



Macau Property Opportunities Fund

# INVESTOR UPDATE

## H1/2025

The Company made further progress with divestments in H1 2025 despite the effect on sentiment of rising tensions over US-China trade tariffs. The recovery of gaming and tourism has stabilised while uncertainty continues to loom over the domestic property sector. Four sales at *The Waterside* were achieved, and the Company exchanged contracts for the sale of another villa at *The Fountainside*. The gross sales proceeds since the divestment programme commenced in mid-2022 stands at HK\$800.1 million (c.US\$102.3 million).

 The living room of the recently sold villa at *The Fountainside*.

### KEY DATA

Inception Date  
**5 June 2006**

Exchange  
**London Stock Exchange**

Domicile  
**Guernsey**

Market Capitalisation  
**£14.9 million**

Portfolio Valuation  
**US\$112.7 million<sup>1</sup>**  
**-7.5% (vs 31 December 2024)**

Adjusted NAV  
**US\$47 million<sup>1</sup>**

Adjusted NAV per share  
**US\$0.76<sup>1</sup>/55 p<sup>2</sup>**  
**-17.6% (vs 31 December 2024)**

Share price  
**24.1 p**  
**-3.6% (vs 31 December 2024)**

Discount to Adjusted NAV  
**56%**  
**70% (vs 31 December 2024)**

Cash Balance  
**US\$2.2 million<sup>1</sup>**

Total Debt  
**US\$63.4 million<sup>1</sup>**

Loan-to-Value Ratio  
**55.2%<sup>1</sup>**

<sup>1</sup> As at 31 March 2025.

<sup>2</sup> Based on a US\$/£ exchange rate of 1.371997 as at 30 June 2025.

All other data are as at 30 June 2025.

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 **Sniper Capital**

## Portfolio

### The Waterside

The Company achieved new sales of four standard units at *The Waterside* for a total consideration of HKD 61.8 million (US\$7.9 million) in H1 2025, with three units subject to completion in Q3. Negotiations continue on other units which have yet to convert to reportable sales. As a result, in total, 36 units have now been sold since the divestment programme began in mid-2022, with 23 units remaining available for sale as of 30 Jun. As a significant number of prospective purchasers have expressed a preference for tenanted units, pending their sale, a number of the remaining units are leased on a short-term basis reflecting an occupancy rate of 42% of the total available gross floor area, with rents at an average of HK\$18.36 (US\$2.33) per square foot per month. Further sales are being negotiated in what continues to be challenging conditions for the Macau real estate market.

### The Fountainside

At *The Fountainside*, the Company sold an additional villa together with its car-parking space for a total consideration of HK\$14.5 million (c.US\$1.85 million). The sale is scheduled for completion in Q3 2025. With this sale, three out of the development's four villas have now been sold, and active discussions are in progress with prospective purchasers on the final villa.

In addition, the three reconfigured apartments and two car-parking spaces remain available for sale. The sales effort has been hampered by continuing challenges in obtaining approvals for newly built parking spaces as part of the reconfiguration exercise. The Company continues to pursue the resolution of these bureaucratic issues.

### Penha Heights

*Penha Heights*, located at the top of the exclusive and historic Penha Hill, is among the top homes in Macau. The Company's marketing approach for the property includes tapping the regional client network of ultra-high-net-worth individuals of a Hong Kong-based firm of specialist property agents.

Although these efforts have led to ongoing viewings by potential purchasers, they have not yet resulted in firm offers. However, the Company remains in proactive discussions with several interested parties to facilitate a sale of *Penha Heights*.

## Property

### Macau's property recovery loses momentum

Although the Macau property sector had demonstrated a nascent recovery in 2024 driven by interest rate cuts and changes in government policy, the market had lost its momentum by the first quarter of 2025. During that period, the residential sector saw declines in terms of both transaction volumes as well as prices – 754 residential property sales were recorded, which represented a drop of 130 transactions or 15% lower quarter-on-quarter (QoQ). In terms of value, the drop was sharper with the total transactions value falling 27% QoQ. Overall average prices in the first quarter were 6% lower QoQ.

*The recovery of gaming and tourism has stabilised while uncertainty continues to loom over the domestic property sector.*

Existing residential units were worse hit than new homes offered by developers with the volume of transactions 18% lower QoQ while total transactions value recorded a steep fall of 29% QoQ. Nevertheless in April, the residential property market appeared to have stemmed the decline. Sales volumes had increased 19.9% MoM while prices rose slightly by 1.5% MoM. New approvals of residential mortgage loans had also increased 7.2% MoM in March.

On the other hand, rental yields for residential properties had surged to a three-year high in the first quarter of 2025 with a 4.5% increase YoY.

### Luxury market tracks overall sector performance

In the luxury residential segment, the volume and value of transactions have largely tracked the overall market. The number of sales transactions expanded in the later part of 2024 in response to the policy changes in Macau as developers rushed to offload inventories at attractive prices resulting in a 67% increase in transactions over 2023's dismal numbers. However, by the first quarter of 2025, the increase had fizzled out with only 53 sales transacted, representing a QoQ decline of 17%.



## Macau

### Economy

Following the post-pandemic boom, Macau's economic growth has moderated in the face of economic headwinds and volatility. The territory's full year Gross Domestic Product (GDP) for 2024 registered YoY growth of 8.8% to reach approximately 86.4% of pre-pandemic levels, but this was lower than analyst forecasts of over 10% growth.

*Further sales are being negotiated in what continues to be challenging conditions for the Macau real estate market.*

For the first three months of 2025, global economic uncertainties had dampened Macau's economy. In addition, post-pandemic, the territory's economic engines – tourism and gaming – have continued to undergo significant shifts in visitor spending and consumption patterns, preferences and demographics, impacting its GDP. Macau's first quarter GDP contracted by 1.3% YoY compared to 3.4% in the preceding quarter, and relative to the pre-pandemic levels, Macau's economy stood at 85.2% of pre-pandemic GDP for the corresponding period in 2019.

Nevertheless, Macau's economy continues to be powered by strong performance in tourism and gaming, and backed by stable public finances. It is therefore on a good footing to weather the challenges and uncertainties in the global and regional economic outlook and weaknesses in the local economy.

### Tourism and gaming

Total visitor arrivals for the first quarter of 2025 reached approximately 9.9 million, which was 11% higher YoY. Despite the increase in visitor arrivals, Macau's tourism exports for the period had decreased by 3.4% YoY and spending per visitor had experienced a 13% decline. This has been attributed to dampened consumer confidence in mainland China and an increase in leisure visitors and lower value gaming visitors.

As at end-April, cumulative gross gaming revenue (GGR) for the first four months of 2025 stood at MOP76.5 billion (US\$9.3 billion), an 0.8% increase YoY, or 32% of the full-year target set by the government and falling short of the 6% annual growth target. These values represent approximately 80% of pre-pandemic levels in 2019. It is expected that the weak GGR figures may also be partly due to seasonal weakness, and analysts expect the revenues to improve in the coming months.

### Outlook

Although Macau's economy remains resilient, it is not immune to global and regional volatility. As a result, the International Monetary Fund has halved its 2025 growth forecast for the territory's economy to 3.6% YoY. This downward revision reflects the slowing economic growth globally which had been hindered by rapidly changing policy shifts and the resulting uncertainties.

The slowing growth environment and climate of uncertainty had led Jones Lang LaSalle Macau to forecast that residential property prices in the territory are likely to see a decline of up to 5% in 2025 due to oversupply and subdued demand. Additionally, the loan-to-deposit ratios for both Macau residents and non-residents at local banks have also seen declines as at the end of the first quarter of 2025. This indicates a lower appetite for new mortgages, reflecting a cautious approach amid current economic uncertainties.

In the light of these challenges, the Company's disposal timelines have also been similarly impacted. As a consequence, this has necessitated deeper discounts to deliver ongoing sales, meet operating obligations and comply with banking covenants and loan-to-value ratios. Nevertheless, the Company remains committed to continuing its divestment programme to meet its debt repayment schedule and return capital to shareholders.



## FURTHER INFORMATION

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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.

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