
ANNOUNCEMENT

7 October 2019

MPO Announces 2019 Annual Results

Macau Property Opportunities Fund Limited announces its results for the year ended 30 June 2019. The Company, which is managed by Sniper Capital Limited, holds strategic property investments in Macau.

Financial Highlights

Fund performance

- MPO's portfolio value¹ declined 7.7% over the year to US\$311.1 million.
- Adjusted NAV was US\$174.9 million, equating to US\$2.83 (223 pence²) per share, a 17.0% decrease year-on-year (YoY).
- IFRS NAV was US\$131.1 million or US\$2.12 (167 pence²) per share, a 23.7% decrease YoY.

1 Calculation was adjusted to reflect like-for-like comparisons to 30 June 2018 due to the divestment of properties during the year.

2 Based on the Dollar/Sterling exchange rate of 1.270 on 30 June 2019.

Capital management

- Consolidated cash balance (including deposits with lenders) as at 30 June 2019 was US\$28.8 million.
- Overall gross borrowings stood at US\$147.9 million translating to a loan-to-value ratio of 43.5%.
- Subsequent to the year end, the Manager has secured a forty-two basis point reduction in the interest margin for *The Waterside* and One Central Residences individual units loan facility, which represented 78% of MPO's total debt as at 30 June 2019.
- The Board is in advanced discussions with the Administrator and the Manager about moderating the Company's operating costs, including their respective fee levels. Further information will be circulated to shareholders with the notice of the AGM.
- Following the disposal of *Senado Square* in early 2018, approximately US\$50.5 million was distributed in July 2018 to shareholders, by way of a compulsory redemption of shares.

Portfolio Highlights

- The Company is working towards a substantial divestment of MPO's remaining assets on acceptable terms by the end of 2020, and returning capital to shareholders as soon as possible.
- *The Waterside*
 - Occupancy stood at 55%, down from c.70% a year earlier, but as at end September 2019 had recovered to 64%.
 - The average monthly rent was US\$2.8 per square foot, up 1% YoY.
 - The Company continues to work towards an en-bloc divestment and is in discussions with a number of interested parties.
 - A programme of strata sales of all units will be seriously considered if these discussions are deemed not to be progressing on terms acceptable to the Board.
- *The Fountainside*
 - The Company has applied to the authorities to reconfigure the six largest units as 12 smaller, more marketable residences, and has received architectural approval in May. A full submission was submitted in September, for which approval is expected in H1 2020.
 - During the year, three car parking spaces and six motorcycle parking spaces were sold.
 - Subsequent to the year end, one residential unit, five motorcycle parking spaces and one car parking space have been disposed of.
 - The Board has approved an incentives package to attract potential buyers and offered attractive commission packages to motivate agents.
- *Estrada da Penha*
 - Renovation works have been undertaken in response to feedback from prospective buyers.
 - The Company has formulated bespoke divestment structures catering to the various requirements of potential purchasers, and continues to work closely with its local and regional network to promote the asset.
 - The Board is open to offers that are close to the property's valuation.
 - The Company recently extended a US\$9 million term loan, for a further two years on improved terms.

Mark Huntley, Chairman of Macau Property Opportunities Fund, said:

“The past year has unquestionably been challenging. We are also aware of the Company's time constraints and the expectations of our shareholders. We remain determined and pragmatic in our approach and have full confidence that the Manager can complete the divestment process.

“In the meantime, we are carefully conserving our resources by continuing to proactively lower our cost base wherever possible.”

For more information, please visit www.mpofund.com for the Company's full Annual Report 2019.

The Manager will be available to speak to analysts and the media. If you would like to arrange a call, please contact Investor Relations of Sniper Capital Limited at info@snipercapital.com.

About Macau Property Opportunities Fund

Premium listed on the London Stock Exchange, [Macau Property Opportunities Fund Limited](#) is a closed-end investment company registered in Guernsey and is the only quoted property fund dedicated to investing in Macau, the world's largest gaming market and the only city in China where gaming is legalised.

Launched in 2006, the Company targets strategic property investment and development opportunities in Macau. Its current portfolio comprises prime residential property assets.

The Company is managed by [Sniper Capital Limited](#), an Asia-based property investment manager with an established track record in fund management and investment advisory.

Stock Code:

London Stock Exchange: MPO

LEI:

213800NOAO11OWIMLR72

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