## Detailed analysis of accumulated losses

Date:	14th November 2019
Listed Company Name:	Union Properties PJSC
Define the period of the	Nine month ended 30 September 2019
financial statements	
Accumulated losses:	AED 2,082 million
Accumulated losses to	48.52%
capital ratio:	
The main reasons leading	The accumulated losses are mainly contributed by the
to these accumulated losses	fair value loss of AED 2,076 million related to
and their history:	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	The company is in the process of developing its land
address accumulated	bank and creating assets with recurring cashflows.
losses:	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.

Ahmed Yousef Khouri **Managing Director** 





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