

**NATIONAL CENTRAL COOLING
COMPANY PJSC**

Review report and condensed consolidated
interim financial information
for the three month period ended
31 March 2016

NATIONAL CENTRAL COOLING COMPANY PJSC

Review report and condensed consolidated interim financial information
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REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the Board of Directors of
National Central Cooling Company PJSC
Abu Dhabi, UAE

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of National Central Cooling Company PJSC ("the Company") and its subsidiaries (together referred to as "the Group") as at 31 March 2016 and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

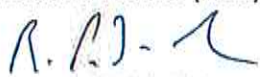
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with IAS 34, "Interim Financial Reporting".

Other matter

The comparative amounts in the condensed consolidated interim statement of financial position at 31 December 2015 and related explanatory information were audited by another auditor whose report dated 31 January 2016 expressed an unmodified opinion thereon. The prior period comparative amounts in the condensed consolidated interim statements of profit or loss, other comprehensive income, changes in equity and cash flows and related explanatory information for the three month period ended 31 March 2015, were reviewed by the same auditor who issued an unmodified conclusion dated 29 April 2015.

Deloitte & Touche (M.E.)



Rama Padmanabha Acharya
Registration Number 701
27 April 2016



NATIONAL CENTRAL COOLING COMPANY PJSC



Condensed consolidated interim statement of profit or loss
for the three month period ended 31 March 2016 (unaudited)

	Notes	3 months ended 31 March	
		2016 AED'000	2015 AED'000
Revenues	5	255,478	239,427
Operating costs	5	(124,513)	(116,861)
GROSS PROFIT		130,965	122,566
Administrative and other expenses		(53,178)	(49,095)
OPERATING PROFIT		77,787	73,471
Finance costs	5	(37,498)	(30,498)
Finance income	5	160	1,125
Other income	5	3,762	737
Share of results of associates and joint ventures	5	21,910	17,334
PROFIT FOR THE PERIOD		66,121	62,169
Attributable to:			
Ordinary equity holders of the parent		63,412	61,247
Non-controlling interests		2,709	922
		66,121	62,169
Basic and diluted earnings per share attributable to ordinary equity holders of the parent (AED)	6	0.02	0.02

The accompanying notes are an integral part of these condensed consolidated interim financial information.

NATIONAL CENTRAL COOLING COMPANY PJSC



Condensed consolidated interim statement of comprehensive income
for the three month period ended 31 March 2016 (unaudited)

	3 months ended 31 March	
	2016 AED'000	2015 AED'000
Profit for the period	66,121	62,169
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Board remuneration (note 14)	-	(7,125)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Net movement in fair value of derivatives in cash flow hedges	(18,266)	(4,403)
Share of changes in fair value of derivatives of an associate in cash flow hedges	592	650
Share of changes in fair value of derivatives of a joint venture in cash flow hedges	(13,434)	(7,789)
Exchange differences arising on translation of overseas operations	(34)	-
Total other comprehensive loss for the period	(31,142)	(11,542)
Total comprehensive income for the period	34,979	43,502
Attributable to:		
Equity holders of the parent	32,270	42,580
Non-controlling interests	2,709	922
	34,979	43,502

The accompanying notes are an integral part of these condensed consolidated interim financial information.

NATIONAL CENTRAL COOLING COMPANY PJSC



**Condensed consolidated interim statement of financial position
as at 31 March 2016**

		31 March 2016 (unaudited) AED '000	31 December 2015 (audited) AED '000
ASSETS	Notes		
Non-current assets			
Capital work in progress	7	388,020	304,723
Property, plant and equipment	7	3,497,815	3,498,466
Intangible assets		37,596	37,596
Investments in associates and joint ventures		651,822	641,178
Loan to a joint venture		72,276	72,276
Finance lease receivables		2,720,223	2,736,692
		<u>7,367,752</u>	<u>7,290,931</u>
Current assets			
Inventories		48,058	37,813
Accounts receivable and prepayments		406,468	409,506
Finance lease receivables		226,683	226,404
Cash and term deposits	8	296,214	176,969
		<u>977,423</u>	<u>850,692</u>
Disposal group and asset held for sale	9	-	91,201
		<u>977,423</u>	<u>941,893</u>
TOTAL ASSETS		<u>8,345,175</u>	<u>8,232,824</u>
EQUITY AND LIABILITIES			
Equity			
Issued capital		738,490	738,490
Treasury shares		(2,016)	(2,016)
Statutory reserve		197,356	197,356
Retained earnings		621,147	720,667
Foreign currency translation reserve		(2,607)	(2,573)
Cumulative changes in fair value of derivatives in cash flow hedges		(63,227)	(32,119)
Mandatory convertible bond – equity component	10	1,772,476	1,772,476
Other reserve		768,086	768,086
		<u>4,029,705</u>	<u>4,160,367</u>
Equity attributable to the equity holders of the parent		4,029,705	4,160,367
Non – controlling interests		64,108	65,399
Total equity		<u>4,093,813</u>	<u>4,225,766</u>
Non-current liabilities			
Accounts payable, accruals and provisions		129,288	128,546
Interest bearing loans and borrowings	11	2,925,561	2,808,286
Obligations under finance lease		8,790	10,320
Mandatory convertible bond – liability component	10	155,147	173,908
Employees' end of service benefits		22,008	20,625
		<u>3,240,794</u>	<u>3,141,685</u>
Current liabilities			
Accounts payable, accruals and provisions		728,698	568,001
Interest bearing loans and borrowings	11	189,597	189,021
Mandatory convertible bond – liability component	10	84,909	84,909
Obligations under finance lease		7,364	7,364
		<u>1,010,568</u>	<u>849,295</u>
Liability directly associated with the assets held for sale		-	16,078
		<u>1,010,568</u>	<u>865,373</u>
Total liabilities		<u>4,251,362</u>	<u>4,007,058</u>
TOTAL EQUITY AND LIABILITIES		<u>8,345,175</u>	<u>8,232,824</u>

Waleed Al Mokarrab Al Muhairi
Chairman

Jasim H. Thabet
Chief Executive Officer

Stephen John Ridlington
Chief Financial Officer

The accompanying notes are an integral part of these condensed consolidated interim financial information.

NATIONAL CENTRAL COOLING COMPANY PJSC

Condensed consolidated interim statement of changes in equity for the three month period ended 31 March 2016

	Attributable to equity holders of the parent										Total equity AED '000
	Issued capital AED '000	Treasury shares AED '000	Statutory reserve AED '000	Retained earnings AED '000	Foreign currency translation reserve AED '000	Cumulative changes in fair value of derivatives AED '000	Mandatory convertible bonds - equity component AED '000	Other reserve AED '000	Total AED '000	Non- controlling interests AED '000	
Balance at 1 January 2015 (audited)	738,490	(2,016)	162,822	590,665	(2,558)	(54,385)	2,450,238	977,340	4,860,596	69,997	4,930,593
Profit for the period	-	-	-	61,247	-	-	-	-	61,247	922	62,169
Other comprehensive loss for the period	-	-	-	(7,125)	-	(11,542)	-	-	(18,667)	-	(18,667)
Total comprehensive income/(loss) for the period	-	-	-	54,122	-	(11,542)	-	-	42,580	922	43,502
Dividends payable to MCB holders (note 14)	-	-	-	(136,759)	-	-	-	-	(136,759)	-	(136,759)
Dividends payable to ordinary shareholders (note 14)	-	-	-	(36,925)	-	-	-	-	(36,925)	-	(36,925)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,114)	(2,114)
Balance at 31 March 2015 (unaudited)	738,490	(2,016)	162,822	471,103	(2,558)	(65,927)	2,450,238	977,340	4,729,492	68,805	4,798,297
Balance at 1 January 2016 (audited)	738,490	(2,016)	197,356	720,667	(2,573)	(32,119)	1,772,476	768,086	4,160,367	65,399	4,225,766
Profit during the period	-	-	-	63,412	-	-	-	-	63,412	2,709	66,121
Other comprehensive loss for the period	-	-	-	-	(34)	(31,108)	-	-	(31,142)	-	(31,142)
Total comprehensive income/(loss) for the period	-	-	-	63,412	(34)	(31,108)	-	-	32,270	2,709	34,979
Dividends payable to ordinary shareholders (note 14)	-	-	-	(44,310)	-	-	-	-	(44,310)	-	(44,310)
Dividends payable to MCB holders (note 14)	-	-	-	(118,622)	-	-	-	-	(118,622)	-	(118,622)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(4,000)	(4,000)
Balance at 31 March 2016 (unaudited)	738,490	(2,016)	197,356	621,147	(2,607)	(65,227)	1,772,476	768,086	4,029,705	64,108	4,093,813

The accompanying notes are an integral part of these condensed consolidated interim financial information.

NATIONAL CENTRAL COOLING COMPANY PJSC



**Condensed consolidated interim statement of cash flows
for the three month period ended 31 March 2016 (unaudited)**

	Notes	3 months ended 31 March	
		2016 AED '000	2015 AED '000
OPERATING ACTIVITIES			
Profit for the period		66,121	62,169
Non-cash adjustments to reconcile profit for the period to net cash flows:			
Depreciation of property, plant and equipment		30,801	30,935
Finance lease income		(46,231)	(46,796)
Share of results of associates and joint ventures		(21,910)	(17,334)
Net movement in employees' end of service benefits		932	741
Interest income		(160)	(1,125)
Finance costs		37,498	30,498
Other gain		(1,608)	-
		<u>65,443</u>	<u>59,088</u>
Working capital adjustments:			
Inventories		(4,366)	(700)
Accounts receivable and prepayments		29,042	73,852
Accounts payable, accruals and provisions		(48,185)	(82,120)
Lease rentals received		62,421	61,390
Board of directors remuneration paid		(7,125)	(7,125)
		<u>97,230</u>	<u>104,385</u>
INVESTING ACTIVITIES			
Term deposits with original maturity of more than 3 months		-	(202,674)
Purchase of property, plant and equipment		(3,157)	(26,896)
Proceeds against sale of land	9	11,224	-
Payments for capital work in progress		(58,819)	(32,886)
Interest received		143	322
		<u>(50,609)</u>	<u>(262,134)</u>
FINANCING ACTIVITIES			
Interest bearing loans and borrowings received	11	117,793	27,833
Interest bearing loans and borrowings repaid	11	(795)	(27,407)
Cash coupon paid on mandatory convertible bonds	10	(21,611)	(30,147)
Payment for obligations under finance lease		(1,530)	(1,388)
Interest paid		(31,046)	(22,210)
Arrangement fees paid		(2,664)	-
Dividends paid to non-controlling interests		(4,000)	(2,114)
		<u>56,147</u>	<u>(55,433)</u>
Net cash flows generated from/(used in) financing activities			
		<u>102,768</u>	<u>(213,182)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January		193,446	417,932
CASH AND CASH EQUIVALENTS AT 31 MARCH	8	<u>296,214</u>	<u>204,750</u>

The accompanying notes are an integral part of these condensed consolidated interim financial information.

NATIONAL CENTRAL COOLING COMPANY PJSC

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016**

1 General information

National Central Cooling Company PJSC (“Tabreed” or the “Company”) is registered in the United Arab Emirates as a Public Joint Stock Company pursuant to the UAE Federal Law No. (2) of 2015 and is listed on the Dubai Financial Market. The Company is a subsidiary of the Mubadala Development Company PJSC (“MDC” or the “Parent Company”). The principal activities of the Company and its subsidiaries (the “Group”) are supply of chilled water, operation and maintenance of plants, construction of secondary networks, manufacturing of pre-insulated pipes and design and supervision consultancy.

The Company’s registered office is located at P.O. Box 32444, Dubai, United Arab Emirates.

The Company has amended its Articles of Association to comply with the requirements of the new UAE Federal Law No. 2 of 2015 (“Companies Law”). The amended Articles of Association were approved by the Shareholders in the Annual General Meeting held on 3 March 2016.

2 Standards and Interpretations in issue but not yet effective

The Group has not early adopted new and revised International Financial Reporting Standards (IFRSs) that have been issued but are not yet effective.

<u>New standards and significant amendments to standards applicable to the Group:</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 7 - <i>Financial Instruments: Disclosures</i> relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
IFRS 7 - <i>Financial Instruments: Disclosures</i> additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied
IFRS 9 - <i>Financial Instruments</i> (2009) issued in November 2009 introduces new requirements for the classification and measurement of financial assets. IFRS 9 <i>Financial Instruments</i> (2010) revised in October 2010 includes the requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 <i>Financial Instruments: Recognition and Measurement</i> .	1 January 2018
IFRS 9 - <i>Financial Instruments</i> (2013) was revised in November 2013 to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the own credit gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9.	

NATIONAL CENTRAL COOLING COMPANY PJSC

**Notes to the condensed consolidated interim financial statements
for the three month period ended 31 March 2016 (continued)**

2 Standards and Interpretations in issue but not yet effective (continued)

<u>New standards and significant amendments to standards applicable to the Group:</u>	<u>Effective for annual periods beginning on or after</u>
Finalised version of IFRS 9 (IFRS 9 <i>Financial Instruments</i> (2014)) was issued in July 2014 incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition.	1 January 2018
IFRS 9 (2009) and IFRS 9 (2010) were superseded by IFRS 9 (2013) and IFRS 9 (2010) also superseded IFRS 9 (2009). IFRS 9 (2014) supersedes all previous versions of the standard. The various standards also permit various transitional options. Accordingly, entities can effectively choose which parts of IFRS 9 they apply, meaning they can choose to apply: (1) the classification and measurement requirements for financial assets (2) the classification and measurement requirements for both financial assets and financial liabilities (3) the classification and measurement requirements and the hedge accounting requirements provided that the relevant date of the initial application is before 1 February 2015.	
IFRS 15 <i>Revenue from Contracts with Customers</i> provides a single, principles based five-step model to be applied to all contracts with customers.	1 January 2018
IFRS 16 <i>Leases</i> provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value	1 January 2019
Amendments to IAS 12 relating to recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to IAS 7 to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities	1 January 2017

Management anticipates that these new and revised standards, interpretations and amendments will be applied in the Group's condensed consolidated interim financial statements for the year beginning 1 January 2016 or as and when they are applicable and application of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the condensed consolidated interim financial statements of the Group in the period of initial application.

Management anticipates that IFRS 9, IFRS 15 and IFRS 16 will be applied in the Group's financial statements for the annual periods beginning 1 January 2018 and 1 January 2019, respectively. The application of IFRS 9, IFRS 15 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Group's condensed consolidated interim financial statements. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Group performs a detailed review.

NATIONAL CENTRAL COOLING COMPANY PJSC**Notes to the condensed consolidated interim financial statements
for the three month period ended 31 March 2016 (continued)****3 Summary of significant accounting policies****Basis of preparation**

The condensed consolidated interim financial information of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The condensed consolidated interim financial information have been presented in United Arab Emirates Dirhams (AED), which is the functional currency of the Group. All values are rounded to the nearest thousand (AED '000) except otherwise indicated.

The condensed consolidated interim financial information do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2015. In addition, results for the three month period ended 31 March 2016 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2016.

Significant accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of the new and amended standards.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2015.

5 Segment information

For management purposes, the Group is organised into business units based on their products and services. The two reportable operating segments are as follows:

- The 'Chilled Water' segment constructs, owns, assembles, installs, operates and maintains cooling and conditioning systems. In addition, the segment distributes and sells chilled water for use in district cooling systems.
- The 'Value chain business' support segment is involved in ancillary activities relating to the expansion of the Group's chilled water business.

NATIONAL CENTRAL COOLING COMPANY PJSC

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016 (continued)

5 Segment information (continued)

Segment performance is evaluated based on operating profit or loss and is measured consistently with the Group's operating profit or loss in the consolidated financial statements. However, Group financing (finance costs and interest income) are managed on a group basis and are not allocated to operating segments.

	Three month period ended 31 March 2016 (unaudited)				Three month period ended 31 March 2015 (unaudited)			
	Chilled water AED'000	Value chain business AED'000	Eliminations AED'000	Total AED'000	Chilled water AED'000	Value chain business AED'000	Eliminations AED'000	Total AED'000
Revenue								
External revenue	222,314	33,164	-	255,478	214,409	25,018	-	239,427
Inter-segment revenue	-	2,494	(2,494)	-	-	2,496	(2,496)	-
Total revenue	222,314	35,658	(2,494)	255,478	214,409	27,514	(2,496)	239,427
Operating costs	(105,033)	(22,186)	2,706	(124,513)	(101,334)	(18,242)	2,715	(116,861)
Gross profit	117,281	13,472	212	130,965	113,075	9,272	219	122,566
Results								
Operating profit	75,402	1,824	561	77,787	70,955	2,208	308	73,471
Finance costs				(37,498)				(30,498)
Finance income				160				1,125
Other income				3,762				737
Share of results of associates and joint ventures				21,910				17,334
Profit for the period				66,121				62,169

Inter-segment revenues are eliminated on consolidation.

NATIONAL CENTRAL COOLING COMPANY PJSC
**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016 (continued)**
6 Basic and diluted earnings per share attributable to ordinary equity holders of the parent

Basic earnings per share are calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of mandatory convertible bonds (note 10).

Diluted earnings per share amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares used to calculate basic earnings per share, plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

The following reflects the profit and share data used in the basic and dilutive earnings per share computations:

	Three month period ended 31 March	
	2016 (unaudited)	2015 (unaudited)
Profit for the period attributable to ordinary equity holders of the parent for basic earnings (AED '000)	63,412	61,247
Weighted average number of ordinary shares (excluding treasury shares) outstanding during the period ('000)	736,474	736,474
Effect of mandatory convertible bond ('000)	1,977,039	2,735,190
Total ('000)	2,713,513	3,471,664
Basic and dilutive earnings per share (AED)	0.02	0.02

Basic earnings per share has been calculated on the basis of maximum number of shares that may be issued for mandatory convertible bonds.

7 Capital work in progress and property, plant and equipment

During the three month period ended 31 March 2016, the Group has incurred capital expenditure of AED 83.3 million (31 March 2015: AED 154.9 million) primarily relating to construction of district cooling plants and distribution network.

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016 (continued)**

8 Cash and cash equivalents

For the purposes of the condensed consolidated interim statement of cash flows, cash and cash equivalents include cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the condensed consolidated interim statement of cash flows can be reconciled to the related items in the condensed consolidated interim statement of financial position as follows:

	31 March 2016 AED'000 (unaudited)	31 December 2015 AED'000 (audited)	31 March 2015 AED'000 (unaudited)
Bank balances and cash	243,755	154,969	191,132
Bank deposits	52,459	22,000	216,292
	<u>296,214</u>	<u>176,969</u>	<u>407,424</u>
Less: Bank deposits with original maturity in excess of 3 months	-	-	(202,674)
Cash and cash equivalents as at 31 March	<u>296,214</u>	<u>176,969</u>	<u>204,750</u>

Geographical concentration of bank balances and cash is as follows:

	31 March 2016 AED'000 (unaudited)	31 December 2015 AED'000 (audited)	31 March 2015 AED'000 (unaudited)
Within UAE	266,866	163,336	391,263
Outside UAE	29,348	13,633	16,161
	<u>296,214</u>	<u>176,969</u>	<u>407,424</u>

NATIONAL CENTRAL COOLING COMPANY PJSC

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016 (continued)**

9 Disposal group and asset held for sale

(i) Disposal group held for sale

During the period, due to a change in market conditions, the Group has changed its intention to sell one of its subsidiaries. Accordingly, the assets and liabilities that were previously classified as 'disposal group held for sale' has been represented under the applicable assets and liabilities captions as at 31 March 2016 and are measured at their carrying value in accordance with requirements of IFRS 5 *Non-current assets held for sale and discontinued operations*.

(ii) Asset held for sale

During the period, the Group sold a plot of land which was previously classified as held for sale. The carrying amount of the land was AED 21.0 million and the Group recognised a gain of AED 1.6 million on sale and is recognised in the condensed consolidated interim statement of profit or loss during the period.

10 Mandatory convertible bonds

Reconciliation between the amounts presented in the condensed consolidated interim statement of financial position is as follows:

	Mandatory convertible bond (MCB 1A)		
	Liability component AED'000	Equity Component AED'000	Total AED'000
2016			
Balance at 1 January 2016 (audited)	134,428	870,575	1,005,003
Accretion expense	1,335	-	1335
Amortization of transaction costs	82	-	82
Cash coupons paid	(11,146)	-	(11,146)
Balance at 31 March 2016 (unaudited)	124,699	870,575	995,274

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016 (continued)

10 Mandatory convertible bonds (continued)

	Mandatory convertible bond (MCB 1B)		
	Liability component	Equity Component	Total
	AED'000	AED'000	AED'000
2016			
Balance at 1 January 2016 (audited)	38,403	244,850	283,253
Accretion expense	390	-	390
Amortisation of transaction costs	137	-	137
Cash coupons paid	(3,261)	-	(3,261)
Balance at 31 March 2016 (unaudited)	35,669	244,850	280,519

	Mandatory convertible bond (MCB 1C)		
	Liability component	Equity component	Total
	AED'000	AED'000	AED'000
2016			
Balance at 1 January 2016 (audited)	85,986	559,951	645,937
Accretion expense	862	-	862
Amortisation of transaction costs	44	-	44
Cash coupons paid	(7,204)	-	(7,204)
Balance at 31 March 2016 (unaudited)	79,688	559,951	639,639

Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016 (continued)

10 Mandatory convertible bonds (continued)

	Mandatory convertible bond (MCB 4)		
	Liability component AED'000	Equity component AED'000	Total AED'000
2016			
Balance at 1 January 2016 (audited)	-	97,100	97,100
Issued during the period	-	-	-
	<u>-</u>	<u>97,100</u>	<u>97,100</u>
Balance at 31 March 2016 (unaudited)	<u>-</u>	<u>97,100</u>	<u>97,100</u>
Total balance of MCBs as at 31 March 2016 (unaudited)	<u>240,056</u>	<u>1,772,476</u>	<u>2,012,532</u>
Total balance of MCBs as at 31 December 2015 (audited)	258,817	1,772,476	2,031,293

Allocation of the bonds as at 31 March 2016 is as follows:

	Liability component AED'000	Equity component AED'000	Total AED'000
MCB 1A (representing 989,944,912 shares at AED 1 each)	124,699	870,575	995,274
MCB 1B (representing 1,047,776,962 shares at AED 1 each)	35,669	244,850	280,519
MCB 1C (representing 639,862,459 shares at AED 1 each)	79,688	559,951	639,639
MCB 4 (representing 57,605,255 shares at AED 1 each)	-	97,100	97,100
Total 2,735,189,588 shares @ AED 1 each (unaudited)	<u>240,056</u>	<u>1,772,476</u>	<u>2,012,532</u>

Liability component of mandatory convertible bonds is analysed in the condensed consolidated interim statement of financial position as follows:

	At 31 March 2016 AED'000 (unaudited)	At 31 December 2015 AED'000 (audited)
Current	84,909	84,909
Non-current	155,147	173,908
	<u>240,056</u>	<u>258,817</u>

NATIONAL CENTRAL COOLING COMPANY PJSC

**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016 (continued)**

11 Interest bearing loans and borrowings

During 2015, the Group obtained a new term loan facility with a local commercial bank amounting to AED 192.5 million which was obtained to finance the construction of a new plant. The facility carries interest rate of EIBOR plus a margin, payable in cash on a quarterly basis and is secured against the plant for which facility is obtained.

The facility is repayable in 23 semi-annual instalments commencing on March 2017 with a bullet payment of AED 48.1 million in March 2028.

During the period, the Group has made a drawdown amounting to AED 117.8 million.

12 Commitments and contingencies

Capital commitments

The authorised capital expenditure contracted for at 31 March 2016 but not provided for amounted to AED 248.7 million (31 December 2015: AED 334.8 million).

Contingencies

The bankers have issued guarantees on behalf of the Group as follows:

	At 31 March 2016 AED'000	At 31 December 2015 AED'000
Performance guarantees	124,978	125,850
Advance payment guarantees	1,923	1,923
Financial guarantees	2,586	2,586
	129,487	130,359

13 Related party transactions and balances

Related parties represent the Government of Abu Dhabi and related departments and institutions (owner of the majority shareholder), associated companies, joint ventures, majority shareholder, directors, key management personnel of the Company, management entities engaged by the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

NATIONAL CENTRAL COOLING COMPANY PJSC
**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016 (continued)**
13 Related party transactions and balances (continued)

Transactions with related parties included in the condensed consolidated interim statement of profit or loss are as follows:

	Three month period ended 31 March 2016 (unaudited)				Three month period ended 31 March 2015 (unaudited)			
	Revenue AED'000	Operating costs AED'000	Interest expense AED'000	Other income AED'000	Revenue AED'000	Operating costs AED'000	Interest expense AED'000	Other income AED'000
Associated companies	-	24,472	-	1,172	-	23,413	-	1,103
Majority shareholder	-	-	2,587	-	-	-	4,626	-
Associate of majority shareholder	23,861	-	-	-	23,291	-	-	-
Government related departments and institutions	8,840	17,051	11,446	-	8,618	16,758	9,125	-

During the period, capital expenditure incurred by an associate of the majority shareholder on behalf of the Group was transferred to the Group amounting to AED 44.6 million.

Balances with related parties included in the condensed consolidated interim statement of financial position are as follows:

	At 31 March 2016 (unaudited)				
	Loans receivable AED'000	Mandatory convertible bonds AED'000	Accounts receivable AED'000	Accounts payables AED'000	Interest bearing loans AED'000
Associated companies	-	-	20,396	37,446	-
Joint venture	72,276	-	17,420	-	-
Majority shareholder (note 10)	-	2,012,532	-	-	-
Associate of a majority shareholder	-	-	13,484	-	-
Government related departments and institutions	-	-	5,591	11,100	1,158,027
	72,276	2,012,532	56,891	48,546	1,158,027

	At 31 December 2015 (audited)				
	Loans receivable AED'000	Mandatory convertible bonds AED'000	Accounts receivable AED'000	Accounts payables AED'000	Interest bearing loans AED'000
Associated companies	-	-	22,266	36,673	-
Joint venture	72,276	-	15,548	-	-
Majority shareholder (note 10)	-	2,031,293	-	-	-
Associate of a majority shareholder	-	-	8,004	-	-
Government related departments and institutions	-	-	8,051	15,690	1,158,027
	72,276	2,031,293	53,869	52,363	1,158,027

NATIONAL CENTRAL COOLING COMPANY PJSC
**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016 (continued)**
13 Related party transactions and balances (continued)
Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	Three month period ended 31 March	
	2016	2015
	AED'000	AED'000
	(unaudited)	(unaudited)
Short-term benefits	1,503	1,667
Employees' end of service benefits	24	26
	1,527	1,693
Number of key management personnel	4	4

14 Dividends and Board Remuneration

The Board of Directors proposed a cash dividend of 6 fils per share pertaining to both common shareholders and mandatory convertible bond holders in respect of the fiscal year ended 31 December 2015. The dividend was approved by the shareholders at the Annual General Meeting held on 3 March 2016.

The dividend comprised of AED 44.3 million to the common shareholders and AED 118.6 million to the mandatory convertible bond holders. The dividend was recorded under 'Accounts payable, accruals and provisions' as at 31 March 2016.

In 2015, the Board of Directors proposed a dividend of 5 fils per share in respect of the fiscal year ended 31 December 2014. This dividend was approved by the shareholders at the Annual General Meeting held on 11 March 2015.

Furthermore, Board of Directors' remuneration of AED 7.1 million for the year ended 31 December 2015 was also approved at the Annual General Meeting held on 3 March 2016. Board remuneration of AED 7.1 million for the year ended 31 December 2014 was approved at the previous Annual General Meeting on 11 March 2015.

During the period, management reassessed the accounting policy on Board of Director's remuneration and determined that it should be reflected in the statement of profit or loss. Accordingly, an amount of AED 750 thousand is accrued and expensed in the current period. The opening balance of the retained earning has not been restated to reflect the Board of Director's remuneration for 2015 of AED 7.1 million as the amount is considered immaterial.

NATIONAL CENTRAL COOLING COMPANY PJSC**Notes to the condensed consolidated interim financial information
for the three month period ended 31 March 2016 (continued)****15 Fair value measurement**

The fair values of the Group's financial assets and liabilities as at 31 March 2016 are not materially different from the fair values as at 31 December 2015 except for mandatory convertible bond. The fair value and carrying amount of mandatory convertible bond – liability component as at 31 March 2016 was AED 243.9 million and AED 240.0 million (31 December 2015 : AED 262.3 million and AED 258.8 million) respectively.

Fair value of mandatory convertible bond – liability component have been categorised as level 3 within the fair value hierarchy.

16 Approval of condensed consolidated interim financial information

The condensed consolidated interim financial information of the Group were authorised for issuance by the Board of Directors on 27 April 2016.