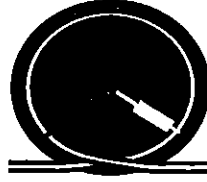


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THE JORDANIAN ELECTRIC POWER COMPANY LIMITED

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ZIP CODE 11118
AMMAN- JORDAN


Our Ref.: ١١٤/٦٥٠٢
Date: ٣٠/٧/٢٠١٧

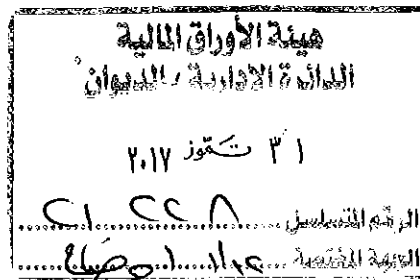
To: Jordan Securities Commission
Amman Stock Exchange

Subject: Quarterly Report as of 30/6/2017

Attached the Quarterly Report of THE JORDANIAN
ELECTRIC POWER COMPANY LIMITED as of 30/6/2017.

Kindly accept our high appreciation and respect


The Jordanian Electric Power
Company Limited



JORDAN ELECTRIC POWER COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE SIX-MONTH
PERIOD ENDED JUNE 30, 2017

TOGETHER WITH THE INDEPENDENT AUDITOR'S
REPORT ON THE REVIEW OF THE CONDENSED
CONSOLIDATED INTERIM FINANCIAL INFORMATION

**JORDAN ELECTRIC POWER COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- JORDAN**

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

<i>Contents</i>	<i>Page</i>
Independent Auditor's Report on the Review of the Condensed Consolidated Interim Financial Information	1
Condensed Consolidated Interim Statement of Financial Position	2
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	3
Condensed Consolidated Interim Statement of Changes in Owner's Equity	4
Condensed Consolidated Interim Statement of Cash Flows	5
Notes to the Condensed Consolidated Interim Financial Information	6-10



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**Independent Auditor's Report on the Review of the Consolidated Condensed Interim
Financial Information**

**To Chairman and the Members of Board of Directors
Jordan Electricity Power Company
(Public Shareholding Company)
Amman – Jordan**

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of Jordan Electricity Power Company – Public Shareholding Company- and its subsidiary (“the Group”) as of June 30, 2017 and the related consolidated condensed interim statements of profit or loss and other comprehensive income, changes in Owners’ equity and cash flows for the Six-month period then ended. Management is responsible for the preparation and fair presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard number (34) “Interim Financial Reporting” and the instructions of the Prime Ministers Council and Energy and Mineral Regulatory Commission as expressed in note (2) to the condensed consolidated interim financial information. Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (2410) “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed consolidated 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 consolidated condensed interim financial information as of June 30, 2017 is not prepared, in all material respects, the consolidated financial position and consolidated cash flow for the six-month period then ended in accordance with International Accounting Standard number (34) “Interim Financial Reporting” and the instructions of the Prime Ministers Council and Energy and Mineral Regulatory Commission as expressed in note (2) to the condensed consolidated interim financial information.

**Kawasmy and Partners
KPMG**

Hatem Kawasmy
License no. (656)



Amman - Jordan
July 30, 2017

**JORDAN ELECTRIC POWER COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- JORDAN**

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY (REVIEWED NOT AUDITED)

Jordanian Dinar

For The Six-Month Period Ended June 30, 2017

	Paid up Capital	Statutory Reserve	Retained Earnings*	Total Shareholders' Equity	Non- controlling Interest	Total Equity
Balance at January 1 st , 2017	77,490,000	20,853,900	16,267,067	114,610,967	-	114,610,967
Total comprehensive (loss) for the period	-	-	(8,524,161)	(8,524,161)	(911)	(8,525,072)
Capital increase - (Note 1)	6,082,965	-	(6,082,965)	-	-	-
Distributed dividends - (Note 14)	-	-	(4,261,947)	(4,261,947)	-	(4,261,947)
Non-controlling interest	-	-	-	-	122,500	122,500
Balance as of June 30, 2017	83,572,965	20,853,900	(2,602,006)	101,824,859	121,589	101,946,448

For The Six-Month Period Ended June 30, 2016

	Paid up Capital	Statutory Reserve	Retained Earnings*	Total Shareholders' Equity	Non- controlling Interest	Total Equity
Balance at January 1 st , 2016	75,600,000	18,900,000	14,937,320	109,437,320	-	109,437,320
Total comprehensive (loss) for the period	-	-	(3,291,533)	(3,291,533)	-	(3,291,533)
Capital increase - (Note 1)	1,890,000	-	(1,890,000)	-	-	-
Distributed dividends - (Note 14)	-	-	(7,560,000)	(7,560,000)	-	(7,560,000)
Balance as of June 30, 2016	77,490,000	18,900,000	2,195,787	98,585,787	-	98,585,787

* Retained earnings include a restricted amount of JOD 5,872,302 as of June 30, 2017 against deferred tax assets in which cannot be utilized through capitalization or distribution unless actually realized.

The companying notes on pages (6) to (10) are an integral part of these consolidated condensed interim financial information and should be read with it and with the review report.

**JORDAN ELECTRIC POWER COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- JORDAN**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (REVIEWED NOT
AUDITED)**

<i>Jordanian Dinar</i>	For The Six-month Period Ended on June 30,	
	2017	2016
Cash flow from operating activities:		
(Loss) for the period	(8,525,072)	(2,758,932)
Adjustments for:		
Provision for end-of-service indemnity	100,000	100,000
Depreciation and amortization	11,812,260	11,196,353
(Loss) from the valuation of financial assets at fair value through profit or loss	55,896	103,952
Company's share of investment in associate	(77,264)	(52,249)
Finance expenses	8,571,737	8,264,981
Late interest revenues	(3,470,335)	(4,353,006)
Late power payment interest expense	3,167,873	3,793,333
Others	(3,387,444)	1,488,044
	8,247,651	17,782,476
Changes in assets and liabilities :		
Inventory	(480,347)	166,843
Subscribers receivable	(49,834,232)	(28,509,466)
Receivables	(4,967,110)	718,405
Other debit balances	(106,956)	340,394
Payables	76,698,393	656,935
Due to related parties	902	(512,606)
Subscribers' refundable deposits	4,295,415	3,788,253
Other credit balances	2,377,723	2,492,622
Obligation for employees funds	(460,471)	72,685
Net cash flow from (used in) operating activities before income tax:	35,770,968	(6,796,792)
Income tax paid	(5,939,744)	(5,107,967)
Net cash flow from (used in) operating activities	29,831,224	(11,904,759)
Cash flow from investing activities :		
Acquisition of property, equipment and construction under process – Net	(19,918,831)	(15,088,194)
Net cash flow (used in) investing activities	(19,918,831)	(15,088,194)
Cash flow from financing activities:		
Loans	(3,250,000)	(3,250,000)
Distributed dividends	(4,261,947)	(7,560,000)
Finance expenses paid	(8,571,737)	(8,264,981)
Net cash flow (used in) financing activities	(16,083,684)	(19,074,981)
(Decrease) in cash and cash equivalents for the period	(6,171,291)	(46,067,934)
Cash and cash equivalents at beginning of the period	(219,003,645)	(172,197,018)
Cash and Cash Equivalents at End of the Period	(225,174,936)	(218,264,952)

The companying notes on pages (6) to (10) are an integral part of these condensed consolidated interim financial information and should be read with it and with the review report.

**JORDAN ELECTRIC POWER COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- JORDAN**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1) GENERAL

- Jordan Electric Power Company (the Company) was incorporated on January 1st, 1938 as a public shareholding company with registration number (2) with paid up capital 2,500 pond, the paid up capital has been increased in several stages to reach JOD 77.49 Million. The General assembly approved on its extraordinary meeting held on April 21, 2017 to increase the paid up capital through capitalizing of JOD 6,082,965 from retained earnings to reach JOD 83,572,965, the legal procedures over the increase in capital has been completed on May 24, 2017. Given that the authorized capital of the Company is JOD 100 Million.
- The Company has signed with the Jordanian Government a concession agreement for 50 years to distribute electricity for the concession area that includes: Amman, Zarqa, Madaba and Salt. The concession agreement expired on November 22, 2012 which was extended by temporary license until May 22, 2014. On May 23, 2014 the Company signed a settlement agreement with the Jordanian Government under which the Company had obtained a license to distribute the electricity for 20 years instead of the expired concession and temporary licenses similar to the other distribution companies after they reached to final settlement with the Government.
- The Company's objectives are limited to transmission and distribution, purchase and sale of electricity to ensure the needs of all consumers in the license area and any other area covered by the expanded area under the license agreement.
- The Company's head office location is the Mecca Street - Amman - Jordan.
- The condensed consolidated interim financial information were approved by the Board of Directors on July 27, 2017.

2) BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

a) Statement of compliance

- The condensed consolidated interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting" and in accordance with International Financial Reporting Standards (IFRSs) as approved by the Prime Ministers' Council and Energy and Mineral Regulatory Commission.
- The main differences between IFRS as applicable and the Prime Ministers Council and the Energy and Mineral Regulatory Commission are as follows:
 - The assets and liabilities of the subscribers' contribution (Note 8) and the assets and liabilities for rural fils (Note 9) are presented on a gross basis in the statement of financial position, the related depreciation and amortization relating to the asset and liabilities respectively are offsetted.
 - The subscribers' contributions assets (Note 8) and rural fils - assets (Note 9) are depreciated over a period of 25 years and not in accordance with international financial reporting standards which require these to be depreciated over their useful life.
- The Company's financial year ending on December 31, of each year, while the condensed consolidated interim financial information has been prepared for the management and Jordan Security Commission purpose only. Moreover these condensed consolidated interim financial information should be read with the financial statements for the year ended December 31, 2016. And financial performance for the condensed consolidated interim financial information for the period ended June 30, 2017 does not necessarily give an indication for the expected financial performance for the year that will be ending on December 31, 2017. In addition, no appropriation has been made on the profit for the period to reserves, which will be appropriated in the annual consolidated financial statements at the end of the year.
- Measurement and recognition considerations applied in the condensed consolidated interim financial statements have been accounted for. As of and for the period ended June 30, 2017, the Company's revenues are affected by the amount of electricity sold, which increases during the summer period from June to September of each year more than other season.

**JORDAN ELECTRIC POWER COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- JORDAN**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

b) Basis of condensed consolidated interim financial information

- The condensed consolidated interim financial information comprise the consolidated financial information of Jordan Electricity Power Company (the parent company) and its subsidiary, which are subject to its control. Subsidiary Company is the entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of the subsidiary are included in the consolidated financial information from the date on which controls commences until the date on which control ceases.
- The financial statements of the subsidiary are prepared for the same reporting period using the same accounting policies as the Group. If the subsidiary has different accounting policies than those used in the Group, the financial statements of the subsidiary are adjusted to reflect the Group's accounting policies.
- The result of the subsidiary are consolidated in the condensed consolidated interim statement of profit and loss starting from the date of the acquisition which is the date when control is transferred to the Group. The results of the disposal of the subsidiary are consolidated in the consolidated interim statement of profit or loss up to the disposal date, the date on which the Group loses control of the subsidiary.
- The group control over the following subsidiary as of June 30, 2017:

<u>Company Name</u>	<u>Capital</u>	<u>Percentage of ownership</u>	<u>Nature of operation</u>	<u>Country of operation</u>
Lightning Gate for Cloud Services	250,000	%51	providing e- services to facilitated the payment if invoices and the issuance of E-invoices	Amman - Jordan

c) Use of judgments and estimates

- The preparation of the condensed consolidated interim financial information in accordance with IAS 34, "interim financial reporting" requires from management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- In preparing these condensed consolidated interim financial information, significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2016 and its reasonable.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial information for the Six-months ended June 30, 2017 are the same as those applied by the Group in its consolidated financial statements for the year ended December 31, 2016. Except the International Financial Reporting Standards are effective for annual years beginning after 1 January 2017, as follow:

- Amendments to International Accounting Standard (7).
- Yearly improvements on International Financial Reporting Standards for the Cycles 2014-2016.
- Amendments to International Accounting Standards (12): Recognition of deferred tax assets for unrealized losses and its disclosures.

The application of these new standards does not materially effect on the condensed consolidated interim financial information and related notes.

4) FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

- The Group generally has exposure to the financial risks; Credit risk, liquidity risk, market risk and capital management. Generally, the group's objectives, policies and processes for managing risk are the same as those disclosed in its financial statements and the Group's annual report for the year ended December 31, 2016.

**JORDAN ELECTRIC POWER COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- JORDAN**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Capital management

The Company doesn't has have any change in capital management during the current interim period with the exception of the capital increase as explained in note (1). The Company is not subject to any external capital requirements.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group suffers from a deficit in its capital for the amount 47,298,096 JOD as of June 30, 2017 (23,659,862 as of December 31, 2016). The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations through operations and borrowing.

Fair value

The fair values of financial assets and liabilities are not materially different from their carrying amounts in the interim condensed consolidated statement of financial position.

5) SEGMENT REPORTING

The Company has a single reporting segment and all services with their related revenues and balances are domiciled in the region of Jordan. The revenues derived from government and semi government entities amounted to JOD 56,440,677 as of June 30, 2017 (June 30, 2016: JOD 53,046,066).

6) INFRASTRUCTURE ASSETS AND OTHER FIXED ASSETS

The Company signed a settlement agreement with the Jordanian Government under which the Company had obtained a license to distribute the electricity for 20 years, the settlement agreement gave the Company the right to exercise control over these assets and to exercise other activities through these assets other than the distribution.

The additions in infrastructure assets and other infrastructure assets during the period ended June 30, 2017 amounted to JOD 16,972,380 (December 31, 2016: JOD 46,037,012), the disposals during the period ended June 30, 2017 amounted to JOD 420,213 (December 31, 2016: JOD 257,830), the depreciation expense on property and equipment during the period ended June 30, 2017 amounted to JOD 10,964,966 (June 30, 2016: JOD 10,311,460), the disposal of accumulated depreciation amounted to JOD 155,103 (December 31, 2016: JOD : 257,830)

**JORDAN ELECTRIC POWER COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- JORDAN**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

7) Intangible Assets / License Obligation

The Company obtained a permanent license to distribute electricity on May 23, 2014 under the agreement signed with the Jordanian Government for 20 years to pay an amount of JOD 65 Million to the Jordanian Government on equal installments in amount of JOD 5,000,000 each over 13 years, the first installments will start after 3 years of signing the agreement.

The Company calculate the assets and obligation value to acquire the license and recognized its value at the present value of the payments where the detailed is as follow:

<i>In Jordanian Dinar</i>	<u>As of June 30, 2017</u>	<u>As of December 31, 2016</u>
Intangible assets	33,881,070	33,881,070
Accumulated amortization*	(5,256,271)	(4,409,244)
Net book value	<u>28,624,799</u>	<u>29,471,826</u>
License Obligation / Government – long term	32,994,222	36,428,779
License Obligation / Government – Short term	5,000,000	5,000,000
Total License Obligation	<u>37,994,222</u>	<u>41,428,779</u>

8) Subscribers' Contribution-Assets / Subscribers' Contribution-Deposits

The additions in Subscriber's Contribution-Assets during the period ended June 30, 2017 amounted to JOD 10,972,137 against Subscriber's Contribution-Deposit with the same amount (December 31, 2016: JOD 18,921,953), the depreciation expense on Subscriber's Contribution-Asset during the period amounted to JOD 6,164,536 offset by Subscriber's contribution – Deposits amortization with the same amount (June 30, 2016: JOD 4,484,614).

9) Rural Fils-Assets / Rural Fils-Deposits

The additions in Rural Fils-Assets during the period ended June 30, 2017 amounted to JOD 584,473 (December 31, 2016: JOD 885,645), the depreciation expense on these assets during the period ended June 30, 2017 amounted to JOD 1,067,170 offset by Rural Fils-Deposits amortization with the same amounts (June 30, 2016: JOD 1,040,969).

10) Income Tax

Income tax expense is recognized based on management's estimate of the Company's expected annual income tax rate for the full fiscal year which is applied to profit before tax for the current period. The Company did not recognize an income tax provision for the Six month period ended June 30, 2017 and due to the fact that the Company did not achieve taxable profit during the period.

The Company has reached to a final settlement with the Income and Sales Tax Department up to the year 2014. Moreover, the Company has submitted its tax return for the years 2015 and 2016 which still under review by the Income and Sales Tax Department. In addition the Company has submitted its Sales Tax returns until month of April 2017. In the opinion of management and its tax advisor, the income tax provisions recorded in the condensed consolidated interim financial information are sufficient to meet the tax obligations.

Deferred tax assets are calculated on both end-of-service indemnity provision and provision for doubtful debts. Management believes that the Company is able to benefit from these tax assets in the near future.

**JORDAN ELECTRIC POWER COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN- JORDAN**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11) Balances and Transactions with Related Party

Transactions with related parties included in the activity and on mutually agreed terms during the period / year were as follows:

<i>In Jordanian Dinar</i>	<u>Nature of Relation</u>	<u>Transaction volume</u>	
		<u>As of June 30, 2017</u>	<u>As of December 31, 2016</u>
<u>(11-1) Due from a related party</u>			
Business innovation Company	Copartner in subsidiary Company	339,950	-
Electrical Equipment Industries Company	Associate Company	946,318	608,736
		<u>1,286,268</u>	<u>608,736</u>
<u>(11-2) Due to a related party</u>			
Electrical Equipment Industries Company	Partner in subsidiary Company	902	-

The above balances do not bear any interest and do not have any fixed repayment schedule.

12) Cash and Cash equivalents

<i>Jordanian Dinar</i>	<u>As of June 30, 2017</u>	<u>As of December 31, 2016</u>
Cash on hand and at banks	3,765,456	309,979
Less : Due to banks*	(228,940,392)	(219,313,624)
Cash and Cash Equivalents for Cash Flow Purpose	<u>(225,174,936)</u>	<u>(219,003,645)</u>

*The details of due to banks are:

<i>In Jordanian Dinar</i>	<u>Interest</u>	<u>Collateral</u>	<u>Maturity date</u>	<u>As of June 30, 2017</u>	<u>As of December 31, 2016</u>
Due to local banks	%5,25 –%4,70	Company's guarantee	Annually renewed	228,940,392	219,313,624
				<u>228,940,392</u>	<u>219,313,624</u>

13) Basic and Diluted Earnings Per Share from (loss) for the Period

<i>In Jordanian Dinar</i>	<u>For the Six Month Ended on June 30,</u>	
	<u>2017</u>	<u>2016</u>
(Loss) for the period attributable to Company's shareholders	(8,542,161)	(3,291,533)
Weighted average of number of shares*	83,571,140	83,571,140
Basic earnings per share of current period (loss)	<u>(0.102)</u>	<u>(0.039)</u>
Diluted earnings per share of current period (loss)	<u>(0.102)</u>	<u>(0.039)</u>

*The adjusted weighted average of shares for the period June 30, 2017 has been adjusted to be 83,571,140 Million shares instead of the 77,490,000 million shares that the increase in the shares resulted from distribution of free shares.

14) Distributed dividends

The General Assembly approved in its ordinary meeting held on April 27, 2017 the distribution of cash dividends in the amount of JOD 4,261,947 which equivalent to 5.5% of the Company's paid up capital. (The General Assembly approved in its ordinary meeting held on April 21, 2016 the distribution of cash dividends in the amount of JOD 7,560,000 which equivalent to 10% of the Company's paid up capital which