this exciting project. Construction on the site is expected to commence towards the end of 2013.

Following the receipt of all necessary approvals, construction should be completed by early 2016. Once completed and fully leased with stabilised cash flows, this project will be one of a unique number of prime retail investment assets in Macau, which we believe will appeal to the institutional investor market. On the leasing front, we continue to receive interest from prominent international retailers looking for high quality space in this prime area of the Macau Peninsula.

The vicinity of Senado Square, the city's most popular destination for tourists and locals alike, commands rental values comparable to first-tier retail locations in neighbouring Hong Kong. We expect the project's valuation to remain well-supported by growth in retail spending and the increasing demand for prime retail space in the city.

Property Market Outlook

Driven by a fundamental lack of new housing supply in the city, property prices remain resilient despite the government's latest round of property cooling measures. Rental growth is expected to outstrip value appreciation as demand has been skewed to the leasing market. Shops outperformed among all property sectors, benefitting from an expanding retail industry in the city.

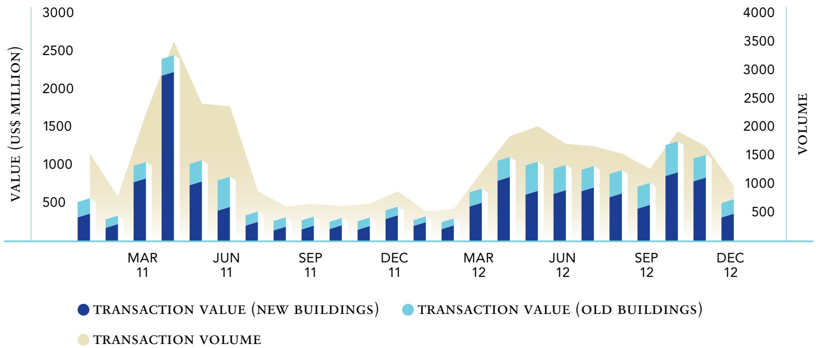
PROPERTY MARKET UNDETERRED BY COOLING MEASURES

Last year, Macau's property market was barely impacted by the government's Special Stamp Duty (SSD) in 2011, with transaction volumes recovering to 8,229 over the six months to 31 December 2012, more than double the 3,771 deals seen during the same period in 2011.

Transaction prices also continued to set new records. Based on data from the Financial Services Bureau, the average price of residential space in Macau reached a new peak of HK$5,961 (US$769) per square foot in the second half of 2012. The figure is 56% higher year-on-year and 25% higher in comparison to the first six months of 2012.

In an effort to dampen the market, the local government launched a series of new initiatives in October 2012, including tightening mortgage lending rules for completed and pre-sale flats and extending the SSD from residential to commercial properties, offices and car parks. It also imposed an extra 10% levy in addition to the current 3.15% stamp duty on non-local buyers.

MACAU RESIDENTIAL
TRANSACTION VALUE & VOLUME



Source: Government of Macao Special Administrative Region Statistics and Census Service (DSEC)

Similar to the outcome of the previous round of cooling measures, we expect market volume to be temporarily deterred but to rebound rapidly, driven by the fundamental mismatch of supply and demand in the housing market.

Rising local income and savings levels, the ongoing influx of foreign workers and the continued scarcity of land, remain the key drivers of Macau's property values.

We expect the lack of housing supply to persist in the coming years and continue to support property prices. Local real estate commentators forecast that the upward trend in residential property prices is likely to remain intact and that prices could rise another 10% to 15% this year.

RECENT TIGHTENING MEASURES

JUNE 2011

Special Stamp Duty (SSD) implemented:

- 20% for residential properties sold within one year of purchase
- 10% for residential properties sold within two years of purchase

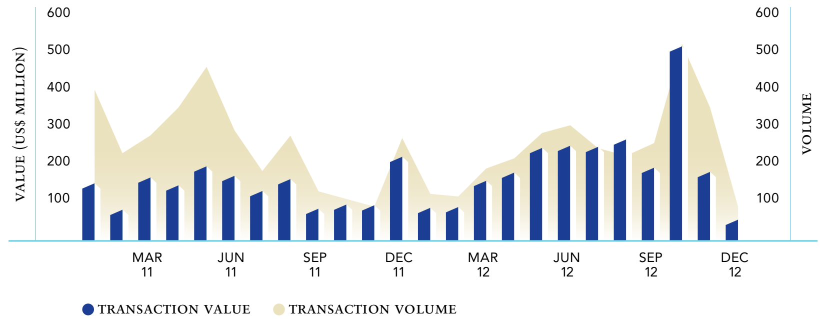
LTV ratios for mortgages further tightened:

- LTV for local buyers: 70%
- LTV for foreign buyers: 50%

OCTOBER 2012

- Government extends SSD to include commercial properties, offices and carparks.
- An additional buyer's stamp duty of 10% imposed on the sale of residential properties bought by companies and non-Macanese. Co-owned properties between a local and non-resident are exempt.
- New range of LTV ceilings for completed flats, depending on the property price:
  - LTV for local buyers: 50 – 90%
  - LTV for foreign buyers: 40 – 70%
- New range of LTV ceilings for pre-sale flats, depending on the property price:
  - LTV for local buyers: 50 – 70%
  - LTV for foreign buyers: 40 – 50%

MACAU COMMERCIAL & OFFICE
TRANSACTION VALUE & VOLUME



Source: DSEC

RENTAL GROWTH OUTSTRIPS VALUE APPRECIATION

Another unintended consequence of the cooling measures has been escalating rents, with rental growth outpacing capital appreciation for both residential and commercial properties.

Many local home buyers have been priced out of the property market after the government tightened mortgage lending rules, leading to increasing demand for rental properties. The extra 10% levy has also diverted many foreign buyers towards the leasing market.

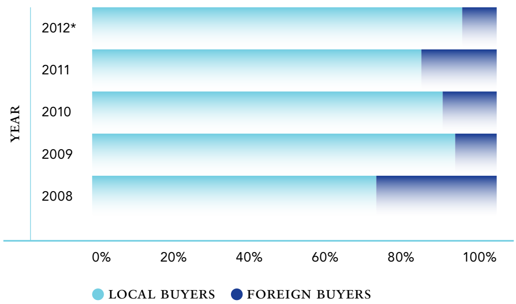
This upward trend in rental values should continue to benefit MPO's principal investment asset, *The Waterside*, as we seek to maximise yields on the property.

On the retail front, shops were in even hotter demand in 2012 as the retail sector continued to expand, rising 24% year-on-year in the first three quarters, based on data from Macau's Statistics and Census Service Bureau.

Shops saw higher increases in both capital appreciation and rental income compared to residential properties. Local real estate agencies estimate that shop rents grew 20% to 30% on average in 2012 and they expect the growth rate to remain in double digits for 2013.

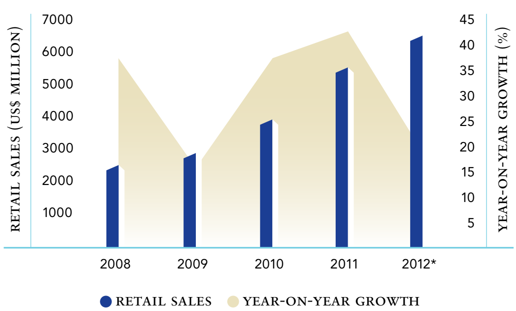
This may imply significant future rental potential at our flagship retail project *Senado Square*. The surrounding neighbourhood of Senado Square, Macau's city centre, now commands rental values of up to US$130 per square foot per month, an uplift of almost 70% compared to a year ago.

LOCAL VS. FOREIGN BUYERS IN MACAU RESIDENTIAL MARKET



* From Q1 to Q3
Source: DSEC

MACAU RETAIL SALES & YEAR-ON-YEAR GROWTH



* Annualised 2012
Source: DSEC

CHINA PROPERTY MARKET REGAINS STEAM

After experiencing a protracted slow down, China's property market started to show signs of recovery towards the end of 2012, with home prices recording their first year-on-year increase in nine months in December 2012, albeit a marginal one.

Going forward, we believe China's property market will stabilise further, underpinned by strong domestic demand as a result of the continuing urbanisation process and rising income levels.

The general fundamentals of the Chinese economy also showed signs of improvement over the last few months, signalling the diminishing risk of a "hard landing".

A healthier Chinese economy and property market establish a safer environment for our investments in both Macau and Mainland China. We believe a strengthening Chinese economy will also further buoy demand for warehousing facilities and residential space, which would be beneficial for our *APAC Logistics Centre* and *Cove Residence* projects.

MANAGER'S REPORT

Macro-Economic Outlook

Macau is rapidly achieving critical mass, with more new mega resorts on the horizon. A vast improvement in transportation links is likely to spur millions of new tourists to visit the city in the future. The territory's transition from VIP gaming to mass market tourism is gradually taking place, with increasing emphasis directed to the growth of non-gaming sectors. This on-going transformation into a global tourism destination can only continue to benefit local property prices.

REGIONAL INFRASTRUCTURE BOOM

Macau and the surrounding vicinity are undergoing a series of major infrastructure developments, making the city significantly more connected and integrated with the Pearl River Delta region and Mainland China at large.

Two noteworthy railway developments began operation at the end of 2012, effectively linking many major Chinese cities directly to Macau's doorstep.

The new intercity railway between Guangzhou and Zhuhai's Gongbei Border, connecting a few cities in the Guangdong province along the way, has created a Guangzhou-Zhuhai-Macau one-hour living zone.

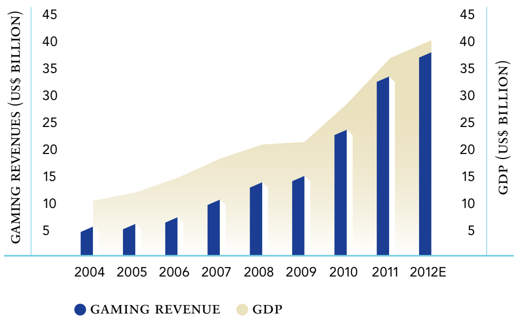
Another landmark infrastructure project, the world's longest high-speed railway, also began operation at the end of 2012. The 2,300 kilometre Beijing-Guangzhou line has made it possible for passengers to travel from northern to southern China in just eight hours.

With these new railways in place, Macau is just a train ride away from hundreds of millions of potential tourists from Mainland China.

Within the territory, the city's long awaited Light Rail Transit (LRT) system is expected to be completed by 2015. Linking Macau Peninsula to Taipa, Cotai, Hengqin Island, and eventually to the Guangzhou-Zhuhai Railway and the Hong Kong-Zhuhai-Macau Bridge entry point, the LRT system will considerably improve the ease of travelling to and around the city.

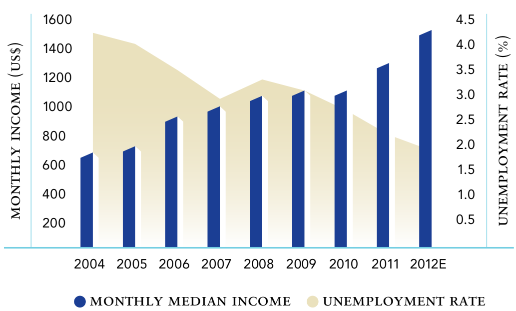
The new Pac On Ferry Terminal, located in Taipa, is also scheduled to open in the second half of this year. With an

GAMING REVENUES & GDP



Source: DICJ & DSEC

MONTHLY INCOME &
UNEMPLOYMENT RATE



Source: DSEC

annual capacity of 15 million passengers, the new ferry terminal will alleviate the burden on the Macau Peninsula's outer harbour terminal and become the territory's main maritime border crossing.

The Hong Kong-Zhuhai-Macau Bridge, the world's longest water-crossing bridge, will also cut travel time between Hong Kong and Macau to just 30 minutes upon its completion in 2016.

COTAI: READY FOR THE NEXT LEAP

2012 also marked the start of a new era for Cotai, with a number of casino operators obtaining land approvals to build new mega resorts.

Towards the end of last year, MGM gained approval to build a US$2.5 billion resort, while SJM Holdings received the green light to build a 2,000-room hotel with 700 gambling tables. Galaxy Entertainment also announced that it would inject up to US$6.5 billion into the third phase of its mega resort, an investment equivalent to the sum of the first two phases combined.

Earlier last year Wynn unveiled plans for a US$4 billion development, with Sands China also revealing its plans to construct a US$3 billion Parisian-themed resort with an Eiffel Tower replica.

In spite of persistent concerns over a slowdown in VIP gaming activities, total gaming revenues in 2012 ended on a strong note. December saw a new monthly record of US$3.5 billion with the whole year achieving total gaming revenues of US$38 billion, a 13.5% rise compared to 2011.

Looking ahead, market consensus suggests that the territory will maintain low double-digit growth in both gaming revenues and GDP, solidifying its position as the largest gaming hub and one of the world's fastest growing economies.

MASS MARKET EVOLUTION

With easier accessibility and a pipeline of resorts on the horizon, the territory is undergoing a quiet revolution from VIP gaming to mass market tourism.

Mass market gaming revenues grew 30% last year alone and analysts expect the growth rate to continue at around 25% on average in the years to come.

The arrival of the mass market era is also likely to boost Macau's non-gaming sectors, helping the city to further diversify its economy. Casino operators are increasingly looking at non-gaming revenue options ranging from exciting dining and entertainment offerings to kids zones and theme parks in order to entice the middle class and family tourists.

New developments in neighbouring Hengqin will also serve to attract a more diversified pool of visitors to Macau in the near future. The first phase of the Chime-Long International Ocean Resort, which includes the Hengqin Bay Hotel and the Ocean Kingdom, is scheduled to open this year. Future phases at the resort will add several more theme parks, 12 luxury hotels, three golf courses, two yacht clubs, as well as a number of shopping malls and convention centres.

We believe the territory's mass market transition will help to further spread the casinos' prosperity to other sectors, such as retail or food and beverage businesses. This underlying trend will create a healthier and more stable long-term environment for the territory. It will also greatly benefit a number of our projects, in particular our *Senado Square* retail development.

DEVELOPMENTS ON COTAI

STUDIO CITY

SIZE: 500,000 square feet

INVESTMENT: US$3 billion

SANDS CHINA

SIZE: 650,000 square feet

INVESTMENT: US$3 billion

MGM

SIZE: 773,204 square feet

INVESTMENT: US$2.5 billion

WYNN COTAI

SIZE: 2.2 million square feet

INVESTMENT: US$4 billion

SJM HOLDINGS

SIZE: 5.4 million square feet

INVESTMENT: US$2.5 billion

GALAXY MACAU (PHASE 3)

SIZE: 10 million square feet

INVESTMENT: US$6.5 billion

Note:

All figures were compiled based on their respective company announcements.

RISK AND UNCERTAINTIES

Despite our general optimism about Macau's growth path, there are underlying risks that we need to take note of.

Macau's government is likely to implement further property tightening measures in the near future, which could hamper the rise in property prices.

Macau's growth trajectory is closely linked to Mainland China's economy and visa policy. A slowdown in the Chinese economy or new visa restrictions will have an immediate impact on the territory.

China's anti-graft campaign might also negatively impact the VIP sector and in turn the overall performance of casinos. Uncertainty in VIP gaming revenues will remain a concern in the coming few years.

Other on-going challenges include labour shortages and rising labour and construction costs brought about by a rapidly growing economy, as well as complex and sometimes protracted approval procedures for sensitive development projects.

> "Macau is set to evolve from a regional gaming hub to a world class tourism and leisure destination."

CONCLUSION

With improving accessibility and a new phase of mega resorts on the horizon, Macau is set to evolve from a regional gaming hub into a world class tourism and leisure destination. Looking at Cotai's current and future projects, it is becoming clearer and more certain that Macau will gradually transition to the mass market rather than relying on a small segment of VIP clients for its growth. Macau's diversification efforts are starting to show results and it will serve to further boost the territory's reputation and attractiveness as a holiday destination among international tourists.

The rapid integration of the Pearl River Delta region, including Macau and Hong Kong, will also help to further drive the values of MPO's assets and present fresh opportunities for us to enhance and unlock shareholder value.

Unaudited Condensed Consolidated Financial Statements

MACAU PROPERTY OPPORTUNITIES FUND LIMITED

Directors' Statement of Responsibilities

The Directors are responsible for preparing this half-yearly financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union; and
- the Chairman's Message and Manager's Report meet the requirements of an interim management report, and include a fair review of the information required by:

  a. DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim condensed consolidated financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b. DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

David Hinde

CHAIRMAN
26 FEBRUARY 2013

Independent Review Report to Macau Property Opportunities Fund Limited

INTRODUCTION

We have been engaged by Macau Property Opportunities Fund Limited to review the interim condensed consolidated financial statements in the interim financial report for the six months ended 31 December 2012 which comprise the Interim Condensed Consolidated Statement of Financial Position, the Interim Condensed Consolidated Statement of Comprehensive Income, the Interim Condensed Consolidated Statement of Changes in Equity, the Interim Condensed Consolidated Statement of Cash Flows and the related notes 1 to 13. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

DIRECTORS' RESPONSIBILITIES

The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The interim condensed consolidated financial statements included in this interim financial report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the interim condensed consolidated financial statements in the interim financial report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements in the interim financial report for the six months ended 31 December 2012 are not prepared, in all material respects, in accordance with International Accounting Standard 34 and with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP

GUERNSEY, CHANNEL ISLANDS
26 FEBRUARY 2013

Notes:

1. The maintenance and integrity of the Macau Property Opportunities Fund Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial information since it was initially presented on the website.
2. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Interim Condensed Consolidated Statement of Financial Position (Unaudited)

AT 31 DECEMBER 2012

	Note	Unaudited 31 Dec 12 US$'000	Unaudited 31 Dec 11 US$'000	Audited 30 Jun 12 US$'000
ASSETS				
Non-current assets				
Investment property	3	**239,848**	194,943	225,008
Deposits with lenders	4	**6,747**	8,226	6,590
		246,595	203,169	231,598
Current assets				
Inventories	5	**62,460**	79,269	64,921
Trade and other receivables		**227**	275	258
Prepayments		**842**	901	952
Cash and cash equivalents		**15,193**	19,922	36,077
		78,722	100,367	102,208
Total assets		**325,317**	303,536	333,806
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital		**948**	1,025	1,020
Distributable reserves		**151,595**	164,700	163,896
Retained earnings		**59,837**	49,369	56,596
Foreign currency translation reserve		**616**	1	299
Total equity		**212,996**	215,095	221,811
LIABILITIES				
Non-current liabilities				
Interest-bearing loans	7	**93,223**	73,959	98,664
Financial liabilities at fair value through profit or loss – interest rate swap	6	**1,537**	1,757	1,615
		94,760	75,716	100,279
Current liabilities				
Trade and other payables		**6,009**	3,757	2,109
Deferred income/deposits on property presales		**4,143**	4,046	4,139
Interest-bearing loans	7	**6,580**	4,922	4,651
Financial liabilities at fair value through profit or loss – interest rate swap	6	**829**	-	817
		17,561	12,725	11,716
Total liabilities		**112,321**	88,441	111,995
Total equity and liabilities		**325,317**	303,536	333,806
Net Asset Value per share (US$)	9	**2.25**	2.10	2.17
Adjusted Net Asset Value per share (US$)	9	**3.19**	2.78	3.01

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 26 February 2013.

The notes on pages 40 to 47 form part of these interim condensed consolidated financial statements.

MACAU PROPERTY OPPORTUNITIES FUND LIMITED

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)

FOR THE 6 MONTH PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012

	Note	Unaudited 6 months 1 Jul 12 – 31 Dec 12 US$'000	Unaudited 6 months 1 Jul 11 – 31 Dec 11 US$'000	Audited 12 months 1 Jul 11 – 30 Jun 12 US$'000
Income				
Sales of inventories	5	**6,998**	6,179	22,835
Rental income		**2,142**	1,342	3,146
Net gain from fair value adjustment on investment property	3	**7,156**	2,792	13,424
Write (down)/back of inventories to net realisable value		**-**	(16)	334
Gains on foreign currency translation		**37**	521	313
Other income		**-**	6	264
Bank and other interest		**38**	-	53
		16,371	10,824	40,369
Expenses				
Cost of sales of inventories	5	**6,341**	4,998	20,661
Management fee	11	**3,067**	2,803	5,700
Non-executive Directors' fees	11	**129**	118	243
Auditors' remuneration		**56**	37	151
Property operating expenses		**609**	626	1,184
Sales and marketing expenses		**322**	225	552
General and administration expenses		**854**	753	1,389
		(11,378)	(9,560)	(29,880)
Operating profit for the period/year		**4,993**	1,264	10,489
Finance income/(expenses)				
Net gain/(loss) on valuation of interest rate swap	6	**66**	(1,166)	(1,841)
Bank loan interest		**(1,277)**	(738)	(1,532)
Interest expense on interest rate swap		**(408)**	(454)	(875)
Other financing costs		**(133)**	(108)	(216)
		(1,752)	(2,466)	(4,464)
Profit/(loss) for the period/year		**3,241**	(1,202)	6,025
Other comprehensive income				
Movement on foreign currency translation reserve		**317**	27	325
Total comprehensive income/(loss) for the period/year		**3,558**	(1,175)	6,350
Profit/(loss) attributable to:				
Equity holders of the Company		**3,241**	(1,202)	6,025
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company		**3,558**	(1,175)	6,350

	Note	Unaudited 6 months 1 Jul 12 – 31 Dec 12 US$	Unaudited 6 months 1 Jul 11 – 31 Dec 11 US$	Audited 12 months 1 Jul 11 – 30 Jun 12 US$
Basic and diluted profit/(loss) per Ordinary Share for profit/(loss) attributable to the equity holders of the Company during the period/year	8	**0.0326**	(0.0117)	0.0588

All items in the above statement are derived from continuing operations.

The notes on pages 40 to 47 form part of these interim condensed consolidated financial statements.

MACAU PROPERTY OPPORTUNITIES FUND LIMITED

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

MOVEMENT FOR THE 6 MONTH PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012

	Note	Share capital US$'000	Retained earnings US$'000	Distributable reserves US$'000	Foreign currency translation reserve US$'000	Total US$'000
Balance brought forward at 1 July 2012		**1,020**	**56,596**	**163,896**	**299**	**221,811**
Profit for the period		-	3,241	-	-	3,241
Other comprehensive income – Foreign currency translation reserve		-	-	-	317	317
Total comprehensive income for the period		-	**3,241**	-	**317**	**3,558**
Share buy back	12	(72)	-	(12,301)	-	(12,373)
Balance carried forward at 31 December 2012		**948**	**59,837**	**151,595**	**616**	**212,996**

MOVEMENT FOR THE 6 MONTH PERIOD FROM 1 JULY 2011 TO 31 DECEMBER 2011 (UNAUDITED)

	Note	Share capital US$'000	Retained earnings US$'000	Distributable reserves US$'000	Foreign currency translation reserve US$'000	Total US$'000
Balance brought forward at 1 July 2011		1,028	50,571	165,356	(26)	216,929
Loss for the period		-	(1,202)	-	-	(1,202)
Other comprehensive income – Foreign currency translation reserve		-	-	-	27	27
Total comprehensive (loss)/income for the period		-	(1,202)	-	27	(1,175)
Share buy back	12	(3)	-	(656)	-	(659)
Balance carried forward at 31 December 2011		1,025	49,369	164,700	1	215,095

MOVEMENT FOR THE YEAR FROM 1 JULY 2011 TO 30 JUNE 2012 (AUDITED)

	Note	Share capital US$'000	Retained earnings US$'000	Distributable reserves US$'000	Foreign currency translation reserve US$'000	Total US$'000
Balance brought forward at 1 July 2011		1,028	50,571	165,356	(26)	216,929
Profit for the year		-	6,025	-	-	6,025
Other comprehensive income – Foreign currency translation reserve		-	-	-	325	325
Total comprehensive income for the year		-	6,025	-	325	6,350
Share buy back	12	(8)	-	(1,460)	-	(1,468)
Balance carried forward at 30 June 2012		1,020	56,596	163,896	299	221,811

The notes on pages 40 to 47 form part of these interim condensed consolidated financial statements.

MACAU PROPERTY OPPORTUNITIES FUND LIMITED

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

FOR THE 6 MONTH PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012

	Note	**Unaudited 6 months 1 Jul 12 – 31 Dec 12 US$'000**	Unaudited 6 months 1 Jul 11 – 31 Dec 11 US$'000	Audited 12 months 1 Jul 11 – 30 Jun 12 US$'000
Net cash used in operating activities	10	**(2,933)**	(3,867)	(11,849)
Cash flows from financing activities				
Proceeds from bank borrowings		**-**	1,082	39,921
Repayment of bank borrowings		**(3,512)**	(4,095)	(18,500)
(Increase)/decrease in pledged bank balances		**(157)**	2,709	4,345
Share buy back	12	**(12,373)**	(659)	(1,468)
Return of capital		**-**	(17,900)	(17,900)
Interest and bank charges paid		**(1,818)**	(1,201)	(2,623)
Net cash (used in)/generated from financing activities		**(17,860)**	(20,064)	3,775
Net decrease in cash and cash equivalents		**(20,793)**	(23,931)	(8,074)
Cash and cash equivalents at beginning of period/year		**36,077**	43,826	43,826
Effect of foreign exchange rate changes		**(91)**	27	325
Cash and cash equivalents at end of period/year		**15,193**	19,922	36,077

The above Interim Condensed Consolidated Statement of Cash Flows excludes pledged bank balances "deposit with lenders" as defined in Note 4.

The notes on pages 40 to 47 form part of these interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

FOR THE PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012

GENERAL INFORMATION

Macau Property Opportunities Fund Limited (the "Company") is a Company incorporated and registered in Guernsey under The Companies (Guernsey) Law, 1994. This law was replaced by the Companies (Guernsey) Law, 2008 on 1 July 2008. The Company is an authorised entity under the Authorised Closed-Ended Investment Schemes Rules 2008 and is regulated by the Guernsey Financial Services Commission. The address of the registered office is given on page 48.

The interim condensed consolidated financial statements for the six months ended 31 December 2012 comprise the interim financial statements of the Company and its subsidiaries (together referred to as the "Group").

The Group invests in residential and commercial property and property-related ventures primarily in Macau and in the Western Pearl River Delta region of Mainland China.

There have been no changes to the Group's principal risks and uncertainties in the six month period to 31 December 2012 and the Board of Directors does not anticipate any changes to the principal risks and uncertainties in the second half of the year.

The interim condensed consolidated financial statements are presented in US Dollars ("US$") and are rounded to the nearest thousand.

These interim condensed consolidated financial statements have been approved for issue by the Board of Directors on 26 February 2013.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union; applicable legal and regulatory requirements of Guernsey Law and under the historical cost convention as modified by the revaluation of investment properties and derivative financial instruments.

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual financial statements. The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 30 June 2012. There have been no amendments to existing accounting policies or new polices in the period to 31 December 2012 as a result of new and amended accounting standards effective in the period.

Going concern

As part of their assessment of the going concern of the Group, the Directors have reviewed comprehensive cash flow forecasts prepared by management which make assumptions based upon current and expected future market conditions. It is the Directors' belief that, based upon those forecasts and their assessment of the Group's committed banking facilities, it is appropriate to prepare the financial statements of the Group on the going concern basis. In arriving at their conclusion that the Group currently has adequate financial resources, the Directors have taken into consideration the fact that the Group has unrestricted cash of US$15.2 million as at 31 December 2012 and is expected to continue to comply with the covenants of its banking facilities going forward.

Seasonal and cyclical variations

The Group does not operate in an industry where significant or cyclical variations as a result of seasonal activity are experienced during the financial year.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012

2. SEGMENT REPORTING

The chief operating decision maker (the "CODM") in relation to the Company is deemed to be the Board itself. The factors used to identify the Group's reportable segments are centred on asset class, differences in geographical area and differences in regulatory environment. Further, foreign exchange and political risk is identified, as these also determine where resources are allocated.

Based on the above and a review of information provided to the Board, it has been concluded that the Group is currently organised into one reportable segment based on the geographical sector; Macau and the Western Pearl River Delta Region.

There are a number of property types that are within the above segment; these are residential, commercial and mixed-use properties. Furthermore, there are multiple individual properties that are held within each property type. However, the CODM considers on a regular basis the operating results and resource allocation of the aggregated position of all property types as a whole as part of its on-going performance review, this is supported by a further breakdown of individual property groups only to help support its review and investment appraisal objectives.

3. INVESTMENT PROPERTY

	Unaudited 1 Jul 12 – 31 Dec 12 US$'000	Unaudited 1 Jul 11 – 31 Dec 11 US$'000	Audited 1 Jul 11 – 30 Jun 12 US$'000
At beginning of the period/year	**225,008**	187,111	187,111
Additions	**7,472**	4,683	24,202
Fair value adjustment	**7,156**	2,792	13,424
Exchange difference	**212**	357	271
Balance at end of the period/year	**239,848**	194,943	225,008

The Group's investment properties were revalued at 31 December 2012 by independent, professionally-qualified valuers Savills (Macau) Limited. 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 of the investment properties in their existing state and physical condition, with the assumptions that:

- The owner sells the property in the open market without any arrangement which could serve to affect the value of the property.
- The property is held for investment purposes.
- The property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

The fair value of investment property is determined by Savills (Macau) Limited using recognised valuation techniques. These techniques comprise both the Yield Method and the Discounted Cash Flow Method. In some cases, the fair values are determined based on recent real estate transactions with similar characteristics and location to those of the Group's assets.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the reporting date.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012

3. INVESTMENT PROPERTY (CONTINUED)

Additions in the period relate to the fit out costs for *The Waterside* and the planning, design and development costs for the *APAC Logistics Centre*.

Rental income arising from *The Waterside* of US$2,045,898 (6 months ended 31 December 2011: US$1,241,547, 12 months ended 30 June 2012: US$2,961,920) was received during the period. Direct operating expenses of US$364,281 (6 months ended 31 December 2011: US$404,362, 12 months ended 30 June 2012: US$801,762) arising from *The Waterside* that generated rental income were incurred during the 6 month period.

The *APAC Logistics Centre* located in the Zhuhai Free Trade Zone, China, received rental income of US$95,639 (6 months ended 31 December 2011: US$100,576, 12 months ended 30 June 2012: US$184,541) during the period. Direct operating expenses of US$58,143 (6 months ended 31 December 2011: US$50,102, 12 months ended 30 June 2012: US$90,846) arising from the *APAC Logistics Centre* that generated rental income were incurred during the 6 month period.

The *Sky House*, a triplex apartment in Tower 3, One Central Residences, incurred direct operating expenses of US$17,797 (6 months ended 31 December 2011: nil, 12 months ended 30 June 2012: US$14,263) and no rental income was received during the 6 month period.

4. DEPOSITS WITH LENDERS

Pledged bank balances represents deposits pledged to the Group's bankers to secure the banking facilities and interest rate swaps granted to the Group. Deposits amounting to US$6.7 million (31 December 2011: US$8.2m, 30 June 2012: US$6.6m) have been pledged to secure long-term banking facilities and interest rate swaps and are, therefore, classified as non-current assets.

5. INVENTORIES

	Unaudited 1 Jul 12 – 31 Dec 12 US$'000	Unaudited 1 Jul 11 – 31 Dec 11 US$'000	Audited 1 Jul 11 – 30 Jun 12 US$'000
Cost			
Balance brought forward	**64,921**	83,293	83,293
Additions	**3,819**	1,160	2,081
Disposals	**(6,341)**	(4,998)	(20,661)
Exchange difference	**61**	164	208
Balance carried forward	**62,460**	79,619	64,921
Adjustments to net realisable value			
Balance brought forward	-	(334)	(334)
Write (down)/ back to net realisable value	-	(16)	334
Balance carried forward	-	(350)	-
Carrying amounts	**62,460**	79,269	64,921

Additions include capital expenditure, development costs and capitalisation of financing costs. Financing costs of US$64,000 (31 December 2011: US$23,000, 30 June 2012: US$57,000) relating to *The Fountainside* loan facility were capitalised during the period.

Three of the individual apartments in One Central Residences were sold for the price of HK$54 million (US$7 million) against a total cost of HK$49 million (US$6.3 million). These disposals were completed on various dates during the current period.

There has been no adjustment to net realisable value (31 December 2011: a decrease of US$16,000 and 30 June 2012: an increase of US$334,000) recognised in the Interim Condensed Consolidated Statement of Comprehensive Income to maintain the carrying value of inventories at the lower of cost and net realisable value.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012

6. INTEREST RATE SWAPS

The Group has entered into five interest rate swaps with Standard Chartered Bank to mitigate risks associated with the variability of cash flows arising from interest rate fluctuations.

The total notional amount for the interest rate swaps is HK$500 million, being a notional amount of HK$100 million for each swap. The tenor of each swap is five years, with the earliest maturity date being 6 August 2015 and the latest being 20 May 2016.

Under these swaps, the Group receives quarterly interest at variable rates of three-month HIBOR and pays quarterly interest at fixed rates ranging from 1.395% to 2.09% per annum. During the period the Group paid net interest to the bank of US$408,000 (31 December 2011: US$454,000, 30 June 2012: US$875,000) as shown in financing costs on the Interim Condensed Consolidated Statement of Comprehensive Income.

The Group has placed HK$20,188,000 (US$2,604,000) (31 December 2011: HKD$15,624,000 (US$2,012,000), 30 June 2012: HK$19,018,000, (US$2,451,000)) with Standard Chartered Bank as a pledged deposit to secure the interest rate swap facilities.

The swaps are treated as financial assets or liabilities at fair value through profit or loss with a period end value loss of US$2,366,000 (31 December 2011: loss of US$1,757,000, 30 June 2012: loss of US$2,432,000). For the six months ended 31 December 2012, a fair value gain of US$66,000 (six months ended 31 December 2011: loss of US$1,166,000, twelve months ended 30 June 2012: loss of US$1,841,000) arising from the interest rate swaps in aggregate has been recognised in the Interim Condensed Consolidated Statement of Comprehensive Income.

7. INTEREST-BEARING LOANS

	Unaudited 31 Dec 12 US$'000	Unaudited 31 Dec 11 US$'000	Audited 30 Jun 12 US$'000
Bank loans – Secured			
- Current portion	**6,580**	4,922	4,651
- Non-current portion	**93,223**	73,959	98,664
	99,803	78,881	103,315

The Group has a term loan facility with Hang Seng Bank for *The Waterside* and the individual One Central Residences units. The loan facility has two tranches. The interest rate applicable to tranche 1 of the term loan is 1.6% per annum over the one, two or three-month HIBOR rate; the choice of rate is at the Group's discretion, whereas the interest rate applicable to tranche 2 is 3.25% per annum over the one, two or three-month HIBOR rate; the choice of rate is at the Group's discretion. The principal is to be repaid in half-yearly instalments commencing one year after the initial loan agreement date, with 70% (tranche 1) and 60% (tranche 2) of the principal due upon maturity of the loan in November 2015. The loan-to-value covenant is 60%. The facility is secured by means of a first registered legal mortgage over *The Waterside* and the individual residential units owned by the Group at One Central Residences as well as a pledge of all income from the units. The Company is the guarantor for the credit facility. In addition, the Group is required to maintain a cash reserve equal to six months' interest with the lender.

7. INTEREST-BEARING LOANS (CONTINUED)

During the current period, the Group has used the sales proceeds from the disposal of three individual units at the One Central Residences, to repay part of the facility.

As at 31 December 2012, tranche 1 has an outstanding balance of HK$470 million (US$60.6 million) (31 December 2011: HK$589 million (US$75.9 million), 30 June 2012: HK$479 million (US$61.7 million)); while tranche 2 has an outstanding balance of HK$158 million (US$20.3 million) (31 December 2011: nil, 30 June 2012: HK$200 million (US$25.8 million)). As at 31 December 2012, the loan-to-value ratio for the Hang Seng One Central facility was 37.3%.

The Group has a credit facility with Banco Weng Hang S.A. to finance *The Fountainside* redevelopment which was secured by a first legal mortgage over the property as well as a pledge of all income from *The Fountainside* units. The facility is for up to HK$59 million until 20 September 2013, with interest charged at 3% per annum over the three-month HIBOR rate.

As at 31 December 2012, a drawdown of HK$51 million (US$6.6 million) (31 December 2011: HK$23.4 million (US$3 million), 30 June 2012: HK$28.2 million (US$3.6 million)) on the facility had been made. The loan-to-value covenant is 60%. This facility is non-recourse to the Group. As at 31 December 2012, proceeds of US$4.1 million (31 December 2011: US$4.1 million, 30 June 2012: US$4.1 million) received from the pre-sale of *The Fountainside* units were pledged with the lender. As at 31 December 2012, the loan-to-value ratio for this facility was 13.8%.

The Group has arranged a two year term loan facility with Wing Lung Bank to refinance the purchase of the *Green House*. On 29 June 2012, a drawdown on the facility was made for HK$46 million (US$6 million).

The interest rate applicable to the Wing Lung Bank loan facility is 3.5% per annum over the three-month HIBOR rate. This facility is secured by a first legal mortgage over the property as well as a pledge of all income from the property. The facility is for up to HK$46 million. The loan-to-value covenant is 55%. The Company is the guarantor for this term loan. As at 31 December 2012, the loan-to-value ratio for this facility was 45.5%.

The Group has arranged a three year term loan facility with Banco Tai Fung to finance the purchase of the *Sky House*. On 20 April 2012, a drawdown on the facility was made for HK$48.6 million (US$6.3 million).

The interest rate applicable to the Banco Tai Fung loan facility is 3.9% per annum over the three-month HIBOR rate. This facility is secured by a first legal mortgage over the property as well as a pledge of all income from the property. This facility is non-recourse to the Group. The facility is for up to HK$48.6 million. As at 31 December 2012, the loan-to-value ratio for this facility was 39.8%.

The Directors believe that the value of the interest-bearing loans, which are accounted for at amortised cost, is not materially different to their market or fair value.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012

8. BASIC AND DILUTED EARNINGS

Earnings per share is based upon the following data:

	Unaudited 1 Jul 12 – 31 Dec 12	Unaudited 1 Jul 11 – 31 Dec 11	Audited 1 Jul 11 – 30 Jun 12
Profit/(loss) for the period/year (US$)	**3,241,000**	(1,202,000)	6,025,000
Weighted average number of Ordinary Shares	**99,269,090**	102,516,304	102,477,992
Basic and diluted earnings per share (US$)	**0.0326**	(0.0117)	0.0588

The earnings per share (EPS) is based on the profit/(loss) for the period/year and on the weighted average number of shares in issue for the period/year.

9. NET ASSET VALUE RECONCILIATION

	Unaudited 31 Dec 12 US$'000	Unaudited 31 Dec 11 US$'000	Audited 30 Jun 12 US$'000
Net assets attributable to ordinary shareholders	**212,996**	215,095	221,811
Uplift of inventories held at cost to market value	**89,653**	69,662	84,844
Adjusted Net Asset Value	**302,649**	284,757	306,655
Number of Ordinary Shares Outstanding ('000)	**94,780**	102,500	102,000
NAV per share (IFRS) (US$)	**2.25**	2.10	2.17
Adjusted NAV per share (US$)	**3.19**	2.78	3.01
Adjusted NAV per share (£)*	**1.97**	1.79	1.91

* US$:GBP rates as at relevant period end

The NAV per share is arrived at by dividing the net assets as at the date of the Consolidated Statement of Financial Position, by the number of Ordinary Shares in issue at that date.

Under IFRS, inventories are carried at the lower of cost and net realisable value. The Adjusted NAV includes the uplift of inventories to their market values.

The Adjusted NAV per share is arrived at by dividing the Adjusted Net Asset Value as at the date of the Consolidated Statement of Financial Position, by the number of Ordinary Shares in issue at that date.

There are no potentially dilutive shares in issue.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012

10. CASH FLOWS FROM OPERATING ACTIVITIES

	Unaudited 6 months 1 Jul 12 – 31 Dec 12 US$'000	Unaudited 6 months 1 Jul 11 – 31 Dec 11 US$'000	Audited 12 months 1 Jul 11 – 30 Jun 12 US$'000
Cash flows from operating activities			
Profit/(loss) for the period/year	**3,241**	(1,202)	6,025
Adjustments for:			
Net (gain)/loss on financial assets and liabilities at fair value through profit or loss	**(66)**	1,166	1,841
Net gain from fair value adjustment on investment property	**(7,156)**	(2,792)	(13,424)
Write down/(back) of inventories to net realisable value	**-**	16	(334)
Finance costs	**1,818**	1,300	2,623
Effect of foreign exchange rate on consolidation, receivables and payables	**408**	-	-
Operating cash flows before movements in working capital	**(1,755)**	(1,512)	(3,269)
Movement in receivables	**141**	(69)	(4)
Movement in payables	**3,904**	(920)	(2,475)
Expenditure on properties	**(11,564)**	(6,364)	(26,762)
Decrease in inventories from disposal	**6,341**	4,998	20,661
Net change in working capital	**(1,178)**	(2,355)	(8,580)
Net cash used in operating activities	**(2,933)**	(3,867)	(11,849)

Cash and cash equivalents (which are presented as a single class of assets on the face of the Interim Condensed Consolidated Statement of Financial Position) comprise cash at bank and other short-term, highly-liquid investments with a maturity of three months or less.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) (continued)

FOR THE PERIOD FROM 1 JULY 2012 TO 31 DECEMBER 2012

11. RELATED PARTY TRANSACTIONS

	Unaudited 6 months 1 Jul 12 – 31 Dec 12 US$'000	Unaudited 6 months 1 Jul 11 – 31 Dec 11 US$'000	Audited 12 months 1 Jul 11 – 30 Jun 12 US$'000
Directors' fees	**129**	118	243

Thomas Ashworth is a shareholder and Director of Sniper Capital Limited. Sniper Capital Limited is the Manager to the Group and received management fees during the period as detailed in the Interim Condensed Consolidated Statement of Comprehensive Income. Management fees are paid quarterly in advance and amounted to US$3 million (31 December 2011: US$2.8 million, 30 June 2012: US$5.7 million) at a fee of 2.0% per annum of the Net Asset Value, as adjusted to reflect the Property Investment Valuation Basis. Thomas Ashworth received no Directors' fees from the Group.

Thomas Ashworth is a shareholder and Director of Adept Capital Partners Services Limited. Adept Capital Partners Services Limited provides administrative services to the Macanese, Hong Kong and British Virgin Islands SPVs and received fees during the period of US$51,000 of which nil was outstanding at the period end (31 December 2011: US$50,000 of which nil was outstanding, 30 June 2012: US$101,000 of which nil was outstanding).

The Group has a Development Management Services Agreement with a development management company named Headland Developments Limited ("Headland"). Headland is part-owned by Thomas Ashworth and therefore constitutes a related party of the Group. During the period, Development Management Services fees of HK$2,661,000 (US$343,000) (31 December 2011: HK$1,750,000 (US$225,000), 30 June 2012: HK$2,941,000 (US$379,000)) were capitalised in investment property and HK$2,746,000 (US$354,000) (31 December 2011: HK$1,895,000 (US$244,000), 30 June 2012: HK$3,851,000 (US$496,000)) were capitalised in inventories.

All intercompany loans and related interest are eliminated on consolidation.

12. ORDINARY SHARE REPURCHASES

During the period, under the authority first granted in the Extraordinary General Meeting of 28 June 2010, and renewed at the Annual General Meetings held on 3 November 2010, 4 November 2011 and 6 November 2012, the Company repurchased 7,220,250 Ordinary Shares or 6.88% of the originally issued shares, at an average share price of 107.78p. All shares bought back under the buy-back programme were cancelled.

The following table summarises all shares repurchased by the Company:

	Number of shares	Repurchase Price per Share*
05 May 2011	925,000	131.00**
06 May 2011	750,000	131.00**
17 May 2011	525,000	133.21**
08 July 2011	300,000	135.33**
22 May 2012	100,000	103.00
28 May 2012	50,000	103.00
06 June 2012	150,000	103.00
12 June 2012	65,000	103.00
29 June 2012	135,000	105.00
12 July 2012	2,000,000	100.00
07 August 2012	47,300	105.50
10 August 2012	22,950	105.50
03 December 2012	4,404,483	110.50
04 December 2012	595,517	112.00
14 December 2012	25,000	111.00
21 December 2012	125,000	117.00
Total/Average	10,220,250	113.49

* Price in pence Sterling

** Price in pence Sterling and prior to the distribution of US$17.9 million to shareholders on 12 July 2011 equating to 10.76 pence per share.

13. SUBSEQUENT EVENTS

There are no material subsequent events.

MACAU PROPERTY OPPORTUNITIES FUND LIMITED

Directors and Company Information

DIRECTORS:
David Hinde (Chairman)
Thomas Ashworth
Alan Clifton
Tim Henderson (retired 8/11/12)
Chris Russell
Wilfred Woo

AUDIT COMMITTEE:
Alan Clifton (Chairman)
Chris Russell (appointed 12/9/12)
Tim Henderson (retired 8/11/12)
Wilfred Woo

REGISTERED OFFICE:
Heritage Hall
PO Box 225
Le Marchant Street
St Peter Port
Guernsey GY1 4HY

MANAGER:
Sniper Capital Limited
PO Box 957
Offshore Incorporations Centre
Road Town
British Virgin Islands

INVESTMENT ADVISER:
Sniper Capital (Macau) Limited
918 Avenida da Amizade
14/F World Trade Centre
Macau

ADMINISTRATOR & COMPANY SECRETARY:
Heritage International
Fund Managers Limited
Heritage Hall
PO Box 225
Le Marchant Street
St Peter Port
Guernsey GY1 4HY

MACAU & HONG KONG ADMINISTRATOR:
Adept Capital Partners
Services Limited
26/F Jubilee Centre
42-46 Gloucester Road
Hong Kong

PUBLIC RELATIONS:
MHP Communications
60 Great Portland Street
London W1W 7RT

SOLICITORS TO THE GROUP:
as to English Law
Norton Rose LLP
3 More London Riverside
London SE1 2AQ

ADVOCATES TO THE GROUP:
as to Guernsey Law
Carey Olsen
Carey House
Les Banques
Guernsey GY1 4BZ

INDEPENDENT AUDITORS:
Ernst & Young LLP
PO Box 9
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4AF

PROPERTY VALUERS:
Savills (Macau) Limited
Suite 1310
13/F Macau Landmark
555 Avenida da Amizade
Macau

CORPORATE BROKER:
Liberum Capital Limited
Ropemaker Place, Level 12
25 Ropemaker Street
London EC2Y 9LY

Design: &Larry Printing: PUSH

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circa 1860, vintage illustration.

Macau Property Opportunities Fund

PO BOX 225
LE MARCHANT STREET
ST. PETER PORT, GUERNSEY
CHANNEL ISLANDS GY1 4HY

Company Registration Number 44813

WWW.MPOFUND.COM