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المالية

السادة / هيئة الأوراق المالية

الموضوع : البيانات المالية المرحلية ٣٠-أيلول-٢٠١٨

مرفق البيانات المالية المرحلية للفترة المنتهية بتاريخ ٣٠/أيلول/٢٠١٨ باللغتين العربية والانجليزية ، بالإضافة الى نسخة على CD .

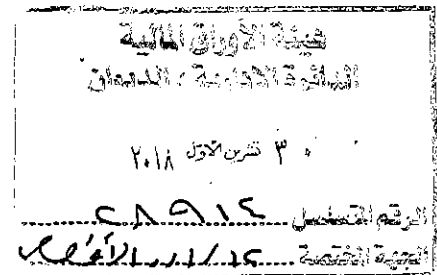
واقبلوا فائق الاحترام و التقدير ،،،

عن /الرئيس التنفيذي

نديم رزقي

المدير المالي

علي زهير



CENTRAL ELECTRICITY GENERATING COMPANY

PUBLIC SHAREHOLDING COMPANY

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

30 SEPTEMBER 2018



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Ernst & Young Jordan

P.O.Box 1140

Amman 11118

Jordan

Tel : 00 962 6580 0777/00 962 6552 6111

Fax: 00 962 6553 8300

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**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 financial statements of Central Electricity Generating Company (the "Company") as at 30 September 2018, comprising of the interim statement of financial position as at 30 September 2018 of, and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the nine-months period then ended and explanatory notes. The Board of Directors 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.

Emphasis of matter

Without qualifying our conclusion, the comparative figures of interim statement of comprehensive income, interim statement of changes in equity, and interim statement of cash flows for the period ended 30 September 2017 are not reviewed. The accompanying interim financial statements are the first interim financial statements issued by the Company for the nine-month periods ended 30 September.

Amman – Jordan
24 October 2018

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Notes	30 September 2018 JD (Unaudited)	31 December 2017 JD (Audited)
<u>ASSETS</u>			
NON-CURRENT ASSETS -			
Property, plant and equipment		124,297,543	132,397,164
Projects in progress		2,117,846	2,351,260
Employees' housing fund loan		312,432	312,432
Investment in an associate		518,978	539,292
Deferred tax assets		901,056	953,541
Strategic fuel inventories		14,564,086	14,643,089
		<u>142,711,941</u>	<u>151,196,778</u>
CURRENT ASSETS -			
Inventories		21,007,221	22,201,011
Other current assets		2,288,718	4,665,653
Accounts receivable	3	79,188,241	39,766,080
Cash and bank balances		117,132	25,388
		<u>102,601,312</u>	<u>66,658,132</u>
		<u>245,313,253</u>	<u>217,854,910</u>
TOTAL ASSETS			
<u>EQUITY AND LIABILITIES</u>			
EQUITY -			
Paid in capital		30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Voluntary reserve		10,672,932	18,672,932
Cash flow hedge reserve		(2,405,844)	(2,978,319)
Retained earnings		14,118,674	7,129,709
TOTAL EQUITY		<u>59,885,762</u>	<u>60,324,322</u>
LIABILITIES -			
NON-CURRENT LIABILITIES			
Long term loans		30,566,105	53,848,751
Employees' end-of-service indemnity provision		5,978,843	5,991,254
Decommissioning provision		2,422,250	2,310,500
Derivative financial liability	5	2,677,467	3,372,785
		<u>41,644,665</u>	<u>65,523,290</u>
CURRENT LIABILITIES			
Current portion of long term loans		26,561,606	28,805,080
Other current liabilities		11,184,215	6,462,372
Accounts payable	3	61,700,704	27,338,099
Derivative financial liability	5	1,655,914	1,950,496
Due to banks		42,164,208	26,901,590
Income tax provision		516,179	549,661
		<u>143,782,826</u>	<u>92,007,298</u>
		<u>185,427,491</u>	<u>157,530,588</u>
TOTAL LIABILITIES		<u>245,313,253</u>	<u>217,854,910</u>
TOTAL EQUITY AND LIABILITIES			

The attached notes from 1 to 10 form part of these interim condensed financial statements

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2018 (UNAUDITED)

	Note	For the three-months period ended 30 September		For the nine-months period ended 30 September	
		2018	2017	2018	2017
		JD	JD	JD	JD
Power generation revenues		19,057,005	47,499,847	91,062,771	126,700,157
Stations operating costs		(4,786,284)	(31,546,834)	(48,591,836)	(79,228,249)
Depreciation		(3,084,137)	(3,086,600)	(9,244,660)	(9,265,838)
Administrative expenses		(2,682,077)	(2,418,816)	(7,297,382)	(7,369,726)
Maintenance costs		(865,205)	(1,289,816)	(5,117,231)	(4,209,418)
Provision for slow-moving inventories		(446,775)	(298,575)	(1,396,204)	(895,716)
Employees' end-of-service indemnity provision		(182,942)	(197,535)	(537,304)	(580,171)
Total operating costs		(12,047,420)	(38,838,176)	(72,184,617)	(101,549,118)
OPERATING PROFIT		7,009,585	8,661,671	18,878,154	25,151,039
Foreign currency exchange gain (loss), net		240,690	(124,735)	(261,390)	(820,939)
Share of (loss) profit of an associate		-	-	(20,314)	17,868
Recovery from (Provision) for doubtful debts		-	135,976	-	(10,516,069)
Other income, net		403,889	305,725	1,295,643	1,648,105
Finance costs, net		(1,701,527)	(1,978,745)	(5,119,413)	(5,760,544)
PROFIT BEFORE INCOME TAX		5,952,637	6,999,892	14,772,680	9,719,460
Income tax expense	6	(276,848)	(709,562)	(783,715)	(2,077,588)
PROFIT FOR THE PERIOD		5,675,789	6,290,330	13,988,965	7,641,872
Other comprehensive income items to be reclassified to profit or loss in subsequent periods (net of tax):					
Gain on cash flow hedges		195,322	222,298	572,475	51,673
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		5,871,111	6,512,628	14,561,440	7,693,545
		JD / Fils	JD / Fils	JD / Fils	JD / Fils
Basic and diluted earnings per share		0/189	0/210	0/466	0/255

The attached notes from 1 to 10 form part of these interim condensed financial statements

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2018 (UNAUDITED)

	Paid in capital		Statutory reserve		Voluntary reserve		Cash flow hedge reserve		Retained earnings		Total	
	JD		JD		JD		JD		JD		JD	
For the nine months ended 30 September 2018												
Balance at 1 January 2018	30,000,000		7,500,000		18,672,932		(2,978,319)		7,129,709		60,324,322	
Total comprehensive income for the period	-		-		-		572,475		13,988,965		14,561,440	
Dividends (Note 8)	-		-		(8,000,000)		-		(7,000,000)		(15,000,000)	
Balance at 30 September 2018	30,000,000		7,500,000		10,672,932		(2,405,844)		14,118,674		59,885,762	
For the nine months ended 30 September 2017												
Balance at 1 January 2017	30,000,000		7,500,000		26,672,932		(2,593,918)		7,823,582		69,402,596	
Total comprehensive income for the period	-		-		-		51,673		7,641,872		7,693,545	
Dividends (Note 8)	-		-		(8,000,000)		-		(7,000,000)		(15,000,000)	
Balance at 30 September 2017	30,000,000		7,500,000		18,672,932		(2,542,245)		8,465,454		62,096,141	

The attached notes from 1 to 10 form part of these interim condensed financial statements

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2018 (UNAUDITED)

	For the nine-months period ended 30 September	
Note	2018	2017
	JD	JD
<u>OPERATING ACTIVITIES</u>		
Profit for the period before income tax	14,772,680	9,719,460
Adjustments for:		
Depreciation	9,244,660	9,265,838
Provision for slow-moving inventories	1,396,204	895,716
Employee's end-of-service indemnity provision	537,304	580,171
Provision for employee's vacation	105,227	126,820
Provision for doubtful debts	-	10,516,069
Foreign currency exchange loss	261,390	820,939
Share of loss (profit) of an associate	20,314	(17,868)
Finance costs	5,119,571	5,765,634
Interest income	(158)	(5,090)
Gain on disposal of property, plant and equipment	(19,840)	(13,436)
Working capital changes:		
Accounts receivable	(39,422,161)	(20,825,234)
Other current assets	2,376,935	273,667
Inventories	(123,411)	(2,806,414)
Accounts payable	34,362,605	21,345,936
Other current liabilities	(398,946)	(249,989)
Employee's end-of-service indemnity provision paid	(549,715)	(78,039)
Employee's vacations provision paid	(61,248)	(4,294)
Provisions and other fees paid	(707,475)	(483,941)
Employees termination benefits provision paid	(1,162,562)	-
Income tax paid	(764,712)	(1,411,111)
Net cash flows from operating activities	24,986,662	33,414,834
<u>INVESTING ACTIVITIES</u>		
Purchase of property, plant and equipment, and projects in progress	(920,437)	(1,397,438)
Proceeds from sale of property, plant and equipment	28,652	57,203
Proceeds from sale of decommissioned units' fuel	-	336,837
Interest received	158	5,090
Net cash flows used in investing activities	(891,627)	(998,308)
<u>FINANCING ACTIVITIES</u>		
Proceeds from loans	-	4,260,000
Dividends paid	(8,000,000)	(15,000,000)
Repayments of loans	(26,460,164)	(21,154,180)
Interest paid	(4,806,411)	(5,254,028)
Net cash flows used in financing activities	(39,266,575)	(37,148,208)
Net decrease in cash and cash equivalents	(15,171,540)	(4,731,682)
Effect of foreign exchange rate changes on cash and cash equivalents	666	8,241
Cash and cash equivalents at 1 January	(26,876,202)	(35,783,447)
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	4 (42,047,076)	(40,506,888)

The attached notes from 1 to 10 form part of these interim condensed financial statements

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

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 nine-months period ended 30 September 2018 were authorized for issuance by the Company's Board of Directors in their meeting held on 24 October 2018.

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 2017. Furthermore, the results of operations for the nine-months period ended 30 September 2018 do not necessarily reflect the expected results of operations for the year ending 31 December 2018.

Changes in Accounting Policies

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 annual financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018:

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The standard has been applied retrospectively and, in line with IFRS 9, comparative amounts have not been restated. The standard eliminates the use of the IAS 39 incurred loss impairment model approach, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

For all debt instruments, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Hedge accounting

The Company applied hedge accounting prospectively. At the date of the initial application, all of the Company's existing hedging relationships were eligible to be treated as continuing hedging relationships. Consistent with prior periods, the Company has continued to designate the change in fair value of the entire forward contract in the Company's cash flow hedge relationships and, as such, the adoption of the hedge accounting requirements of IFRS 9 had no significant impact on the Company's interim condensed financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company adopted IFRS 15 using the modified retrospective approach. The effect of adopting IFRS 15 was not material on the Retained Earnings and impacted its accounting policy for revenue recognition as detailed below:

(a) Rendering of services

Under IFRS 15, the Company concluded that revenue from services will continue to be recognized over time, using an input method to measure progress towards complete satisfaction of the service similar to the previous accounting policy, because the customer simultaneously receives and consumes the benefits provided by the Company. Revenue from the sale of the equipment will continue to be recognized at a point in time, upon delivery of the equipment.

(b) Other adjustments

In addition to the adjustment described above, upon adoption of IFRS 15, other items of the primary financial statements such as deferred taxes, assets held for sale and liabilities associated with them, profit or loss after tax for the period from discontinued operations, investments in associate and a joint venture, share of profit of an associate and a joint venture, income tax expense, and retained earnings, were adjusted as necessary. Furthermore, exchange differences on translation of foreign operations were also adjusted.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the DE recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

This Interpretation does not have any impact on the Company's interim condensed financial statements.

Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

These amendments do not have any impact on the Company's interim condensed financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met.

These amendments do not have any impact on the Company's interim condensed financial statements.

Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

These amendments do not have any 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 from NEPCO include an amount of JD 61,700,704 as at 30 September 2018 against accounts payable to JPRC with an amount of JD 58,558,018 and to National Petroleum Company with an amount of JD 3,142,686.

4. CASH AND CASH EQUIVALENTS

	30 September 2018 JD	30 September 2017 JD
Cash at banks	116,933	41,899
Cash on hand	199	5,491
	117,132	47,390
Less: due to banks	(42,164,208)	(40,554,278)
	<u>(42,047,076)</u>	<u>(40,506,888)</u>

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

5. DERIVATIVE FINANCIAL INSTRUMENTS

The details of the derivative financial instruments at 30 September 2018 and 31 December 2017 are as follows:

	30 September 2018 (Unaudited)		
	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,561,321	2,677,467	4,238,788
Interest rate swaps contracts**	94,593	-	94,593
	<u>1,655,914</u>	<u>2,677,467</u>	<u>4,333,381</u>
	31 December 2017 (Audited)		
	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,573,528	3,306,313	4,879,841
Interest rate swaps contracts**	376,968	66,472	443,440
	<u>1,950,496</u>	<u>3,372,785</u>	<u>5,323,281</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 4,238,788 as of 30 September 2018 and was recorded as a current and non-current liability in the interim condensed statement of financial position.

The cash flow hedges were assessed to be highly effective and a cumulative unrealized gain of JD 223,628 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 interest rate swap contracts that effectively fix the interest rate on 90% of the principal amount of term loan with Standard Chartered.

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

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 94,593 was recorded as current liability in the interim condensed statement of financial position as of 30 September 2018.

The cash flow hedges were assessed to be highly effective and a cumulative unrealized gain of JD 348,847 as of 30 September 2018 was included in interim condensed statement of comprehensive income.

6. INCOME TAX

CEGCO has provided for income tax for the periods ended 30 September 2018 and 2017 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 presented in the interim condensed statement of comprehensive income consist of the following:

	For the nine-months period ended 30 September	
	2018	2017
	JD	JD
Income tax expense for the period	731,230	2,086,887
Amount released from (added to) deferred tax assets	52,485	(9,299)
	<u>783,715</u>	<u>2,077,588</u>

Aqaba-

The Company submitted its tax returns for the years up to 2017. 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 the years up to 2013.

Other locations-

The Company submitted its tax returns for the years up to 2017 except for Aqaba location. 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 the years up to 2011.

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

7. RELATED PARTY TRANSACTIONS

Related parties represent associated companies, 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 condensed statement of financial position items

Amounts due from related parties:	30 September 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
National Electric Power Company - Government of Jordan*	79,188,241	39,766,080
The Local Company for Water and Solar Projects	209,554	230
ACWA Power / Maroc. SARL	231	231
Red Sea Energy (Jordan)	1,000	6,387
Al Zarqa Power Plant for Energy Generation	409,126	185,573
Risha for Solar Energy Projects	3,200	1,600
Government of Jordan	424,664	424,664
Raeda Energy Company	1,000	1,000

* This balance is net of allowance for doubtful debts of JD 4,934,360 as at 30 September 2018 (2017: JD 4,934,360).

Amounts due to related parties:	30 September 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
National Petroleum Company - Government of Jordan	3,142,686	2,868,940
Enara Energy Investments	14,967	7,420
ACWA Power International Company for Water and Power Projects – Dubai	14,313	14,313
ACWA Power Global Services LLC	3,302	1,402
ACWA Power Jordan Holding Co.	28,683	70,027
ACWA Power Company / Riyadh	7,270	5,488

CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

Interim condensed statement of comprehensive income items	For the nine months period ended 30 September	
	2018	2017
	JD	JD
<u>Power generation revenues:</u>		
National Electric Power Company (Government of Jordan)	<u>91,001,287</u>	<u>126,643,324</u>
<u>Stations operating costs:</u>		
National Petroleum Company (Government of Jordan)	<u>9,341,604</u>	<u>5,581,676</u>
<u>Other income:</u>		
Enara Energy Investment	18,102	23,837
The Local Company for Water and Solar Projects ***	209,324	20,721
Red Sea Energy (Jordan)	2,000	1,000
ACWA Power Jordan Holdings	41,345	40,020
Al Zarqa Power Plant for Energy Generation *	926,753	1,223,923
Risha for Solar Energy Projects****	1,600	1,600
Raeda Energy Company	2,000	1,000
ACWA Power Company / Riyadh	38	1,234
	<u>1,201,162</u>	<u>1,313,335</u>
<u>Administrative expenses:</u>		
Enara Energy Investment	25,650	25,650
ACWA Power International Company for Water and Power Projects – Dubai	-	263
ACWA Power Global Services LLC	1,900	8,259
ACWA Power Company for / Riyadh**	1,821	4,834
NOMAC Gulf Operation & Maintenance LLC*****	4,281	-
Board of Directors remuneration and transportation	31,510	31,500
	<u>65,162</u>	<u>70,506</u>

* 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 operation 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.

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- *** On 13 November 2016, the Company entered into operation and maintenance agreement with The Local Company for Water and Solar Projects
- **** On 21 November 2017, the Company entered into an agreement with Risha Company for Solar Projects to provide operation and maintenance services.
- ***** On 17 April 2017, the Company entered into a service agreement with NOMAC Gulf Operation & Maintenance LLC to obtain professional operation and maintenance services.

Compensation of key management personnel

	For the nine-months period ended 30 September	
	2018	2017
	JD	JD
Salaries and benefits	449,562	395,458

8. Dividends

In its ordinary meeting held on 25 April 2018, 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.

9. COMMITMENTS AND CONTINGENCIES

Letters of credit and bills of collection -

At 30 September 2018, CEGCO has outstanding letters of credit and bills of collection amounting to JD 1,272,936 (31 December 2017: JD 1,672,983).

Letters of guarantee -

At 30 September 2018, CEGCO has outstanding letters of guarantee amounting to JD 26,039 (31 December 2017: JD 26,339).

Legal claims -

The Company is a defendant in a number of lawsuits of approximately JD 2,724,585 (2017: JD 3,146,332). 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 interim condensed financial statements.

Capital commitments -

CEGCO entered into commitments in the ordinary course of business for major capital expenditures. Capital expenditures commitments are JD 1,577,598 as at 30 September 2018 (31 December 2017: JD 2,299,254)

Dispute with Jordan Petroleum Refinery Company (JPRC) -

The Jordan Petroleum Refinery Company JPRC is claiming an amount of JD 97,519,037 as interest on late payment of the monthly invoices. The Fuel Supply Agreement (FSA) with JPRC stipulates that JPRC shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from the invoice date.

The Company's management and its independent legal counsel believe that JPRC has no right to claim these amounts as per the (FSA).

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10. SEGMENT INFORMATION

The following tables present the interim condensed statement comprehensive income information for Aqaba and other locations for the periods ended 30 September 2018 and 2017. 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 nine-months period ended 30 September 2018		
	Aqaba	Other	Total
	JD	locations	JD
Power generation revenues	67,451,452	23,611,319	91,062,771
Stations operating costs	(36,857,989)	(11,733,847)	(48,591,836)
Depreciation	(5,685,847)	(3,558,813)	(9,244,660)
Administrative expenses	(2,909,541)	(4,387,841)	(7,297,382)
Maintenance costs	(1,976,635)	(3,140,596)	(5,117,231)
Provision for slow-moving inventories	(769,041)	(627,163)	(1,396,204)
Employee's end-of-service indemnity provision	(279,926)	(257,378)	(537,304)
Total operating costs	(48,478,979)	(23,705,638)	(72,184,617)
OPERATING PROFIT (LOSS)	18,972,473	(94,319)	18,878,154
Foreign currency exchange loss, net	(261,536)	146	(261,390)
Share of loss of an associate	-	(20,314)	(20,314)
Other income, net	106,006	1,189,637	1,295,643
Finance costs, net	(3,561,721)	(1,557,692)	(5,119,413)
PROFIT (LOSS) BEFORE INCOME TAX	15,255,222	(482,542)	14,772,680
Income tax expense	(765,066)	(18,649)	(783,715)
PROFIT (LOSS) FOR THE PERIOD	14,490,156	(501,191)	13,988,965

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	For the nine-months period ended 30 September 2017		
	Aqaba	Other	Total
	JD	locations	JD
Power generation revenues	100,450,957	26,249,200	126,700,157
Stations operating costs	(68,393,555)	(10,834,694)	(79,228,249)
Depreciation	(5,709,499)	(3,556,339)	(9,265,838)
Administrative expenses	(3,609,524)	(3,760,202)	(7,369,726)
Maintenance costs	(2,297,980)	(1,911,438)	(4,209,418)
Provision for slow-moving inventories	(375,434)	(520,282)	(895,716)
Employee's end-of-service indemnity provision	(331,991)	(248,180)	(580,171)
Total operating costs	(80,717,983)	(20,831,135)	(101,549,118)
OPERATING PROFIT	19,732,974	5,418,065	25,151,039
Foreign currency exchange loss, net	(1,248,778)	427,839	(820,939)
Share of profit of an associate	-	17,868	17,868
Provision for doubtful debts	(4,602,339)	(5,913,730)	(10,516,069)
Other income, net	38,813	1,609,292	1,648,105
Finance costs, net	(3,701,811)	(2,058,733)	(5,760,544)
PROFIT (LOSS) BEFORE INCOME TAX	10,218,859	(499,399)	9,719,460
Income tax expense	(770,259)	(1,307,329)	(2,077,588)
PROFIT (LOSS) FOR THE PERIOD	9,448,600	(1,806,728)	7,641,872