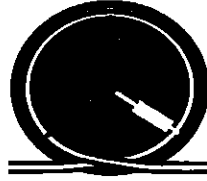


THE JORDANIAN ELECTRIC POWER COMPANY LIMITED

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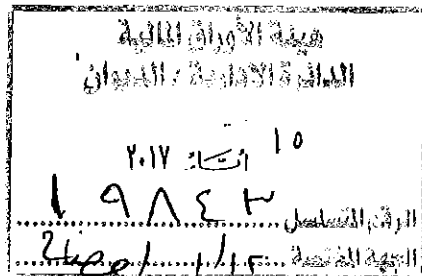
**To: Jordan Securities Commission
Amman Stock Exchange**

Subject: Quarterly Report as of 31/3/2017

**Attached the Quarterly Report of THE JORDANIAN
ELECTRIC POWER COMPANY LIMITED as of 31/3/2017.**

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 THREE-MONTH
PERIOD ENDED MARCH 31, 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 THREE-MONTH PERIOD ENDED MARCH 31, 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 March 31, 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 three-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. 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.

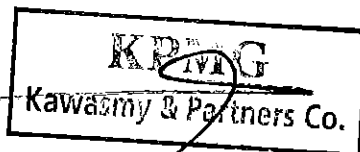
Conclusion

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 March 31, 2017 is not prepared, in all material respects, the consolidated financial position and consolidated cash flow for the three-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
April 29, 2017

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

<i>Jordanian Dinar</i>		As of March 31, 2017 "Reviewed not audited"	As of December 31, 2016 "Audited"
	Note		
Assets			
Infrastructure and other fixed assets	6	328,737,586	323,133,336
Intangible assets	7	29,048,312	29,471,826
Subscriber's contributions - assets	8	153,837,211	151,625,374
Rural fils - assets	9	21,094,417	21,616,312
Project under construction		4,342,819	5,662,753
Investments in associate		1,397,889	1,320,624
Deferred tax assets		7,134,840	5,872,302
Total Non - Current Assets		545,593,074	538,702,527
Inventory		1,294,058	676,126
Financial assets at fair value through profit or loss		2,129,730	2,030,300
Due from a related party		890,766	608,736
Subscribers receivables		392,375,447	364,150,342
Receivables		21,547,160	20,158,977
Other debit balances		1,682,362	1,543,659
Cash and cash equivalents	11	1,710,218	309,979
Total Current Assets		421,629,741	389,478,119
Total Assets		967,222,815	928,180,646
Equity and Liabilities			
Total Shareholders' Equity			
Paid up capital	1	77,490,000	77,490,000
Statutory reserve		20,853,900	20,853,900
Retained earnings		12,444,786	16,267,067
Total Equity		110,788,686	114,610,967
Non-controlling interest		121,598	-
Total Equity		110,910,284	114,610,967
Liabilities			
Subscriber's contributions - deposits	8	153,837,211	151,625,374
Rural fils - deposits	9	21,094,417	21,616,312
License Obligation / Government – Long term	7	37,219,156	36,428,779
Loans – long term		53,000,000	54,625,000
Subscribers' refundable deposits		102,627,547	100,330,408
End-of-service indemnity provision		19,404,127	19,354,127
Obligation for employees funds		15,908,236	16,451,698
Total Non - Current Liabilities		403,090,694	400,431,698
Payables		263,454,471	170,380,917
Due to a related party		902	-
Loans – short term		6,500,000	6,500,000
License Obligation / Government – Short term	7	5,000,000	5,000,000
Income tax provision	10	4,089,270	5,939,744
Other credit balances		7,565,087	6,003,696
Due to Banks	11	166,612,107	219,313,624
Total Current Liabilities		453,221,837	413,137,981
Total Liabilities		856,312,531	813,569,679
Total Equity and Liabilities		967,222,815	928,180,646

The accompanying 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.

The condensed consolidated financial information were approved by the Board of Directors on April 27, 2017 and approved by:

Chief Financial Officer

Chief Executive Officer

Chairman of board of Directors

JORDAN ELECTRIC POWER COMPANY

(PUBLIC SHAREHOLDING COMPANY)
AMMAN- JORDAN

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (REVIEWED NOT AUDITED)**

<i>Jordanian Dinar</i>	Note	For the Three-Month Period Ended on March 31,	
		2017	2016
Revenues from sale of energy		260,440,575	239,805,640
Cost of energy purchased		(239,374,078)	(225,996,470)
Gross profit from sales of energy		21,066,497	13,809,170
Revenues from other core operations		1,417,520	1,501,889
General, operating and subscribers' services		(19,574,747)	(17,275,997)
Depreciation		(5,412,149)	(5,091,715)
Inventory depreciation		(21,975)	(20,590)
Total revenues and expenses from core operations		(23,591,351)	(20,886,413)
(Loss) from core operations		(2,524,854)	(7,077,243)
Revenues from non-core operations		1,777,475	1,861,811
Bank interest revenues		256	205
Late payments interest revenues		1,585,122	2,015,971
Expenses from non-core operations		(135,475)	(142,150)
Amortization		(423,513)	(423,513)
Finance cost		(3,958,065)	(4,114,231)
Late power payments interest expense		(1,406,667)	(1,800,000)
(Loss) from non-core operations		(2,560,867)	(2,601,907)
(Loss) for the period before income tax		(5,085,721)	(9,679,150)
Tax saving for the period	10	1,262,538	2,344,260
(Loss) for the Period		(3,823,183)	(7,334,890)
Total Other Comprehensive (Loss) for the period		(3,823,183)	(7,334,890)
Total Comprehensive (Loss) for the Period			
Attributable to:			
Company's Shareholders		(3,822,281)	-
Non-controlling Interest		(902)	-
		3,823,183	-
Basic and Diluted Earnings per Share from (Loss) for the Period	12	(0,05)	(0,1)

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**

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

	Paid up Capital	Statutory Reserve	Retained Earnings*	Total Shareholder s' Equity	Non- controlling Interest	Total Equity
<i>Jordanian Dinar</i>						
<u>For The Three-Month Period Ended March 31, 2017</u>						
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	-	-	(3,822,281)	(3,822,281)	(902)	(3,823,183)
Non-controlling interest	-	-	-	-	122,500	122,500
Balance as of March 31, 2017	77,490,000	20,853,900	12,444,876	110,788,686	121,598	110,910,284
<u>For The Three-Month Period Ended March 31, 2016</u>						
Balance at January 1 st , 2016	75,600,000	18,900,000	14,937,320	14,937,320	-	109,437,320
Total comprehensive (loss) for the period	-	-	(7,334,890)	(7,334,890)	-	(7,334,890)
Balance as of March 31, 2016	75,600,000	18,900,000	7,602,430	7,602,430	-	102,102,430

* Retained earnings include a restricted amount of JOD 7,134,840 as of March 31, 2017 against deferred tax assets in which cannot be utilized through capitalization or distribution unless actually realized.

The accompanying 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 Three-month Period Ended on March 31,	
	2017	2016
(Loss) for the period before income tax	(5,085,721)	(9,679,150)
Adjustments for:		
Provision for end-of-service indemnity	50,000	50,000
Depreciation and amortization	5,857,637	5,535,818
(Gain) from the valuation of financial assets at fair value through profit or loss	(99,430)	(36,352)
Company's share of investment in associate	(77,265)	(52,248)
Finance expenses	5,364,476	5,914,026
Late payments interest revenues	(1,585,122)	(2,015,971)
	4,424,575	1,732,094
Changes in :		
Inventory	(617,932)	165,880
Subscribers receivable	(28,225,105)	(4,217,533)
Due from a related party	(282,030)	-
Receivable	196,939	(2,560,009)
Other debit balances	(138,703)	533,366
Payables	93,073,554	(2,220,949)
Subscribers' refundable deposits	2,297,139	1,630,316
Other credit balances	1,561,391	2,985,791
Obligation for employees funds	(543,462)	104,494
Due to a related party	902	(484,362)
	71,747,268	(2,330,912)
Income tax paid	(1,850,474)	(1,933,073)
Net cash flow from (used in) operating activities	69,896,794	(4,263,985)
Cash flow from investing activities :		
Acquisition of property, equipment and construction under process	(9,718,440)	(4,146,040)
Net cash flow (used in) investing activities	(9,718,440)	(4,146,040)
Cash flow from financing activities:		
Loans	(1,625,000)	(1,625,000)
Finance expenses paid	(4,451,598)	(5,914,027)
Net cash flow (used in) financing activities	(6,076,598)	(7,539,027)
Net increase (decrease) in cash and cash equivalents	54,101,756	(15,949,052)
Cash and cash equivalents at beginning of the period	(219,003,645)	(172,197,018)
Cash and Cash Equivalents at End of the Period	11 (164,901,889)	(188,146,070)

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 75.60 Million. The General assembly approved on April 21, 2016 to increase the authorized capital to become JOD 100 Million instead of JOD 75.6 Million. Moreover, they approved to increase the paid up capital through capitalizing of JOD 1,890,000 from retained earnings to reach JOD 77,490,000, the legal procedures over the increase in capital has been completed on May 15, 2016.
- 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 April 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 March 31, 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 2017.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

- Measurement and recognition considerations applied in the condensed consolidated interim financial statements have been accounted for. As of and for the period ended March 31, 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.

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 March 31, 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 Company'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.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the company in these condensed consolidated interim financial information for the three months ended March 31, 2017 are the same as those applied by the Company 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 2012-2014.
- Amendments to International Accounting Standards (12): Recognition of deferred tax assets for unrealized losses.

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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 Company's annual report for the year ended December 31, 2016.

Capital management

- There have been no changes in the Group's approach to capital management during the current financial interim period neither the group is subject to externally imposed 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 31,592,096 JOD as of March 31, 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

Fair value

- Fair value hierarchy for the financial assets in equity instruments has been disclosed in Note 15.

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 26,641,451 as of March 31, 2017 (March 31, 2016: JOD 33,004,778).

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 fixed assets during the period ended March 31, 2017 amounted to JOD 10,005,115 (December 31, 2016: JOD 46,037,012), the disposals during the period ended March 31, 2017 amounted to JOD 407,467 (December 31, 2016: JOD 257,830), the depreciation expense on property and equipment during the period ended December 31, 2017 amounted to JOD 5,434,124 (March 31, 2016: JOD 5,112,304), the disposal of accumulated depreciation amounted to JOD 144,778 (December 31, 2016: JOD : 257,830)

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11) Cash and Cash equivalents

<i>In Jordanian Dinars</i>	<u>As of March 31, 2017</u>	<u>As of December 31, 2016</u>
Cash on hand and at banks	1,710,218	309,979
Less : Due to banks*	(166,612,107)	(219,313,624)
Cash and Cash equivalents	<u>(164,901,889)</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 March 31, 2017</u>	<u>As of December 31, 2016</u>
Due to local banks	%5,25 – %4,70	Company's guarantee	Annually renewed	166,612,107	219,313,624
				<u>166,612,107</u>	<u>219,313,624</u>

12) Basic and Diluted Earnings Per Share from Profit for the Year

<i>In Jordanian Dinar</i>	<u>For the three-month ended on March 31,</u>	
	<u>2017</u>	<u>2016</u>
(Loss) for the period	(3,822,281)	(7,334,890)
Weighted average of number of share	77,490,000	77,490,000
Basic earnings per share of current period (loss)	<u>(0,05)</u>	<u>(0,1)</u>
Diluted earnings per share of current period (loss)	<u>(0,05)</u>	<u>(0,1)</u>

13) Subsequent events

The General Assembly approved in its ordinary meeting held on April 27, 2017 the distribution of cash dividends in the amount of JOD 4,261,950 which equivalent to 5.5% of the Company's paid up capital. Moreover, they also approved to increase the paid-up capital to become JOD 83,571,140, equals to an increase of JOD 6,081,140 through distribution of free shares to shareholders each according to its share in the capital.