



Macau Property Opportunities Fund

Investor Update

Q3 2008

Quick Facts

Listing Date	5 June 2006
Exchange Listing	AIM (London)
Total Shares Issued	105,000,000
Issue price	100p
Latest Share Price	77.75p
Market Capitalisation	£81,637,500
Latest Adjusted NAV*	162p**
Stock Code	MPO
Max. Level of Gearing	60%
Current Gearing Level	0%
No. of Key Acquisitions	Five
Total Commitment	US\$294 million
Manager	Sniper Capital

*Adjusted Net Asset Value is shown after accruing for the performance fee and 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.

**As of 30 June 2008 (based on a Sterling/Dollar exchange rate of 1.73 as at 17 October 2008.)

All remaining data as of 17 October 2008

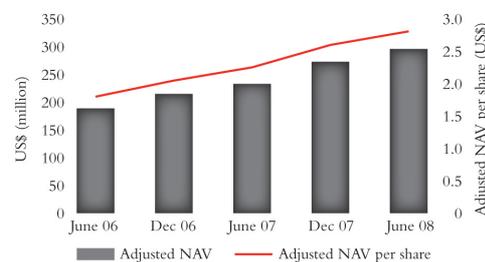
Quarterly Highlights

- Second full year results announced
- First logistics property acquired
- Prudent cash flow management
- Outlook for Macau remains positive

Fund Overview

The Company's second set of full year results, announced in September, were marked by further growth in Adjusted Net Asset Value and a broadening of activities into new sectors of the Macau property market. For the twelve months ended 30 June 2008, MPO's Adjusted Net Asset Value* increased by 27% to US\$2.81 (162p**) driven by a 35% uplift in the portfolio properties based on independent valuations by Savills (Macau) Limited. Since Admission in June 2006, MPO's total Adjusted Net Asset Value and property portfolio valuations have increased by 56% and 67% respectively.

MPO'S ADJUSTED NET ASSET VALUE



As always, we are continuing to seek attractive sites in our chosen market sectors. The current global financial turmoil may lead to opportunities to acquire assets at discounted prices as hard hit vendors seek to reduce gearing and raise cash. With a current cash balance of US\$52 million, we are in a strong position to move quickly were such an opportunity to arise.

We continue to operate a prudent borrowing policy. MPO has zero current debt and the only outstanding future obligation - the final payment of our investment in One

Central - has been secured via an in-principle loan facility with a consortium of banks led by HSBC.

To download a copy of the Annual Report and Accounts, please visit the Company's website at www.mpofund.com.

New Acquisition

A key milestone was passed this quarter when the Company made its first strategic investment in the warehousing and logistics sector for a combined acquisition and development value of US\$45 million. Located in Zhuhai, close to the Macau border, this 1.1 million square foot site is also the Company's first acquisition in mainland China.

"The Company's second set of full year results were marked by a further growth in Adjusted NAV & a broadening of activities into new sectors."

We believe that the scarcity and rising cost of land in Macau will increasingly push future development of Macau's logistics industry across the border to Zhuhai, where land cost is significantly lower and labour is more readily available. With the world-class hotels and casinos of Cotai Strip close by, this site is well-positioned to serve the growing needs of the gaming, tourist and retail industries in Macau.

The acquisition diversifies MPO's current portfolio of residential and mixed-use projects in Macau and is consistent with the Company's core strategy of capitalising on Macau-related opportunities in Southern China.

During the quarter, MPO also invested a further US\$3.8 million under its smaller assets acquisition strategy in a number of carefully selected, well-located sites. The total amount invested in this complementary strategy now amounts to US\$7.3 million.

About the Fund

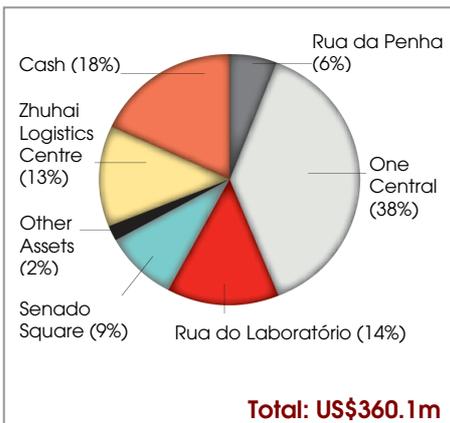
Macau Property Opportunities Fund Limited, managed by Sniper Capital Limited, is an AIM-listed investment company focusing exclusively on property development and investment opportunities in Macau and the surrounding Pearl River Delta region of Southern China.

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

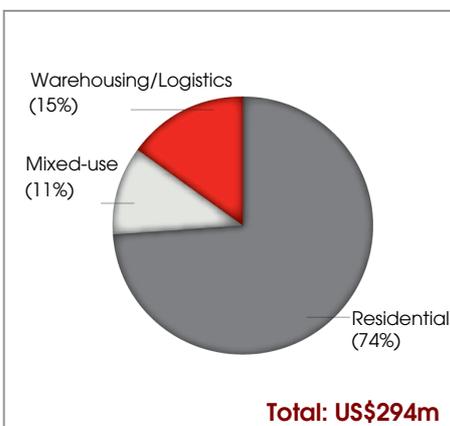
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Portfolio Summary

**PORTFOLIO COMPOSITION BY PROJECT
(BASED ON TOTAL COMMITMENT COSTS)**



**PORTFOLIO COMPOSITION BY SECTOR
(BASED ON TOTAL COMMITMENT COSTS)**



Valuation*

One Central	US\$211.5m
Rua da Penha	US\$22.0m
Rua do Laboratório	US\$39.1m
Senado Square	US\$31.9m
Other Assets	US\$7.3m
Total	US\$312m
Uplift (current period)	+35%
Uplift (since acquisition)	+67%

Based on independent valuations by Savills (Macau) Limited as at 30 June 2008.

Post year-end acquisition

(total commitment)**

Zhuhai Logistics Centre	US\$45m
Other Assets	US\$3.8m

** Properties acquired since 30 June 2008 and therefore not included in the valuation summary above.

The Company's properties were previously referred to as:

- Property 1, which is now known as Rua da Penha;
- Property 2, which is now known as One Central;
- Property 3, which is now known as Rua do Laboratório;
- Property 4, which is now known as Senado Square.

Portfolio Summary

The Company's portfolio consists of five key properties worth US\$294 million in combined acquisition and projected development costs.

Investment properties

One Central (high-end):

Our prime investment property, One Central, has recently topped out and is on schedule for completion in 2009. This project is set to become one of the most prestigious residential locations in Macau overlooking magnificent lakes and the historic Penha Hill. MPO currently owns Tower 6 and 25 individual units, the valuation of which has grown by 53%# since acquisition. We are now considering a number of asset management strategies for this investment, all of which are geared towards maximising the possible returns for shareholders.

More recently, there has been mounting speculation suggesting that Tower 4 is for sale by its owners, an Icelandic insurance company. These rumours have been circulating for most of 2008 so do not appear to be directly linked to the collapse of the Icelandic economy. As the only other tower in the project to be sold en-bloc, Tower 4 is a prized asset and is likely to attract significant interest if indeed it is for sale.

"Many economists are still expecting Macau to deliver double digit GDP growth for the full year in the range of 15-20%."

Development properties

Rua da Penha (Niche Residential):

Situated in a popular residential area in an architecturally sensitive part of Macau, Rua da Penha's value has increased significantly by 171%# since acquisition in late 2006. MPO intends to redevelop the site into a low-rise apartment block for local residents. Construction is expected to begin in early 2009, once final approvals have been received. The combination of increasing demand by locals to upgrade to quality properties, together with rising income levels, bodes well for the potential returns from this project.

Rua do Laboratório (Entry-level Residential):

With a projected gross floor area of 220,000 square feet, the Company plans to redevelop this site into an affordable residential project offering attractive accommodation for first-time buyers in an increasingly popular district close to the border with China. We are continuing to consolidate adjacent sites prior to progressing to the planning stage.

Senado Square (Mixed-use):

Senado Square is MPO's first mixed-use property and its value has risen by 99%# since the acquisition in October 2007. We plan to build a multi-storey building offering a projected gross floor area of 70,000 square feet for prime mixed-use space appealing to both the local population and tourists. Currently, we are in the process of assessing designs for Senado Square, together with its precise market positioning and prospective tenant mix.



Artist's impression of Zhuhai Logistics Centre.

Zhuhai Logistics Centre (Warehousing):

Located in Zhuhai, this US\$45 million project was MPO's first foray into the important warehousing and logistics sector, as well as its first investment in mainland China. The majority of the site is as yet undeveloped, with the remainder consisting of existing warehouse space which is approximately 50% leased. It is MPO's intention to source tenants for the vacant land and to upgrade and actively manage the existing premises in order to attract additional high quality tenants and enhance the yield on the properties.

Pipeline

MPO is currently in the process of reviewing or negotiating on a number of sites with a combined acquisition value of US\$250 million. Of these, 55% are residential projects, 25% are mixed-use and 20% are industrial.

Market Overview

Economy

In the first half of 2008, Macau's economy remained strong, recording a 26% and 43% YoY growth in GDP and retail sales respectively. Nevertheless, the current global economic downturn and turmoil in the world's financial markets, combined with the tightening of visa restrictions for mainland visitors to Macau, have led the government to forecast a slowdown in Macau's economy in the second half of 2008. Despite this slowdown, many economists are still expecting Macau to deliver double digit GDP growth for the full year in the range of 15-20%.

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Tourism

Macau welcomed over 20 million visitors in the first eight months of 2008, representing an increase of 17% YoY. During the recent China Golden Week holiday period, the number of visitors increased 10% YoY with mainland Chinese visitors increasing 6.3%. Strong growth was seen from overseas visitors, reflecting the increasing diversification of Macau's visitor arrivals. As would be expected, the implementation of new visa restrictions combined with worsening global conditions are reducing growth in visitor arrivals but have not brought about an absolute decline in visitors.

Hotels

In August, Las Vegas Sands officially opened its second Cotai Strip property – Four Seasons Macao. This impressive complex houses 360 hotel rooms, a casino and a 211,000 square foot luxury shopping centre – *The Shoppes at Four Seasons* featuring the DFS Galleria Macao and its 180 brands.

In the same month, Venetian Macao also celebrated its first anniversary with the official launch of ZAIA, Cirque du Soleil's first permanent show in Asia. The resort has attracted nearly 25 million visitors in its first year of operation and its arena alone has already hosted more than 120,000 spectators since opening.

Another major player on Cotai Strip, Macau's Studio City, has also revealed a confirmed list of 23 luxury brand tenants for its 920,000 square foot shopping centre. Developed by Taubman Asia, the shopping centre is currently scheduled to open in 2011.

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Gaming revenue

Macau's gaming revenue grew by 54% YoY for the first half of 2008 and has delivered average monthly growth in the first eight months of the year of an impressive 51% totalling US\$9.8 billion YTD. The imposition of visa restrictions by the mainland government started to bite in September and was largely

responsible for a decline in September's casino revenue to US\$886 million, down 0.8% YoY. It is likely that the gaming industry will be affected for the rest of 2008, although full year 2008 revenue growth is still expected to be very strong compared with 2007.

Property Market

Residential property buyers have adopted something of a wait-and-see attitude in the last few months while they have increasingly been looking for potential bargains or distressed sellers. As a result Q2 saw a slight drop in residential transaction volume and value compared to Q1. Anecdotal evidence indicates that local residents, as opposed to investor purchasers, are taking advantage of the transaction slowdown to look for residential property opportunities. This is symptomatic of the strong job market, salary growth and mortgage availability which are still present in Macau.



Four Seasons Macao is Las Vegas Sands' second property on Cotai Strip.

The residential leasing market remains stable, primarily due to the continued influx of expatriate workers contracted by the new mega resorts. According to official figures, a total of 56 hotel projects are under construction and waiting approval which will offer over 34,000 rooms for Macau. As of August, the number of expatriate workers in Macau has already exceeded 100,000 and continues to grow.

Summary

We believe Macau remains well-positioned to weather the fall out of the global financial turmoil and Government attempts to slow visitor growth. MPO's portfolio of sound investments in carefully chosen niche markets in Macau and its recent acquisition across the border in mainland China, provides a solid and strategic base from which to capture the continuing growth in the region.

Did You Know?

The Macau Grand Prix, world famous for its challenging street circuit with a combination of fast straights and tight corners, was first held in 1954. The next meeting will be held in mid November 2008.

