

CHAIRMAN'S INTERIM STATEMENT
DANA GROUP INTERNATIONAL INVESTMENTS LIMITED
("the Group" or the "Company")

I am pleased to present Dana Group International Investments Limited's consolidated interim financial results for the six months' period from 1st July 2017 to 31st December 2017. These consolidated financial statements have not been reviewed by the Group's auditors.

Financial results

The results for the first half of the current year show a small loss of (USD 0.13 million) but a significant increase of USD 4.15 million in the value of available for sale financial asset. The comprehensive income for the six months' period ended 31st December 2017 was USD 4.02 million (2016: comprehensive income of USD 0.02 million) and the net loss for the period was USD 0.13 million (2016: net loss of USD 0.04 million), giving rise to a basic loss per share of US cents 0.05 (2016: basic loss per share of US cents 0.01).

At 31st December 2017, the Company's net assets stood at USD 89.85 million (2016: USD 77.69 million); or US cents 36 per share (2016: US cents 31 per share). The increase in net assets is attributable to the increase referred to above in fair value of available for sale financial asset during the period.

Board changes

A number of changes to the composition and working of the Board occurred during the period under review: Mr. Khaled (Nicholas) Majdalani stepped down from the Board and was replaced by Mr. Ahmad Abdulla Aljaziri Altamimi as an independent Non-Executive Director of the Company. Mr. Muin El Saleh also stepped back from his position as Chief Executive Officer and Executive Director of the Group but remain as a director in a non-executive capacity. Mr. Mustafa Saifuddin was appointed a Director and his appointment was confirmed by shareholders at the last Annual General Meeting. Mr. Mustafa succeeds Mr. Muin El Saleh as Chief Executive Officer of the Company.

Current Trading

Trading from 1st January 2018 to date remains consistent with the Directors' expectations at the beginning of the current financial period.

Outlook

The performance of Bonyan International Investment Group (Holding) LLC ("Bonyan"), in which the Company has an investment, during the second half of 2017 to date is in accordance with the Directors' expectations.

Post- Balance Sheet Events

Subsequent to the period under review, Mr. Khaled Moh'd Ahmad Owaidat has been appointed as Non-Executive Director of the Company. Mr. Khaled is the General Manager of Bonyan. He is a Master of Business Administration and has over 20 years' regional experience in the finance profession.

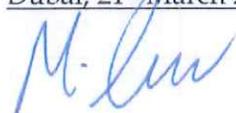
Conclusion

The Group will continue to explore further opportunities and to work towards the improvement of shareholder value.

Firas Baba

Chairman

Dubai, 21st March 2018



Important: the Notes numbered 1 to 12 which appear after the condensed, consolidated statement of cash flows below are an integral part of the condensed, consolidated interim financial information, which should be read in the context of these Notes.

Condensed, consolidated statement of profit or loss and comprehensive income
for the six months' period ended 31st December 2017

	<i>Note</i>	Six months' period ended 31 December 2017 (unaudited)	Six months' period ended 31 December 2016 (unaudited)
		USD	USD
Revenue	11	<u>18,047</u>	<u>114,441</u>
Employee costs		(84,268)	(137,066)
Other operating expenses		(41,801)	(56,294)
Legal and professional expenses		(43,064)	(52,104)
Other income		-	63,706
Depreciation		<u>(701)</u>	<u>(2,868)</u>
Operating loss		<u>(151,787)</u>	<u>(70,185)</u>
Finance income - net		<u>22,753</u>	<u>33,146</u>
Loss for the period		<u>(129,034)</u>	<u>(37,039)</u>
Other comprehensive income			
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Fair value changes in available for sale financial asset	6	<u>4,154,931</u>	<u>52,471</u>
Total comprehensive income for the period		<u>4,025,897</u>	<u>15,432</u>
Loss per share attributable to the equity holders of the parent during the period			
Basic loss per share for the period	5	<u>(0.0005)</u>	<u>(0.0001)</u>

Condensed, consolidated statement of financial position
as at 31st December 2017

	Note	31 December 2017 (unaudited)	31 December 2016 (unaudited)
		USD	USD
ASSETS			
Non-current assets			
Property and equipment		-	2,278
Available for sale financial asset	6	<u>90,691,221</u>	<u>78,233,975</u>
Total non-current assets		<u>90,691,221</u>	<u>78,236,253</u>
Current assets			
Trade receivables	11	-	19,074
Loans and advances	7	<u>4,700,000</u>	<u>4,700,000</u>
Prepayments, advances and other receivables	8	<u>638,847</u>	<u>706,718</u>
Cash and cash equivalents		<u>8,626</u>	<u>36,819</u>
Total current assets		<u>5,347,473</u>	<u>5,462,611</u>
Total assets		<u>96,038,694</u>	<u>83,698,864</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
EQUITY			
Share capital		<u>2,010,490</u>	<u>2,010,490</u>
Share premium		<u>83,862,586</u>	<u>83,862,586</u>
Available for sale fair valuation reserve	9	<u>12,509,717</u>	<u>52,471</u>
Accumulated losses		<u>(8,533,980)</u>	<u>(8,226,656)</u>
Total capital and shareholders' equity		<u>89,848,813</u>	<u>77,698,891</u>
LIABILITIES			
Non-current liabilities			
Provision for employees' end of service benefits		<u>35,130</u>	<u>21,203</u>
Total non-current liabilities		<u>35,130</u>	<u>21,203</u>
Current liabilities			
Trade and other payables	10	<u>6,154,751</u>	<u>5,978,770</u>
Total current liabilities		<u>6,154,751</u>	<u>5,978,770</u>
Total liabilities		<u>6,189,881</u>	<u>5,999,973</u>
Total liabilities and shareholders' equity		<u>96,038,694</u>	<u>83,698,864</u>

Condensed, consolidated statement of changes in equity
for the six months' period ended 31st December 2017

	<u>Share capital</u> USD	<u>Share premium</u> USD	<u>Available for sale fair valuation</u> USD	<u>Accumulated losses</u> USD	<u>Total</u> USD
At 1 st July 2016 (audited)	2,010,490	83,862,586	-	(8,189,617)	77,683,459
<i>Total comprehensive income for the period</i>					
Loss for the period	-	-	-	(37,039)	(37,039)
Other comprehensive income for the period	<u>—</u>	<u>—</u>	<u>52,471</u>	<u>—</u>	<u>52,471</u>
Balance at 31st December 2016 (unaudited)	<u>2,010,490</u>	<u>83,862,586</u>	<u>52,471</u>	<u>(8,226,656)</u>	<u>77,698,891</u>
At 1 st July 2017 (audited)	2,010,490	83,862,586	8,354,786	(8,404,946)	85,822,916
<i>Total comprehensive income for the period</i>					
Loss for the period	-	-	-	(129,034)	(129,034)
Other comprehensive income for the period	<u>—</u>	<u>—</u>	<u>4,154,931</u>	<u>—</u>	<u>4,154,931</u>
Balance at 31st December 2017 (unaudited)	<u>2,010,490</u>	<u>83,862,586</u>	<u>12,509,717</u>	<u>(8,533,980)</u>	<u>89,848,813</u>

Condensed, consolidated statement of cash flows
for the six months' period ended 31st December 2017

	Six months' period ended 31 December 2017 (unaudited)	Six months' period ended 31 December 2016 (unaudited)
	USD	USD
Cash flows from operating activities		
Net loss for the period	(129,034)	(37,039)
<i>Adjustments for:</i>		
Finance income - refer note 7	(260,625)	(166,077)
Finance cost - refer note 10	236,932	150,979
Depreciation	701	2,868
Provision for employees' end of service benefits	2,472	11,646
Operating cash flow before working capital changes		
<i>Working capital changes:</i>		
Trade and other receivables	162,918	112,976
Trade and other payables	<u>(47,269)</u>	<u>4,649,278</u>
Net cash flow from operating activities	<u>(33,905)</u>	<u>4,724,631</u>
Cash flows from financing activities		
Loans and advances	-	(4,700,000)
Net cash flow from financing activities	<u>-</u>	<u>(4,700,000)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(33,905)</u>	24,631
Cash and cash equivalents at beginning of the period	42,531	12,188
Cash and cash equivalents at end of the period	<u>8,626</u>	<u>36,819</u>

Notes to the condensed, consolidated interim financial information
for the six months' period ended 31st December 2017

1. Legal status and activity

Dana Group International Investments Limited ("the Company") was incorporated on 29th May 2007 under the International Business Companies Act, 2000, in the Commonwealth of the Bahamas under registration number 148728 (B).

The registered office address of the Company is Ocean Centre, East Bay Street, P.O. Box SS19084, Nassau, Bahamas.

The unaudited condensed consolidated interim financial information of the Company for the period ended 31st December 2017 comprises the Company and its subsidiaries (collectively referred to as "the Group"). There has been no changes in the Group structure since the date of most recent annual consolidated financial statements for the year ended 30th June 2017.

The principal activities of the Group are property and real estate investments, development and advisory services for projects related to the real estate and infrastructure sectors.

2. Basis of preparation

The unaudited condensed consolidated interim financial information for the six months' ended 31st December 2017 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The condensed, consolidated interim financial information should be read in conjunction with the annual audited consolidated financial statements for the year ended 30th June 2017, which have been prepared in accordance with International Financial Reporting Standards.

3. Estimates and assumptions

The preparation of condensed, consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the condensed, consolidated interim financial information, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements for the year ended 30th June 2017.

4. Significant accounting policies

The accounting policies adopted in the preparation of the condensed, consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30th June 2017.

5. Loss per share

Basic loss per share

Basic loss per share is calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	Period ended 31 December 2017 (unaudited)	Period ended 31 December 2016 (unaudited)
Loss attributable to equity holders of the parent (USD)	<u>(129,034)</u>	<u>(37,039)</u>
Weighted average number of ordinary shares in issue (No.)	<u>249,289,747</u>	<u>249,289,747</u>

6. Available for sale financial asset

	2017 USD	2016 USD
Balance at 1 st July (audited)	<u>86,536,290</u>	<u>78,181,504</u>
Change in fair value – refer note (i) below	<u>4,154,931</u>	<u>52,471</u>
Balance at 31st December (unaudited)	<u>90,691,221</u>	<u>78,233,975</u>

(i) Change in fair value represents the difference in the fair value of Bonyan during the period of six months from 1st July 2017 to 31st December 2017. The fair value of Bonyan was determined by an independent professional valuer by using discounted cash flow model.

7. Loans and advances

	31 December 2017 USD (unaudited)	31 December 2016 USD (unaudited)
Short term loan - refer note (i) below	<u>4,700,000</u>	<u>4,700,000</u>
	<u>4,700,000</u>	<u>4,700,000</u>

(i) The Group's subsidiary has provided a short-term loan of USD 4.7 million to a related party (common shareholders). The short-term loan is unsecured and carries profit rate of 11% per annum. During the current period, the Company has earned the finance income of USD 260,625 from the short term loan and is recognised in the statement of profit or loss.

8. Prepayments, advances and other receivables

	31 December 2017 USD (unaudited)	31 December 2016 USD (unaudited)
Receivable from related parties (refer note 11)	<u>599,791</u>	<u>657,047</u>
Prepayments and other receivables	<u>39,056</u>	<u>49,671</u>
	<u>638,847</u>	<u>706,718</u>

9. Available for sale fair valuation reserve

At 31st December 2017, available for sale fair valuation reserve represented the change in fair value of Group's investment in Bonyan which was classified as available for sale financial asset.

10. Trade and other payables

	31 December 2017 USD (unaudited)	31 December 2016 USD (unaudited)
Due to related parties	<u>5,493,168</u>	5,327,510
Other payables	<u>661,583</u>	651,260
	<u><u>6,154,751</u></u>	<u>5,978,770</u>

The Group has received a short term loan of USD 4.7 million from a related party (common shareholders). The short-term loan is unsecured and carries profit rate of 10% per annum. During the current period, the Company has accrued finance expense of USD 236,932 which is recognised in the statement of profit or loss.

11. Related party transactions and balances

The Group enters into transactions in the normal course of business with related parties at market rates and terms agreed between the parties.

During the current period, the Group entered into the following transactions with related parties:

Revenue

	Six months' period ended 31 December 2017 (unaudited) USD	Six months' period ended 31 December 2016 (unaudited) USD
Real estate advisory and consultancy fee	<u>18,047</u>	<u>114,441</u>

Key management compensation

	Six months' period ended 31 December 2017 (unaudited) USD	Six months' period ended 31 December 2016 (unaudited) USD
Salaries and other short-term benefits	<u>25,677</u>	<u>76,295</u>

Included in the statement of financial position are the following balances with related parties:

	31 December 2017 (unaudited) USD	31 December 2016 (audited) USD
Trade receivables	-	19,074
Loans and advances	4,700,000	4,700,000
Prepayments, advances and other receivables	599,791	657,047
Trade and other payables	<u>5,493,168</u>	<u>5,327,510</u>

12. Comparative figures

The comparative information for the previous period has been reclassified, where necessary, in order to conform to the current period's presentation. Such reclassifications do not affect the previously reported profit, net assets or equity of the Group.

This announcement has been made after due and careful enquiry; the directors of the Group accept responsibility for its content.

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