



تعاونية الاتحاد
UNION COOP

Date: 15 July 2022

To: Dubai Financial Market

Attn: His Honorable Hamed Ali - Chief Executive Officer

RE: Listing Prospectus of Union Coop

We would like to extend our sincerest regards and appreciation, wishing you continued prosperity and success. Kindly find attached to this letter the English version of the Listing Prospectus presented to you for the purpose of listing the shares of Union Coop on the Dubai Financial Market.

Best regards,

Chief Executive Officer

Khalid Humaid Al Falasi





تعاونية الاتحاد
UNION COOP

Date 15 July 2022

Listing Prospectus of UNION COOP's Shares on the Dubai Financial Market



اتحاد مول
Etihad Mall

البرشاء مول
Al Barsha Mall

الورقاء
ALWARQA
DIFC Mall, DIFC

www.unioncoop.ae
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UNION COOP

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PROSPECTUS FOR LISTING UNION COOP'S SHARES IN THE DUBAI FINANCIAL MARKET

1. ABOUT UNION COOP

Company's Name, Description and Establishment	UNION COOP is a cooperative society registered in the Emirate of Dubai, by virtue of the Ministerial Resolution No. 31/2 issued on 24 May 1982 by the Ministry of Social Affairs, under Commercial Registration No. 1223346 on 26 March 1984 ("COOP").		
COOP's Capital	The COOP's current capital is One Billion Seven Hundred Sixty-Four Million One Hundred Thirty-Eight Thousand One Hundred Forty Dirhams (AED 1,764,138,140), fully paid up and divided into One Billion Seven Hundred Sixty-Four Million One Hundred Thirty-Eight Thousand One Hundred Forty (1,764,138,140) common shares after the share split undertaken by COOP with a par value of One Dirhams (AED 1.00) per share.		
Changes to COOP's Capital during the Year Preceding Submission of the Listing Application	Description	No. of Shares	AED
	Capital as of 1 January 2021	176,413,814	1,764,138,140
	Capital as of 31 December 2021	176,413,814	1,764,138,140
	Movement from 31 December 2021 to 15 July 2022	Shares increased from 176,413,814 to 1,764,138,140	-
	Capital as of 15 July 2022	1,764,138,140	1,764,138,140
	On 14 July 2022, COOP has undertaken a share split and the par value of its shares decreased from Ten Dirhams (AED 10) to One Dirham (AED 1.00) and accordingly, the number of COOP's issued shares increased from One Hundred Seventy-Six Million Four Hundred Thirteen Thousand and Eight Hundred Fourteen (176,413,814) common shares to One Billion Seven Hundred Sixty-Four Million One Hundred Thirty-Eight Thousand One Hundred Forty (1,764,138,140).		
Voting Rights	All shares of the COOP are common shares of one class, and they do not grant any preferential rights. Each member has one vote at the General Assembly irrespective of the number of shares held by said member. Each member may subscribe to new shares, provided that a single member may not hold		





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	shares representing more than one tenth of COOP's subscribed capital.
COOP's Members	The maximum number of members in COOP is unlimited. Membership is granted, upon request, to any UAE national that resides in COOP's region of operation and meets the membership requirements specified in the COOP's Articles of Association. The number of COOP's members, as of 30 June 2022 is (36,880) members. The liabilities of the members are limited to the value of the shares they own.
Major Shareholders	There is no shareholder holding 5% or more of COOP's shares.
Summary of COOP's Incorporation Documents	<p>The establishment meeting of the founder members of UNION COOP was held in the Emirate of Dubai on 21/12/1981 to set the foundations required to establish and promulgate a consumer cooperative society in the Emirate of Dubai, in light of the Cooperation Law No. 13 of 1976 and the model internal articles of cooperative societies prepared by the Ministry of Labor and Social Affairs, with a founding capital of One Hundred Thousand (100,000) shares with a value of One Million Dirhams (AED 1,000,000).</p> <p>UNION COOP was promulgated in the Emirate of Dubai and registered under No. 12 in the records of the Cooperation Department at the Ministry with the objective of improving the lives of its members, both socially and economically, and to serve the community in its region of operation by following the cooperative principles included in the society's articles pursuant to the provisions of Law No. (13) of 1976, by virtue of Ministerial Resolution No. (31/2) of 1982 concerning the approval on promulgating UNION COOP.</p> <p>The first meeting of the General Assembly was convened on 08/06/1982, and during which the Board of Directors was nominated and authorized therein by the General Assembly to offer COOP's shares for subscription with a share capital of Thirty Million Dirhams (AED 30,000,000).</p>
COOP's Activities and Objectives	<p>The COOP's main activities include establishing and managing hypermarkets and shopping centers in the United Arab Emirates. In addition, the purpose of establishing COOP is to improve social and economic affairs of its members, as well as, serve the community.</p> <p>Furthermore, the COOP is licensed to carry out the following activities as shown in the Trade License No. 206329:</p> <p>(a) Consumer cooperative marketing</p>





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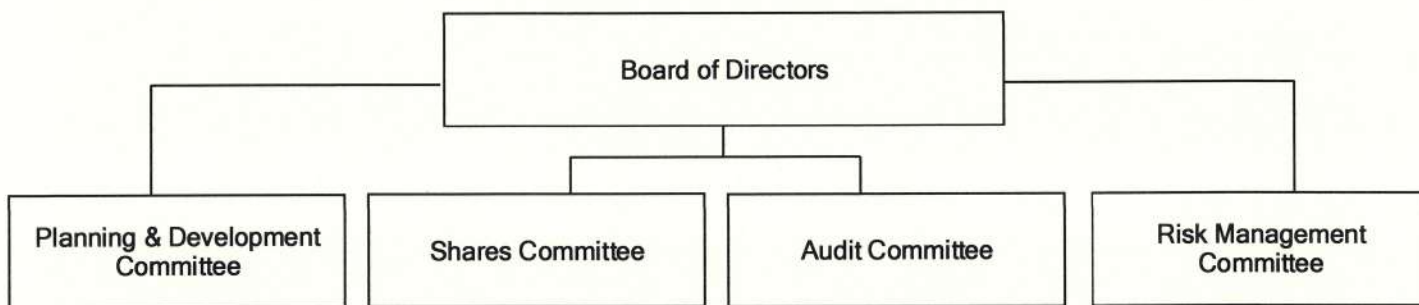
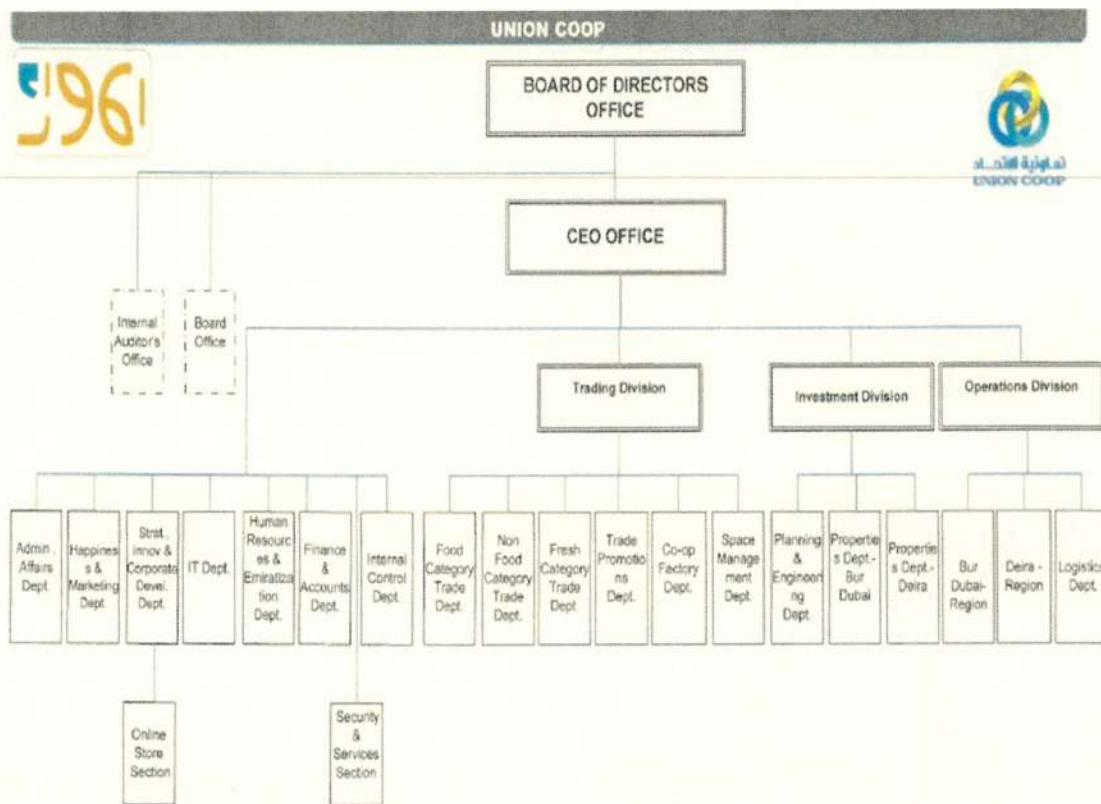
	<ul style="list-style-type: none">(b) Establishment and management of a consumer complex (supermarket)(c) Tourist establishments' security services(d) Sugar packaging(e) Salt packaging(f) Packaging of dried fruits and vegetables(g) Packaging of grains and crops(h) Packaging of spices and seasonings(i) Packaging of rosewater(j) Packaging of honey and concentrated beverages (syrups)(k) Trading of flowers and artificial plants(l) Blending / packaging of dried mixtures for juices and ice cream(m) Distribution of visual mediums(n) Trading of juices(o) Trading of stationery tools, and writing and drawing tools(p) Distribution of audio mediums(q) Manufacturing of pies and desserts(r) Manufacturing of bakery products(s) Trading of newspapers and magazines(t) Trading of electronic phone chips(u) Trading of mobile phones and their accessories(v) Department store
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2. COOP'S ORGANIZATIONAL STRUCTURE





3. COMMITTEES' ROLES AND AUTHORITIES

Title	Roles & Authorities
Planning & Development Committee	<ul style="list-style-type: none">Overseeing the implementation of existing projects according to their respective timelines and providing opinion and recommendations on the new projects that COOP intends to initiate in line with its objectives and strategy as well as applicable laws and regulations.
Risk Management Committee	<ul style="list-style-type: none">Supervising the risk management process and ensuring that all risks have been identified and assessed, and that a risk management infrastructure has been established to enable COOP to tackle such risks.Supervising, in cooperation with the Board of Directors, strategic, financial, operational, market risks and any other risks.Supervising the distribution of risk-related responsibilities between sectors and departments with the highest level of clarity and transparency.Supervising the gaps analysis process to ensure that all risks are fully controlled.Coordinating with the Board of Directors to approve the framework of institutional risk management.
Audit Committee	<p>Assist the Board in verifying the following:</p> <ul style="list-style-type: none">The integrity of preparing financial reports and statements, and the internal audit system.The performance efficiency of internal audit.The level of the society's compliance with laws and regulations related to its activities.The supervision of the good and efficient performance, and independence of the external auditor.
Shares Committee	<ul style="list-style-type: none">Issuing the instructions and rules that regulate fair and transparent trading of COOP's share, and publish the same on the COOP's website.Monitoring and following up the daily trading of the COOP's share to ensure trading integrity and validity through regular follow-up reports.Establishing a strategy for the treasury shares and submitting suggestions to the Board of Directors regarding purchase and sale volumes and levels.Following up special cases of the members' shares and proposing appropriate solutions in this respect.Working on raising the investment culture awareness of shareholders.Supervising and establishing appropriate programs for developing the performance of the employees in monitoring the share's performance, the trading integrity,





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	and the analytical and statistical reports on the COOP's share.
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4. MEMBERS OF THE BOARD

Name	Position	Qualifications	Positions Elsewhere
Majid Hamad Rahmah Abdulla Alshamsi	Chairman of the Board	University Degree	▪ More than 40 years of experience in the field of General Trading.
Abdullah Ahmed Nassir Lootah	Deputy Chairman	University Degree, BA in Commerce / Business Administration	▪ More than 29 years of experience in the Ministry of Finance as Accounting Manager/Central Purchase Manager, and Ministry of Transportation as Undersecretary.
Abdulla Mohammad Rafia Aldallal	Board Secretary	University Degree	▪ More than 35 years of experience in governmental works in the fields of urban planning, infrastructure project engineering, environmental protection and public health projects as well as private work in real estate development and technical services.
Abdulrazzaq Abdulla Ibrahim Alabdulla	Board Member - Treasurer	University Degree	▪ More than 30 years of experience in the field of commercial and Islamic banks, humanitarian and charitable works.
Saeed Mohammad Rashed Alshared Alfalasi	Board Member	University Degree, BA in Accounting and Business Administration	▪ More than 40 years of experience in the field of accounting and management.
Yaser Mir Abdulla Mir Ali Amiri	Board Member	University Degree	▪ More than 38 years of experience in the field of financial and administrative control in the Audit Bureau and the Financial Audit Authority in Dubai.
Saeed Mohamed Ahmad Altayer	Board Member	University Degree	▪ More than 35 years of experience in telecommunications, energy, water, infrastructure, oil and gas, and industrial fields.





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Qadhi Saeed Mohammad Saeed Al Murooshid	Board Member	University Degree	▪ More than 20 years of experience in governmental work in the health field, and 10 years of experience in the private sector in the real estate and investment fields.
Mohammed Abdulla Bin Mana Alhemeiri	Board Member	University Degree, LLB in Law	▪ More than 40 years of experience in the field of financial control.

5. MEMBERS OF THE BOARD'S COMMITTEES

5.1. Planning & Development Committee

Name	Position	Qualifications	Positions Elsewhere
Majid Hamad Rahmah Abdulla Alshamsi	Chairman	University Degree	As indicated in the list of Board Members
Abdullah Ahmed Nassir Lootah	Member	University Degree, BA in Commerce / Business Administration	As indicated in the list of Board Members
Abdulla Mohammad Rafia Aldallal	Member	University Degree	As indicated in the list of Board Members
Qadhi Saeed Al Murooshid	Member	University Degree	As indicated in the list of Board Members

5.2. Shares Committee

Name	Position	Qualifications	Positions Elsewhere
Majid Hamad Rahmah Abdulla Alshamsi	Chairman	University Degree	As indicated in the list of Board Members
Yaser Mir Abdulla Mir Ali Amiri	Member	University Degree	As indicated in the list of Board Members
Abdulla Mohammad Rafia Aldallal	Member	University Degree	As indicated in the list of Board Members
Abdulrazzaq Abdulla Ibrahim Alabdulla	Member	University Degree	As indicated in the list of Board Members
Qadhi Saeed Al Murooshid	Member	University Degree	As indicated in the list of Board Members

5.3. Audit Committee





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Name	Position	Qualifications	Positions Elsewhere
Yaser Mir Abdulla Mir Ali Amiri	Chairman	University Degree	As indicated in the list of Board Members
Saeed Mohammad Rashed Alshared Alfalasi	Member	University Degree, BA in Accounting and Business Administration	As indicated in the list of Board Members
Abdulrazzaq Abdulla Ibrahim Alabdulla	Member	University Degree	As indicated in the list of Board Members
Mohammed Abdulla Bin Mana Alhemeiri	Member	University Degree, BA in Law	As indicated in the list of Board Members





5.4. Risk Management Committee

Name	Position	Qualifications	Positions Elsewhere
Saeed Mohammad Rashed Alshared Alfalasi	Chairman	University Degree, BA in Accounting and Business Administration	As indicated in the list of Board Members
Yaser Mir Abdulla Mir Ali Amiri	Member	University Degree	As indicated in the list of Board Members
Abdulrazzaq Abdulla Ibrahim Alabdulla	Member	University Degree	As indicated in the list of Board Members
Mohammed Abdulla Bin Mana Alhemeiri	Member	University Degree, BA in Law	As indicated in the list of Board Members

6. MEMBERS OF THE EXECUTIVE COMMITTEE SENIOR EXECUTIVE MANAGEMENT

Name	Position	Qualifications	Professional Experience
Khalid Humaid Khalifa Bin Diban AL Falasi	CEO	University Degree	<ul style="list-style-type: none"> More than 4 years of experience in the field of, designing, management, implementation, and operation of fuel stations in EPPCO and ENOC. More than 20 years of experience in the retail sector.
Harib Mohammed Thani	Operations Division Director	University Degree	<ul style="list-style-type: none"> More than 24 years of experience in the human resources sector and the retail sector.
Madiya Ahmad Sager Al Marri	Investment Division Director	Bachelor's Degree in Engineering	<ul style="list-style-type: none"> More than 33 years of experience in the fields of architecture, real estate and investment.
Majiruddin Khan	Trading Division Director	University Degree	<ul style="list-style-type: none"> More than 26 years of experience in retail.
Ahmed Ibrahim Hasan Al Ali	Finance & Accounting Director	University Degree	<ul style="list-style-type: none"> More than 28 years of experience in the finance and accounting sectors.
Mohammed Juma Thani Khalaf Balerqad	Administration Affairs Director	University Degree	<ul style="list-style-type: none"> More than 30 years of experience in the field of operations management, logistics and administration.
Ahmad Salem Khamis Bin Kineed Alfalasi	HR & Emiratization Director	University Degree	<ul style="list-style-type: none"> More than 29 years of experience in the field of human resources and recruitment.





Suhail Mahmood Sultan Al Bastaki	Happiness & Marketing Director	PhD Degree	<ul style="list-style-type: none">More than 11 years of experience in the field of training in the field Engineering) More than 8 years of experience in the fields of fact-finding, investigation and strategic (quality) management.More than 9 years of experience in the field of media and marketing.
Yaser Najjar	Internal Control Director	DBA in Business Administration	<ul style="list-style-type: none">More than 32 years of experience in the fields of accounting, auditing, financial control and risk management.
Aiman Yousef Othman	IT Director	Bachelor's Degree	<ul style="list-style-type: none">More than 26 years of experience in the field of information systems and technology.

7. SUBSIDIARIES, RELATED PARTIES AND BRANCHES OF THE SOCIETY

Other Parties	Details
Subsidiaries	None
Affiliated Parties	None
Branches at Malls	There are four (4) branches of the society at the following malls: 1. Etihad Mall 2. Warqa City Mall 3. Barsha Mall 4. Barsha South Mall
Branches Elsewhere	There are twenty-three (23) branches of the society at the following locations: 1. Warqa 2. Mirdif 3. Tawwar 4. Rashidiya 5. Hamriya 6. Abu Hail 7. Mamzar 8. Mini Coop 9. Barsha 10. Jumeirah 11. Aweer 12. Um Suqaim 13. Wasl 14. International City 15. Nad Al Shiba 16. Karama 17. Satwa 18. The Point 19. Qouz 20. Barsha / Hassa Street 21. Barsha South 22. Jumeirah First





8. SUMMARY OF GENERAL ASSEMBLY RESOLUTIONS IN THE TWO YEARS PRECEDING SUBMISSION OF THE LISTING APPLICATION

Assembly Type & Date	Summary of Resolutions																																	
Annual General Assembly - Thirty-Eighth Session dated 25 March 2020	<p>The General Assembly approved the previous minutes with a voting percentage of 89.80% of the total shareholders registered to attend the live broadcast of the meeting with a total number of 176 shareholders.</p> <p>The General Assembly reviewed the Board of Directors' report for the fiscal year ending on 31/12/2019 and approved it with a voting percentage of 85.71% of the total shareholders registered to attend the live broadcast of the meeting with a total number of 222 shareholders.</p> <p>The General Assembly reviewed the auditor's report for the fiscal year ending on 31/12/2019 and approved it with a voting percentage of 86.21% of the total shareholders registered to attend the live broadcast of the meeting with a total number of 175 shareholders.</p> <p>The General Assembly approved the financial position statement for the fiscal year ending on 31/12/2019 and the income statement with a voting percentage of 74.67% of the total shareholders registered to attend the live broadcast of the meeting with a total number of 171 shareholders.</p> <p>The General Assembly (instead of the Board of Directors' proposal and the other three proposals) resolved on the distribution of the net profits amounting to (AED 512,878,227) with a voting percentage of 47.79% of the total shareholders participating in the voting process with votes of 119 shareholders, as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Legal reserve 0% (20% - 2018) of net profits</td> <td>-</td> <td>93,260,339</td> </tr> <tr> <td>Bonus shares 0% (16% - 2018) of the capital</td> <td>-</td> <td>243,330,830</td> </tr> <tr> <td>Provision for area development 5.29% (6.13% - 2018) of net profits</td> <td>27,112,133</td> <td>28,573,194</td> </tr> <tr> <td>Board Members' remuneration 1.32% (1.45% - 2018) of net profits</td> <td>6,750,000</td> <td>6,750,000</td> </tr> <tr> <td>Profits proposed to be distributed to shareholders</td> <td><u>479,016,094</u></td> <td><u>94,387,332</u></td> </tr> <tr> <td></td> <td>512,878,227</td> <td>466,301,695</td> </tr> <tr> <td colspan="3">Details of the profits proposed to be distributed to shareholders</td> </tr> <tr> <td>Cash return on the existing capital 24% (0% - 2018)</td> <td>421,607,250</td> <td>-</td> </tr> <tr> <td>Return on shareholders' purchases from COOP 6% (10% - 2018)</td> <td><u>57,408,844</u></td> <td><u>94,387,332</u></td> </tr> <tr> <td></td> <td>479,016,094</td> <td>94,387,332</td> </tr> </tbody> </table>		2019	2018	Legal reserve 0% (20% - 2018) of net profits	-	93,260,339	Bonus shares 0% (16% - 2018) of the capital	-	243,330,830	Provision for area development 5.29% (6.13% - 2018) of net profits	27,112,133	28,573,194	Board Members' remuneration 1.32% (1.45% - 2018) of net profits	6,750,000	6,750,000	Profits proposed to be distributed to shareholders	<u>479,016,094</u>	<u>94,387,332</u>		512,878,227	466,301,695	Details of the profits proposed to be distributed to shareholders			Cash return on the existing capital 24% (0% - 2018)	421,607,250	-	Return on shareholders' purchases from COOP 6% (10% - 2018)	<u>57,408,844</u>	<u>94,387,332</u>		479,016,094	94,387,332
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	<p>The General Assembly acquitted the Board of Directors and the auditor for the fiscal year ending on 31/12/2019 with a voting percentage of 79.58% of the total shareholders registered to attend the live broadcast of the meeting with a total number of 191 shareholders.</p> <p>The General Assembly resolved on the engagement of Deloitte Audit Office for the upcoming year 2020 for a fee of AED 265,000 with a voting percentage of 76.98% of the total shareholders registered to attend the live broadcast of the meeting and with a total number of 194 shareholders.</p>
<p>Annual General Assembly - Thirty-Ninth Session dated 28 March 2021</p>	<p>The General Assembly approved the previous minutes with a voting percentage of 88.09% of the total shareholders participating in the voting process with votes of 222 shareholders.</p> <p>In addition, His Excellency the Chairman recited the Ministerial Resolution No. (158) of 2020 received from the Office of the Minister of Economy concerning the composition of the Board of Directors of the consumer society UNION COOP.</p> <p>Following review of the Federal Law No. (1) of 1972 on the Jurisdictions of the Ministries and the Competences of the Ministers, as amended;</p> <p>The Federal Law No. (13) of 1976 on Cooperative Societies;</p> <p>The Ministerial Resolution No. (23) of 1976 on the Typical Bylaw of Cooperative Societies;</p> <p>The Ministerial Resolution No. (31/2) of 1982 on Promulgating UNION COOP; and</p> <p>The Circular No. HHRC/OUT/2020/0005896 of His Highness the Governor-Dubai Government on renewing the Board of Directors of UNION COOP;</p> <p>And based on the Undersecretary's proposal, resolved as follows:</p> <p>(a) Article (1)</p> <p>The composition of the Board of Directors of the consumer society UNION COOP shall be renewed as follows:</p> <ol style="list-style-type: none">1. Abdullah Ahmed Nassir Lootah2. Majid Hamad Rahmah Abdulla Alshamsi3. Saeed Mohammed Al Tayer4. Saeed Mohammed Alshared5. Yaser Abdulla Amiri





	<p>6. Mohammed bin Abdullah Al Mana</p> <p>7. Abdullah Mohammed Rafie Al Dallal</p> <p>8. Abdulrazzaq Abdulla Al Abdullah</p> <p>9. Qadhi Saeed Al Murooshid</p> <p>(b) Article (2)</p> <p>The Board's term shall be three years commencing on the beginning of the fiscal year 2021.</p> <p>(c) Article (3)</p> <p>Any provision conflicting with or contradictory to this Resolution shall be cancelled.</p> <p>(d) Article (4)</p> <p>The competent authorities shall implement this Resolution, and this Resolution shall be published in the Official Gazette.</p> <p><u>The General Assembly was informed of the provisions of the abovementioned Ministerial Resolution.</u></p> <p>The General Assembly reviewed the Board of Directors' report for the fiscal year ending on 31/12/2020 and approved it with a voting percentage of 88.37% of the total shareholders participating in the voting process with votes of 228 shareholders.</p> <p>The General Assembly reviewed the auditor's report for the fiscal year ending on 31/12/2020 and approved it with a voting percentage of 83.40% of the total shareholders participating in the voting process with votes of 191 shareholders.</p> <p>The General Assembly approved the financial position statement for the fiscal year ending on 31/12/2020 and the income statement with a voting percentage of 55.31% of the total shareholders participating in the voting process with votes of 130 shareholders.</p> <p>The General Assembly (instead of the Board of Directors' proposal) resolved on the distribution of net profits amounting to (AED 500,032,495) as proposed by the shareholders (as per the previous year) with a voting percentage of 75.76% of the total shareholders participating in the voting process with votes of 175 shareholders, as follows:</p>									
	<table><thead><tr><th></th><th>2020</th><th>2019</th></tr></thead><tbody><tr><td>Provision for area development 2.60% (5.29% - 2019) of net profits</td><td>13,012,260</td><td>27,112,133</td></tr><tr><td>Board Members' remuneration 1.35% (1.32% - 2019) of net profits</td><td>6,750,000</td><td>6,750,000</td></tr></tbody></table>		2020	2019	Provision for area development 2.60% (5.29% - 2019) of net profits	13,012,260	27,112,133	Board Members' remuneration 1.35% (1.32% - 2019) of net profits	6,750,000	6,750,000
	2020	2019								
Provision for area development 2.60% (5.29% - 2019) of net profits	13,012,260	27,112,133								
Board Members' remuneration 1.35% (1.32% - 2019) of net profits	6,750,000	6,750,000								





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	<p>Profits proposed to be distributed to shareholders <u>480,270,235</u> <u>479,016,094</u></p> <p><u>500,032,495</u> <u>512,878,227</u></p> <p>Details of the profits proposed to be distributed to shareholders</p> <p>Cash return on the existing capital 24% (24% - 2019) 419,085,671 421,607,250</p> <p>Return on shareholders' purchases from COOP 6% (6% - 2019) <u>61,184,564</u> <u>57,408,844</u></p> <p>480,270,235 479,016,094</p>
	<p>Mr. Mohammed Yusri, the Financial Controller appointed by the Ministry of Economy, and Mr. Mohammed Jallad, the Auditor from Deloitte Office, have raised their concern regarding the above General Assembly's Resolution on profit distributions on the basis that such Resolution violates the provisions of Article (39) of the Federal Law No. (13) of 1976 on Cooperative Societies and Article No. (44) of the COOP's Articles of Association. This is due to non-compliance with deducting the legally determined 20% of net profits for the legal reserve.</p> <p>The General Assembly acquitted the Board of Directors and the auditor for the fiscal year ending on 31/12/2020 with a voting percentage of 85.04% of the total shareholders participating in the voting process with votes of 182 shareholders.</p> <p>The General Assembly resolved on the renewal of the engagement with Deloitte Audit Office for the upcoming year 2021 for a fee of AED 265,000 (as per the previous year) with a voting percentage of 81.91% of the total shareholders participating in the voting process with votes of 154 shareholders.</p>
<p>Annual General Assembly - Fortieth Session dated 30 March 2022</p>	<p>The General Assembly approved the previous minutes.</p> <p>The General Assembly reviewed and approved the Board of Directors' report for the fiscal year ending on 31/12/2021.</p> <p>The General Assembly approved listing and trading of UNION COOP's shares in Dubai Financial Market subject to the provisions of the Cabinet's Resolution No. 2 of 2022.</p> <p>The General Assembly approved the division of the value of one share into ten portions, with a value of AED 1 per portion, in order to facilitate the trading process.</p> <p>The Financial Auditor appointed by the Ministry of Economy raised his concern regarding the Resolution as such Resolution requires a decision by an Extraordinary General Assembly.</p> <p>The General Assembly reviewed and approved the auditor's report for the fiscal year ending on 31/12/2021.</p>





<p>The General Assembly approved the financial position statement for the fiscal year ending on 31/12/2021 and the income statement.</p> <p>The General Assembly decided to distribute net profits of (AED 413,188,733) as follows:</p>		
	2021	2020
Provision for area development 4.98% (2.6% - 2020) of net profits	20,570,815	13,012,260
Board Members' remuneration 1.63% (1.35% - 2020) of net profits	6,750,000	6,750,000
Profits proposed to be distributed to shareholders	<u>385,867,918</u>	<u>480,270,235</u>
	<u>413,188,733</u>	<u>500,032,495</u>
<p>Details of the profits proposed to be distributed to shareholders</p>		
Cash return on the existing capital 20% (24% - 2020)	349,114,024	419,085,671
Return on shareholders' purchases from COOP 4% (6% - 2020)	<u>36,753,894</u>	<u>61,184,564</u>
	385,867,918	480,270,235
<p>The Financial Controller appointed by the Ministry of Economy and the Auditor from Deloitte Office have raised their concern regarding the General Assembly's Resolution on profit distributions due to non-deduction of the legally determined 20% of net profits for the legal reserve.</p> <p>The General Assembly acquitted the Board of Directors and the auditor for the fiscal year ending on 31/12/2021.</p> <p>The General Assembly resolved on the engagement of Deloitte Audit Office for the upcoming year 2022 for a fee of AED 265,000.</p>		

9. SUMMARY OF MATERIAL CONTRACTS CONCLUDED BY COOP

Date	Contract Type	Entity	Description	Contract Term
Contract for management and operation of UMM AL QUWAIN COOP - Cooperative Society	Management and Operation	UMM AL QUWAIN COOP	<p>Contract Parties: UMM AL QUWAIN COOP and UNION COOP.</p> <p>Contract Purpose: UNION COOP shall operate and manage the mall / shopping centers, cooperative society and all branches of UMM AL QUWAIN COOP.</p> <p>Financial Revenue:</p>	The contract was signed on 31 May 2016, the duration thereof is seven years commencing on the date of official





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			<ul style="list-style-type: none"> Pre-Operation Establishment Period: UNION COOP shall receive a consideration equivalent to 2% of the total pre-operation cost and expenses. Post-Establishment Operation Period: UNION COOP shall receive a management and operation fee equivalent to 20% of the total annual net operation profits of UMM AL QUWAIN COOP if the project site is a mall containing stores that will be leased in addition to a cooperative society. However, if the project site is only a cooperative society, UNION COOP shall receive a management and operation fee equivalent to 25% of the total annual net operation profits of UMM AL QUWAIN COOP. 	<p>inauguration of each mall / shopping center or cooperative society respectively.</p>
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10. DETAILS OF COOP'S MAIN ASSETS AND INVESTMENTS

	31 December 2021	31 December 2020
	AED	AED
ASSETS		
<i>Non-current assets</i>		
Property and equipment	2,103,329,538	1,980,542,503
Investment properties	349,944,530	356,711,537
Intangible assets	6,298,938	5,472,932
Right of use assets	152,382,547	125,830,839
Capital advances	124,966,681	114,943,401
Financial asset at fair value through other comprehensive income	500,000	500,000
Total non-current assets	2,737,422,234	2,584,001,212
<i>Current assets</i>		
Inventories	274,494,348	262,335,242
Trade and other receivables	121,983,244	110,748,039
Due from a related party	36,960	900
Short-term deposits	366,988,175	628,425,012
Cash and cash equivalents	190,626,670	167,860,955
Total current assets	954,129,397	1,169,370,148
Total Assets	3,691,551,631	3,753,371,360





11. OVERVIEW OF COOP'S CURRENT PROJECTS

Project Title	Description	Current Status
Jumeirah Mall	A mall with a total building area of 738,328 square feet containing a showroom (hypermarket)	Preparation of Final Designs
Al Hebiah 1 Region (Motor City) Project	A residential / shopping center with a building area of 468,434 square feet containing a showroom (hypermarket)	Implementation Phase
Mall Project at Al Nahda (Al Nahda 2) Region	A mall with a total building area of 177,153 square feet containing a showroom (hypermarket)	Implementation Phase
Mall Project at Silicon Region + Mosque	A mall with a total building area of 272,627 square feet containing a showroom (hypermarket) and a mosque with a total building area of 13,380 square feet	Design Works
Project for Establishing a Hypermarket and Commercial Exhibitions at Nad Al Hammar Gardens Region	Commercial exhibitions, hypermarket and stores with a total building area of 69,100 square feet	Implementation Phase
Khawaneej Mall	A mall with a total building area of 279,609 square feet as a first stage containing a showroom (hypermarket)	Design Works
Project of Buildings at Nad Al Hammar Gardens	Construction of two buildings. The first building comprises of a commercial ground floor + 12 residential floors, while the other comprises of a commercial ground floor + 10 residential floors	Economic Feasibility Assessment Phase
Staff Accommodation at Al Quoz Industrial Area 2	Four floors on a land with an area of 36,300 square feet with a number of 51 rooms	Implementation Phase
Upgrade of e-Commerce System	Upgrading the system from Magento 1 to the new version Magento 2	Testing Phase
Replacement of Current Point-of-Sale System	Providing a new Point-of-Sale System instead of Navision	Contract signed to commence the project on 1 January 2022
ADC System Upgrade Project	Upgrading the Automatic Data Collection System to work on Android devices	Stage 1 completed and currently working on Stage 2





12. COOP'S FINANCIAL STATEMENTS

12.1. Financial Position Statement as on 31 December 2021

	31 December 2021	31 December 2020
	AED	AED
ASSETS		
<i>Non-current assets</i>		
Property and equipment	2,103,329,538	1,980,542,503
Investment properties	349,944,530	356,711,537
Intangible assets	6,298,938	5,472,932
Right of use assets	152,382,547	125,830,839
Capital advances	124,966,681	114,943,401
Financial asset at fair value through other comprehensive income	500,000	500,000
Total non-current assets	2,737,422,234	2,584,001,212
<i>Current assets</i>		
Inventories	274,494,348	262,335,242
Trade and other receivables	121,983,244	110,748,039
Due from a related party	36,960	900
Short-term deposits	366,988,175	628,425,012
Cash and cash equivalents	190,626,670	167,860,955
Total current assets	954,129,397	1,169,370,148
Total Assets	3,691,551,631	3,753,371,360
EQUITY AND LIABILITIES		
<i>Equity</i>		
<i>Capital and reserves</i>		
Share capital	1,764,138,140	1,764,138,140
Legal reserve	1,029,134,821	1,046,503,573
Distributable profit	330,550,986	400,025,996
Treasury stock	(95,527,209)	(92,383,809)
Total Shareholders' Equity	3,028,296,738	3,118,283,900
Liabilities		
<i>Non-current liabilities</i>		
Provision for employees' end of service benefits	82,830,542	58,359,585
Lease liability	112,165,094	87,927,493
Long term liability	9,967,146	32,130,094





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Total non-current liabilities	204,962,782	178,417,172
<i>Current liabilities</i>		
Trade and other payables	431,250,582	436,945,304
Lease liability	25,550,062	17,919,700
Due to a related party	1,491,467	1,805,284
Total current liabilities	458,292,111	456,670,288
Total Liabilities	663,254,893	635,087,460
Total Equity and Liabilities	3,691,551,631	3,753,371,360

12.2. Comprehensive Income Statement for the Year Ending on 31 December 2021

	2021 AED	2020 AED
Revenue	1,996,278,087	2,244,083,548
Cost of sales	(1,233,436,922)	(1,471,020,501)
Gross profit	762,841,165	773,063,047
Income from other operating activities	162,132,542	136,273,512
Other income	58,463,988	79,910,341
General and administrative expenses	(497,873,206)	(430,603,032)
Selling and distribution expenses	(75,496,000)	(75,470,746)
Operating profit	410,068,489	483,173,122
Finance income, net	3,120,244	16,859,373
Profit for the year	413,188,733	500,032,495
Other comprehensive income	-	-
Total comprehensive income for the year	413,188,733	500,032,495





12.3. Cash Flow Statement for the Year Ending on 31 December 2021

	2021	2020
	AED	AED
Operating activities		
Profit for the year	413,188,733	500,032,495
<i>Adjustments for:</i>		
Depreciation	50,798,516	38,977,133
Amortisation of intangible assets	2,616,826	2,108,829
Amortisation of right of use of assets	26,849,246	22,334,824
Gain on disposal of property and equipment and investment properties	(408,886)	(141,751)
Provision for employees' end of service benefits	29,194,103	6,754,735
Provision for impairment of trade receivables	2,244,182	2,294,821
Provision for slow moving imported inventories - net	551,699	(16,633)
Finance income	(6,212,983)	(19,265,482)
Finance cost - lease liability	3,092,739	2,406,109
Adjustment of right of use and lease liability- net	-	(5,949,061)
Operating cash flows before payment in respect of area development fund, directors' remuneration, employees' end of service benefits and changes in working capital		
Payment in respect of area development fund	(16,998,481)	(40,053,923)
Directors' remuneration	(6,750,000)	(6,750,000)
Payment of employees' end of service benefits	(4,723,146)	(1,631,545)
Changes in working capital		
Inventories	(12,710,805)	(70,110,210)
Trade and other receivables	(9,493,166)	(26,099,221)
Due from a related party	(36,060)	(706)
Due to a related party	(313,817)	63,633
Trade and other payables	(5,694,722)	71,354,397
Long term liability	(22,162,948)	(11,333,046)
Net cash generated from operating activities	443,031,030	464,975,398
Investing activities		
Purchase of property and equipment	(163,078,102)	(220,624,214)
Purchase of investment properties	(3,816,113)	(2,073,948)
Purchase of intangible assets	(3,436,239)	(3,256,505)
Proceeds from disposal of property and equipment and investment property	477,964	281,808
Profit received from deposits	6,212,983	19,265,482
Movement in short-term deposits	261,436,837	271,729,278
Movement in capital advances	(10,023,280)	(580,560)





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Net cash generated from investing activities	87,774,050	64,741,341
<i>Financing activities</i>		
Dividend paid	(480,270,235)	(479,016,094)
Purchase of treasury stock	(3,143,400)	(53,032,975)
Payment of lease liability	(24,625,730)	(22,069,501)
Net cash used in financing activities	(508,039,365)	(554,118,570)
Net increase/(decrease) in cash and cash equivalents	22,765,715	(24,401,831)
Cash and cash equivalents, beginning of the year	167,860,955	192,262,786
Cash and cash equivalents, end of the year	190,626,670	167,860,955

Source: Audited Financial Statements for the year 2021

12.4. Description of COOP's Operating Performance and Cash Flows

During 2021, UNION COOP achieved a net profit of (AED 413,188,733) compared to (AED 500,032,495) in 2020. The total sales of UNION COOP in 2021 are (AED 2,201,307,271) compared to (AED 2,482,897,380) in 2020. The total overall revenues of 2021 are (AED 2,219,994,861) compared to (AED 2,477,126,774) in 2020. The total overall expenses of 2021 are (AED 1,806,806,128) compared to (AED 1,977,094,279) in 2020. The cash in the fund, banks and bank deposits are (AED 557,614,845) in 2021 compared to (AED 796,285,967) in 2020.

12.5. Description of COOP's Existing Loans or Debt Securities / Sukuk Issued or Guaranteed by COOP

There are no existing or due loans on COOP, and it has neither issued any debt securities or sukuk nor guaranteed any debt securities or sukuk.

12.6. Lawsuits or Claims that may Materially Affect COOP's Activities or Financial Position

There are no lawsuits or claims that may materially affect COOP's activities or financial position.

12.7. Description of any Insolvency or Inability to Settle Debts during the Two Years Preceding Submission of the Listing Application

There was neither insolvency nor inability to settle debts during the two years preceding submission of the application for listing COOP's shares in Dubai Financial Market.

