

### Quick Facts

Listing Date	5 June 2006
Exchange Listing	AIM (London)
Total Shares Issued	105,000,000
Issue price	100p
Latest Share Price	134.25p
Market Capitalisation	£140,962,500
Latest Adjusted NAV*	US\$2.49 (164p) <sup>#</sup>
Stock Code	MPO
Max. Loan-to-Value	60%
Current Loan-to-Value	23.8%
No. of Key Acquisitions	Five
Total Commitment	US\$294 million
Manager	Sniper Capital

\* As at 31 December 2009  
<sup>#</sup> Based on a US\$/£ exchange rate of 1.52  
 All remaining data as at 12 April 2010

### 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 undervalued opportunities in the property sector which are clearly differentiated in terms of both location and sustainability of end-user demand.

To download a copy of the Interim Report and Accounts, please visit the Company's website.

[www.mpofund.com](http://www.mpofund.com)

### Quarterly Highlights

- MPO's Adjusted NAV up 10.7%
- MPO to seek Main Market listing
- Launch of *The Waterside*
- First redevelopment project commences

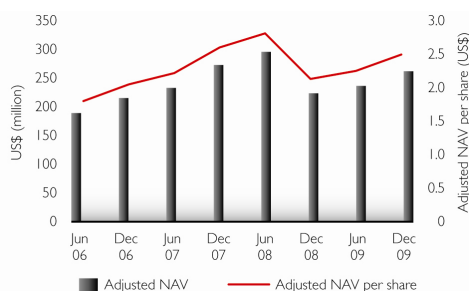
### Overview

Macau's economy started 2010 positively with news of 2009 GDP growth exceeding expectations, record gaming revenues in the first quarter and a resurgence of activity in the primary residential market. Buoyed by this increasing momentum in confidence, Macau's property market continued to strengthen with improved sales activity and higher transaction prices.

### Fund Update

#### MPO announces healthy interim results

In tandem with the resurgence of growth in Macau, MPO announced a healthy set of interim results for the six-month period ended 31 December 2009. Adjusted NAV per share was US\$2.49, or 164p (based on a Dollar/Sterling exchange rate of 1.52 as at 8 April 2010). This represented an uplift of 10.7% in dollar terms and 20.6% in sterling terms, respectively. The valuation of MPO's property portfolio increased by 12% to US\$309 million.



The Company has also announced that it intends to apply for admission for its shares to trade on the Main Market of the London Stock Exchange. The proposed move from AIM is expected to occur during Q2 2010 and should assist in improving liquidity, enhancing our market profile and broadening our shareholder base.

### Portfolio Update

#### *The Waterside* launched for lease

Tower Six in One Central Residences was officially launched for lease as *The Waterside*. This exclusive collection of 59 units, which has set a new standard of luxury accommodation in Macau, caters toward the premium sector of the leasing market and is now the subject of a targeted marketing and leasing campaign. Standard apartment show flats were opened in late February, with regular private previews held for VIPs and invited guests. They were impressed with the stylish environments that award-winning interior designer Yasumichi Morita has created especially for this project.

## THE WATERSIDE

#### Redevelopment begins at Rua da Penha

MPO has commenced its first redevelopment project at **Rua da Penha**, following the receipt of architectural planning approval and demolition licences. This unique eight-storey apartment block, which will contain around 40 units totalling 80,000 square feet, is located in the UNESCO-designated "Historic Centre of Macao" and is designed to reflect the vicinity's rich heritage.

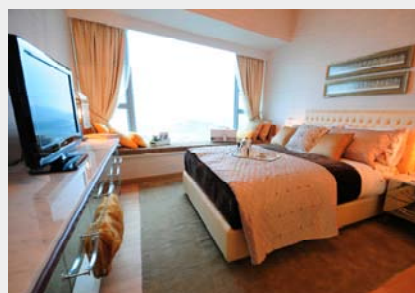
## Property Highlights

*The Waterside* show flat photos

Classic living room



Contemporary living and dining room



Classic bedroom

Targeted at local Macau residents, the anticipated completion for this project is mid-2011 with a public sales campaign expected to be launched in the second half of 2010.

Two of the Company's other properties in Macau – the entry-level residential project **Rua do Laboratório** and the mixed-use development **Senado Square** – are also expected to commence redevelopment later this year. Architectural planning approval has been received for Rua do Laboratório, while planning approval for Senado Square has been delayed by an estimated six months as negotiations are still ongoing with the relevant government departments.



Demolition works at Rua da Penha mark the start of its redevelopment programme.

In mainland China, a general upgrade for one block in Phase 1 of **Zhuhai Logistics Centre**, including defect rectification and wall painting, has been completed while preliminary site work for Phase 2 is progressing well.

**Macau Update****Chief Executive's maiden policy address**

Macau's new Chief Executive, Fernando Chui Sai-on has extended many of the policies outlined by his predecessor, Edmund Ho Hau-wah. These include further diversifying the economy, creating more public housing and continuing the cash bonus scheme for residents.

Notably, in order to promote the healthy development of Macau's gaming industry, the government announced that the growth of gaming tables will be capped at 4% per annum for the next three years, which equates to a maximum of 5,500 until 2013. The government has also reaffirmed its commitment to recovering land left idle by developers without justification and further improving the transparency of its land grant policy.

**Economy to keep growing in 2010**

Macau's economy grew 18% in the second half of 2009 to register full year growth of 1.3% YoY. This is despite a sharp contraction in the first half of 2009 of 13.4%.

Other economic indicators also showed improvement – unemployment fell further to 2.9% (December 2009 – February 2010) and cumulative visitor arrivals for the first two months of 2010 were up 15% YoY to 4.1 million.

Macau's Secretary for Economy and Finance, Francis Tam, estimates that the first half of 2010 may see a double-digit growth rate in GDP.

**Record gaming revenues**

After January's record haul of US\$1.75 billion (+63% YoY), preliminary data indicates that Macau's gaming revenues during the first quarter rose 57% YoY to US\$5.1 billion, putting the city on pace to achieve a record US\$20 billion in 2010.

It is worth noting that the 2009 financial results of several major casino operators were significantly enhanced by their Macau operations. For example, Wynn Resorts collected over 60% of its global net revenue from Wynn Macau for the full year 2009, versus only 40% from its US properties. Las Vegas Sands Corp.'s three casinos in Macau also accounted for over 70% of its net revenue last year.

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**“Macau gaming revenues reached US\$5.1 billion in Q1 and is on pace to achieve a record US\$20 billion in 2010.”**

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New Jersey gaming regulators had found MGM Mirage's partner in Macau, Pansy Ho, “unsuitable” due to her connection with her father Stanley Ho. Underscoring the strategic importance of Macau as the world's biggest gaming market, MGM Mirage has therefore decided to cease operating in New Jersey, where it owns 50% of the hotel and casino Borgata, in order to maintain its joint venture business in Macau.

In Singapore, the first of two casino-resorts - Resorts World Sentosa - partially opened in January 2010. Las Vegas Sands Corp.'s Marina Bay Sands is also due to open in late April 2010. Analysts generally expect

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Singapore's entry into the gaming market to have a limited impact on Macau. Visitors to Singapore are most likely come from South East Asia and India and not Mainland China, which accounts for half of Macau's tourist traffic. Singapore's gambling regulators are also imposing stringent disclosure requirements on junket operators.

**Active year ahead for casino operators**

MGM Grand Paradise, the Macau joint venture between Pansy Ho and MGM Mirage, is aiming for a Hong Kong Stock Exchange listing by Q3 2010. The last of Macau's six casino operators to list shares in Hong Kong, MGM may raise up to US\$1 billion.

Wynn Resorts is in the final stages of completing its US\$600 million Encore at Wynn Macau, a further expansion of Wynn Macau. The project, which is expected to open in April 2010, will add 414 luxury suites and villas as well as additional retail and gaming space to the existing complex.

Galaxy Entertainment's flagship mega casino-resort on the Cotai Strip is also scheduled for opening in early 2011. This will include over 2,200 rooms across three hotels – the five-star Galaxy Hotel, the Banyan Tree Hotel and Resort and Japan's Okura Hotel.

**Property Market****Positive outlook for property market**

The promising economic outlook anchored by strong gaming revenues continues to greatly benefit local disposable incomes. This in turn is leading to significant demand from Macau residents seeking to upgrade their homes - an increasingly important driver of the local residential property market. The first two months of 2010 saw residential transaction volumes and values jump by 485% and 665% YoY respectively to 2,381 transactions worth US\$642 million.

The positive response to the recent launch of two residential developments in Macau demonstrates the improved market sentiment. "The Bayview", a mid-market residential project by a local developer, sold 350 units (over 80% of launched units) in three days. Located in the northeast of Macau Peninsula, the average selling price of this project was reported to be around US\$360 per sq ft.

In South Cotai, the launch of another residential project, "One Oasis", also attracted significant local and overseas investor interest. According to media reports, over 800 units were sold within a week achieving sales prices of US\$435 to US\$640 per sq ft.

**"The promising economic outlook anchored by strong gaming revenues continues to greatly benefit local disposable incomes."**

**Conclusion**

Macau has entered the year continuing the dramatic rebound in its economy and property markets which began in mid-2009. Looking ahead, overall growth is expected to be underpinned by ongoing strength in gaming revenues, private investment and consumption.

MPO's overriding focus remains on maximising shareholder value. Over the next few months we will prepare for listing on the Main Market of the London Stock Exchange, continue to target the best possible yield at *The Waterside* and ensure that steady progress at our development sites is maintained.

**Did You Know?****The world's largest and fastest-growing gaming market**

In 2009, while gaming revenues in the US fell for the second consecutive year, Macau reported a 10% spike to US\$15.1 billion.

This figure surpasses the US states of Nevada and New Jersey combined and comes only three years after Macau beat the Las Vegas Strip with US\$6.5 billion in revenues.

