

## Macau Property News Update

**Property Prices in Macau Peninsula Rose 6%** – In Q1 2008, the average transaction price of a residential unit in Macau Peninsula amounted to MOP\$ 24,583 psm of usable area, up slightly by 0.1% over the previous quarter. The average transaction price of a residential unit in the Macau Peninsula rose by 6.0% to MOP\$ 20,532 psm, but the average price of that in Taipa Island went down by 6.8% to MOP\$ 33,058 psm.

## Macau Business Update

**24-Hour Taipa Ferry Service Approved** – Cotai Waterjets (Macau) limited announced that it has received permission from the appropriate Macau and Hong Kong transportation departments to begin operating its Cotai Strip CotaiJets with increased frequency and at night. In a recent report of Las Vegas Sands Corp (LVS), the company indicated it believes an extended operation would benefit its revenue as more flexible times could be offered to same-day gamblers at the Venetian with the operation of 24-hour Taipa ferry.

**Around 25% of Population Works in the Gaming and Entertainment Sector** – Around a quarter of the working population of Macau works in the gaming and entertainment sector according to official figures for the first three months of the year published on 21 May 2008 by the Statistics and Census Bureau. The average salary for the employed population was calculated at MOP\$ 8,200 (around US\$1,000 per month). Gaming and entertainment sector workers receive average monthly salaries of MOP\$ 12,000 (US\$1,500).

**Casino Operation Drives Labour Drought** – A recent study conducted by the University of Nevada Las Vegas said that Macau would need another 156,000 new workers to sustain the kind of round-the-clock operation as found in Las Vegas. It would mean an additional 85% workforce from 2006. According to Manila Standard Today on 21 May 2008, 30 hotels and casinos will be built within the next 2 to 3 years, which will generate 100,000 to 300,000 new jobs in Macau.

**Las Vegas Sands Recorded Third Quarterly Loss** – LVS, the world's largest gaming company by market value, reported on 30 April 2008 its third consecutive quarterly loss as rising costs and cut-throat competition for high rollers in Macau pushed the firm US\$11.2 million into the red during the first three months of the year.

**Wynn Macau Earnings Rose 63.8% to US\$ 129m** – Wynn reported that net revenue earned at the Macau unit rose to US\$778.7 million from US\$635.3 million in the first quarter of 2007, driven by a 61.4% increase in revenues at its Wynn Macau resort.

**Investors Welcome Casino Development Control** – Investors appear to have welcomed measures to control Macau's surging casino growth with gaming company shares rocketing on 23 April 2008 according to the Standard. The source also reported that such measures would boost sentiment for casino players as they address the market's biggest concern that overcapacity will erode profit margins.

**Junket Commission Restricted to 1.25%** – The government on 21 May 2008 had its first meeting with all six gaming concessionaires since the industry was liberalised in 2001. They primarily agreed to restrict the commission limit of junket promoters, those helping to bring in high spending

customers, to 1.25% of chip sales.

## Release of Economic Statistics

**Worsening Trade Deficit** – The Macau balance of trade posted a deficit of MOP\$ 6.37bn in Q1 of 2008. Macau exported goods and services totalling a value of MOP\$ 4.01bn, representing a decline of 7.1% y-o-y and imported MOP\$ 10.38bn representing an increase of 13.3% y-o-y according to the Statistics and Census Service.

**Tourist Arrival Surged to 10 million in April** – Macau received 9.99 million visitors in the first four months of 2008, which was a rise of 16.3% against the same period of 2007 according to the Statistics and Census Service.

**Consumer Price Index Climbed 8.7% y-o-y in April** – CPI rose 8.7% y-o-y in April. The rise was driven by significant increases of 18.6%, 13.9% and 11% seen in the categories of Food and non-alcoholic drinks, Health and Transports respectively, according to the Statistics and Census Service.

**Macau Retail Q1 Sales Surge 46%** – Macau's retail sales for the first quarter of 2008 were estimated at MOP\$ 569 million, up 46% from the same period in 2007. Notable increases were in clock, watch and jewellery sales according to figures released by the Statistics and Census Service.

## Companies with Macau Property Business Exposure

Company	Ticker	Price as at 23/05/08	% Change since 17/11/06	Market Cap in US\$ (\$million)
Speymill Macau Property Co plc	MCAU.LN	US\$1.17	17%	US\$152.10
Macau Property Opportunities Fund Ltd	MPO:LN	£1.05	5%	US\$221.35
Wynn Resorts Ltd	WYNN US	US\$102.63	9%	US\$11,477.52
Las Vegas Sands Corp	LVS US	US\$67.85	-25%	US\$24,115.45
Melco PBL Entertainment (Macau) Ltd.	MPEL US	US\$12.42	-35%	US\$5,467.05
Polytec Asset Holding Ltd	0208 HK	HK\$2.04	-19%	US\$1,162.73
Shun Tak Holding Ltd	0242 HK	HK\$9.36	-22%	US\$2,816.43
Esun Holdings Ltd	0571 HK	HK\$2.05	-76%	US\$326.59
Galaxy Entertainment Group Ltd	0027 HK	HK\$5.46	-35%	US\$2,760.19

Note: (1) Speymill Macau Property Co PLC listed on 17/12/2006 with IPO Price at US\$1 per share.  
(2) The company listed on 18Dec2006.  
(3) Exchange Rate: US\$/HK\$ 0.1282 (as at 23.5.2008)  
US\$/GBP 1.9808 (as at 23.5.2008)

Source: <http://www.bloomberg.com>

To read previous editions of Macau Monthly Monitor, please go to: [www.spg.co.im](http://www.spg.co.im) (Latest News, Miscellaneous) Speymill Macau Property Company plc 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\$80m and raised a further US\$70m 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. The Manager is Speymill Property Group Limited, the Investment Adviser is Speymill Property Group (Far East) Limited and the Property Adviser is Avila Capital Limited. The Manager, Investment Adviser and Property Adviser are responsible for identifying investment opportunities. The Manager is a wholly owned subsidiary of Speymill Group Plc (AIM: SYG). The Investment Adviser is a wholly owned subsidiary of the Manager.

To read previous editions of Speymill Macau Monthly Monitor, please go to: [www.spg.co.im](http://www.spg.co.im) (Latest News, Miscellaneous)

**Floris Van Dijkum**  
Global Chief Investment Officer  
Speymill Property Group plc  
Tel: +44 20 7659 0765  
Fax: +44 203 0084984  
f.vandijkum@speymill.com

**Thomas Sipos**  
Head of Investments Asia Pacific  
Speymill Property Group (Far East) Ltd  
Tel: +852 2514 6104  
Fax: +852 2514 6104  
t.sipos@speymill.com



**Speymill**  
Property Group Limited  
[www.spg.co.im](http://www.spg.co.im)