

11 May 2012

MPO announces Q1 2012 Net Asset Value Update

“Adjusted NAV per share was US\$2.87, an uplift of 3.5% in the first three months to 31 March 2012.”

Macau Property Opportunities Fund Limited, managed by Sniper Capital Limited, today announces its Interim Management Statement and Net Asset Value update covering the three months to 31 March 2012.

Financial Highlights

- Property portfolio value up 5% to US\$352.3 million on a like-for-like basis*.

**Four individual One Central Residences units totalling US\$8.7 million were disposed of during the period.*

- Unaudited Adjusted Net Asset Value (Adjusted NAV) per share was US\$2.87 or 180p in Sterling terms (based on US\$/£ exchange rate of 1.601 as at 31 March 2012), representing an uplift of 3.5% and 0.4% respectively.
- Cash balance of US\$27.9 million, of which US\$16.1 million was pledged as collateral for the Company's banking facilities.
- Based on the Company's portfolio value as at 31 March 2012 and assuming a full drawdown of its committed loan facilities, MPO's total loan-to-value ratio (LTV) stood at 23.5%. Upon partial pre-payment of the US\$76 million One Central loan facility out of the sales proceeds of the recently completed bulk sale of One Central units, the Company's LTV is expected to fall further to 21.7%.
- A summary of the Company's NAV figures¹ as at 31 March 2012 is as follows:

	31 Mar 2012	31 Dec 2011
NAV (IFRS) (US\$ million)	217.65	215.10
NAV per share (IFRS) (US\$)	2.12	2.10
Adjusted NAV (US\$ million)	294.63	284.76
Adjusted NAV per share (US\$)	2.87	2.78
Adjusted NAV per share (pence) ²	179.54	178.77
Share price as at period end (pence)	108.75	112.63
Share price discount to Adjusted NAV (%)	39	37
Portfolio valuation (US\$ million) ³	352.32	344.34
Loan-to-value ratio (%)	23.5	24

- 1 The Company's Net Asset Value (NAV) as at 31 March 2012 has been prepared in accordance with International Financial Reporting Standards (IFRS). Adjusted NAV is shown after accruing for the performance fee (if any) and is calculated by taking the NAV per share calculated under IFRS and adjusting inter alia to include the properties owned by the Company at fair value rather than at the lower of cost and net realisable value. All properties in the Company's portfolio have been independently valued by Savills (Macau) Limited as at 31 March 2012.
- 2 Based on US\$/£ exchange rate of 1.601 and 1.554 as at 31 March 2012 and 31 December 2011 respectively.
- 3 Four individual One Central Residences units totalling US\$8.7 million were disposed of during the period. On a like-for-like basis, property portfolio value increased by 5% since 31 December 2011.

Operating Highlights

- Acquisition of a high-end residential asset – In April, MPO purchased a rare 8,236 square feet triplex apartment located in One Central Residences, Macau's most prestigious residential development. This US\$12 million investment gives the Company exposure to one of its favoured asset types - iconic, luxury residences which are in scarce supply in Macau. Adopting a buy-and-hold strategy, MPO's intention is to retain the unit in its existing condition and to divest the asset at an opportune time in the future.
- Bulk sale of One Central units completed - nine of out of ten post-dated transactions entered into a year earlier have now been successfully completed. The remaining buyer who was unable to complete the purchase forfeits a 10% deposit amounting to US\$263,000 to the Company. MPO has now received total proceeds of US\$18.7 million from the nine completed transactions, including all ten initial deposits, which will be used to prepay part of the One Central loan facility of US\$76 million.
- **The Waterside (luxury residential)** reached 75% occupancy in April, with latest achieved rents equating to an average net yield of 2.3%.
- Substructure work at **The Fountainside (low-density niche residential)** is well underway and the project is on track for completion by early 2013.
- Initial leasing interest for Zhuhai projects – **APAC Logistics Centre (warehousing/logistics)** and **Cove Residence (residential)**. The first development phase of **APAC Logistics Centre** is on track towards completion by mid-year while the construction of **Cove Residence** will also conclude imminently, with fit-out by year-end.
- The Company continues to progress negotiations on an attractive pipeline of sites totalling approximately US\$500 million in combined acquisition value.

Market overview

- A total of 2,350 homes worth US\$1 billion were sold in the first quarter of 2012. Real estate consultancy Savills expects full year residential transactions to fall 30% to 11,000 from 15,500 the year before due to tightening measures aimed at curbing speculative demand that came into effect in mid-2011. Further construction of public housing estates are likely to weigh down on prices of mid to low quality projects, whereas prices for luxury residential units are expected to continue their uptrend and see a further 5% growth this year.
- On the retail side, Midland Realty and Centaline expect rentals to grow by 10-25% in 2012, corresponding with Macau's expanding retail industry. Latest transactions suggested that rentals at Senado Square, Macau's prominent shopping belt, had increased 40% YoY to reach US\$17 per square foot per month. This bodes well for MPO's flagship retail development, Senado Square, which has benefited from its strategic location and ever-increasing demand for retail space.
- In China, residential property in 70 cities continued to dip for the sixth consecutive month in March 2012. However, China's burgeoning domestic retail economy - which expanded 17% in 2011 - continues to support the growth of international-standard logistics facilities which, due to their scarcity, are able to charge a premium of 30% to lower-tier facilities.
- Sands Cotai Central, to-date the most costly casino project in Macau at US\$4.5 billion, opened its first phase in April. Comprising almost 6,000 hotel rooms, the project will feature the largest hotel properties of global hospitality chains Sheraton, Conrad and Holiday Inn, 100,000 square feet of meeting and convention space and close to 100 retail boutiques when fully opened by 2013.
- In early May, Wynn Macau won the approval to build a 51-acre casino-resort on Cotai. Construction of this US\$3 billion mega-resort is scheduled to begin by mid-year and take four years to complete. The property will feature 500 gaming tables, 1,000 slot machines and 2,000 hotel rooms.
- The University of Macau forecast the local economy to register a GDP growth of 18% in 2012 (vs. 21% the year before). Visitor arrivals are expected to increase 10-15% to 32 million this year, while unemployment remains at an all-time low of 2%, with median wages currently standing at approximately US\$1,300 per month.

- Rapid infrastructure improvements within and surrounding Macau, especially Cotai and Hengqin, are set to deepen economic integration in the region. The new master plan for the Zhuhai Free Trade Zone, in particular, is a positive development for the area, including MPO's existing investments.

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About Macau Property Opportunities Fund

Macau Property Opportunities Fund Limited is a closed-end investment fund registered in Guernsey and listed on the London Stock Exchange Main Market.

Launched in 2006, the Company seeks to deliver long-term returns from the investment in and development of high quality properties located in Macau and the western region of China's Pearl River Delta. Its current \$350 million portfolio comprises a mix of strategically-positioned residential, retail and warehousing property assets.

The Fund is managed by Sniper Capital, an Asian-based property investment manager that provides highly focused Fund Management and Advisory Services.

www.mpofund.com

About Sniper Capital Limited

Founded in 2004, Sniper Capital Limited focuses on generating capital growth from property investment, development and redevelopment opportunities in niche and undervalued markets.

Today, Sniper Capital manages three funds, including Macau Property Opportunities Fund, with combined assets of over US\$400 million. With a team of over 30 professionals, Sniper Capital's expertise covers every aspect of the investment and development cycle, including research, site acquisition, project development, asset management, investor relations and finance.

www.snipercapital.com

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Stock Codes:

Bloomberg: MPO LN
Reuters: MPO.L

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