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30 March 2010

Mr Stephen John Ridlington Chief Financial Officer National Central Cooling Company PJSC P O Box 29478 ABU DHABI United Arab Emirates

Dear Sir

THE NATIONAL CENTRAL COOLING COMPANY PJSC ("THE COMPANY" OR "TABREED") AGREED UPON PROCEDURES REPORT PROPOSED CAPITAL REDUCTION

We have performed the procedures agreed with you and enumerated below with respect to the accounting impact of the proposed capital reduction on the financial position of the Company as of 31 December 2009. The statements of financial position reflecting the accounting impact of the proposed capital reduction are attached as appendices to this report, initialled for identification purposes.

Our engagement was undertaken in accordance with the International Standard on Related Services 4400 applicable to agreed upon procedures engagements. The procedures that we have performed are solely to assist you in complying with the requirement of Article 209 of the UAE Commercial Companies Law of 1984 (as amended), relating to "Reduction of the Capital" and are summarised below:

- We obtained a schedule of the unaudited statement of financial position of the Company for the year ended 31 December 2009 ("the Schedule"). A copy of the Schedule is attached to this agreed upon procedures report as Appendix 1, initialled for identification purposes;
- 2. We agreed the figures included in the Schedule to the accounting records of the Company;
- 3. We obtained the EGM agenda relating to the proposed capital reduction which is attached to this agreed upon procedures report initialled for identification purposes (Appendix 2);
- 4. We checked the calculation of the capital reduction based on three scenarios; capital reduction of (a) 25%, (b) 50% and (c) 75%. The Unaudited Pro-Forma Consolidated Statements of Financial Position prepared by management of the Company reflecting the capital reduction based on these three scenarios are attached to this agreed upon procedures report initialled for identification purposes (Appendix 3).



We report our findings below:

- (i) With respect to item 1 above, we have attached a copy of the Schedule initialled for identification purposes to this report (Appendix 1);
- (ii) With respect to item 2 above, we found that the figures included in the Schedule were in agreement with the accounting records of the Company;
- (iii) With respect to item 3 above, we have attached a copy of the EGM agenda relating to the proposed capital reduction initialled for identification purposes to this report (Appendix 2):
- (iv) With respect to item 4 above, we checked the calculation of the capital reduction based on three scenarios; capital reduction of (a) 25%, (b) 50% and (c) 75%. No exceptions noted. The Unaudited Pro-Forma Consolidated Statements of Financial Position prepared by management of the Company reflecting the capital reduction based on these three scenarios are attached to this agreed upon procedures report initialled for identification purposes (Appendix 3).

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the second paragraph of this report and for your information only, and is not to be used for any other purpose or to be distributed to any other parties other than to comply with the requirement of the UAE Commercial Companies Law of 1984 (amended) relating to approval for capital reduction. This report relates only to the items specified above and does not extend to any financial statements of the Company taken as a whole.

Yours faithfully

Ernst & Young

Encl.



THE NATIONAL CENTRAL COOLING COMPANY PJSC CONSOLIDATED STATEMENT OF FINANCIAL POSITION At 31 December 2009 (UNAUDITED)

Appendix 1

	2009 AED '000
ASSETS	
Non-current assets	1 24 1 25
Capital work in progress Property, plant and equipment	1,824,867 3,310,103
Intengible assets	37,600
favestments in associates	239,655
Available for sale investments	68,421
Loan to an associate Finance lease receivable	21,084 1,135,762
1 Grander, Perfeso, perior Attrito	6.637.492
Current assets	***************************************
Inventories	36,367
Trade and other receivables	581,848 9,781
Finance lease receivable	33,862
Financial assets carried at fair value through income statement	ů.
Contract work in progress	36,813 5,374
Prepayments Cash and short term deposits	343,954
mineral contra a manage section security	
Assets classified as held for sale	1.041.939 33.800
TOTAL ASSETS	7,713,231
EQUITY AND LIABILITIES	
Equity attributable to equity holders of the parent	
Issued capital Treasury shares	1,213,380 (18,050)
Statutory reserve	47,433
(Accumulated losses) retained carnings	(1.045,766)
Foreign currency translation reserve	(692)
Cumulative changes in fair value of derivatives and available for sale investments	(77,703)
Manulatory conventible bond – equity component	1.301.679
	1.428.281
Non - controlling interests	18_385
Total equity	1.446.666
Non-current liabilities	
Retentions payable and deferred income	76,668
Interest bearing loans and borrowings	-
Islamic financing arrangements Obligations under finance lease	38.004
Mandatory convertible bond – liability component	168,847
Employees' end of service benefits	16.116
	<u> 291,575</u>
Current liabilities Bank overdraft	52,007
Accounts payable and accruals	1,892,972
Advances	400,000
Interest bearing loans and borrowings	1,174,444
Islamic financing arrangements Mandatory convertible bond — liability component	2,33 9,3 27 117,876
Obligations under finance lease	7,364
*	5,974,990
Total liabilities	6.266.565
TOTAL EQUITY AND LIABILITIES	7.713.231
[U[AL EQUITYAND LIABRATIES]	

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PROPOSED TEXT OF THE EGM AGENDA RELATING TO CAPITAL REDUCTION

- 3. Subject to resolutions 4, 5 and 6 having been passed, to approve granting to the Board of Directors of the Company full authority to effectuate a cancellation of up to 970 million shares of AED 1 each in the Company (the Capital Reduction) on a pro rata basis pursuant to Article 210(3) of the UAE Commercial Companies Law No. 8 for the year of 1984 in light of:
 - the auditors' report prepared on the Capital Reduction; and
 - the report of the Board of Directors of the Company prepared on the Capital Reduction,

and to grant full authority to the Board of Directors of the Company (in its absolute discretion) to determine the final terms, timing and implementation of the Capital Reduction, including whether to effectuate the Capital Reduction in whole or in part.

7. To authorize the Board of Directors of the Company (and each person so authorised by the Board of Directors of the Company) to adopt all resolutions including resolutions to amend the memorandum and articles of association of the Company, increase and reduce the share capital of the Company, and to do all acts and things which they may, in their absolute discretion, deem necessary or desirable to effect the resolutions passed at or pursuant to this Extraordinary General Assembly.

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THE NATIONAL CENTRAL COOLING COMPANY PJSC UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION WITH IMPACT OF 25% CAPITAL REDUCTION

At 31 December 2009

	2009 AED '900 (Unaudied)	Impact of Capital Reduction (AED)	2009 AED '000 (Pro-forma)
ASSETS			
Non-current assets			* ***
Capital work in progress	1,824,867		1,824,867
Property, plant and equipment	3,310,103 37,600		3,310,163 37,640
Intangible assets Investments in associates	239.655		239,655
Available for sale investments	68,421		68.421
Loan to an associate	21,084		21,084
Finance lease receivable	1.135.762		1.135.762
Filedown should have been	6.637.492		6.637.492
Current assets	Company Company		Chippen and Chippe
Inventories	36,307		36,307
Trade and other receivables	581,848		581,848
Loan to an associate	9,781		9,781
Finance lease receivable	33,862		33.862
Financial assets carried at fair value through income statement	w		va men
Contract work in progress	30,813		36,813 5,374
Prepayments	5,374		343.954
Cash and short term deposits	343.251		
	1.041.939		1.041.339
Assets classified as held for sate	11,8400		
TOTAL ASSETS	7.713.231		7.713.231
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
issued capital	1,213,380	(303,345)	9(0,035
Treasury shares	(10,050)		(10,050)
Statutory reserve	47,433		47,433
Reserve arising from capital reduction		303,345	303.WS
(Accumulated losses) retained earnings	(1.645,766)		(1,045,766)
Foreign currency translation reserve	(692)		(692)
Cumulative changes in fair value of derivatives and available for			
sale investments	(77,703)		(77,763)
Mandatory convertible bond — equity component	1.301.679		1,301,679
	1,428,281		1,428,281
Non - controlling interests	18,385		18,385
Total equity	1.446.666		1.446.666
• •			
Non-cerrent liabilities			
Retentions payable and deferred income	76,608		76,608
interest bearing loans and borrowings	<u>~</u>		**
Islamic financing arrangements	the street is		38.604
Obligations under finance lease	38,004 160,847		38,004 168,847
Mandatory convertible bond – liability component Employees' end of service benefits	16.116		16.116
cubiology cut at 2014 to positive			
	291,575		291,575
Current liabilities	m- +m		40.000
Bank overdeaft	52,007		52,007
Accounts payable and acceuals	1,892,972		1,892,972 466,660
Advances Interest bearing loans and borrowings	4 00,000 1.17 4, 444	%	1,174,444
interest bearing toans and borrowings Islamic financing arrangements	2,336,327		2,336,327
Mandatory convertible bond – liability component	117,876		117,876
Chairman randon Errors of Lance	7,364	=×. ,	7.364
Superior sunder interior lease Superior	5.974.990		5,974,990
Total Habilities INITIALLED FOR IDENTIFICATION			6266.565
			7.713.211
TOTAL EQUITY AND LIABILITIES VIROUSES UNLI	7.713.23	anna (september) temperana anti-arc i communication de la completa de la completa de la completa de la completa La completa de la co	14114

Based on Article 210(3) of the UAE Commercial Companies Law No. It is the year of 1984 and accounting policy relating to use of reserves created from proposed capital reduction as communicated by the management of the Company subject to approval by the Company's Board of Directors



THE NATIONAL CENTRAL COOLING COMPANY PJSC UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION WITH IMPACT OF 50% CAPITAL REDUCTION

At 31 December 2009

Itt is produkting mood	Mr. and annual	e eest	NAME.
	2009	Impact of Capital	2009
	AED '000	Reduction (AED)	AED '000
	(Unandited)		(Pro-formu)
ASSETS			
Non-current assets	as desired to the street		# 45 th 45 th 55 th 55
Capital work in progress	1,824,867		1,324,867
Property, plant and equipment	3,310,103		3,310,103
Intangible assets	37,600		37,600
Investments in associates	239,655		239.655
Available for sale investments	68.421		68,421
Loan to an associate	21,084		21,584
Finance lease receivable	1.135.762		1.135.762
	6.637.492		6.637.492
Current assets	200 E 122 E		The State Constitution of the State Constitu
Inventories	36,367		36,367
Trade and other receivables	581,848		581,848
Loan to an associate	9.781		9,781
Finance lease receivable	33.862		33.862
Financial assets carried at fair value through income statement			*
Contract work in progress	30.813		30.813
Prepayments	5,374		5,374
Cash and short term deposits	343,954		343,954
Cather was the safe and wastern			and the state of t
	1.041.939		<u>1.041.939</u>
Assets classified as held for sale	33,900		
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TOTAL ASSETS	7,713 ,2 31		7,713, 23 1,
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
issued capital	1.213.380	1606.69@Y ²	606,690
Treasury shares	(16,650)	£2.1.2.4	(10,050)
Statutory reserve	47,433		47,433
Reserve arising from capital reduction	-	606.690	606,696
(Accumulated losses) retained earnings	(1.045.766)		(1,845,766)
Foreign currency translation reserve	(692)		(692)
Cumulative changes in fair value of derivatives and available for	(4,4)		Ç — y
saic investments	(77,763)		(77,703)
Mandatory convertible bond equity component	1.301.679		1.301.679
total and the second and the second s	F-100 1.4.		2392
	1,428,281		1,428,281
Di	40.404		10 7GF
Non - controlling interests			
Total equity	1.446.666		1.446.666
a manne defining	real property.		
Non-current linishitles			
Retentions payable and deferred income	76,608		76,608
Interest bearing loans and borrowings	•		•
Islamic financing arrangements			-
Obligations under finance lease	100,BE		38,004
Mandatory convertible bond – liability component	160,847		160.847
Employees' end of service benefits	<u> 16.116</u>		<u>16.116</u>
	291.575		<u> 291.575</u>
Current liabilities			
Bank overdraft	52 <i>,</i> 0 07		52,007
Accounts payable and accruais	1,892,972	** 1	1,892,972
Advances	466,000	11.3	400,000
Interest bearing loans and borrowings	1,174,444		1,174,444
Islamic financing arrangements	2,330,327	¥24)	2,330,327
Mandatory convertible bond - liability component	117,876		117,876
Obligations under finance lease EIERNST & YOUNG	7.364		
			5,974,990
Total Habilities INITIALLED FOR IDENTIFICATIO	6.266.565		6.266.565
TOTAL EQUITY AND LIABILITIES PURPOSES ONLY	7.713.231		7.713.231
entire rance e una remember e cera LAMANCO ME	4444444	obligation and a majority or any delignous description and a	
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² Based on Article 210(3) of the UAE Commercial Companies Law No. affor the year of 1984 and accounting policy relating to use of reserves created from proposed capital reduction as communicated by the management of the Company subject to approval by the Company's Board of Directors



THE NATIONAL CENTRAL COOLING COMPANY PJSC UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION WITH IMPACT OF 75% CAPITAL REDUCTION

At 31 December 2009

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	2009		2009
	AED '000		AED '000
ASSETS	(Unaudited)		(Pro-forma)
Non-current assets			
Capital work in progress	1.824.867		1,824,867
Property, plant and equipment	3,310,103	;	3,310,103
Intangible assets	37,600		17,600
Investments in associates	239.655		239,655
Available for safe investments	68,421		68,421 21,084
Loan to an associate Finance lease receivable	21,084 1,835,762		1.135.762
E Hibster scape seresamble			6.637.492
Current assets	6.637.497	i	W.M.3.1.522.E.
Inventories	36,307	!	36,367
Trade and other receivables	581,848		581, 84 8
Loan to an associate	9,781		9,781
Finance lease receivable	33,867		13,862
Financial assets carried at fair value through income			30.813
Contract work in progress	30.8 13 5.374		39,813 5,374
Prepayments Cash and short term deposits	343.954		143,954
Court name actuals effected semberrasers			
Assets classified as held for sale	£041.939 33.800		<u>1.041.239</u> 33. 20 0
		-	
TOTAL ASSETS	7.713,231		7.7 (3.23)
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the pares		a and the state of the state of	Wast State
Issued capital Treasury shares	1,213,380 110,050	•	303,345 (10,050)
Statutory reserve	47.433		47,433
Reserve arising from capital reduction	***************************************	910.035	910.035
(Accumulated losses) retained earnings	(1.045.766)		(1,045,766)
Foreign currency translation reserve	(692)		(692)
Cumulative changes in fair value of derivatives and			
sale investments	(77,70.3)		(77,763)
Mandatory convertible bond - equity component	<u>1.301.679</u>		1.301.679
	1,428,28	l	1,428,281
Non - controlling interests	18,38		18,385
Total equity	<u>1.446.666</u>	Ĺ	1.446.666
Non-current liabilities	ms con	•	76.6 6 8
Retentions payable and deferred income Interest bearing loans and borrowings	76.605		746,000
Islamic financing arrangements			
Obligations under finance lease	38.604	1	38,004
Mandatory convertible bond - liability component	160,847	•	160,847
Employees' end of service benefits		Ĺ	16.116
	_291,575		_291,575
Current liabilities			
Bank overdraft	52,607	\$ E	52,007
Accounts payable and accruals Advances	£,392,977 400,660		1,892,972 400,000
Auvances Interest bearing loans and borrowings	400,000 E_174,444		1.17 4.44 4
Islamic financing arrangements	2,30,37		2,330,327
Mandatory convertible bond - liability component	117,870		117,876
Ober in march drove on a stone of the same of the same of	90 Tal.		7.364
	INST & YOUNG SOTION		5.974.990
Total liabilities	D FOR IDENTIFICATION SAMES		6.266.565
TOTAL EQUITY AND LIABILITIES	TATIVALIAN	i e	7.7 13.23 1
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