

AIM Sch 1 Update-Dragon-Ukrainian
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AIM
25 May 2007

ANNOUNCEMENT TO BE MADE BY THE AIM APPLICANT PRIOR TO ADMISSION IN ACCORDANCE WITH RULE 2 OF THE AIM RULES FOR COMPANIES ("AIM RULES")

COMPANY NAME: DRAGON-UKRAINIAN PROPERTIES & DEVELOPMENT PLC

COMPANY REGISTERED OFFICE ADDRESS AND IF DIFFERENT, COMPANY TRADING ADDRESS (INCLUDING POSTCODES) :
Top Floor, 14 Athol Street, Douglas, Isle of Man IM1 1JA

COUNTRY OF INCORPORATION:
Isle of Man

COMPANY WEBSITE ADDRESS CONTAINING ALL INFORMATION REQUIRED BY AIM RULE 26:
www.dragon-upd.com

COMPANY BUSINESS (INCLUDING MAIN COUNTRY OF OPERATION) OR, IN THE CASE OF AN INVESTING COMPANY, DETAILS OF ITS INVESTING STRATEGY). IF THE ADMISSION IS SOUGHT AS A RESULT OF A REVERSE TAKE-OVER UNDER RULE 14, THIS SHOULD BE STATED:

The Company's strategy is to be an active investor in the development of new commercial properties as well as in the redevelopment of existing properties in Ukraine which offer the prospect of attractive returns to its shareholders.

The initial focus will be on the development of new and re-development of existing commercial properties in the retail, office and warehousing sectors.

However, the Directors will also consider alternative types of investment in real estate, including land acquisitions with development potential for residential projects, where they believe such investments will generate appropriate returns for shareholders.

The Company's initial investment and development activities will focus on Kyiv and Kyiv oblast as well as other major regional centres of Ukraine where the population exceeds 700,000 people.

Whilst the primary focus will be on the development and re-development of commercial properties and, to a lesser extent, on secondary market acquisitions, the Company will actively seek opportunities to enter into sale-and-leaseback arrangements, mainly in the retail sector where the Directors believe such opportunities are likely to be present, given the continued expansion of the retail sector in the Ukraine.

The Company expects to implement its strategy in partnership with one or more local property development experts. It may acquire properties from such partners and may make investments in, or from joint ventures with them.

The Directors expect the Company to play an active role in selecting and supervising the projects in which the Company will become involved.

The Company expects to invest the net proceeds of the Placing within 24 to 30 months after Admission in accordance with the investment strategy stated herein.
Funds not invested will be held on deposit in cash or in near cash instruments.

Dragon Capital Partners will act as investment manager to the Company and will be responsible for identifying new investment opportunities for the Company that fall within the investment strategy. Once a potential opportunity has been identified, the manager will carry out a due diligence exercise into the opportunity and, after concluding that the project is suitable, negotiate the purchase or investment or other terms with the relevant counter-party. Once this process is complete, the proposed opportunity will be presented to the Board.

The Board will take the final decision on whether or not to pursue the proposal.

The Directors have significant expertise and experience in evaluating the types of investments the Company proposes to make. Mr. van der Heijden has worked in the real estate industry for 29 years, He is a non-executive partner of DTZ Zadelhoff (The Netherlands), and a Supervisory Board member of DTZ Zadelhoff Tie Leung Central & Eastern Europe. Mr Svinhufvud has managed businesses in the Ukraine since 1995, notably for large western corporations such as Tetra Pak.

Mr. Fiala established Dragon Capital in 2000, and has since grown it into a leading Ukrainian investment house specialising in brokerage, investment banking, securities trading, asset management and private equity investments.

As an investing company within the meaning of the AIM Rules, the Company will seek the consent of the shareholders to its investment strategy annually.

DETAILS OF SECURITIES TO BE ADMITTED INCLUDING ANY RESTRICTIONS AS TO TRANSFER OF THE SECURITIES (i.e. where known, number and type of shares, nominal value and issue price to which it seeks admission and the number and type to be held as treasury shares):

104,000,200 ordinary shares of 1p issued at \$2.00 (101p)

No restrictions on transfer

CAPITAL TO BE RAISED ON ADMISSION (IF APPLICABLE) AND ANTICIPATED MARKET CAPITALISATION ON ADMISSION:

\$208m (£104.8m)

PERCENTAGE OF AIM SECURITIES NOT IN PUBLIC HANDS AT ADMISSION:

4.8%

DETAILS OF ANY OTHER EXCHANGE OR TRADING PLATFORM TO WHICH THE AIM SECURITIES (OR OTHER SECURITIES OF THE COMPANY) ARE OR WILL BE ADMITTED OR TRADED:

n/a

FULL NAMES AND FUNCTIONS OF DIRECTORS AND PROPOSED DIRECTORS (underlining the first name by which each is known or including any other name by which each is known):

Aloysius Wilhelmus Johannes ("Lou") van der Heijden	Non Executive Chairman
Tomas Fiala	Non Executive Director
Fredrik Svinhufvud	Non Executive Director

FULL NAMES AND HOLDINGS OF SIGNIFICANT SHAREHOLDERS EXPRESSED AS A PERCENTAGE OF THE ISSUED SHARE CAPITAL, BEFORE AND AFTER ADMISSION (underlining the first name by which each is known or including any other name by which each is known):

Before Admission:
Ridgeway Nominees Limited *
50%
Ridgeway Corporate Nominees Limited*
50%

The holding above are held on behalf of Dragon Holdings Limited (Cyprus)

After Admission:	%	
Spinnaker Capital Limited	10.62	
Julius Bear Limited	9.99	
DRGN Limited (Dragon Capital - Custody Clients)		9.70
ELQ Investors Limited	9.65	
Cundhill Recovery	9.00	
Morgan Stanley Principal Strategies	8.69	
Finisterre Global Opportunity Fund	7.24	
Polar Capital Elbrus Fund	5.79	
DRGN Limited	4.85	
PMA European Credit Opportunities Master Fund Limited		3.62
Renaissance Capital	3.38	

NAMES OF ALL PERSONS TO BE DISCLOSED IN ACCORDANCE WITH SCHEDULE 2, PARAGRAPH (H) OF THE AIM RULES:

n/a

- (i) ANTICIPATED ACCOUNTING REFERENCE DATE :
- (ii) DATE TO WHICH THE MAIN FINANCIAL INFORMATION IN THE ADMISSION DOCUMENT HAS BEEN PREPARED:
- (iii) DATES BY WHICH IT MUST PUBLISH ITS FIRST THREE REPORTS PURSUANT TO AIM RULES 18 AND 19:
- (i) 31 December
- (ii) 28 February 2007
- (iii) 30 November 2007, 30 June 2008 and 30 September 2008

EXPECTED ADMISSION DATE:

1 June 2007

NAME AND ADDRESS OF NOMINATED ADVISER:

Zimmerman Adams International, New Broad Street House, 35 New Broad Street, London EC2M 1NH

NAME AND ADDRESS OF BROKER:

Zimmerman Adams International, New Broad Street House, 35 New Broad Street, London EC2M 1NH

OTHER THAN IN THE CASE OF A QUOTED APPLICANT, DETAILS OF WHERE (POSTAL OR INTERNET ADDRESS) THE ADMISSION DOCUMENT WILL BE AVAILABLE FROM, WITH A STATEMENT THAT THIS WILL CONTAIN FULL DETAILS ABOUT THE APPLICANT AND THE ADMISSION OF ITS SECURITIES:

The full Admission document will be available from the following addresses:

Postal Address: Zimmerman Adams International, Ltd. New Broad Street House,
35 New Broad Street, London EC2M 1NH

Internet address: www.dragon-upd.com

DATE OF NOTIFICATION:

25 May 2007

NEW/ UPDATE: UPDATE

New

This information is provided by RNS
The company news service from the London Stock Exchange END

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