

Investing Policy

(approved by the resolution of shareholders at the extraordinary general meeting of shareholders held on 17 February 2014)

Investing strategy – asset allocation – geographic focus and sector focus

The Board will seek to realise the Company's Properties in an orderly manner, such realisations to be effected at such times, on such terms and in such manner as the Board (in its absolute discretion) may determine.

Assets or companies in which the Company can invest

The Company will not make any investments in new properties.

However, this will not preclude the Board (in its absolute discretion) from making any investment in existing Properties in the following circumstances:

- where the Board, as advised by the Manager, believes such investment is to protect or enhance the value and saleability of such Property;
- where the Company is contractually committed to make such investment;
- in respect of Properties currently under construction, where the Company continues to pursue, where necessary, any licences and/or approvals which are required for a particular Property to continue its development;
- undertaking 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 Manager, believes such investment in additional phases is to protect or enhance the value and saleability of such Property;
- authorising the expenditure of such capital as is necessary to: (i) acquire any joint venture party's interests in any of the Company's existing investments; or (ii) carry out any construction necessary to maximise value and saleability of any existing Property; and
- entering into any contract or other arrangement with any third party to realise all or any part of its existing Properties.

In addition, the Company will only commence construction on any of its existing Properties that have yet to commence construction to protect or enhance the value and saleability of such Property. In respect of such Properties, the Company will also continue to pursue, where necessary, any licences and/or approvals which are required for a particular Property.

These above restrictions will not preclude the Company making investments in short dated cash or near cash equivalent securities, which form part of its cash management practices.

Strategy by which the investing policy will be achieved

The Board and the Manager will investigate a number of approaches to realisation of its Properties, which will include, but not be limited to, sales of individual assets or groups of assets or a sale of the entire portfolio (or a combination of such methodologies), or an in-specie distribution of such Property. The Board will only consider in-specie distributions to Shareholders when other realisation alternatives have been fully explored and the relevant Property investment is quoted on a stock exchange.

The Board and the Manager may decide to appoint independent advisers to assist in the execution of the New Investing Policy, including, but not limited to, property valuers and property agents.

Whether investments will be active or passive investments

The Manager assumes a proactive approach to every Property project in the Company's Property portfolio.

Holding period for investments

The New Investing Policy includes an orderly realisation of the Company's Properties over the medium term with a view to maximising returns for Shareholders. Accordingly, the Board will seek to realise the Company's Properties and exercise all legal rights of the Company in such manner and on such timescale as the Directors see fit, with a view to ensuring that returns to shareholders are maximised.

Spread of investments and maximum exposure limits

The Company does not have a prescribed policy in relation to the spread of investments or maximum exposure limits.

The realisation of the Company's Properties over time, may result in the Company having a reduction in the diversification of investments. However, the realisation of the Company's Properties over time will also result in the reduction of the Company's overall investment in real estate assets.

Policy in relation to gearing and cross holdings

The Board (in its absolute discretion) may make prudent use of leverage to make investments or expenditure consistent with its investing policy and to satisfy working capital requirements. Borrowings may be undertaken by the Company itself or by any of its subsidiaries or project companies.

Given that the New Investing Policy is an orderly realisation of the Company's Properties over the medium term, it is not expected that the Company will secure additional debt financing other than where the Company believes it is required to protect or enhance the value and saleability of such Property.

Investing restrictions

Other than the requirement for the Manager to manage any potential conflicts of interest, and the requirement to invest in accordance with its New Investing Policy, there are no other investing restrictions.

Nature of returns that the Company will seek to deliver to Shareholders

Under the New Investing Policy, the Board will seek to return any surplus funds to Shareholders when appropriate. The net proceeds of all Property realisations will be returned to Shareholders, at the Board's discretion, having regard to:

- the requirement to invest further funds in the Company's existing Property projects only to protect or enhance the value and saleability of such Property, and/or where the Company is contractually committed to make such investment;
- the Company's working capital requirements and running costs (including the fees payable under the Third Management Agreement);
- the cost and tax efficiency of individual transactions and/or distributions; and
- the 2006 Act.

It is expected that surplus capital will be returned to Shareholders over time in a manner which may involve dividends, share buy-backs, voluntary tender offers, dividends and/or capital reductions. The decision to make any such returns, the method through which such returns are effected, as well as the quantum and timing of any such returns will be at the sole discretion of the Board. The Board will only consider in-specie distributions to Shareholders when other realisation alternatives have been fully explored and the relevant Property investment is quoted on a stock exchange.

Other matters

Cash management

Pending future returns of value to Shareholders, all of the Company's funds (whether in the form of cash or otherwise) will be kept under the control of the Board or as it may direct.

Currency hedging

The Company will hedge currency and interest rate risk as and to the extent that the Board (in its absolute discretion) considers appropriate.

Management of liabilities

The Company will endeavour, at the direction of the Board (in its absolute discretion), to manage all actual or potential material liabilities, risks or exposures of the Company (including, without limitation, any existing contractual

commitments, disputes (potential or actual) and litigation (threatened or actual)) in a manner consistent with the orderly realisation of the Company's Properties.

Conflict policy

The Dragon Capital Group pursues a number of real estate development projects in Ukraine. Under the terms of the Third Management Agreement the Manager has no ability to commit the Company or any of its subsidiaries to make any acquisition or disposal. In the event that any Relevant Party has the opportunity to acquire Conflict Property then the Manager shall cause the Relevant Party to provide, inter alia, all material details of the Conflict Property to the Company, in order for the Company to decide whether or not to notify the Manager that it should pursue the opportunity to acquire the Conflict Property (within the scope of the New Investing Policy). If the Company so notifies the Manager of its intention to pursue the opportunity to acquire a Conflict Property, the Manager shall procure that no affiliate of the Manager shall acquire any interest in the Conflict Property in question without the prior consent of the Company.