

7 July 2017

Dragon-Ukrainian Properties & Development PLC  
("DUPD" or the "Company" and together with its subsidiaries, the "Group")

### Obolon Residences Phase 3

The Company wishes to advise that the Board, as advised by DCM Limited (the "Investment Manager"), approved undertaking investment in Phase 3 of the Obolon Residences project ("Obolon"). The total budgeted equity investment is forecast to be USD 5 million with the balance of the project costs to be funded from pre sales of unites in the residence.

The Board and the Investment Manager had been deliberating on options for Phase 3, mindful of the Company's investing policy. The decision taken is in line with the investing policy which defines that the Company is able to "undertake investment in additional phases of such properties (other than the existing phase currently being developed in respect of such property) where the Board, as advised by the Investment Manager, believes such investment in additional phases is to protect or enhance the value and salability of such property;"

Obolon Residences has been one of DUPD's most successful developments to-date and the Board along with the Investment Manager believe that equity investment to complete Phase 3 will provide compelling risk-adjusted returns for the Company's shareholders. In addition, continuation of the project will:

- enhance the value of the property by eliminating carrying cost of idle construction site;
- effectively utilize an available pool of local currency which, due to temporary currency restrictions imposed by the central bank of Ukraine, is not able to be converted into US Dollars and sent outside of Ukraine in the near term; and
- will provide for seamless continuation of construction works, which is crucial for customers' confidence in the overall project and successful sales of premises in the future.

Based on the above the Board has decided to approve investment into construction of Phase 3 in the amount of funds available to the Company in local currency. The Board will review the situation again when the hryvnia funds have been spent and take a further decision as appropriate.

In the Company's 2016 annual report on 18 May 2017, the Company included an update on Obolon. Included within the announcement, was a statement that no further distributions are planned for 2017. Shareholders should be aware that there remain significant currency controls which limit the ability to convert hryvnia to US Dollars and send them outside of Ukraine.

For further information, please contact:

Dragon Ukrainian Properties & Development Plc ( <a href="http://www.dragon-upd.com">www.dragon-upd.com</a> )	
Mark Iwashko (Chairman)	+380 (50) 381 8811
DCM Limited (Investment Manager)	
Eugene Baranov / Volodymyr Tymochko	+380 44 490 7120
Panmure Gordon (UK) Limited	
Richard Gray / Andrew Potts	+44 (0)20 7886 2500