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Dragon-Ukrainian Properties & Development plc

("DUPD" or the "Company" and together with its subsidiaries, the "Group")

Response to Acquisition of Shares and Mandatory Offer

The independent directors of DUPD (being Mark Iwashko and Aloysius Wilhelmus Johannes van der Heijden) (the "Independent Directors") note the announcement by Dragon Capital Investments Limited (which together with the Company's Investment Manager DCM Limited is a part of the Dragon Capital Group) on its obligation to make a mandatory cash offer for the entire issued and to be issued share capital of the Company (the "Mandatory Offer") following the purchase of 11,687,200 DUPD ordinary shares at a price of 12.75 pence per ordinary share (the "Purchase").

The Mandatory Offer is required under Rule 9 of the City Code on Takeovers and Mergers as a result of the Purchase, following which Dragon Capital Group holds 35,794,789 ordinary shares representing 32.73 per cent. of the outstanding ordinary share capital of DUPD.

Tomas Fiala, one of the Company's directors, is the principal shareholder and managing director of the Dragon Capital Group.

The Independent Directors will consider the Mandatory Offer when this is made and will make a further announcement in due course. In the meantime, DUPD shareholders are advised to take no action in relation to the Mandatory Offer.

The notification is required under Article 19 of the Regulation (EU) No 596/2014 as the Dragon Capital Group is a person closely associated with Tomas Fiala.

Further announcements will be made as and when appropriate.

Contacts:

Dragon - Ukrainian Properties & Development plc (www.dragon-upd.com)

Mark Iwashko (Chairman) +380 (50) 381-8811

Panmure Gordon (UK) Limited

Richard Gray / Andrew Potts (**Nomad & Broker**) +44 (0)20 7886 2500

Karri Vuori / James Greenwood (**Financial Adviser**)

Panmure Gordon (UK) Limited, which is authorised and regulate in the United Kingdom by the Financial Conduct Authority, is acting exclusively for DUPD and the Independent Directors and no one else in connection with the Possible Offer and will not be responsible to anyone other than DUPD and the Independent Directors for providing the protections afforded to its clients or for providing advice in relation to the Offer or any other matters referred to herein.

Rule 2.9

In accordance with Rule 2.9 of the Code, DUPD confirms that, as of the date of the announcement, it has in issue 109,361,515 ordinary shares of 1 pence each. The International Securities Identification Number ("ISIN") number of the ordinary shares is IM00B1XH2B90.

Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

A copy of this announcement will be made available (subject to certain restrictions relating to persons resident in restricted jurisdictions) at www.dragon-upd.com by no later than 12 noon (London time) on 31 May 2017, being the date following the date of this announcement.

Additional Information

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to this announcement or otherwise. Any offer, if made, will be made solely by certain offer documentation which will contain the full terms and conditions of any offer, including details of how it may be accepted.

The distribution of this announcement in jurisdictions other than the United Kingdom and the availability of any offer to shareholders of DUPD who are not resident in the United Kingdom may be affected by the laws of relevant jurisdictions. Therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom or shareholders of DUPD who are not resident in the United Kingdom will need to inform themselves about, and observe, any applicable requirements.

Notification and public disclosure of transactions by persons discharging managerial

responsibilities ("PDMRs") and persons closely associated ("PCA") with them.

1	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	Tomas Fiala / Dragon Capital
2	Reason for the notification	
a)	Position/status	Investment manager
b)	Initial notification /Amendment	Initial notification
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Dragon-Ukrainian Properties & Development plc
b)	LEI	n/a
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument	Ordinary shares of 1 pence each London Stock Exchange, AIM, DUPD.L

	Identification code	ISIN Code: IM00B1XH2B90.				
b)	Nature of the transaction	Purchase of shares				
c)	Price(s) and volume(s)	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>12.75 pence</td> <td>11,687,200</td> </tr> </tbody> </table>	Price(s)	Volume(s)	12.75 pence	11,687,200
Price(s)	Volume(s)					
12.75 pence	11,687,200					
d)	Aggregated information					
	- Aggregated volume	11,687,200 Ordinary Shares				
	- Price	12.75 pence				
e)	Date of the transaction	29 May 2017				
f)	Place of the transaction	Kyiv, Ukraine				

