



Ref. : .....

Date : .....

الرقم : ١٨٧٧/٣-٥-٣  
التاريخ : ٢٠١٧-٧-٣

السادة / هيئة الأوراق المالية  
بسم الله الرحمن الرحيم  
بشرفكم  
٢٠١٧

السادة / هيئة الأوراق المالية

الموضوع : البيانات المالية النصف سنوية 2017

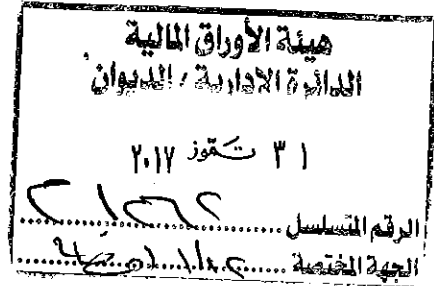
مرفق طيه نسخة عن البيانات المالية النصف سنوية باللغتين العربية والانجليزية (مرفق CD ) لشركة توليد الكهرباء المركزية لعام 2017 .

واقبلوا فائق الاحترام و التقدير ،،،

ع /الرئيس التنفيذي

نديم رزقي  
المدير المالي بالوكالة

علي زهير



CENTRAL ELECTRICITY GENERATING COMPANY

PUBLIC SHAREHOLDING COMPANY

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2017

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF  
CENTRAL ELECTRICITY GENERATING COMPANY  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed statement of financial position as at 30 June 2017 of Central Electricity Generating Company (the "Company"), and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these interim condensed financial statements 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 Interim financial information consists of making inquiries, primarily of persons responsible for the 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 condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.



Amman – Jordan  
25 July 2017

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Notes	30 June 2017 JD (Unaudited)	31 December 2016 JD (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS -</b>			
Property, plant and equipment		138,299,564	144,367,596
Projects in progress		2,306,008	1,404,848
Employees' housing fund loan		312,432	312,432
Investment in an associate		574,582	556,714
Deferred tax assets		1,104,221	1,083,904
Strategic fuel inventories		17,287,775	15,141,667
		<u>159,884,582</u>	<u>162,867,161</u>
<b>CURRENT ASSETS -</b>			
Inventories		23,687,413	23,953,653
Other current assets		2,902,035	2,648,778
Accounts receivable	3	43,390,744	45,291,624
Cash and bank balances		266,836	30,928
		<u>70,247,028</u>	<u>71,924,983</u>
<b>TOTAL ASSETS</b>		<u>230,131,610</u>	<u>234,792,144</u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY -</b>			
Paid in capital	5	30,000,000	30,000,000
Statutory reserve	5	7,500,000	7,500,000
Voluntary reserve	5	18,672,932	26,672,932
Cash flow hedge reserve		(2,764,543)	(2,593,918)
Retained earnings		2,175,124	7,823,582
<b>TOTAL EQUITY</b>		<u>55,583,513</u>	<u>69,402,596</u>
<b>LIABILITIES -</b>			
<b>NON-CURRENT LIABILITIES</b>			
Term loans		65,240,980	77,005,462
Employees' end-of-service indemnity provision		6,319,730	6,004,118
Decommissioning provision		2,238,900	2,169,400
Derivative financial liability	6	4,195,341	5,536,479
		<u>77,994,951</u>	<u>90,715,459</u>
<b>CURRENT LIABILITIES</b>			
Term loans		29,149,507	23,172,017
Other current liabilities		3,974,928	4,373,832
Accounts payable		17,447,960	9,189,088
Derivative financial liability	6	1,611,529	2,053,663
Due to banks		44,040,879	35,814,375
Income tax provision		328,343	71,114
		<u>96,553,146</u>	<u>74,674,089</u>
<b>Total Liabilities</b>		<u>174,548,097</u>	<u>165,389,548</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>230,131,610</u>	<u>234,792,144</u>

The attached notes from 1 to 11 form part of these interim condensed financial statements

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**

	Notes	For the six-month period ended 30 June	
		2017	2016
		JD	JD
Power generation revenues		79,200,310	72,325,023
Stations operating costs		(47,681,415)	(40,277,831)
Depreciation		(6,179,238)	(9,865,137)
Administrative expenses		(4,950,910)	(5,541,135)
Maintenance costs		(2,919,602)	(3,544,786)
Provision for slow-moving inventories		(597,141)	(479,233)
Employees' termination benefits provision	7	-	(4,622,395)
Employees' end-of-service indemnity provision		(382,636)	(509,275)
Total operating costs		(62,710,942)	(64,839,792)
<b>OPERATING PROFIT</b>		<b>16,489,368</b>	<b>7,485,231</b>
Foreign currency exchange loss, net		(696,204)	(1,714,005)
Share of profit (loss) of an associate		17,868	(27,646)
Provision for doubtful debts		(10,652,045)	(852,315)
Other income, net		1,342,380	1,554,033
Finance costs, net		(3,781,799)	(3,563,247)
<b>PROFIT BEFORE INCOME TAX</b>		<b>2,719,568</b>	<b>2,882,051</b>
Income tax expense	8	(1,368,026)	(935,865)
<b>PROFIT FOR THE PERIOD</b>		<b>1,351,542</b>	<b>1,946,186</b>
<b>Other comprehensive income items to be reclassified to profit or loss in subsequent periods (net of tax):</b>			
Loss on cash flow hedges		(170,625)	(1,201,740)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>1,180,917</b>	<b>744,446</b>
		<b>JD / Fils</b>	<b>JD / Fils</b>
Basic and diluted earnings per share		0/045	0/065

The attached notes from 1 to 11 form part of these interim condensed financial statements

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**

	Paid in capital	Statutory reserve	Voluntary reserve	Cash flow hedge reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD
<b>Balance at 1 January 2017</b>	30,000,000	7,500,000	26,672,932	(2,593,918)	7,823,582	69,402,596
Dividends (Note 5)	-	-	(8,000,000)	-	(7,000,000)	(15,000,000)
Total comprehensive income for the period	-	-	-	(170,625)	1,351,542	1,180,917
<b>Balance at 30 June 2017</b>	<u>30,000,000</u>	<u>7,500,000</u>	<u>18,672,932</u>	<u>(2,764,543)</u>	<u>2,175,124</u>	<u>55,583,513</u>
<b>Balance at 1 January 2016</b>	30,000,000	7,500,000	41,672,932	(2,643,863)	15,229,022	91,758,091
Dividends	-	-	(15,000,000)	-	(15,000,000)	(30,000,000)
Total comprehensive income for the period	-	-	-	(1,201,740)	1,946,186	744,446
<b>Balance at 30 June 2016</b>	<u>30,000,000</u>	<u>7,500,000</u>	<u>26,672,932</u>	<u>(3,845,603)</u>	<u>2,175,208</u>	<u>62,502,537</u>

The attached notes from 1 to 11 form part of these interim condensed financial statements

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017 (UNAUDITED)**

		For the six-month period ended 30 June	
	Note	2017 JD	2016 JD
<b>OPERATING ACTIVITIES</b>			
Profit before income tax		2,719,568	2,882,051
<b>Adjustments for:</b>			
Depreciation		6,179,238	9,865,137
Provision for slow-moving inventories		597,141	479,233
Employee's end-of-service indemnity provision		382,636	509,275
Employee's legal cases provision		-	10,000
Provision for employee's vacation		126,820	-
Employee's termination benefits provision		-	4,622,395
Provision for doubtful debts		10,652,045	852,315
Foreign currency exchange loss		696,204	1,714,005
Share of (profit) loss of an associate		(17,868)	27,646
Finance costs, net		3,781,799	3,563,247
Gain on disposal of property, plant and equipment		(6,153)	(52,874)
<b>Working capital changes:</b>			
Accounts receivable		(8,452,116)	(3,925,061)
Other current assets		(552,306)	(1,297,577)
Inventories		(2,477,009)	956,650
Accounts payable		8,258,872	847,494
Other current liabilities		(404,735)	86,416
Employee's end-of-service indemnity provision paid		(67,024)	(899,947)
Employee's vacations provision paid		(3,837)	(59,334)
Provisions and other fees paid		(25,000)	(35,000)
Employees termination benefits provision		-	(1,052,132)
Income tax paid		(1,131,114)	(2,351,138)
<b>Net cash from operating activities</b>		<b>20,257,161</b>	<b>16,742,801</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment, and projects in progress		(1,043,894)	(826,813)
Proceeds from sale of property, plant and equipment		37,681	63,232
Interest received		3,070	48,365
<b>Net cash used in investing activities</b>		<b>(1,003,143)</b>	<b>(715,216)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from loans		4,260,000	-
Dividends paid		(15,000,000)	(30,000,000)
Repayments of loans		(12,969,600)	(12,975,999)
Interest paid		(3,542,829)	(3,209,781)
<b>Net cash used in financing activities</b>		<b>(27,252,429)</b>	<b>(46,185,780)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(7,998,411)</b>	<b>(30,158,195)</b>
Effect of foreign exchange rate changes on cash and cash equivalents		7,815	(66)
Cash and cash equivalents at 1 January		(35,783,447)	12,244,265
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>4</b>	<b>(43,774,043)</b>	<b>(17,913,996)</b>

The attached notes from 1 to 11 form part of these interim condensed financial statements

## **1. GENERAL**

Central Electricity Generating Company (the “Company” or “CEGCO”) was registered in accordance with the Jordanian Companies Law No. (22) of 1997 and in implementation of the Council of Ministers resolution dated 4 October 1997, regarding the establishment of a separate company from the National Electric Power Company, to conduct electrical generating activities, which is the main activity the Company is engaged in.

The Company was registered with the Ministry of Industry and Trade on 12 February 1998 as a public shareholding company under number (334), and commenced its industrial and commercial activities on 1 January 1999.

In accordance with the privatization initiatives, the Government during 2007 sold 51% of CEGCO shares to ENARA Energy Investments (Private Shareholding Company). Another 9% of the Government's shares was sold to the Social Security Corporation. In connection with the sale, CEGCO has signed new Power Purchase Agreements (PPA) with National Electric Power Company (NEPCO).

The interim condensed financial statements for the six-month period ended 30 June 2017 have been authorized for issue in accordance with the Board of Directors resolution in their meeting dated 25 July 2017.

## **2. BASIS OF PREPARATION**

The interim condensed financial statements of CEGCO have been prepared in accordance with International Accounting Standard No. (34) “Interim Financial Reporting”.

The interim condensed financial statements do not contain all the information and disclosures that are required by the International Financial Reporting Standards (IFRSs) for preparing the annual financial statements, and should be read in conjunction with the Company's annual report as at 31 December 2016. Furthermore, the results of operations for the six-month period ended 30 June 2017 do not necessarily reflect the expected results of operations for the year ending 31 December 2017.



### **Changes in Accounting Policies**

#### **New standards, interpretations and amendments adopted by the Company**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017:

#### **Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative**

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Company's interim condensed financial statements.

#### **Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses**

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Company's interim condensed financial statements.

### **3. ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE**

The accounts receivable balance represents amount due from National Electric Power Company (NEPCO). In accordance with the Purchase Power Agreements signed with NEPCO, NEPCO is liable to pay all the cost of fuel and gas used in power generation to Jordan Petroleum Refinery Company (JPRC) and National Petroleum Company. Accordingly, accounts receivable include an amount of JD 17,447,960 to offset accounts payable to JPRC with an amount of JD 15,588,385 and to National Petroleum Company with an amount of JD 1,859,575.

A dispute of JD 35,687,378 between the Company and NEPCO on the calculation of the availability failures for the period from 1 January 2008 until 28 February 2017 (Note 10).

#### **4. CASH AND CASH EQUIVALENTS**

	<u>30 June 2017</u>	<u>30 June 2016</u>
	JD	JD
Cash at banks	26,585	35,681
Cash on hand	240,251	36,819
	<u>266,836</u>	<u>72,500</u>
Less: due to banks	(44,040,879)	(17,986,496)
	<u>(43,774,043)</u>	<u>(17,913,996)</u>

#### **5. EQUITY**

##### **PAID IN CAPITAL -**

Paid in capital comprises of 30,000,000 shares at par value of 1 JD per share.

##### **STATUTORY RESERVE -**

As required by the Jordanian Companies Law, 10% of the annual profit for the year before income tax is to be transferred to the statutory reserve until it reaches 25% of the Company's paid in capital. However, the Company may continue transferring to the statutory reserve up to 100% of the Company's paid in capital if General Assembly approval is obtained. The Company decided not to exceed 25% of its paid in capital. This reserve is not available for distribution to shareholders.

##### **VOLUNTARY RESERVE -**

This reserve is available for distribution to the shareholders.

##### **DIVIDENDS -**

In its ordinary meeting held on 24 May 2017 the General Assembly approved the Board of Directors recommendation to distribute dividends of JD 15,000,000 to the shareholders from the voluntary reserve and retained earnings with an amount of JD 8,000,000 and JD 7,000,000 respectively.

## 6. DERIVATIVE FINANCIAL INSTRUMENTS

The details of the derivative financial instruments at 30 June 2017 and 31 December 2016 are as follows:

30 June 2017 (Unaudited)			
	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,084,620	3,949,681	5,034,301
Interest rate swaps contracts**	526,909	245,660	772,569
	<u>1,611,529</u>	<u>4,195,341</u>	<u>5,806,870</u>

31 December 2016 (Audited)			
	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,472,443	5,080,514	6,552,957
Interest rate swaps contracts**	581,220	455,965	1,037,185
	<u>2,053,663</u>	<u>5,536,479</u>	<u>7,590,142</u>

\* Loans with Overseas Economic Cooperation Fund (Japan) are denominated in JPY. To mitigate its exposure to fluctuations in currency rates, the Company entered into forward contracts.

For the purpose of hedge accounting, the forward contracts are classified as cash flow hedges as CEGCO is hedging the exposure to variability in cash flows that is attributable to the foreign currency fluctuations risk associated with a highly probable forecast transaction.

The negative fair value of the currency forward contracts amounted to JD 5,034,301 as of 30 June 2017 and was recorded as a current and non-current liability in the interim statement of financial position.

The cash flow hedges were assessed to be highly effective and a cumulative unrealized loss of JD 435,241 has been included in the interim condensed statement of comprehensive income.

\*\* CEGCO loans with Standard Chartered are in the form of variable interest rate loans. To mitigate its exposure to fluctuations in market interest rates, the Company entered into sixteen interest rate swap contracts that effectively fix the interest rate on 90% of its term loan with Standard Chartered.

For the purpose of hedge accounting, the Company's interest rate swap contracts are classified as cash flow hedges, as the Company is hedging exposure to variability in cash flows that is attributable to the interest rate risk associated with a highly probable forecast transaction.

The negative fair value of the interest rate swaps amounted to JD 772,569 was recorded as current and non-current liability in the interim statement of financial position as of 30 June 2017.

The cash flow hedges were assessed to be highly effective and a cumulative unrealized gain of JD 264,616 as of 30 June 2017 was included in interim statement of comprehensive income.

## **7. EMPLOYEES TERMINATION BENEFITS PROVISION**

Based on Board of Directors decision dated 24 April 2016, the Company offered its' employees a voluntary compensation package for those who are willing to resign. Accordingly, a provision of JD 4,622,395 was provided for.

## **8. INCOME TAX**

CEGCO has provided for income tax for the period ended 30 June 2017 and 2016 in accordance with Income Tax Law No. (34) of 2014 and in accordance with Aqaba Special Economic Zone Law No. (32) for 2000 for the Company's locations in Aqaba. Income tax expense consists of the following:

	For the six-month period ended 30 June	
	2017	2016
	JD	JD
Income tax expense for the period	1,388,343	810,675
Amount (added to) released from deferred tax assets	(20,317)	125,190
	<u>1,368,026</u>	<u>935,865</u>

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2017 (UNAUDITED)**

**Aqaba-**

The Company submitted its tax returns for all years up to 2016. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority reviewed the records of Aqaba location for the years up to 2013. The Company reached a final settlement with Income and Sales Tax Department with respect to Aqaba location for all years up to 2013.

**Other locations-**

The Company submitted its tax returns for all years up to 2016. The Income and Sales Tax Department has not reviewed the Company's records up to the date of the interim condensed financial statements. The Company reached a final settlement with Income and Sales Tax Department for all years up to 2014.

**9. RELATED PARTY TRANSACTIONS**

Related parties represent, major shareholders, directors and key management personnel of CEGCO, and entities controlled, jointly controlled or significantly influenced by such parties.

Pricing policies and terms of the transactions with related parties are approved by CEGCO's management.

**Interim statement of financial position items**

<b>Amounts due from related parties:</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
	<b>JD</b>	<b>JD</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
National Electric Power Company - Government of Jordan*	43,390,744	45,291,624
The Local Company for Water and Solar Projects	22,827	20,287
ACWA Power / Maroc. SARL	231	231
Red Sea Energy	6,387	5,387
ACWA Power Jordan Holdings	38,697	9,550
Al Zarqa Power Plant for Energy Generation	167,766	286,300
Risha for Solar Energy Projects	1,600	-
Raeda Energy Company	1,000	-
	<b>43,629,252</b>	<b>45,613,379</b>

\* This balance is net of allowance for doubtful debts of JD 32,609,060 as of 30 June 2017 (2016: JD 22,256,046).

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2017 (UNAUDITED)**

<b>Amounts due to related parties:</b>	<b>30 June 2017 JD (Unaudited)</b>	<b>31 December 2016 JD (Audited)</b>
National Petroleum Company - Government of Jordan	1,859,575	1,461,405
Enara Energy Investments	9,626	6,024
ACWA Power International Company for Water and Power Projects – Dubai	9,664	9,604
ACWA Power Global Services LLC	23,369	16,512
ACWA Power International Company for Water and Power – Riyadh	45,595	45,351
	<u>1,947,829</u>	<u>1,538,896</u>
<b>Statement of comprehensive income items</b>	<b>For the six month period ended 30 June</b>	
	<b>2017 JD</b>	<b>2016 JD</b>
<b><u>Power generation revenues:</u></b>		
National Electric Power Company (Government of Jordan)	<u>79,184,530</u>	<u>72,322,714</u>
<b><u>Stations operating costs:</u></b>		
National Petroleum Company (Government of Jordan)	<u>3,064,745</u>	<u>2,939,205</u>
<b><u>Other income:</u></b>		
Enara Energy Investment	4,000	40,266
The Local Company for Water and Solar Projects ***	2,100	-
Red Sea Energy (Jordan)	1,000	-
ACWA Power Jordan Holdings	900	-
Al Zarqa Power Plant for Energy Generation *	797,653	106,773
Risha for Solar Energy Projects	1,600	-
Raeda Energy Company	1,000	-
ACWA Power Company / Riyadh	1,198	54,043
	<u>809,451</u>	<u>201,082</u>
<b><u>Administrative expenses:</u></b>		
Enara Energy Investment	21,600	24,814
ACWA Power International Company for Water and Power Projects – Dubai	263	-
ACWA Power Global Services LLC	6,857	3,570
ACWA Power Company / Riyadh**	1,442	46,270
Board of Directors remuneration and transportation	21,000	21,000
	<u>51,162</u>	<u>95,654</u>

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2017 (UNAUDITED)**

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- \* On 21 December 2015, the Company entered into a 25 years' land operating lease with Al Zarqa Power Plant for Energy Generation for an annual rent of JD 50,000. Furthermore, on 20 May 2016, the Company entered into service and operating and maintenance agreement with Al Zarqa Power Plant for Energy Generation.
- \*\* On 28 October 2014, the Company entered into a service agreement with ACWA Power Company (Parent Company) to obtain professional, financial, legal and technical services from the Parent Company.
- \*\*\* On 13 November 2016, the Company entered into operation and maintenance agreement with The Local Company for Water and Solar Projects

**Compensation of key management personnel**

	For the six-month period ended 30 June	
	2017	2016
	JD	JD
Salaries and benefits	277,150	404,791

**10. COMMITMENTS AND CONTINGENCIES**

***Letters of credit and bills of collection -***

At 30 June 2017, CEGCO has outstanding letters of credit and bills of collection amounting to JD 5,573,413 (31 December 2016: JD 3,088,783).

***Letters of guarantee -***

At 30 June 2017, CEGCO has outstanding letters of guarantee amounting to JD 26,339 (31 December 2016: JD 58,895).

***Legal claims -***

The Company is a defendant in a number of lawsuits of approximately JD 2,508,245 (2016: JD 1,930,543). The Company's management and its independent legal counsel believe that no additional provision is needed other than what has already been recognized in the financial statements.

***Jordan Petroleum Refinery Company (JPRC) -***

Jordan Petroleum Refinery Company (JPRC), the Company's fuel supplier, is claiming an amount of JD 568,000 as a penalty for a heavy fuel shipment that was cancelled during 2008. The Company is disputing this claim with JPRC. The outcome of this dispute is uncertain.

According to the balance confirmation received from JPRC, an amount of JD 94,405,447 is mentioned as a penalty interest on late payments. The Company and its legal counsel believe based on the Fuel Supply Agreement (FSA), CEGCO shall not be liable for non-performance under the terms of FSA and shall not be in default to the extent that such non-performance or default was caused or contributed to by the negligence of or breach by JPRC, NEPCO or any event of political force majeure.

***Dispute with NEPCO -***

The Company entered into a Power Purchase Agreements (PPA) with National Electric Power Company (NEPCO) dated 20 September 2007. In April 2012, a dispute occurred between the Company and NEPCO regarding the interpretation of the penalties for repeated availability failures clause in the PPA. This dispute affects the Company's collectability of NEPCO's receivables. The total disputed amount is JD 35,687,378. Parties commenced arbitration procedures in Switzerland. The Company's management believe that no additional provision is needed other than what has already been recognized in the financial statements.

***Capital commitments -***

CEGCO entered into commitments in the ordinary course of business for major capital expenditures. Outstanding capital expenditures were JD 2,730,134 as at 30 June 2017 (31 December 2016: JD 564,176)



**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
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**11. SEGMENT INFORMATION**

The following tables present the statement of profit or loss information for Aqaba and other locations for the periods ended 30 June 2017 and 2016. The information is presented to facilitate the income tax review as the company is subject to different tax rates on Aqaba's operation.

	For the six-month period ended 30 June 2017		
	Aqaba	Other locations	Total
	JD	JD	JD
Power generation revenues	61,809,222	17,391,088	79,200,310
Stations operating costs	(40,435,061)	(7,246,354)	(47,681,415)
Depreciation	(3,784,557)	(2,394,681)	(6,179,238)
Administrative expenses	(2,472,680)	(2,478,230)	(4,950,910)
Maintenance costs	(1,511,573)	(1,408,029)	(2,919,602)
Provision for slow-moving inventories	(176,384)	(420,757)	(597,141)
Employee's end-of-service indemnity provision	(200,301)	(182,335)	(382,636)
Total operating costs	(48,580,556)	(14,130,386)	(62,710,942)
<b>OPERATING PROFIT</b>	<b>13,228,666</b>	<b>3,260,702</b>	<b>16,489,368</b>
Foreign currency exchange loss, net	(692,435)	(3,769)	(696,204)
Share of profit of an associate	-	17,868	17,868
Provision for doubtful debts	(4,140,331)	(6,511,714)	(10,652,045)
Other income, net	9,073	1,333,307	1,342,380
Finance costs, net	(2,522,984)	(1,258,815)	(3,781,799)
<b>PROFIT (LOSS) BEFORE INCOME TAX</b>	<b>5,881,989</b>	<b>(3,162,421)</b>	<b>2,719,568</b>
Income tax expense	(503,427)	(864,599)	(1,368,026)
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>5,378,562</b>	<b>(4,027,020)</b>	<b>1,351,542</b>

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	For the six-month period ended 30 June 2016		
	Aqaba	Other locations	Total
	JD	JD	JD
Power generation revenues	55,063,077	17,261,946	72,325,023
Stations operating costs	(34,918,478)	(5,359,353)	(40,277,831)
Depreciation	(7,553,765)	(2,311,372)	(9,865,137)
Administrative expenses	(3,267,515)	(2,273,620)	(5,541,135)
Maintenance costs	(1,938,640)	(1,606,146)	(3,544,786)
Provision for slow-moving inventories	(256,469)	(222,764)	(479,233)
Employee's termination benefits provision	(3,610,549)	(1,011,846)	(4,622,395)
Employee's end-of-service indemnity provision	(238,576)	(270,699)	(509,275)
Total operating costs	(51,783,992)	(13,055,800)	(64,839,792)
<b>OPERATING PROFIT</b>	<b>3,279,085</b>	<b>4,206,146</b>	<b>7,485,231</b>
Foreign currency exchange loss, net	(1,710,902)	(3,103)	(1,714,005)
Share of loss of an associate	-	(27,646)	(27,646)
Provision for doubtful debts	(672,897)	(179,418)	(852,315)
Other income, net	1,429,405	124,628	1,554,033
Finance costs, net	(2,336,410)	(1,226,837)	(3,563,247)
<b>(LOSS) PROFIT BEFORE INCOME TAX</b>	<b>(11,719)</b>	<b>2,893,770</b>	<b>2,882,051</b>
Income tax expense	(218,822)	(717,043)	(935,865)
<b>(LOSS) PROFIT FOR THE PERIOD</b>	<b>(230,541)</b>	<b>2,176,727</b>	<b>1,946,186</b>