

## Speymill Macau AGM Results

Speymill Macau Property Company plc has announced its annual general meeting results that can be found on the Company's website at [www.speymillmacau.com](http://www.speymillmacau.com)

### Highlights:

- Resolution 1 *Report of the Investment Manager, Report of the Directors, Auditors' Report and the Audited Consolidated Financial Statements of the Company for the year to 31 December 2008 were adopted*
- Resolution 2 *KPMG Audit LLC Isle of Man were re-appointed as auditors of the Company for the year to 31 December 2009*
- Resolution 3 *The directors were authorised to determine the remuneration of the auditors*
- Resolution 4 *It was noted that no dividend be paid in respect of the Ordinary Shares for the year ended 31 December 2008*
- Resolution 5 *Authority was renewed for the purchase of up to 14.99% of the fully paid Ordinary Shares in issue in accordance with the terms stated in the Notice of the 2009 AGM*

## Macau Policy Update

**Solid Government Support for First Home Subsidy** – The first draft of a bill seeking government approval to set aside MOP\$700m (US\$87.7m) for 2009 has been sent to the Legislative Assembly for deliberation. The money will be used to support permanent residents purchasing their first homes by providing a credit guarantee of up to 20% of the property purchase price for residential properties valued at less than MOP\$3m (US\$378k) for a maximum repayment period of 15 years.

## Macau Business Sector News

**Jollibee Looks at Macau Fast Food Demand** – Philippine fast food giant Jollibee Foods Corp. is continuing its overseas expansion by looking to invest in Macau, according to the South China Morning Post. The listed fast food chain currently has 651 branches in the Philippines with a further 49 branches overseas. Jollibee has stated it aims to open an additional 19 stores abroad this year. Dennis Flores, vice-president of international operations for Jollibee, claims the expansion plans are unaffected by the global economic downturn as demand remains strong.

**Gaming Expo Asia Set for Macau** – The Global Gaming Expo Asia (G2EASIA) is set to take place on 2–4 June at the Cotai Strip Convention and Exhibition Centre and The Venetian Macau Resort Hotel. The event highlights the continuous growth of gaming in Asia and gives participants access to new products and the latest trends. The expo is aimed at fostering optimal networking and ensuring growth in the rapidly developing Asian gaming market. Furthermore, the expo will assist in developing Macau's growing reputation as a MICE (Meeting, Incentive, Conference, Exhibition) destination.

## Macau Business Sector News (cont'd)

**Macau Shores Up its Tourism by Injecting US\$19m** – According to the Macau Daily Times, the Macau Government will invest US\$19m to boost tourism in 2009; US\$6.3m to subsidise the tourism industry, US\$8.2m to assist the MICE industry and US\$4.4m in the aviation industry. In terms of boosting tourism, the Government specially subsidises visitors on package tours who stay in Macau for at least one night and who also visit local World Heritage sites. As for the MICE industry, the government will provide subsidies for accommodation and the renting of exhibition venues in a bid to attract exhibitors and participants to prolong their stay and boost their consumption in Macau.

**Default Risk at One Central of Key Concern to Shun Tak** – Recent results released by Shun Tak Holdings showed lower than expected core earnings of HK\$341m, a 42% y-o-y decrease, according to UBS. Although the company sold 87% of Nova City Phase 3 in 2008, it only recognised a profit from 65% of the units sold after handing over to the buyers. The report said that the average secondary prices in one Central have fallen to HK\$3,800-4,000 psf, below the original sales prices of HK\$4,600 psf that buyers paid in late 2006. Analysts believe there is a risk of tenant defaults on purchase obligations if prices continue to fall. The UBS report also stated that there is currently no major improvement on the fundamentals of Macau's property market.

**Wynn Strengthens Liquidity Position** – Wynn Resorts stated, in a regulatory filing, that lenders on its senior secured credit pact will suspend leverage covenants until mid-2011 and raise the thresholds thereafter. Wynn has also extended the maturity of US\$610m of its revolving credit commitments from August 2011 to July 2013. The company said it will pay an additional 90 basis points in interest and has agreed to cap the loan at US\$697m.

*"We believe that the new terms give Wynn greater flexibility to manage through the worst down-cycle ever experienced by the company... We expect that while profits from Macau will be relatively strong versus Wynn's Las Vegas properties in 2009 and 2010, Las Vegas results will be a significant, and possibly unpredictable drag, making this amendment an important asset,"* Sanford Bernstein analyst Janet Brashear said in a research note.

**Las Vegas Sands Amends Credit Facility and May Sell its Macau Casino** – Las Vegas Sands (LVS) has been facing the risk of defaulting on its US loan facility. The company has recently said its borrowers have amended a US\$5bn senior secured credit facility to allow the company to repurchase up to US\$800m of its term loans through modified Dutch auctions completed by 30 September 2010.

The South China Morning Post reported that LVS was considering selling its Sands Macau Casino under a sale-leaseback arrangement potentially worth up to US\$1.3bn. Under the deal, LVS could sell the building but continue to run the 229,000 square foot casino under its gambling license, paying its new landlord a rent plus a portion of the upside based on the how the casino performs. A source confirmed that the company's Macau gaming license was not up for sale.

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.

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## Macau Business Sector News (cont'd)

**MP EL Raises US\$75m** – Melco Crown Entertainment, a casino operator in Macau, raised US\$175m on 28 April 2009 from a follow-on sale of 18.75m new American depository shares (ADS) that was upsized by 25% due to strong demand both from Asia and the US, according to a company statement. The ADSs were offered to investors at a fixed price of \$4, which represented a 9.1% discount to the 27 April 2009 share price.

Crown participates in MP EL's capital raising by agreeing to subscribe US\$45m at US\$4 per ADS for additional equity in MP EL as part of MP EL's US\$165m equity placement (US\$180m if the overallotment option is exercised). The cost of Crown's cash equity investment in MP EL including the new shares is now \$500m with an average cost of \$2.81 per ADS.

Lawrence Ho, co-chairman and CEO of MP EL and a substantial shareholder of Hong Kong-listed Melco, notes in a written statement that the fundraising is the right thing to do in the current market environment as it will strengthen the company's liquidity position and ensure a better long-term capital structure.

He said *"We believe these efforts demonstrate the prudent management of our balance sheet, as well as a far-sighted approach to engineering a long-term capital structure for our company that can withstand the inevitable volatility in the global economy—a cornerstone of our financial philosophy. This is the correct course of action for us, given the uncertainties that remain within global financial markets."*

**MGM Mirage Waiver for Financial Covenants Expires** – MGM Mirage is still struggling to service its current debt of US\$13.5bn. Reported by Google Finance News, the company may still have to seek protection from creditors under Chapter 11 of the US Bankruptcy Code in order to restructure operations for the long term. MGM Mirage had to obtain an additional waiver from the financial covenants in its senior credit facility in order to fund its portion of the revised CityCenter deal, a deal announced on the same day a related covenant waiver was set to expire.

The new waiver, which came at a cost, lasts until 30 June 2009. Lenders were repaid US\$100m and received security interests in the Gold Strike Tunica resort and undeveloped Las Vegas Strip land.

In a recent conference call held by the company, MGM Mirage *"intends to work with its lenders to obtain additional waivers or amendments prior to 30 June 2009, to address future noncompliance with the senior credit facility; however, the company can provide no assurance that it will be able to secure such waivers or amendment."*

## Macau Economic Data

**Positive Casino Q-on-Q Revenue Growth Results in Q1** – Macau's protracted losing streak may have ended in the first three months of 2009 with gaming revenue showing a turnaround to positive growth after three quarters of declines. Casino revenue totalled MOP\$26.02bn in 1Q09, a 12.76% y-o-y drop, but an 8.06% q-o-q increase.

**Total Visitation Down 11.8% y-o-y in March 2009** – A substantial decrease of 11.8% y-o-y in the total number of leisure travellers to Macau was observed by the Census and Statistics Services in March 2009. Same-day visitors accounted for 53.2% of the total visitors. Visitors from mainland China, which accounted for 51.9% of the total visitor arrivals, was down 11.1% y-on-y. The cumulative visitor arrivals totalled 5,454,170 in the first quarter of 2009 a slight decrease of 2.46% q-o-q.

## Companies with Macau Property Business Exposure

Company	Ticker	Market Cap (millions) <sup>(4)</sup>	Price as at 30/04/09	Change since 01/01/09	Change since 17/11/06
Speymill Macau Property Co plc <sup>(1)</sup>	MCAU:LN	US\$40.89	US\$0.35	46%	-65%
Macau Property Opportunities Fund Ltd.	MPO:LN	US\$82.92	£0.68	19%	-32%
Wynn Resorts Ltd.	WYNN:US	US\$4,827.41	US\$39.23	-7%	-58%
Las Vegas Sands Corp.	LVS:US	US\$5,105.14	US\$7.82	32%	-91%
Melco PBL Entertainment (Macau) Ltd. <sup>(2)</sup>	MP EL:US	US\$2,206.04	US\$4.55	44%	-79%
Polytec Asset Holding Ltd.	208:HK	US\$262.56	HK\$0.46	-9%	-82%
Shun Tak Holding Ltd.	242:HK	US\$1,018.11	HK\$3.47	63%	-71%
eSun Holdings Ltd.	571:HK	US\$150.00	HK\$0.93	-11%	-89%
Galaxy Entertainment Group Ltd.	27:HK	US\$957.37	HK\$1.87	76%	-78%
SJM Holdings Ltd. <sup>(3)</sup>	880:HK	US\$1,508.00	HK\$2.32	67%	-24%

Note:

(1) Speymill Macau Property Co plc was listed on 17/11/2006 with IPO price at US\$1.0 per share

(2) The Company was listed on 18/12/2006

(3) The Company was listed 14/07/2006

(4) Exchange Rate: US\$/HK\$ 0.13 (as at 30/04/2009)  
US\$/GBP 1.49 (as at 30/04/2009)

Source: Bloomberg

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