



 Macau Property Opportunities Fund

INVESTOR UPDATE

H2/2024

The Company made further progress with divestments, despite ongoing challenges in the property sector. Notably, two villas at *The Fountainside* were sold, along with five additional units at *The Waterside*. These transactions brought total gross sales proceeds to c.US\$93 million since the divestment programme began in mid-2022. The Company allocated up to 85% of the sales proceeds to debt reduction, reducing its overall loan-to-value ratio to 49.4%.

KEY DATA

Inception Date

5 June 2006

Exchange

London Stock Exchange

Domicile

Guernsey

Market Capitalisation

£15.5 million

Portfolio Valuation

US\$135.9 million¹

+0.8% (vs 30 June 2024)

Adjusted NAV

US\$64.4 million¹

Adjusted NAV per share

US\$1.04¹/83p²

-2.6% (vs 30 June 2024)

Share price

25p

-29.8% (vs 30 June 2024)

Discount to Adjusted NAV

70%

63% (as at 30 June 2024)

Cash Balance

US\$3.3 million¹

Total Debt

US\$69.2 million¹

Loan-to-Value Ratio

49.7%¹

¹ As at 30 September 2024.

² Based on a US\$/£ exchange rate of 1.256 as at 31 December 2024.

All other data are as at 31 December 2024.

 Fireworks show at Nam Van lake in celebration of the 25th anniversary of the establishment of the Macao Special Administrative Region

MANAGED BY

 Sniper Capital

Portfolio

The Waterside

The Company sold a further five units at *The Waterside* in H2 2024 for a total gross value of US\$11.5 million. A total of 32 units out of a total of 59 have now been sold since the divestment programme began in mid-2022, for a total gross value of US\$89.6 million. Although the leasing programme at *The Waterside* has been terminated to facilitate sales, some of the remaining 27 units continue to be leased for shorter terms. At the end of 2024, the occupancy rate for the remaining units was approximately 52% of the gross floor area.

The Fountainside

Two villas together with car-parking spaces at *The Fountainside* were sold in H2 2024. These were sold on an individual basis after the Manager was unable to progress discussions with an en-bloc buyer. Further details about the sales will be presented in the Company's forthcoming interim results.

Two remaining villas and three reconfigured apartments and two car-parking spaces now remain available for sale. Bureaucratic challenges have arisen relating to approvals for the newly built parking spaces, which has affected the divestment of these units. The Company continues to deploy numerous sales and marketing strategies to divest the remaining assets.

A total of 32 units out of a total of 59 have now been sold since the divestment programme began in mid-2022.

Penha Heights

Investor interest in this trophy home had been hampered by the Covid-19 pandemic and remains affected by the prevailing higher interest rate environment and weakness in China's economy. To expand its appeal to potential purchasers who currently remain on the sidelines, the Company has engaged a firm of specialist Hong Kong real estate agents to market the property to ultra-high-net-worth individuals in the region. In addition, the Company continues to explore marketing

The real estate sector is beginning to benefit from the government's removal of anti-speculation measures in early 2024.

avenues to showcase the property to a select group of potential purchasers.

Property

Macau's real estate sector is beginning to benefit, albeit slowly, from the government's removal of anti-speculation measures in early 2024 that had dampened demand in the territory's residential property market for more than a decade. The broader residential market concluded the first three quarters of 2024 with a transaction volume of 2,496 units, representing a 6% year-on-year (YoY) increase.

The luxury residential market outperformed the overall market, with 163 sales involving apartments of more than 150 square metres recorded during the first three quarters of 2024, an overall increase of 38% YoY, albeit from a low base. However, the number of transactions began to decline between Q2 and Q3, with an overall 10% drop in activity between the two quarters. The market also saw a 7% decline in the average transaction price over the same period and, despite a subsequent improvement in transaction volumes, prices continued on a downward trajectory to hit a nine-year low.

Despite three interest rate cuts by the Monetary Authority of Macao in 2024, new approvals for bank loans to purchase residential and commercial properties saw declines, with residential mortgage approvals dropping by 57% month on month to October, suggesting that potential purchasers were still sitting on the sidelines.

The Chinese government has introduced a number of significant stimulus measures to support GDP growth and the country's real estate sector. These measures have started to have a visible impact on the residential property sector in tier-1 cities in mainland China, but potential investors in Macau have remained cautious and have continued to take a "wait and see" attitude.

Macau

Economy

During the first nine months of 2024, Macau's GDP expanded by 11.5% to approximately 86% of 2019's figure. In Q3 2024, the territory's GDP rose by 4.7% YoY to 87.3% of Q3 2019's reading. This represents a continued growth trajectory through 2024 to an expected GDP growth rate of 10.6% for the full year, bringing the economy close to 93% of its 2019 pre-pandemic size of approximately around US\$52 billion.

However, the recovery remains uneven, with tourism and gaming leading the rebound, but other sectors lagging behind. Many local enterprises are performing poorly as they face stiff competition from businesses in nearby cities such as Zhuhai, hampering their growth prospects.

The appointment of Macau's new chief executive, Sam Hou Fai, who took office on 20 December with Chinese President Xi Jinping attending, is regarded as a positive development for the territory. The change of leadership raises the possibility of further economic support for Macau.

It is too early to assess extensively the impact on Macau of the recent US presidential election. However, Macau's prospects remain firmly focused on mainland China, where the outlook is potentially looking more positive in the months ahead.

Tourism and gaming

Macau's visitor arrivals for 2024 showed strong growth in the second half of 2024, surging past the 30 million threshold for the first time since the pandemic. Total visitor arrivals for full-year 2024 reached more than 34 million, 24% higher than in 2023 and 88% of their volume in 2019. For full-year

2023, Macau recorded a total of around 28 million visitor arrivals. The territory also showed remarkable progress in attracting international visitors, growing that segment by 75% YoY to approximately 76% of 2019's pre-pandemic level.

The gaming sector continued its strong performance in the second half of 2024, with gross gaming revenue (GGR) reaching US\$28.39 billion for full-year 2024, a 24% increase YoY that equated to around 78% of pre-pandemic GGR in 2019.

Outlook

While Macau's economic outlook remains positive with the tourism and gaming sectors expected to maintain their strong performance and GDP growth forecasted at 5% for 2025, any meaningful benefits to the property market have yet to materialise.

Property industry professionals in Macau have urged the government to take further steps to stimulate the real estate sector. They propose expanding the "residency through investment" programme to include property investments as qualifying investments. This would align with measures introduced in Hong Kong in late 2024 to revitalise its property market by encouraging foreign investment.

The Company remains committed to its divestment programme, focusing on meeting debt repayment schedules and returning capital to shareholders. A clear strategy for 2025, including property-specific tactics, has been established. The Board sincerely thanks shareholders for voting to extend the Company's life for another year at the Annual General Meeting on 20 December 2024.

The Company's Interim Results are due to be published in late February.



The living room of *The Waterside's* remaining duplex with contemporary design



FURTHER INFORMATION

Investor Relations
Sniper Capital Limited
Tel: +853 2870 5151
info@snipercapital.com
www.snipercapital.com

Corporate Broker
Panmure Liberum
Darren Vickers / Owen Matthews
Tel: +44 20 3100 2222

Company Secretary and Administrator
Ocorian Administration (Guernsey) Limited
Kevin Smith
Tel: +44 14 8174 2742

Stock Code
London Stock Exchange: MPO

LEI:
213800NOAO11OWIMLR72

About The Company

As a member of the Equity Shares in Commercial Companies ("ESCC") segment of 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.

About Sniper Capital Limited

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.

This document does not constitute, and may not be used for, an offer or an invitation to any person in any jurisdiction to acquire shares. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published in whole or in part, for any purpose. This document shall not be distributed in any jurisdiction where such distribution would be unlawful and until the requirements of such jurisdiction have been satisfied. In particular, this document or any copy thereof shall not be taken, sent or transmitted into the United States, Republic of South Africa, Australia, Canada or Japan, or distributed, directly or indirectly, in the United States, Republic of South Africa, Australia, Canada or Japan, or to any persons residing in such jurisdictions. This document may only be communicated to, and is only directed at persons falling within Article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) or otherwise as permitted. Macau Property Opportunities Fund Limited is a Guernsey-incorporated company whose shares have been admitted to trading on the Main Market of the London Stock Exchange.