

ANNOUNCEMENT

06 October 2022

MPO Announces 2022 Annual Results

Macau Property Opportunities Fund Limited announces its results for the year ended 30 June 2022. The Company, which is managed by Sniper Capital Limited, holds strategic property investments in Macau.

FINANCIAL HIGHLIGHTS

Fund performance

- MPO's portfolio value¹ declined 8.3% over the year to US\$242 million.
- Adjusted NAV was US\$103.4 million, which translates to US\$1.67 (138 pence²) per share, a 19.7% decrease year-on-year (YoY).
- IFRS NAV was US\$77.6 million or US\$1.25 (104 pence²) per share, a 20.8% decrease YoY.

Capital management

- As at 30 June 2022, MPO's balance sheet held assets worth a total of US\$220million, against combined liabilities of US\$142.5 million.
- The Company ended the financial year with a consolidated cash balance (including deposits with lenders) of US\$3.8 million.
- As at 30 June 2022, gross borrowing stood at US\$131 million, which translates to a loan-to-value ratio of 53.3%.

¹ Calculation was adjusted to reflect like-for-like comparisons to 30 June 2022 due to the divestment of properties during the year.

² Based on the Dollar/Sterling exchange rate of 1.212 on 30 June 2022.

PORTFOLIO HIGHLIGHTS

- The Waterside
 - The divestment strategy for The Waterside was pivoted in H1 2022 with the commencement of strata sales to a select range of motivated buyers.
 - This strategy led to the successful initial sale of four targeted units — one simplex and three standard apartments — in Q2 2022. The combined transaction value of US\$14.4 million represented an overall discount of 6.8% to a valuation of the units conducted by Savills as at 30 June 2022, with the proceeds earmarked primarily for debt reduction.

- Subsequently, a further contracted sale of an apartment at The Waterside has been secured, with completion scheduled for November 2022.
- Occupancy maintained at 30% as a year ago, despite an extremely shallow leasing market. The average rental was US\$2.2 per square foot per month, down 4% YoY. Leasing decisions are carefully balanced against strata sales targets.
- The Fountainside
 - During the financial year, the two duplexes at the property have been reconfigured as three smaller units and two car-parking spaces, for which on-site works were completed in Q3. Occupancy permits are expected by the end of 2022, clearing the way for sales.
 - For the four villas, sales efforts remain hindered by Macau's entry controls and COVID quarantine requirements, which have limited the number of in-person site visits.
- Penha Heights
 - The Company continues with the sales and marketing push with specialist property agents from Q4 2020.
 - Despite weak market sentiment, six viewings have been conducted since the beginning of 2022, with several parties progressing to various stages of due diligence.

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

“The financial year can best be described as one of exceptional challenges associated primarily with Macau’s continued response to COVID-19 which was in lockstep with that in China. Border restrictions, together with a major lockdown in June, have severely affected our planned divestments of assets compounded by a worsening economic environment in Macau.”

“The successful implementation of a strata sales programme for The Waterside, which delivered the sale of four of 59 units and a further contacted sale of another unit due to complete in November 2022, is therefore a notable achievement in difficult conditions.”

“The outlook in the near term remains challenging with COVID-19 policies continuing to impact the economy in Macau and investors’ sentiment and their willingness to make substantial investments such as property purchases. The Manager continues to work actively on delivery of further sales of each of our assets. Marketing has now actively recommenced following the end of the lockdown in Macau and we continue to vigorously implement our divestment strategy against this difficult backdrop.”

For more information, please visit <http://www.mpofund.com> for the Company’s full Annual Report 2022.

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 legal.

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

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