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DJ Dana Group International Investments Final Results for the Year Ended 30th June 2018

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Dana Group International Investments Limited and its subsidiaries
(the "Group" or the "Company")
Consolidated Financial Results for the Year Ended 30th June 2018

Chairman's Statement

On behalf of the Board of Directors, I am pleased to present the Group's consolidated, audited financial statements for the financial year ended 30th June 2018 together with the notes thereto.

The period under review was challenging for the regional economy owing to the macroeconomic, structural and geopolitical influences across the region. These factors, along with supply and demand trend, have softened the real estate sector in the United Arab Emirates (UAE). Despite such challenges, the UAE's real estate sector is maturing and the Directors believe it is poised for growth in the longer term, following the flurry of business-friendly reforms in recent months, improved regulations, solid macroeconomic fundamentals, transparency and highly developed infrastructure.

While the external environment may provide constant challenges, the Directors perceive that the gradual recovery of oil prices and the diversification of the economy will encourage more foreign direct investments in the region. Business-friendly policy reforms supporting the building of a sustained and integrated economy should pave the way towards increased business activities and confidence across all sectors, including real estate.

Meanwhile, the UAE is preparing for Expo 2020, which will be hosted by the Emirate of Dubai, and is progressing well with numerous initiatives to become a global hub for the development and deployment of new technologies such as Artificial Intelligence, Fintech, 3D printing etc. This should enhance the UAE's prestige and support the core real estate, transport and tourism sectors. In turn, this should provide an opportunity for the Company to develop a well-focused and diversified investment strategy in the real estate sector.

Board Changes

During the year under review, Mr. Khaled (Nicholas) Majdalani stepped down from

the Board and the following new Directors were admitted:

- * Mr. Ahmad Abdulla Aljaziri Altamimi - Director
- * Mr. Mustafa Saifuddin - Director and CEO
- * Mr. Khaled Moh'd Ahmad Owaидat - Director

Financial Results

The comprehensive loss for the financial year ended 30th June 2018 was USD 33.92 million (2017: comprehensive income of USD 8.14 million) and the net loss for the year was USD 3,567 (2017: net loss of USD 215,329), giving rise to a basic loss per share of 0.001 US cents (2017: basic loss per share of 0.086 US cents).

The Company has posted the revenue of USD 108,000 from consultancy services. The net loss for the year reduced by USD 211,762 from the comparable period. This reduction was attributable to reduced operational costs during the year under review.

As at 30th June 2018, the Company's net assets standing at USD 51.90 million (2017: USD 85.82 million); or US cents 21 per share (2017: US cents 34 per share).

The decrease in the Group's net assets by USD 33.92 million or 40 per cent is attributable to fair value changes as measured at the year-end in the value of investments held by Bonyan International Investment Group (Holding) LLC ("Bonyan"), in which the Company holds a 21.68 per cent interest.

The change in fair value arose mainly from over-supply and softening demand in the real estate sector in the UAE, marked by the declines in real property asset prices and values of real property assets of between 10 and 15 per cent on average during the year under review.

During financial year 2017-2018, an investee company (the "Investee Company" as defined in the Directors' Report in the Annual Report for the financial year 2017-2018) of Bonyan underwent capital restructuring which resulted in the dilution of Bonyan's shareholding in the Investee Company to 19.68 per cent (30 June 2017: 40 per cent). The dilution arose from the issue of new share capital by the Investee Company to incoming shareholders.

Further information on this and on the Post- Balance Sheet Event discussed

below is provided in the Directors' Report appearing in the Group's Annual Report.

Post-Balance Sheet Events

Subsequent to the end of the last financial year, the shares of Bonyan's Investee Company were listed on the ADX Secondary Market in Abu Dhabi. The listing provides a continuous, independent pricing and valuation mechanism for Bonyan's significant investment within a stable regulatory environment which enforces high standards of disclosure and transparency. The Directors' Report explains how, since the listing, this has affected the valuation of the Company's indirect exposure, through its investment in Bonyan, to Bonyan's Investee Company's shares.

Further, Mr. Muin El-Saleh retires by rotation and has decided not to offer himself for re-election, owing to his external commitments. Muin was appointed as the CEO & Executive director of the Company in July 2011 and had stepped down from the CEO position in December 2017. Muin has played a key role on matters concerned with corporate development. He has also been the motivating force behind implementing an improved financial reporting and IT support system in the Group. The Board would like to thank Mr. Muin for his significant contribution and service to the Company.

Current Trading

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

Recommendation

The Directors believe that all the proposals to be considered at the AGM, notice of which will be posted with the Annual Report, are in the best interests of the Company and recommend shareholders to vote in favour of them as they intend, where relevant, to do in respect of their own beneficial shareholdings.

Conclusion

The restructuring of Bonyan's investment should benefit the Group as prospects of expansion and the involvement in distinguished and unique projects in the field of real estate development and other various areas of investments should increase returns from sustainable sources; these are expected to improve the Company's overall value. As the current financial year progresses, the Directors will remain dedicated to exploring and grasping opportunities for further business development.

Finally, I would like to extend my wholehearted gratitude to my fellow members of the Board and to our valued shareholders who continue to place their trust in us. On behalf of the Board, we pledge to continue doing our best to achieve success.

Firas Baba
Chairman,
Dubai, 26 November 2018

Consolidated statement of profit or loss and other comprehensive income
for the year ended 30th June 2018

	30 June 2018	30 June 2017
	Notes	USD
Revenue		108,047
	-----	-----
Employee costs		(146,464)
Other operating expenses		(90,233)
Legal and professional expenses		(94,753)
Depreciation		(702)
Other income		222,228
	-----	-----
Operating loss		(1,877)
Finance (expense)/income		(1,690)
		26,925

Loss for the year	(3,567)	(215,329)
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Other comprehensive income

Items that are or may be reclassified subsequently to profit or loss

Fair value changes in available for sale financial assets	2	(33,916,203)	8,354,786
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Total comprehensive (loss)/income for the year	(33,919,770)	8,139,457
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Loss per share attributable to the owners of the parent during the year

Basic loss per share for the year	1	(0.00001)	(0.00086)
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Consolidated statement of financial position as at 30th June 2018

30 June 2018	30 June 2017
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Notes	USD	USD
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ASSETS

Non-current assets

Property and equipment	-	702
Available for sale financial assets	2	52,620,087

Total non-current assets	52,620,087	86,536,992

Current assets		
Loans and advances	-	4,700,000
Prepayments, advances and other receivables	42,054	541,140
Cash and cash equivalents	14,481	42,531

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Total current assets	56,535	5,283,671
	-----	-----
Total assets	52,676,622	91,820,663
	====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	3	2,010,490
Share premium		83,862,586
Available for sale fair valuation reserve	(25,561,417)	8,354,786
Accumulated losses	(8,408,513)	(8,404,946)
	-----	-----
Total capital and shareholders' equity	51,903,146	85,822,916
	-----	-----
LIABILITIES		
Non-current liabilities		
Provision for employees' end of service benefits	25,540	32,658
	-----	-----
Total non-current liabilities	25,540	32,658
	-----	-----
Current liabilities		
Trade and other payables	747,936	5,965,089
	-----	-----
Total current liabilities	773,476	5,965,089
	-----	-----

Total liabilities and shareholders' equity	52,676,622	91,820,663
	=====	=====

The consolidated financial statements were approved by the Board of Directors on 26th November 2018.

Mustafa Saifuddin
Director

Consolidated statement of changes in equity
for the year ended 30th June 2018

	Share capital USD	Share premium USD	Available for sale fair valuation reserve USD	Accumulated losses USD	Total USD
At 1st July 2016	2,010,490	83,862,586	-	(8,189,617)	77,683,459
 Total comprehensive income for the year					
Loss for the year	-	-	-	(215,329)	(215,329)
Other comprehensive income for the year	-	-	8,354,786	-	8,354,786
 At 30th June 2017	 2,010,490	 83,862,586	 8,354,786	 (8,404,946)	 85,822,916

At 1st July 2017	2,010,490	83,862,586	8,354,786	(8,404,946)	85,822,916
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Total
comprehensive
income for the
year

Loss for the year	-	-	-	(3,567)	(3,567)
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Other comprehensive loss for the year	-	-	(33,916,203)	-	(33,916,203)
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At 30th June 2018	2,010,490	83,862,586	(25,561,417)	(8,408,513)	51,903,146
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Consolidated statement of cash flows
for the year ended 30th June 2018

	30 June 2018	30 June 2017
	USD	USD
Cash flow from operating activities		
Net loss for the year	(3,567)	(215,329)
Adjustments for:		
Finance income	-	(422,099)

Finance cost	-	383,726
Balance payable written back	(251,598)	-
Depreciation	702	4,444
Provision for employees' end of service benefits	(7,118)	23,101
	-----	-----
Operating cash flow before working capital changes	(261,581)	(226,157)
Working capital changes:		
Prepayments, advances and other receivables	499,086	374,151
Trade and other payables	(4,965,555)	4,562,117
Finance income received	-	179,500
Finance cost paid	-	(159,268)
	-----	-----
Net cash used in operating activities	(4,728,050)	4,730,343
	-----	-----
Cash flow from financing activities		
Loans and advances	4,700,000	(4,700,000)
	-----	-----
Net cash flow from financing activities	4,700,000	(4,700,000)
	-----	-----

Net (decrease)/increase in cash and cash equivalents	(28,050)	30,343
Cash and cash equivalents at beginning of the year	42,531	12,188
	-----	-----
Cash and cash equivalents at end of the year	14,481	42,531
	=====	=====

Basis of preparation

These consolidated financial statements have been prepared for the 12 months year ended 30th June 2018, whereas corresponding figures were extracted from the audited consolidated financial statements for the year ended 30th June 2017 for comparative purposes as explained above in the chairman's statement.

These consolidated financial statements as at 30th June 2018 comprise the Company and its subsidiaries (collectively referred to as "the Group") and the Group's interest in equity accounted investees.

The financial information does not constitute the Group's consolidated financial statements for either the year ended 30th June 2018 or the year ended 30th June 2017, but is derived from those accounts. The Group's non statutory accounts for 2018 are available from the Company's website from 27th November 2018. The auditor's reports on both the 2018 and 2017 accounts were unqualified; did not draw attention to any matters by way of an emphasis; and did not contain any statement in regard to matters reported on by exception.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared under the historical cost convention, except for investment properties and available for sale investments which are stated at fair values. The accounting policies used are consistent with those applied in

the 2017 consolidated financial statements and those that were applied in the 2018 consolidated financial statements.

1. Loss per share

Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.

	30 June 2018	30 June 2017
Loss attributable to the owners of the parent (USD)	(3,567)	(215,329)
	=====	=====
Weighted average number of ordinary shares in issue (No.)	249,289,747	249,289,747
	=====	=====

The company has no diluted instrument at the reporting date.

2. Available for sale financial assets

	2018	2017
	USD	USD
Balance at the beginning of the year	86,536,290	78,181,504
Change in fair value	(33,916,203)	8,354,786
	-----	-----
Balance at the end of the year	52,620,087	86,536,290
	=====	=====

The Group holds 21.68% interest in Bonyan International Investment Group (Holding) LLC ("Bonyan"). Bonyan is engaged in the property development business in the UAE. The Group assessed the investment in Bonyan at its fair

value. The fair value of Bonyan was determined by an independent professional valuer by using discounted cash flow model.

During the financial year 2017-2018, an Investee Company of Bonyan underwent

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capital restructuring which resulted in the dilution of Bonyan's shareholding in the Investee Company to 19.68% (30th June 2017: 40%). The dilution arose from the issue of new capital by the Investee Company to incoming shareholders.

Subsequent to the year under review, the Investee Company's shares were listed on the ADX Secondary Market in Abu Dhabi.

3. Share capital and share premium

Movement in share capital during the year

	Number of shares	Ordinary Shares USD	Share Premium USD	Total USD
At 1st July 2016	249,289,747	2,010,490	83,862,586	85,873,076
Shares issued during the year	-	-	-	-
At 30th June 2017	249,289,747 =====	2,010,490 =====	83,862,586 =====	85,873,076 =====
At 1st July 2017	249,289,747	2,010,490	2,010,490	2,010,490
Shares issued during the year	-	-	-	-
At 30th June 2017	249,289,747 =====	2,010,490 =====	83,862,586 =====	85,873,076 =====

As at 30th June 2018, Bonyan holds 64,936,640 shares (26.05%) (30th June 2016: 61,669,915 shares (24.74%)) of the Company.

Share warrants

No new share warrants were issued by the Company during the year.

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

Enquiries:

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Copies of the Annual Report for the year ended 30th June 2018 are available during normal business hours for a period of one month from the date of this announcement, by arrangement, from the offices of Keith, Bayley, Rogers & Co. Limited, No. 1 Royal Exchange Avenue, London, EC3V 3LT; telephone: +44 (0) 20 7464 4090. A soft copy of the Annual Report is also downloadable from the Company's website: www.dana-investments.com/.

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