



COMMUNIQUE

Notice is hereby given to the shareholders of Promotion and Development Ltd ('PaD', the 'Company') and the public in general that the Board of Directors (the 'Board') has resolved to approve a new Dividend Policy for the Company.

To reaffirm PaD's commitment to providing additional value to its shareholders through optimum return on equity, the Board has adopted a new target of dividend policy aiming for a pay out of approximately 3% of the net assets value of the Company as at its financial year end. Distribution of dividends under this new dividend policy is however, in addition to satisfying the solvency test, subject to the Company's accumulated and future earnings, cash availability and future commitments.

The Board positions enhancement of shareholder value returns as one of its top priority issues and, believes that the Company can pay a meaningful amount of return to investors now, and in the future, while still retaining significant flexibility to pursue value accretive opportunities. The Board is of the opinion that PaD shares are undervalued on the Stock Exchange and believes that the new distribution policy will provide greater value and a larger and more predictable ordinary dividend payout to the Company's shareholders.

The Company's annual dividend will henceforth be paid in two tranches; an interim dividend being declared prior to the Company's year end and the final dividend, which will be based on full year audited and approved financial statements, being declared in September and paid in December each year. The new dividend policy will take effect with respect to the financial year 2019, with a final dividend to be declared by the Board in September 2019.

The Board will continue to review from time to time the Dividend Policy as part of its commitment to maximizing shareholder value, taking into consideration PaD's financial performance and market conditions.

By order of the Board

MCB Group Corporate Services Ltd
Secretary

2nd July 2019

This notice is issued pursuant to Listing Rules 11.3.

The Board of Directors of Promotion and Development Ltd accepts full responsibility for the accuracy of the information contained in this notice.