

## Detailed analysis of accumulated losses

Date:	24th March 2020
Listed Company Name:	Union Properties PJSC
Define the period of the financial statements	Year ended 31 December 2019
Accumulated losses:	AED 2,142 million
Accumulated losses to capital ratio:	49.93%
The main reasons leading to these accumulated losses and their history:	The accumulated losses are mainly contributed by the fair value loss of AED 2,076 million related to investment properties recorded in the year 2017. It is on account of correction of gross floor area and decline in the fair value of real estate portfolio. Further, in the year 2017, an impairment of AED 503 million has been recorded on the opening balance of retained earnings as at 1/1/2016 which relates to a suspected irregularity and error identified for a transaction in the year 2015.
Measures to be taken to address accumulated losses:	The company is in the process of developing its land bank and creating assets with recurring cashflows. Further the company is aggressively following up on its outstanding receivables through legal process which would also result in reduction of accumulated losses in the event that the case is won and the amount is recovered. Further, it may be noted that the losses are predominantly due to the valuations of the real estate portfolio which are marked to market. These losses will be recouped in the event of an increase in the prices of lands in Dubai.



**Jad Wajih Khoueis**  
Company Secretary



**الاتحاد**  
**Union**  
العقارية  
PROPERTIES



**up.ae**

Union Properties PJSC  
Paid Up Capital: AED 4,289 Million  
Commercial Registration 42894

Union Business Park 1  
Green Community East  
Dubai Investment Park 1  
P.O. Box 24649

الاتحاد العقارية ش.م.ع  
رأس المال مدفوع: 4,289 مليون درهم  
سجل التجاري 42894

يونيون بزنس بارك 1  
جرين كومونيوتي الشرقية  
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