

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended immediately to seek your own personal financial advice from an appropriately qualified independent adviser authorised under the Financial Services and Markets Act 2000 (FSMA).

If you have sold or otherwise transferred all of your Shares in Macau Property Opportunities Fund Limited (the **Company**), please forward this document (but not the accompanying personalised Form of Proxy) as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be forwarded to or transmitted in or into the United States, Australia, Canada, Japan, New Zealand or the Republic of South Africa or into any other jurisdictions if to do so would constitute a violation of the relevant laws and regulations in such jurisdictions.

The Disposal described in this Circular is conditional on the approval of Shareholders. This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company, set out on pages 6 to 10 of this Circular, which contains the recommendation of the Directors for how Shareholders should vote in relation to the Resolution to be proposed at the General Meeting referred to below.

The definitions used in this document are set out on pages 30 to 32.

MACAU PROPERTY OPPORTUNITIES FUND LIMITED

(a non-cellular company limited by shares and incorporated and registered in the Island of Guernsey under The Companies (Guernsey) Law, 2008 (as amended) with registered number 44813 and authorised by the Guernsey Financial Services Commission as an authorised closed-ended collective investment scheme in accordance with the Authorised Closed-Ended Collective Investment Scheme Rules 2008)

Disposal of the Senado Square Project and Notice of General Meeting

Notice of a General Meeting of the Company that is to be held at Lefebvre Place, Lefebvre Street, St. Peter Port, Guernsey GY1 4HY at 12.00 p.m. on Monday, 19 March 2018 is set out at the end of this document. The Form of Proxy for use at the General Meeting accompanies this document and, to be valid, should be completed and returned in accordance with the instructions set out thereon as soon as possible but in any event so as to reach Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, not later than 12.00 p.m. on Thursday, 15 March 2018. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting, should they so wish.

Liberum Capital Limited (**Liberum**) is acting for the Company and no one else in connection with the Disposal. Liberum is not advising any other person or treating any other person as its client, including any recipient of this document, and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Liberum nor for providing advice in connection with the Disposal, the contents of this document and the accompanying documents or any other matter referred to herein or therein.

Your attention is drawn to the sections entitled “Risk factors” on page 11 and “Action to be taken” on page 10 of this document.

Forward-looking statements

This Circular contains (or may contain) statements that are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are based on current expectations and projections about future events and other matters that are not historical fact. These forward-looking statements are sometimes identified by the use of a date in the future or forward-looking terminology, including, but not limited to, the words “aim”, “anticipate”, “believe”, “intend”, “plan”, “estimate”, “expect”, “may”, “target”, “project”, “will”, “could” or “should” or, in each case, their negative or other variations or words of similar meaning. These forward-looking statements include matters that are not historical facts and include statements that reflect the Directors’ intentions, beliefs and current expectations. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future or are beyond the Company’s control. They are not guarantees of future performance and are based on one or more assumptions.

Statements contained in this Circular regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future.

Forward-looking statements contained in this Circular apply only as at the date of this Circular. Subject to any obligations under the Listing Rules and the Disclosure Guidance and Transparency Rules or any other applicable law or regulation, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

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EXPECTED TIMETABLE

Publication of this Circular	Wednesday, 28 February 2018
Latest time and date for receipt of the Form of Proxy or transmission of CREST Proxy Instructions for the General Meeting	12.00 p.m. on Thursday, 15 March 2018
General Meeting	12.00 p.m. on Monday, 19 March 2018
Announcement of results of General Meeting	Monday, 19 March 2018
Date of Completion of the Disposal	On or before Thursday, 29 March 2018

Each of the times and dates in the expected timetable may (where permitted by law) be extended or brought forward without further notice and in particular the dates relating to the Disposal are provisional only. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service. All references to times in this document are to London time.

DIRECTORS, MANAGER AND ADVISERS

Directors	Chris Russell (Chairman) Thomas Ashworth Alan Clifton Wilfred Woo The business address of the Directors is at the Company's registered office
Registered Office	Heritage Hall PO Box 225 Le Marchant Street St. Peter Port Guernsey GY1 4HY Tel: +1481 742742
Secretary and Administrator	Estera International Fund Managers (Guernsey) Limited Heritage Hall PO Box 225 Le Marchant Street St. Peter Port Guernsey GY1 4HY Tel: +1481 742742
Manager	Sniper Capital Limited Vistra Corporate Services Centre Wickhams Cay II Road Town, Tortola VG1110 British Virgin Islands
Sponsor	Liberum Capital Limited Level 12, Ropemaker Place 25 Ropemaker Street London EC2Y 9LY
Legal advisers to the Company as to English Law	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
Legal advisers to the Company as to Guernsey Law	Carey Olsen LLP Carey House Les Banques Guernsey GY1 4BZ
Legal advisers to the Company as to Macanese law	MdME Avenida da Praia Grande, 409 China Law Building, 21/F and 23/F A-B Macau
Reporting accountant	Ernst & Young LLP PO Box 9, Royal Chambers St. Julian's Avenue, St. Peter Port Guernsey GY1 4AF
Property Valuer	Savills (Macau) Limited Suite 1309-10 13/F Macau Landmark 555 Avenida da Amizade Macau

PART 1

LETTER FROM THE CHAIRMAN

Macau Property Opportunities Fund Limited

(a non-cellular company limited by shares and incorporated and registered in the Island of Guernsey under The Companies (Guernsey) Law, 2008 (as amended) with registered number 44813 and authorised by the Guernsey Financial Services Commission as an authorised closed-ended collective investment scheme in accordance with the Authorised Closed-Ended Collective Investment Scheme Rules 2008)

Directors:

Chris Russell (Chairman)
Thomas Ashworth
Alan Clifton
Wilfred Woo

Registered Office:

Heritage Hall
Le Marchant Street
St. Peter Port
Guernsey
GY1 4HY

28 February 2018

Proposed Disposal of Senado Square Project and Notice of General Meeting

Dear Shareholder

1. Introduction

Further to the announcement made on 3 February 2018, I am writing to you to give you further details of the conditional disposal of the Company's interests in the Senado Square Project (the **Disposal**) for a total consideration of HK\$800 million (c. US\$102.3 million) (the **Purchase Price**). The Purchase Price will be satisfied in cash. The Senado Square Project is held through a special purpose company within the Company's Group (the **Target Company**) and the sale will be effected through the sale of the entire issued share capital of the Target Company, along with certain Shareholder Loans.

The Purchase Price represents a premium of approximately 14 per cent. to the Senado Square Project's valuation of HK\$703 million (c. US\$89.9 million) as at 31 January 2018 and a gain of 541 per cent. over the acquisition cost of US\$16.0 million in October 2007. This translates to a return on investment of 469 per cent. and an internal rate of return (**IRR**) of 20 per cent. For the 12 month period ended 30 June 2017, no profits were attributed to the Senado Square Project given it is and remains a development asset.

The buyers are Ardent Success Limited and City Universe Limited (together, the **Buyer**).

Under the terms of a promissory agreement of assignment of shares and shareholder loans (**Promissory Transfer Agreement**), entered into by certain subsidiaries of the Company, the Group has received a deposit totalling HK\$15 million (c. US\$1.9 million) (the **Deposit**), representing c. 1.9 per cent. of the agreed Purchase Price, and will (subject to Shareholder approval at the General Meeting) receive a further HK\$785 million (c. US\$100.3 million), representing 98.1 per cent. of the agreed Purchase Price, on Completion of the Disposal, which is expected to occur on or before 29 March 2018 (subject to Shareholder approval of the Disposal having first been received).

HK\$80 million (c. US\$10.2 million), representing 10 per cent. of the agreed Purchase Price, will be pledged as a bank guarantee for a period of six months after Completion. This will be released to the Company thereafter, provided that no past debts, taxes or miscellaneous fees and payments arise during the six-month period.

This Circular provides you with more information concerning the Disposal, the terms of the Promissory Transfer Agreement and related documentation in connection with the Disposal, together with the Resolution of Shareholders necessary to effect the Disposal.

2. Background to and reasons for the Disposal

At the Company's annual general meeting in November 2016, Shareholders were asked to vote on whether the Company should be discontinued in the form it was originally constituted.

My letter in the 2016 Circular explained that after 24 months of decline:

“... the pace of Macau's economic slowdown is easing and the gaming industry, the driver of Macau's economy, is stabilising ... The extension of the Company's life will allow flexibility for the Company to take advantage of the expected recovery and afford the potential to realise the full value of its property portfolio rather than undertake a realisation of the Company's assets at potentially lower valuations in the event the life of the Company was not extended beyond 2016.”

Shareholders voted against the discontinuation in order to allow flexibility for the Manager to realise value from the Company's real estate portfolio. The Shareholders resolved at the meeting that, going forward, the Company would hold an annual vote as to whether to continue the Company (the first of which will take place in November 2018).

In the interests of realising value for Shareholders, the Manager has (both before and after the November 2016 vote) engaged with agents and held discussions with a number of parties which had expressed interest in acquiring some or all of the Company's real estate portfolio.

While the Company has had some success in disposing of smaller assets, particularly within the last 12 months, the divestment of higher-value assets has proven more challenging. Demand from mainland Chinese investors – previously key participants in the Macau market – has been subdued, largely due to tight scrutiny by China's central government of capital outflows and outbound property investment. Macau's own anti-speculation policies have also curbed investors' purchasing power.

My statement accompanying the annual report and accounts to 30 June 2017 commented:

“Today, Macau's prospects are looking much brighter. Gaming revenue has rebounded for 13 consecutive months, returning the economy to growth. In tandem, property values have begun to recover. ... Having navigated through the downturn, our overriding focus is now on realising asset values into the recovery. With this in mind, the Board is continuing to assess all forms of potential divestment options that might benefit shareholders.”

Since 30 June 2017 the economic recovery in Macau has continued. Gaming revenue increased by 19.1 per cent. for the year to 31 December 2017 and gross domestic product increased by 6.1 per cent. year on year for the third quarter of 2017. Looking ahead, Macau's economy should benefit in 2018 from the completion of some large infrastructure projects, most notably the 30 kilometre Hong Kong-Zhuhai-Macau bridge, the opening of two more large integrated casino resorts and Beijing's aim to assist Macau to diversify its economy and become a top-ranked tourist destination as expressed in the Chinese government's 13th Five-Year Plan. This should support the continued steady, if gradual, improvement in both sentiment and property prices which should facilitate further divestment of the Company's portfolio. Risks do however remain to Macau's recovery including the Chinese central government's ongoing efforts to curb outbound capital flows.

In accordance with the Company's accounting policies, the Senado Square Project is classified within Inventories in the Company's balance sheet for the period ended 30 June 2017. The Senado Square Project is carried at the lower of cost and net realisable value, which equated to US\$17.3 million. This is reflected in the pro forma statement of net assets set out in Part 4 of this Circular on page 18. The valuation of the property as at 30 June 2017 (the date of the last published audited numbers) was US\$84.8 million, and the valuation as at 31 January 2018 was US\$89.9 million. The better outlook for Macau's economy (as described in the paragraph above) has been the contributing factor that has led to the higher valuation as at 31 January 2018.

The total Purchase Price payable under the Disposal of the Senado Square Project represents an approximate 14 per cent. premium to the 31 January 2018 valuation, offering a significant premium to current valuation and to all previous offers. The offer also represents a gain on cost since October 2007 of 541 per cent. which translates to an IRR of 20 per cent. Having acquired the property in 2007, secured vacant possession, consolidated ownership, achieved architectural planning consents and now approaching

development stage, many of the development hurdles have been overcome and the Manager has already achieved much of the value creation for this project. A sale at this time will therefore capture the vast majority of the targeted IRR, while at the same time removing the development risk associated with completing the Senado Square Project.

Furthermore, the opportunity to realise cash on a large proportion of the Company's portfolio secures the financial position of the Company and its ability to negotiate further divestment from a position of strength, to repay debt and to return cash to Shareholders as soon as is reasonably practicable.

Due to size of the Disposal, the Disposal constitutes a Class 1 transaction for the purposes of the Listing Rules. Accordingly, as required by the Listing Rules, an ordinary resolution approving the Disposal will be proposed to Shareholders at the General Meeting and the Completion of the Disposal will be conditional on the passing of this Resolution. All Shareholders will be able to vote on this resolution.

A summary of certain possible risks associated with the Disposal is set out in Part 2 of this Circular. The proposed Resolution to approve the Disposal is set out in the Notice of General Meeting at the end of this document.

3. Information on the Senado Square Project and the Target Company

The Senado Square Project is the Company's flagship retail development, strategically located in the UNESCO-listed heritage district of downtown Macau. This redevelopment project is in the advanced planning phase and has been designed by internationally renowned architecture firm, Arquitectonica. The proposed contemporary, iconic design will have a gross floor area of 67,800 square feet of prime retail floor space and will, upon completion, offer a brand new shopping and dining experience catering to both locals and tourists. The Senado Square Project comprises a development site (excluding a basement level) situated at Travessa do Roquete N° 11, Rua da Se N°s 9 – 11 in Sé, Macau.

The real estate assets comprised in the Senado Square Project were valued at HK\$703 million (c. US\$89.9 million) as at 31 January 2018 and are held through the Target Company. As described above, the Disposal is structured as a share sale of the Target Company under the Promissory Transfer Agreement. The Target Company is a special purpose vehicle which has no activity other than holding the Group's interest in the Senado Square Project. In addition to acquiring the Target Company, the Buyer will also be assigned certain Shareholder Loans issued by subsidiaries of the Company to the Target Company.

Further information on the Senado Square Project and its valuation is set out in Part 3 of this Circular under "Property Valuation Report". The valuation as certified in the Property Valuation Report represents the value of the Company's interests in the Senado Square Project, which comprises twenty-four strata-title units, that made up of the entire residential building located at Travessa do Roquete no. 11 and Rua de Sé no. 9 to 11 in Macau, excluding the basement level.

4. Information on the Continuing Group

Once the Disposal has been completed, the Company will continue to hold real property assets. The Senado Square Project represented 19.9 per cent. of the Company's property portfolio gross assets as at 30 June 2017 and the anticipated effect of the Disposal on the Company's net asset position as at 30 June 2017 is set out in the pro forma statement of net assets in Part 4 of this Circular on page 18.

All potential divestment options for the remaining assets within the Continuing Group are continuing to be assessed with the goal of maximising exit values. Until such time, the Continuing Group will continue to operate in accordance with its Investment Policy and remain listed.

5. Summary of the Promissory Transfer Agreement and the Lock-up Agreement

In connection with the Disposal, the Sellers (being subsidiaries of the Company) have entered into the Promissory Transfer Agreement with the Buyer. Under the terms of the Promissory Transfer Agreement, the Company has agreed to sell (conditionally upon Shareholder approval having been received prior to 29 March 2018) the Senado Square Project through the transfer of the entire issued share capital of the

Target Company and the assignment of Shareholder Loans to the Buyer for the Purchase Price of HK\$800 million (c. US\$102.3 million).

The Purchase Price is payable in two components: the Deposit of HK\$15 million (c. US\$1.9 million) that was paid by the Buyer upon signing of the Promissory Transfer Agreement, with the balance of HK\$785 million (c. US\$100.3 million) being payable on Completion. Completion is conditional upon approval by Shareholders of the Resolution. The Company expects Completion to occur on or before 29 March 2018.

Other than the Shareholder Loans, the Buyer will acquire the Target Company free of external debt and third party contracts. Accordingly, the Group will be required to satisfy all outstanding principal and interest on third party financing held by the Target Company prior to Completion. As at the date of this Circular, the principal and interest outstanding are MOP\$121.54 million (c. US\$15.1 million) and MOP\$220,153 (US\$27,321), respectively.

The Group will be required to provide a bank guarantee for the amount of HK\$80 million (c. US\$10.2 million), representing 10 per cent. of the agreed Purchase Price, for a period of six months after Completion to cover any past debts, taxes or miscellaneous fees and payments arising during the six-month period. Upon expiry of the bank guarantee, the Company and one of its Macanese subsidiaries will jointly provide a corporate guarantee of HK\$20 million (c. US\$2.6 million) to insure the Buyer against pre-Completion debts, taxes or miscellaneous fees and payments for a further period of six months.

Under the terms of the Promissory Transfer Agreement, the Group is required to pay HK\$15 million (c. US\$1.9 million) compensation, in addition to the return of an amount equal to the Deposit paid, to the Buyer in accordance with local law and practice should the Group fail to comply with its contractual obligations (including as to completion of the Disposal). The Promissory Transfer Agreement also contains customary warranties and indemnities given by the Group in favour of the Buyer.

Pursuant to the Lock-up Agreement, the Group has also agreed not to sell or agree to sell the Senado Square Project and the Target Company to another purchaser within a period of 10 months from the Promissory Transfer Agreement date of 2 February 2018 (should the Disposal not proceed through the fault of the Group or if Shareholder approval for the Disposal is not obtained).

The principal terms of the Promissory Transfer Agreement are set out in Part 5 of this Circular.

6. Financial effects of the Disposal

If the Disposal is approved by Shareholders and Completion occurs, the Company expects to return cash to Shareholders in line with the Company's divestment strategy. Any return of such cash will be in the form that the Board considers to be most appropriate, subject to the retention of sufficient working capital for the Company's ongoing operation. Further details of the proposed return of sale proceeds will be announced in due course.

Information on the expected effect of the Disposal on the assets and liabilities of the Continuing Group is set out in the pro forma statement of net assets of the Continuing Group as at 30 June 2017 in Part 4 of this Circular.

7. Risk factors

The Directors have given consideration to the potential risks and uncertainties relating to the Disposal.

For a discussion of certain risk factors which Shareholders should take into account when considering whether to vote in favour of the Resolution, please refer to Part 2 of this Circular.

8. General Meeting

At the end of this Circular, you will find a Notice of General Meeting of the Company, convening a general meeting which is to be held at Lefebvre Place, Lefebvre Street, St. Peter Port, Guernsey GY1 4HY at 12.00 p.m. on Monday, 19 March 2018.

A summary of the action you should take is set out in the paragraph below and in the Form of Proxy that accompanies this Circular. The Resolution seeks the approval of Shareholders for the Disposal (as described in Part 5 of this Circular).

The full text of the Resolution to be proposed at the General Meeting is set out in the Notice of General Meeting at the end of this Circular. The Resolution will be proposed as an ordinary resolution and the passing of such Resolution requires a simple majority of the votes cast in person or by proxy.

Irrevocable undertakings to vote in favour of the Resolution have been received from Shareholders representing more than 50 per cent. of the Company's issued share capital as at 27 February 2018, being the latest practicable date prior to the publication of this Circular.

9. Action to be taken by Shareholders

If you are a Shareholder, you will find enclosed with this document a Form of Proxy for use at the General Meeting.

Whether or not you intend to be present at the General Meeting, please complete the Form of Proxy for the General Meeting in accordance with the instructions printed thereon and return it to the Registrar at the address indicated on the front page of this document, as soon as possible, **but in any event so as to arrive not later than forty-eight hours (excluding non-working days) before the time appointed for holding the General Meeting.**

The completion and return of a Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so.

10. Further information

Your attention is drawn to the further information set out in Parts 2 to 6 of this Circular. You should read the whole of this Circular and, in particular, the risk factors set out in Part 2, before deciding on the course of action you will take in respect of the Resolution.

11. Recommendation

The Board considers the Disposal to be in the best interests of the Company and Shareholders as a whole.

Accordingly, the Board recommends Shareholders vote in favour of the Resolution, as they intend to do in respect of their own beneficial holdings which, as at 27 February 2018, being the latest practicable date prior to the publication of this Circular, amount in aggregate to 13,485,164 Shares, representing approximately 17.64 per cent. of the Company's existing issued share capital.

Yours faithfully

Chris Russell
Chairman

PART 2

RISK FACTORS

Prior to voting on the Resolution, Shareholders should carefully consider the risk factors described in this Part 2. The risk factors below represent certain risks known to the Directors as at the date of this Circular which the Directors consider to be material and to relate to the Disposal, or that represent new or changed risks to the Company as a consequence of these matters. Shareholders should note that the risk factors set out below do not purport to comprise a complete list or explanation of all relevant risks which may affect the Company alone or in connection with the Disposal, and are not set out in any order of priority. If any or a combination of the events described below actually occurs, the business, results of operations, financial condition or prospects of the Company could be materially and adversely affected. In such case, the market price of the Shares could decline and Shareholders may lose all or part of their investment.

1. Risks associated with the Disposal

In addition to customary warranties and indemnities given by the Group in favour of the Buyer, the Promissory Transfer Agreement requires the Group to pay to the Buyer a compensatory amount equal to HK\$30 million (c. US\$3.8 million) in respect of a failure to perform its contractual obligations. The amount is equal to a return of the Deposit paid by the Buyer plus an additional HK\$15 million compensatory payment (c. US\$1.9 million). The Group's obligation to pay this compensation is without prejudice to any other remedies that the Buyer may have under applicable law, which may result in additional damages being payable. The Company and the Target Company are each required to guarantee the Sellers' obligation to pay any such compensation for a potentially unlimited period. Any liability to make a payment arising from a successful claim by the Buyer under the warranties and indemnities, or any liability to pay a compensatory amount, could have an adverse effect on the Continuing Group's financial condition and could reduce the amount of value available to be returned to Shareholders.

Under the Promissory Transfer Agreement, the Sellers are obliged to obtain a six-month bank guarantee issued by a Macau licensed bank in the amount of HK\$80 million (c. US\$10.2 million), being 10 per cent. of the Purchase Price, from Completion in respect of debts, taxes, fees or other outstanding amounts that are payable by the Target Company on or before Completion. A failure to obtain such a bank guarantee in the required amount may result in a breach of the Promissory Transfer Agreement. Further, the Company and another Macanese subsidiary of the Company are required to jointly guarantee the Target Company's obligations in respect of debts, taxes, fees or other outstanding amounts that are payable by the Target Company on or before Completion in the amount of HK\$20 million (c. US\$2.6 million) for a subsequent six-month period. Any liability arising from a successful claim by the Buyer under the guarantees could have a material adverse effect on the Group's financial condition and could reduce the amount of value available to be returned to Shareholders.

The Buyer may default on its obligations under the Promissory Transfer Agreement and, in particular, on its obligation to pay the Purchase Price. Although the Buyer has paid a Deposit to the Sellers which is non-refundable in the event of the Buyer's breach, at HK\$15 million (c. US\$1.9 million) the Deposit represents only 1.9 per cent. of the total Purchase Price. As a result, the Company may not receive the entire amount envisaged by the Promissory Transfer Agreement and/or it may be required to meet some or all of its accrued costs in respect of the Disposal in the event that it is aborted (which may exceed the amount of the Deposit retained). As a result, the value available to be returned to Shareholders could be materially reduced.

The majority of the Purchase Price will be payable by the Buyer on Completion, with such amount to be retained in an escrow account until registration of the transfer of the Target Company in the name of the Buyer. Any delay in such registration, or otherwise in the release of such escrowed amounts, could materially reduce the value available to be returned to Shareholders.

The US Dollar amount of the proceeds received by the Group from the Disposal will depend upon the exchange rate between the Hong Kong dollar and the US Dollar at the time that Completion occurs. If the US Dollar has strengthened against the Hong Kong dollar at the time of the Disposal then this will reduce the US Dollar amount of the proceeds received by the Group.

2. Risks associated with the Disposal not completing

Completion is contingent on the approval of the Disposal by the Shareholders at the General Meeting no later than 29 March 2018. Although the Directors believe that the Shareholder approval condition of the Promissory Transfer Agreement is capable of being satisfied (having received irrevocable undertakings from certain large shareholders to vote in favour of the Disposal), it is possible that Shareholder approval for the Disposal is not given, or that Shareholder approval may not be obtainable within a timescale acceptable to the parties. In the event that the Shareholder approval condition of the Promissory Transfer Agreement is not satisfied, the Disposal may not complete. Under such circumstances, the Company would be liable for certain costs relating to the Disposal without receiving the anticipated proceeds.

The Board believes that the Disposal is in the best interests of the Shareholders taken as a whole and that the Disposal currently provides the best opportunity to realise a certain value for Shareholders within a certain timeframe. If the Disposal does not complete, the Company may not be able to negotiate an alternative agreement for the sale of the Senado Square Project on terms comparable to those set out in the Promissory Transfer Agreement. Therefore, the realisable value available to be returned to Shareholders may be lower than what is expected to be realised from the Disposal and/or the realisable value may take longer to be returned to Shareholders if the Disposal does not proceed.

In the event that the Disposal does not proceed to Completion through the fault of the Group (including if Shareholders do not approve the Disposal), the Group has agreed with the Buyer pursuant to the Lock-up Agreement not to sell or enter into an agreement to sell the Senado Square Project or the Target Company to another purchaser within a period of 10 months beginning on 2 February 2018. If Completion does not occur, and the Group is restricted from selling the Senado Square Project, there is a risk that the property market and property values in Macau may deteriorate, which could have a material adverse effect on the Group's financial condition and the Group's ability to return value to Shareholders in the future.

3. Risks associated with the proposed return to Shareholders of the net proceeds of the Disposal

As stated in the Chairman's letter in Part 1 of this Circular, following the completion of the Disposal, the Company intends to return to Shareholders substantially all of the net proceeds of the Disposal subject to the retention of sufficient working capital for the Company's ongoing operation.

There can be no assurance as to the exact proportion of the sale proceeds ultimately returned to Shareholders or as to the timing of this exercise. Further, at this stage the method of returning such proceeds, the likely taxation effects on different types of Shareholders and whether such return will, as a matter of Guernsey law, require the approval of Shareholders at a subsequent extraordinary general meeting has not been determined.

PART 3
PROPERTY VALUATION REPORT

The Directors
Macau Property Opportunities Fund Limited
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Liberum Capital Limited
Level 12, Ropemaker Place
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EC2Y 9LY

28 February 2018

Dear Sirs,

RE: VALUATION OF A DEVELOPMENT SITE (EXCLUDING A BASEMENT LEVEL) SITUATED AT TRAVESSA DO ROQUETE, Nº 11, RUA DA SE NºS 9-11 IN SÉ, MACAU

1. Instructions

In accordance with our engagement letter dated 2 February 2018 with Macau Property Opportunities Fund Limited (“MPOF”) and Liberum Capital Limited (“Liberum”), we, Savills (Macau) Limited, Chartered Surveyors (“Savills”), confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Values (as defined below) of the freehold interests of the property as at 31 January 2018 that are held by MPOF.

2. Inspection

We have carried out an external inspection by our Senior Director, Ms. Cindy Liu on 14 February 2018. However, no site survey or soil test has been carried out to determine the soil conditions of the property and we have assumed the property is free from any site difficulties.

3. Compliance with Appraisal and Valuation Standards

We confirm that the valuation has been made in accordance with “RICS Valuation – Professional Standards (January 2014)” (the “Red Book”) published by Royal Institution of Chartered Surveyors and the HKIS Valuation Standards of The Hong Kong Institute of Surveyors (“HKIS”), which incorporates the International Valuation Standards (“IVS”).

4. Status of Valuer and Conflicts of Interest

We confirm that we have undertaken the valuation acting as External Valuers as defined in the Red Book, and are qualified for the purpose of the valuation.

We have held a fee earning relationship with MPOF since 2006 and currently value all of the properties of MPOF on a quarterly basis for accounting purposes and some of the properties annually for financing purposes.

5. Purpose of the Valuation Report

We understand that this letter and the Schedule (the "Valuation Report") is required for inclusion in a Class 1 Circular (the "Circular") to be issued to MPOF's shareholders which is to be published by MPOF today in connection with a proposed disposal of the property.

6. Basis of Valuation

Market Value

Our valuation is prepared on the basis of Market Value and in accordance with the "RICS Valuation – Professional Standards (January 2014)" in which Market Value is defined to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

In undertaking our valuation, we have applied the interpretive commentary which has been settled by the International Valuation Standards Committee of the RICS and which is included in PS 3.2 of the RICS Appraisal and Valuation Standards.

We have valued the property on the basis that it will be developed in accordance with the latest development proposal provided to us. We have assumed that all necessary approvals for the proposal have been obtained from the relevant government authorities without onerous conditions or restrictions. In arriving at our opinion of value, we have adopted the direct comparison method by making reference to the comparable transactions as available in the market and have taken into account the construction costs that will be expended to complete the developments to reflect the intended quality of the project.

7. Taxation and Costs

We have not allowed for any expenses or taxation which may be incurred in effecting a sale of any of the property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

8. Assumptions and Sources of Information

An Assumption is stated in the Glossary to the Red Book to be a "supposition taken to be true" ("Assumption"). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuation, we have made a number of Assumptions and have relied on certain sources of information. Where appropriate, MPOF has confirmed that our Assumptions are correct so far as they are aware. In the event that any of these Assumptions prove to be incorrect, then our valuation should be reviewed. The Assumptions we have made for the purposes of our valuations are referred to below:

Title

We have caused land searches to be made at the Conservatória do Registo Predial of Macau on the property. However, we have not searched the original documents to verify ownership or to ascertain the existence of any lease amendments which do not appear on the copies handed to us.

In undertaking our valuation, we have assumed that the property has good and marketable titles which are free from any encumbrances, charges, mortgages or outgoings that may materially affect its value.

Tenure

The property is held as private freehold land.

Condition of Structure and Services, Deleterious Materials and Plant and Machinery

No mining, geological or other investigations have been undertaken to certify that the site of the property with existing building is free from any defect as to foundations. We have assumed that the load bearing capacities of the grounds of the property is sufficient to support the building and no abnormal ground conditions are present which may affect the occupation, development or value of the property.

We have not carried out any investigation on site to determine the ground conditions and services for the property which is under development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses will be incurred during the development period.

We would emphasize that our Valuation Report does not provide any warranties on the conditions of any buildings, structures, services, foundations and the ground of the property.

Environmental Matters

We have not compiled or caused to compile any environmental reports in relation to the property nor have we been provided with any such reports from MPOF. In undertaking our valuation, we have assumed that there is no actual or potential contamination of the land and buildings of the property.

Areas

We have relied on the information given by MPOF on site and floor areas. Dimensions, measurements and areas included in the Valuation Report are based on such information.

Information

We have relied to a very considerable extent on information given by MPOF in relation to the letting, development proposal, incurred/estimated development costs and programme, interest attributable to the property and other relevant matters in relation to our valuation.

We have assumed that all information supplied to us in respect of the property is full and correct.

9. Valuation

Unless otherwise stated, all amounts are stated in Hong Kong Dollars (“HK\$”).

We are of the opinion that the Market Value as at 31 January 2018 of the freehold interest in the property attributable to MPOF, subject to the Assumptions and comments in this Valuation Report, was HK\$703,000,000 (Hong Kong Dollars Seven Hundred and Three Million).

10. No material change

We confirm that in our opinion, there has been no material change in the Market Value of the property from 31 January 2018 to the date of this Valuation Report.

11. Confidentiality and Disclosure

This Valuation Report is made for the use of MPOF and Liberum for the purposes as specified herein. Any reference to our valuation or Valuation Report or any disclosure or publication of the Valuation Report or any part thereof requires our written approval and consent.

12. Confirmation

We confirm that, as at the date of this letter:

- (1) we do not have any shareholding in MPOF or any of its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of MPOF;
- (2) we do not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of MPOF or are proposed to be acquired or disposed of by or leased to any member of MPOF; and
- (3) we are not (and do not intend to be) a director, officer or employee of MPOF. However, MPOF may in the future retain Savills as a professional advisor.

13. Consent

We hereby give our consent for the purposes of the inclusion of this Valuation Report and the references to our name, in the form and context in which they appear, in the Circular. We are responsible for this letter as part of the Circular and declare that we have taken all reasonable care to ensure that the information contained in this letter is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Yours faithfully

For and on behalf of

Savills (Macau) Limited

Franco P L Liu

BSc (Hons), MRICS, MHKIS, RPS, MCIREA

Chartered Surveyor

Managing Director

Valuation and Professional Services

Notes:

1. Mr. Franco P L Liu is a professional surveyor who has over 21 years' experience in the valuation of properties in Hong Kong, Macau and mainland China and has sufficient knowledge of the relevant market, the skills and understanding to handle the subject valuation exercise competently.
2. Prior to the subject valuation exercise, we had been involved in valuation of the subject property for accounting and financing purposes in the past two years.

Schedule to the Valuation Report

<i>No.</i>	<i>Address</i>	<i>Description and Tenure</i>	<i>Occupational Tenancies</i>	<i>Market Value as at 31 January 2018</i>
1.	A Development site (excluding a basement level) situated at Travessa do Roquete N° 11, Rua da Se N°s 9 – 11 in Sé, Macau	<p>The property comprises a development site (excluding a basement level) currently registered with strata-title units BR/C to GR/C, H1 to M1, N2 to S2, T3 to Y3 of a 4-storey tenement building of unknown age.</p> <p>It has a site area of approximately 948 sq m (10,204 sq ft).</p> <p>The property is held as private land.</p>	Vacant	HK\$703,000,000

PART 4

PRO FORMA STATEMENT OF NET ASSETS

PART A: UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE CONTINUING GROUP

The unaudited pro forma statement of net assets of the Continuing Group set out below (the **Pro Forma Financial Information**) has been prepared to illustrate the effect of the Disposal of the Target Company on the net assets of the Group as if it had taken place as at 30 June 2017.

The Pro Forma Financial Information has been prepared in a manner consistent with the accounting policies adopted in the Group's audited financial statements for the year ended 30 June 2017 on the basis set out in the notes below and in accordance with Annex II items 1 to 6 of the Prospectus Rules as applied by Listing Rule 13.3.3R.

The Pro Forma Financial Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and, therefore, does not represent the Continuing Group's actual financial position or results. Ernst & Young LLP's report on the Pro Forma Financial Information is set out below in Part B of this Part 4.

Unaudited pro forma net assets of the Continuing Group as at 30 June 2017

	<i>Net assets of the Group at 30 June 2017 (Note 1) US\$'000</i>	<i>Adjustments</i>		<i>Unaudited pro forma net assets of the Continuing Group at 30 June 2017 US\$'000</i>
		<i>Target Company (Note 2) US\$'000</i>	<i>Transaction Adjustments (Note 3) US\$'000</i>	
ASSETS				
Non-current assets				
Investment property	241,193	–	–	241,193
Deposits with lenders	3,107	–	–	3,107
Trade and other receivables	111	–	–	111
	<u>244,411</u>	<u>–</u>	<u>–</u>	<u>244,411</u>
Current assets				
Inventories	63,994	(17,322)	–	46,672
Trade and other receivables	1,688	(3)	–	1,685
Deposits with lenders	205	–	10,226	10,431
Financial assets at fair value through profit or loss – interest rate swap	21	–	–	21
Cash and cash equivalents	13,093	(7,689)	82,764	88,168
	<u>79,001</u>	<u>(25,014)</u>	<u>92,990</u>	<u>146,977</u>
Total assets	<u>323,412</u>	<u>(25,014)</u>	<u>92,990</u>	<u>391,388</u>
LIABILITIES				
Non-current liabilities				
Deferred taxation provision	17,003	–	–	17,003
Taxation provision	2,260	–	–	2,260
Interest-bearing loans	153,775	(25,014)	9,899	138,660
	<u>173,038</u>	<u>(25,014)</u>	<u>9,899</u>	<u>157,923</u>
Current liabilities				
Trade and other payables	1,941	(4,874)	4,722	1,789
Interest-bearing loans	19,617	–	–	19,617
Financial liabilities at fair value through profit or loss – interest rate swap	30	–	–	30
	<u>21,588</u>	<u>(4,874)</u>	<u>4,722</u>	<u>21,436</u>
Total liabilities	<u>194,626</u>	<u>(29,888)</u>	<u>14,621</u>	<u>179,359</u>
Net assets	<u>128,786</u>	<u>4,874</u>	<u>78,369</u>	<u>212,029</u>
Net Asset Value per share (US\$)	<u>1.69</u>	<u>0.06</u>	<u>1.03</u>	<u>2.78</u>
Adjusted Net Asset Value per share (US\$)	<u>3.26</u>	<u>(0.82)</u>	<u>1.03</u>	<u>3.47</u>

Notes

- The net assets of the Group have been extracted, without material adjustment, from the audited financial statements of the Group for the year ended 30 June 2017.
- The net assets of the Target Company have been extracted from the consolidation schedules of the Group as at 30 June 2017. All amounts have been translated at the US Dollar/Hong Kong dollar exchange rate of 7.8070 as at 30 June 2017.
- Transaction adjustments include the write-off of shareholder's loans and the interest accrued thereon due from the Target Company; the repayment of third party bank loans and working capital balances and the receipt of the sales proceeds net of transaction costs.

Shareholder's loans due to the Continuing Group from the Target Company in the amount of US\$9,899,000 and a further US\$4,722,000 for accrued interest will be assigned to the Buyer as part of the Disposal, as such upon Completion, these balances

will be written-off to the Income Statement at Group level and classified as a cost of disposal. Due to the intercompany nature of these loans, these adjustments are shown under liabilities as interest-bearing loans and trade and other payables respectively.

Under the Promissory Transfer Agreement, the Group is required to provide a bank guarantee of HK\$80 million (c. US\$10.2 million) for a period of six months after Completion. The Group is required to pledge its cash deposit for the equivalent amount to obtain such bank guarantee. Accordingly, US\$10.2 million of the sales proceeds has been classified as "Deposits with lenders" under current assets.

The cash impact of the Disposal is as follows:

	<i>US\$'000</i>	<i>US\$'000</i>
Gross proceeds		102,257
Transaction costs		(1,693)
Cash pledged with banks for bank guarantee facility		(10,226)
Settlement of accounts payable and interest payable on third party bank loan before Formal Agreement of Transfer		(149)
Repayment of bank loan before Formal Agreement of Transfer:		
– Bank loan principal amount	(15,114)	
– Cash in Target Company	7,689	
	<u> </u>	
Net cash payable by Continuing Group to settle bank loan before Formal Agreement of Transfer:		<u>(7,425)</u>
Total		<u><u>82,764</u></u>

Gross Proceeds, Cash pledged with banks for bank guarantee facility and certain transaction costs denominated in Hong Kong dollars have been translated at the US Dollar/Hong Kong dollar exchange rate of 7.8234 as at 26 February 2018.

4. Under the terms of the Promissory Transfer Agreement, the Group is required to pay HK\$15 million (c. US\$1.9 million) compensation, in addition to the return of an amount equal to the Deposit paid, to the Buyer in accordance with local law and practice should the Group fail to comply with its contractual obligations (including as to completion of the Disposal). No adjustment has been made in the Pro Forma Financial Information to provide for such amounts.
5. No account has been taken of actual changes in the net assets or the performance of the Group since 30 June 2017.

PART B: ACCOUNTANT'S REPORT ON THE PRO FORMA FINANCIAL INFORMATION



The Directors
Macau Property Opportunities Fund Limited
Heritage Hall
P.O. Box 225
Le Marchant Street
St. Peter Port
Guernsey
GY1 4HY

28 February 2018

Dear Sirs

We report on the pro forma Net Assets (the “Pro Forma Financial Information”) set out in Part 4 of the Class 1 Circular (“the Circular”), dated 28 February 2018, which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the sale of the Target Company might have affected the financial information presented on the basis of the accounting policies adopted by Macau Property Opportunities Fund Limited in preparing the financial statements for the year ended 30 June 2017. This report is required by Listing Rule 13.3.3R and is given for the purpose of complying with that rule and for no other purpose.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to ordinary shareholders as a result of the inclusion of this report in the Circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R (6), consenting to its inclusion in the Circular.

Responsibilities

It is the responsibility of the directors of Macau Property Opportunities Fund Limited (the “Directors”) to prepare the Pro Forma Financial Information in accordance with Listing Rule 13.3.3R. It is our responsibility to form an opinion, as required by Listing Rule 13.3.3R as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors of Macau Property Opportunities Fund Limited.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of Macau Property Opportunities Fund Limited.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of Macau Property Opportunities Fund Limited.

Yours faithfully

Ernst & Young LLP

PART 5

PRINCIPAL TERMS OF THE PROMISSORY TRANSFER AGREEMENT

1. Structure of the Disposal and the Purchase Price

- 1.1 The Promissory Transfer Agreement involves the proposed sale of the entire issued share capital in the Target Company, which is the special purpose vehicle through which the Group's interest in the Senado Square Project is held. The Target Company has no other business except holding the Senado Square Project property. The Target Company's shares are currently held in equal proportions by MPOF (Taipa) Limited and MPOF (Penha) Limited (together, the **Sellers**). The Sellers are ultimately owned by the Company and will remain part of the Continuing Group after Completion of the Disposal. The Promissory Transfer Agreement is governed by Macanese law.
- 1.2 In addition, certain Shareholder Loans provided by the Sellers to the Target Company will be assigned to the Buyer in accordance with the Promissory Transfer Agreement.
- 1.3 The Purchase Price for the transfer of the entire issued share capital of the Target Company and the assignment of the Shareholder Loans is HK\$800 million (c. US\$102.3 million).
- 1.4 The Buyer is required to pay the Purchase Price as follows:
 - (a) HK\$15 million (c. US\$1.9 million) Deposit payable to the Sellers upon signing of the conditional Promissory Transfer Agreement (which occurred on 2 February 2018); and
 - (b) HK\$785 million (c. US\$100.3 million), being the balance of the Purchase Price, payable into an escrow account upon Completion to remain held in escrow until registration of the transfer of the Target Company to the Buyer completed.
- 1.5 If the Buyer fails to complete the Promissory Transfer Agreement, the Buyer will forfeit the Deposit which shall be retained by the Group.

2. Condition to the Disposal

- 2.1 The Disposal and payment of the Purchase Price (other than the Deposit) by the Buyer are conditional upon the Company having obtained approval from the requisite majority of its Shareholders pursuant to the Resolution set out in the Notice of General Meeting prior to 29 March 2018 (the **Condition**). If the Condition is not satisfied (i.e. Shareholders do not vote in favour of the Resolution), the Sellers will be required to refund the Deposit to the Buyer in addition to paying a compensatory amount equal to HK\$15 million (c. US\$1.9 million) to the Buyer. Neither the Sellers nor the Buyer will be entitled to any further compensation, indemnification or penalty if the Condition is not satisfied.
- 2.2 Pending Completion:
 - (a) the Buyer is entitled to receive copies of all letters and documents between the Target Company and all third parties (including the Macau government) and the Buyer's consent is to be obtained before any letters are sent by the Target Company;
 - (b) the Buyer is entitled (at its own cost) to instruct the architect involved in the Senado Square Project to revise the current construction plan to reflect the Buyer's comments and submit the revised plan to the relevant government department;
 - (c) the Group will be responsible for pre-Completion liabilities of the Target Company;
 - (d) the Group will be required to satisfy all outstanding principal and interest on third party financing held by the Target Company prior to Completion. As at the date of this Circular, the principal and interest outstanding are MOP\$121.54 million (c. US\$15.1 million) and MOP\$220,153 (US\$27,321), respectively. Other than the Shareholder Loans, the Buyer will acquire the Target Company free of third party debt; and
 - (e) the Group will be required to terminate existing third party contracts and powers of attorney to which the Target Company is a party.

3. Guarantees and payments on default

- 3.1 The Group is required to provide a bank guarantee of HK\$80 million (c. US\$10.2 million), representing 10 per cent. of the Purchase Price, for a period of six months after Completion. The Group may be required to pledge its cash deposit to obtain such bank guarantee. This will be released to the Group thereafter, provided that no past debts, taxes or miscellaneous fees and payments arising during the six-month period.
- 3.2 Upon the expiry of the bank guarantee, the Company and one of its Macanese subsidiaries will jointly provide a corporate guarantee of HK\$20 million (c. US\$2.6 million) to insure the buyer against the same items in paragraph 3.1 above for a further period of six months.
- 3.3 Under the terms of the Promissory Transfer Agreement, the Company is required to pay HK\$15 million (US\$1.9 million) compensation, in addition to the return of an amount equal to the Deposit paid, to the Buyer in accordance with local law and practice should the Group fail to comply with its contractual obligations (including as to Completion). The Target Company is also required to guarantee the Sellers' obligation to pay compensatory amount until such time as the Buyer is registered as shareholders of the Target Company.

4. Warranties

- 4.1 The Buyer has provided customary warranties in favour of the Sellers in relation to capacity and authorisation.
- 4.2 The Sellers have provided a number of customary warranties and indemnities in favour of the Buyer, including in relation to capacity and authorisation, title to the assets being sold, the nature and operation of the Target Company and its third party financing and contracts. These warranties and indemnities are not subject to financial limitations and are also subject to general civil liability provisions in Macanese law applicable to parties to contractual arrangements. The Group may be required to pay compensation for any breaches, in an addition to any other remedies available at law.
- 4.3 The Sellers will further warrant to the Buyer on Completion that certain pre-Completion obligations have been satisfied.

5. Lock-up Agreement

If the Disposal does not proceed through the fault of the Group (which includes Shareholders not approving the Disposal), the Group has separately agreed pursuant to the Lock-up Agreement with the Buyer not to sell, or agree to sell, the Senado Square Project or the Target Company to another purchaser within a period of 10 months commencing on the date of the Promissory Transfer Agreement (i.e. 2 February 2018).

6. Completion

Completion of the Promissory Transfer Agreement, to occur by way of an execution of a formal transfer of shares in the Target Company and a formal assignment of the Shareholders Loans, is scheduled to occur on or before 29 March 2018, subject to the Condition having first been fulfilled. The Purchase Price will be released to the Sellers from escrow upon registration of the Buyer as the sole shareholder of the Target Company.

7. Costs

The Continuing Group is responsible for costs relating to the Senado Square Project up until Completion, which are supported by the bank and corporate guarantees described above.

Each of the parties is responsible for its respective advisory costs incurred in relation to the negotiation, preparation and completion of the Promissory Transfer Agreement and the other related and ancillary documents. The Buyer is liable for payment of all stamp duty, registration fees, notarisation fees and other expenses and taxes relating to the Disposal.

The proposed Resolution to approve the Disposal is set out in the Notice of General Meeting at the end of this document. A summary of certain possible risks associated with the Disposal is set out in Part 2 of this Circular.

A copy of the Promissory Transfer Agreement may be inspected at the registered office of the Company, Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Circular up to and including the date of the General Meeting and at the place of the General Meeting for at least 15 minutes before and during the General Meeting.

PART 6

ADDITIONAL INFORMATION

1. Responsibility statement

The Company and the Directors, whose names appear on page 5, accept responsibility for the information contained in this Circular. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

- 2.1 Macau Property Opportunities Fund Limited was incorporated and registered in Guernsey under the Law on 18 May 2006 with registered number 44813. The registered office of the Company and the business address of all of the Directors is Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY.
- 2.2 As at the date of this document, the Company's issued share capital consisted of 76,432,964 Shares of US\$0.01 each. There are no warrants or options to subscribe for Shares.
- 2.3 No Shares are currently held in treasury.

3. Directors interests and significant shareholdings

- 3.1 The names of the Directors are set out on page 5 of this document.
- 3.2 As at the close of business on 27 February 2018 (being the latest practicable date prior to the publication of this Circular), the interests of each Director and their connected persons (all of which are beneficial unless otherwise stated) in the share capital of the Company as notified to the Company in accordance with Article 19 of the Market Abuse Regulation were as follows:

	<i>Number of Shares</i>	<i>% of the issued share capital</i>
Chris Russell	252,548	0.33
Thomas Ashworth*	13,132,616	17.18
Alan Clifton	100,000	0.13
Wilfred Woo	0	0

* These shares are held by SIL, a private company in which Thomas Ashworth and Martin Tacon have a beneficial interest.

- 3.3 Save as disclosed above and in paragraph 3.4 below, no Director has any interest in the share capital or loan capital of the Company or any of its subsidiaries nor does any person connected with the Directors (within the meaning of section 252 of the Companies Act 2006) have any such interests, whether beneficial or non-beneficial.
- 3.4 As at 27 February 2018 (being the latest practicable date prior to the publication of this Circular), the total number of voting rights attributable to the issued share capital of the Company was 76,432,964 and (other than the Directors) insofar as is known to the Company the following persons held, directly or indirectly, 5 per cent. or more of the voting rights attributable to the issued share capital of the Company.

	<i>Number of Shares</i>	<i>% of the issued share capital</i>
Sniper Investments Limited	13,132,616	17.18
Lazard Asset Management LLC	12,016,761	15.72
Universities Superannuation Scheme	10,500,000	13.74
Invesco Asset Management	4,044,071	5.29

- 3.5 The Company is not aware of any person who exercises, or could exercise, directly or indirectly, jointly or severally, control over the Company.

4. Material contracts – Management Agreement (as amended with Shareholder approval on 14 November 2016)

Under the terms of the Management Agreement (as most recently amended with Shareholder approval on 14 November 2016), Sniper Capital Limited was appointed by the Board of Directors of the Company as Manager to the Group on 23 May 2006.

4.1 Management fee

The Manager is paid quarterly in advance, a fee of 2.0 per cent. of the net asset value, as adjusted to reflect the Property Valuation Basis. On 26 March 2015, an amendment was made to the Management Agreement relating to the definition of net asset value on which the management fee is calculated. The definition of net asset value changed to include an ‘add-back’ of deferred taxation to the Adjusted NAV (as defined in the Management Agreement), subject to a claw-back provision, as the Directors are of the opinion that such a liability will not be payable by the Group in the future.

4.2 Performance fee

In addition, the Manager is entitled to a performance fee in certain circumstances. Currently, this fee is payable by reference to the increase in Adjusted NAV per Share over the course of each calculation period. The first calculation period ended on 30 June 2007; each subsequent performance period is a period of one financial year.

Payment of the performance fee is subject to:

- (a) the achievement of a performance hurdle condition: Adjusted NAV per Share at the end of the relevant performance period must exceed an amount equal to the US Dollar equivalent of the Placing Price increased at a rate of 10 per cent. per annum on a compounding basis up to the end of the relevant performance period (the **Performance Hurdle**);
- (b) the achievement of a ‘high watermark’: Adjusted NAV per Share at the end of the relevant performance period must be higher than the highest previously reported Adjusted NAV per Share at the end of a performance period in relation to which a performance fee, if any, was last earned; and
- (c) accumulated distributions per Share to Shareholders must exceed the high watermark in paragraph (b) above.

If the above criteria are satisfied, the performance fee will be an amount equal to 20 per cent. of the excess of the Adjusted NAV per Share at the end of the relevant performance period over the higher of: (i) the Performance Hurdle; (ii) the Adjusted NAV per Share at the start of the relevant performance period; and (iii) the high watermark (in each case on a per Share basis), multiplied by the time weighted average of the number of Shares in issue in the performance period (or since admission in the first performance period) (together, if applicable, with an amount equal to the VAT thereon).

The Manager is responsible for the payment of all fees to the Investment Adviser.

4.3 Indemnity

The Manager has the benefit of an indemnity from the Company in relation to liabilities incurred by the Manager in the discharge of its duties other than those arising by reason of any fraud, willful default or gross negligence on the part of the Manager.

4.4 Termination

The Management Agreement shall be terminable by either the Company or the Manager giving not less than 12 months’ written notice to the other.

The Company may terminate the Management Agreement with immediate effect, if either or both of the Principals is removed from their position of full-time employment with the Manager or ceases to be

available for any reason beyond the Manager's reasonable control and the Manager fails, within three months (or six months in the case of one only) of such event, to cause to be made available the services of a competent replacement(s) of equivalent skill and experience.

The Management Agreement may also be terminated with immediate effect by either the Manager or the Company if the other party has gone into liquidation, administration or receivership or has committed a material breach of the Management Agreement.

5. Other material contracts

Other than the Management Agreement, the Promissory Transfer Agreement and the Lock-up Agreement, summaries of which are set out in this Circular, there are no other:

- (a) material contracts, other than contracts entered into in the ordinary course of business, to which the Company, the Target Company or any other member of the Group is a party, that have been entered into in the two years immediately preceding the date of this Circular; or
- (b) contracts, not being a contract entered into in the ordinary course of business, entered into by any member of the Group which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Group as at the date of this document.

6. Related parties

- 6.1 The Manager is a "related party" for the purposes of the Listing Rules. The Manager and the Company are party to the Management Agreement described at paragraph 4 of this Part 6 of the Circular. In addition, an associate of the Manager, SIL, is also a related party for the purposes of the Listing Rules because it is both an associate (as defined by the Listing Rules) of the Manager and a substantial shareholder (as defined by the Listing Rules) of the Company.
- 6.2 Thomas Ashworth (a Director of the Company) is also a director of the Manager and holds a beneficial interest in each of the Related Parties.
- 6.3 As at 27 February 2018, the Related Parties were interested, directly and indirectly, in 13,132,616 Shares or 17.18 per cent. of the issued share capital of the Company.
- 6.4 Save as disclosed above, neither the Company nor any member of the Group has entered into any related party transactions with any related party during the period beginning 30 June 2017 up to the date of this Circular.

7. Litigation

- 7.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) nor have there been any during the twelve months preceding the date of this Circular which may have, or have had in the recent past, significant effects on the Continuing Group's financial position or profitability.
- 7.2 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) nor have there been any during the twelve months preceding the date of this Circular which may have, or have had in the recent past, significant effects on the Target Company's financial position or profitability.

8. Significant change

- 8.1 There has been no significant change in the financial or trading position of the Continuing Group since 30 June 2017, being the date to which the Company's latest audited financial information has been published.
- 8.2 There has been no significant change in the value of the Senado Square Project since 31 January 2018, being the effective valuation date as set out in the Property Valuation Report.

9. Foreign exchange

Except as otherwise states herein, the exchange rates used in this document are HK\$1=US\$0.12782 and MOP\$1=US\$0.1241 at the close of trading on 26 February 2018 as published by Bloomberg.

10. Consents

10.1 Liberum, which has advised the Board, has given and not withdrawn its consent to the issue of this document with the inclusion of its name and references to it in this document in the form and context in which they are included. In providing its advice to the Board, Liberum is acting in its capacity as Sponsor under the Listing Rules.

10.2 Savills (Macau) Limited, which has advised the Board, has given and not withdrawn its consent to the issue of this document with the inclusion of its name and references to it in this document in the form and context in which they are included.

10.3 Ernst & Young LLP has given and not withdrawn its consent to the inclusion of its report on the Pro Forma Financial Information, the inclusion of its name and references to it in this document in the form and context in which they are included.

11. Documents available for inspection

Copies of the following documents may be inspected at the registered office of the Company, Heritage Hall, Le Marchant Street, St. Peter Port, Guernsey during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this Circular up to and including the date of the General Meeting and at the place of the General Meeting for at least 15 minutes before and during the General Meeting:

- the Articles and memorandum of incorporation of the Company;
- the Promissory Transfer Agreement;
- the Property Valuation Report;
- the written consents referred to in paragraph 10 above; and
- this Circular.

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

2016 Circular	the circular to Shareholders dated 12 October 2016
Articles	the articles of incorporation of the Company, as amended
Board or Directors	the directors of the Company
Business Day	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London and Guernsey for the transaction of normal business
Buyer	Ardent Success Limited and City Universe Limited
certificated or in certificated form	not in uncertificated form
Circular	this document
Company	Macau Property Opportunities Fund Limited
Completion	completion of the Disposal pursuant to the Promissory Transfer Agreement and any related agreements or arrangements contemplated by the Promissory Transfer Agreement
Continuing Group	the Company, its subsidiaries and subsidiary undertakings, excluding the Target Company
CREST	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
CREST Manual	the compendium of documents entitled the “CREST Manual” issued by Euroclear from time to time
CREST Proxy Instruction	a CREST message properly authenticated in accordance with Euroclear’s specifications and containing the information required for such instructions as described in the CREST Manual
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
Disposal	the proposed disposal by the Group of the Senado Square Project through the sale of the Target Company and the assignment of the Shareholder Loans on the terms and subject to the conditions of the Promissory Transfer Agreement and any related agreements or arrangements contemplated by the Promissory Transfer Agreement
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
FCA	the Financial Conduct Authority of the United Kingdom including any replacement or substitute therefor, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
Form of Proxy	the form of proxy accompanying this document for use by Shareholders in relation to voting at the General Meeting
FSMA	the Financial Services and Markets Act 2000, as amended from time to time

General Meeting	the extraordinary general meeting of the Company convened for 12.00 p.m. on Monday, 19 March 2018 at Lefebvre Place, Lefebvre Street, St. Peter Port, Guernsey (or any adjournment thereof)
Group	the Company, its subsidiaries and subsidiary undertakings and, in respect of any time following Completion, the Continuing Group
HK\$	Hong Kong dollars
Investment Adviser	Sniper Capital (Macau) Limited
Investment Policy	the investment policy of the Company
Law	The Companies (Guernsey) Law 2008 (as amended)
Liberum	Liberum Capital Limited
Listing Rules	the Listing Rules made by the FCA under section 73A of FSMA
Lock-up Agreement	the lock-up agreement entered into between the Sellers and the Buyer dated 2 February 2018, further details of which are set out in Part 5 of this Circular
London Stock Exchange	London Stock Exchange plc
Management Agreement	the management agreement between the Company and the Manager (as amended on 14 November 2016)
Manager	Sniper Capital Limited
member account ID	the identification code or number attached to any member account in CREST
MOP\$	Macanese pataca
NAV	net asset value
Notice of General Meeting	the notice of the General Meeting set out at the end of this document
Official List	the Official List of the UK Listing Authority
Ordinary Shares or Shares	the ordinary shares of US\$0.01 each in the capital of the Company
Pro Forma Financial Information	the unaudited pro forma statement of net assets of the Continuing Group set out in Part 4 of this Circular
Promissory Transfer Agreement	the promissory agreement of assignment of shares and shareholders' loans entered into between the Sellers and the Buyer in respect of the Disposal dated 2 February 2018, further details of which are set out in Part 5 of this Circular
Property Valuation Basis	the basis on which the Group's property portfolio will be valued by an independent valuer, this being on an open market basis in accordance with prevailing RICS property valuation practice and guidelines for investment and development properties from time to time
Property Valuation Report	the valuation report prepared by the Property Valuer relating to the Senado Square Project held by the Target Company as set out in Part 3 of this Circular

Property Valuer	Savills (Macau) Limited
Purchase Price	has the meaning given to it in paragraph 1 of Part 1 of this Circular
Register	the register of members of the Company
Registrar	Link Market Services (Guernsey) Limited
Regulatory Information Service	one of the service providers listed in Appendix 3 of the Listing Rules
Related Parties	the Manager and SIL
Resolution	the resolution relating to the Disposal and set out in the Notice of General Meeting at the end of this Circular
Sellers	MPOF (Taipa) Limited and MPOF (Penha) Limited
Senado Square Project or Project	the Company's "Senado Square" retail redevelopment project in Macau described on page 8 of this Circular
SIL	Sniper Investments Limited
Shareholder Loans	the existing shareholder loans from members of the Continuing Group to the Target Company which will be transferred to, and assumed by, the Buyer under the Promissory Transfer Agreement
Shareholders	the holders of the Shares
Target Company	Macau (Site 1) Limited
UK	the United Kingdom of Great Britain and Northern Ireland
UK Listing Authority	the FCA, in its capacity as the United Kingdom Listing Authority
uncertificated or in uncertificated form	recorded in the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
UNESCO	the United Nations Educational, Scientific and Cultural Organization
United States	the United States of America, its territories, possessions, any state of the United States of America, and the District of Columbia
US\$ or US Dollars	United States dollars

NOTICE OF GENERAL MEETING

MACAU PROPERTY OPPORTUNITIES FUND LIMITED

(a non-cellular company limited by shares and incorporated and registered in the Island of Guernsey under The Companies (Guernsey) Law, 2008 (as amended) with registered number 44813 and authorised by the Guernsey Financial Services Commission as an authorised closed-ended collective investment scheme in accordance with the Authorised Closed-Ended Collective Investment Scheme Rules 2008)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the **Meeting**) of Macau Property Opportunities Fund (the **Company**) will be held at Lefebvre Place, Lefebvre Street, St. Peter Port, Guernsey at 12.00 p.m. on Monday, 19 March 2018 for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

1. **THAT**, the proposed sale by the Group of the Target Company and the Shareholder Loans (each term as defined in the circular to shareholders of the Company dated 28 February 2018 (the **Circular**)) on the terms and subject to the conditions of the Promissory Transfer Agreement (a summary of which is set out in Part 5 of the Circular), and the associated and ancillary agreements and arrangements contemplated by the Promissory Transfer Agreement, be approved and that any and all of the Directors (or any duly constituted committee thereof) be authorised to:
 - (a) take all steps as may be necessary, expedient or desirable and do all necessary or appropriate things in relation thereto; and
 - (b) implement the same and agree and make non-material modifications, variations, revisions or amendments in relation to the foregoing as they may in their absolute discretion deem necessary, expedient or desirable.

For the purpose of the above Resolution, capitalised terms shall have the same meanings set out in the Circular.

By Order of the Board,

Estera International Fund Managers
(Guernsey) Limited
Company Secretary

Registered office:

Heritage Hall, Le Marchant Street
St. Peter Port, Guernsey GY1 4HY

28 February 2018

Notes:

These notes should be read in conjunction with the notes on the reverse of the proxy form.

1. A member is entitled to attend and vote at the General Meeting provided that all calls due from him in respect of his shares have been paid. A member is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. The proxy need not be a member of the Company.
2. Pursuant to Article 18.7 of the Articles, a resolution put to the vote shall be decided on a show of hands or by a poll at the option of the Chairman.
3. A form of proxy is enclosed with this notice. To be effective, the instrument appointing a proxy (together with any power of attorney or other authority under which it is executed or a duly certified copy of such power) must be sent to Link Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, no later than 12.00 p.m. on Thursday, 15 March 2018, or not less than 48 hours (excluding non-working days) before the time for holding any adjourned meeting, as the case may be. A corporation may execute a proxy under its common seal or by the hand of a duly authorised officer or other agent. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting.
4. The quorum for the General Meeting is at least two shareholders present in person or by proxy.
5. The Resolution is proposed as an ordinary resolution and will be passed if approved by a simple majority. The ordinary resolution will be passed at the meeting on a show of hands if they are approved by a simple majority of the members voting in person or by proxy. The ordinary resolution, if passed on a poll taken at the General Meeting will be passed if approved by members representing a simple majority of the total voting rights of members voting in person or by proxy.
6. In accordance with the Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009 and Article 19.5 of the Articles, only those members entered in the Register of Members of the Company at close of business on Thursday, 15 March 2018 shall be entitled to attend or vote at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to the CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to an instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) not less than 48 hours (excluding nonworking days) before the time of the holding of the General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instruction to proxies appointed through CREST should be communicated to the appointee through other means. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsor member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure the message is transmitted by means of the CREST system by any particular time. In this connection CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.
8. The Register of Directors' Interests kept by the Company shall be available for inspection at the Registered Office of the Company by any member between the hours of 10.00 a.m. and 12.00 noon on any Business Day for a period of 14 days before and ending 3 days after the General Meeting. The Register of Directors' Interests shall be produced at the commencement of the General Meeting and shall remain open and accessible during the continuance of the General Meeting to any person attending such meeting.

