

# ANNOUNCEMENT

26 June 2024

## Changes to Investment Management Agreement

As announced on 21 December 2023, following approval of the continuation of the Company at the AGM, the Board has been in discussions with Sniper Capital Limited, the Company's Investment Manager ("Sniper" or the "Manager"), to reach agreement on the investment management fee arrangements going forwards.

During the course of 2023 as Macau transitioned away from the strict COVID-19 restrictions imposed by the Chinese government, the economy gained momentum, driven by strong gaming revenues and increased visitor numbers. Despite this broadly positive backdrop, the property market - especially the higher-end luxury segment - was slower to respond as favourably as other areas of the economy, as a degree of caution remained. Accordingly, while progress with disposals was made during the year, the Board deemed it necessary to extend the management arrangements with Sniper whilst repositioning the fees payable to incentivise the Manager to achieve substantial sales during 2024. The Board's view remains unchanged that the Manager's knowledge of the Company's portfolio of assets and the Macau market is key to the successful delivery of the divestment strategy.

The Board has agreed to amend the terms of the Investment Management Agreement (the "Agreement") with the Manager, with effect (retrospectively) from 1 January 2024 as follows:

- From 1 January 2024 and continuing during the remainder of calendar year 2024, a management fee of US\$100,000 per month will continue to be payable to the Manager, with the realisation fee continuing on the same terms as in 2023 and using the 30 September 2019 valuation basis for determining the realisation fee hurdle.
- Fees continue to be subject to an overall cap per annum set at 4.99% of the lower of market capitalisation and net asset value (the "Cap"). This is based on the market capitalisation on the day immediately prior to signing the amendment agreement in respect of calendar year 2024 and will be reset for each of the following years based on the market capitalisation or net asset value (as applicable) at close of business on the last business day of the previous calendar year. The Cap for 2024 is accordingly set at US\$1,439,816.
- At the option of the Board, the monthly management fee may be reduced to US\$80,000 per month in respect of any monthly period beginning on or after 1 January 2025, with one month's advance notice given to the Manager.
- For calendar year 2025 and thereafter, the realisation fee hurdle will be rebased by reference to the carrying value of the Company's portfolio of assets as at 31 December 2024 (if available), but subject to divestment hurdles being reached in 2024, in line with an agreed divestment plan.
- For calendar year 2025 and thereafter, the realisation fee will be 2.5% of the net realisation proceeds if the sale price achieved is greater than 90% of the carrying value, with the removal of the 80% - 90% performance hurdle band.

The Agreement (as amended) will continue throughout the divestment period, but with effect from 1 January 2025, the notice period to terminate the Agreement by each party will be reduced to 3 months.

The Board considers the arrangements to be fair given the context of the continued challenging property market seen during 2023. They are intended to ensure that the Manager is able to continue to operate and remains incentivised to deliver realisations on behalf of the Company and its shareholders. The changes to the fee arrangements constitute a smaller related party transaction under the Listing Rules, and the Company has obtained written confirmation from its Sponsor that the terms are fair and reasonable insofar as the Company's shareholders are concerned.

The Board would like to thank shareholders for their continued support and patience with regard to the Company's realisation strategy, and recognition of the inherent value in the Company's portfolio of assets.

#### ***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 leading 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**

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