10 September 2008

Speymill Macau Property Company PLC
("MCAU" or "the Company")

Speymill Macau Property Company plc (AIM: MCAU), the Macau focused property investment company, is pleased to announce its interim results for the six month period to 30 June 2008.

Highlights

- NAV of US$1.402 per share, up 3.1% year-on-year
- Investment in properties valued at US$170.8m at the period end
- Further investment in properties valued at US$171m following the period end
- The Company has diversified its strategy in order to take advantage of all the major upward trends including the more affordable end of the residential market and the commercial property sector
- New investments during the period and after the period-end include:
    - "Lorcha" (R. Do Almirante Sergio No. 94-120) forward funding arrangement (purchase price: US$132m; HK$1,044m) -completed June 2008
    - Joint Venture with investments in:
        - "The Pink Palace" (purchase price: US$2.1m; HK$16.0m) – completed August 2008
        - "Houston Court" (purchase price: US$2.3m; HK$18.0m) – completed August 2008
    - The acquisition of the landmark AIA Tower (purchase price: US$153.8m; HK$1.2bn) – completed September 2008
- Realisation of proceeds equivalent to US$78m from the sale of the Company's purchase rights in Lot-U
- Uplift on Nam Van investment of 6% during the period to US$38.9m (HK$303.6m) and of 35% on purchase price

Larry Kearns, Chairman of the Company, commented: "During the six months under review the Company continued to make significant progress in realising its strategy of investing in real estate opportunities in Macau with the potential to deliver property level returns in excess of 20% on invested capital. Speymill Macau has positioned itself to take advantage of all the major upward trends including high-end residential and, with its new joint venture, the affordable end of the residential and commercial markets. We believe that this diversified strategy helps ensure maximum growth in shareholder value."

Commenting on the acquisition of the AIA Tower, Thomas Sipos, Head of Real Estate Investments for Asia Pacific for the Investment Adviser, Speymill Property Group (Far East), added: "We believe this property represents an excellent investment for Speymill Macau. New company formation in Macau continues to be strong on the back of the general expansion of the region's economy. As AIA Tower is one of only a few grade-A office buildings in Macau, with no new offices expected to be built in the medium-term due to the current planning environment, the property is well positioned to take advantage of future tenant demand. In addition comparable Grade-A office rents are more than 30% higher than what is currently being achieved in the building offering significant reversionary potential for the property. We will continue to actively asset manage the property in order to unlock further value added potential."

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Chairman's Statement

It is my pleasure to report the interim results of Speymill Macau Property Company plc for the period ended 30 June 2008. During the six months under review the Company continued to make significant progress in realising its strategy of investing in real estate opportunities in Macau with the potential to deliver property level returns in excess of 20% on invested capital. It has also benefitted from receiving the proceeds from the sale of one of its major investments, known as Lot U, the gain on which was recognised in the previous accounting period, and has invested in four further properties during and after the period end, with the result that the proceeds raised by the Company to date are now substantially invested.

Results

Our results must be viewed in the context of the Company's position in its life cycle. Following the realisation of Lot U and the withdrawal, at the end of the last financial year, from the forward funding arrangement known as Bel Lago, the last interim period has been one of intense investment activity for the Company. The inevitable consequence of the timing of these investments is that they have not yet translated into financial performance.

As at 30 June 2008, the Company's NAV per share was US$1.402 per share, up 3.1% year on year (30 June 2007: US$1.36). This figure represents an increase of 27.7% on the NAV per share based on the aggregate net placing proceeds raised by the Company to date.

The Company made a net loss on its investment property portfolio of US$0.8m (30 June 2007: net gain US$44.2m). This is largely due to the impact of acquisition costs on the Lorcha deal equivalent to US$2m. The Company's loss after tax was US$2.8m, representing a loss per share of 2.2 cents.

Investment Update

Following the period end, the Company was delighted to announce its acquisition of the AIA Tower in a deal worth US$153.8m (HK$1.2bn) that provides exposure to Macau's commercial market and takes advantage of the burgeoning demand for grade-A office space. This represents a very attractive investment opportunity for the Company in a landmark property.

During the period, the Company invested US$41m (HK$324m), including acquisition costs, in relation to a forward funding contract that requires an aggregate investment of US$132m (HK$1.04bn) to acquire 259 units in a high-end residential waterfront development. It also announced that, following the signing of a joint venture agreement with a Macau-based boutique property advisory and asset management firm, it would be taking the majority stake in a subsidiary investment vehicle that will focus on the repositioning of existing properties at the more affordable end of the Macau residential market. The Company's initial capital commitment under the joint venture agreement is up to US$8.7m (HK$68.7m). The venture has already invested in two properties worth US$5.6m (HK$44m) following the period end and is reviewing further potential investments worth the equivalent of US$20m (HK$158m).

Marketing has begun on the Company's residential units known as Nam Van Peninsula. The current valuation of those properties is US$38.9m (HK$303.6m), an uplift of 35% on the acquisition price of US$28.8m (HK$224.6m) that was paid in June 2007.

All the above investments are expected to fulfil the Company's stated investment objectives.

Shareprice

It is unfortunate that, given the current turmoil in primary capital markets caused by the global debt crisis, the Company's share price adequately reflects neither its current NAV nor its growth potential. Companies with a connection to the property market have been the most badly affected by market sentiment. For Speymill Macau, as for certain other well-performing companies operating in the property sector, the market sentiment appears to be particularly unjustified given that the Company is lightly leveraged and continues to demonstrate sound fundamentals in a niche sector that is performing strongly and does not appear to be adversely affected by the general trends that affect the global property markets.

The Board believes in the Company's ability to generate further shareholder value through full investment and that this will be reflected in its share price in the medium- to long-term. The Company bought-back 5,273,419 shares during the period in a move that was accretive to the net asset value per share and will continue to buy back shares if it feels this is in the best interests of shareholders in this market environment.

Outlook

The property market in Macau continues to be supported by a robust tourist sector, surging gaming revenues and a low interest-rate environment. The early part of 2008 has seen particularly strong investment demand for high-end residential properties and also increases in both the capital values of, and rents for, grade-A office space. This latter trend is set to continue with an influx of new businesses into the region and the absence of any plans for new office developments.

Market sentiment has however more recently dampened with the Macau government's moratorium on new casino licences that was announced during April, and the Guangdong provincial government's restrictions to its Individual Traveller Scheme that were announced during May and July. With a significant addition of gaming tables in Macau in recent years we believe that the former policy is no bad thing and will lead to greater diversification and sustainability in the local economy. Our view is that Macau will continue to provide attractive investment opportunities in the medium- to long-term.

Speymill Macau has positioned itself to take advantage of all the major upward trends including high-end residential and, with its new joint venture, the affordable end of the residential and commercial markets. We believe that this diversified strategy helps ensure maximum growth in shareholder value.

Larry Kearns
Chairman
9 September 2008

Report of the Investment Manager and the Investment Adviser

Financial Summary

Highlights of the period 1 January 2008 to 30 June 2008

Balance Sheet

	30 June 2008
Net assets (US$'000)	174,847
Net assets per share (US$)	1.402
Headline* net assets (US$'000)	175,574
Headline* net assets per share (US$)	1.408

**Excludes provision for deferred tax.*

Income Statement

	Six months ended 30 June 2008
Net loss on investment property (US$'000)	(800)
Loss after tax	(2,793)
Basic loss per share (US$)	(0.022)
Diluted loss per share (US$)	(0.022)

Business Highlights

- NAV of US$1.402 per share, up 3.1% year-on-year
- Investment in properties valued at US$170.8m at the period end
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- The Company has diversified its strategy in order to take advantage of all the major upward trends including the more affordable end of the residential market and the commercial property sector
- New investments during the period and after the period-end include:
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    - The landmark AIA Tower (purchase price: US$153.8m; HK$1.2bn) – completed September 2008
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Market Overview

Economy

A recent report published on the website of independent property advisors Jones Lang LaSalle stated that the property market in Macau continues to be "underpinned by the robust economy, surging gaming revenues and the low interest rate environment". This assessment is supported by official statistics. Following strong growth in 2007, Macau's GDP grew by 31.6% in Q1 2008 year-on-year and total export services rose by 46.3% year-on-year, mainly on the back of the gaming industry. The first half of 2008 saw tourist arrival figures of 14.9m. Revenues derived from tourism increased by 21.7% year-on-year to MOP 8.4billion during the first quarter.

During April 2008, however, the Macau government announced that no new gaming licences or casino development plans will be granted. During May and July the Guangdong provincial government also restricted its Individual Traveller Scheme in order to limit further the number of travellers from mainland China who can visit Macau. The same report from Jones Lang LaSalle reports that “these new measures have greyed Macau’s overall market sentiment to a certain extent; however, their impact to the overall property market is unlikely to be significant in the short- to medium-term.”

It has been noted that the restrictions on the gaming industry may be for the greater good of the Macau economy. The industry has seen a significant new supply of gaming tables. The effect of government policy may force investment into previously neglected fringe sectors, particularly those related to the larger tourism and also the international conferences and exhibitions sector, improving the overall visitor experience and encouraging greater diversification in the economy. Macau has been more recently positioning itself as a centre of choice in the Far East for international conferences and exhibitions.

Residential Property Market

Following cuts in US interest rates, Macau’s average best lending rates were lowered again during the first quarter of 2008 from 6.75% to 5.25%. Macau’s composite CPI index rose by 9% during June, increasing the attraction of property as an inflationary hedge. (Source: Jones Lang LaSalle)

As a result of tight supply and strong investment demand arising from lower interest rates and rising inflation, capital values for high-end residential properties increased by 10.9% during the first-half of 2008 and rents by 7.7% during the same period. (Source: Jones Lang LaSalle)

The second quarter saw Macau’s residential sales slow following the government’s announcement of a cap on the number of gaming licences and tables. (Source: Jones Lang LaSalle)

Commercial market

The increase in demand for grade-A office space in 2007 has continued during the 1st half of 2008. During the six months ended 30 June 2008, the capital values and rents for such properties increased by 13.6% and 3% respectively. (Source: Jones Lang LaSalle)

This demand is likely to continue with the opening of more mega resorts, that have already obtained approval, over the next two to three years and a consequential increase in players in the retail and business service sectors, coupled with an absence of planned office developments during the same period.

Business Overview

Investments held on 30 June 2008

Property	Sector	Type	Strategy	Tenure	Units	Status	Acquisition Price (US$m)	30 June 2008 Valuation (US$m)	Valuation Uplift
Nam Van Peninsula (Acquired: 16 March 2007)	Residential	High-end	Refurbishment	Long leasehold	24	Marketing/ refurbishment	29m	39	35%
R. Do Almirante Sergio No. 94 – 120 (Acquired: 10 June 2008)	Residential	High-end	Forward funding arrangement	Option to purchase long leasehold	259	Under construction	132	132	-

Investments made following the period end

Property	Sector	Type	Strategy	Tenure	Acquisition Price (US$m)	Most recent valuation (US$m)
AIA Tower	Office	Grade A	Hold & let	Long Leasehold	153.8	165.4
JV*-“Pink Palace”	Mixed use commercial/ residential	Mid-market	Redevelop & let	Long leasehold	2.1	2.8
JV*- “Houston Court”	Mixed use commercial/ residential	Entry level	Redevelop & let	Freehold	2.3	2.8

**The Company’s beneficial interest in the JV is 87%.*

Lot U

On 7 February 2008, the Company disposed of its interest under the Lot U forward funding arrangement realising a profit on disposal, after transaction costs, of US$42m (HK$ 332.4m). This represents a gross return of 125% on invested capital and a net IRR in excess of 80%. The gain on this investment has been materially recognised in the Company’s income statement in prior periods.

“Lorcha” (R. Do Almirante Sergio No. 94 – 120.)

Following on from the success of the Company’s investment in Lot U, it has invested in a further forward funding arrangement in order to acquire 259 high-end residential units in two towers (out of a total of 581 units). The development is situated at Rua Do Almirante Sergio No.94-120, in Macau Peninsula between the Inner Harbour and Sai Van Lake areas and near the famous Portuguese restaurant, Lorcha.

The developer is Ho Chun, a local Macau developer that started developing real estate in the late 1970s and is well recognised, having developed more than 100 buildings there.

The investment offers the Company exposure to the attractive high-end residential market in Macau. The forward funding element is 30% of the purchase price and is equivalent to US$ 39.5m (HK$308m) or US$41m (HK$324) including associated costs.

The key benefits of the investment are:

- small and affordable units
- the apartments are a premium product in a premium location
- the project has all the relevant permits in place and construction is already underway.

Nam Van Peninsula

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

The Company is currently repositioning these units and they are being fitted out to a very high specification. Refurbishment of three show flats has been completed and these are currently being marketed. The refurbishment of five additional units is due to be completed by the end of November 2008.

The total acquisition price of Nam Van Peninsula was US$28.8m. The Company put in place a US$19.2 term loan with Hang Seng Bank that represented 67% of the purchase price, in order to finance the acquisition.

AIA Tower

On 5 September 2008, Speymill Macau acquired a 100% interest in a grade-A office block, AIA Tower.

The 22-storey commercial office building is located at the heart of the Central Business District close to financial institutions, multinational corporations and world-class hotels such as the Wynn Macau and Grand Lisboa. It has 372,730 sq ft (34,630 sq m) of gross floor area, of which 292,335 sq ft (27,160 sq m) is grade-A office space and 80,396 sq ft (7,470 sq m) is designated for retail, as well as 186 car parking spaces. The contracted occupancy rates for the office and retail space are currently 93% and 72%, respectively.

The property is currently anchored by office tenants including AIA (an insurance company), VIVA Macau (a local airline), Bank of Communications (a Chinese bank) and various retail tenants, including Starbucks. The average unexpired lease terms for office and retail space are 3.6 years and 3.4 years respectively.

The acquisition price of the property was US$153.8m (HK$1.2bn), representing an initial yield of 4.7% on contracted rental income, and was made at a 7% discount to an independent valuation performed by Jones Lang LaSalle of US$165.4m (HK$1.29bn). In order to refinance the property's existing debt, a HK$600m (US$77m) debt facility has been secured with Banco Weng Hang on attractive terms.

The AIA Tower is one of only a few grade-A office buildings in Macau. With no new offices expected to be built in the medium-term due to the current planning environment, occupancy in such buildings has risen by 12.5% annually and rents have grown by an average of 17% per annum over the last three years according to Jones Lang LaSalle reports. Capital values for grade-A properties situated in Hong Kong Central are approximately HK$30,000 per sq ft according to Colliers International which, in comparison with the AIA Tower priced at HK$3,219 per sq ft, demonstrates significant upside potential for office investments in Macau. Moreover, average Macau grade-A office rents, currently at around HK$16 per sq ft per month, compare favourably with average Hong Kong Central grade-A office rents currently at around HK$ 120 per sq ft per month according to Colliers International.

Average Macau prime grade-A office rents per sq ft are currently more than 30% higher than the in-place average per sq ft office rental achieved in the property. Given a typical 3-year renewal cycle, this offers significant reversionary potential for the property.

The Company will continue to actively manage the property in order to unlock further value added potential for example by repositioning and leasing commercial areas on the podium levels of the property.

Joint Venture Agreement

Speymill Macau has taken an 87% stake in a subsidiary company following a joint venture (JV) agreement with a Macau-based boutique property advisory and asset management firm. Our partner has a focussed approach and a good track record of finding, repositioning and renting-out properties at attractive yields or disposing of them at premium valuations.

The venture will aim to acquire and reposition mainly existing residential and commercial properties in the older, historical parts of Macau. The arrangement represents an interesting development in the activities of Speymill Macau and offers it an opportunity to invest in the more affordable end of the residential market. The objective is to build a portfolio of income producing assets and invest in areas subject to regeneration and solid capital value growth. Our partner will oversee the property investments made and provide ongoing professional asset and property management services. Speymill Macau will maintain full control of the investment vehicle by holding both 87% of the voting rights and also the majority of seats on its board.

Speymill Macau has committed to invest up to US$8.7m (HK$68.7m) in the venture and its partner will initially invest US$1.34m (HK$10.1m) alongside, by way of the contribution of a property known as the "Pink Palace" at a value of US$2.05m (HK$16m) less a bank mortgage of US$0.71m (HK$5.5m). The property has been acquired at a discount to a valuation carried out by independent valuer CBRE of US$2.8m (HK$22m). It is located in a prime position near the newly opened Ponte 16 casino. The target net returns of the venture are in line with the Company's return objective.

Our partner will provide asset and property management services to the JV at attractive rates that we believe offer good value and that compare favourably with the market.

Following the period end the venture has agreed to acquire a two storey mixed residential and commercial building in a secluded area in Coloane village. The residential space will be repositioned to offer affordable housing for workers in the Cotai Strip and the commercial area let to quality retailers or restaurants. The purchase price is US$2.3m (HK$18m), which is at an 18% discount to a bank valuation of US$2.8 (HK$22m). The joint venture has currently identified an additional pipeline of six potential investments worth US$20m (HK$160m).

<u>Pipeline Projects</u>

Speymill Macau continues to look for attractive investment opportunities and has identified several in the office and retail sectors. The Company continues to work with the property advisor Avila Capital as well as other specialist partners such as architects, engineers, contractors and developers in order to ensure access to the best investment opportunities.

Speymill Property Group Limited
Investment Manager
9 September 2008

Speymill Property Group (Far East) Limited
Investment Adviser
9 September 2008

Consolidated Income Statement

	Note	For the period from 1 January 2008 to 30 June 2008	For the period from 31 October 2006 (date of incorporation) to 30 June 2007
		US$'000	US$'000
Net (loss)/gain on investment property	7	**(800)**	**44,184**
Manager's fees		(1,882)	(6,262)
Audit and professional fees		(261)	(240)
Other expenses		(999)	(393)
Administrative expenses		**(3,142)**	**(6,895)**
Net operating (loss)/profit before net financing income		**(3,942)**	**37,289**
Financial income		1,290	1,461
Financial expenses		(22)	(51)
Net financing income	4	**1,268**	**1,410**
(Loss)/profit before tax		**(2,674)**	**38,699**
Deferred tax expense		(119)	(5,302)
(Loss)/profit for the period		**(2,793)**	**33,397**
Attributable to:			
Equity holders of the Company		(2,792)	33,397
Minority interest		(1)	-
		(2,793)	33,397
Basic (loss)/earnings per share (cent per share) for the equity holders of the Company during the period	9	**(2.20)**	**36.66**
Diluted (loss)/earnings per share (cent per share) for the equity holders of the Company during the period	9	**(2.20)**	**36.50**

Consolidated Balance Sheet

	Note	Unaudited At 30 June 2008 US$'000	Audited At 31 December 2007 US$'000
Investment property	7	170,818	114,584
Total non-current assets		**170,818**	**114,584**
Trade and other receivables	8	1,766	57,695
Cash and cash equivalents		117,337	36,770
Total current assets		**119,103**	**94,465**
Total assets		**289,921**	**209,049**
Issued share capital	10	12,473	13,000
Share premium		62,356	62,356
Other reserves		336	336
Foreign currency translation reserve		(124)	(122)
Capital redemption reserve		527	-
Retained earnings		99,272	108,023
Total equity attributable to equity holders of the Company		174,840	183,593
Minority interest		7	-
Total equity		**174,847**	**183,593**
Interest-bearing loans and borrowings	11	11,539	15,385
Trade and other payables	12	92,951	-
Deferred income tax		727	608
Total non-current liabilities		**105,217**	**15,993**
Interest-bearing loans and borrowings	11	7,692	3,846
Trade and other payables	12	2,165	5,617
Total current liabilities		**9,857**	**9,463**
Total liabilities		**115,074**	**25,456**
Total equity & liabilities		**289,921**	**209,049**
Net Asset Value per share	5	**1.402**	**1.412**

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Retained earnings	Capital redemption reserve	Other reserves	Foreign currency translation reserves	Total	Minority interest	Total equity 30 June 2008	Total equity 30 June 2007
	US$'000	US$'000	US$'000	US$,000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at beginning of period	**13,000**	**62,356**	**108,023**	**-**	**336**	**(122)**	**183,593**	**-**	**183,593**	**-**
Shares issued in the period	-	-	-	-	-	-	-	-	-	150,000
Share issue expenses	-	-	-	-	-	-	-	-	-	(6,783)
Shares cancelled following market purchases/transfer to capital redemption reserve	(527)	-	(5,959)	527	-	-	(5,959)	-	**(5,959)**	-
Foreign exchange translation differences	-	-	-	-	-	(2)	(2)	-	**(2)**	(186)
Investment by minority partner	-	-	-		-	-	-	8	**8**	-
Retained earnings for the period	-	-	(2,792)	-	-	-	(2,792)	(1)	**(2,793)**	33,397
Balance at end of period	**12,473**	**62,356**	**99,272**	**527**	**336**	**(124)**	**174,840**	**7**	**174,847**	**176,428**

Other reserves represent the fair value of options granted to the broker on admission to trading on AIM.

Consolidated Cash Flow Statement

	For the period from 1 January 2008 to 30 June 2008	For the period from 31 October 2006 (date of incorporation) to 30 June 2007
	US$'000	US$'000
Operating activities		
Group (loss)/profit before tax	(2,674)	38,699
Adjustments for:		
Net loss/ (gain) on investment property	800	(44,184)
Financial income	(1,290)	(1,461)
Financial expense	22	51
Minority interest	1	-
Operating loss before changes in working capital	**(3,141)**	**(6,895)**
Decrease/(increase) in trade and other receivables	99	(81)
(Decrease)/increase in trade and other payables	(4,780)	5,417
	(7,822)	**(1,559)**
Interest paid	-	(51)
Net finance expenses	(22)	-
Interest received	1,290	1,461
Cash flows used in operating activities	**(6,554)**	**(149)**
Investing activities		
Acquisition of investment property	(40,870)	(66,058)
Disposal of investment property	78,116	-
Return of deposit for purchase of property	57,051	-
Deposit for property purchase	(1,218)	(10,256)
Cash flows generated from/(used in) investing activities	**93,079**	**(76,314)**
Financing activities		
Proceeds from the issue of ordinary share capital	-	150,000
Share issue expenses	-	(6,783)
Purchase of shares	(5,959)	-
Secured bank loan	-	19,231
Cash flows (used in)/generated from financing activities	**(5,959)**	**162,448**
Net increase in cash and cash equivalents	**80,566**	**85,985**
Adjustment for foreign exchange	1	-
Cash and cash equivalents at beginning of period	36,770	-
Cash and cash equivalents at end of period	**117,337**	**85,985**

Notes

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.

2 Summary of significant accounting policies

The interim consolidated financial statements of the Company for the period ended 30 June 2008 comprise the results of 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 IAS 34 *Interim Financial Reporting*. They do not include all of the financial information required for full annual financial statements. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Group's accounting policies. The only significant estimate included in the financial statements is the valuation of investment property (note 7).

These consolidated interim financial statements were approved by the Board on 9 September 2008.

2.2 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.

2.3 Dividends

Dividends are recognised as a liability in the period in which they are declared and approved. No dividend was declared during the period ended 30 June 2008.

2.4 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 Segment reporting

The Group 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 Group's activities are limited to one business and geographic segment.

4 Net financing income

	Period ended 30 June 2008 US$'000	Period ended 30 June 2007 US$'000
Bank interest income	1,290	1,461
Financial income	**1,290**	**1,461**
Interest expense	-	(51)
Bank charges	(22)	-

Financial expenses	(22)	(51)
Net financing income	**1,268**	**1,410**

5 Net Asset Value per Share

The net asset value per share as at 30 June 2008 is US$1.402 based on 124,726,581 ordinary shares in issue as at that date (31 December 2007: US$1.412 based on 130,000,000 ordinary shares). The adjusted net asset value per share as at 30 June 2008, that excludes provision for deferred taxation, is US$1.408 (31 December 2007: £1.417).

6 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the party's financial or operational decisions.

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.

The Investment Manager, Investment Adviser and Property Adviser are considered to be related parties –

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

Annual management fees payable for the period ended 30 June 2008, amounted to US$1,882,325 (period ended 30 June 2007: US$1,127,536)

The Investment Manager pays 40% of the management fee to the Property Adviser. The Investment Manager is also responsible for paying fees to the Investment Adviser.

Performance fees accrued for the period ended 30 June 2008 amounted to US$ Nil (period ended 30 June 2007: US$5,134,440). The performance fee accrued as at 31 December 2007 of US$5,011,261 was paid during the period and half of this amount was used by the Investment Manager to acquire shares in the Company.

7 Investment Property at valuation

Group	**Lot U** **30 June** 2008 US$'000	Nam Van Peninsula 30 June 2008 US$'000	"Lorcha" 30 June 2008 US$'000	**Period ended 30 June 2008** **US$'000**	Period ended 30 June 2007 US$'000	Period ended 31 December 2007 US$'000
Balance at beginning of period	77,956	36,628	-	**114,584**	-	-
Additions	-	1,331	131,809	**133,140**	70,400	67,672
Acquisition costs	-	-	2,010	**2,010**	-	-
Revaluation gain/(loss) in period	160	965	(1,925)	**(800)**	44,184	46,912
Disposal	(78,116)	-	-	**(78,116)**	-	-
Balance at end of period	**-**	**38,924**	**131,894**	**170,818**	**114,584**	**114,584**

The Group's investment properties as at 30 June 2008 comprise two properties: "Nam Van Peninsula" and "Lorcha" (Rua Do Almirante Sergio No. 94-120). Both properties were revalued at 30 June 2008 by independent professionally qualified valuers, Jones Lang LaSalle, based on current prices in an active market.

During the period the Company made a payment of 30% of the final purchase price in order to acquire the "Lorcha" investment. The payment made is equivalent to US$39.5m (HK$308) or US$41m (HK$324m), including acquisition costs. The value of this investment at 30 June 2008 is US$132m (HK$1,034.8m). The Company will pay a final stage payment plus estimated costs equivalent to US$93m (HK$734.7m) following completion of the project. This amount has been recorded as a non-current liability.

8 Trade and Other Receivables

	30 June 2008 US$'000	31 December 2007 US$'000
Prepayments and other receivables	548	644
Deposits for purchase of property	1,218	57,051
Total	**1,766**	**57,695**

The amount of US$1.218m comprising deposits for purchase of property in the current period relates to cash held on lawyer's escrow accounts that relate to two purchases.

9 Basic and diluted (loss)/earnings per Share

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

	Period ended 30 June 2008	Period ended 30 June 2007
Loss/(earnings) attributable to equity holders of the Company (US$'000)	(2,793)	33,397
Weighted average number of ordinary shares in issue (thousands)	127,162	91,111
Basic (loss)/earnings per share (cent per share)	**(2.20)**	**36.66**
Fully diluted (loss)/earnings per share (cent per share)	**(2.20)**	**36.50**

The difference between basic and fully diluted earnings per share in the period ended 30 June 2007 arises from the assumption that dilutive share options were exercised.

10 Share capital

Ordinary Shares of US$0.10 each	Number	US$'000
In issue at the start of the period	130,000,000	13,000
Shares cancelled during the period	(5,273,419)	(527)
In issue at 30 June 2008	**124,726,581**	**12,473**

During the period 5,273,419 shares were bought back for a total consideration of US$5,958,963. The buy-back was effected through retained reserves.

11 Interest-Bearing Loans and Borrowings

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

	30 June 2008 US$'000	31 December 2007 US$'000
Non-Current Liabilities		
Secured bank loan	11,539	15,385
Current Liabilities		
Secured bank loan	7,692	3,846

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 Peninsula property in Macau. The loan is to be repaid in 5 half-yearly instalments commencing in July 2008. The loan bears interest at an annual rate of 2% over the 3 month Hong Kong Inter Bank Offered Rate (HIBOR).

12 Trade and Other Payables

	30 June 2008 US$'000	31 December 2007 US$'000
Non-current liabilities		
Payable on acquisition of investment property (note 7)	92,951	-
Current liabilities		
Payable on acquisition of investment property (note 7)	1,329	-
Performance fees (note 6)	-	5,011
Loan interest	-	42
Other accruals	836	564
	2,165	5,617

13 Post Balance Sheet Events

As at 30 June 2008 the Company, via its subsidiary Rafael (Macau) Limited, had committed to purchase the properties known as “The Pink Palace” and “Houston Court” at purchase prices of US$2.05m (HK$16m) and US$2.3m (HK$18m) respectively as part of the agreement referred to as the “Joint Venture Agreement”. The “Pink Palace” and “Houston Court” are each valued at US$2.8m (HK$22m). The acquisitions of “The Pink Palace” and “Houston Court” were completed on 28 August 2008.

On 5 September 2008, the Company acquired a 100% interest in a grade-A office block known as “AIA Tower” by acquiring the entire share capital of a Cayman registered company, Turbo Ventures Ltd. The acquisition price of the property was US$153.8m (HK$1.2bn) and was made at a 7% discount to an independent valuation performed by Jones Lang LaSalle of US$165.4m (HK$1.29bn). A debt agreement has been secured with Banco Weng Hang for the provision of a credit facility of US$77m (HK$600m) in order to refinance the property’s existing debt.

14 Capital Commitments

The Company is committed to an initial total investment under the Joint Venture Agreement up to US$8.7m (HK$66m).

It is also committed to future a final stage payment on the “Lorcha” property of US$93m (HK$734.7m) that includes provision for acquisition costs. This amount has been included in non-current liabilities.