Macau Property Opportunities Fund

Interim Report for the six-month period ended 31 December 2024

Macau Property Opportunities Fund ("MPO", or the "Company") is a closed-end investment fund and the only London listed company dedicated to investing in real estate in Macau, the world's largest gaming market, and the only Chinese city in which gaming is permitted.

Historically the Company has held multi-segment property assets in Macau and Zhuhai. It has been in divestment mode since 2018. Its current portfolio comprises prime residential assets in Macau fair valued at US$126 million, which are being progressively divested.

MPO is managed by Sniper Capital Limited, an Asia-based property investment manager with a strong track record in fund management and investment advisory.

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Chairman's Message

I present my Chairman's report for the first six months of the current financial year to 31st December 2024.

While Macau's economy continues to demonstrate recovery driven by its two economic motors – gaming and tourism – the real estate market is subdued with conditions remaining challenging. Small and medium-sized enterprises (SMEs), retail, and some elements of hospitality, also continue to display weakness. Similar effects have been observed in other jurisdictions that adopted a total lockdown response to COVID-19. However, as Macau is particularly reliant on its primary economic drivers, the effects on the wider population and economy can be obscured by overall GDP statistics. Nevertheless, unemployment has fallen, which should support the economy in what is now expected to be an extended U-shaped recovery rather than the more rapid return to a post-COVID economy that had been previously forecast.

The spectre of the ongoing weakness in the Chinese real estate market continues to loom large, casting a pall over investment sentiment in Macau's property sector. The uncertainty emanating from the mainland has undoubtedly contributed to a cautious approach among investors. While President Xi Jinping's recent visit to Macau for the 25th anniversary of the establishment of the SAR briefly sparked hopes for additional policy support from the Macau government, building on the previously relaxed anti-speculation measures, no concrete announcements have materialised to date. This lack of immediate follow-through leaves the market in a state of anticipation, tempering enthusiasm and delaying potential investment decisions.

During the reporting period, the real estate market experienced the continuing effects of the previously announced relaxation of the restrictive measures placed on real estate assets and associated lending by the Macau government. These measures had been holding back a return to growth in the property sector. While these changes were welcome and long overdue, prices and transactions were impacted by the enforced sale of unsold primary inventory by developers. What was anticipated to be a brief period in which developers sold inventory at a discount to pay down bank debt became a more prolonged factor, as developers pursued sales at significant discounts to their previous market valuations. This phenomenon has, in turn, affected wider market valuations, bringing levels to a nine-year low and presenting significant challenges in achieving our plans regarding the pricing and timing of the sale of our own portfolio.

Against the backdrop of market-driven factors and the economic imbalances described above, the Manager continued to implement our investment strategy. This has successfully delivered further sales, which has led to a reduction in debt levels and the restoration of working capital balances. Towards the end of the period, sales velocity slowed in response to concerns over U.S. interest rates, which influence rates in Macau, the impact of the U.S. elections – including post-election messaging from the Trump administration – and trade-related tariffs targeted at China. An additional challenge for prospective purchasers of our properties has been the difficulty in securing debt finance, as banks have cooled their appetite for increasing their real estate exposures.

In terms of our divestment delivery, it is pleasing to report the sale of two of the four villas at *The Fountainside*. Previous attempts to achieve an en-bloc sale of all the villas were unsuccessful, primarily because prospective purchasers were unable to raise the necessary finance. The shift to selling the villas individually was always going to take time, but we successfully sold the middle two properties, along with their car parks. The remaining corner villas are more attractive due to their better views and location, and we expect to achieve improved pricing compared to those already sold. The ongoing process to obtain the necessary approvals to enable the sale of the reconfigured units is continuing. The Manager is focused on achieving an outcome amid what remains a very frustrating delay, especially given the better demand for properties at this pricing point.

Progress at The *Waterside* continues, with five additional units sold, bringing the total to 32 out of 59 units. Our approach has been to manage the sales process so that the higher floors, which have a greater proportionate value, are sold towards the end of the programme whenever possible. We also observed an improvement in pricing towards the end of the period, though sales velocity slowed due to the aforementioned economic factors, as well as the combined effects of the Christmas and New Year period and the Lunar New Year holiday. This makes it more challenging to ascertain the extent to which we can maintain our pricing targets, as we anticipate a gradual U-shaped recovery offset by the timing of our debt repayment obligations.

Of the remaining Waterside units, over half are leased on a short-term basis. While the overall leasing programme has been terminated, there are prospective purchasers interested in properties with established rental income. This, combined with the income generated to meet ongoing costs, has allowed us to optimise returns during the ongoing sales process.

Active marketing of *Penha Heights* recommenced in the final quarter of 2024, resulting in new inquiries. In parallel, the Manager has negotiated with high-end retailers for opportunities to utilise the property for events targeted at ultra-high-net-worth individuals, subtly increasing the property's exposure to wealthy prospects in the region. Consequently, the building presents very well, with upgrades financed by these third-party short-term tenants. We continue to share the Manager's view that the sales process will require a degree of patience and focused tactical marketing to achieve a successful divestment of this unique offering in the Macau luxury property space.

Our clear focus is on near term reduction of debt through active divestment, thereby also lowering debt servicing costs which continue to weigh on returns. The detailed debt position is explained further in the Manager's Report and is outlined in Note 6 to the Interim Condensed Consolidated Financial Statements. Gross borrowing at the period end fell to US$65 million (from US$82.8 million on 30 June 2024). The loan-to-value ratio, accounting for fair-valued inventories and cash, improved to 50.9% from 52.5% as of 30 June 2024.

The Board and the Manager remain very focused on managing the Company's debt obligations, particularly the December 2024 outstanding amount and upcoming March instalment obligations. The Manager has been active in promoting sales while maintaining an open dialogue with our lenders for *The Waterside* and *Penha Heights* relating to the repayment of loans and exploring potential loan extensions. The aim is to align repayment terms with current market conditions.

The Company, via the Manager, is seeking a loan extension for Penha Heights to facilitate a strategic disposal of the property. Simultaneously, it is in regular discussions with the lender for *The Waterside* to reschedule the March instalment obligations. The Company made significant loan repayments of HK$141.3 million (US$17.7 million) in the second half of 2024. Subsequent to the period end, debt of HK$1 million (US$0.1 million) has been repaid and a further HK$20.7 million (US$2.7 million) from the completion of sales will be allocated to March instalment obligations.

As of 31 December 2024, the Company's unaudited adjusted net asset value (NAV) was US$57.0 million, equivalent to US$0.92 (73 pence*) per share, representing a decline of 13.8% over the period.

The Company's shares closed at 25.0 pence at the end of the reporting period, a decline of 29.8% over the six-month period. The share price discount to adjusted NAV increased to 66% as of 31 December 2024, from 58% over the six-month period. Trading volumes were generally very low, and the share price remains closely monitored. Given the present focus on debt repayment, we are unable to implement any buyback or similar programme to close the current discount. We continue to believe that the best outcome for shareholders will be to deliver a positive return of capital from the portfolio through the completion of the divestment programme.

At the Annual General Meeting, shareholders voted to continue the life of the Company for a further year. The Board and the Manager deeply appreciate the strong level of support for our recommended continuation. We remain firmly committed to the orderly and successful divestment of the remaining assets and the distribution of capital.

Looking forward in 2025, Macau has the opportunity to continue rebuilding, with the prospect of new leadership aiding that process. Geo-political tensions, which are currently a focus particularly as they relate to China, will continue to be a significant factor. The latest White House announcement regarding US investment restrictions, which relate to China and both Hong Kong and Macau, will do nothing to ease these concerns. It is too early to assess the full impact of these measures as they could relate to our business. The direction of interest rates is another imponderable.

We remain mindful of the comparable high quality of our portfolio and that continued judgment and careful management of the divestment programme is necessary to deliver returns in conditions where we see the near-term effects of enforced sales and associated discounts. Keeping our focus on the clear objectives that have been set out will be key to successfully delivering the returns to which we are all totally committed.

Manager's Report

INTRODUCTION

Despite Macau's economic recovery, primarily driven by its two key sectors – tourism and gaming – the property market has continued to face significant challenges. The second half of 2024 proved particularly tough for the sector. While Macau's economy grew by an impressive 11.5% during the first three quarters of 2024, property prices hit a nine-year low in November. Although the government introduced several policy measures aimed at stimulating the market, investor sentiment remained subdued, primarily due to the continuing higher interest rate environment and the weak economic situation in mainland China. Consequently, property sales activity was largely driven by developers offloading inventory at heavily discounted prices.

In this challenging environment, the Company has made notable progress on its divestment strategy. Two villas at *The Fountainside* and five units at *The Waterside* were sold. Although the market presents challenges, the Company is actively working towards meeting its sales targets, and while discussions with lenders are ongoing, with a focus on optimising repayment terms. The Company remains committed to executing its sales strategy and is dedicated to maximising value for shareholders while ensuring financial stability.

FINANCIAL OVERVIEW

	31 December 2024	30 June 2024
NAV (IFRS) (US$ million)	**44.9**	46.4
NAV per share (IFRS) (US$)	**0.73**	0.75
Adjusted NAV (US$ million)	**57**	66.1
Adjusted NAV per share (US$)	**0.92**	1.07
Adjusted NAV per share (pence)[1]	**73**	85
Share price (pence)	**25**	35.6
Share price discount to Adjusted NAV per share (%)	**66**	58
Portfolio valuation (US$ million)	**126**	152.7
Loan-to-value ratio (%)	**50.9**	52.5

1 Based on the following US dollar/sterling exchange rates: 1.256 on 31 December 2024 and 1.265 on 30 June 2024.

FINANCIAL REVIEW

Half-year financial results

The fair value of the Company's portfolio, which comprises three main assets, was US$126 million as at 31 December 2024. On a like-for-like comparison, adjusting for units sold during the six-month period, the valuation has declined by 2.4%.

Adjusted Net Asset Value (NAV) was US$57 million, which translates to US$0.92 (73 pence) per share, a decline of 13.8% over the period. IFRS NAV was US$44.9 million as of the period's end, equating to US$0.73 (58 pence) per share, and a decline of 3.2% over the period.

As at 31 December 2024, the Company's share price was 25 pence, representing a 66% discount to its Adjusted NAV per share.

Capital and cash management

As the Company progresses with its divestment plan, it remains focused on meeting near-term debt obligations through sales and capital management, thereby strengthening its balance sheet and operating cash flow. The Manager continues to explore multiple channels to enhance sales while focusing on deepening relationships with existing banking partners and cultivating new connections. This dual approach seeks to strengthen communications with lenders while optimising financing terms and enhancing flexibility to support the Company's financial strategy.

As of 31 December 2024, the Company had total assets worth US$115.7 million, offsetting combined liabilities of US$70.8 million. Gross borrowing has fallen to US$65 million, improving the loan-to-value (LTV) ratio, with inventories being fair valued and taking into the account of cash, by 1.6 percentage points to 50.9% compared to 52.5% as of 30 June 2024.

The Company's consolidated cash balance was US$1.7 million, of which US$1.2 million was pledged as collateral for credit facilities. The balance of approximately US$0.5 million reflects free cash which has increased from US$0.2 million as of 30 June 2024. Subsequent to 30 June 2024 to period end, a combination of US$19.1 million sales proceeds and released pledged-deposits of US$3.4 million has been utilised to repay US$21.1 million loan obligations, finance loan interest and meet working capital requirements.

The Manager has been actively engaging with current lenders about property rentals and potential sales, ensuring that their expectations are well understood and effectively managed. These discussions include talks with the lender for *Penha Heights* about the timeline for meeting outstanding loan instalments and potentially deferring future repayment obligations. Additionally, the Manager is in advanced discussions with The Waterside's lender to extend the March instalment payment timeline. Further details are included on page 18.

In the second half of 2024, the Monetary Authority of Macao reduced interest rates on three occasions. Collectively, this action has resulted in lowering the territory's base rate by a total of 75 basis points to 4.75% at the end of the period. Although commercial banks have reduced their lending rates in tandem with the base rate, the prevailing higher interest rate environment continues to weigh on the Company. Accordingly, we will seek to repay debt facilities while looking to obtain the most flexible and cost-efficient terms.

Company Life Extended

At the Company's Annual General Meeting in December 2024, a shareholder resolution was proposed to extend the Company's life for a further year. This was to facilitate the continued orderly divestment of the Company's portfolio, reduce debt and facilitate the return of capital to shareholders within the earliest timeframe amidst the challenges posed by the current operating environment. The Company thanks all shareholders for their further support.

PORTFOLIO UPDATES

PORTFOLIO OVERVIEW AS AT 31 DECEMBER 2024

	Sector	No. of Units	Cost (US$ million)	Market Valuation (US$ million)	Change in Market Value** Since 30 June 2024	Composition (based on market value)
The Waterside Tower Six at One Central Residences*	Luxury residential	28***	47.4	79.9	3%	63.4%
The Fountainside	Low-density residential	6***	5.3	10	-22.8%	8%
Penha Heights	Luxury residential	N.A.	28.7	36.1	-6.1%	28.6%
Total			**81.4**	**126**	**-2.4%**	**100%**

* One Central is a trademark registered in Macau SAR under the name of Basecity Investments Limited. Sniper Capital Limited, Macau Property Opportunities Fund Limited, MPOF Macau (Site 5) Limited, Bela Vista Property Services Limited and *The Waterside* are not associated with Basecity Investments Limited, Shun Tak Holdings Limited or Hongkong Land Holdings Limited.

** Calculation is based on adjusted figures made to 30 June 2024 to reflect like-for-like comparisons to 31 December 2024 due to property sales during the period.

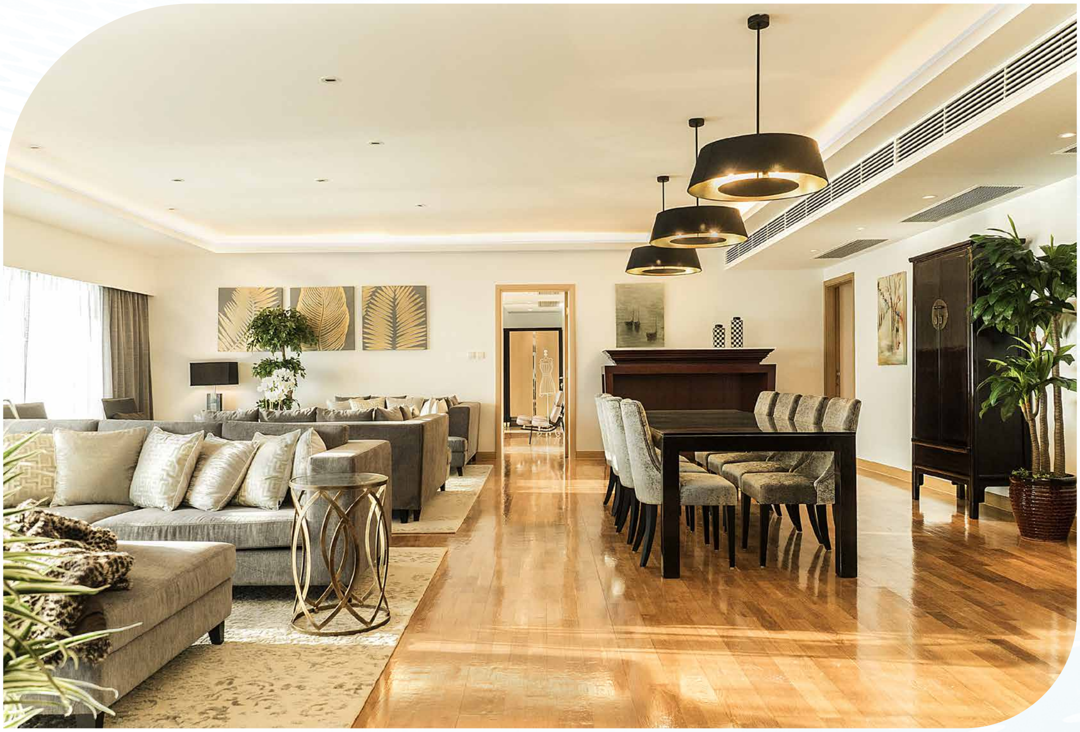
*** Including a unit with sale completion to occur post period end.

In the latter half of 2024, the Manager continued to face the challenges impacting Macau's real estate sector. Despite the Macau government announcing policy changes in April 2024 to lift its decade-long measures aimed at curbing speculation in the property market, these adjustments alone were not enough to revive subdued investor sentiment, particularly in the luxury segment where the Company operates.

Several factors continued to weigh on investor sentiment, namely, the prevailing higher interest rate environment, stringent mortgage approval requirements and the ripple effects of mainland China's struggling property market. With the dampened investor interest in real estate, investors hovered on the sidelines and only entered the market when prices were heavily discounted.

Despite the challenging operating environment, the Manager continued to achieve notable progress in the orderly divestment of the portfolio. A significant milestone was reached at *The Fountainside*, where two villas and their corresponding parking spaces were successfully sold. At *The Waterside*, the divestment programme, which commenced in mid-2022, maintained its momentum, with sales surpassing the halfway mark.

THE WATERSIDE



Simplex Unit at *The Waterside*

The Waterside is the Company's landmark asset of luxury residential apartments in downtown Macau. In mid-2022, the Company initiated a programme to divest *The Waterside*'s 59 units.

During the period under review, five sales were secured with a gross value of US$11.5 million, achieved at an average single-digit discount to their latest valuations. One of these sales is expected to complete by March 2025. This brings the total number of units sold since the programme commenced to 32, grossing US$89.6 million and leaving 27 units still available for sale.

During the period, loan repayments totalling HK$136.3 million (US$17.2 million) were made by the Company, reducing *The Waterside*'s total loan facility balance to HK$389.7 million (US$50.2 million).

Of this repayment amount, HK$90.0 million (US$11.4 million) was utilised to fully settle the outstanding loan instalment due in September 2024, with the remaining HK$46.3 million (US$5.8 million) applied to partially reduce the forthcoming tranche of HK$125.0 million (US$16.1 million) due in March 2025.

Additionally, sales proceeds received after the period end are expected to contribute another HK$20.7 million (US$2.7 million) towards the March instalment, covering 54% of the obligations. The Company is progressing discussions with *The Waterside*'s lender, which has shown positive indications about refinancing and extending the remaining 46%, contingent upon the timing and outcome of further sales.

Although the current leasing programme has been terminated to facilitate sales, the Company continues to selectively lease out some of the remaining units for short tenures. As at end-2024, the occupancy rate for the remaining 27 units was over 50% of the gross floor area. Rents at *The Waterside* have decreased by 3.8% over the past six months to an average monthly rate of HK$18.52 per square foot.

THE FOUNTAINSIDE

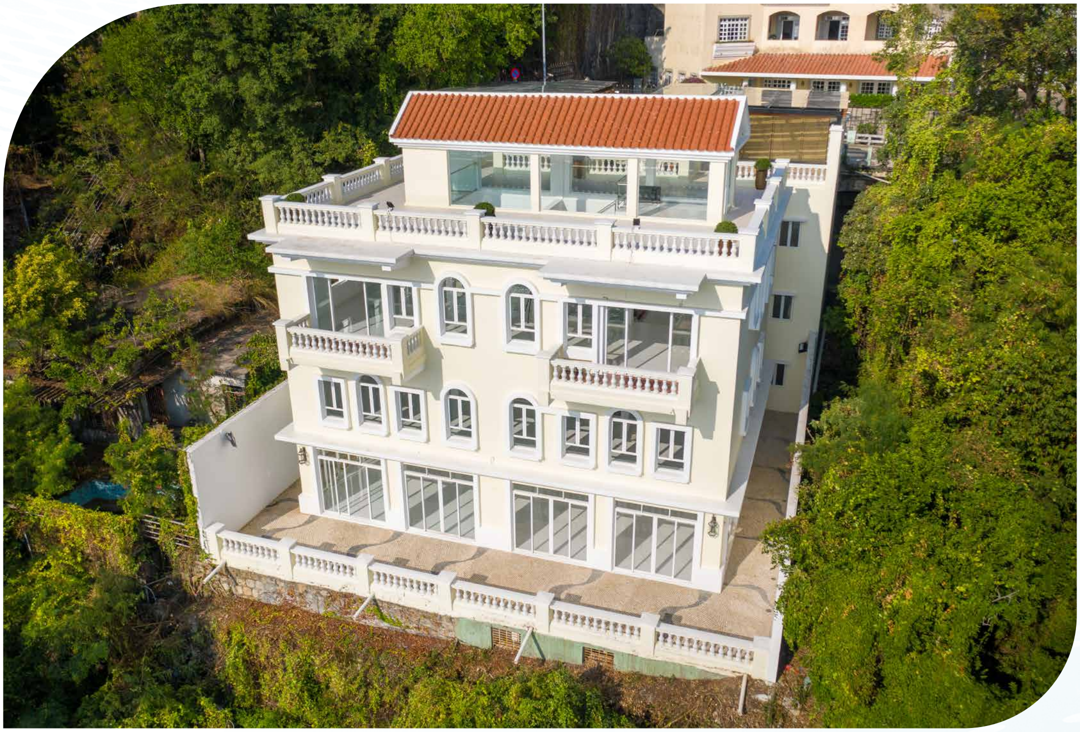
Villa A at *The Fountainside*

The *Fountainside* is a low-density, freehold residential development originally comprising 42 homes and 30 car-parking spaces in Macau's popular Penha Hill district. With all 36 standard units sold, the Company's marketing efforts have been focused on the divestment of seven homes – four villas and three smaller units created by reconfiguring two original duplexes – together with two car parking spaces. The Company's efforts to showcase the four villas to local buyers have borne fruit. By adopting a flexible approach and entertaining both individual and *en bloc* offers, the Company sold two villas in the second half of 2024 at discounts to the latest valuations but which represent an average of 46% premium over the original cost.

The sale of the three smaller units is presently on hold due to ongoing bureaucratic approval processes and issues with the building's ownership committee regarding the newly constructed parking spaces created from the reconfiguration programme. The Manager is actively pursuing solutions to resolve these challenges while simultaneously marketing the two remaining, more attractive corner villas for sale which are unaffected.

The Manager has regularly updated the lender to maintain their support and facilitate oversight. The current loan facility now totalling US$0.7 million will mature on 30 June 2025, and the Manager will seek an extension with the lender. Please refer to Note 6 to the Interim Condensed Consolidated Financial Statements on Page 42 for further details.

PENHA HEIGHTS



Penha Heights

Penha Heights is a prestigious, colonial-style villa with a gross floor area of approximately 12,000 square feet, located in the exclusive residential enclave of Penha Hill and surrounded by lush greenery. This large, detached house is situated amidst Macau's most highly prized locations, given its position, size and opportunity.

Investor interest in luxury homes such as *Penha Heights* has been hit by a perfect storm – Macau's isolation during the COVID-19 pandemic coupled with the prevailing higher interest rate environment and China's sluggish economy have kept potential purchasers from entering the market. To expand its appeal to ultra-high-net-worth individuals, the Company has engaged a firm of specialist Hong Kong real estate agents to boost the marketing effort to the region including mainland China. Concurrently, the Company is exploring additional marketing avenues to showcase the property to a select group of potential purchasers. Marketing campaigns include but not limited to online social media promotional video, road shows in mainland China and targeted private viewing.

While the Manager continues efforts to promote the sale of *Penha Heights*, negotiations are ongoing with lenders to extend near term debt instalments and the remaining balances into the latter half of 2025, allowing additional time for the planned property disposal.

MACROECONOMIC UPDATES

Economy: Robust GDP numbers mask pockets of weakness

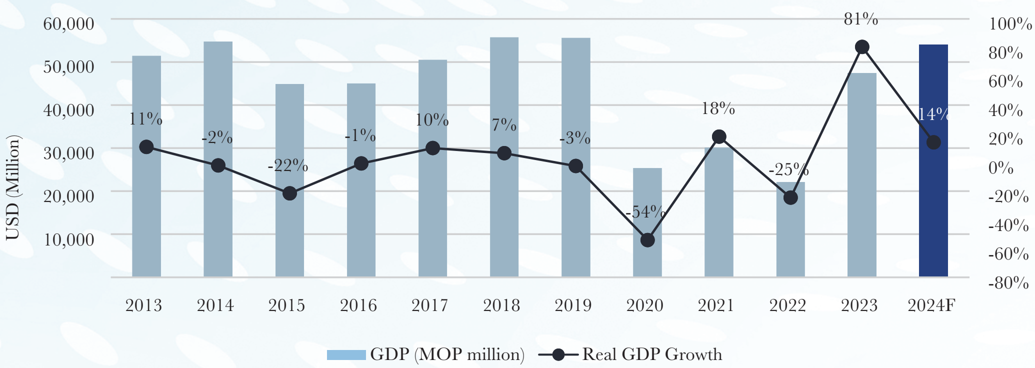
Macau's economy maintained strong double-digit growth, with gross domestic product (GDP) increasing by 11.5% year-on-year (YoY) over the first three quarters of 2024. The nine-month GDP surpassed MOP300 billion for the first time since 2019, reaching 86.3% of the GDP for the first nine months of 2019.

However, in the third quarter, GDP growth had slowed to 4.7% YoY. As a result, the International Monetary Fund revised its full-year GDP growth forecast for Macau to 10.6%, down 3.3 percentage points from its previous estimate of 13.9%.

In this regard, Macau's economy remains driven by its key sectors – tourism and gaming – which had resulted in unemployment returning to pre-pandemic levels. In 2024, the overall unemployment rate fell by 0.9 percentage points to 1.8%, while the unemployment rate for local residents dropped by 1.0 percentage point to 2.4%.

However, a sharp disparity persists in other areas, particularly among small and medium-sized enterprises (SMEs) and local retail stores. Their post-pandemic recovery has been challenged by shifts in consumer spending habits. With travel to mainland China now as convenient as it was before the pandemic, many Macau residents are opting to shop in Zhuhai and other nearby cities, where prices for goods and services are significantly lower. This has been compounded by mainland China's weak economy, which has curtailed post-pandemic "revenge spending" by tourists in Macau's retail shops.

GDP and Real Growth Rate



Source: DSEC, The International Monetary Fund (IMF)

Gaming and tourism continue on upward trajectory

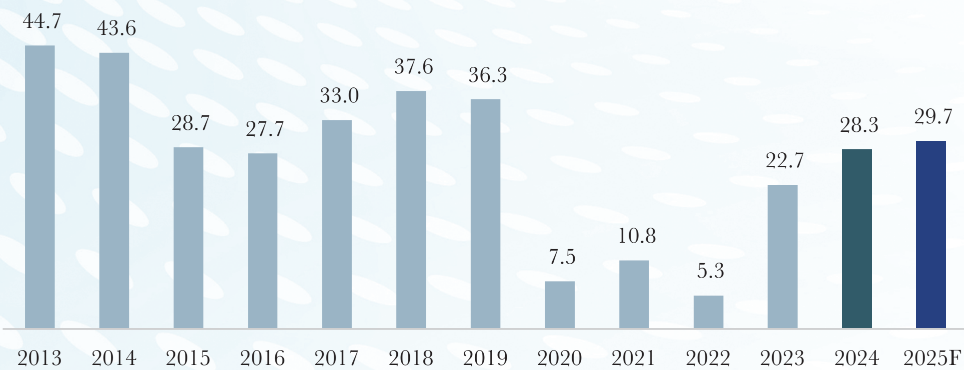
Macau's gross gaming revenue (GGR) for 2024 reached MOP226.78 billion (c. US$28.34 billion), marking a 23.9% YoY increase. This sustained recovery highlights the strong demand for Macau's tourism and gaming offerings, particularly among visitors from mainland China and Hong Kong. Compared to pre-pandemic levels, 2024's GGR amounts to roughly 78% of 2019's total, reflecting a 16 percentage point improvement from 2023.

Tourism experienced a significant rebound, with Macau welcoming 34.9 million visitors in 2024 – about 88% of the pre-pandemic peak of over 39 million in 2019. Mainland Chinese visitors, who made up the majority at 70.1% of total arrivals, increased by 28.6% YoY. Notably, those from the nine cities of the Greater Bay Area grew by 28.8% YoY, accounting for half of all mainland Chinese visitors. The expansion of the Individual Visit Scheme in 2024 further fuelled a 15.5% YoY rise in independent travellers.

Visitors from Hong Kong, representing 20.6% of total arrivals, saw a slight decline of 0.2% YoY. In contrast, international markets responded positively to government tourism campaigns, with international visitor arrivals surging by 66% YoY, making up 6.9% of total visitors – an increase from 5% in 2023.

Day trippers constituted 54.1% of all visitors in 2024, leading to a slight reduction in the average length of stay by 0.1 days YoY to 1.2 days. Meanwhile, the average stay for overnight visitors remained unchanged at 2.3 days.

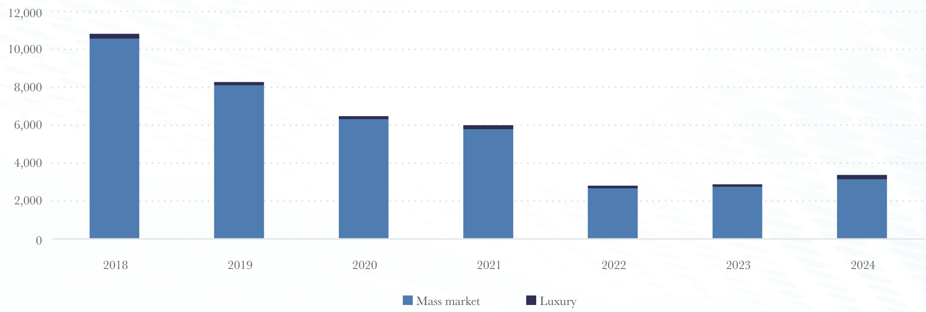
Gross Gaming Revenue (GGR) *USD billions*



Source: DSEC, Macau Government

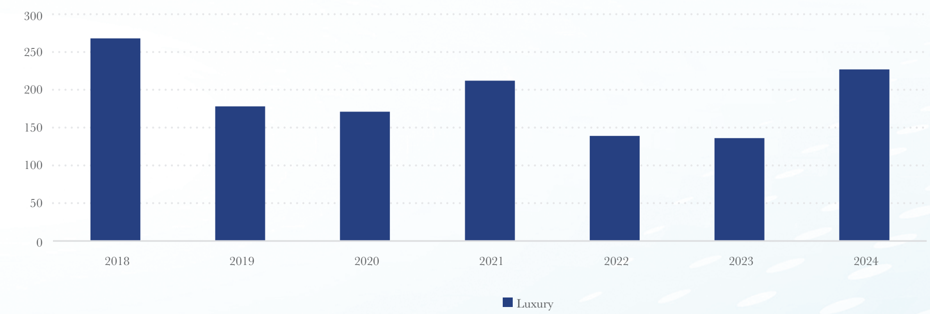
PROPERTY MARKET OVERVIEW

Overall Residential Transactions 2018-2024



Source: DSF DSEC
Note: Luxury is defined as residential unit with usable area above 150 square metres

Luxury Residential Transactions 2018-2024



Source: DSEC
Note: Luxury is defined as residential unit with usable area above 150 square metres

Policy initiatives result in modest increase in transactions but lower prices

Macau's government had announced a raft of initiatives in the first half of 2024 to revitalise the property market, reversing the territory's policies aimed at curbing real estate speculation. This was greeted with enthusiasm from the players in the property market and the residential property sector ended 2024 with a 17% YoY gain with 3,380 transactions. Average prices for the year, however, fell 9% YoY, suggesting that the bulk of the market activity was the result of property developers offloading inventory at steep discounts.

In the luxury residential segment under which the Company's assets are classified, for homes measuring over 150 square metres, 227 transactions were recorded in 2024. Although this was an increase of 67% YoY in terms of volume, luxury residential sales accounted for only 6% of the total sales transactions in the residential market.

Three interest rate cuts in H2 2024

After holding the base interest rate at 5.75% since July 2023, the Monetary Authority of Macau announced three interest rate cuts in the second half of 2024 in tandem with the Federal Reserve of the United States. The net result of the rate cuts was a reduction of the base rate by 100 basis points to 4.75% by December 2024 while commercial banks in the territory have also lowered their prime rates accordingly.

Despite lower borrowing costs, the approvals for new mortgages have been uneven in the second half of 2024. For example, while in September new property loans were double that of the previous month, by October, the value of new property loans had slumped by over 60%. This boom-bust element suggests that home purchase transactions remain sporadic with investors taking a "wait and see" attitude.

Mainland China's property sector woes have regional impact

Mainland China's sustained slow-down in its property market has had wide-ranging impact on the domestic economy as well as that of regional markets. With the property and infrastructure sectors accounting for more than 30% of the economy, the loss of investor confidence in the property market has spilled over to adversely impact consumer confidence and consumption. In addition, the absence of land sales have also led to financial problems among local governments.

The Central government had moved more aggressively to support the economy and stabilise the property market in H2 2024 through a raft of measures to boost the residential market, which include cutting borrowing costs on existing mortgages, relaxing buying curbs in big cities and lowering taxes on home purchases. While analysts are of the opinion that these efforts will help stabilise property prices by late 2025, if coupled with further follow-through fiscal stimulus measures, the data for January 2025 indicate that the decline in residential sales had resumed as the effect of the stimulus waned.

China's property market woes have a spillover effect on regional property markets such as Hong Kong, in particular in the luxury sector, where investor sentiment and interest have remain muted. In addition, ultra-high-net-worth-individuals, who are closely linked to mainland China's property sector, have made headlines in Hong Kong for distressed sales of their trophy homes. Sold sometimes at half their purchase prices, the low prices reflect the impact of the slowdown in the mainland Chinese economy on Hong Kong's luxury real estate market where overall home prices have fallen to an eight-year low.

LOOKING AHEAD

The Macau property market is expected to remain under pressure in the near term, with investor sentiment continuing to be impacted by high interest rates, sluggish economic conditions in mainland China, and cautious consumer behaviour. While recent government measures to stimulate the market have had some effect on transaction volumes, they have not been sufficient to drive substantial price recovery, particularly in the luxury residential segment where the Company's assets are positioned.

Despite these challenges, the Company has made progress with its divestment strategy, having sold properties at both The Fountainside and The Waterside. The Manager remains focused on achieving sales targets to support upcoming loan repayments and negotiating with lenders for flexible repayment terms.

We continue to place the highest priority on the timely divestment of the assets to deliver the best outcome for shareholders. In this regard, timing is of the essence as we strive to match the receipt of sales proceeds with debt repayment obligations.

We again thank shareholders for their continued support for the Company.

Directors' Statement of Responsibilities

The Directors are responsible for preparing this half-yearly financial report in accordance with applicable law and regulations.

The Directors confirm that to the best of their knowledge:

- the interim condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting; and

- the Chairman's Message and Manager's Report meet the requirements of an interim management report, and include a fair review of the information required by:

  a. DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim condensed consolidated financial statements; and a description of the principal risks and uncertainties for the year to date and the remaining six months of the year; and

  b. DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

Mark Huntley
Chairman
2 March 2025

Interim Condensed Consolidated Statement of Financial Position (Unaudited)

As at 31 December 2024

	Note	**Unaudited 31 Dec 2024 US$'000**	Unaudited 31 Dec 2023 US$'000	Audited 30 Jun 2024 US$'000
ASSETS				
Non-current assets				
Investment property	3	**79,873**	124,956	97,970
Deposits with lenders	4	**–**	320	320
Trade and other receivables		**14**	16	14
		79,887	125,292	98,304
Current assets				
Inventories	5	**34,065**	34,933	35,017
Trade and other receivables		**59**	63	72
Deposits with lenders	4	**1,172**	4,245	4,295
Cash and cash equivalents		**510**	282	243
		35,806	39,523	39,627
Total assets		**115,693**	164,815	137,931
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	12	**618**	618	618
Retained earnings		**28,822**	42,365	30,722
Distributable reserves		**15,791**	15,791	15,791
Foreign currency translation reserve		**(307)**	(738)	(740)
Total equity		**44,924**	58,036	46,391
LIABILITIES				
Non-current liabilities				
Deferred taxation provision	11	**3,900**	6,482	4,580
Taxation provision	11	**–**	240	–
Interest-bearing loans	6	**11,453**	69,124	51,816
		15,353	75,846	56,396
Current liabilities				
Taxation provision	11	**189**	–	316
Trade and other payables		**1,797**	4,021	4,163
Interest-bearing loans	6	**53,430**	26,912	30,665
		55,416	30,933	35,144
Total liabilities		**70,769**	106,779	91,540
Total equity and liabilities		**115,693**	164,815	137,931
Net Asset Value per share (US$)	8	**0.73**	0.94	0.75
Adjusted Net Asset Value per share (US$)	8	**0.92**	1.32	1.07

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 2 March 2025.

The notes on pages 37 to 48 form part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)

For the six-month period from 1 July 2024 to 31 December 2024

	Note	**Unaudited 6 months 1 Jul 2024– 31 Dec 2024 US$'000**	Unaudited 6 months 1 Jul 2023– 31 Dec 2023 US$'000	Audited 12 months 1 Jul 2023– 30 Jun 2024 US$'000
Income				
Income on sale of inventories	5	**1,709**	–	–
Rental income		**597**	714	1,494
Other income		**1**	–	134
Net gain from fair value adjustment on investment property	3	**1,930**	–	–
		4,237	714	1,628
Expenses				
Net loss from fair value adjustment on investment property	3	–	3,569	12,657
Net loss on disposal of investment property	3	**1,455**	1,616	2,398
Cost of sales of inventories	5	**1,147**	–	–
Management fee	10	**600**	600	1,200
Realisation fee	10	**1**	39	(7)
Non-executive Directors' fees	10	**89**	86	172
Auditors' remuneration		**102**	92	161
Property operating expenses		**475**	605	1,169
Sales and marketing expenses		**132**	39	95
General and administration expenses		**307**	246	480
Loss on foreign currency translation		**178**	102	106
		(4,486)	(6,994)	(18,431)
Operating loss for the period/year		**(249)**	(6,280)	(16,803)
Finance income and expenses				
Bank loan interest	6	**(2,253)**	(3,373)	(6,283)
Other financing costs		**(131)**	(155)	(291)
Bank and other interest		**28**	12	38
		(2,356)	(3,516)	(6,536)
Loss for the period/year before tax		**(2,605)**	(9,796)	(23,339)
Taxation	11	**705**	1,819	3,719
Loss for the period/year after tax		**(1,900)**	(7,977)	(19,620)
Items that may be reclassified subsequently to profit or loss				
Exchange difference on translating foreign operations		**433**	329	327
Total comprehensive loss for the period/year		**(1,467)**	(7,648)	(19,293)
Loss attributable to:				
Equity holders of the Company		**(1,900)**	(7,977)	(19,620)
Total comprehensive loss attributable to:				
Equity holders of the Company		**(1,467)**	(7,648)	(19,293)

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited) *(continued)*

For the six-month period from 1 July 2024 to 31 December 2024

		Unaudited 6 months 1 Jul 2024– 31 Dec 2024 US$	Unaudited 6 months 1 Jul 2023– 31 Dec 2023 US$	Audited 12 months 1 Jul 2023– 30 Jun 2024 US$
Basic and diluted loss per Ordinary Share attributable to the equity holders of the Company during the period/year	7	**(0.0307)**	(0.1290)	(0.3173)

All items in the above statement are derived from continuing operations.

The notes on pages 37 to 48 form part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

Movement for the six-month period from 1 July 2024 to 31 December 2024 (unaudited)

	Share capital US$'000	Retained earnings US$'000	Distributable reserves US$'000	Foreign currency translation reserve US$'000	Total US$'000
Balance brought forward at 1 July 2024	**618**	**30,722**	**15,791**	**(740)**	**46,391**
Loss for the period	–	(1,900)	–	–	(1,900)
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translating foreign operations	–	–	–	433	433
Total comprehensive loss for the period	–	(1,900)	–	433	(1,467)
Balance carried forward at 31 December 2024	**618**	**28,822**	**15,791**	**(307)**	**44,924**

MOVEMENT FOR THE SIX-MONTH PERIOD FROM 1 JULY 2023 TO 31 DECEMBER 2023 (UNAUDITED)

	Share capital US$'000	Retained earnings US$'000	Distributable reserves US$'000	Foreign currency translation reserve US$'000	Total US$'000
Balance brought forward at 1 July 2023	618	50,342	15,791	(1,067)	65,684
Loss for the period	–	(7,977)	–	–	(7,977)
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translating foreign operations	–	–	–	329	329
Total comprehensive loss for the period	–	(7,977)	–	329	(7,648)
Balance carried forward at 31 December 2023	618	42,365	15,791	(738)	58,036

MOVEMENT FOR THE YEAR FROM 1 JULY 2023 TO 30 JUNE 2024 (AUDITED)

	Share capital US$'000	Retained earnings US$'000	Distributable reserves US$'000	Foreign currency translation reserve US$'000	Total US$'000
Balance brought forward at 1 July 2023	618	50,342	15,791	(1,067)	65,684
Loss for the year	–	(19,620)	–	–	(19,620)
Items that may be reclassified subsequently to profit or loss					
Exchange difference on translating foreign operations	–	–	–	327	327
Total comprehensive loss for the year	–	(19,620)	–	327	(19,293)
Balance carried forward at 30 June 2024	618	30,722	15,791	(740)	46,391

The notes on pages 37 to 48 form part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statement of Cash Flows (Unaudited)

For the six-month period from 1 July 2024 to 31 December 2024

	Note	**Unaudited 6 months 1 Jul 2024– 31 Dec 2024 US$'000**	Unaudited 6 months 1 Jul 2023– 31 Dec 2023 US$'000	Audited 12 months 1 Jul 2023– 30 Jun 2024 US$'000
Net cash used in operating activities	9	**(1,144)**	(30)	(679)
Cash flows from investing activities				
Proceeds from disposal of investment property		**19,082**	11,392	28,480
Movement in pledged bank balances		**3,443**	1,043	993
Net cash generated from investing activities		**22,525**	12,435	29,473
Cash flows from financing activities				
Repayment of bank borrowings		**(18,193)**	(9,565)	(23,263)
Interest and bank charges paid		**(2,959)**	(3,701)	(6,457)
Net cash used in financing activities		**(21,152)**	(13,266)	(29,720)
Net movement in cash and cash equivalents		**229**	(861)	(926)
Cash and cash equivalents at beginning of period/year		**243**	1,118	1,118
Effect of foreign exchange rate changes		**38**	25	51
Cash and cash equivalents at end of period/year		**510**	282	243

The notes on pages 37 to 48 form part of these interim condensed consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)

For the six-month period from 1 July 2024 to 31 December 2024

General information

Macau Property Opportunities Fund Limited (the "Company") is a Company incorporated and registered in Guernsey under The Companies (Guernsey) Law, 1994. This law was replaced by the Companies (Guernsey) Law, 2008 on 1 July 2008. The Company is an authorised entity under the Authorised Closed-Ended Investment Schemes Rules 2008 and is regulated by the Guernsey Financial Services Commission. The address of the registered office is given on page 49.

The interim condensed consolidated financial statements for the six months ended 31 December 2024 comprise the interim financial statements of the Company and its subsidiaries (together referred to as the "Group"). The Group invests in residential property in Macau.

There has been no change to the Group's principal risks and uncertainties in the six-month period to 31 December 2024. The Manager provides the Board with regular reports and updates on key local developments and on divestment updates. Detailed working capital requirements and analysis of loan to value covenants are regularly reported to the Board for monitoring. Principal risks and uncertainties are further discussed in the Annual Report on page 60.

The interim condensed consolidated financial statements are presented in US Dollars ("US$") and are rounded to the nearest thousand ($'000).

These interim condensed consolidated financial statements were approved for issue by the Board of Directors on 2 March 2025.

1. Significant accounting policies

Basis of accounting

The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"); applicable legal and regulatory requirements of Guernsey Law and under the historical cost basis, except for financial assets and liabilities held at fair value through profit or loss ("FVPL") and investment properties that have been measured at fair value. The accounting policies and valuation principles adopted are consistent with those of the previous financial year.

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the annual financial statements. The interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of 30 June 2024.

New and amended standards and interpretations applied

The following amendments to existing standards and interpretations are effective for the year ended 30 June 2025 and therefore were applied in the current period but did not have a material impact on the Group:

- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information (effective 1 January 2024)
- IFRS S2: Climate-related Disclosures (effective 1 January 2024)
- Amendment to IFRS 7: Financial Instruments: Disclosures (effective 1 January 2024)
- Amendment to IFRS 16: Leases (effective 1 January 2024)
- Amendments to IAS 1: Presentation of Financial Statements (effective 1 January 2024)
- Amendment to IAS 7: Statement of Cash Flows (effective 1 January 2024)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) *(continued)*

For the six-month period from 1 July 2024 to 31 December 2024

1. Significant accounting policies (continued)

Basis of accounting (continued)

Going concern

In the period the Group continued to meet its capital requirements and day-to-day liquidity needs through sales to augment the Group's cash resources. As part of their assessment of the going concern of the Group as at 31 December 2024, the Directors have reviewed the comprehensive cash flow forecasts prepared by management which make assumptions based upon current and expected future market conditions, including predicted future sales of properties taking into consideration current market circumstances. It is the Directors' belief that, based upon these forecasts and their assessment of the Group's committed banking facilities and the discussions and communications regarding the extension of such facilities, it is appropriate to prepare the financial statements of the Group on a going concern basis.

After the continuation resolution was passed at the Annual General Meeting of the Company on 20 December 2024 extending the Fund's life until the 2025 Annual General Meeting, the Directors assessed whether the continuation vote before the end of 2025 gives rise to a material uncertainty that might cast significant doubt on the Fund's ability to continue as a going concern. The Directors have also considered the going concern assumption outside the primary going concern horizon. The Directors currently expect to receive continuation support from major shareholders noting that over 50% of shareholder support is required in December 2025 to ensure continuation; it is likely that returns from the sale of properties would be significantly lower if the Fund was forced to sell as a result of discontinuation and it is therefore commercially rational for the Fund to continue in business. Therefore, the Directors believe it is appropriate to prepare the financial statements of the Group on the going concern basis based upon existing cash resources, the forecasts described above, the extension of the life of the Company until the 2025 Annual General Meeting agreed at the Annual General Meeting on 20 December 2024. The Directors' assessed the Group's committed banking facilities, the Manager's ongoing discussions with lenders and expected compliance with related covenants and accommodation of loan extensions as part of their determination of the going concern assessment.

Seasonal and cyclical variations

The Group does not operate in an industry where significant or cyclical variations as a result of seasonal activity are experienced during the financial year.

2. Segment reporting

The Chief Operating Decision Maker (the "CODM") in relation to Macau Property Opportunities Fund Limited is deemed to be the Board itself. The factors used to identify the Group's reportable segments are centred on asset class, differences in geographical area and differences in regulatory environment. Furthermore, foreign exchange and political risk are identified, as these also determine where resources are allocated.

Based on the above and a review of information provided to the Board, it has been concluded that the Group is currently organised into one reportable segment based on the single geographical sector, Macau.

This segment refers principally to residential properties. Furthermore, there are multiple individual properties that are held within each property type. However, the CODM considers, on a regular basis, the operating results and resource allocation of the aggregated position of all property types as a whole, as part of their on-going performance review. This is supported by a further breakdown of individual property groups only to help support their review and investment appraisal objectives.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) *(continued)*

For the six-month period from 1 July 2024 to 31 December 2024

3. Investment property

	Unaudited 1 Jul 2024– 31 Dec 2024 US$'000	Unaudited 1 Jul 2023– 31 Dec 2023 US$'000	Audited 1 Jul 2023– 30 Jun 2024 US$'000
At beginning of the period/year	**97,970**	141,045	141,045
Net sales proceeds from disposals	**(19,082)**	(11,392)	(28,480)
Loss on disposal of investment property	**(1,455)**	(1,616)	(2,398)
Fair value adjustment	**1,930**	(3,569)	(12,657)
Exchange difference	**510**	488	460
Balance at end of the period/year	**79,873**	124,956	97,970

Valuation losses (fair value adjustment) from investment property are recognised in profit and loss for the period and are attributable to changes in unrealised losses relating to investment property held at the end of the reporting period.

The valuation process is initiated by the Investment Adviser with the Board consent and approval, who appoints a suitably qualified valuer to conduct the valuation of the investment property. The results are overseen by the Investment Adviser. Once satisfied with the valuations based on their expectations, the Investment Adviser reports the results to the Board. The Board periodically meets with the valuer and reviews the latest valuations based on their knowledge of the property market and compare these to previous valuations.

The Group's investment properties were revalued at 31 December 2024 by an independent, professionally-qualified valuer: Savills (Macau) Limited ("Savills"). The valuation has been carried out in accordance with the current Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards to calculate the market value of the investment properties in their existing state and physical condition, with the assumptions that:

- The owner sells the property in the open market without any arrangement, which could serve to affect the value of the property.
- The property is held for investment purposes.
- The property is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

The fair value of investment property is independently determined by Savills, using recognised valuation techniques. The technique deployed was the income capitalisation method. The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the reporting date.

During the current period, seven residential units of *The Waterside* were sold with net losses on disposal of US$1,455,000 recognised against valuations. During the year ended 30 June 2024, 11 units were sold at *The Waterside* with net losses on disposal of US$2,398,000 recognised against valuations. During the period ended 31 December 2023, five residential units of *The Waterside* were sold with net losses on disposal of US$1,616,000 recognised against valuations.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) *(continued)*

For the six-month period from 1 July 2024 to 31 December 2024

3. Investment property (continued)

See Note 11 in relation to deferred tax liabilities on investment property.

Capital expenditure on property relates to refurbishment costs for *The Waterside*.

Rental income arising from *The Waterside* of US$592,000 (6 months ended 31 December 2023: US$709,000, 12 months ended 30 June 2024: US$1,485,000) was received during the period. Direct operating expenses of US$231,000 (6 months ended 31 December 2023: US$354,000, 12 months ended 30 June 2024: US$611,000) arising from rented units were incurred during the six-month period. Direct operating expenses during the period arising from vacant units totalled US$61,000 (6 months ended 31 December 2023: US$93,000, 12 months ended 30 June 2024: US$156,000).

The table below shows the assumptions used in valuing the investment properties which are classified as Level 3 in the fair value hierarchy:

	Property information	Carrying amount/ fair value as at 31 December 2024: US$'000	Valuation technique	Input	Unobservable and observable inputs used in determination of fair values	Other key information
Name	*The Waterside*	**79,873**	Term and Reversion Analysis	Term rent (inclusive of management fee and furniture)	**HK$18.5 psf** (30 June 2024: HK$18.1 psf)	Age of building
Type	Residential/Completed apartments			Term yield (exclusive of management fee and furniture)	**1.65%–2.45%** (30 June 2024: 1.4%–2.2%)	Remaining useful life of building
Location	One Central Tower 6 Macau			Reversionary rent (exclusive of management fee and furniture)	**HK$13.5 psf** (30 June 2024: HK$11.99 psf)	
				Reversionary yield	**1.80%** (30 June 2024: 1.55%)	

The fair value of *The Waterside* is determined using the income approach, more specifically a term and reversion analysis, where a property's fair value is estimated based on the rent receivable and normalised net operating income generated by the property, which is divided by the capitalisation (discount) rate. The difference between gross and net rental income includes the same expense categories as those for the discounted cash flow method with the exception that certain expenses are not measured over time, but included on the basis of a time weighted average, such as the average lease up costs. Under the income capitalisation method, over and under-rent situations are separately capitalised (discounted).

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) *(continued)*

For the six-month period from 1 July 2024 to 31 December 2024

3. Investment property (continued)

If the estimated reversionary rent increased/decreased by 5%, (and all other assumptions remained the same), the fair value of *The Waterside* would increase by US$3.9 million (6 months ended 31 December 2023: US$6.3 million, 12 months ended 30 June 2024: US$4.4 million) or decrease by US$3.9 million (6 months ended 31 December 2023: US$6.3 million, 12 months ended 30 June 2024: US$4.4 million).

If the term and reversionary yield or discount rate increased/decreased by 5%, (and all other assumptions remained the same), the fair value of *The Waterside* would decrease by US$3.7 million (6 months ended 31 December 2023: US$6 million, 12 months ended 30 June 2024: US$4.6 million) or increase by US$4.1 million (6 months ended 31 December 2023: US$6.5 million, 12 months ended 30 June 2024: US$5.3 million).

The same valuation method was deployed in June 2024 and December 2024.

The Waterside is currently valued at its highest and best use. There is no extra evidence available to suggest that it has an alternative use that would provide a greater fair value measurement.

There have been no transfers between levels during the period or any change in valuation technique since the last period.

4. Deposits with lenders

Pledged bank balances represent cash deposits pledged to the banks to secure the banking facilities granted to the Group. Deposits amounting to US$ nil (31 December 2023: US$0.3 million, 30 June 2024: US$0.3 million) have been pledged to secure long-term banking facilities which are classified as non-current assets. There are no other significant terms and conditions associated with these pledged bank balances.

	Unaudited 31 Dec 2024 US$'000	Unaudited 31 Dec 2023 US$'000	Audited 30 Jun 2024 US$'000
Non-current	**–**	320	320
Current	**1,172**	4,245	4,295
	1,172	4,565	4,615

5. Inventories

	Unaudited 1 Jul 2024– 31 Dec 2024 US$'000	Unaudited 1 Jul 2023– 31 Dec 2023 US$'000	Audited 1 Jul 2023– 30 Jun 2024 US$'000
Cost			
Balance brought forward	**35,017**	34,775	34,775
Additions	**–**	32	113
Disposals	**(1,150)**	–	–
Exchange difference	**198**	126	129
Balance carried forward	**34,065**	34,933	35,017

Additions include capital expenditure, development costs and capitalisation of financing costs.

5. Inventories (continued)

Under IFRS, inventories are valued at the lower of cost and net realisable value. The carrying amounts for inventories as at 31 December 2024 amounts to US$34,065,000 (6 months ended 31 December 2023: US$34,933,000, 12 months ended 30 June 2024: US$35,017,000). Net realisable value as at 31 December 2024 as determined by the independent, professionally-qualified valuer, Savills, was US$44,751,000 (6 months ended 31 December 2023: US$56,829,000, 12 months ended 30 June 2024: US$53,104,000).

During the period ended 31 December 2024, one residential villa of *The Fountainside* was sold for a total consideration of US$1.7 million (HK$13.3 million) against a total cost of US$1.2 million (HK$9.4 million) which resulted in a net profit of US$0.5 million (HK$3.9 million) after all associated fees and transaction costs.

During the year ended 30 June 2024 and the comparative period ended 31 December 2023, no units of *The Fountainside* were sold.

6. Interest-bearing loans

	Unaudited 31 Dec 2024 US$'000	Unaudited 31 Dec 2023 US$'000	Audited 30 Jun 2024 US$'000
Bank loans - Secured			
- Current portion	**53,430**	26,912	30,665
- Non-current portion	**11,453**	69,124	51,816
	64,883	96,036	82,481

There are interest-bearing loans with three banks:

Hang Seng Bank

The Group has a term loan facility with Hang Seng Bank for *The Waterside*.

As at 31 December 2024, outstanding loan balance was HK$389.7 million (US$50.2 million) (31 December 2023: HK$601 million (US$77.0 million); 30 June 2024: HK$526 million (US$67.4 million)). The interest rate is 1.8% per annum over the 1-, 2-or 3-month HIBOR rate. The Manager determines the interest period upon assessing funding and market conditions prevailing at each interest rate fixing date the choice of rate is at the Group's discretion. The loan-to-value covenant for *The Waterside* facility is 60%, which is assessed on aggregate basis to include *The Fountainside* facility. As at 31 December 2024, the combined loan-to-value ratio was 56.6%. The facility is secured by means of a first registered legal mortgage over all unsold units of *The Waterside* as well as a pledge of all income from the units. The Company is the guarantor for the credit facility. In addition, the Group is required to maintain a cash reserve equal to six months' interest with the lender.

The mid-March 2025 half yearly principal instalment has been paid down from HK$125 million (US$16.1 million) to HK$78.7 million (US$10.1 million) during the period; and the remaining HK$311 million (US$40.1 million) is due upon maturity in September 2025.

The Group has a loan facility with Hang Seng Bank for *The Fountainside*.

For the six-month period from 1 July 2024 to 31 December 2024

6. **Interest-bearing loans (continued)**

Hang Seng Bank (continued)

As at 31 December 2024, outstanding loan balance was HK$5.2 million (US$0.7 million) (31 December 2023: HK$29.2 million (US$3.7 million); 30 June 2024: HK$5.2 million (US$0.7 million)). The interest rate applicable is 3.3% per annum over the 1-, 2- or 3-month HIBOR rate. The Manager determines the interest period upon assessing funding and market conditions prevailing at each interest rate fixing date. The loan-to-value covenant is 55%. As at 31 December 2024, the loan-to-value ratio was 6.7%. The facility is secured by means of a first registered legal mortgage over all unsold units and car parking spaces of *The Fountainside* as well as a pledge of all income from the units and the car parking spaces. The Company is the guarantor for the credit facility. In addition, the Group is required to maintain a cash reserve equals to six months' interest with the lender.

Properties pledged under loan facilities for *The Waterside* and *The Fountainside* cross-collateralised both facilities.

The Group has two loan facilities for *Penha Heights*:

Banco Tai Fung

The loan facility with Banco Tai Fung has a term of seven years and interest was Prime Rate minus 2.25% per annum, with applicable interest rate of Prime minus 1.75% during the period from September 2023 to December 2024. The principal is to be repaid in 28 quarterly instalments of HK$2.5 million (US$321,977) each, commencing in September 2022. As at 31 December 2024, the facility had an outstanding balance of HK$50 million (US$6.4 million) (31 December 2023: HK$60.0 million (US$7.7 million), 30 June 2024: HK$55 million (US$7.0 million)) including the principal due to be repaid in December 2024 of HK$5 million (US$0.6 million). This facility is secured by a first legal mortgage over the property as well as a pledge of all income from the property. The Company is the guarantor for this term loan. Interest is paid quarterly for the first six months and monthly thereafter on this loan facility. As at 31 December 2024, the loan-to-value ratio for this facility was 39.1%. There is no loan-to-value covenant for this loan.

Banco Comercial de Macau, S.A. ("BCM Bank")

The loan facility with BCM Bank has a term of two years up to September 2025 and interest is 2.75% over 3-month HIBOR. The principal of HK$3 million is to be repaid in March 2025 and June 2025 respectively, with the rest due upon maturity. As at 31 December 2024, the facility had an outstanding balance of HK$60 million (US$7.7 million) (31 December 2023: HK$63 million (US$8.1 million), 30 June 2024: HK$60 million (US$7.7 million)). This facility is secured by a first legal mortgage over the property as well as a pledge of all income from the property. The Company is the guarantor for this term loan. In addition, the Group is required to maintain a cash reserve equal to six months' interest with the lender. Interest is paid monthly on this loan facility. The loan-to-value covenant is 45%. As at 31 December 2024, the loan-to-value ratio for this facility was 39.5%.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) *(continued)*

For the six-month period from 1 July 2024 to 31 December 2024

6. Interest-bearing loans (continued)

Bank Loan Interest

Bank loan interest paid during the period was US$2,253,000 (6 months ended 31 December 2023: US$3,373,000, 12 months ended 30 June 2024: US$6,283,000). As at 31 December 2024, the carrying amount of interest-bearing loans included unamortised prepaid loan arrangement fee of US$154,000 (31 December 2023: US$415,000, 30 June 2024: US$281,000).

Fair Value

Interest-bearing loans are carried at amortised cost. The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments.

The estimated fair value of fixed interest bearing loans is based on discounted cash flows using prevailing market interest rates for debts with similar credit risk and maturity. As at 31 December 2024, the fair value of the financial liabilities was US$24,000 lower than the carrying value of the financial liabilities (31 December 2023: US$222,000 higher than the carrying value of the financial liabilities, 30 June 2024: US$204,000 lower than the carrying value of the financial liabilities).

The Group's interest-bearing loans have been classified within Level 2 as they have observable inputs from similar loans. There have been no transfers between levels during the period or a change in valuation technique since last period.

7. Basic and diluted loss per Ordinary Share

Basic and diluted loss per equivalent Ordinary Share is based on the following data:

	Unaudited 6 months 1 Jul 2024– 31 Dec 2024	Unaudited 6 months 1 Jul 2023– 31 Dec 2023	Audited 12 months 1 Jul 2023– 30 Jun 2024
Loss for the period/year (US$'000)	**(1,900)**	(7,977)	(19,620)
Weighted average number of Ordinary Shares ('000)	**61,836**	61,836	61,836
Basic and diluted loss per share (US$)	**(0.0307)**	(0.1290)	(0.3173)

8. Net asset value reconciliation

	Unaudited 31 Dec 2024 US$'000	Unaudited 31 Dec 2023 US$'000	Audited 30 Jun 2024 US$'000
Net assets attributable to ordinary shareholders	**44,924**	58,036	46,391
Uplift of inventories held at cost to market value	**12,070**	23,655	19,730
Adjusted Net Asset Value	**56,994**	81,691	66,121
Number of Ordinary Shares Outstanding ('000)	**61,836**	61,836	61,836
NAV per share (IFRS) (US$)	**0.73**	0.94	0.75
Adjusted NAV per share (US$)	**0.92**	1.32	1.07
Adjusted NAV per share (÷)*	**0.73**	1.04	0.85

* US$:GBP rates as at relevant period/year end

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) *(continued)*

For the six-month period from 1 July 2024 to 31 December 2024

8. Net asset value reconciliation (continued)

The NAV per share is arrived at by dividing the net assets as at the date of the consolidated statement of financial position, by the number of Ordinary Shares in issue at that date.

Under IFRS, inventories are carried at the lower of cost and net realisable value. The Adjusted NAV includes the uplift of inventories to their market values before any tax consequences or adjustments.

The Adjusted NAV per share is derived by dividing the Adjusted NAV as at the date of the consolidated statement of financial position, by the number of Ordinary Shares in issue at that date.

There are no potentially dilutive instruments in issue.

9. Cash flows from operating activities

	Unaudited 6 months 1 Jul 2024– 31 Dec 2024 US$'000	Unaudited 6 months 1 Jul 2023– 31 Dec 2023 US$'000	Audited 12 months 1 Jul 2023– 30 Jun 2024 US$'000
Cash flows from operating activities			
Loss for the period/year before tax	**(2,605)**	(9,796)	(23,339)
Adjustments for:			
Net (gain)/loss from fair value adjustment on investment property	**(1,930)**	3,569	12,657
Fair value loss on disposal of investment property	**1,455**	1,616	2,398
Net finance costs	**2,355**	3,516	6,574
Operating cash flows before movements in working capital	**(725)**	(1,095)	(1,710)
Effect of foreign exchange rate changes	**176**	102	106
Movement in trade and other receivables	**13**	3	(4)
Movement in trade and other payables	**(1,758)**	992	1,042
Movement in inventories	**1,150**	(32)	(113)
Net change in working capital	**(595)**	963	925
Taxation paid	**–**	–	–
Net cash used in operating activities	**(1,144)**	(30)	(679)

Cash and cash equivalents (which are presented as a single class of assets on the face of the interim condensed consolidated statement of financial position) comprise cash at bank and other short-term, highly-liquid investments with a maturity of three months or less.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) *(continued)*

For the six-month period from 1 July 2024 to 31 December 2024

10. Related party transactions

Directors of the Company are all Non-Executive and by way of remuneration, receive only an annual fee which is denominated in Sterling.

	Unaudited 6 months 1 Jul 2024– 31 Dec 2024 US$'000	Unaudited 6 months 1 Jul 2023– 31 Dec 2023 US$'000	Audited 12 months 1 Jul 2023– 30 Jun 2024 US$'000
Directors' fees	**89**	86	172

The Directors are considered to be the key management personnel (as defined under IAS 24) of the Company. Directors' fees outstanding as at 31 December 2024 were US$ nil (31 December 2023: US$44,000, 30 June 2024: US$43,000).

Sniper Capital Limited is the Manager to the Group and received management fees of US$300,000 per quarter during the period as detailed in the Interim Condensed Consolidated Statement of Comprehensive Income. At the option of the Board, from 1 January 2025 the management fee may be reduced to US$80,000 per month with one month's notice given to the Manager. Management fees are paid quarterly in advance and amounted to US$600,000 (6 months ended 31 December 2023: US$600,000, 12 months ended 30 June 2024: US$1,200,000) at a quarterly fixed rate of US$300,000 per annum. Management fees outstanding as at 31 December 2024 were US$ nil (31 December 2023: US$500,000, 30 June 2024: US$500,000).

A realisation fee shall be payable on deals originated and secured by the Manager which shall be linked to the sales price achieved. The realisation fee is currently active until 31 December 2025. The realisation fee is payable upon the sale of individual properties and becomes payable 10 business days after completion. Where the sale price of the asset is 90 per cent. or more of the value of the relevant asset as at 30 September 2019 (the "Carrying Value") a fee of 2.5 per cent. of net proceeds (net of debt, costs and taxes) ("Net Proceeds") shall be payable; where the sale price of an asset is more than 80 per cent. but less than 90 per cent. of the Carrying Value of the relevant asset, a realisation fee of 1.5 per cent. of Net Proceeds shall be payable; and where the sale price of an asset is less than 80 per cent. of the Carrying Value, no realisation fee shall be payable. In no circumstances will the aggregate of the 2024 management fee and realisation fee exceed US$1,439,816. Realisation fees for the period totalled US$1,000 (6 months ended 31 December 2023: US$39,000, 12 months ended 30 June 2024: US $nil with a reverse of prior year overprovision of US$7,000).

Starting from 1 January 2025, where the sale price of the listed asset is 90% or more of the value of the relevant asset as at 31 December 2024 (the "Amended Carrying Value") a fee of 2.5% of Net Proceeds is payable subject to net realisation proceeds for the 2024 calendar year exceeding US$100,000,000. Where the sale price is less than 90% of the Amended Carrying Value no realisation fee will be payable. The aggregate amount of the Management fees and Realisation fees for each calendar year from 2024 onwards shall not exceed the amount which is equal to 4.99% of the lower of the Group's market capitalisation and net asset value calculated on an annual basis. The fee cap for 2025 onwards will be reset on 1 January of the relevant calendar year 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. Any realisation fee achieved on strata sales of units at *The Waterside* will be subject to the retention of 50% until all units have been sold.

All intercompany loans and related interest are eliminated on consolidation.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited) *(continued)*

For the six-month period from 1 July 2024 to 31 December 2024

11. Taxation provision

As at period-end, the following amounts are the outstanding tax provisions.

	Unaudited 31 Dec 2024 US$'000	Unaudited 31 Dec 2023 US$'000	Audited 30 Jun 2024 US$'000
Non-current liabilities			
Deferred taxation	**3,900**	6,482	4,580
Provisions for Macanese taxations	**–**	240	–
	3,900	6,722	4,580
Non-current liabilities			
Provisions for Macanese taxations	**189**	–	316

Deferred taxation

The Group has recognised the deferred tax liability for the taxable temporary difference relating to the investment property carried at fair value and has been calculated at a rate of 12%.

Provision for Macanese taxations

The Group has made provisions for property tax and complementary tax arising from its Macau business operations.

Tax Reconciliation

	Unaudited 1 Jul 2024– 31 Dec 2024 US$'000	Unaudited 1 Jul 2023– 31 Dec 2023 US$'000	Audited 1 Jul 2023– 30 Jun 2024 US$'000
Accounting loss before taxation	**(2,605)**	(9,796)	(23,339)
Exempt from income tax in Guernsey	**–**	–	–
Movement in deferred tax provision	**705**	1,042	2,941
Movement in provision for Macanese taxation	**–**	777	778
At the effective income tax rate of (27.1)% (31 Dec 2023: (18.6)%, 30 Jun 2024: (15.9)%)	**705**	1,819	3,719

The differences between the taxation for the period and the movement in taxation provisions are due to the foreign exchange movements and Macanese taxation paid during the period.

For the six-month period from 1 July 2024 to 31 December 2024

12. Share capital

Ordinary shares

	Unaudited 31 Dec 2024 US$'000	Unaudited 31 Dec 2023 US$'000	Audited 30 Jun 2024 US$'000
Authorised:			
300 million ordinary shares of US$0.01 each	**3,000**	3,000	3,000
Issued and fully paid:			
61.8 million (31 December 2023: 61.8 million; 30 June 2024: 61.8 million) ordinary shares of US$0.01 each	**618**	618	618

The Company has one class of ordinary shares which carries no rights to fixed income.

The Board has publicly stated its commitment to undertake share buybacks at attractive levels of discount of the share price to Adjusted NAV. In order to continue this strategy, the Board renewed this authority at the 2024 Annual General Meeting.

Currently cash reserves are applied to meet and repay debt obligations.

13. Subsequent events

During the period, the Group entered into sales and purchase agreements to dispose of one unit in *The Waterside* and one villa in *The Fountainside* which should both complete by March 2025 and net proceeds will be applied to meet loan repayments. Subsequent to the period end, a further payment of HK$16.9 million (US$2,176,356) was received in escrow for the unit in *The Waterside*.

Subsequent to the period end, the Company settled a HK$1.0 million (US$128,791) loan principal for *Penha Heights* with Banco Tai Fung due in December 2024 leaving HK$4.0 million (US$515,163) outstanding. The Manager is in discussions with the lender about the timeline for meeting the outstanding loan obligation.

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Alan Clifton
Carmen Ling

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Alan Clifton (Chairman)
Mark Huntley
Carmen Ling

Management Engagement Committee
Mark Huntley (Chairman)
Alan Clifton
Carmen Ling

Nomination and Remuneration Committee
Alan Clifton (Chairman)
Mark Huntley
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Disclosure and Communication Committee
Mark Huntley (Chairman)
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