

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you are recommended to seek advice from your solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the United Kingdom or, if not, by another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all your Ordinary Shares in the Company please immediately forward this Circular, the accompanying Form of Proxy and the enclosed Purchase Facility Form to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

This Circular should be read in its entirety. Your attention is drawn to the letter from the Independent Directors of the Company set out in Part I of this Circular.

A notice to convene an extraordinary general meeting of Dragon-Ukrainian Properties & Development Plc, to be held at Horizon Park, 4-V Mykoly Grinchenka street, Kyiv, Ukraine, 03038 at 11.00 a.m. (London time) on 6 May 2020, is set out in Part III of this Circular. The action to be taken by Shareholders is set out on page 19 of this document. Shareholders have been provided with a Form of Proxy for use in connection with the Extraordinary General Meeting. **Due to the impact of COVID-19 related international travel restrictions affecting travel to and attendance at the Extraordinary General Meeting in person, you are strongly advised to complete, sign and return the Form of Proxy to the Company Administrator at 2nd Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man IM1 1EU or by email to Singrassia@bostonmfo.com, in accordance with the instructions printed on it as soon as possible and, in any event, so as to be received by no later than 11.00 a.m. on 4 May 2020.** Completion and return of a Form of Proxy is the only way your vote will be counted at the Extraordinary General Meeting as, based on current international travel guidance, you will be precluded from travelling to and from, and attending the Extraordinary General Meeting in person.



Dragon-Ukrainian Properties and Development Plc

(Incorporated in the Isle of Man with registered number 010832V)

Proposed cancellation of admission of Ordinary Shares to trading on AIM

Availability of Purchase Facility

Notice of Extraordinary General Meeting

The Directors, whose names appear in Part I of this Circular, accept responsibility, collectively and individually, for the information contained in this Circular (other than the opinions contained in the letter from the Independent Directors set out in this Circular, which are the sole responsibility of the Independent Directors, and the information which describes the Dragon Capital Group, which is the sole responsibility of Dragon Capital). To the best of the knowledge and belief of each of the Directors (who have all taken reasonable care to ensure that such is the case), the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Independent Directors accept responsibility, collectively and individually, for the opinions of the Independent Directors set out in this Circular. To the best of the knowledge and belief of each of the Independent Directors (who have all taken reasonable care to ensure that such is the case), the information contained in this Circular for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Dragon Capital accepts responsibility for the information relating to the Dragon Capital Group set out in this Circular. To the best of the knowledge and belief of Dragon Capital (which has taken reasonable care to ensure that such is the case), the information contained in this Circular for which it accepts responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Panmure Gordon (UK) Limited ("**Panmure Gordon**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser to the Company in relation to the transactions referred to in this Circular. The responsibilities of Panmure Gordon as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person. Persons receiving this Circular should note that Panmure Gordon will not be responsible to anyone other than the Company for providing the protections afforded to its customers or providing advice in relation to matters set out or referred to in this Circular. No liability is accepted by Panmure Gordon for the accuracy of any information or opinion contained in this Circular or for any omission of any information.

Forward-Looking Statements

This Circular includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward looking terminology, including the terms “believes”, “estimates”, “forecasts”, “plans”, “prepares”, “anticipates”, “projects”, “expects”, “intends”, “may”, “will”, “seeks”, or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements all include matters that are not historical facts. They appear in a number of places throughout this Circular and include statements regarding the Company’s, the Directors’ and the Dragon Capital Group’s intentions, beliefs or current expectations concerning, amongst other things, the Company’s prospects, growth and strategy. No statement in this Circular is intended to be a profit forecast and no statement in this document should be interpreted to mean that earnings per ordinary share of the Company for the current or future years would necessarily match or exceed the historical published earnings per ordinary share of the Company.

By their nature, forward-looking statements involve risks and uncertainties because they relate to future events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual performance, achievements and financial condition may differ materially from those expressed or implied by the forward-looking statements in this Circular. In addition, even if the Company’s results of operations, performance, achievements and financial condition are consistent with the forward-looking statements in this Circular, those results or development may not be indicative of results or developments in subsequent periods.

Any forward-looking statements that the Company or the Dragon Capital Group makes in this Circular speak only as of the date of such statement, and none of the Company or the Directors or the Dragon Capital Group undertake any obligation to update such statements unless required to do so by applicable law. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the proposed Cancellation and the Purchase Facility	20 April 2020
Publication and posting of this Circular, the Form of Proxy and the Purchase Facility Form	8.00 a.m. on 20 April 2020
Latest time and date for receipt of online proxy votes or completed Forms of Proxy in respect of the Extraordinary General Meeting	11.00 a.m. on 4 May 2020
Extraordinary General Meeting	11.00 a.m. on 6 May 2020
Sale Period commences	7 May 2020
Expected time and date of Cancellation	7.00 a.m. on 19 May 2020
Latest time and date for receipt of completed Purchase Facility Form and TTE Instruction(s)	1.00 p.m. on 28 May 2020
Sale Period closes	1.00 p.m. on 28 May 2020
Record Time	6.00 p.m. on 28 May 2020
Announcement of take up of the Purchase Facility	on or around 29 May 2020
Cheques despatched and payment through CREST in respect of the Purchase Facility	by 5 June 2020

Notes:

- ⁽¹⁾ All of the times referred to in this Circular refer to London time, unless otherwise stated.
- ⁽²⁾ Each of the times and dates in the above timetable is subject to change. If any of the above times and/or dates change, the revised times and dates will be notified to Shareholders by an announcement through a Regulatory Information Service and/or the Company's website.
- ⁽³⁾ The Cancellation requires the approval of not less than 75% of the votes cast by Shareholders at the Extraordinary General Meeting.

DEFINITIONS

The following definitions apply throughout this Circular, unless the context requires otherwise:

“75% Resolution”	a resolution of the Shareholders passed by a majority of at least 75 per cent. of the voting rights
“AIM”	AIM, the market operated by the London Stock Exchange
“AIM Rules”	the rules and guidance for companies whose shares are admitted to trading on AIM entitled “AIM Rules for Companies” published by the London Stock Exchange, as amended from time to time
“Business Day”	a day (excluding Saturday, Sunday and public holidays in England and Wales) on which banks are generally open for business in London for the transaction of normal banking business
“Cancellation”	the cancellation of admission of the Ordinary Shares to trading on AIM, subject to passing of the Cancellation Resolution and in accordance with Rule 41 of the AIM Rules
“Cancellation Resolution”	the resolution contained in the Notice of Extraordinary General Meeting;
“Circular”	this document, containing information about the Cancellation, the Purchase Facility and the Extraordinary General Meeting
“Closing Price”	the closing middle market quotation of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange
“Company” or “DUPD”	Dragon-Ukrainian Properties and Development Plc, a company incorporated in the Isle of Man with registered number 010832V whose registered office is at 2nd Floor, St Mary’s Court, 20 Hill Street, Douglas, Isle of Man IM1 1EU
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator
“CREST member”	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2006, and any applicable rules made thereunder
“DCI”	Dragon Capital Investments Limited, a company incorporated in Cyprus with registered number 206349 which is part of the Dragon Capital Group
“Directors” or “Board”	the directors of the Company, whose names are set out on page 8 of this document
“Dragon Capital”	Dragon Capital Holding Limited, a company organised under the law of Cyprus, registration number 172042, whose registered office is at Ledra House, Agiou Pavlou 15, Agios Andreas, P.C. 1105, Nicosia, Cyprus

“Dragon Capital Group”	Dragon Capital and its subsidiaries and subsidiary undertakings
“DRGN Limited” or “DRGN”	a company incorporated under the laws of the Republic of Cyprus with registered number HE111306, whose registered office is at Ledra House, Agiou Pavlou 15, Agios Andreas, P.C. 1105, Nicosia, Cyprus which is part of the Dragon Capital Group
“Euroclear”	Euroclear UK & Ireland Limited
“Extraordinary General Meeting”	the extraordinary general meeting of the Company convened for 11.00 a.m. on 6 May 2020 and any adjournment thereof, notice of which is set out in Part III of this Circular
“Form of Proxy”	the form of proxy which accompanies this Circular for use at the Extraordinary General Meeting or at any adjournment thereof
“Independent Directors”	Mark Iwashko and Aloysius van der Heijden, being the Directors who are independent of the Dragon Capital Group
“London Stock Exchange”	London Stock Exchange plc
“Minority Shareholders”	the holders of the 43,854,052 Ordinary Shares not currently owned by the Dragon Capital Group
“Notice of Extraordinary General Meeting” or “Notice”	the notice of Extraordinary General Meeting which is set out in Part III of this Circular
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company, and “Ordinary Share” means any one of them
“Overseas Shareholders”	Shareholders who are citizens or nationals of, or resident in, jurisdictions outside the UK
“Panel”	the Panel on Takeovers and Mergers
“Panmure Gordon”	Panmure Gordon (UK) Limited of One New Change, London EC4M 9AF, the Company’s nominated adviser
“Participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“Purchase Facility”	the mechanism by which DRGN will offer to purchase the Minority Shareholders’ Ordinary Shares for a price of 10 pence per Ordinary Share
“Purchase Facility Form”	the Purchase Facility Form accompanying this circular for use by Qualifying Shareholders who hold their Ordinary Shares in certificated form in connection with the Purchase Facility
“Qualifying Shareholders”	Shareholders on the Register at the Record Time other than those with a registered address in a Restricted Jurisdiction
“Receiving Agent”	Computershare Investor Services PLC or Computershare
“Record Time”	6.00 p.m. on 28 May 2020

“Regulatory Information Service”	has the meaning given to it in the AIM Rules
“Restricted Jurisdiction”	Australia, New Zealand, South Africa, Canada, the United States, Japan or any other jurisdiction where the mailing of this Circular, or the availability of the Purchase Facility into such jurisdiction would constitute a violation of the laws of such jurisdiction
“Sale Period”	the period from 7 May 2020 until 1.00 p.m. on 28 May 2020
“Shareholders”	holders of Ordinary Shares from time to time and “Shareholder” means any one of them
“Takeover Code”	the City Code on Takeovers and Mergers
“TFE Instruction”	a transfer from escrow instruction (as defined by the CREST manual issued by Euroclear)
“TTE Instruction”	a transfer to escrow instruction (as defined by the CREST manual issued by Euroclear)
“United Kingdom”	the United Kingdom of Great Britain and Northern Ireland

A reference to “£” is to pounds sterling, being the lawful currency of the UK.

A reference to “United States Dollars”, “US\$” or “\$” is to United States dollars, being the lawful currency of the United States of America.

PART I

LETTER FROM THE INDEPENDENT DIRECTORS OF

Dragon-Ukrainian Properties & Development Plc

(Incorporated in the Isle of Man with Registered Number 010832V)

Directors:

Mark Iwashko
(Independent Non-Executive Chairman)
Aloysius Wilhelmus Johannes van der Heijden
(Independent Non-Executive Director)
Tomas Fiala
(Non-Executive Director)

Registered Office:

2nd Floor, St Mary's Court,
20 Hill Street,
Douglas,
Isle of Man IM1 1EU

20 April 2020

Dear Shareholder,

Proposed cancellation of admission of Ordinary Shares to trading on AIM
Availability of Purchase Facility
Notice of Extraordinary General Meeting

1. Introduction

The Board has today announced that, following discussions with DRGN Limited, which is a part of the Dragon Capital Group, DUPD's majority and controlling shareholder, the Board has determined to convene an Extraordinary General Meeting with the purpose of proposing the cancellation of trading of the Ordinary Shares on AIM (the "**Cancellation**"). DRGN has proposed to the Board that it believes that it is in the best interests of the Company to seek the Cancellation and that the Company should continue thereafter as an unquoted company. Under the AIM Rules, a proposal to cancel the trading of the Company's securities on AIM is conditional on requisite notice being given to the London Stock Exchange and on the consent of Shareholders holding not less than 75 per cent. of the votes cast on a resolution to that effect proposed at a general meeting.

The Dragon Capital Group currently owns or controls 65,507,463 Ordinary Shares, representing approximately 59.9 per cent. of the Company's issued share capital. Tomas Fiala, a non-executive director of the Company, is the sole shareholder, managing director and ultimate controller of the Dragon Capital Group.

The Independent Directors are aware that the Dragon Capital Group has the ability, as a result of the level of its aggregate shareholding in the Company, to formally requisition the convening of a general meeting for the purpose of proposing the Cancellation. Accordingly, the Independent Directors have concluded that to demand a formal requisition from the Dragon Capital Group would only serve to increase the Company's costs in a situation where no advantage would be gained by the Company in so doing. For this reason, the Independent Directors have agreed to publish this document and to convene the General Meeting. In accordance with the AIM Rules, the Company has also given notice to AIM of the proposed Cancellation.

Shareholders should note that the Dragon Capital Group has confirmed to the Board its intention to vote in favour of the Cancellation Resolution at the General Meeting. Given the level of the Dragon Capital Group's shareholding, the Independent Directors believe it is likely that the Cancellation Resolution will pass. Furthermore, as the Dragon Capital Group is able to acquire further interests in Ordinary Shares without incurring any obligation to make a general offer to all shareholders under Rule 9 of the Takeover Code, it is open to the Dragon Capital Group, if the Cancellation Resolution does not pass, to seek to increase its shareholding so that it may be in a position to pass 75% Resolutions of the Company in the future. This does not, however, preclude Shareholders from voting (by proxy) at the Extraordinary General Meeting and Shareholders are actively encouraged to do so.

As at the close of business on 16 April 2020 (being the latest practicable date prior to the publication of this Circular), the Company had approximately 60 Shareholders holding, in aggregate, 43,854,052 Ordinary Shares not owned by the Dragon Capital Group. Both the Independent Directors, Mark Iwashko and Aloysius van der Heijden, and the Dragon Capital Group are aware that the proposed Cancellation, should it be approved by Shareholders at the Extraordinary General Meeting, would make it considerably more difficult to buy and sell Ordinary Shares in the Company following the Cancellation. Therefore, the Dragon Capital Group has agreed to arrange for the establishment of a purchase facility with a view to acquiring any or all of the 43,854,052 Ordinary Shares it does not currently own from any Minority Shareholders (if they are Qualifying Shareholders) wishing to sell their Ordinary Shares. In order to treat all Shareholders equally, the Dragon Capital Group, via its wholly-owned subsidiary DRGN, is prepared to offer the same price of 10 pence per Ordinary Share, for a limited period, that is for the duration of the Sale Period. Shareholders will therefore have a period of approximately three weeks to sell their Ordinary Shares to DRGN. The Company expects that the last day of trading of the Company's Ordinary Shares on AIM will be 18 May 2020, with the Cancellation becoming effective at 7.00 a.m. on 19 May 2020. Following the Cancellation, in the event that any Minority Shareholders' Ordinary Shares are not sold pursuant to the Purchase Facility, there will be no public market for such Minority Shareholders' Ordinary Shares and any opportunity to realise value for their shareholding will therefore be extremely limited.

Details of the Independent Directors' recommendation, and reasons for their recommendation, are set out in paragraph 12 below.

Further details about the Purchase Facility, and what to do if you wish to sell your Shares to DRGN, are set out in paragraphs 6 and 10 below, under the headings "Details of the Purchase Facility and action to be taken by Shareholders wishing to take advantage of the Purchase Facility" and "Procedure for selling your Ordinary Shares", respectively.

The purpose of this Circular is:

- (a) to provide you with information on the background to and reasons for the Cancellation;
- (b) to explain the consequences of the Cancellation and the position of the Independent Directors in relation to the Cancellation;
- (c) to provide you with details of the Purchase Facility; and
- (d) to provide the Notice of Extraordinary General Meeting at which the Shareholders will be invited to pass the Cancellation Resolution.

The Notice of Extraordinary General Meeting to be held at Horizon Park, 4-V Mykoly Grinchenka street, Kyiv, Ukraine, 03038 at 11.00 a.m. on 6 May 2020, is set out in Part III of this Circular.

2. Background and reasons for Cancellation

DUPD's Ordinary Shares have been admitted to trading on AIM since 2007.

The Dragon Capital Group became the majority shareholder in the Company as a result of a mandatory cash offer (the "**2017 Offer**"), at a price of 15 pence per Ordinary Share (the "**2017 Offer Price**") made by DCI in June 2017 for the entire issued and to be issued share capital of DUPD not already owned by the Dragon Capital Group which resulted in the Dragon Capital Group acquiring 66,607,334 Ordinary Shares representing 60.91 per cent of the issued share capital of DUPD. On 10 January 2019 Dragon Capital purchased 294,820 Ordinary Shares and on 16 December 2019 Dragon Capital sold 1,394,691 ordinary shares leaving it with an aggregate holding of 65,507,463 Ordinary Shares, representing approximately 59.90% of the issued share capital of the Company. As the Dragon Capital Group currently holds more than 50 per cent of the Company's currently issued share capital, it is able to acquire further interests in Ordinary Shares without incurring any obligation to make a general offer to all shareholders under Rule 9 of the Takeover Code.

In the offer document, DCI stated, *inter alia*, that should it acquire or agree to acquire, by virtue of its shareholding and acceptances of the 2017 Offer, issued share capital carrying 75 per cent. or more of the voting rights of the Company, it reserved the right to procure that the Company apply for the cancellation of trading in the Ordinary Shares on AIM not less than 20 business days following DCI first having acquired or agreed to acquire such issued share capital.

On 17 February 2014, the Shareholders approved a new investment policy, seeking to dispose of the Company's properties in an orderly manner, at such times, on such terms and in such manner as the Board may determine and making clear the Company would not make any investments in new properties. Surplus funds and net proceeds from property realisations would be returned to Shareholders when appropriate.

The Board has maintained the trading of the Ordinary Shares on AIM, distributing surplus capital to shareholders following realisations from time to time. Whilst the Directors believe they have taken appropriate measures to support the sustainability of the Company's business in the current circumstances, a continuation of the current unstable business environment could negatively affect the Company's results and financial position in a manner not currently determinable.

Having kept the matter under review, the Dragon Capital Group, acting in consultation with the Board, has now concluded that it is no longer appropriate for the Company to maintain the trading of its Shares on AIM, an assessment supported by the Independent Directors for the following reasons:

- (a) the majority (in value) of the Company's liquid assets have been disposed of since the Shareholders approved the current investment policy and it is not clear at this stage when the remaining assets will be disposed of;
- (b) no further distributions are planned at this stage;
- (c) the Company has no present intention to conduct a fundraising or to make any acquisitions which would require the issue of further Ordinary Shares;
- (d) only 20,413,912 of the Company's Ordinary Shares (representing approximately 18.7 per cent of the issued Ordinary Shares) are held in public hands, as both the Dragon Capital Group and Lars Ernst Bader own more than 10 per cent. each of the Company's issued share capital and are therefore excluded from this figure. Consequently, there is very little liquidity in the Ordinary Shares. As at the close of business on 15 April 2020, only 22 share trades have been recorded in the Company's Ordinary Shares, on the London Stock Exchange's website since 30 June 2019. Given the size of the Dragon Capital Group's shareholding there are, in the Independent Directors' view, no other natural buyers of Ordinary Shares which has meant that, in practice, Minority Shareholders have not been able to sell their Ordinary Shares easily;
- (e) minimum share transaction dealing costs from stockbrokers may also dissuade Shareholders from selling their shares in the market. With minimum share transaction costs normally ranging from approximately £5-£12.50 per trade, the Independent Directors believe this may be a disincentive to trade in the Company's shares and so contribute to the lack of liquidity that the Company is experiencing; and
- (f) at present, the annual costs associated with the maintenance of the trading of Shares on AIM are approximately £240,000, and a disproportionate amount of management time is spent in meeting AIM Rules and related regulatory requirements, including reporting, disclosure and corporate governance requirements.

3. Process for, and principal effects of, the Cancellation

The Directors are aware that certain Shareholders may be unable or unwilling to hold Ordinary Shares in the event that the Cancellation is approved and becomes effective. **Such Shareholders should consider selling their interests, either in the market prior to the Cancellation or pursuant to the Purchase Facility.**

Under the AIM Rules, it is a requirement that the Cancellation must be approved by not less than 75 per cent. of votes cast by Shareholders at a general meeting. Additionally, the Company is required to give at least 20 clear Business Days' notice of Cancellation and Cancellation will not take effect until at least five clear Business Days have passed following the passing of the Cancellation Resolution.

If the Cancellation Resolution is passed at the Extraordinary General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 18 May 2020 and that the Cancellation will take effect at 7.00 a.m. on 19 May 2020.

The principal effects of the Cancellation on any Minority Shareholders who do not sell their Ordinary Shares pursuant to the Purchase Facility will be as follows:

(a) **Trading, transferability and value of the Ordinary Shares**

- there will no longer be a formal market mechanism enabling Shareholders to trade their Ordinary Shares on AIM (or any other recognised market or trading exchange);
- although the Ordinary Shares will remain transferable, the Ordinary Shares will be considerably more difficult to sell compared to shares of companies traded on AIM;
- it is likely that the liquidity and marketability of the Ordinary Shares will be restricted and the value of such Ordinary Shares will likely be adversely affected in the near-term as a consequence. This may not, however, be indicative of the future value of such Ordinary Shares in the long-term; and
- it will be more difficult for Shareholders to determine the market value of their investment in the Company at any given time.

(b) **Loss of regulatory protection**

- the Company will no longer be subject to the AIM Rules and, accordingly, Shareholders will no longer be afforded the protections given by the AIM Rules. In particular, the Company will not be bound to:
 - make any public announcements of material events, or to announce interim or final results;
 - comply with any of the corporate governance practices applicable to AIM companies;
 - announce substantial transactions and related party transactions; or
- comply with the requirement to obtain shareholder approval for reverse takeovers and fundamental changes in the Company's business;
- the Company will cease to retain a nominated adviser and broker;
- the Company will no longer be subject to the Market Abuse Regulation regulating inside information;
- the Company will no longer be subject to the Disclosure Guidance and Transparency Rules and will therefore no longer be required to publicly disclose major shareholdings in the Company; and
- the Company will no longer be subject to the Takeover Code, in relation to which further details are set out in paragraph 7 below.

(c) **Independent Directors**

Mark Iwashko and Aloysius van der Heijden do not expect to continue to act as directors of the Company following the Cancellation.

(d) **CREST**

Following completion of the Purchase Facility the Company's CREST facility will be cancelled and, although the Ordinary Shares will remain transferable, they will cease to be transferable through CREST. Shareholders who hold Ordinary Shares in CREST will receive share certificates.

(e) **Communications**

The Company currently intends that it will continue to provide certain facilities and services to Shareholders that they currently enjoy as shareholders of an AIM company following the proposed Cancellation. It is intended that the Company will continue to:

- communicate information about the Company (including annual accounts) to its Shareholders, as required by law; and
- maintain its website, <https://dragon-upd.com>, and to post updates on the website from time to time, although Shareholders should be aware that there will be no obligation on the Company to include all of the information required under AIM Rule 26 or to update the website as required by the AIM Rules.

The above considerations are not exhaustive, and Shareholders should seek their own independent advice when assessing the likely impact of the Cancellation on them.

4. Process for Cancellation

Under the AIM Rules, it is a requirement that Cancellation must be approved by not less than 75 per cent of votes cast by shareholders at a general meeting. Accordingly, the Notice of Extraordinary General Meeting set out in Part III of this Circular contains a 75% Resolution to approve the Cancellation.

Furthermore, Rule 41 of the AIM Rules requires any AIM company that wishes the London Stock Exchange to cancel the admission of its shares to trading on AIM to notify shareholders and to separately inform the London Stock Exchange of its preferred cancellation date at least 20 Business Days prior to such date. In accordance with AIM Rule 41, the Directors (through the Company's nominated adviser, Panmure Gordon) have notified the London Stock Exchange of the Company's intention, subject to the Cancellation Resolution being passed at the Extraordinary General Meeting, to cancel the admission of the Company's Ordinary Shares to trading on AIM on 19 May 2020.

Cancellation will not take effect until at least five clear Business Days have passed following the passing of the Cancellation Resolution. If the Cancellation Resolution is passed at the Extraordinary General Meeting, it is proposed that the last day of trading in Ordinary Shares on AIM will be 18 May 2020 and that Cancellation will take effect at 7.00 a.m. on 19 May 2020.

5. Transactions in the Ordinary Shares following the proposed Cancellation

Shareholders should note that they are able to trade in the Ordinary Shares on AIM prior to the Cancellation and/or pursuant to the Purchase Facility.

While the Ordinary Shares will remain freely transferable, there will be no public market for any Ordinary Shares not sold through the Purchase Facility and they will cease to be transferable through CREST. Shareholders who currently hold Ordinary Shares in uncertificated form (that is, in CREST) will receive share certificates in due course following the Cancellation taking effect.

Share transfers may still be effected after the date of the Cancellation by depositing a duly executed and stamped stock transfer form, together with an appropriate share certificate, with the Company Secretary.

6. Details of the Purchase Facility and action to be taken by Shareholders wishing to take advantage of the Purchase Facility

At the close of business on 16 April 2020 (being the latest practicable date prior to the publication of this Circular):

- (a) the Dragon Capital Group holds, in aggregate, 65,507,463 Ordinary Shares representing 59.9 per cent. of the existing issued Ordinary Shares and voting rights in the Company; and
- (b) the Minority Shareholders hold, in aggregate, 43,854,052 Ordinary Shares in the Company, representing 40.1 per cent. of the existing issued Ordinary Shares and voting rights in the Company.

The Independent Directors and the Dragon Capital Group recognise that cancelling the trading of the Company's Ordinary Shares on AIM will make it significantly more difficult for Minority Shareholders to sell their Ordinary Shares should they so wish. Accordingly, with the support of the Independent Directors, DRGN has agreed to arrange for the establishment of a facility to purchase any or all of the Ordinary Shares it does not currently own from any Minority Shareholder (if they are a Qualifying Shareholder) wishing to sell their Ordinary Shares by following the instructions set out in paragraph 10 below, under the heading "Procedure for selling your Ordinary Shares".

Shareholders who are not Qualifying Shareholders (being Shareholders with a registered address in a Restricted Jurisdiction) will not be able to participate in the Purchase Facility.

The key terms of the Purchase Facility are:

- (i) a purchase price of 10 pence per Ordinary Share;
- (ii) the Purchase Facility shall remain open from 7 May 2020 until 1.00 p.m. on 28 May 2020 (the "**Sale Period**"); and
- (iii) any sale of Ordinary Shares by Minority Shareholders will be free of trading costs to the seller applied by the Receiving Agent on behalf of the Dragon Capital Group or the Company, which will be borne by the Dragon Capital Group.

Minority Shareholders should further note that (i) this is the only price at which DRGN is prepared to acquire Ordinary Shares, (ii) the same price is being made available to all Minority Shareholders (if they are Qualifying Shareholders), and (iii) this price will not be subject to any amendment during the Sale Period.

Minority Shareholders should also note that:

- (a) the purchase price represents a premium of approximately 11 per cent. compared to the 2017 Offer Price, as adjusted for the dividends paid by the Company since the 2017 Offer⁽¹⁾;
- (b) the purchase price represents a discount of approximately 9.1 per cent. to the Closing Price for Ordinary Shares on 16 April 2020, being the latest practicable date prior to the date of this Circular;
- (c) the purchase price represents a discount of approximately 6.5 per cent. compared to the average Closing Price for Ordinary Shares in the six months ending on 16 April 2020, being the latest practicable date prior to the date of this Circular.

The Independent Directors consider that the Purchase Facility:

- provides an opportunity for Minority Shareholders (if they are Qualifying Shareholders) to sell their Ordinary Shares, including for a period of time following the date of the Extraordinary General Meeting;
- gives such Shareholders the ability to sell all or some of the Ordinary Shares held by them (without scaling back) or to sell none of their Ordinary Shares depending on their own liquidity requirements and their view of the future prospects of the Company; and
- provides a return of cash now, compared to the alternative of being exposed to the ongoing risks of the Company.

Subject to the passing of the Cancellation Resolution, it is anticipated that trading in Ordinary Shares on AIM will cease at close of business on 18 May 2020, with cancellation of such trading taking effect from 7.00 a.m. on 19 May 2020. The Sale Period will remain open for a further 21 days until 1.00 p.m. on 28 May 2020.

Minority Shareholders do not have to sell any Ordinary Shares if they do not wish to do so. However, Minority Shareholders who elect not to sell their Ordinary Shares pursuant to the Purchase Facility or otherwise in the market by other means prior to the Cancellation will, on completion of the Cancellation, hold Ordinary Shares in an unquoted public company with no market facility for dealing in the Ordinary Shares after the Cancellation. No price will be publicly quoted for the Ordinary Shares following Cancellation.

⁽¹⁾ Following an asset realisation, the Company made an initial dividend distribution of USD 0.07 per Ordinary Share, paid on 17 April 2018, followed by an additional dividend distribution of USD 0.02 per Ordinary Share, paid on 16 May 2018.

The Independent Directors also note that if, pursuant to the Purchase Facility or otherwise, the Dragon Capital Group were to hold an interest in Ordinary Shares representing 75 per cent. or more of the Company's issued share capital, it will be in a position to pass 75% Resolutions of the Company. As such, it is possible that, were the Cancellation Resolution not passed at the Extraordinary General Meeting, the Dragon Capital Group may in the future be in a position to requisition and pass a resolution to cancel the admission of the Ordinary Shares to trading on AIM without an obligation to offer any kind of purchase facility.

The procedure for selling Ordinary Shares is set out further in the paragraph headed "Procedure for selling your Ordinary Shares" in paragraph 10 below.

7. Takeover Code

Shareholders are reminded that at the date of this Circular, the Dragon Group holds an interest in 65,507,463 Ordinary Shares, representing approximately 59.9 per cent. of the existing issued Ordinary Shares and voting rights in the Company. Accordingly, members of the Dragon Group are able to acquire further interests in Ordinary Shares without incurring any obligation under Rule 9 to make a general offer.

The Takeover Code currently applies to the Company. Following the Cancellation, as a majority of the Board is not resident in the United Kingdom, Channel Islands or Isle of Man, the Company will cease to be subject to the Takeover Code. This may change should the Board appoint additional directors to the Company so that a majority of the Board is resident in the United Kingdom, Channel Islands or Isle of Man.

A summary of the protections afforded to Shareholders by the Takeover Code, which will be lost on Cancellation, is set out in Part II of this Circular.

8. Financial Information on the Company

Copies of the report and accounts of the Company for each of the three financial years ended 31 December 2016, 2017 and 2018 and the half year report to 30 June 2019 are available from <https://dragon-upd.com/investor-information/important-information/reports>.

9. United Kingdom taxation

The following paragraphs, which are intended as a general guide only and are based on current UK tax legislation and our understanding of Her Majesty's Revenue and Customs practice, summarise certain limited aspects of the UK taxation treatment of the disposal of Shares by Minority Shareholders. They relate only to the position of certain classes of taxpayer and only to those Minority Shareholders who hold their Shares beneficially as an investment (other than under an individual savings account) and who are resident or, in the case of individuals, resident and domiciled in the UK for tax purposes. If you are in any doubt as to your taxation position, or if you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriate independent professional adviser immediately.

(a) UK taxation of chargeable gains ("CGT")

Liability to UK tax on chargeable gains will depend on the individual circumstances of each Ordinary Shareholder. The sale by a Minority Shareholder of his Shares for cash will constitute a disposal for the purposes of UK tax on chargeable gains which may, depending on the Shareholder's individual circumstances (including the availability of exemptions or allowable losses), give rise to a liability to CGT or an allowable loss.

(b) Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

No stamp duty or SDRT will be payable by Minority Shareholders as a result of their sale of Ordinary Shares.

10. Procedure for selling your Ordinary Shares

DRGN is willing to purchase Ordinary Shares from Minority Shareholders at a fixed price of 10 pence per Ordinary Share for a fixed time between 7 May 2020 and 1.00 p.m. on 28 May 2020. Panmure Gordon has received written confirmation from DRGN that it has deposited funds with Computershare sufficient to purchase all of the 43,854,052 Ordinary Shares held by Minority Shareholders at that price and that it has irrevocably instructed Computershare to purchase, on DRGN's behalf, up to a total of 43,854,052 Ordinary Shares at a price of 10 pence per Share from all such Minority Shareholders who have submitted Purchase Facility Forms to Computershare by 1.00 p.m. on 28 May 2020.

Shareholders do not have to sell any Ordinary Shares if they do not wish to but, once submitted, a Purchase Facility Form or TTE Instruction is irrevocable and cannot be withdrawn.

Subject to the passing of the Cancellation Resolution, after the close of business on 18 May 2020, there will be no public market for any Ordinary Shares not purchased by DRGN pursuant to the Purchase Facility.

(a) Shares held in certificated form

Qualifying Shareholders who hold Ordinary Shares in certificated form and who wish to participate in the Purchase Facility should follow the instructions on the accompanying Purchase Facility Form and return it, together with their share certificate(s) or other documents of title in respect of the Ordinary Shares tendered with their Purchase Facility Form, to the Receiving Agent by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, to arrive by no later than 1.00 p.m. on 28 May 2020.

Completed Purchase Facility Forms must be received by not later than 1.00 p.m. on 28 May 2020.

The execution of the Purchase Facility Form will constitute the irrevocable appointment of any director or officer of the Company as an attorney for the relevant Shareholder and an irrevocable instruction and authorisation for the attorney to complete and execute all or any instruments of transfer and/or other documents at the attorney's absolute discretion in relation to the Ordinary Shares being tendered by that Qualifying Shareholder. Further details of the procedures for the Purchase Facility and settlement are set out in this Circular and, in the case of Qualifying Shareholders selling Ordinary Shares held in certificated form, in the Purchase Facility Form. Further copies of the Purchase Facility Form may be obtained on request from Computershare on +44 370 707 4040. The helpline is open between 9.00 a.m. and 5.30 p.m. (UK time), Monday to Friday excluding public holidays in England and Wales. Please note that Computershare cannot provide advice on the merits of the Purchase Facility nor any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

(b) Shares held in uncertificated form in CREST

Qualifying Shareholders who hold their interest in Ordinary Shares in uncertificated form in CREST and who wish to sell all or any of their Ordinary Shares under the Purchase Facility should sell electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. on 28 May 2020. The input and settlement of a TTE Instruction shall constitute an instruction to sell the specified number of Ordinary Shares at the purchase price, by transferring such Ordinary Shares to the relevant escrow account as detailed below.

If a Shareholder is a CREST sponsored member, the Shareholder should refer to his/her CREST sponsor before taking any action. A Shareholder's CREST sponsor will be able to confirm details of the Shareholder's Participant ID and the member account ID under which the Shareholder's Ordinary Shares are held. In addition, only the Shareholder's CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to the Shareholder's Ordinary Shares.

To sell Shares in uncertificated form you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specifications for transfers to escrow and which must contain, in addition to the other information that is required for the TTE Instruction to settle in CREST, the following details:

- (i) the ISIN for the Ordinary Shares, which is IM00B1XH2B90;
- (ii) the number of Ordinary Shares to be transferred to an escrow balance;
- (iii) your Member Account ID;
- (iv) your Participant ID;
- (v) the Participant ID of the Receiving Agent, in its capacity as a CREST receiving agent, which is **8RA07**;
- (vi) the member account ID of the escrow agent, which is DRAGON01;
- (vii) the Corporate Action Number of the Purchase Facility, which is allocated by Euroclear and is available by viewing the relevant corporate action detail, in CREST;
- (viii) the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, no later than 1.00 p.m. on 28 May 2020;
- (ix) the standard delivery instruction with Priority 80; and
- (x) contact name and telephone number inserted in the shared note field.

Qualifying Shareholders who hold their interest in Ordinary Shares in uncertificated form in CREST and who wish to sell all or any of their Ordinary Shares under the Purchase Facility should sell electronically through CREST so that the TTE Instruction settles no later than 1.00 p.m. on 28 May 2020. After settlement of the TTE Instructions, Shareholders will not be able to access any Ordinary Shares which are the subject of such TTE Instruction in CREST, for any transaction or charging purposes. The Ordinary Shares will be held by the Receiving Agent until they are transferred to the Receiving Agent as escrow agent for DRGN unless the Purchase Facility becomes void or is terminated. Shareholders are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

If Shareholders are in any doubt as to the procedure for acceptance under the purchase facility, please contact Computershare on +44370 707 4040. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in the UK. Please note that Computershare cannot provide advice on the merits of the Purchase Facility, nor any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Shareholders are reminded that, if he/she are a CREST sponsored member, he/she should contact his/her CREST sponsor before taking any action.

(c) Terms and Conditions

Each Shareholder by whom, or on whose behalf, a Purchase Facility Form is executed, irrevocably undertakes, represents, warrants and agrees to and with DRGN (so as to bind him, his personal representatives, heirs, successors and assigns) to the following:

- (i) that the execution of the Purchase Facility Form shall constitute an irrevocable offer to sell the total number of Ordinary Shares specified on the Purchase Facility Form subject to the terms and conditions set out or referred to in this document and the Purchase Facility Form;
- (ii) that he is the sole registered legal and beneficial owner of the total number of Ordinary Shares specified on the Purchase Facility Form;
- (iii) that he has the necessary capacity and authority to execute the Purchase Facility Form;

- (iv) that he has full power and authority to sell, assign or transfer the Ordinary Shares and when such Ordinary Shares are purchased by DRGN, DRGN will acquire such Ordinary Shares free and clear from all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all rights attaching thereto and such representation and warranty will be true in all respects at the time DRGN purchases such Ordinary Shares as if it had been entered into anew at such time and shall not be extinguished by such purchase;
- (v) that the execution of the Purchase Facility Form will constitute the irrevocable appointment of DRGN and any director of DRGN, or other person nominated by DRGN, as such Shareholder's attorney and an irrevocable instruction and authorisation to the attorney to do all acts and things as may in the attorney's opinion be necessary or expedient for the purpose of, or in connection with, the Ordinary Shares being tendered by the Shareholder pursuant to the Purchase Facility;
- (vi) that he agrees to ratify each and every act or thing which may be done or effected by the attorney or DRGN or any of its directors or any person nominated by DRGN in the proper exercise of his powers and/or authorities hereunder;
- (vii) that he shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by DRGN to be desirable to complete the purchase of the Ordinary Shares by DRGN and/or to perfect any of the authorities expressed to be given hereunder;
- (viii) that the terms and conditions in this document shall be deemed to be incorporated in, and form part of, the Purchase Facility Form, which shall be read and construed accordingly;
- (ix) that, such Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that he may tender his Ordinary Shares under the Purchase Facility under the laws of the relevant jurisdiction;
- (x) that such Shareholder is participating in the Purchase Facility from outside any Restricted Jurisdiction; and
- (xi) that such Shareholder has not received or sent copies or originals of this document, the Purchase Facility Form or any related documents in, into or from a Restricted Jurisdiction.

Each Shareholder by whom, or on whose behalf, an electronic acceptance is made by submission of a TTE instruction, irrevocably undertakes, represents, warrants and agrees to and with DRGN (so as to bind him, his personal representatives, heirs, successors and assigns) to the following:

- A. that the input of a TTE Instruction shall constitute an irrevocable offer to sell the total number of Ordinary Shares specified in the TTE Instruction in each case subject to the terms and conditions set out or referred to in this document;
- B. that he is the sole registered legal and beneficial owner of the total number of Ordinary Shares specified in the TTE Instruction;
- C. that he has the necessary capacity and authority to execute the TTE Instruction or to instruct its execution;
- D. that he has full power and authority to sell, assign or transfer the Ordinary Shares (as the case may be) and when such Ordinary Shares are purchased by DRGN, DRGN will acquire such Ordinary Shares free and clear from all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all rights attaching thereto and such representation and warranty will be true in all respects at the time DRGN purchases such Ordinary Shares as if it had been entered into anew at such time and shall not be extinguished by such purchase;
- E. that the input of the TTE Instruction will constitute the irrevocable appointment of DRGN and any director of DRGN, or other person nominated by DRGN, as such Shareholder's attorney and an irrevocable instruction and authorisation to the attorney to do all acts and things as may in the attorney's opinion be necessary or expedient for the purpose of, or in connection with, the Ordinary Shares being tendered by the Shareholder pursuant to the Purchase Facility;

- F. that he agrees to ratify each and every act or thing which may be done or effected by the attorney or DRGN or any of its directors or any person nominated by DRGN in the proper exercise of his powers and/or authorities hereunder;
- G. that he shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by DRGN to be desirable to complete the purchase of the Ordinary Shares by DRGN and/or to perfect any of the authorities expressed to be given hereunder;
- H. that if, for any reason, any Ordinary Shares in respect of which a TTE Instruction has been made are, prior to the end of the Sale Period, converted into certificated form the electronic tender in respect of such Ordinary Shares shall cease to be valid and the Shareholder will need to comply with the procedures for tendering Ordinary Shares in certificated form as set out above in respect of the Ordinary Shares so converted, if he wishes to make a valid tender of such Ordinary Shares pursuant to the Purchase Facility;
- I. that, such Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that he may tender his Ordinary Shares under the Purchase Facility under the laws of the relevant jurisdiction;
- J. that such Shareholder is participating in the Purchase Facility from outside any Restricted Jurisdiction; and
- K. that such Shareholder has not received or sent copies or originals of this document, the Purchase Facility Form or any related documents in, into or from a Restricted Jurisdiction.

(d) Settlement

Unless the Purchase Facility becomes void or is terminated or is extended, the outcome of the Purchase Facility is expected to be announced on or about 29 May 2020. The payment of any consideration for Ordinary Shares will be made only after the relevant TTE Instruction has settled or (in the case of Ordinary Shares in certificated form) after the Receiving Agent has received the relevant share certificates and/or other document(s) of title, or an indemnity in lieu thereof, a properly completed and duly executed Purchase Facility Form and any other documents required by the Purchase Facility Form.

Settlement of the consideration to which any Shareholder is entitled pursuant to the Purchase Facility, will be made as follows:

(i) Ordinary Shares in certificated form

Where an acceptance of the Purchase Facility relates to Ordinary Shares in certificated form, a cheque for the consideration will be despatched by first class post expected to be not later than five Business Days after the day that the outcome of the Purchase Facility is announced at the risk of the person entitled thereto. All cash payments will be made in pounds sterling by cheque drawn on a branch of a UK clearing bank. Delivery of cash for the Ordinary Shares will be made by the Receiving Agent. The Receiving Agent will act as agent for DRGN in relation to the Purchase Facility for the purpose of receiving the cash and transmitting such cash to such Shareholders.

(ii) Ordinary Shares held in uncertificated form

Where the Purchase Facility is accepted in relation to Ordinary Shares held in CREST, the consideration will be paid by means of CREST by the Receiving Agent procuring the creation of an assured payment obligation in favour of the payment of accepting Shareholders in accordance with the CREST assured payment arrangements, expected to be not later than five Business Days after the day that the outcome of the Purchase Facility is announced.

(e) *Overseas Shareholders*

The Purchase Facility is not available to Shareholders whose address, as stated on the Register, is in a Restricted Jurisdiction, or who are resident in a Restricted Jurisdiction. The Board shall use its discretion in deciding whether the Purchase Facility is made available to Overseas Shareholders whose address or place of residence is not in a Restricted Jurisdiction.

The availability of the Purchase Facility in, or to persons resident in, jurisdictions outside the United Kingdom or custodians, nominees or trustees for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of any such Overseas Shareholder wishing to tender Ordinary Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. If you are in any doubt about your position, you should consult your professional adviser in the relevant jurisdiction. Any such Shareholder will be responsible for any such issue, transfer or other taxes payable and the Company and any person acting on their behalf shall be fully indemnified and held harmless by such Shareholder for any such issue, transfer or other taxes such person may be required to pay. No steps have been taken to register or qualify the Purchase Facility or to authorise the offer of the Purchase Facility or the distribution of this Circular, the Purchase Facility Form and any related documents in any territory outside the United Kingdom.

These provisions and any other terms of the Purchase Facility relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion.

Shareholders who are not Qualifying Shareholders (being Shareholders with a registered address in a Restricted Jurisdiction) will not be able to participate in the Purchase Facility.

11. Extraordinary General Meeting and action to be taken

The Extraordinary General Meeting will be held at Horizon Park, 4-V Mykoly Grinchenka street, Kyiv, Ukraine, 03038 commencing at 11.00 a.m. London time on 6 May 2020. A 75% Resolution will be proposed at the Extraordinary General Meeting to approve the Cancellation.

With regard to Coronavirus (“COVID-19”) and its potential impact on the Extraordinary General Meeting, we are asking Shareholders to comply with certain unprecedented but urgent measures. These recommendations are designed to retain participation by Shareholders in the business of the Extraordinary General Meeting, while balancing health and safety considerations.

Under business closure measures imposed by the Isle of Man Government in response to the COVID-19 outbreak, there is an obligation to minimise all meetings and gatherings. In addition, as of 6 a.m. on Friday 27 March 2020, the Isle of Man’s borders were closed to passengers. The only exceptions to this restriction are the return of Manx residents from overseas and a very limited group of people who are necessary to the Island’s critical national infrastructure or for the preservation of human life. As a result, the Extraordinary General Meeting cannot take place in the Isle of Man (where the Company’s shareholder meetings have historically been held). The Extraordinary General Meeting will instead be held in Kyiv, where the Chairman was at the time of imposing international travel restrictions and is based now, in order to ensure that a quorum can be formed. Due to international travel restrictions currently in place, you will not be permitted to attend the Extraordinary General Meeting in person. Anyone seeking to attend the meeting in person (beyond the two persons designated by the Board as being necessary to form a quorum) will be refused entry. **Shareholders who wish to vote on the Cancellation Resolution should therefore complete and submit a Form of Proxy. Shareholders should appoint the chair of the Extraordinary General Meeting as proxy (as any other proxy will not be allowed to attend the Extraordinary General Meeting unless it is for the purpose of forming the quorum).** In the event that the situation changes, the Board will inform shareholders of any change in these arrangements by way of a regulatory news service announcement.

For the reasons set out above, the vote on the 75% Resolution to be put to the Extraordinary General Meeting will be conducted as a poll. A Form of Proxy for use in connection with the Extraordinary General Meeting is enclosed with this Circular. Accordingly shareholders are strongly advised to complete, sign and return their Form of Proxy in accordance with the instructions printed thereon so as to be received by the Company Administrator at 2nd Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man IM1 1EU, or by email at Slnggrassia@bostonmfo.com, not later than 11.00 a.m. on 4 May 2020. **In the current circumstances completion and return of a Form of Proxy is the only way your vote will be counted at the General Meeting as, based on current guidance and travel restrictions, you will be precluded from travelling to and attending the Extraordinary General Meeting in person. Proxy appointments are not available through CREST. CREST members should therefore follow the process set out in this paragraph.**

12. Recommendation

The Independent Directors, taking into account the establishment of the Purchase Facility, consider the Cancellation to be in the best interests of the Shareholders as a whole for the following key reasons:

- (a) the considerable costs associated with the maintenance of the trading of Ordinary Shares on AIM; and**
- (b) the possibility that, were the Cancellation Resolution not passed at the Extraordinary General Meeting, the Dragon Capital Group may in the future be in a position to requisition and pass a resolution to cancel the admission of the Ordinary Shares to trading on AIM without an obligation to offer any kind of purchase facility.**

Accordingly, the Board recommends that Shareholders vote in favour of the Cancellation Resolution.

The Independent Directors consider it appropriate that those Minority Shareholders who are unable or unwilling to hold Shares in the Company following the Cancellation should be given an opportunity to realise their investment in accordance with the terms of the Purchase Facility, notwithstanding the fact that the purchase price represents a discount of approximately 9.1 per cent. to the Closing Price for Ordinary Shares on 16 April 2020, being the latest practicable date prior to the date of this Circular. However, the Independent Directors make no recommendation to Minority Shareholders in relation to the Purchase Facility and recommend that all Minority Shareholders consult their duly authorised independent advisers before they make a decision as to whether to sell some, all or none of their Ordinary Shares, in order to obtain advice relevant to their particular circumstances.

Nevertheless, Shareholders should, when making their decision whether or not to take advantage of the Purchase Facility, bear in mind, inter alia, the following:

- the loss of the listing, and resultant liquidity, should Cancellation take effect;**
- the loss of the protections of the AIM Rules, particularly with regard to approvals and disclosure obligations, should Cancellation take effect;**
- the loss of the protections of the Takeover Code, should Cancellation take effect;**
- the Purchase Facility provides a return of cash now, compared to the alternative of being exposed to the ongoing risks of the Company;**
- the purchase price represents a premium of approximately 11 per cent. compared to the 2017 Offer Price, as adjusted for the dividends paid by the Company since the 2017 Offer;**
- the purchase price represents a discount of approximately 9.1 per cent. to the Closing Price for Ordinary Shares on 16 April 2020, being the latest practicable date prior to the date of this Circular;**
- the purchase price represents a discount of approximately 6.5 per cent. compared to the average Closing Price for Ordinary Shares in the six months ending on 16 April 2020, being the latest practicable date prior to the date of this Circular; and**

- **should the Dragon Capital Group, pursuant to the Purchase Facility, hold more than 75 per cent. of the Ordinary Shares it will be able to pass 75% Resolutions of the Company.**

Please note that none of the Independent Directors holds Ordinary Shares.

Yours faithfully,

Mark Iwashko

Non-Executive Chairman

Dragon-Ukrainian Properties & Development Plc

PART II

THE TAKEOVER CODE

Introduction

The Takeover Code currently applies to the Company. Following the Cancellation, the Company will cease to be subject to the Takeover Code as a result of a majority of the Board not being resident in the UK, Channel Islands or Isle of Man. This may change should the Board appoint additional directors to the Company and a majority of the Board becomes resident in the UK, Channel Islands or Isle of Man.

Shareholders should note that, if the Cancellation becomes effective, they will not receive the protections afforded by the Takeover Code in the event that there is a subsequent offer to acquire their Ordinary Shares.

Brief details of the Panel, the Takeover Code and the protections given by the Takeover Code are described below.

The Takeover Code is issued and administered by the Panel. The Company is a company to which the Takeover Code currently applies and its Shareholders are accordingly currently entitled to the protections afforded by the Takeover Code.

The Takeover Code and the Panel operate principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition, it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

The General Principles and Rules of the Takeover Code

The Takeover Code is based upon a number of general principles (the “**General Principles**”) which are essentially statements of standards of commercial behaviour. For your information, these General Principles are set out below. The General Principles apply to all transactions with which the Takeover Code is concerned. They are expressed in broad general terms and the Takeover Code does not define the precise extent of, or the limitations on, their application. They are applied by the Panel in accordance with their spirit to achieve their underlying purpose.

In addition to the General Principles, the Takeover Code contains a series of rules (the “**Rules**”), of which some are effectively expansions of the General Principles and examples of their application and others are provisions governing specific aspects of takeover procedure. Although most of the Rules are expressed in more detailed language than the General Principles, they are not framed in technical language and, like the General Principles, are to be interpreted to achieve their underlying purpose. Therefore, their spirit must be observed as well as the letter of the Rules. The Panel may derogate or grant a waiver to a person from the application of a Rule in certain circumstances.

Summary of the General Principles

1. All holders of the securities of an offeree company of the same class must be afforded equivalent treatment; moreover, if a person acquires control of a company, the other holders of securities must be protected.
2. The holders of the securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on the bid; where it advises the holders of securities, the board of the offeree company must give its views on the effects of implementation of the bid on employment, conditions of employment and the locations of the company’s places of business.

3. The board of an offeree company must act in the interests of the company as a whole and must not deny the holders of securities the opportunity to decide on the merits of the bid.
4. False markets must not be created in the securities of the offeree company, of the offeror company, or of any other company concerned by the bid in such a way that the rise or fall of the prices of the securities becomes artificial and the normal functioning of the markets is distorted.
5. An offeror must announce a bid only after ensuring that he/she can fulfil in full any cash consideration, if such is offered, and after taking all reasonable measures to secure the implementation of any other type of consideration.
6. An offeree company must not be hindered in the conduct of its affairs for longer than is reasonable by a bid for its securities.

Detailed application of the Takeover Code

The following is a summary of key provisions of the Takeover Code which apply to transactions to which the Takeover Code applies. **You should note that after the Cancellation you will be giving up protections afforded by the Takeover Code.**

Equality of treatment

General Principle 1 of the Takeover Code states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment. Furthermore, Rule 16.1 requires that, except with the consent of the Panel, special arrangements may not be made with certain shareholders in the Company if there are favourable conditions attached which are not being extended to all shareholders.

Information to shareholders

General Principle 2 requires that holders of securities of an offeree company must have sufficient time and information to enable them to reach a properly informed decision on a bid. Consequently, a document setting out full details of an offer must be sent to the offeree company's shareholders.

The opinion of the offeree board and independent advice

The board of the offeree company is required by Rule 3.1 of the Takeover Code to obtain competent independent advice as to whether the financial terms of an offer are fair and reasonable and the substance of such advice must be made known to its shareholders. Rule 25.2 requires that the board of the offeree company must send to the offeree company's shareholders and persons with information rights its opinion on the offer and its reasons for forming that opinion.

That opinion must include the board's views on: (i) the effects of implementation of the offer on all the company's interests, including, specifically, employment; and (ii) the offeror's strategic plans for the offeree company and their likely repercussions on employment and the locations of the offeree company's places of business.

The circular from the offeree company must also deal with other matters such as interests and recent dealings in the securities of the offeror and the offeree company by relevant parties and whether the directors of the offeree company intend to accept or reject the offer in respect of their own beneficial shareholdings.

Rule 20.1 states that, except with the consent of the Panel or as provided in the Notes on Rule 20.1, information and opinions relating to an offer or a party to an offer must be made equally available to all offeree company shareholders and persons with information rights as nearly as possible at the same time and in the same manner.

Optionholders and holders of convertible securities or subscription rights.

Rule 15 of the Takeover Code provides that when a Takeover Code offer is made for voting equity share capital or other transferable securities carrying voting rights and the offeree company has convertible securities outstanding, the offeror must make an appropriate offer or proposal to the stockholders to ensure their interests are safeguarded. Rule 15 also applies in relation to holders of options and other subscription rights.

Giving up the protection of the Takeover Code

If the Cancellation occurs, with the Company's present board structure, all of these protections under the Code will be lost.

PART III

NOTICE OF EXTRAORDINARY GENERAL MEETING

Dragon-Ukrainian Properties & Development Plc

(the “**Company**”)

(Incorporated in the Isle of Man with registered number 010832V)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Company (the “**Meeting**”) will be held at Horizon Park, 4-V Mykoly Grinchenka street, Kyiv, Ukraine, 03038 at 11.00 a.m. (London time) on 6 May 2020 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as a 75% Resolution:

75% Resolution

THAT, in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission of the ordinary shares of £0.01 each in the capital of the Company to trading on AIM, the market operated by London Stock Exchange plc (the “**Cancellation**”), be and is hereby approved and that the directors of the Company be and are hereby authorised to take all actions necessary or desirable to effect the Cancellation.

By order of the Board

Mark Iwashko

Non-executive Chairman

Dated: 20 April 2020

Registered Office:

2nd Floor, St Mary’s Court,
20 Hill Street,
Douglas,
Isle of Man IM1 1EU

Notes to the Notice of Extraordinary General Meeting:

Entitlement to vote

- (1) Pursuant to Regulation 22 of the Uncertificated Securities Regulations 2006, the Company specifies that only shareholders entered on the register of members of the Company at 6.00 p.m. on 5 May 2020 (or in the event that this meeting is adjourned, on the register of members at 6.00 p.m. on the day preceding the date fixed for the adjourned meeting) shall be entitled to vote by proxy at the meeting in respect of the number of ordinary shares of the Company registered in their name at that time. Changes to the register after the relevant time shall be disregarded in determining the rights of any person to attend and vote by proxy at the meeting.

Appointment of proxies

- (2) A shareholder is entitled to appoint a proxy to exercise all or any of his or her rights to attend and to speak and vote at the meeting. Shareholders should appoint the chair of the Extraordinary General Meeting as proxy (as any other proxy will not be allowed to attend the Extraordinary General Meeting unless it is for the purpose of forming the quorum).
- (3) Shareholders should note that, due to the impact of current COVID-19 related international travel restrictions affecting travel to and attendance at the meeting in person, completion and return of a proxy form is the only way shareholders will be able to exercise their right to vote at the meeting as, in accordance with current guidance and travel restrictions, they will be precluded from travelling to and attending the meeting in person.
- (4) A proxy form is enclosed. In the case of joint shareholders, the signature of any one of them will suffice, but the names of all joint holders should be stated.
- (5) To be valid, a duly completed proxy form and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be delivered by hand or sent by post to the Company administrator, 2nd Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man IM1 1EU or by email to SIngrassia@bostonmfo.com, so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment of the meeting (as the case may be).
- (6) **Proxy appointments are not available through CREST. CREST members should follow the process set out in paragraph (5) above.**

Changing proxy instructions

- (7) To change your proxy instructions, simply submit a new proxy appointment using one of the methods set out above. Note that the cut-off time for receipt of proxy appointments also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If the Company receives more than one appointment of a proxy in respect of any one share, the appointment received last revokes each earlier appointment and the Company's decision as to which appointment was received last is final.

Termination of proxy appointments

- (8) In order to revoke a proxy appointment you must notify the Company of the termination at least three hours before the commencement of the meeting.

Joint shareholders

- (9) In the case of joint shareholders, the vote of the senior who tenders a vote, whether in person (including by corporate representative) or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members.

Corporate representatives

- (10) A corporation which is a shareholder may, by resolution of its directors or other governing body, authorise one or more persons to act as its representative at the meeting. Corporate representatives should note that, due to the impact of current COVID-19 related international travel restrictions affecting travel to and attendance at the meeting in person, completion and return of a proxy form is the only way corporate representatives will be able to exercise their right to vote at the meeting as, in accordance with current guidance and travel restrictions, they will be precluded from travelling to and attending the meeting in person.

Issued shares and total voting rights

- (11) As at the date of this notice of Extraordinary General Meeting, the Company's issued share capital comprised 109,361,515 ordinary shares of £0.01 each fully paid. The Company does not hold any shares in treasury. Each ordinary share carries the right to one vote at an Extraordinary General Meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice of Extraordinary General Meeting is 109,361,515.

Communication

- (12) Shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
- calling the Company's administrator, Boston Limited on +44 1624 692930. Lines are open from 9.00 a.m. to 5.00 p.m. on business days (i.e. Monday to Friday but excluding public holidays); or
 - in writing to the Company by email to Singrassia@bostonmfo.com.
- (13) You may not use any electronic address provided in this notice of Extraordinary General Meeting or in any related documents (including the accompanying proxy form) to communicate with the Company for any purposes other than those expressly stated.



Dragon-Ukrainian Properties and Development Plc

(the "Company")

FORM OF PROXY FOR THE EXTRAORDINARY GENERAL MEETING

I, We.....

Ofwith Account Designation

a member/members of the above-named Company, hereby appoint the chairman of the meeting or

.....as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at Horizon Park, 4-V Mykoly Grinchenka street, Kyiv, Ukraine, 03038 at 11:00 a.m. (London time) on 6 May 2020 and at any adjournment thereof.

With regard to Coronavirus ("COVID-19") and its potential impact on the Extraordinary General Meeting, we are asking Shareholders to comply with certain unprecedented but urgent measures. These recommendations are designed to retain participation by Shareholders in the business of the Extraordinary General Meeting, while balancing health and safety considerations.

Under business closure measures imposed by the Isle of Man Government in response to the COVID-19 outbreak, there is an obligation to minimise all meetings and gatherings. In addition, as of 6.00 a.m. on Friday 27 March 2020, the Isle of Man's borders were closed to passengers. The only exceptions to this restriction are the return of Manx residents from overseas and a very limited group of people who are necessary to the Island's critical national infrastructure or for the preservation of human life. As a result, the directors have determined that the Extraordinary General Meeting cannot take place in the Isle of Man (where the Company's shareholder meetings have historically been held). The Extraordinary General Meeting will instead be held in Kyiv, where the Chairman was at the time of imposing international travel restrictions and is based now, in order to ensure that a quorum can be formed. Due to international travel restrictions currently in place, you will not be permitted to attend the Extraordinary General Meeting in person. Anyone seeking to attend the meeting in person (beyond the two persons designated by the Board as being necessary to form a quorum) will be refused entry. Shareholders who wish to vote on the Cancellation Resolution should therefore complete and submit a Form of Proxy. Shareholders should appoint the chair of the Extraordinary General Meeting as proxy (as any other proxy will not be allowed to attend the Extraordinary General Meeting unless it is for the purpose of forming the quorum). In the event that the situation changes, the Board will inform shareholders of any change in these arrangements by way of a regulatory news service announcement.

For the reasons set out above, the vote on the resolution to be put to the Extraordinary General Meeting will be conducted as a poll. Accordingly shareholders are strongly advised to complete, sign and return their Form of Proxy in accordance with the instructions printed thereon so as to be received by the Administrator at 2nd Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man IM1 1EU, or by email at Slngressia@bostonmfo.com, not later than 11.00 a.m. (London time) on 4 May 2020. In the current circumstances completion and return of a Form of Proxy is the only way your vote will be counted at the General Meeting as, based on current guidance and travel restrictions, you will be precluded from travelling to and attending the Extraordinary General Meeting in person.

Proxy appointments are not available through CREST. CREST members should therefore follow the process set out in this paragraph.

If you wish to instruct your proxy as to how to vote on your behalf please indicate by an "X" in the appropriate box below.

75% RESOLUTION

	For	Against	Vote Withheld	Discretionary
1. That in accordance with Rule 41 of the AIM Rules for Companies, the cancellation of the admission of the ordinary shares of £0.01 each in the capital of the Company to trading on AIM, the market operated by London Stock Exchange plc (the "Cancellation"), be and is hereby approved and that the directors of the Company be and are hereby authorised to take all actions necessary or desirable to effect the Cancellation.				

Signed

Date

Notes

1. Shareholders should appoint the chair of the Extraordinary General Meeting as proxy (as any other proxy will not be allowed to attend the Extraordinary General Meeting unless it is for the purpose of forming the quorum).
2. Unless otherwise instructed, a proxy may vote as he sees fit, or abstain from voting on any business (including amendments to resolutions) which may properly come before the meeting.
3. If the appointor is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
4. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
5. To be valid, this Form of Proxy must be completed signed and lodged with the Company Administrator at 2nd Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man IM1 1EU, or by email at Singrassia@bostonmfo.com, not less than 48 hours before the time fixed for holding the Extraordinary General Meeting or adjourned Extraordinary General Meeting in accordance with the Company's Articles of Association.
6. A proxy need not be a member of the Company.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Purchase Facility or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

This is the Purchase Facility Form referred to in the accompanying Circular to the Shareholders of the Company dated 20 April 2020 (the "Circular") and should be read in conjunction with the Circular. Unless the context otherwise requires, the definitions contained in the Circular also apply in this Purchase Facility Form.

If you are a CREST sponsored member, you should refer to your CREST sponsor before completing this Purchase Facility Form.

If you have sold or otherwise transferred all of your Ordinary Shares, please send this Purchase Facility Form, the accompanying reply-paid envelope and the Circular as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. **However, these documents must not be forwarded or transmitted in or into or from the United States, Australia, Canada, New Zealand, South Africa or Japan or any other jurisdiction where the availability of the Purchase Facility into such jurisdiction would constitute a violation of the laws of such jurisdiction (each a "Restricted Jurisdiction").** If you have sold or otherwise transferred only part of your holding of Ordinary Shares, you should retain these documents.

The Purchase Facility is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) or interstate or foreign commerce, or of any facility of a national securities exchange, of any Restricted Jurisdiction and, subject to certain exceptions, the Purchase Facility cannot be accepted by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction. Accordingly, Shareholders (including nominees, trustees and custodians) must not distribute or send this document in or into or from any Restricted Jurisdiction.

Further information for Overseas Shareholders is set out in Part I of the Circular. Any person (including nominees, trustees or custodians) who would, or otherwise intends to, forward this document and/or any related document to any jurisdiction outside the United Kingdom should read those paragraphs before taking any action.

Purchase Facility Form

**for use in respect of the Purchase Facility offered by DRGN Limited
to purchase issued ordinary shares of**

Dragon-Ukrainian Properties & Development plc

(Incorporated and registered in Isle of Man with Registered No. 010832V)

**IF YOU DO NOT WISH TO SELL ANY OF YOUR SHARES UNDER THE PURCHASE FACILITY,
DO NOT COMPLETE OR RETURN THE PURCHASE FACILITY FORM**

**Completed Purchase Facility Forms must be received by 1.00 p.m. (London time)
on 26 May 2020**

ACTION TO BE TAKEN

To accept the offer for your Ordinary Shares pursuant to the Purchase Facility (the "Offer"), complete this Purchase Facility Form on page 3 by following the instructions and notes for guidance set out on pages 2 and 4. In particular, please sign Box 3 on page 3 of this Purchase Facility Form in the presence of a witness who must also sign in the box and state his or her name and address.

- If your Ordinary Shares are in certificated form (that is, not in CREST), return this Purchase Facility Form, duly completed, signed and accompanied by your share certificate(s) and/or other document(s) of title, by post to Computershare Investor Services PLC at Computershare Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive by no later than 1.00 p.m. (London time) on 26 May 2020. A reply-paid envelope is enclosed for documents lodged by post from within the United Kingdom.
- If your Ordinary Shares are in certificated form and your share certificate(s) and/or other document(s) of title is/are with your bank, stockbroker or other agent, you should complete and sign this Purchase Facility Form and arrange for it to be lodged by such agent, together with the relevant share certificate(s) and/or other document(s) of title, unless your share certificate(s) and/or other document(s) of title is/are not readily available, in which case please refer to note 5 on page 4 of this Purchase Facility Form. If your share certificate(s) and/or other document(s) of title is/are lost, please refer to note 6 on page 4 of this Purchase Facility Form.
- If you hold Ordinary Shares in both certificated and uncertificated form, you should complete a Purchase Facility Form in relation to the certificated holding(s) only.
- If you hold Ordinary Shares in certificated form but under different designations you should complete a separate Purchase Facility Form in respect of each designation. You can obtain further Purchase Facility Forms by contacting Computershare Investor Services PLC between 9.00 a.m. and 5.30 p.m. on any London business day on telephone number 0370 707 4040 or, if telephoning from outside the UK, on telephone number +44 370 707 4040.
- Please read paragraph 10 of Part I of the Circular, the terms of which are incorporated into and form part of this Purchase Facility Form.
- If you hold Ordinary Shares jointly with others, you must arrange for all your co-holders to sign this Purchase Facility Form.
- A Purchase Facility Form that is received in an envelope postmarked in a Restricted Jurisdiction, or which otherwise appears to DRGN Limited or its agents to have been sent from a Restricted Jurisdiction, may be treated as invalid.

If you are in any doubt as to how to complete this Purchase Facility Form, please contact Computershare Investor Services PLC on either of the telephone numbers listed above.

For legal reasons, Computershare Investor Services PLC will not be able to provide advice on the merits of the Offer or the other Proposals referred to in the Circular, or to provide financial advice.

DO NOT DETACH ANY PART OF THIS PURCHASE FACILITY FORM

HOW TO COMPLETE THE PURCHASE FACILITY FORM ON PAGE 3

The provisions of Part I of the Circular are deemed to be incorporated in and form part of this Purchase Facility Form.

1

If your address details in Box 1 have changed or are incomplete please tick the box and show the updated information, in BLOCK CAPITALS using BLACK INK.

If you have any queries regarding the completion of this form, please contact Computershare Investor Services PLC on 0370 707 4040 (or +44 370 707 4040 if calling from outside of the U.K.) between 9.00 a.m. and 5:30 p.m. on any London business day.

2**THE PURCHASE FACILITY**

To accept the Offer, insert in Box 2 the total number of Ordinary Shares in respect of which you wish to accept the Offer. You must also sign Box 3 in accordance with the instructions set out below, which will constitute your acceptance of the Offer.

If no number or a number greater than your registered holding of Ordinary Shares is written in Box 2 and you have signed Box 3, you will be deemed to have accepted the Offer in respect of your entire registered holding of Ordinary Shares.

PLEASE REMEMBER TO SEND US YOUR VALID DRAGON-UKRAINIAN PROPERTIES & DEVELOPMENT PLC ORDINARY SHARE CERTIFICATE(S)

3**SIGNATURES**

To accept the Offer you must sign Box 3 and, in case of a joint holding, arrange for ALL joint holders to do likewise. All registered holders, including joint holders, who are individuals must sign Box 3 in the presence of a witness who must also sign Box 3 where indicated. If these instructions are not followed, this Purchase Facility Form will be invalid. The witness must be over 18 years of age and should not be another joint holder signing the Purchase Facility Form. The same witness may witness the signature of each joint holder. The witness should also print his/her name where indicated.

A company must execute this Purchase Facility Form under its common seal, the seal being affixed and witnessed in accordance with its articles of association or other regulations. Alternatively, a company to which section 44 of the UK Companies Act 2006 applies may execute this Purchase Facility Form by the signature of: (i) a director and the company secretary; or (ii) two directors of the company; or (iii) a director of the company in the presence of a witness who attests the director's signature, in each case signing the Purchase Facility Form and inserting the name of the company above their signatures. Each such person signing this Purchase Facility Form for a company should state the office which he/she holds. A body corporate incorporated outside Great Britain may execute this Form of acceptance in accordance with the laws of the territory in which it is incorporated provided that execution is expressed to be by the Company.

If the Purchase Facility Form is not signed by the registered holder(s), insert the name(s) and capacity (e.g. attorney or executor(s)) of the person(s) signing the Purchase Facility Form in the presence of a witness who must also sign Box 3 where indicated. You should also deliver evidence of your authority in accordance with the notes on page 4.

This Purchase Facility Form should not be signed in any Restricted Jurisdiction. This Purchase Facility Form shall, when executed, take effect as a deed in accordance with English law.

4**OVERSEAS PERSONS**

If you are unable to give the warranties and representations required by paragraph 10 (c) of Part I of the Circular, you must put "NO" in box 4 and you should read paragraph 10 (e) of Part I of the Circular. If you do not put "NO" in Box 4 you will be deemed to have given such warranties and representations.

5**ALTERNATIVE ADDRESS**

Complete Box 5 if you wish the consideration and/or other documents to be sent to someone other than the sole or first-named registered holder at the address set out in Box 1 (e.g. your bank manager or stock broker).

Kindly Note: This form is issued only to the addressee(s) and is specific to the class of security and the unique designated account printed hereon.

This personalised form is not transferable between different (i) account holders; (ii) classes of security; or (iii) uniquely designated accounts. Dragon Capital and Computershare Investor Services PLC accept no liability for any instruction that does not comply with these conditions.

PLEASE COMPLETE AS EXPLAINED ON PAGE 2 AND 4 (To be completed in BLOCK CAPITALS)

The provisions of paragraph 10 of Part I of the Circular are deemed to be incorporated in and form part of this Purchase Facility Form.

1	<div style="display: flex; align-items: flex-start;"> <div style="margin-right: 20px;"> <input type="checkbox"/> Please tick this box if your address details in Box 1 have changed or are incomplete and update below in BLOCK capitals: </div> <div style="margin-top: 10px;"> House Number: <input style="width: 80px;" type="text"/> Post Code: <input style="width: 80px;" type="text"/> Street/Road Name (BLOCK CAPITALS) Town/City (BLOCK CAPITALS) Country (BLOCK CAPITALS) </div> </div>
For information purposes only: Number of Ordinary Shares held by you as at the close of business on 14 April 2020 <input style="width: 100%; height: 20px;" type="text"/>	
Please enter here a daytime telephone number (including STD Code) where you can be contacted in the event of any query arising from completion of this Purchase Facility Form.	
<input style="width: 100%; height: 20px;" type="text"/>	

2	<p>TO ACCEPT THE OFFER Complete Boxes 2, 3 and, if appropriate Boxes 4 and /or 5</p>	Number of Ordinary Shares for which you are accepting the Offer. <input style="width: 150px; height: 20px;" type="text"/>
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3	<p>ALL SHAREHOLDERS ARE TO SIGN HERE TO ACCEPT THE OFFER. NB ALL SHAREHOLDER SIGNATURE(S) MUST BE WITNESSED: Execution by individuals Signed and delivered as a deed by:</p>		
	Signature(s) of Shareholder(s)	Name of Witness	Signature of Witness
1	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>
2	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>
3	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>
4	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>	<input style="width: 150px; height: 20px;" type="text"/>
<p>NOTE: The witness must be a person who is over 18 years of age who is not another joint holder and the same witness may witness on behalf of all or any registered holders</p>			
<p>Execution by a Company: The common seal was affixed/executed as a deed on behalf of the Company named above in the presence of:</p>			
	Signature <input style="width: 100px;" type="text"/>	Name of Director <input style="width: 100px;" type="text"/>	
	Signature <input style="width: 100px;" type="text"/>	Name of *Director/Secretary/Witness <input style="width: 100px;" type="text"/>	
* Delete as appropriate			

4	<p>RESTRICTED OVERSEAS PERSONS ONLY Only complete this box by inserting "NO" if you are registered in a Restricted Jurisdiction and UNABLE to give the representations and warranties required by paragraph 10(c) of Part I of the Circular.</p>	<input style="width: 50px; height: 20px;" type="text"/>
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5	<p>ALTERNATIVE ADDRESS FOR DESPATCH OF CONSIDERATION Address outside any Restricted Jurisdiction to which consideration is to be sent, if not as specified above.</p>
Name: Address: Postcode:	

<p style="text-align: center;">PLEASE REMEMBER TO SEND US YOUR VALID ORDINARY SHARE CERTIFICATE(S).</p> <p>If you have lost your share certificate(s) and have already applied for a Letter of Indemnity, place a cross <input checked="" type="checkbox"/> in this box <input type="checkbox"/></p>

ADDITIONAL NOTES REGARDING THE COMPLETION OF THIS PURCHASE FACILITY FORM

In order to be effective, this Purchase Facility Form must, except as mentioned below, be signed by the registered holder or, in the case of a joint holding, by ALL the joint holders or under a power of attorney. A body corporate incorporated in England and Wales may execute this Purchase Facility Form under its common seal, the seal being affixed and witnessed in accordance with its articles of association or other regulations. Alternatively, a company to which section 44 of the Companies Act 2006 applies may execute this Purchase Facility Form by (i) a director and the company secretary; or (ii) by two directors; or (iii) by a director in the presence of a witness who attests the signature, in each case signing this Purchase Facility Form and inserting the name of the company above their signatures. Each such person signing this Purchase Facility Form should state the office which he/she holds in the relevant company.

In order to avoid inconvenience and delay, the following points may assist you:

1. If a holder is away from home (e.g. abroad or on holiday):

Send this Purchase Facility Form by the quickest means (e.g. airmail) to the holder (but not in or into any Restricted Jurisdiction) for execution or, if he has executed a power of attorney, have this Purchase Facility Form signed by the attorney in the presence of a witness who must also sign this Purchase Facility Form. In the latter case, the original power of attorney (or a copy thereof duly certified in accordance with the Powers of Attorney Act 1971 by, for example, a solicitor) must be lodged with this Purchase Facility Form. **No other signatures are acceptable.**

2. If you have sold or transferred all, or wish to sell or transfer part, of your holding of Ordinary Shares:

If you have sold or transferred all of your Ordinary Shares, you should send this Purchase Facility Form at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee (but not in or into any Restricted Jurisdiction). If your Ordinary Shares are in certificated form, and you wish to sell or transfer part of your holding of Ordinary Shares and to accept the Purchase Facility in respect of the balance but are unable to obtain the balance share certificate by 26 May 2020, you should ensure that the stockbroker, bank or other agent through whom you make the sale or transfer obtains the appropriate endorsement or indication, signed on behalf of Dragon-Ukrainian Properties & Development plc's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, in respect of the balance of your holding of Ordinary Shares.

3. If the sole holder has died:

A grant of probate or letters of administration must be obtained in respect of the relevant Ordinary Shares. If the grant of probate or letters of administration has/have been registered with Dragon-Ukrainian Properties & Development plc's registrars, this Purchase Facility Form must be signed by the personal representative(s) of the deceased holder each in the presence of an independent witness who must also sign this Purchase Facility Form. This Purchase Facility Form should then be lodged with Computershare Investor Services PLC at either of the addresses given on the cover page of this Purchase Facility Form, together with the relevant share certificate(s) and/or other document(s) of title. If the grant of probate or letters of administration has/have not been registered with Dragon-Ukrainian Properties & Development plc's registrars, the personal representative(s) or the prospective personal representative(s) should sign this Purchase Facility Form and forward it to Computershare Investor Services PLC at either of the addresses given on the cover page of this Purchase Facility Form, together with the relevant share certificate(s) and/or other document(s) of title. However, once obtained, the grant of probate or letters of administration must be lodged before the consideration due under the Offer can be forwarded to the personal representative(s).

4. If one of the joint holders has died:

This Purchase Facility Form is valid if signed by the surviving holder(s) (each in the presence of an independent witness) and, if the Ordinary Shares are held in certificated form, lodged with the share certificate(s) and/or other document(s) of title and, in all cases, death certificate(s), and an office copy grant of probate or letters of administration of the deceased holder. These documents will be returned as directed.

5. If your Ordinary Shares are in certificated form and the certificate(s) are held by your stockbroker, bank or other agent:

(a) If your share certificate(s) and/or other document(s) of title is/are with your stockbroker, bank or other agent, you should complete this Purchase Facility Form and, if the certificate(s) is/are readily available, arrange for this Purchase Facility Form to be lodged by such agent with Computershare Investor Services PLC at either of the addresses given on the cover page of this Purchase Facility Form, accompanied by the share certificate(s) and/or other document(s) of title so as to arrive by no later than 1.00 p.m. on 26 May 2020.

(b) If the certificate(s) is/are not readily available, lodge this Purchase Facility Form with Computershare Investor Services PLC at either of the addresses given on the cover page of this Purchase Facility Form, duly completed together with a note saying e.g. "certificate(s) to follow", and arrange for the certificate(s) to be forwarded as soon as possible thereafter but in any event, so as to arrive by no later than 1.00 p.m. on 26 May 2020. (It will be helpful for your agent, unless he is in the United States, Australia, Canada, New Zealand, South Africa or Japan, to be informed of the full terms of the Offer.)

6. If your Ordinary Shares are in certificated form and you have lost any of your share certificate(s) and/or other document(s) of title:

Complete and execute this Purchase Facility Form and lodge it, together with a letter of explanation and any share certificate(s) and/or other document(s) of title which are available, with Computershare Investor Services PLC at the address given on the cover page of this Purchase Facility Form. At the same time you should write to Dragon-Ukrainian Properties & Development plc's registrars, Computershare requesting a letter of indemnity for the lost share certificate(s) and/or other document(s) of title. When completed in accordance with the instructions given, you should return the letter of indemnity to Computershare Investor Services PLC at either of the addresses given on the cover page of this Purchase Facility Form so as to arrive by no later than 1.00 p.m. on 26 May 2020.

7. If the Purchase Facility Form is signed under a power of attorney:

The completed Purchase Facility Form, together with any share certificate(s) and/or other document(s) of title, should be lodged with Computershare Investor Services PLC at either of the addresses set out on the cover page of this Purchase Facility Form, accompanied by the original power of attorney (or a copy thereof duly certified in accordance with the Powers of Attorney Act 1971 by, for example, a solicitor). The power of attorney will be duly noted by Computershare Investor Services PLC and returned as directed.

8. If your full name or other particulars differ from those appearing on your share certificate:

(a) Incorrect name e.g.:
 Name on the certificate(s)..... John Smith
 Correct name Jon Smyth

Complete this Purchase Facility Form with the correct name and lodge it, accompanied by a letter from your bank, stockbroker or solicitor confirming that the person described on the certificate and the person who has signed this Purchase Facility Form are one and the same.

(b) Incorrect address: insert the correct address in Box 3 of this Purchase Facility Form.

(c) Change of name: lodge your marriage certificate or the deed poll with this Purchase Facility Form for noting. These documents will be returned as directed.

9. If you are outside the United Kingdom:

The attention of Overseas Shareholders is drawn to paragraph 10 (e) of Part I of the Circular. Without prejudice to paragraph 10(e) of Part I of the Circular, DRGN Limited and/or its agents reserve the right to treat as valid any acceptance of the Purchase Facility which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title.

10. Payment of Consideration:

The consideration payable under the Purchase Facility cannot be sent to you until all relevant documents have been properly completed and sent by post or by hand (during normal business hours) to Computershare Investor Services PLC at either of the addresses set out on the cover page of this Purchase Facility Form.

11. Incomplete Forms:

Without prejudice to Paragraph 10 of Part I of the Circular, DRGN Limited and/or its agents reserve the right to treat as valid any acceptance of the Purchase Facility which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In either event, no consideration due under the Offer will be sent until after the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to Computershare Investor Services PLC have been received.