SPEYMILL MACAU PROPERTY COMPANY PLC

Consolidated Interim Report

Period from 31 October 2006 (date of incorporation) to 30 June 2007

CONTENTS

Directors and Advisers

Directors	Lawrence Albert Kearns (Non-executive Chairman) Frederick Peter Churchouse (Non-executive Director) Kenneth Raymond Deayton (Non-executive Director) Swen Walter Lorenz (Non-executive Director) Jeremiah Francis Linehan (Non-executive Director)
Registered Office	Jubilee Buildings Victoria Street Douglas Isle of Man IM1 2SH
Manager	Speymill Property Managers Limited 33 Athol Street Douglas Isle of Man IM1 1LB
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Investment Adviser	Speymill Property Managers (Far East) Limited Suite 1401 Henley Building 5 Queens Road Central Hong Kong
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Directors and Advisers continued

Administrator and Registrar	Galileo Fund Services Limited (formerly known as Anglo Irish Fund Services Limited) Jubilee Buildings Victoria Street Douglas Isle of Man IM1 2SH
Custodian	Anglo Irish Bank Corporation (I.O.M.) P.L.C. Jubilee Buildings Victoria Street Douglas Isle of Man IM1 2SH British Isles
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The Company

Speymill Macau Property Company PLC ("MCAU" or the "Company") is a closed-end investment company registered in the Isle of Man and traded on AIM, a market of the London Stock Exchange.

The Company was established to invest primarily in high quality residential properties in Macau. The Company will also pursue selective commercial investments to capture expected ancillary Macau service sector growth.

The Company listed on AIM on 17 November 2006 raising US$ 80 million in a placing on admission. A second fundraising of US$ 70 million was completed in May 2007.

The Company's objective is to provide shareholders with an attractive overall return to be achieved primarily through long-term capital growth.

Chairman's Statement

In our first seven months, the Company has successfully invested in two assets now worth US$ 191 million. The Company was created to take advantage of anticipated economic growth in Macau. In particular, the Company targets 20% property returns by taking advantage of the apparent mismatch between low supply and the strong demand for higher end residential apartments.

Since inception the Company has built a portfolio of 267 units in two locations on the Macau Peninsula. These should be offered for sale over the next twelve to eighteen months into what the Investment Adviser believes will be a rising residential property market. In addition, the Company recently announced a US$ 187 million investment in 166 units in Bel Lago, a luxury high rise residential tower to be developed by the Nam Van Lake. This latest investment presents an exciting opportunity as Bel Lago should set a new benchmark for luxury residential property in Macau. It should be noted that this latest investment is conditional upon receiving necessary government permits and building plan approvals from the Macau Planning Board.

Significant Net Asset Value Growth

The initial assets acquired have been valued, independently, at an average 30% higher asset value than purchase cost, representing a NAV of US$ 1.44 per share (excluding deferred taxes and accrued performance fees for the investment manager). This NAV figure includes cash raised from the second equity placing of US$ 70 million in May. We believe that the recently announced Bel Lago investment should also provide significant future asset value growth and the Company will commission an independent valuation for the next set of results.

Outlook

The recent opening of The Venetian, Las Vegas Sands new mega casino, has been positively received and anecdotal evidence suggests that it has been a success with over 500,000 visitors within its first week of trading. This bodes well for the future development of the Macau economy in general and for the residential property market in particular.

The high end Macau residential market is progressing along the lines envisaged when the Company was launched in November of last year. The Investment Adviser and Property Adviser believe the Company will continue to find attractive opportunities that meet the returns required.

It should be noted, however, that the investment climate is becoming more competitive as investors become aware of the attractive fundamentals in Macau. The recent Macau Planning Board scandal has effectively held up the development pipeline by at least six months and this may have an impact both in tightening the supply situation and lengthening the time frame to secure investments.

Lawrence Albert Kearns

Chairman
27 September 2007

Report of the Investment Adviser

During the period, the Company announced that it had secured two investments on the Macau Peninsula with a total asset value as of 30 June 2007 of US$ 191 million. This represents a 30% valuation uplift relative to total investment cost. In addition the Company reviewed a number of other potential investments that were turned down as they did not fit the company strategy, return requirements or capital base. Further the Company recently announced a conditional forward funding arrangement for a luxury residential tower located on Lot C9 in the Nam Van reclamation area with a total cost of US$ 187 million at completion.

As we continue to build the Company's presence in the market through the expansion of our team, the further development of our local relationships as well as through the increased awareness of our activities, we believe we can continue to source attractive investment opportunities for investors.

Property	Sector	Type	Strategy	Tenure	Units	Status	Total Investment Cost (US$m)	30-Jun-07 Valuation (US$m)	Valuation Uplift
Lot U	Residential	Luxury	Forward funding arrangement	Long-leasehold	243	Under construction	117	157	34%
Nam Van Peninsula	Residential	Luxury	Refurbishment	Long-leasehold	24	Under refurbishment	30	34	15%
TOTAL					**267**		**147**	**191**	**30%**

Lot U

Lot U was the Company's first investment in Macau. Immediately following admission to AIM in November 2006, the Company entered into a forward funding arrangement with San You Development, a leading residential developer in Macau, to finance the development of three luxury waterfront residential towers at Rue Central da Areia Preta on the Macau Peninsula.

At completion of the development, the Company has committed to purchase 243 residential units, ranging in size from approximately 1,200 square feet for 2-bedroom units to approximately 2,200 square feet for 4-bedroom units, in three waterfront towers in the northeast of Macau Peninsula; the purchase also includes 243 car parking spaces. The development is part of a six tower project which comprises residential apartments, serviced apartments, car parks and a retail podium.

The total consideration payable by the Company for the units and car parking spaces is US$ 116.5 million representing an average purchase price of US$ 272 (HK$ 2,119) per square foot for the apartment units and US$ 25,641 (HK$ 200,000) per car parking space. Of the total consideration, 40% represents the forward funding element that will be settled on the achievement of certain pre-agreed milestones and the remainder will become payable on completion of the development. As of 30 June 2007 30% of the consideration has been settled with 10% payable after the superstructure has been completed. This 'top off payment' is currently expected for October 2007. The project is expected to be completed and handed over in September 2008.

It is currently the intention of the Company to market and sell the Units prior to completion.

To the extent that the Company chooses to retain the apartments, the Investment Adviser is satisfied that it will be able to secure bank borrowings for the outstanding balance of the price payable, representing 60% of the purchase price or 44% of the current market value.

Total invested and committed equity for Lot U as of 30 June 2007 was US$ 47.8 million

The Company is in discussions for the payment of an additional consideration of approximately US$ 9 million for Lot U, mainly representing an increase in the marketable residential area as well as a significant upgrade of the fixtures and fittings of the development. As this potential additional consideration has not yet been agreed, no liability has been recorded for this in the accounts. The Company has reserved US$ 3.5 million of equity to fund the potential additional payment. The increase in area and higher specification has not yet been reflected in the valuation as of 30 June 2007.

Nam Van Peninsula

In March 2007, the Company entered into an agreement to purchase 24 residential units in shell condition ranging in size between approximately 2,600 and 3,200 square feet, plus 10 car parking spaces, in a recently completed residential development in a prime location overlooking Nam Van Lake at Baia da Praia Grande on the Macau Peninsula.

Being large units suitable for business executives, we will design, refurbish and fit out the units to a very high standard for resale purposes. We are currently in the process of defining, designing and costing the end product and have retained K plus K as architects for the design and IBI as contractor for the redevelopment work. K plus K is an experienced group of architects and designers specialising in master planning and architectural design of residential developments and individual apartments. IBI is a well regarded Hong Kong contractor, with an established track-record in Macau, that provides fitting out and refurbishment services to local and international businesses and organisations.

The Company currently intends to sell the units either on a pre-sale basis or on completion. As the rental market is currently showing strong momentum, the Company may consider letting the apartments before selling them to individual investors.

The Company completed the acquisition of the Nam Van Peninsula units on the 15 June 2007. The total acquisition price was US$ 28.8 million, representing an average purchase price of US$ 397 (HK$ 3,100) per square foot for the apartment units and US$ 44,872 (HK$ 350,000) per car parking space.

To finance the acquisition, the Company has put in place a US$ 19.2 million term loan with Seng Hang Bank representing 67% of the purchase price.

Total invested equity for Nam Van Peninsula as of 30 June 2007 was US$ 10.5 million. The Company has reserved an amount of US$ 5 million for the repositioning of the residential units.

The Bel Lago Investment

On 20 September 2007, the Company entered into a conditional forward funding arrangement with a fund managed by LaSalle Investment Management to finance the development of a luxury residential tower in the Bel Lago development located on Lot C9 in the Nam Van reclamation area.

At completion of the development, the Company has committed to purchase 166 residential units, ranging in size from approximately 700 square foot for 1-bedroom units to approximately 4,500 square foot for 6-bedroom triplexes and 95 car parking spaces in Tower 4 of the Bel-Lago. The total combined marketable gross floor area (GFA) of the residential units will be close to 300,000 square feet.

The investment is conditional upon meeting certain milestones including receiving the necessary government permits and building plan approvals to finalise the development within certain time frames. If these milestones are not achieved, there is no financial commitment binding on the Company. The site location has been earmarked for regeneration by the government to produce a unique high rise residential area in an unrivalled location by the Nam Van Lake. Completion of the development is scheduled for December 2010.

Grouped into two main structures with a total of 4 towers, Bel-Lago aims to be a landmark luxury residential development with a clubhouse and car park. When completed, Bel Lago will be 50 storeys above ground, offer over 500 units, close to 400 parking lots, a clubhouse and facilities such as swimming pool, gym and spa. Towers 1 and 2 will overlook Nam Van Lake onto central Macau, while Towers 3 and 4 will offer views across the South China Sea (Sai Van Lake) to Taipa in the south. There will be greenbelt views to the northwest and to the south.

The details regarding the development, set out above, are conditional upon final building permits and are subject to change.

The total consideration payable by the Company for the units and car parking spaces in Tower 4 is US$ 187 million, of which 25% represents the forward funding element that will be settled on the achievement of certain pre-agreed milestones and the remainder will become payable on completion of the development. To the extent that the Company chooses to retain the apartments, the Investment Adviser is satisfied that it will be able to secure bank borrowings for the outstanding balance of the price payable.

Financial Review

The Company presents a solid set of half year results on the back of strong performance of the Macau property market during the period.

As at 30 June 2007, the Company has invested US$ 47 million of equity into two property acquisitions with a combined total cost of US$ 147 million.

These properties have been valued at 30 June 2007 by CB Richard Ellis at US$ 191 million, a 30% increase above the overall total cost, resulting in a positive US$ 44 million (US$ 0.33 per share) fair value adjustment in the unaudited adjusted net asset value of US$ 176 million (US$ 1.36 per share).

The net asset value is adjusted for a deferred tax liability of US$ 5.3 million due to the positive revaluation of the property assets as well as an investment manager performance fee accrual of US$ 5.1 million resulting from the strong net asset value growth.

The net asset value before deferred tax and performance fee is US$ 187 million (US$ 1.44 per share).

The net proceeds from the two equity placings were US$ 143 million after deducting expenses of Admission and Placing of US$ 7 million.

The Company's unaudited financial statement as of 30 June 2007 has been prepared in accordance with International Financial Reporting Standards ("IFRS").

Independent Property Valuation

An independent valuation of the Company's two properties as of 30 June 2007 has been carried out by CB Richard Ellis in accordance with the Standards published by the Hong Kong Institute of Surveyors and the Royal Institute of Chartered Surveyors in the United Kingdom. Fair value adjustment of these properties is stated on page 19 of this report.

CB Richard Ellis Group, Inc. (NYSE:CBG), an S&P 500 company headquartered in Los Angeles, is the world's largest commercial real estate services firm (in terms of 2006 revenue). With over 24,000 employees, the Company serves real estate owners, investors and occupiers through more than 300 offices worldwide (excluding affiliate and partner offices).

Financing

Due to the forward funding nature of the Lot U investment the Company had funded 30% of the total acquisition price as at 30 June 2007. A further 10% of the total acquisition price is payable before the financial year end of the Company. The balance of 60% is payable at the handover of the property which is expected to occur in September 2008. To the extent the Company will take possession of the property at delivery it expects to obtain bank financing to fully fund the payment of the balance, representing 44% of the market value of the asset as of 30 June 2007.

The acquisition of Nam Van Peninsula was financed by a US$ 19.2 million term loan with Seng Hang Bank representing 67% of the purchase price and the remainder from equity. Relative to its market value the current leverage is 56%. The term loan is to be repaid in 5 half-yearly instalments commencing in July 2008 and funding cost is 2% interest per annum over the 3 month Hong Kong Inter Bank Offered Rate (HIBOR), which was at 4.47% as of 29 June 2007.

Trading of Shares

In November 2006 the Company placed 80 million ordinary shares of US$ 0.10 each at a placing price of US$ 1.00 per share to raise gross proceeds of US$ 80 million. The shares were admitted to trading on AIM on 17 November 2006. A second placing was completed on 9 May 2007 at a price of US$ 1.40 per ordinary share raising gross proceeds of US$ 70 million. First day of trading for the new ordinary shares was 11 May 2007.

The closing price on 25 September 2007 was US$ 1.36 in-line with the adjusted NAV as of 30 June 2007.

Macau Market Commentary

Economy

The Macau economy has averaged over 14% GDP growth over the past seven years as the full effects of the opening of the gaming market are being felt. As further capital is being invested in new casinos, hotels, and infrastructure, the strong economic growth should continue in Macau. There is virtually no unemployment and real wage growth in Macau was 12% last year. GDP per capita of US$ 25,000 has recently overtaken nearby Hong Kong but the real estate market is at a significant price discount to its neighbour. The government is currently running a budget surplus in excess of US$ 3.8 billion, with the main contributor being tax receipts from gaming revenues.

Macau's history as a gaming center began in 1937 when the first monopoly concession was granted to the Tai Heng Company. At the end of 1961, Stanly Ho Sociedade de Turismo e Diversoes de Macau (STDM), won the new franchise for US$ 460,000. The landmark Lisboa Hotel began operation in 1970. In 1986, STDM secured a 15-year extension to its monopoly. In 2001, the Macau government terminated the monopolistic environment and planned to give out three licenses to increase competition. Twenty-one bids were received and, in February 2002, three new entrants were granted the gaming concession, namely the Sociedade de Jogos de Macau (SJM), Galaxy Casino (Galaxy) and Wynn Resorts Macau (Wynn). Las Vegas Sands received a sub-license concession.

With gaming receipts having already overtaken the Las Vegas strip Macau today is the largest gaming market in the world, and growing rapidly. In 2006, gross gaming revenues in Macau were equivalent to US$7.2 billion, compared with the US$ 6.6 billion made on the Las Vegas strip. The city is in a unique position as China's only licensed gaming area. As of end of June revenues from VIP baccarat, a game of choice for high-rollers, continued to pull in most of the money for Macau's 26 casinos, up 58% from the year before for the three months to June.

The latest figures were supported by mainland Chinese and Hong Kong visitors who made up 86 percent of a record 22 million visitors who entered the city last year, a figure tourism chiefs expect will exceed 25 million this year. Visitor numbers are likely to remain robust as more infrastructure facilities come to the market such as the HK-Macau-Zhuhai bridge, the domestic light-rail system and the extension of the airport. JP Morgan predicts that the annual visitors will reach at least 35 million by 2010. Nearly half the visitors to Macau come from China. However, only 300 million Chinese are currently eligible to travel based on the existing Frequent Traveler Program.

While Macau has recently overtaken the Las Vegas Strip as the largest gaming market in the world, it did not have a meaningful convention market until recently. This shortcoming has been addresses with the recent opening of the the Venetian, Las Vegas Sands US$ 2.3 billion “mega casino”, that reportedly drew over 500,000 people in the first week of opening and offers 1.2 million square feet of convention space. The Venetian has already booked 44 corporate events over the next two years. Macau is in a good position to compete as it can offer a variety of exhibition space, cheap accommodation and abundance of leisure activities. As Macau builds its conventions business, more Chinese and other business visitors will likely come.

Population and Employment

Macau has a population of approximately 525,000 residing in an area of 28 square kilometres and the population has grown by more than 5% per annum over the past two years. Macau is nearly three times more densely populated than nearby Hong Kong and with a housing stock of only 151,000 units has approximately 4.3 people per household. Goldman Sachs estimates 10,000 new households will be created per year from 2007 to 2010. Real estate consultant Jones Lang LaSalle has predicted a further 14,000 expatriates will move to Macau to run the hotels, casinos, related banking and financial services businesses. The size of Macau's workforce is around 305,600 people with an unemployment rate of 3%, which must be considered as structural. Currently the Venetian alone is newly employing around 9,500 people, in excess of 3% of Macau's entire work force.

Property Market

Macau currently shows similar dynamics to Hong Kong in the 1980's, with strong population growth, rapidly rising personal wealth, and good affordability. There are also parallels with Las Vegas in the 1970's, as it stood poised for long-term secular economic growth, largely driven by gaming, conventions, and leisure. A key difference between Las Vegas and Macau is that the latter consists of a number of small islands with only 28 square kilometres while Las Vegas is surrounded by thousands of square miles of desert and the only possibility to expand Macau's surface is through land reclamation which is an expensive and time-consuming process.

In 2006, GDP per capita in Macau surpassed Hong Kong for the first time. However, average Macau 2Q'07 residential unit transaction prices were approximately US$ 100,000 representing a discount of around 80% to average Hong Kong prices

Assuming population growth of 5% per annum and an average household size of 3.2 people, Morgan Stanley Research is expecting an annual demand of around 8,000 residential units. As Morgan Stanley Research expects annual new residential supply of approximately 4,500 - 6,000 units per year to 2009, we believe this indicates further upward pressure on residential prices due to continued undersupply over the next few years.

A factor adding to the undersupply is the arrest of the Secretary of Transport and Public Works late last year. Since then government has put site modification on hold, which Morgan Stanley Research predicts should reduce residential property supply by around 1,000 - 1,500 units per annum from 2010 through 2013.

The "Investment Residency" scheme was temporarily suspended in April 2007 with the objective of reducing property market speculation and helping the government deal with the large volume of applications. Since its inception, the programme has attracted many immigrants from China. The scheme allowed individuals who invested more than HK$ 1 million in Macau, including residential property, to qualify automatically for Macau residency. The program is likely to be reintroduced at a higher minimum investment size of around HK$ 3.5 million, which could boost the demand for more expensive units.

The suspension of the "Investment Residency" scheme as well as mainland China's tightening of the "Individual Traveller Scheme" resulted in a slowdown in residential transaction volume in the second quarter of 2007 but since then activity has picked up with a significant increase in advertised prices.

Selling prices of luxury high-end apartments in Macau currently range between HK$ 4,000 and HK$ 6,000 per square foot. According to official statistics One Central is achieving average sales prices of above HK$ 5,000 per square foot, Le Royal Arch HK$ 4,300 per square foot and One Grantai HK$ 5,000 per square foot to above HK$ 7,000 per square foot.

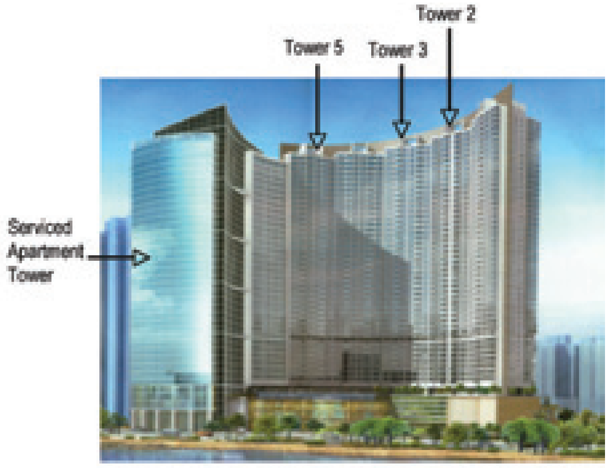
Property Market Outlook

The Investment Adviser continues to believe that the Macau property market can deliver good value with potential for long-term capital appreciation. Going forward, the performance of the Macau property market should be supported by the following factors:

1) Continued strong performance of the Macau economy with wage growth of 12% last year.
2) Low quality of existing housing stock and high average household size stimulates demand through upgrade and general increase in household formation
3) Strong population growth leading to natural demand for over 6,000 units per annum, significantly more than the current pipeline supply.
4) Mortgage rates which are tied to US are peaking should further support price levels
5) Restrictions on casino operators investing in the housing market, which should also curb future supply.

Speymill Property Managers (Far East) Limited
Investment Adviser
27 September 2007

Lot U



Nam Van Peninsula

Bel Lago (C9)

Unaudited Consolidated Income Statement

	Note	For the period from 31 October 2006 (date of incorporation) to 30 June 2007
		US$'000
Valuation gains on investment property	9	44,184
Total operating profits		**44,184**
Manager's fees	8.3	(6,262)
Audit and professional fees	8.6	(240)
Other expenses	8.1,8.2,8.4,8.5,16	(393)
Administrative expenses		**(6,895)**
Net operating profit before net financing income		**37,289**
Financial income		1,461
Financial expenses		(51)
Net financing income	5	**1,410**
Profit before tax		**38,699**
Deferred tax expense	14	(5,302)
Profit for the period		**33,397**
Basic earnings per share (cent per share)	12	**36.66**
Diluted earnings per share (cent per share)	12	**36.50**

The accompanying notes on pages 15 to 21 form an integral part of these unaudited consolidated financial statements

Unaudited Consolidated Balance Sheet

	Note	At 30 June 2007 US$'000
Investment property	9	191,409
Total non-current assets		**191,409**
Trade and other receivables	10	10,337
Cash and cash equivalents	11	85,985
Total current assets		**96,322**
Total assets		**287,731**
Issued share capital		13,000
Share premium		129,881
Retained earnings		33,397
Other reserves		336
Foreign currency translation reserve		(186)
Total equity		**176,428**
Interest-bearing loans and borrowings	13	19,231
Deferred income tax	14	5,302
Trade and other payables	15	75,489
Total non-current liabilities		**100,022**
Trade and other payables	15	11,281
Total current liabilities		**11,281**
Total liabilities		**111,303**
Total equity & liabilities		**287,731**
Net Asset Value per share	**6**	**1.3571**

The accompanying notes on pages 15 to 21 form an integral part of these unaudited consolidated financial statements

Unaudited Consolidated Statement of Changes in Equity

	Share capital	Share premium	Retained earnings	Other reserves	Foreign currency translation reserves	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 31 October 2006	-	-	-		-	-
Shares issued in the period	13,000	137,000	-			150,000
Foreign exchange translation differences	-	-	-		(186)	(186)
Share issue expenses	-	(7,119)	-	336	-	(6,783)
Retained earnings for the period	-	-	33,397		-	33,397
Balance at 30 June 2007	**13,000**	**129,881**	**33,397**	**336**	**(186)**	**176,428**

Other reserves represent the fair value of options granted to the broker on admission to trading on AIM (Note 8.2)

Unaudited Consolidated Cash Flow Statement

	Note	For the period from 31 October 2006 (date of incorporation) to 30 June 2007 US$'000
Operating activities		
Group profit before tax		38,699
Adjustments for:		
Valuation gains on investment property	9	(44,184)
Financial income		(1,461)
Financial expenses		51
Operating loss before changes in working capital		**(6,895)**
(Increase) in trade and other receivables		(81)
Increase in trade and other payables		5,417
Cash used in operations		**(1,559)**
Interest paid		(51)
Interest received		1,461
Cash flows used in operating activities		**(149)**
Investing activities		
Acquisition of investment property		(66,058)
Deposits held with lawyers		(10,256)
Cash flows used in investing activities		**(76,314)**
Financing activities		
Proceeds from the issue of ordinary share capital		150,000
Share issue expenses		(6,783)
Secured bank loan		19,231
Cash flows generated from financing activities		**162,448**
Net increase in cash and cash equivalents		**85,985**
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	11	**85,985**

The accompanying notes on pages 15 to 21 form an integral part of these unaudited consolidated financial statements

Notes to the Consolidated Financial Statements

1 The Company

Speymill Macau Property Company PLC (the "Company") was incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 on 31 October 2006 as a public company with registered number 118202C.

Pursuant to a prospectus dated 26 October 2006, there was an original placing of up to 80,000,000 Ordinary Shares at a price of US$1.00. Following the close of the placing on 17 November 2006, 80,000,000 Shares were issued. The Shares of the Company were admitted to trading on AIM, a market of the London Stock Exchange on 17 November 2006, when dealings also commenced.

On 8 May 2007, an announcement was made of a second placing of 50,000,000 shares at a price of US$1.40 per share Following the close of the placing a further 50,000,000 shares were issued at a placing price of US$1.40 per share. These Shares were admitted to trading on AIM on the 11 May 2007.

The Company's agents and the Manager perform all significant functions. Accordingly, the Company itself has no employees.

Financial Year End
The financial year end of the Company is 31 December in each year. The first accounting period of the Company will run from 31 October 2006 (date of incorporation) to 31 December 2007.

2 Summary of significant accounting policies

The interim report of the Company for the period ended 30 June 2007 comprises the Company and its subsidiaries (together referred to as the "Group"). The interim consolidated Financial Statements are unaudited.

2.1 Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board ("IFRS").

2.2 Basis of consolidation

Subsidiaries
Subsidiaries are those enterprises controlled by the Company. Control exists where the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements

Foreign currency translation

Hong Kong Dollars is the currency of the primary economic environment in which the entity operates ("The functional currency"). United States Dollars is the currency in which the annual results are presented ("The presentational currency").

Monetary assets and liabilities denominated in foreign currencies as at the date of these financial statements are translated to Hong Kong Dollars at exchange rates prevailing on that date (30 June 2007: HKD:USD 7.815). Expenses are translated into Hong Kong Dollars based on exchange rates on the date of the transaction. All resulting exchange differences are recognised in the income statement.

Notes to the Consolidated Financial Statements continued

2.2 Foreign currency translation continued

The accounts are presented in United States Dollars by translating the assets and liabilities at the exchange rate prevailing on the balance sheet date. Items of revenue and expense are translated at exchange rates on the date of the relevant transactions. Components of equity are translated at the date of the relevant transaction and not retranslated. All resulting exchange differences are recognised in equity.

2.3 Investment property

Investment properties are those which are held either to earn rental income or for capital appreciation or both. Investment properties are stated at fair value. Any gain or loss arising from a change in fair value is recognised in the income statement.

2.4 Deposit interest

Deposit interest is accounted for on an accruals basis.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash deposited with banks and bank overdrafts repayable on demand.

2.6 Revenue and expense recognition

Interest income is recognised in the financial statements on an accruals basis.

Expenses are accounted for on an accrual basis. Expenses are charged to the income statement except for expenses incurred on the acquisition of an investment property which are included within the cost of that investment. Expenses arising on the disposal of an investment property are deducted from the disposal proceeds.

2.7 Dividends

Dividends are recognised as a liability in the period in which they are declared and approved. There was no dividend declared as at 30 June 2007.

2.8 Deferred income tax

In accordance with IAS12, deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

3 The subsidiaries

During the period and for efficient portfolio management purposes, the Company established the following subsidiary companies, all of which are 100% controlled.

	Country of incorporation	Percentage of shares held
Armando Global Limited (holding company)	British Virgin Islands	100%
Benedita Services Limited	British Virgin Islands	100%
Surecom Limited	British Virgin Islands	100%
Trevino Limited	British Virgin Islands	100%
Domingo Overseas Limited	British Virgin Islands	100%
Aspirow Limited	British Virgin Islands	100%
Carlos Associates Limited	British Virgin Islands	100%
Fabiana Group Limited	British Virgin Islands	100%
Benedita Services (Macau) Limited	Macau	100%

Notes to the Consolidated Financial Statements continued

3 The subsidiaries continued

Teodora Developments (Macau) Limited	Macau	100%
Natalia Developments (Macau) Limited	Macau	100%
Domingo Overseas (Macau) Limited	Macau	100%
Gilberto Group (Macau) Limited	Macau	100%
Toninho (Macau) Limited	Macau	100%
Fabiana Group (Macau) Limited	Macau	100%

4 Segment Reporting

The company has one segment focusing on achieving capital growth through investing in the property market in Macau, and at the discretion of the Board in the Pearl River Delta region in China. No additional disclosure is included in relation to segment reporting, as the Company's activities are limited to one business and geographic segment.

5 Net financing income

	30 June 2007 US$'000
Interest income	1,461
Interest expense	(51)
Net financing income	1,410

6 Adjusted Net Asset Value per Share

The unaudited adjusted net asset value per share as at 30 June 2007 is US$1.3571 based on 130,000,000 ordinary shares in issue as at that date.

7 Related Party Transactions

7.1 Directors of the Company

No director had any interest during the period in any material contract for the provision of services which was significant to the business of the Company.

8 Charges and fees

8.1 Nominated Adviser fees

Pursuant to the Placing and in its capacity as AIM Sponsor, the Nominated Adviser received a fee of US$444,883. The payment of this fee was conditional upon admission of the Company's Shares to the AIM. This amount has been charged to equity as a share issue expense.

As nominated adviser to the Company for the purposes of the AIM rules, the Nominated Adviser is entitled to receive an annual fee of £30,000 payable quarterly in advance.

Advisory fees payable to the Nominated Adviser for the period ended 30 June 2007 amounted to US$25,783.

8.2 Placing agent and broker fees

In accordance with the terms of the original Placing the Placing Agent was entitled to receive from the Company commission equal to 4% of the aggregate value of funds raised. In addition the Placing Agent was entitled to receive from the Company commission of between 2.5% and 3.0% of the aggregate value of funds raised.

Notes to the Consolidated Financial Statements continued

8.2 Placing agent and broker fees continued

Placing fees payable by the Company during the period ended 30 June 2007 amounted to US$5,022,010. This amount has been charged to equity as a share issue expense.

Under the terms of an option agreement dated 13 November 2006 and in consideration of the broker agreeing to act as broker and provide services under the Placing Agreement the broker was granted an option to acquire 1,600,000 shares at an option price of US$1.00 per share. The option exercise period is a period from the date of the option agreement to the fifth anniversary of admission to trading on AIM.

The option has been independently valued using a Black-Scholes model giving a fair value of $336,000 which has been charged to Share Premium as a share issue expense.

As Broker to the Company the broker is entitled to receive an annual fee of £50,000, payable semi-annually in advance.

Broker fees payable for the period ended 30 June 2007 amounted to US$57,569.

8.3 Manager fees

Annual fees

The Investment Manager receives a management fee of 2% per annum of the net asset value of the Company from Admission, payable quarterly in arrears.

Management fees payable for the period ended 30 June 2007, amounted to US$1,123,921.

Performance fees

The manager is entitled to a performance fee from the group of an amount equal to 20 per cent. of the excess of the Net Asset Value per Ordinary Share (with dividends and other distributions added back and ignoring any accrued performance fee) as at the end of each performance fee period of the Company over the benchmark multiplied by the time weighted average number of Ordinary Shares in issue during that period. Such performance fee shall accrue on a Net Asset Value per Ordinary Share basis but shall only be paid out of realised profits.

For these purposes, the benchmark shall be equal to the Placing Price increased at a compound rate of 10 per cent. per annum or, where a performance fee has been paid, the Net Asset Value per Ordinary Share (ignoring the effect of the relevant performance fee paid) which gave rise to the payment of the most recent performance fee increased at a rate of 10 per cent. per annum compound.

The first performance fee period shall commence on the 17 November 2006 (the date on which the ordinary shares were admitted to trading on AIM) and shall terminate on 31 December 2007. Each subsequent performance fee period shall commence on 1 January and terminate on 31 December in the same calendar year.

If the Manager is entitled to a performance fee in respect of a performance fee period, the Company shall only be required to settle such liability to the Manager in respect of any performance fee accrued to the extent that, and only when and if, the Company has realised profit(s) from any investment(s) available for such payment. Any such fees shall be paid within 14 days of such realised profits becoming available

Performance fees accrued for the period ended 30 June 2007 amounted to US$5,134,440.

8.4 Custodian fees

The Custodian is entitled to receive fees calculated as 3 basis points per annum of the value of the non-real estate assets held on behalf of the Company, subject to a minimum monthly fee of £750, payable quarterly in arrears together with other agreed transaction settlement charges.

Custodian fees payable for the period ended 30 June 2007 amounted to US$12,377.

Notes to the Consolidated Financial Statements continued

8.5 Administrator and Registrar fees

The Administrator is entitled to receive a fee of 10 basis points per annum of the net assets of the Company between £0 and £100 million and 7.5 basis points of the net asset value of the Company in excess of £100 million, subject to a minimum monthly fee of £4,000, and a maximum monthly fee of £11,250 payable quarterly in arrears.

The Administrator assists in the preparation of the financial statements of the Company for which it receives a fee of £1,750 per set.

The Administrator provides general secretarial services to the Company for which it receives a minimum annual fee of £5,000.

The Administrator may utilise the services of a CREST accredited registrar for the purposes of settling share transactions through CREST. The cost of this service will be borne by the Company. It is anticipated that the cost will be in the region of £6,000 per annum subject to the number of CREST settled transactions undertaken.

The Administrator expects to review and, subject to written agreement between the Company and the Administrator, may amend the foregoing fees six months after Admission and annually thereafter.

Administration fees payable for the period ended 30 June 2007 amounted to US$72,381, secretarial fees US$7,289, financial statement preparation fees were US$3,325 and Crest fees US$10,472.

8.6 Audit fees and professional fees

Audit fees payable for the period ended 30 June 2007 amounted to US$5,846.

Professional fees payable for the period ended 30 June 2007 amounted to US$234,231.

9 Investment Property

	30 June 2007 US$'000
At beginning of period	-
Additions through:	
direct acquisitions of property	147,225
Fair value adjustment	44,184
Balance at end of period	191,409

The Group's investment properties were revalued at 30 June 2006 by independent professionally qualified valuers CB Richard Ellis. Valuations were based on current prices in an active market.

10 Trade and Other Receivables

Trade and other receivables include cash deposits with Lawyers of US$10,256,410.

11 Cash and Cash Equivalents

	30 June 2007 US$'000
Bank balances	85,985
Bank overdrafts	-
Cash and cash equivalents	85,985

Notes to the Consolidated Financial Statements continued

12 Basic and Diluted Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted-average number of ordinary shares in issue during the period.

	30 June 2007
Profit attributable to equity holders of the Company (US$'000)	33,397
Weighted average number of ordinary shares in issue (thousands)	91,111
Basic earnings per share (cent per share)	**36.66**

The difference between basic and diluted weighted-average shares results from the assumption that dilutive share options were exercised.

	30 June 2007
Profit attributable to equity holders of the Company (US$'000)	33,397
Weighted average number of ordinary shares in issue (thousands)	91,111
Adjustment for Share options	393
Weighted-average number ordinary shares for diluted earnings per share	91,504
Diluted earnings per share (cent per share)	**36.50**

13 Interest-Bearing Loans and Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings.

Non-current liabilities

	30 June 2007 US$'000
Secured bank loan	19,231

The group has a term loan facility of HKD 150,000,000 with Seng Heng Bank Limited in Macau which is secured by way of a first legal mortgage against the Nam Van Peninsular property in Macau. The loan is to be repaid in 5 half-yearly instalments commencing in July 2008. The loan bears 2% interest per annum over the 3 month Hong Kong Inter Bank Offered Rate (HIBOR).

14 Deferred taxation

Deferred income tax is based on temporary differences between the revalued amounts of investment property and trading property in the books of the Company's Macau subsidiaries and their respective tax bases. The deferred tax provision for the Macau subsidiaries is based on the taxable profits rate of 12%.

Notes to the Consolidated Financial Statements continued

15 Trade and Other Payables

	30 June 2007 US$'000
Non-current liabilities	
Investment property	70,355
Performance fees	5,134
	75,489
Current liabilities	
Investment property	10,998
Loan interest	51
Accruals	232
	11,281

16 Directors' Remuneration

Total fees and expenses payable to the Directors for the period ended 30 June 2007 amounted to US$151,871.

17 Taxation

Isle of Man taxation

The company is resident in the Isle of Man for tax purposes and pays income tax at 0%. The company pays a corporate charge of £250 to the Isle of Man Government for each tax year.

The corporate charge for the tax year 5 April 2006 to 6 April 2007 amounted to US$499.

18 Post Balance Sheet Events

on 20 September 2007, the Company entered into a conditional forward funding arrangement with a fund managed by LaSalle Investment Management (“LaSalle” or the “Developer”) to finance the development of a luxury residential tower in the Bel-Lago development located on Lot C9 in the Nam Van reclamation area.

At completion of the development, the Company has committed to purchase 166 residential units, ranging in size from approximately 700 square feet for 1-bedroom units to approximately 4,500 square feet for 6-bedroom triplexes and 95 car parking spaces in Tower 4 of the Bel-Lago. The total combined marketable gross floor area (GFA) of the residential units will be close to 300,000 square feet.

The investment is conditional upon the Developer meeting certain milestones including receiving the necessary government permits and building plan approvals within certain time frames. If these milestones are not achieved, there is no financial commitment binding on the Company. The site location has been earmarked for regeneration by the government to produce a unique high rise residential area in location by the Nam Van Lake. Completion of the development is scheduled for December 2010.