

Macau Property Opportunities Fund Limited  
("MPO" or the "Company")

27 August 2008

## **MPO announces US\$45m logistics and warehouse investment**

*Strategic acquisition of 1.1 million square feet site located in Zhuhai, China*

Macau Property Opportunities Fund Limited, managed by Sniper Capital Limited (the "Manager"), today announces its first strategic investment in the logistics and warehouse sector for a combined acquisition and development value of US\$45 million.

Located in Zhuhai, China, minutes from the Macau border, the 1.1 million square feet site gives the Company direct exposure to the storage and logistics sector and further diversifies MPO's current portfolio of residential and mixed-use projects in Macau. The Manager believes the site is well-positioned to benefit from the increasing demands of Macau's expanding hotel-casino developments.

Since Admission to AIM, the Company has acquired five key properties and committed US\$275 million or approximately 145% of its total equity raised.

### **Key Points**

- The site is located in a special industrial area which provides tax and regulatory concessions for a number of businesses including logistics and warehousing.
- MPO is investing a total of US\$45 million in the project, comprising an acquisition cost of US\$11 million and an expected development cost of US\$34 million.
- The site, which occupies an area of approximately 1.1 million square feet, consists of 880,000 square feet of vacant land, with the remainder occupied by existing warehousing with a total of 210,000 square feet of gross floor area.
- The vacant land will be developed either as build-to-suit or standard inventory logistics and warehouse facilities with a target gross floor area of 1.4 million square feet, including an estimated 370,000 square feet of factory worker accommodation.
- The current warehouse space is suitable for logistical operations and light industrial uses and is approximately 50% leased. It is the Manager's intention to upgrade and actively manage the premises in order to attract additional high quality tenants and enhance the yield on the properties.
- The acquisition is being funded entirely out of MPO's existing cash resources and it is the Company's intention to seek debt financing for the development portion of the project.

Macau's economy has been growing at an unprecedented rate since 2002, driven by a stream of local and foreign investment in the gaming, hotel, convention and resort sectors. This has led to increasing demand for logistics space and in turn has put growing pressure on the city's existing limited and aging warehouse facilities. The Manager believes that the scarcity and rising cost of land in Macau will increasingly push future development of Macau's logistics industry across the border to Zhuhai, where land cost is significantly lower and labour is more readily available.

**David Hinde, Chairman of MPO said:** "This acquisition marks another milestone for MPO. It is our first investment in the logistics and warehouse sector, further diversifies our already well-positioned portfolio and is consistent with the Company's core strategy of capitalising on Macau-related opportunities in Southern China."

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## About Macau Property Opportunities Fund

Macau Property Opportunities Fund Limited, which raised £105 million in a placing and commenced trading on the Alternative Investment Market of the London Stock Exchange in 2006, is a closed-end investment fund registered in Guernsey.

The Company's investment policy is to provide shareholders with an attractive total return through investing in property opportunities in one of the world's fastest growing and most dynamic regions – Macau and the Western Pearl River Delta of Southern China.

The Fund is managed by Sniper Capital Limited, an independent investment manager that specialises in property investment opportunities in niche, undervalued and developing markets.

## About Sniper Capital

Sniper Capital is an independent investment manager specialising in property investment in niche, undervalued and developing markets. The Company's investment strategy is to identify, acquire and develop properties clearly differentiated by location, value and sustainability of demand. Sniper Capital currently manages two funds with combined assets of US\$250 million.

### Stock Codes:

Bloomberg: MPO LN

Reuters: MPO.L

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