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MACAU INVESTMENT HOLDINGS LIMITED

澳門投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock code: 2362

PROPOSED CAPITAL REDUCTION

Capital reduction

The Board proposes the Capital Reduction, pursuant to which the share capital of the Company will be reduced by HK\$0.49 per Existing Share by cancelling an equivalent amount of paid-up capital per Existing Share so that the par value of each New Share in issue will be HK\$0.01. Immediately upon the Capital Reduction taking effect, and on the basis that the Company does not allot or issue any further Existing Shares prior thereto, the authorized share capital of the Company shall be HK\$50,000,000 comprising 5,000,000,000 New Shares. The Company's issued share capital shall be HK\$4,858,302 comprising 485,830,194 New Shares, each with a par value of HK\$0.01.

General

The Capital Reduction is subject to, among other things, the approval of the Shareholders at the AGM. A circular containing, among other things, details of the proposed Capital Reduction and the notice of the AGM, will be despatched to the Shareholders as soon as practicable.

Capital Reduction

Pursuant to the Capital Reduction, the share capital of the Company will be reduced by HK\$0.49 per Existing Share by cancelling an equivalent amount of paid-up capital per Existing Share so that the par value of each New Share in issue will be HK\$0.01.

Reasons for the Capital Reduction

The Shares have been trading below their par value of HK\$0.5 per Share since 28 July 2008 and the Companies Law does not allow the Company to issue any Shares at a price below its par value. Therefore, unless the par value of each Share is reduced, it will be very difficult for the Company to raise new capital by issuing new Shares. The Company does not have any immediate plan to raise new capital, but the Capital Reduction will give the Company more flexibility in raising capital in future.

The Capital Reduction will result in a surplus of HK\$238,056,795. It will be applied for setting off the accumulated losses of the Company as at the effective date of the Capital Reduction. As at 31 December 2008, the audited accumulated losses of the Company amounted to HK\$331.7 million.

Effects of the Capital Reduction

As at the date of this announcement, the authorised share capital of the Company amounted to HK\$2,500,000,000 divided into 5,000,000,000 Existing Shares, of which 485,830,194 Existing Shares had been allotted and issued as fully paid.

Immediately upon the Capital Reduction taking effect, and on the basis that the Company does not allot or issue any further Existing Shares prior thereto, the authorised share capital of the Company shall be HK\$50,000,000 comprising 5,000,000,000 New Shares. The Company's issued share capital shall be HK\$4,858,302 comprising 485,830,194 New Shares, each with a par value of HK\$0.01.

A credit of HK\$238,056,795 arising from the Capital Reduction will be applied for setting off the accumulated losses of the Company as at the effective date of the Capital Reduction.

Status of the New Shares

The New Shares will rank pari passu in all respects with each other and the Capital Reduction will not result in any change in the relative rights of the Shareholders.

Conditions of the Capital Reduction

The implementation of the Capital Reduction and the listing of the New Shares are conditional upon:

- (1) the passing of a special resolution by the Shareholders at the AGM to approve the Capital Reduction;
- (2) an order being made by the Court confirming the Capital Reduction;
- (3) the registration by the Registrar of Companies in the Cayman Islands of a copy of the Court order and the minute approving by the Court pursuant to the Companies Law;
- (4) compliance with any conditions which the Court may impose; and
- (5) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the New Shares.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares.

Expected effective date of the Capital reduction

Upon the conditions mentioned above being fulfilled, the Capital Reduction and the listing of the New Shares will become effective immediately after the registration of the court order.

Free exchange of certificates

Subject to the Capital Reduction becoming effective, Shareholders may, on or after Wednesday, 9th September, 2009 and until 4:30 p.m. on 30th September, 2009 (both dates inclusive), submit their existing certificates for the Shares to the Registrar to exchange for certificates at the expense of the Company. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) by the Shareholders for each certificate issued or cancelled, whichever is higher. Certificates for the

Shares will continue to be good evidence of legal title but will cease to be valid for dealings, trading and settlement purpose after the parallel trading in the Reorganised Shares ends and may be exchanged for certificates for the Reorganised Shares at any time in accordance with the foregoing.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Capital Reduction:

Latest time for lodging proxy forms for the AGM.....	10:00 a.m. on [1 July] 2009
Expected time and date of the AGM.....	10:00 a.m. on [3 July] 2009
Expected date on which the Capital Reduction is confirmed by the Court (<i>Note 2</i>).....	[3 September] 2009
Expected date of registration of a copy of the Court order confirming the Capital Reduction and the minute approved by the Court pursuant to the Companies Law (<i>Note 2</i>).....	[8 September] 2009
Effective date of the Capital Reduction.....	[9 September] 2009
Free exchange of existing certificates for Shares for new certificates for Reorganised Shares commences.....	[9 September] 2009
Last day of free exchange of existing certificates for new certificates for Reorganised Shares	4:30 p.m., [30 September] 2009

Notes:

- (1) All times in this timetable refer to Hong Kong time.
- (2) Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Capital Reduction are indicative only and may be excluded or varied due to the timetable and availability of the Court, additional time required for compliance with the regulatory requirements in the Cayman Islands and/or with any requirements imposed by the Court or varied by the Company. Any change to the expected timetable for the Capital Reduction will be published as and when appropriate.

GENERAL

A circular containing, among other things, details of the proposed Capital Reduction and the notice of the AGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board” board of the Directors

“Capital Reduction”	proposed capital reduction pursuant to which the par value of each Existing Share will be reduced from HK\$0.5 to HK\$0.01
“Companies Law”	Cayman Islands Companies Law (2007 Revision)
“Company”	Macau Investment Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	director(s) of the Company
“AGM”	annual general meeting of the Company to be held to consider and, if thought fit, approve the special resolution in respect of the Capital Reduction
“Existing Share(s)”	existing ordinary share(s) of HK\$0.5 each in the capital of the Company prior to the Capital Reduction becoming effective
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company upon the Capital Reduction becoming effective
“Share(s)”	the Existing Share(s) or, as the case may be, the New Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
MACAU INVESTMENT HOLDINGS LIMITED
Brad Huang
Chairman

Hong Kong, [9 June 2009]

As at the date of this announcement, the Board consists of two executive Directors, namely Mr. Brad Huang and Mr. Yasumasa Ishizaka, and three independent non-executive Directors, namely Messrs. Zhou Jin Song, Sun Tong and Chiu Ching, Katie.

** For identification purposes only*