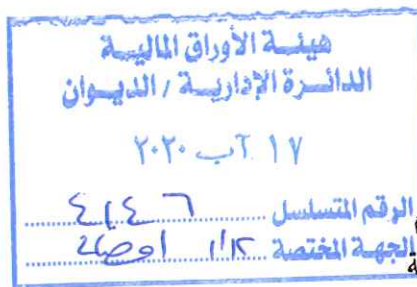


11/12/2020



الرئيس التنفيذي
الدكتور مؤيد السمان



THE HASHEMITE KINGDOM OF JORDAN Central Electricity Generating Company

ANNUAL REPORT 2019





His Majesty
King Abdullah II Bin Al Hussein





H.R.H Crown Prince
Hussein bin Abdullah II



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Valued shareholders,

On behalf of myself and the members of the Board of Directors of Central Electricity Generating Company (CEGCO), I am pleased to present to you our 2019 Annual Report. The document illustrates our operational data and indicators, financial performance and most notable developments and accomplishments - achieved despite ongoing challenges affecting the company's sustainability - led foremost by the end of power purchase agreement terms and the waning opportunities to renew them.

In 2019, profits (before currency exchange difference) surged by 457.5 percent to reach JOD 22.3 million, in comparison with JOD 4 million recorded in 2018. The significant increase was attributed to the drop in maintenance expenses and imported energy costs, paired with a rise in revenues from operation and maintenance agreements. Additionally, CEGCO recorded an impairment of assets, machines and equipment for 2018, which amounted to a loss of JOD 12 million.

Moreover, CEGCO accounts receivable decreased from JOD 80 million in 2018 to JOD 74 million in 2019, whereas accounts payable to the Jordan Petroleum Refinery Company totaled JOD 57.5 million in 2019, as opposed to JOD 58.5 million in 2018.

Meanwhile, the decommissioning of generating units continues to pose a major challenge. At the end of 2019, power purchase agreement terms with the National Electric Power Company - regarding three generating units with a 290-MW capacity at the Aqaba Thermal Power Station and the Rehab Gas Turbine Power Station - came to an end. This will have a tangible impact on our production capacity, financial resources and employee conditions. Placing the interests of our employees at the forefront, we sought out job opportunities in the operation and maintenance company, NOMAC, which operates the ACWA Power stations. Accordingly - and in order to benefit the largest number of employees - an agreement was reached whereby NOMAC would regularly inform us of available vacancies.

On this note, I would like to express thanks to our colleagues across various locations for their dedicated efforts towards attaining company goals. I look forward to working together to find lasting solutions to obstacles, if and when they arise.

I would also like to acknowledge the Government of Jordan and its institutions and agencies for their tremendous efforts in ensuring the Kingdom's security and stability; a true blessing which, God willing, will endure.

Lastly, and on behalf of myself and the members of the Board of Directors, I extend my sincerest gratitude and appreciation to HM King Abdullah II ibn Al Hussein and HRH Crown Prince Al Hussein bin Abdullah II for their wise leadership, sound management of state affairs and promotion of investment, to propel Jordan towards greater progress and prosperity.



Thamer Al-Sharhan
Chairman

Best wishes for further success and distinction in 2020.

A.2

CEO Address

Ladies and gentlemen,

I am pleased to share with you our 2019 Annual Report, which showcases the most noteworthy accomplishments and performance indicators of Central Electricity Generating Company (CEGCO) throughout the past year. Despite the numerous challenges we continue to face - primarily the decommissioning of several generating units and the subsequent impact on our production capacity - we remain steadfast in our resolve and commitment as we move forward.

Within the area of occupational health, safety and environment, CEGCO received two 'Awards of Excellence in Safety and Occupational Health' - granted by the Social Security Corporation. The Aqaba Thermal Power Station and the Rehab Gas Turbine Power Station were both recognized with a Certificate of Excellence and a Certificate of Appreciation, respectively. These accolades serve as testament to the level of distinction achieved at both stations, attained only by keeping pace with global health and safety developments and standards that promote an ideal work environment for employees, while continuing to implement specialized and comprehensive training programs.

Emphasizing our firm belief in the pivotal role of human resources in driving company success, we remained committed to organizing various training programs - which aimed at boosting employee efficiency; equipping them with necessary skills to bolster their performance; and enhancing their knowledge and practical capabilities.

On the operational front, CEGCO succeeded in recording an availability factor of 97.05 percent - exceeding declared budget estimates - by adopting periodic preventive programs to keep stations prepared, thereby significantly reducing the unavailability factor and forced outage.

As in every year, we renewed our support to the local community, with a special focus on the energy, health and education sectors. We carried out several activities and initiatives across the Kingdom, including installing solar PV systems in mosques; conducting maintenance of public schools in several regions; supplying modern medical equipment; as well as hosting free medical days and distributing food parcels to serve the less fortunate.

With reference to the biggest challenges facing our company - the decommissioning of generating units, as well as the inability to renew power purchase agreement terms and their direct impact on job security - executive management has been seeking new opportunities to promote its capabilities by outreaching several companies and institutions that may leverage its distinguished expertise and utilize its advanced facilities, such as laboratories and engineering workshops. We have also carefully devised a specialized business development program in order to achieve this goal for the benefit and viability of CEGCO employees.

In conclusion, allow me to express my gratitude and appreciation to our esteemed Chairman, Board of Directors and Mr. Nadeem Rizivi the former CEO for their staunch support towards ensuring the sustainability of CEGCO. I would also like to thank our entire team across all locations for their unwavering dedication to reaching and upholding our company objectives.

**May God protect Jordan and His Majesty King Abdullah II bin Al Hussein.
Looking forward to even greater achievements and new heights of success in 2020.**



Dr. Moayad Samman

Chief Executive Officer

B Report of Board of Directors

The Board of Directors is pleased to present to you its Annual Report 21st including activities and achievements of the Company as well as the financial statements of the year ended on 31/12/2019

1. A. Company's Activity

To generate the electric energy in various regions of the Kingdom using any primary sources of energy and the renewable energy to be supplied, in good quality, high availability and at the lowest possible cost, to the National Electric Power Company.

1. B. The Company's Geographic Locations and the number of employees in each

Management: Amman-Khalda, Al Khalidin district, Hakam Bin Amr St-Building (22)
P.O.Box: 2564, postcode 11953, Amman-Jordan.
Tel: + 962-6-5340008
Fax: +962-6-5340800

Aqaba Thermal Power Station

it is located in the south-west of Jordan, approximately 22 km south of the Aqaba City, 1 km from the Red Sea. The plant site is 35 meters above sea level and located in the middle of an industrial area.

Risha Gas Turbine Power Sation

it is located in the eastern region of the Kingdom, about 350 m east of Amman.

Rehab Gas Turbine Power Station

Rehab power plant is located in the northern region of Jordan, approximately 70 km north of the capital Amman. The plant site is approximately 835 meters above sea level and located within a rural area surrounded by extensive agricultural land.

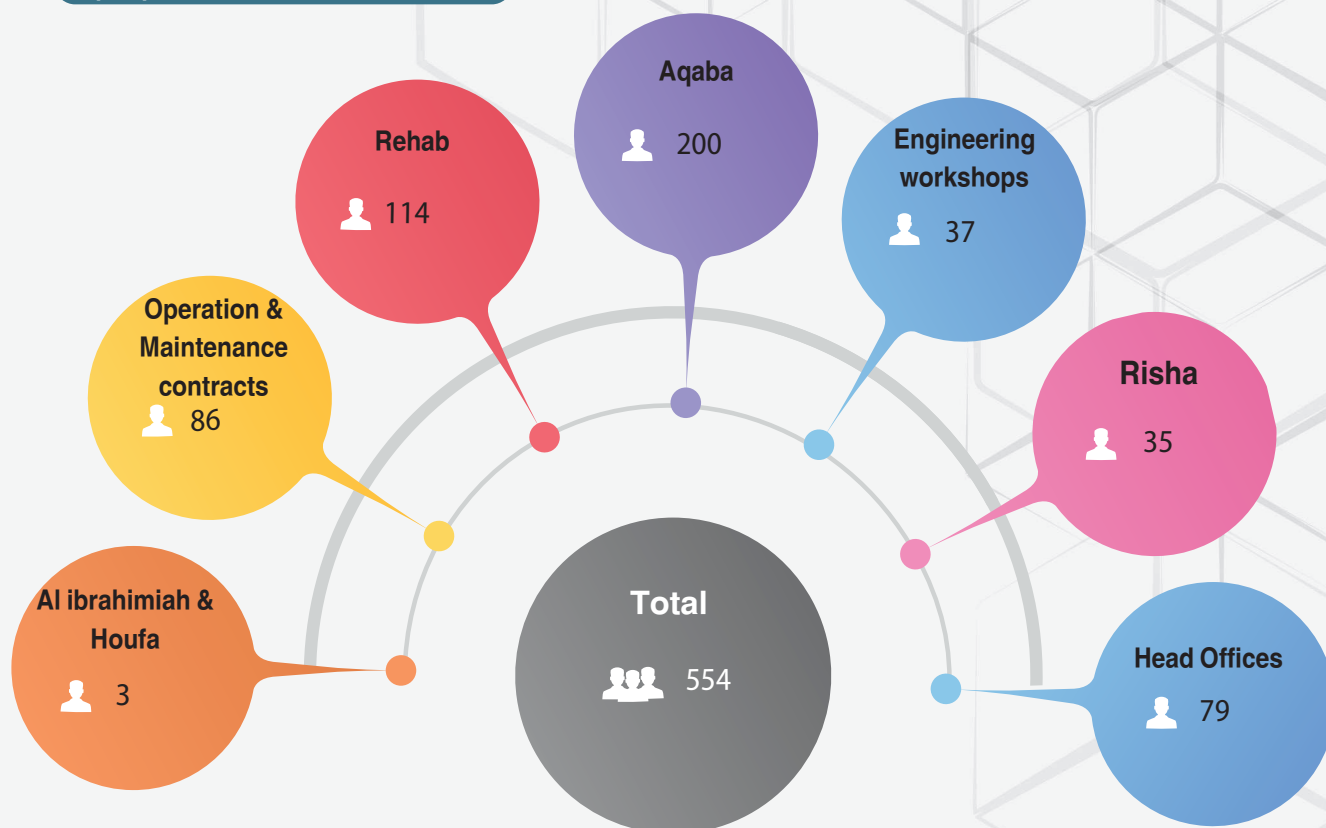
Al Ibrahimiah Power Plant

it is located in the north of Jordan about 80 km south of Amman

Engineering workshops

it is located in the northern region of Jordan, about 30 Km north-east of Amman, and is situated 560 m above the sealevel in the center of the Industrial Area in Zarqa.

Employee's Distribution according to Locations until 31/12/2019



* The Company has no Branches within or outside the Kingdom.

1. C. Company's Capital Investment Volume

98,623,000 JD

2 There are no Affiliate Companies

3.A The names of members of the Board of Directors and the curriculum vitae for each of them

Enara Energy Investment

H.E.Eng. Thamer Al Sharhan Chairman

H.E.Eng. Turki S. Al-Amri Vice-Chairman (from 2/10/2017)

H.E.Dr. Makram A. Khoury Member (from 1/8/2017)

H.E.Mr. Jasdeep Singh Anand
Member (from 20/3/2018)

**Enara (2)
Energy Investment**

Government Investment Management Co. LLC

H.E. Dr. Faisal Hyary
Member from 20/6/2017

H.E.Eng. Ziad Jebril
Member from 1/7/2014

H.E.Mr. Zaidoun Abu Hassan
from 17/3/2013 to 9/11/2019
H.E. Mrs. Ranya Moosa Al-Aaraj, CFA
from 10/11/2019

Social Security Corporation



**H.E. Eng.
Thamer Al-Sharhan**

Nationality
Saudi Arabian

Date of Birth
1961

Current Position
Chairman

Work Experience

- Throughout his career at SABIC and its affiliates, he built an unblemished track record in the industrial and utility sectors. His achievements throughout his 30 years of experience in the industrial sector include leading phenomenal growth at each company, as has publicly been displayed at Marafiq.
- He is a professional engineer with practical and executive management experience in the industrial and utility sectors. He also serves as a board member in several companies and charitable organizations.
- Thamer graduated from King Fahd University of Petroleum and Minerals, with a Bachelor of Science in Chemical Engineering.
- ACWA Power is a developer, investor, co-owner and operator of a portfolio of plants with a capacity to generate 15,381 MW of power and produce 2.4 million m³/day of desalinated water, which has an investment value in excess of USD 22 Billion.
- From its base in Saudi Arabia, ACWA Power has already expanded or is expanding into the GCC, Jordan and Egypt and further afield to Turkey, Morocco, the southern cone of Africa and South East Asia. It has: regional offices in Dubai, Istanbul, Rabat, Johannesburg, Maputo, Beijing and Hanoi, a customer base that includes state utilities and an industrial major across 3 continents and more than 20 plants in various phases of development, construction and operations. The current portfolio of assets and investments includes the two of the world's largest sea going barge mounted, self-contained water desalination plants each capable of producing 25,000 m³/day of water.
- ACWA Power lives by its mission statement – to reliably deliver electricity and desalinated water at the lowest possible cost in our target countries and operates the business according to its values which are: Diversity, Rigor, Ingenuity, Fairness and Integrity.



**H.E. Eng.
Turki S. Al-Amri**

**Nationality
Saudi Arabian**

**Membership Date
11 /9/ 2017**

**Date of Birth
17 /10/ 1974**

**Current Position
Vice-Chairman
From 2/10/2017**

Qualifications:

- Mechanical Engineer graduated from King Fahad University of Petroleum & Mineral (KFUPM) in August 1998 with a Bachelor of Science in Applied Mechanical Engineering.

Work Experience:

- 19 Years of experience in the petrochemical and utility sectors, much of which was with SABIC / SADAF (Jubail Industrial City), Saudi Electricity Company (SEC) and Saline Water Conversion corporation SWCC, General Manager of Marafiq utility company (Jubail & Yanbu Industrial City). Presently, Turki has been with Acwa Power/ NOMAC since 2014.
- First National Operation and Maintenance CO. (NOMAC) Vice President, Operations KSA - Division
- Since joining NOMAC, Turki is in charge of all the KSA business, covering all business units operating by NOMAC in KSA. The accumulated production capacity of the plants in KSA is 12,045 MW of electricity and 2,224,920 m3/day of water.
- Board Directorship
- BOD Chairman of Rabigh Operation & Maintenance Co. Ltd. (ROMCO); located in Rabigh, Saudi Arabia with the production capacity of 1,320 MW.
- BOD Chairman of Water Desalination Expansion Company (WDEC) located in Shuaibah, Saudi Arabia with the production capacity of 250,000 m3/day of water.
- BOD Member of Jubail Water and Power Company (JOMEL). O&M Contractor of Marafiq, located in Jubail Industrial City, Saudi Arabia with the production capacity of 2,750 MW and Board Member of Rabigh Power Company (RPC), located in Rabigh, Saudi Arabia with the total production capacity of 520 MW and 188,000 m3/day of water.
- Board Member of Higher Institutes of Water and Power Technologies (HIWPT), located in Rabigh, Saudi Arabia.
- BOD Member of Sun E NOMAC Photovoltaic Power Plant, located in Karadzhalovo, Bulgaria with the production capacity of 60 MW.
- BOD Member of NOMAC Benban Solar Photovoltaic Power Plant, located in Egypt with the capacity of 50 MW.
- BOD Member of NOMAC Nile Energy Company in Egypt.
- BOD Member of NOMAC Energy Company in Egypt.



H.E. Mr.
Jasdeep Anand

Nationality
Indian

Membership Date
20 /3/ 2018

Current Position
Member of Board

Qualifications:

- Chartered Accountant (Qualified in 1997) from the Institute of Chartered Accountants of India
- Cost and Works Accountant (Qualified in 1997) from the Institute of Cost and Works Accountants of India

Work Experience:

- A Chartered Accountant and a Cost Accountant with over 25 years of experience in financial and operational leadership roles for infrastructure support service businesses in emerging markets.
- ACWA Power
- CFO- International Region Jul 2016 to present
- Developing the financial strategy, oversee its implementation across the International region and manage strategic relations with internal and external stakeholders, to protect the interests of the Company and ensure that the financial activities across all the international regions are carried out in alignment with Group strategic objectives and regulatory requirements.
- Aggreko PLC Feb 2001 to Jun 2016
- During the time in Aggreko, worked in various senior roles in Finance, Sales, Commercial and General Management taking care of various geographies including Asia Pacific, Middle East, Africa and South America. Responsible for the Finance function of the Projects business which had sales of over US\$1B. Worked very closely in expanding the business in the APAC region in a leadership role and growing it exponentially.
- Schlumberger- Oil Field Services Aug 1999 to Feb 2001
- Mitsui & Co. Ltd Feb 1998 to Aug 1999



H.E. Mr.

Zaydoun Mamdouh Abed Al Rahman Abu Hassan

Nationality
Jordanian

Membership Date
**17/3/2013
to 9/11/2019**

Date of Birth
1/5/1968

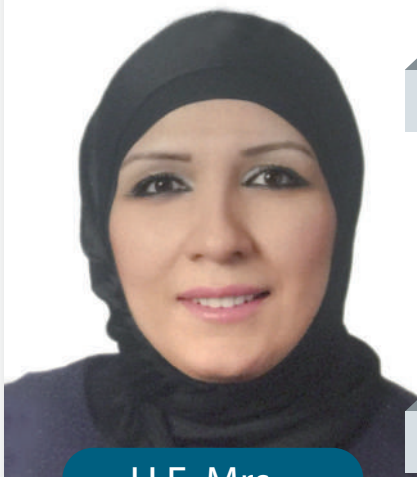
Current Position
Member of Board

Qualifications:

- Bachelor Degree In Finance and Banking from University of Southern California Class of 1988.

Work Experience:

- A proactive manager with independent judgment and organizational ability to direct investments and portfolio management with emphasis on pension funds' Investments best practices.
- A graduate from the University of Southern California, Marshall School of business, with concentrations in finance, investment, and management; Class of 1988.
- A graduate from Bank of America preferred banking training program Nov. 1989. (14 months training program).
- A seasoned Investments Manager experienced in establishing in originating and developing, business relationships, as well as refining investment methodologies, policies, and financial products; domestic, regional, and international.
- A total of 26 years postgraduate exposure and work experience; Experience includes originating, refining and upgrading strategic investment methodologies and portfolio management for the pension fund of the Social Security Corporation, (the Investment Unit).
- Made excellent investment judgments and recommendations such as the vital importance and entry of the S&P 500 index and purchase of gold to mitigate the Portfolio Risk Exposure. Recommended various other individual investments such as the purchase of Nestle in 2009 and Potash stock in 2005.
- Responsible for transferring the Funds of \$2.2 Billion at the inception of the fund in 2003 and still employed at the same fund which reached \$ 9.5 billion 10 years later



**H.E. Mrs.
Ranya Moosa Alaraj, CFA**

**Nationality
Jordanian**

**Membership Date
10/11/2019**

**Date of Birth
30/11/1978**

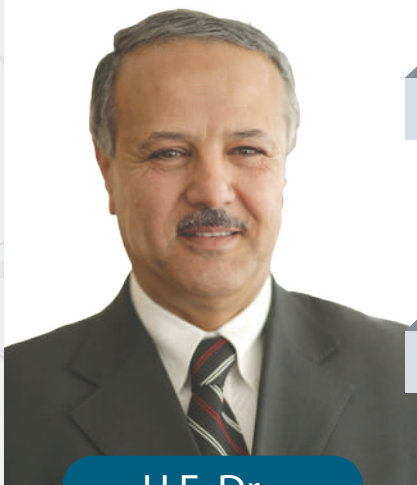
**Current Position
Member of Board**

Qualifications:

- CFA Charterholder
- ACI dealing certificate
- Masters Degree in Banking and Finance from Arab Academy for Banking and Finance / Amman - Jordan 2002
- Bachelor Degree in Finance from Yarmouk University / Irbid – Jordan 1999

Work Experience:

- Has more than 20 years' experience in portfolio management and financial analysis. Currently holds the position of Treasury and loans directorate manager at Social security investment fund / Amman – Jordan, the investment arm of Social Security Corporation. Managing money market instruments, Bonds, derivatives in addition to the loan portfolio mainly covering public sector financing along with syndicated loans to private sector.
- Worked at Foreign investments and operations department at The Central Bank of Jordan / Amman- Jordan from 2000 till 2007 managing fixed income active portfolio from 2000 till 2007.
- Part time instructor covering courses in CFA level I Curriculum, treasury products and hedging strategies in different local and regional training centers .
- Represented Social Security Corporation in Jordan Loan Guarantee corporation Board, Housing bank for trade and finance Board, Cairo Amman Bank Board and Arab Potash Corporation Board.
- Active member in CFA institute and CFA Society – Jordan.



H.E. Dr.
Faysal A. Al-Hyari

Nationality
Jordanian

Membership Date
20/6/2017

Date of Birth
30/12/1955

Current Position
Member of Board

Qualifications:

- Ph.D., Economics, 1990 - University of Leicester, England
- M.A., Economics, 1987 - University of Leicester, England
- B.Sc., Economics/ Statistics 1979 - University of Jordan

Work Experience:

- 2007 - 2016 General Manager Orphans Fund Development Corporation
- 2002 -2007 Financial Advisor Minister of Finance office, Ministry of Finance, Amman, Jordan.
- 1998-2002 Financial Expert Technical Team commissioned with the privatization process of the Royal Jordanian (RJ) Airline.
- 1992-1997 Director of Economic
- Research & Information Directorate General Budget Department, Jordan.
- 1990-1991 Head of Economic Research Unit General Budget Department, Jordan.
- 1986-1990 Full-Time Graduate Student (MA, Ph.D. Program) University of Leicester/England.
- 1979-1985 Budget Analyst General Budget Department, Jordan.



H.E. Dr.
Makram A. Khoury

Nationality
Lebanese

Membership Date
1/8/2017

Date of Birth
12/7/1956

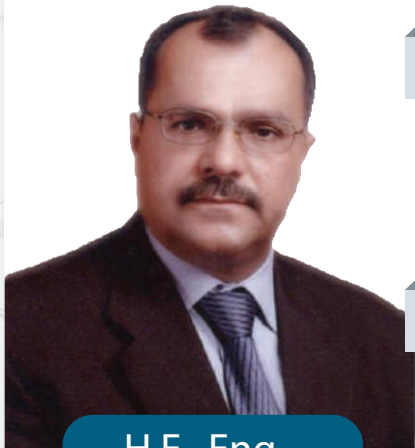
Current Position
Member of Board

Qualifications:

- Ph.D., Engineering, University of Southern California, Los Angeles, CA, USA
- MBA, IMD, Lausanne, Switzerland
- Licensed Professional Engineer (PE), Texas, USA

Work Experience:

- With over thirty five years of experience in leading Engineering and Construction Management Companies covering the industrial, petrochemical, oil and gas sectors, infrastructure and buildings, Mr. Khoury currently holds the position of Vice President – Corporate at Consolidated Contractors Company (CCC) Management Office.
- Makram's responsibilities include leading the following departments:
 - Corporate Contracts
 - Corporate Risk
 - Management Information Systems
 - Plant, Equipment and Vehicle
 - Heavy Lift
- Makram serves on several CCC affiliates boards.
- Past Employment:
 - Flour Corporation
 - Utility Development Company (Kuwait)
 - Parsons Engineers, LTD
 - Brown & Root Inc.



H.E. Eng.
Ziad Jibril Sabra

Nationality
Jordanian

Membership Date
1/7/2014

Date of Birth
22/10/1960

Current Position
Member of Board

Qualifications:

- Bachelor's degree in Mechanical Engineering from Yarmouk University since 1984 .

Work Experience:

- He served as Assistant Secretary General and former Adviser to the Minister and Director of the Renewable Energy Department at the Ministry of Energy Department at the Ministry of Energy and Mineral Resources - Jordan. Eng.
- Sabra is a key leader in Renewable Energy field at the Ministry of Energy and Mineral Resources, where he joined the Ministry in 1987 and has held various designations and responsibilities including implementation of policies, strategies and follow up of several renewable energy commercial projects, especially Wind IPP projects and Solar thermal power generation projects.
- In addition to Privatization of Electricity Sector, Oil Shale, and other projects including waste to energy projects, as well as Energy Efficiency studies and measures. Mr. Sabra is a Mechanical Engineer graduated from Yarmouk University of Jordan in 1984, conducted postgraduate courses and advanced training in Germany, Spain and Italy in this field and conducted several studies, reports and publications in the field of energy, renewables in particular.
- He is Board member in several institutions /companies, and working as the Focal Point of Jordan at the International Renewable Energy Agency (IRENA), Regional Center for Renewable Energy and Energy Efficiency (RCREEE) and for the Union for the Mediterranean (UfM).

3.B Senior Executive Management



Nationality: Jordanian

Date of Birth

18/11/1965

H.E. Dr. Moayad Samman

Chief Executive Officer (from 1/10/2019)

Work Experience:

- Dr. Samman is currently the CEO of the Central Electricity Generating Company (CEGCO). In addition to that, Dr. Samman is the Vice Chairman of the Board of Directors for Al Daman Company for the Development of Economic Zones, Member of the Board of Trustees for Al Hussein Bin Abdullah II Technical University, Member of the Board of Directors for MadfooatCom for ePayments (eFawateerCom), and Member of the Committee at the Jordan Engineers Association, Pension Fund Administrative Committee (2nd largest investment fund in Jordan).
- Dr. Moayad was formerly the Chairman of the Board for King Hussein Business Park; the largest Real Estate project in the Middle of the Capital Amman and Jordan's future smart city, the Chairman of the Board and Chief Executive Officer for King Abdullah II Design and Development Bureau (KADDB), Vice Chairman of the Board and General Manager for The National Resources Investment & Development Corporation (Mawared), Vice Chairman for Abdali Investment and Development company, Chairman of the Board for Abdali Boulevard company, Vice Chairman of the Board and General Commissioner for the Development and the Investment Projects Funds of the Jordan Armed Forces (DIP), Vice Chairman of the Board for Military Credit Fund, Chairman for King Abdullah II Special Operations Training Center (KASOTC), and Deputy General Manager for Lafarge Jordan Cement, and part-time lecturer in the Faculty of Engineering at the German-Jordanian University.
- With over 25 years of operational experience in the management of small, medium, large and mega business operations, Dr. Moayad has been a Chairman and Board Member in over 50 local and international professional business association and companies including Global Investment companies in the fields of heavy industries, real estate development, hospitality, education, banking, agriculture and trading. He has previous professional experiences in both public and private sectors organizations covering a diverse array of fields from general managements, business development, business process re-engineering to engineering research with special emphasis on board of directors' charters, governance and committees.
- Dr. Moayad received his PHD in Industrial Engineering from Loughborough University in 2000 and obtained his graduate and undergraduate studies with First Honors in Civil Engineering and Industrial Engineering from the University of Jordan.
- Dr. Moayad had been awarded the British Chevening Scholarship by the Foreign and Commonwealth Office, and has been selected by the Eisenhower Exchange Fellowship Inc for the year 2005 to represent Jordan, Dr. Samman was also elected in 2017 as the President for the Jordan Wrestling Federation.
- Dr. Moayad has been recently appointed as senior examiner for the King Abdullah Award for Government Performance and Transparency/ Distinguished Secretary General/General Manager Award.



Nationality: Pakistani

Date of Birth

27/5/1967

H.E. Mr. Nadeem Rizvi

Chief Operating Officer

Work Experience:

- Mr. Nadeem was CEO of CEGCO, then appointed Chief Operating Officer of CEGCO
- Nadeem Rizvi has been appointed Chief Operating Officer of CEGCO, Jordan as of 19 October 2014.
- Nadeem, a finance professional from Pakistan, has over 24 years of experience in leading and building businesses.
- Prior to joining CEGCO, Nadeem was COO at Hajr Electricity Production Company, Saudi Arabia since 2013 and CEO at ACWA Power Barka, Oman from 2007 to 2012. He has been instrumental in winning many accolades for Barka power and desalination plant including the expansion of Barka's existing water facility. Under his leadership, the Barka business achieved a landmark safety record of 10 years without a LTA. Nadeem has been a key contributor in setting up three power and water related businesses – ACWA Power Barka, AES Lalpir and AES PakGen. His core expertise is in financing, construction and operations.



Nationality : Jordanian

Assignment Date: 23/8/1992

Date of Birth: 12/12/1967

Qualifications:

- B.sc. Mechanical Engineering specialty in Thermal Power And Machines Jordan University of Science & Technology – Irbid

Eng. Maher Moh'd Ateyah Tubaishat

Work Experience:

- 27/1/2012 - 30/9/2019 Executive Manager Asset management then appointed Acting CEO of ACWA Power Renewable.
- 1/12/2010 - 26/1/2012:Executive Manager /Operation & Maintenance
- Jun 2009- 30/11/2010 :Executive Manager /Asset management Division/ CEGCO
- May 2007-May 2009:Business Development Manager CEGCO
- May 2005-May 2007:Head of Mechanical Engineering Department CEGCO
- Oct 2003-Apr. 2005:Deputy project Manager /CEGCO
- Jun 2002-Sep. 2003:Design Reviewer and major suppliers Qualification Audit / Rehab Combined Cycle Project /CEGCO
- May 2001-May 2002:Project Engineer & Chief Mechanical Engineer ATPS Boilers Gas Conversion Project / CEGCO
- Jan 2001-Apr. 2001:Mechanical Engineer Rehab GTG No.13 extension Project /CEGCO
- 1995 - 1999:Different Posts at NEPCO
- 1992 - 1995:Jordan Electricity Authority (JEA)
- 1991-1992:Mechanical Engineer/ Petrol Engines Supervision / Jordan Armed Forces



Nationality
Jordanian

Assignment Date : 1983

Date of Birth 7/11/1962

Qualifications:

- Bachelor's Degree in Accounting & Economics, Jordan University, 1983.

Mrs.Zakieh Abed Al Ghani Suliman Jardaneh

Current Position: CFO

Work Experience:

- 7/11/2018 Chief Financial Officer.
- 2014 - 6/11/2018 Financial Controller.
- 2007-2014 : Executive Manager/Finance, CEGCO
- 1999- 2006 : Finance Manager, CEGCO
- 1997-1998 : Section Head /Systems Development, NEPCO.
- 1983-1996 : Accountant, Jordan Electricity Authority



Nationality: Jordanian

Assignment Date : 4/2/1996

Date of Birth 18/2/1971

Qualifications:

- Bachelor Degree/ Mechanical Engineering

Eng. Ali Hussein Ibrahim AL-Rawashdeh

Work Experience:

- 27/1/2012- 31/3/2019 Executive Manager Operation & Maintenance.
- 20/8/2009 - 26/1/2012 : Executive Manager/ Engineering Services
- 2/9/2008-19/8/2009 : Director of the Mechanical Engineering Dept. Development & Projects Division
- 31/5/2006-1/9/2008: Mechanical Engineering Section Head / Development & Projects Division
- 20/8/2002-30/5/2006 : Senior Engineer /Mechanical Engineering Dept./ Projects Division
- 1/1/2000-19/8/2002 : Maintenance – Mechanical Engineer/ ATPS
- 4/2/1996-1/1/2000 : Supervisor Engineer/ ATPS project phase 2
- 2/5/1995-3/2/1996 : Maintenance Engineer /the Arab Company for Paper Industries
- 1/3/1994-30/4/1995 : Sales Engineer/ Jarash Electro Chemical Coating Co.



Nationality :Jordanian

Assignment Date : 4/5/1997

Date of Birth :14/ 5/ 1971

Qualifications:

- Bachelor of Electrical Engineering, University of Science and Technology

Eng. Mowaffaq Mahmoud Ali Al-Alawneh:

Current Position: Operation & Maintenance Executive Manager

Work Experience:

- 7/4/2019 Operation & Maintenance Executive Manager
- 7/2016 - 7/4/2019 Engineering services and contracts Senior Manager
- 1 / 2011- 7/2016 ATPS Plant Manager
- 4/2010 - 1/2011 Maintenance Manager / Aqaba Water Company
- 11 / 2008-4 / 2010 Technical support Manager / Aqaba Water Company
- 1 / 2005- 11/2008 Instrumentation and Control section head / Aqaba Thermal Power Station
- 1 / 2002-1 / 2005 PLC and SCADA engineer / Kingdom of Saudi Arabia
- 5/1997 - 1/2002 Instrumentation and Control Engineer / Aqaba Thermal Power Station

Mr.Ahmad Mohammad Abed Al-Rahman Alozi

Current Position: Human Resources Executive Manager

Work Experience:

- Executive Manager/Human Resources from 1/8/2019 till now .
- Supply chain Executive Manger till 1/8/2019 .
- Mr. Lozi start working with Jordan Electricity Authority, and participated in restructuring and privatized of the electricity sector by transferring JEA as government corporate to be privatization entity, which took place in 1997 under the name of NEPCO, then in 1999 distributed NEPCO to three companies one of them is CEGCO, where we are today,
- Also Mr. Lozi led, participated and handled implementation of HR development projects in 2007, 2009 & 2012, bringing together the multi-functional skills of salary market survey, employees satisfaction survey, job descriptions, workload analysis, organization structures, change management, introduce the concept of HR.etc. in addition successfully manpower downsizing projects in 2010, 2016 & 2017 which lead to more efficiency, effectively and healthy company.
- Meanwhile Mr. Lozi led, and participated in building and maintaining a healthy industrial relation with production parties, shareholder, employees and their representatives, and the negotiations with employees representatives to solve any labor dispute and minimize the impact on the business.
- Areas of specialization:
 - HR
 - Supply chain
 - Industrial relationship

Nationality : Jordanian

Assignment Date : 13/7/1987

Date of Birth : 23/3/1965

Qualifications:

BA / Jordan university.

Master degree/ business administration.

Professional diploma in HR.



Mrs. Alia Radwan Abdullah Hiassat

Current Position: BoD Secretary

Work Experience:

- 5/10/2016 : BoD Secretary till now .
- 22/9/2011: Secretary of the Audit Committee .
- 1/6/2012– 4/10/2016 : Tendering Department Manager .
- 9/12/2009 -31/5/2012 : Tendering Committees Secretary .
- 10/4/2007 - 8/12/2009 : Administrative in Tendering Department.
- 1/6/2000 – 9/4/2007 : Administrative in Administration & Personnel Department .
- 1/2/2000 – 31/5/2000 : Trainee in Administration & Personnel Department.

Nationality : Jordanian

Assignment Date : 1/2/2000

Date of Birth : 12/ 3/ 1977

Qualifications:

- B.Sc. in English Literature from University of Jordan /1999



Nationality Jordanian

Assignment Date : 20/11/2006

Date of Birth: 1/12/1984

Qualifications:

- MBA, Yarmouk University, Jordan 2010
- BA, Marketing Management, Yarmouk University, Jordan, 2006.

Mr. Omar Ahmad Ibrahim Al Shammari

Current Position: Executive Manager Supply Chain Management

Work Experience:

- 01/08/2019 – till now: Executive Manager Supply Chain Management.
- 01/10/2017 – 31/07/2019: Procurement Department Manager .
- 01/12/2016 – 01/07/2019: Secretary of Tender Panels .
- 01/01/2016 – 30/09/2017: Planning and Contracts Department Manager .
- 09/07/2012 – 31/12/2015: Planning and Contracts Section Head .
- 09/07/2011 – 08/07/2012: Foreign Purchasing and Clearance Acting Section Head .
- 01/07/2007 – 08/07/2011: Tendering and Procurement Administrator .
- 20/11/2006 – 30/06/2007: Trainee – Procurement Department .



Nationality Jordanian

Assignment Date : 1/11/2005

Date of Birth: 6/5/1983

Qualifications:

- Bachelor Degree/ Mechanical Engineering 2005
- Master in Industrial Engineering 2009
University of Jordan

Eng. Osama AlDaja'a

Current Position: Executive Manager Asset management

Work Experience:

- 30/9/2019 -till now : Executive Manager Asset management
- 2010 - 2019: Manger of Technical and Commercial Planning Department
- 2008 - 2010: Head of the Commercial Department
- 2007 - 2008: Planning Engineer / Technical Planning Department
- 2005 - 2007: Engineer operating the Hussein Thermal Station



Nationality : Jordanian

Assignment Date : 10-7-1999

Date of Birth: 20-12-1973

Qualifications:

Bachelor of Accounting 1995.

Mrs. Samira Samir Zarafili

Current Position: Internal Audit Manager

Work Experience:

- 1-4-2019 - till now Internal Audit Manager
- 1-2-2018 - 31-3-2019 Acting –Internal Audit Manager
- 1-1-2016 - 31-1-2018 Reports Management Section Head
- 1-1-2013 - 31-12-2015 Acting-Reports Management Section Head
- 10-7-1999 - 31-12-2012 Accountant -CEGCO
- 14-1-1995 - 8-7-1999 Accountant -Private Sector



Nationality Jordanian

Assignment Date : 27/7/1999

Date of Birth: 3/1/1970

Qualifications:

- 1992 The University of Jordan, Amman/
Jordan Accounting Bachelor
- 1997 The University of Jordan, Amman/
Jordan High Diploma in Business
Administration

Mr. Ali (Mohammad Zuhair) Ali Abdullah

Current Position: Financial Manager

Work Experience:

- 1/10/2017 -till now Financial Manager
- Jan. 2016 – 30/9/2017 Acting Financial Manager .
- 4/ 2004 – 30/9/2017 Budget Control Section Head .
- 7/ 1999 – 4/ 2004 Accountant – Budget Control Section .
- 10/ 1996 – 7/1999 Estimator - Income Tax Department .
- 12/ 1994 – 9/ 1996 Accountant – Jordan Electrical industries Investment Co. Ltd .



Nationality :Jordanian

Assignment Date : 1/9/2001

Date of Birth: 31/5/1977

Qualifications:

- 1995 – 1999 BSc in Accounting
- 2001 ACPA (Arab certified public accountants)
Arab Society of certified accountants
- 2009 JCPA (Jordan certified public accountants)

Mr. Ghaith .T.Q. Obeidat

Current Position: Accounting Department Manager

Work Experience:

- 1/10/2017 till now - Accounting department manager
- 10/2016 - 30/9/2017: Acting accounting department manager .
- 2011 – 30/9/2017: Accounts payable Section Head
- 2008 – 2011: Cash Control Section Head - Central Electricity Generating Co.
- 2001 – 2008: Accountant – Accounting & finance Department – Central Electricity Generating Co

4 Table of Shareholders whom Shares Exceed 5 %

2019 Shareholders Whom Shares Exceeds 5%

Name of share holder	Shares	%	Nationality
Enara Energy Investment Co.	15,250,000	50.83%	Jordanian
Government Investment management Co. LLC	12,000,000	40.00%	Jordanian
Social Security Corporation	2,700,000	9.00%	Jordanian

2018 Shareholders Whom Shares Exceeds 5%

Name of share holder	Shares	%	Nationality
Enara Energy Investment Co.	15,250,000	50.83%	Jordanian
Government Investment management Co. LLC	12,000,000	40.00%	Jordanian
Social Security Corporation	2,700,000	9.00%	Jordanian

5 The Competitive Position for the Company within the Electricity Sector

The total maximum load of the interconnected electrical system has reached (3380) MW for year 2019, compared to (3205) MW for year 2018, the company has contributed through its capacity of (1044) MW which represents (18%) of the total electrical system capacity with a production of (502.3) GWh .

The company sale of electric power has reached (485.9) GWh in year 2019, compared to (1749.3) GWh in year 2018.

6 The Competitive Position for the Company within the Electricity Sector

Major suppliers	Dealing Ratio from Total Pro-curements	Major suppliers	Dealing Ratio from Total Pro-curements
Jordan Petroleum Refinery (JPRC)	95%	National Electric Power CO.	100%
National Petroleum Company	5%		

Governmental Protection & Privileges Possessed by the Company By Virtue of the Laws and Regulations

The company and its products don't possess any governmental protection or privileges by virtue of the laws and regulations in force, and the company did not get any patents or concession rights however, we would like to point out that the government of the Hashemite Kingdom of Jordan has guaranteed the National Electric Power Co. in all the energy purchase agreements which were concluded between CEGCO and the National Electric Power Co. dated 20-9-2007. Moreover, the Jordanian Government by virtue of the executive agreement concluded on 20-9-2007 had guaranteed to the company some issues inclusive maintaining stability in taxes and legislations and not dealing differentially between companies, and permitting foreign exchange and transfer outside Jordan.

8.A

There are no Decisions Issued by the Government or International Organizations that have an impact on the work of the company or its competitive edge

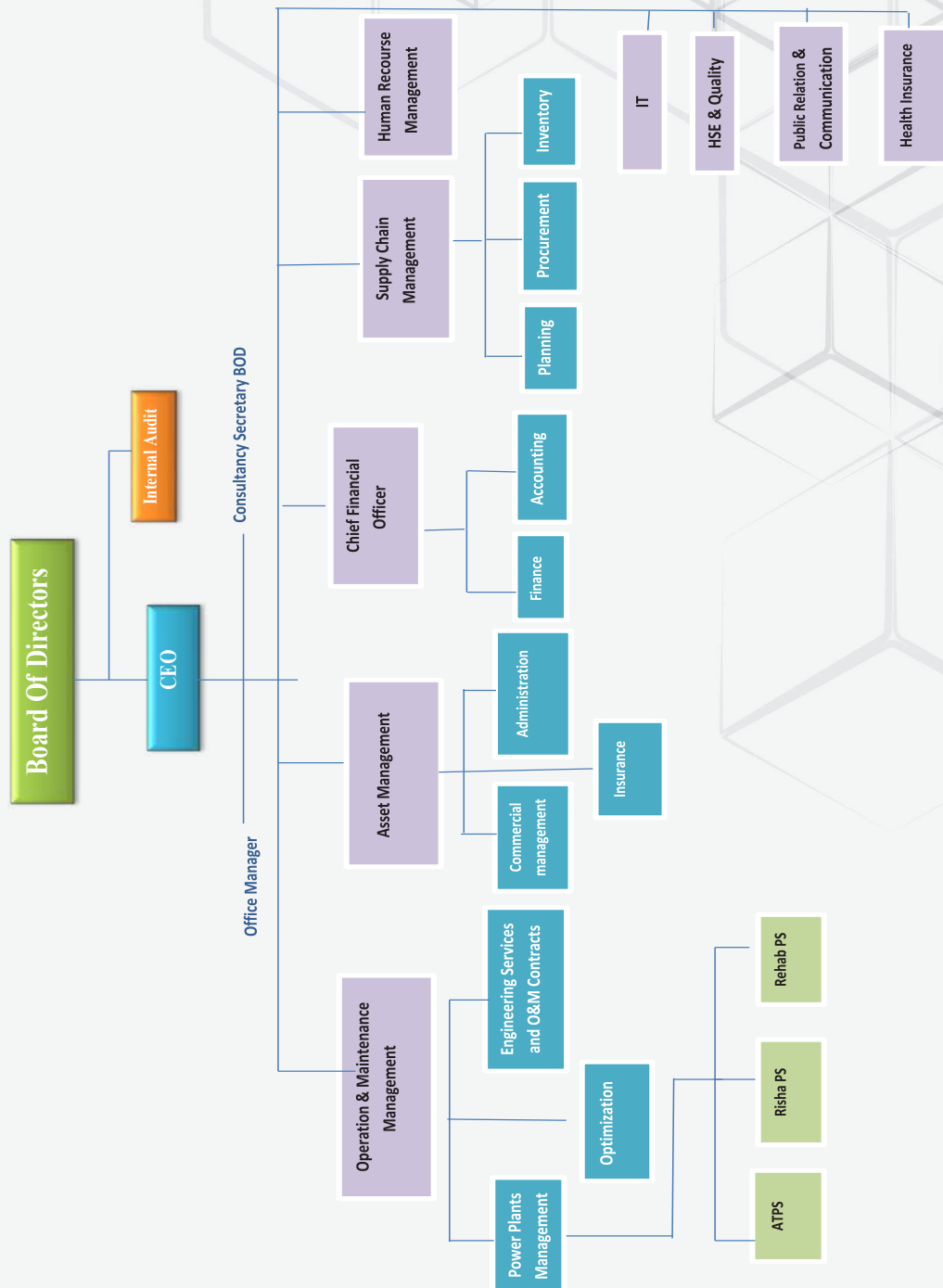
8.B

Quality and Technical Audit

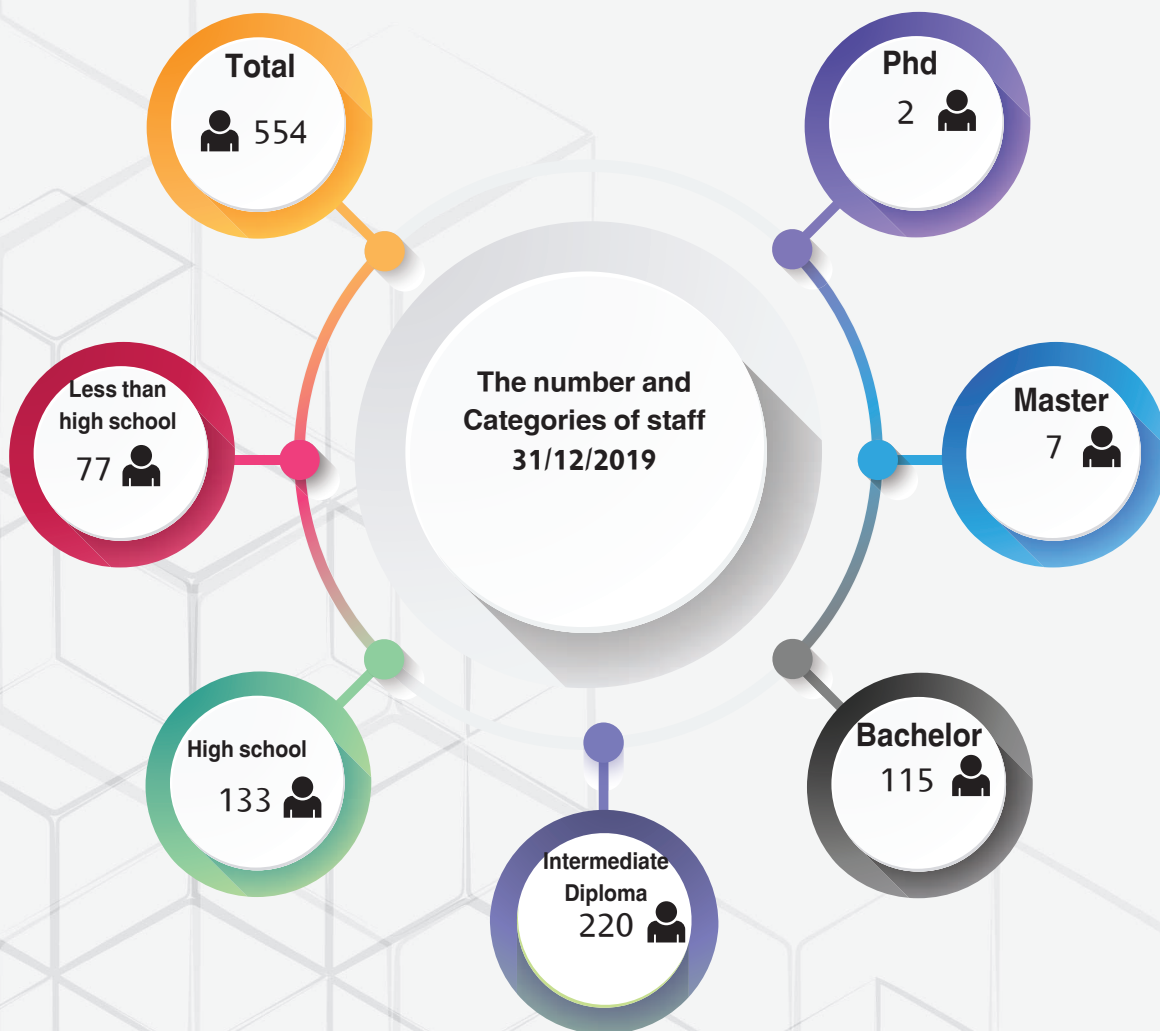
CEGCO is dedicated to the continual improvement of its integrated quality management systems and to sustaining its certifications granted by TUV Jordan by reviewing, implementing, assessing and enhancing the latest quality systems on a regular basis.

- CEGCO maintained its integrated management certificates - in accordance with the requirements of the newest ISO 9001:2015 Quality Management Systems, ISO 14001:2015 Environmental Management Systems and OHSAS 18001:2007 Occupational Health and Safety Management System.
- The implementation of the new integrated quality management systems was monitored, whereas the effectiveness area of measures and controls was assessed via internal and external audits every six months. Corrective actions were followed to close all comments issued by internal and external audit.
- Annual review and evaluation of the internal and external risks affecting the company were carried out, whereas preventive and corrective actions were enforced to eliminate or mitigate the risk's impact. Then, the company strategy was reviewed in an effective and sustainable manner that guarantees the requirements of the integrated quality management system are fulfilled - ultimately reflecting positively on the continual development and improvement process.
- Procedures, instructions and forms of the new ISO 9001:2015 system requirements have been established and implemented at the ACWA Power Zarqa Station (APZ). A gap analysis, as well as preliminary and final internal audits were conducted and the external auditor TUV Jordan evaluated the readiness to obtain the ISO 9001:2015 certification.
- Following preliminary and final audits by TUV Jordan - the company that grants the certifications - ACWA Power was nominated to receive the ISO 9001:2015 certification.
- Internal and external ISO 9001-2015 training courses were also held.

9.A Organization Structure



9.B Number of employees of the company and categories of qualifications until 31/12/2019:



9.C Learning & Development Activities during 2019

• Courses

Believing in the importance of the learning and development process in enhancing the capabilities and skills of the staff and keeping abreast of the latest developments in all technical and administrative fields, the Learning and Development Department was keen to implement many training programs during the year 2019 in the technical, financial and administrative fields to contribute to increasing the efficiency of employees and improving performance to serve the interest of the work.

To see the latest developments in the field of modern technologies and systems in developing work, sharing knowledge and exchanging experiences, and with the aim of representing the company in international and regional conferences, a number of the company's employees participated in many conferences, workshops and forums in the technical, engineering, energy, information technology and financial and administrative fields .

• Training per location

Location	Trainees	Training hours
Risha	8	288.5
Zarqa - workshops	15	437
Aqaba	53	1879
Maffraq	2	53
Head offices	32	1407.5
Zarqa power plant	41	1905
Rehab	35	1428
Total	186	7398

• Training hours per divisions & departments

Division/Dept.	Number of Trainee	Number of Training Hours	Average Training Hours
Operating and Maintenance	150	5849	13
Asset management	6	80	5
HR	1	6	1
Finance	7	560	40
Health Insurance	2	12	2
Occupational health and safety, environment and quality	5	565	113
Audit	2	20	5
Information Technology	7	241	20
Supply chain	6	64	4
Total	186	7,398	14

• Social Community Service:

The company contributes to the service of the local community by improving the efficiency and knowledge of the graduates of the Jordanian universities and institutes, through practical training programs at the various sites and stations of the company. The company also facilitates visits and scientific trips of university students to learn about the systems and techniques used in generating electricity, during the year 2019,(55) students were trained in the company as follows:

Location	Number of students
Head quarter	3
ACWA Power Zarqa (APZ)	3
Aqaba Thermal Power Station	3
Rehab Power station	46
Total	55

University	Trainees
Balqa Applied University	11
The Hashemite University	4
Al-Hussein Bin Talal University	2
German Jordanian University	2
Tafila Technical University	1
University of Science and Technology	15
Yarmouk University	3
Zarqa Private University	5
University of Jordan	2
Queen Noor College	2
Al Al-Bayt University	1
University of Malaysia	1
Capital High School	2
Total	55



10 Risks Faced by the Company

There are no risks that the company was exposed to or it is possible that the company will be exposed to, during the following year and it has a material impact on it

11 Achievements of the Company in 2019

11.1 Use of Available Sources of Energy to Generate Electricity

In 2019, the company continued using the local sources of energy available in the kingdom to generate the eclectic energy.

Natural Gas in Risha Field

The company continued to use the natural gas available in the Risha field of the National Petroleum Company to produce electricity from gas turbines operating at a capacity of (60) MW, as it produced this year using natural gas (249.8) GWh , and the contribution rate of the Risha power plant to the total production has reached The company's stations in 2019 (49.7%) compared to (13.5%) in 2018.

Wind Energy

The company continued to benefit from wind energy in the production of electrical energy from the Ibrahimia power plant, as the amount of electrical energy sold reached (0.40) GWh, which contributed to reducing the cost of producing electrical energy in the company's stations by a value of (23,841) JD.

The Jordanian Biogas Company (jointly owned by the Central Electricity Generating Company and the Greater Amman Municipality) continued to implementing its plans and programs for the year 2019 aimed at continuing the production of electrical energy from the gas resulting from the treatment of organic waste in the Russeifa landfill, thereby limiting the emission of biogas in the surrounding area and was able to extract (2,853,337) m³ of biogas, thus producing a total of 2905 MWh.



11.2 Occupational Health and Safety:

CEGCO continued to take steady steps towards achieving its vision and mission of ensuring the ongoing development and enhancement of work systems and implementation of action plans, whilst placing a special focus on employee health and safety and protecting surrounding environments and properties. In this regard:

- CEGCO reviewed and enhanced its existing procedure instructions and forms to maintain the international standards of the OHSAS 18001:2007 Occupational Health and Safety Management System, ISO 9001:2015 Quality Management Systems and ISO 14001:2015 Environmental Management Systems certifications granted by TUV Jordan.
- Internal and external health, safety and environment (HSE) audits were conducted twice a year at different company sites to guarantee that HSE procedures are implemented effectively in accordance with the OHSAS 18001:2007 international standard. CEGCO engineers carried out the internal audit under the management of the Department of Quality, Environment and Safety during April and October, whereas the external audit was carried out by TUV Jordan during June and December. The audit results reaffirmed CEGCO's commitment and compliance with international standard OHSAS 18001:2007 requirements and procedures of occupational HSE.
- ACWA Power conducted a safety audit across company sites, based on the output of CEGCO audit and taking the required corrective actions.
- Lifting equipment were inspected and revalidation certificates were issued by an accredited third party to confirm their safety and compliance with set requirements during use for different CEGCO activities.
- CEGCO performed yearly lung and ear medical testing for all employees across all sites to confirm their occupational health at work areas involving noise and emission gases.
- CEGCO established and implemented new occupational health and safety procedures, instructions and forms for the ACWA Power Zarqa Station (APZ). Additionally, the company devised an action plan for obtaining the



new international standard ISO 45001:2018 for occupational health and safety management systems, whilst ensuring adherence with the requirements of the owner and with the criteria of the integrated management system (IMS) certificates; ISO 9001:2015, ISO 14001:2015 Environmental Management Systems and ISO 45001:2018 Occupational Health and Safety Systems. CEGCO was nominated to obtain the international certificates following an external audit conducted by TUV.

- CEGCO continued to implement a non-smoking policy at various company facilities, underscoring efforts to provide and advocate the right of everyone for a clean and healthy environment.
- CEGCO celebrated World Day for Safety and Health at Work by organizing an event at its sites. The event, which featured activities and sessions that reinforced the culture of occupational health and safety, drew the participation of official entities, surrounding companies, local community representatives and employee families.
- CEGCO and ACWA Power held an annual workshop titled 'Occupational Health, Safety and Environment' - in line with the company's firm commitment to and longstanding interest in this regard.
- Aqaba Thermal Power Station received an Excellence Award for Occupational Safety and Health granted by the Social Security Corporation.
- Rehab Gas Turbine Power Station received an Excellence Award for Occupational Safety and Health granted by the Social Security Corporation.
- In collaboration with the Department of Education and Development, CEGCO trained its qualified employees at company sites in specialized courses relating to occupational health, safety and environment. The courses covered handling and storing chemicals; operating and inspecting lifting equipment; driving forklifts; and installing and inspecting scaffoldings.
- Lectures, training and awareness sessions were conducted for employees at different CEGCO sites on policies, procedures and requirements pertaining to occupational health, safety and environment.
- Specialized safety training courses, including the ISO 45001:2018 Lead Auditor, were conducted by SGS for a group of CEGCO employees.



11.3 Consultations, Agreements, and External Services

In 2019 , there were no agreements with external parties

11.4 Significant Statistics

Item	2018	2019	Growth rate(%)
Available capacity (MW)	1044	1044	0.00
Generated energy (GWh)	1833.6	502.3	-72.6
Steam units	811	159	-80.4
Combined cycle	741	91	-87.7
Gas turbines	271.2	251.0	-7.45
Hydro	8.6	0.8	-90.7
Wind	1.58	0.40	-74.8
Diesel engines	0.00	0.00	0.00
Internal consumed energy (GWh)	112.7	41.0	-63.6
Internal consumed energy (%)	6.15	8.17	32.8
Sold energy to NEPCO (GWh)	1749	486	-72.2
Heavy fuel oil consumption (1000 ton)	123	8	-93.3
Diesel oil consumption (1000 cubic meter)	0	0	-64.0
Natural gas consumption / Risha gas (million cubic meter)	94	96	1.8
Natural gas consumption / Egypt gas (Billion BTU)	9585	2142	-77.7
Overall efficiency (generated) (%)	35.41	30.47	-13.9
Overall efficiency (exported) (%)	33.23	27.98	-15.8
Availability Factor (%)	95.84	97.05	1.26
Forced outage Factor (%)	0.39	0.24	-36.5
Planned outage Factor (%)	3.77	2.71	-28.2
Employees	677	554	-18.2

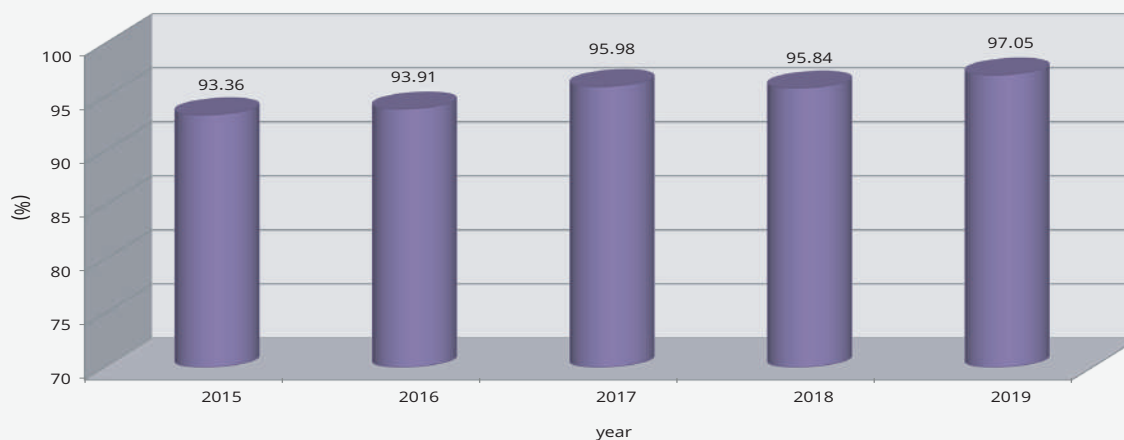
Performance Indicators

Table (1)

Technical Indicators	2015	2016	2017	2018	2019	Growth rate(%)
A. Performance Indicators						
Overall efficiency (generated) (%)	35.97	36.11	36.82	35.41	30.47	-13.9
Overall efficiency (exported) (%)	33.92	34.08	34.86	33.23	27.98	-15.8
Availability of generating units (%)	93.36	93.91	95.98	95.84	97.05	1.26
Percentage of internal consumed energy (%)	5.69	5.61	5.33	6.15	8.17	32.8
B. Financial Indicators						
Average heavy fuel oil price (JD/ton)	292.7	187.7	219.1	277.3	365.2	31.7
Average diesel oil price (JD/cubic meter)	435.7	378.8	467.8	556.6	584.2	4.97
Average natural gas price / Risha (fils/cubic meter)	50	50	84	130	115	-11.1
C. Manpower Indicators						
Annual productivity (GWh/employee)	7.90	6.46	5.45	6.34	0.91	-85.7
Installed capacity (MW/employee)	1.38	1.41	1.49	1.57	1.89	19.8

Fig (1)

Availability Factor (%)



CEGCO's Power Stations Performance Indicators

Table (2)
Availability Factor (%)

Power Station	2015	2016	2017	2018	2018
Aqaba Thermal	92.57	93.68	95.02	96.69	95.63
Hussein Thermal	95.53	0.00	0.00	0.00	0.00
Rehab	91.16	93.34	97.73	94.69	99.91
Risha	97.95	95.34	96.28	92.76	97.37
Amman South	99.88	100.00	0.00	0.00	0.00
Total	93.36	93.91	95.98	95.84	97.05

Fig (2)

Availability of CEGCO's Power Stations in 2019

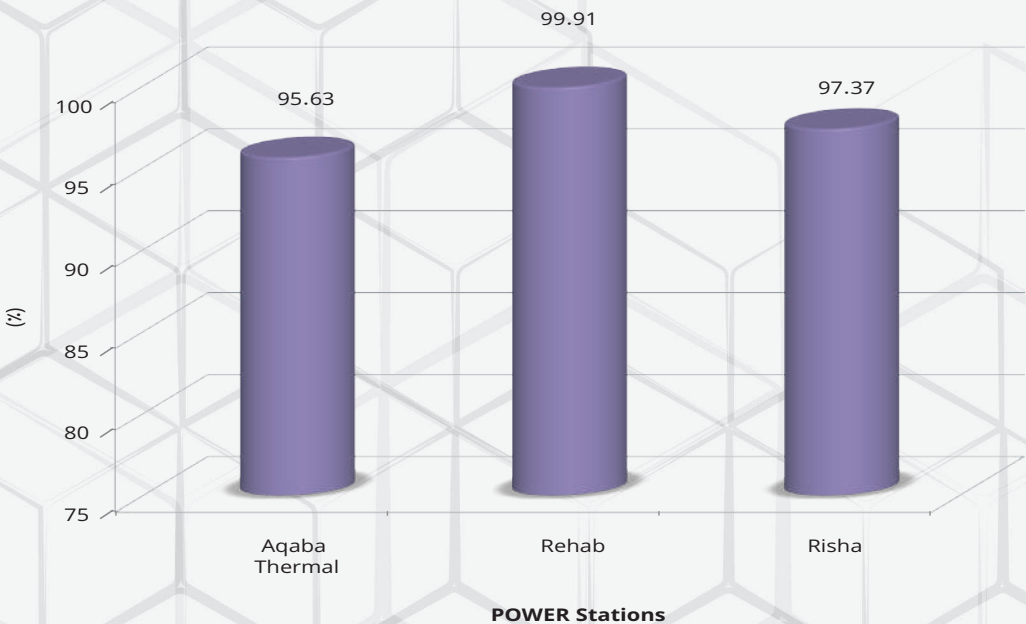


Table (3)
Forced Outage Factor (%)

Power Station	2015	2016	2017	2018	2019
Aqaba Thermal	4.53	2.19	1.95	0.23	0.16
Hussein Thermal	1.45	0.00	0.00	0.00	0.00
Rehab	1.25	1.46	0.16	0.69	0.09
Risha	0.40	4.28	0.71	0.47	1.92
Amman South	0.12	0.00	0.00	0.00	0.00
Total	2.73	2.13	1.29	0.39	0.24

Table (4)
Planned Outage Factor (%)

Power Station	2015	2016	2017	2018	2019
Aqaba Thermal	2.90	4.14	3.03	3.08	4.21
Hussein Thermal	3.03	0.00	0.00	0.00	0.00
Rehab	7.59	5.20	2.11	4.62	0.00
Risha	1.64	0.38	3.01	6.77	0.71
Amman South	0.00	0.00	0.00	0.00	0.00
Total	3.91	3.96	2.73	3.77	2.71

Power Station Efficiency

Table (5)

Efficiency (Generated) for Power Plants (%)

Power Station	2015	2016	2017	2018	2019
Aqaba Thermal	37.09	35.67	35.68	35.21	33.18
Hussein Thermal	27.44	0.00	0.00	0.00	0.00
Rehab	39.62	39.89	40.17	39.29	37.46
Risha	22.83	21.33	25.04	27.39	27.08
Amman South	24.39	28.86	0.00	0.00	0.00
Remote Villages	18.02	0.00	0.00	0.00	0.00
Total	35.97	36.11	36.82	35.41	30.47

Table (6)

Efficiency (Sent Out) for Power Plants (%)

Power Station	2015	2016	2017	2018	2019
Aqaba Thermal	34.12	32.19	32.22	31.11	25.47
Hussein Thermal	25.18	0.00	0.00	0.00	0.00
Rehab	38.96	39.16	39.45	38.46	35.87
Risha	22.61	21.17	24.91	27.26	26.96
Amman South	20.83	19.14	0.00	0.00	0.00
Remote Villages	16.84	0.00	0.00	0.00	0.00
Total	33.92	34.08	34.86	33.23	27.98

Power Station Heat Rate

Table (7)

Heat Rate (Generated) for Power Plants (kJ/kWh)

Power Station	2015	2016	2017	2018	2019
Aqaba Thermal	9706	10091	10091	10224	10849
Hussein Thermal	13121	0.00	0.00	0.00	0.00
Rehab	9086	9025	8961	9162	9610
Risha	15769	16874	14378	13146	13294
Amman South	14760	12476	0.00	0.00	0.00
Remote Villages	19974	0.00	0.00	0.00	0.00
Total	10010	9971	9776	10168	11814

Table (8)

Heat Rate (Sent Out) for Power Plants (kJ/kWh)

Power Station	2015	2016	2017	2018	2019
Aqaba Thermal	10550	11185	11172	11571	14133
Hussein Thermal	14296	0.00	0.00	0.00	0.00
Rehab	9240	9193	9125	9360	10037
Risha	15922	17003	14452	13204	13352
Amman South	17282	18808	0.00	0.00	0.00
Remote Villages	21374	0.00	0.00	0.00	0.00
Total	10614	10563	10327	10834	12864

Generated Electrical Energy

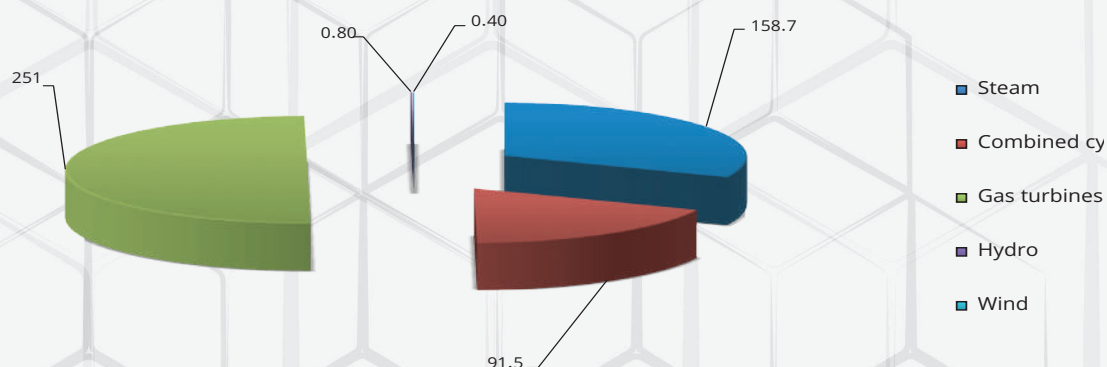
Table (9)

Generated Electrical Energy in CEGCO's Power Stations (GWh)

Power Station	2015	2016	2017	2018	2018	Growth rate (%)
Aqaba Thermal	3605.0	2056.4	1984.4	819.7	153.8	-81.2
Hussein Thermal	461.5	0.0	0.0	0.0	0.0	0.0
Rehab	2041.9	1963.1	2105.8	764.1	98.3	-87.1
Risha	270.7	237.6	240.55	248.11	249.81	0.68
Amman South	1.5	0.03	0.03	0.03	0.03	0.00
Ibrahimiya	0.30	0.52	0.22	0.44	0.40	-9.21
Hofa	1.76	2.74	1.33	1.14	0.00	0.00
Remote Villages	0.01	0.00	0.00	0.00	0.00	0.00
Total	6382.6	4260.4	4332.4	1833.6	502.3	0.0
Growth Rate (%)	-19.9	-33.2	1.69	-57.7	-72.6	

Fig (3)

Generated Electrical Energy in CEGCO's Power Stations by Type of Generation in 2019 (GWh)



Sold Electrical Energy

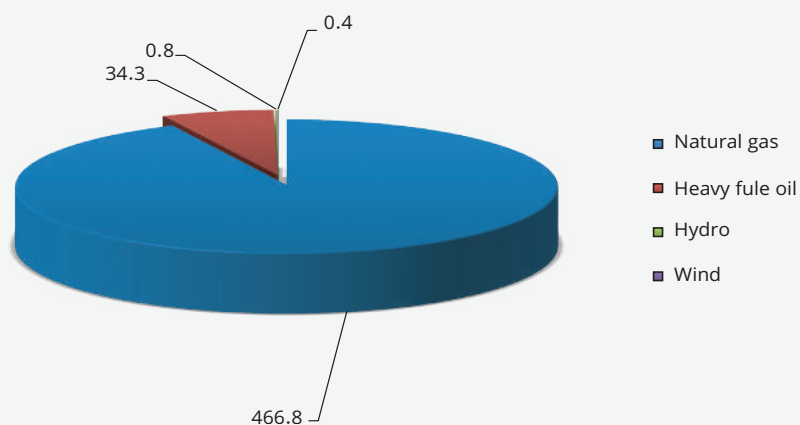
Table (10)

Sold Electrical Energy from CEGCO's Power Stations (GWh)

Power Station	2015	2016	2017	2018	2019	Growth rate (%)
Aqaba Thermal	3325.8	1872.9	1818.6	752.2	141.0	-81.3
Hussein Thermal	439.3	0.00	0.00	0.00	0.00	0.00
Rehab	2008.0	1926.9	2067.9	749.2	96.1	-87.2
Risha	267.0	231.3	238.3	246.2	248.5	0.94
Amman South	1.4	0.03	0.00	0.00	0.00	0.00
Ibrahimiya	0.29	0.51	0.28	0.28	0.37	35.9
Hofa	1.75	2.74	1.32	1.32	0.00	0.00
Remote Villages	0.01	0.00	0.00	0.00	0.00	0.00
Total	7526.9	6043.6	4126.4	1749.3	485.9	
Growth Rate (%)	8.38	-19.7	-31.7	-57.6	-72.2	

Fig (4)

Generated Electrical Energy in CEGCO's Power Stations by Type of Fuel and Primary Energy in 2019 (GWh)



Internal Electrical Energy Consumption

Table (11)

CEGCO's Power Stations Internal Consumption (MWh)

Power Station	2015	2016	2017	2018	2019
Aqaba Thermal	288339	201021	191990	95442	35734
Hussein Thermal	37925	0	0	0	0
Rehab	34125	35880	37803	16180	4178
Risha	2596	1804	1235	1098	1099
Amman South	212	138	0	0	0
Ibrahimiah	5.3	7.8	5.1	10.6	12.7
Hofa	10.6	8.7	8.2	7.17	1.14
Remote Villages	1.0	0.0	0.0	0.0	0.0
Total	363214	238859	231041	112737	41025

Table (12)

CEGCO's Power Stations Internal Consumption (%)

Power Station	2015	2016	2017	2018	2019
Aqaba Thermal	8.00	9.78	9.67	11.64	23.23
Hussein Thermal	8.22	0.00	0.00	0.00	0.00
Rehab	1.67	1.83	1.80	2.12	4.25
Risha	0.96	0.76	0.51	0.44	0.44
Amman South	14.59	4.61	0.00	0.00	0.00
Ibrahimiah	1.79	1.49	1.82	2.42	3.18
Hofa	0.60	0.32	0.62	0.63	0.00
Remote Villages	6.55	0.00	0.00	0.00	0.00
Total	5.69	5.61	5.33	6.15	8.17

Fuel Consumption

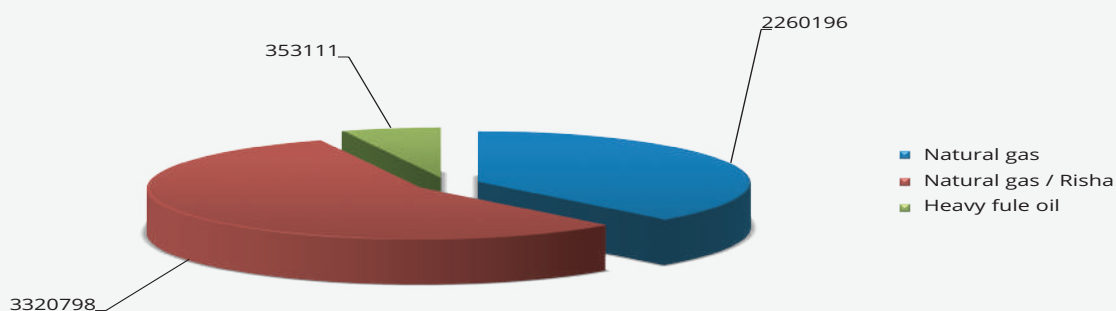
Table (13)

CEGCO's Power Plants Consumption of Fuel

Power Plant	Fuel Type	Unit	2015	2016	2017	2018	2019
ATPS	Natural Gas	Billion BTU	2652	5921	5830	2950	1247
	HFO	Ton	753818	337568	322756	122568	8197
	DO	Cubic meter	506	257	118	57	19
HTPS	HFO	Ton	142085	0	0	0	0
	DO	Cubic meter	87	0	0	0	0
Rehab	Natural Gas	Billion BTU	10419	16793	17885	6635	895
	DO	Cubic meter	195135	5	16	2	1
Risha	Risha Gas	(1000) Cubic meter	122924	116442	100852	94378	96063
	DO	Cubic meter	700	56	10	0	1
Amman South	DO	Cubic meter	556	10	0	0	0
Remot	DO	Cubic meter	4	0	0	0	0
Total	Natural Gas	Billion BTU	13072	22713	23715	9585	2142
	Risha Gas	(1000) Cubic meter	122924	116442	100852	94378	96063
	HFO	Ton	895903	337568	322756	122568	8197
	DO	Cubic meter	196988	328	143	59	21

Fig (5)

CEGCO's Power Stations Fuel Consumption in 2019 (GJ)



Operating Power Stations Capacity in Electrical System

Table (14)

Installed capacity of CEGCO's Power Stations in 2019 (MW)

Power Station	steam	steam Combined cycle	Natural Gas	Diesel Oil	Hydro	Wind	Total
Aqaba	5 x 130				6		656
Rehab / Simple cycle			1 x 30				30
Rehab / Combined cycle		1 x 97	2 x 100				297
Risha			2 x 30				60
Ibrahimiah						4 x 0.08	0.32
Hofa	--	--	--	--	--	5 x 0.225	1.125
Total	650	97	290	0	6	1.4	1044



Table (15)

Installed Capacity of Operating Power Stations in Electrical System (MW)

Source	2015	2016	2017	2018	2019
1. CEGCO	1392	1164	1074	1044	1044
Steam	848	650	650	650	650
Combined cycle	297	297	297	297	297
Gas turbines / Natural gas	210	180	120	90	90
Gas turbines / Diesel oil	30	30	0	0	0
Diesel engines	-	-	-	-	-
Hydro	6	6	6	6	6
Wind	1.4	1.4	1.4	1.4	1.4
2. Other Organizations	3068	3325	3472	4215	4571
ACWA Power Zarqa	-	-	-	485	485
Samra Electrical Power Generting Company	1175	1175	1175	1250	1250
King Talal Dam	6	6	6	6	6
Jordan Biogas Company	3.5	3.5	4	4	4
AES	432	432	370	370	370
Al Qatraneh	420	420	373	373	373
IPP3	573	573	573	573	573
IPP4	241	241	241	241	241
Jordan wind Renewable Co.	117	117	117	117	117
Hussien University Wind	-	80	80	80	80
Al Fujaij	-	-	-	-	82
Al Rajef	-	-	-	-	89.1
Shamsna	-	-	10	10	10
Al Ward Al Joury Co	5	10	10	10	10
Maan Sun	-	52.5	52.5	52.5	52.5
Sun Edison Company	-	20	20	20	20
Zahrat Al Salam	-	10	10	10	10
Mertifier	-	10	10	10	10
Bright power	-	10	10	10	20
Green land	-	10	10	10	10
Ennera/ Maan	-	10	10	10	10
Catalyst	-	21	21	21	21
Jordan Solar one	-	-	20	20	20
Scatec Solar Company	-	10	10	10	10
Distribution companies	-	-	202	235	390
Mafrag Development Projects/ Solar	-	-	-	100	153
Azraq/Safawi	-	-	-	-	59
3. Others	95	93.8	137.6	187.5	95
Total system	4460	4489	4547	5259	5615

Loads of Electrical System

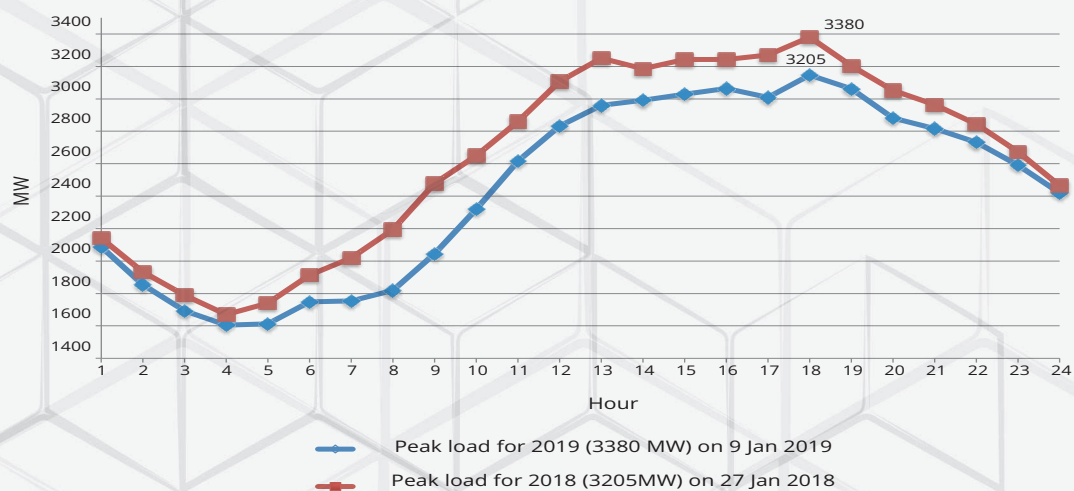
Table (16)

Electrical System Peak Load Development (MW)

Source	2015	2016	2017	2018	2019
Total Electrical System	3300	3250	3320	3205	3380
Load Growth Rate (%)	13.8	-1.52	2.15	-3.46	5.46
CEGCO	743	972	912	810	431
CEGCO share of Loads (%)	-28.8	30.8	27.5	25.3	12.8

Fig (6)

Electrical System Peak Load for Years 2018 & 2019



12 There is no financial impact to the operations of non-recurrent in nature during the financial year and does not fall within the main company's activity

There is no financial impact to the operations of non-recurrent in nature during the financial year and does not fall within the main company's activity

13 Time series of realized profits or losses and dividends and net shareholders equity and the prices of securities for a period of five years

	2019	2018	2017	2016	2015
Profit (loss)- after tax	21,317,749	3,164,614	6,307,401	7,775,002	14,553,741
Dividends	-	7,000,000	7,000,000	15,000,000	17,000,000
Dividends from voluntary reserve	-	8,000,000	8,000,000	15,000,000	13,000,000
Dividends from special reserve	-	-	-	-	-
Share holders equity (net)	70,068,968	48,774,568	60,324,322	69,402,596	91,758,091
Shares issued price /JD *	-	-	-	-	-

* CEGCO registered on Jordan Securities Commission on 26/9/2007.but its stock not listing at Amman Stock Exchange till now.

14 Analysis of the financial status of the company and the results during the financial year

Profitability indicators	2019	2018
Operation profit (loss) ratio (without fuel)	39.24%	34.09%
Net profit (loss) before interest , foreign exchange & tax (without fuel)	45.55%	37.57%
Net profit (loss) before tax (without fuel)	36.13%	25.38%
Net profit (loss) after tax (without fuel)	33.06%	24.20%
Return on assets ratio (without fuel)	9.53%	6.74%

Liquidity Indicators	2019	2018
Current Ratio (time)	0.89	0.72
Liquidity Ratio (time)	0.75	0.58
Work Capital (1000 JD)	(12203)	(40151)
Assets Utility Indicators	2019	2018
Accounts Receivable Turnover (TIME)	0.99	1.84
Number Of Days Of Receivables	368	199
Capital Structure Indicators	2019	2018
Debts / Total Assets Ratio	67.58%	78.97%
Debts / Equity Ratio	208.48%	375.54%

15 Future developments and future plans of the company

The company focuses on providing operation and maintenance services to other companies in the power generation sector, mainly ACWA Power projects in Jordan.

16 The amount of audit fees for the company and its subsidiaries and the amount of any fees for other services received by the auditor and due to him

Auditing Office : Ernst & Young 2019	JD
Auditing charges	25,520
Tax consultations charges	29,000
Total	54,520

17.A The names of members of the Board of Directors and the curriculum vitae for each of them

NAME MEMBER	Position	Nationality	Share No.	Share No.
			2019	2018
Enara Energy Investment		Jordanian	15,250,000	15,250,000
H.E.Eng. Thamer Al Sharhan	Chairman	Saudi	—	—
H.E.Eng. Turki Bin Saeed Alamri	Vice-Chairman	Saudi	—	—
H.E.Dr. Makram Adeeb Khoury	Member	Lebanese	—	—
Enara (2) Energy Investment		Jordanian	50,000	50,000
H.E. Mr. Jasdeep Singh Anand	Member	Indian	—	—
The Government Of Jordan		Jordanian	12,000,000	12,000,000
H.E. Dr. Faysal Al-Hyari	Member	Jordanian	—	—
H.E. Eng. Ziad Jebril	Member	Jordanian	—	—
Social Security Corporation		Jordanian	2,700,000	2,700,000
H.E. Mr. Zaydoun Abo Hassan	Member (till 9/11/2019)	Jordanian	—	—
H.E. Mrs. Ranya Moosa Alaraj, CFA	Member (from 10/11/2019)	Jordanian	—	—

17.B There are no Securities Owned by Senior Executive Management Personnel.

17.C There are no Securities Owned by Relatives of Members of Board of Directors & Senior Executive Management Personnel.

17.D There are no companies controlled by members of the Board of Directors or any of their relatives or the Executive Management or any of their relatives.

18.A Benefits and remuneration received by the Chairman and members of the board of directors

NAME	Position	Transportation	Remuneration	Total
Enara Energy Investment				
* H.E.Mr. Thamer Al Sharhan	Chairman	6,000	5,000	11,000
H.E.Mr.Makram Adeeb khoury	Member	6,000	4,167	10,167
H.E.Mr.John Clark attend the meeting instead of Makram khoury	-		833	833
* H.E.Mr.Turki Bin Saeed Alamri	Vice- Chairman	6,000	3,334	9,334
H.E.Mr.Nadeem Rizvi attend the meeting instead of Turki Alamri	-		833	833
* H.E.Mrs.Yara Anabtawi attend the meeting instead of Turki Alamri	-	-	833	833
Enara (2) Energy Investment				
H.E.Mr.Nadeem Rizvi attend the meeting instead of Kashif Rana	Member (till 19-3-2018)	-	833	833
* H.E.Mr Jasdeep singh Anand	Member (from- 20-3-2018)	6,000	4,167	10,167
The Government Of Jordan				
** H.E. Mr. Faisal Al Hiari	Member	6,000	5,000	11,000
** H.E. Mr. Zaid Jebрил	Member	6,000	5,000	11,000
Social Security Corporation				
**** H.E.Mr. Zaydoun Abu Hassan	Member till 9/11/2019	5,150	5,000	10,150
**** H.E.Mrs. Ranya Moosa Alaraj, CFA	Member from 10/11/2019	850	-	850
Total		42,000	35,000	77,000

- * The total benefits that belong to, H.E.Mr. Thamer Al Sharhan and H.E.Mr. Kashif Rana and H.E.Mr. Turki Bin Saeed Alamri and H.E.Mr. Jasdeep singh Anand transferred to Enara Energy Investment
- ** The remuneration that belong to H.E.Mr. Zaid Jebрил, Mr. Faisal Al Hiari who represent the Government Of Jordan transferred to Ministry of Finance /Government Investment Management Company.
- **** The total benefits that belong to H.E.Eng. Zaydoun Abu Hassan, Mrs. Ranya Moosa Alaraj, CFA transferred to Social Security Corporation-Investment fund of Social Security.

18.B Benefits and remunerations received by the executive management

Name	POSITION	Total Salaries	Remu- nera- tions	Trave- ling	Other Benefits	TOTAL
Dr. Moayad Samman	Chief Executive Officer (from 1/10/2019)	39000	0	1750	0	40,750
Mr. Nadeem Rizvi	Chief Executive Officer (till 30/9/2019) and then appointed as a Chief operating Officer	157450	0	0	0	157,450
Mrs.Zakieh Abed-Elghani Jardaneh	Chief financial Officer	72000	15090	700	0	87,790
Mr. Maher Mohammad Tubaishat	27/1/2012 - 30/9/2019 Executive Manager Assets management then appointed Acting CEO of ACWA Power Renewable.	38483	7700	3500	0	49,683
Mr. Osama Al Da aja	Executive Manager Assets management (30/9/2019 -till now)	23250	5225	750	0	29,225
Mr Ali Hussein Al Rawashdeh	Executive Manager / Operation and Maintenance (till 31/3/2019)	7355	7082	350	0	14,787
Mr. Mwaffaq Alawneh	Executive Manager / Operation and Maintenance (from 7/4/2019)	42455	9405	2000	0	53,860
Mr. Ahmad Mohammad Al Losi	Human Resorces Excutive Manager	42405	10000	500	642	53,547
Mr. Omar Al Shammari	Supply Chain Excutive Manager	24517	4470	0	0	28,987
Mrs. Alia Radwan Hiassat	BOD Secretary	28380	4900	0	0	33,280
Mrs.Samira Zarafly	Enteral Audit Manager	28778	3090	1000	0	32,868
Mr. Ali Mohammad Zuhair	Financial Manager	29273	5570	375	3410	38,628
Mr. Ghaith Obeidat	Accounting Manager	24315	4900	375	0	29,590
Total		557,660	77,432	11,300	4,052	650,445

19 Grants and Donations Paid by the Company in 2019

Item	AMOUNT
	2019
A Free Medical Day - AQABA	5,287
Engineering Diagrams for Sewing Project at Rahma Village - AQABA	460
Cooperatin agreement with Tkiyet Om Ali	9,000
Altrasound device provided to Rehab medical centers	12,290
Public safity Day	500
Maintenance of the Solar Energy Project in the Kings Academy School	840
School Rehabilitations /Boida & Rahma Villages in Rihab & Aqaba	5,380
Solar energy units for Mosques in Ruaished , Rehab , Khalda	10,452
Pickup Car for Rihab multiplicity	19,250
Total	63,459

There are no contracts, projects, or engagements made by the exporting company with the subsidiaries, sister companies, associate companies, Chairman of the Board, board of directors, the president, or any employee in the company or their relatives

21.A Environment Conservation:

- CEGCO continued to build on collaborations with official entities responsible for surrounding environments in order to devise plans and practical solutions and deploy international systems that ensure a safe and suitable environment at company sites. Activities throughout the year comprised the following:
- CEGCO developed a plan for managing the environment of the ACWA Power Zarqa Station (APZ) - in accordance with environmental legislation, as well as owner and loaner requirements, and in line with the company's environmental management system.
- CEGCO established and implemented the procedures, instructions, policies and forms of the ISO 14001:2015 Environmental Management Systems. Gap analysis and preliminary and final audits were conducted under the management of the Department of Quality, Environment and Safety, whereas TUV Jordan conducted the external audit to obtain the new version of the international ISO 14001:2015 Environmental Management Systems certification.
- CEGCO updated its deployed environmental procedures to comply with the new version of the ISO 14001:2015 Environmental Management Systems; a component of the integrated management system that includes quality, safety and environmental management systems. The company effectively followed up on implementation by applying the system's policies and procedures, the most noteworthy of which are:
 - Defining environmental externalities and determining the level of risk arising;
 - Compliance with Jordan's environmental legislations and laws that related to environment and Waste management.
- CEGCO held specialized environment training courses for a number of employees.

21.B Contribution of the company to the local community

Our community

A year-to-year bid to support local communities

The stories of giving, humanitarian and development work in the Central Electricity Generating Company, which stems from its institutional identity and core values, continue to support the local communities to which they belong, and to support the disadvantaged groups within their strategy of social responsibility.

By setting effective action plans and defining a private budget, the company implemented throughout the year a set of various initiatives and activities in different regions around the Kingdom, focusing on the regions where its stations are located, embodying the responsible national sense that it enjoys in serving the local community.

Building a healthy and healthy society

Free medical day in Aqaba

In order to provide medical care and health services to the people of the area near its stations and locations, the company organized a free medical day in both the SOS Children's Village and the "Al-Taghr Association for Handicapped Care" in Aqaba Governorate, which benefited approximately 250 citizens and citizens. The event saw the participation of a cadre of employees and doctors of the company, as well as a number of volunteer doctors from various disciplines, including general medicine, pediatrics, internal medicine, dental and bone, and urinary tract, in addition to laboratory tests, and the necessary medicines were provided for treatment through direct purchase by The company, across a group of companies and drug stores.

Blood donation campaign

The company organized in its headquarters a blood donation campaign for its work team under the supervision of a specialized medical cadre from the National Blood Bank, and with the participation of a cadre from the health insurance department and the public relations and communication department in the company. The donated blood units were registered as a company's balance in the blood bank to be disbursed to employees and their families in an emergency.



New Ultra Sound device for Rehab Health Center in Mafraq Governorate

The company has provided a new Rehab Health Center with a new Ultra Sound to contribute to improving the health services provided by the center, and alleviate the suffering of the disadvantaged patients.

Promote partnership concepts to serve the community and its development

Renewed partnership with Um Ali

The company has renewed the cooperation agreement it brings with Tkiyet Umm Ali to support its programs and provide sustainable food support, in addition to participating in its voluntary programs throughout the year. Pursuant to this agreement, the company has sponsored a group of families benefiting from Um Ali's hospice in the areas where the company's stations operate, by providing monthly food parcels to beneficiary families for a full year, in addition to distributing food parcels in the holy month of Ramadan.

Providing the appropriate learning environment for students

Comprehensive maintenance of government schools in the governorates of Aqaba and Mafraq

The company implemented a comprehensive maintenance campaign for Rahma Secondary School in Aqaba governorate, and included the implementation of paint and sanitary installations, the delivery of water and the provision of water tanks, the repair of internal doors, windows, and classrooms in addition to the curtains of some classrooms.

In the Rehab area of Mafraq Governorate, umbrellas were installed in the Al-Bawaidah Elementary Boys School, through joint cooperation and coordination with the Ministry of Education.

A clean and healthy environment for future generations

Solar systems to produce electric power in three mosques in the Kingdom

The company has implemented solar systems to produce electric power in three mosques in each of the Khalda region in the capital Amman, Ruwashed and the Rehab region in Mafraq Governorate, in cooperation with the Ministry of Endowments, Affairs and Islamic Holy Sites, based on its belief in the importance of keeping pace with global developments and trends towards reliance on sources Clean energy to generate electricity, and adopt environmentally friendly practices.

In addition to all these initiatives, the company provided pickup car for the municipality of Rehab in the Mafraq Governorate to facilitate the installation and maintenance of street lighting lamps in the Rehab area.





Central Electricity Generating Company

Financial Statements

31 December 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Central Electricity Generating Company

Amman - Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Central Electricity Generating Company - Public Shareholding Company ("the Company"), which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Existence of inventory and valuation of spare parts and general materials slow moving items depreciation.

The notes related to inventory has been disclosed in note 9 of these financial statements.

Key audit matter

The net value of the Company's Spare parts and General Materials inventory as at 31 December 2019 was JOD 15,429,436, which represents 7.1% of the Company's total assets. This inventory consists of spare parts and general materials that are located in various warehouses at several locations of the company; The depreciation of spare parts and general materials slow moving and obsolete elements is based on policies and estimates set forth by the management. In 2019, the Company recorded a depreciation expense of JOD 4,050,304 as at 31 December 2019.

How the key audit matter was addressed

Our audit procedures included attendance to the inventory stock count of the Company.

In addition, we selected an inventory sample of transactions for the periods before and after the year ended 31 December 2019 to ensure that the inventory has been recorded in the proper period.

Our audit procedures also included testing the methodology of calculating the depreciation of both spare parts and general materials, we also evaluated the appropriateness and conformity of provisions and assumptions and took into account historical data in estimating expenses, in addition to the accuracy and completeness of the inventory development, including the sufficiency of the depreciation expense of spare parts and general materials slow-moving and obsolete elements. Note (9) on the financial statements shows more details on this matter.

Provision for employees' end-of-service indemnity

Management's disclosures on the provision for end-of-service indemnity are included in Note 14 to the financial statements.

Key audit matter

Judgment is required to assess the appropriate level of provisioning for employees' end-of-service indemnity. This area was important to our audit because of the magnitude of the amount, the judgment involved, and technical expertise required to determine the provision for employees' end-of-service indemnity amount.

How the key audit matter was addressed

Our procedures included, evaluating the actuarial assumptions and valuation methodologies used by the actuarial to assess the employees end-of-service obligations. We also assessed whether the key actuarial assumptions are reasonable including the adequacy of provision for end-of-service indemnity. We evaluated the competency and objectivity of the actuarial expert appointed by management.

Other information included in the Company's 2019 annual report.

Other information consists of the information included in the Company's 2019 annual report other than the financial statements and our auditor's report thereon, Management is responsible for the other information. The Company's 2019 annual report is expected to be made available to us after the date of this auditor's report

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts which are in agreement with the financial statements.

The partner in charge of the audit resulting in this auditor's report was Bishr Baker; license number 592.

Amman – Jordan

19 March 2020

EY
Ernst + Young

**Statement of financial position As
At 31 December 2019**

	Notes	2019 JD	2018 JD
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	3	98,623,000	110,305,400
Projects in progress	4	2,104,892	2,678,880
Right of use assets	2	1,430,001	-
Employees' housing fund loan	5	237,432	312,432
Investment in an associate	6	487,396	497,124
Deferred tax assets	7	1,455,381	1,189,306
Strategic fuel inventories	8	13,276,564	14,559,256
		117,614,666	129,542,398
CURRENT ASSETS			
Inventories	9	15,548,902	19,715,272
Other current assets	10	2,615,174	3,047,135
Accounts receivable	11	73,303,763	78,999,251
Cash and bank balances	28	7,067,569	51,534
		98,535,408	101,813,192
TOTAL ASSETS		216,150,074	231,355,590
EQUITY AND LIABILITIES			
EQUITY			
Paid in capital	12	30,000,000	30,000,000
Statutory reserve	12	7,500,000	7,500,000
Voluntary reserve	12	10,672,932	10,672,932
Cash flow hedge reserve		(2,488,334)	(2,398,715)
Retained earnings		24,384,370	3,000,351
TOTAL EQUITY		70,068,968	48,774,568
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term loans	13	25,142,662	29,811,218
Leases liabilities	2	1,121,590	-
Employees' end-of-service indemnity provision	14	5,679,783	6,600,196
Decommissioning provision	15	2,620,635	2,460,690
Derivative financial liability	18	778,411	1,744,705
		35,343,081	40,616,809
CURRENT LIABILITIES			
Current portion of long term loans	13	5,012,536	24,801,900
Other current liabilities	16	6,062,339	7,099,207
Leases liabilities	2	181,734	-
Accounts payable	17	60,760,401	61,559,092
Derivative financial liability	18	1,655,490	1,561,439
Due to banks	29, 28	35,185,551	46,230,119
Income tax provision	7	1,879,974	712,456
		110,738,025	141,964,213
Total Liabilities		146,081,106	182,581,022
TOTAL EQUITY AND LIABILITIES		216,150,074	231,355,590

The attached notes from 1 to 36 form part of these Financial Statements

Statement of financial position As At 31 December 2019

	Notes	2019	2018
		JD	JD
Power generation revenues	19	75,518,210	109,101,254
Stations operating costs	20	(16,254,695)	(53,126,924)
Depreciation of right-of-use assets	2	(130,000)	-
Depreciation	3	(12,626,720)	(12,348,609)
Administrative expenses	21	(8,590,884)	(9,631,787)
Maintenance expenses	22	(4,524,052)	(7,513,621)
Provision for slow moving inventories	9	(4,050,304)	(2,107,139)
Employees' end-of-service indemnity provision	14	(802,384)	(839,649)
Employees' termination benefits provision	16	(3,241,194)	(2,230,000)
Total operating costs		(50,220,233)	(87,797,729)
OPERATING PROFIT		25,297,977	21,303,525
Foreign currency exchange loss, net	26	(964,993)	(865,472)
Share of loss of an associate	6	(9,728)	(42,168)
Provision for expected credit losses	10, 11	-	949,502
Board of Directors remuneration		(35,000)	(35,000)
Other income, net	23	4,115,634	1,344,570
Finance costs, net	24	(5,106,702)	(6,763,277)
PROFIT BEFORE INCOME TAX & ASSETS IMPAIRMENT		23,297,188	15,891,680
Impairment loss of property, plant and equipment	3	-	(11,987,713)
PROFIT BEFORE INCOME TAX		23,297,188	3,903,967
Income tax expense	7	(1,979,439)	(739,353)
PROFIT FOR THE YEAR		21,317,749	3,164,614
Basic and diluted earnings per share	25	0/711	0/105

The attached notes from 1 to 36 form part of these Financial Statements

Statement of Other Comprehensive Income For The Year Ended 31 December 2019

	Notes	2019	2018
		JD	JD
PROFIT FOR THE YEAR		21,317,749	3,164,614
Other comprehensive income items to be reclassified to profit or loss in subsequent periods (net of tax):			
(Loss) gain on cash flow hedges	18	(89,619)	579,604
TOTAL OTHER COMPREHENSIVE INCOME ITEMS TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		(89,619)	579,604
Other comprehensive income items not to be reclassified to profit or loss in subsequent periods (net of tax):			
Actuarial gain (loss) on employees' end-of-service indemnity		66,270	(293,972)
TOTAL OTHER COMPREHENSIVE INCOME ITEMS NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		66,270	(293,972)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(23,349)	285,632
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		21,294,400	3,450,246

The attached notes from 1 to 36 form part of these Financial Statements

Statement Of Changes In Equity For The Year Ended 31 December 2019

	Paid in capital	Statutory reserve	Voluntary reserve	Cash flow hedge reserve	Retained earnings	Total
2019 -	JD	JD	JD	JD	JD	JD
Balance at 1 January 2019	30,000,000	7,500,000	10,672,932	(2,398,715)	3,000,351	48,774,568
Profit for the year	-	-	-	-	21,317,749	21,317,749
Other comprehensive income for the year	-	-	-	(89,619)	66,270	(23,349)
Total comprehensive income for the year	-	-	-	(89,619)	21,384,019	21,294,400
Balance at 31 December 2019	30,000,000	7,500,000	10,672,932	(2,488,334)	24,384,370	70,068,968
2018 -	JD	JD	JD	JD	JD	JD
Balance at 1 January 2018	30,000,000	7,500,000	18,672,932	(2,978,319)	7,129,709	60,324,322
Profit for the year	-	-	-	-	3,164,614	3,164,614
Other comprehensive income for the year	-	-	-	579,604	(293,972)	285,632
Total comprehensive income for the year	-	-	-	579,604	2,870,642	3,450,246
Dividends (Note 12)	-	-	(8,000,000)	-	(7,000,000)	(15,000,000)
Balance at 31 December 2018	30,000,000	7,500,000	10,672,932	(2,398,715)	3,000,351	48,774,568

The attached notes from 1 to 36 form part of these Financial Statements

Statement of financial position
As At 31 December 2019

	Notes	2019	2018
		JD	JD
Operating Activities		-	-
Profit before income tax		23,297,188	3,903,967
Adjustments for:			
Depreciation	3	12,626,720	12,348,609
Impairment loss of property, plant and equipment	3	-	11,987,713
Depreciation of right-of-use assets	2	130,000	-
Interest on lease obligation	2,24	93,112	-
Depreciation of Spare parts and General Material	9	4,050,304	2,107,139
Provision for decommissioned units		159,945	150,190
Employees' end-of-service indemnity provision	14	802,384	839,649
Provision for employees' vacations	16	72,300	105,227
Employees' termination benefits provision	16	3,241,194	2,230,000
Net gain on sale of property plant and equipment and decommissioned units	23	(1,042,503)	(22,896)
Gain from strategic Fuel Sales	23	(129,315)	-
Provision for expected credit losses	10, 11	-	(949,502)
Loss from foreign currency exchange – net	26	964,993	865,472
Share of loss of an associate	6	9,728	42,168
Interest income		(2,862)	(221)
Finance costs	24	4,856,507	6,613,308
Working capital changes:			
Accounts receivable		5,695,488	(38,283,669)
Other current assets		355,167	(543,200)
Inventories		1,134,383	462,433
Accounts payable		(798,691)	34,220,993
Other current liabilities		467,714	(295,829)
Employees' vacations provision paid	16	(130,965)	(66,453)
Employees' end-of-service indemnity provision paid	14	(1,642,561)	(572,287)
Employees' termination benefits provision	16	(4,491,424)	(1,162,562)
Income tax paid	7	(1,183,223)	(764,715)
Net cash flows from operating activities		48,535,583	33,215,534
Investing Activities		-	-
Purchases of property, plant and equipment, and projects in progress		(431,574)	(2,580,989)
Proceeds from sale of property, plant and equipment		1,103,745	31,707
Proceeds from sale of decommissioned units'- fuel		393,690	2,161,718
Employees housing fund loan		75,000	-
Interest received		2,862	221
Net cash flows from (used in) investing activities		1,143,723	(387,343)
Financing Activities		-	-
Repayments of loans		(26,436,861)	(30,662,470)
Dividends paid		-	(15,000,000)
Interest paid		(5,017,689)	(6,468,773)
Lease payments		(181,734)	-
Net cash flows used in financing activities		(31,636,284)	(52,131,243)
Net increase (decrease) in cash and cash equivalents		18,043,022	(19,303,052)
Effect of exchange rate changes on cash and cash equivalents		17,581	669
Cash and cash equivalents at 1 January		(46,178,585)	(26,876,202)
Cash and cash equivalents At 31 December	28	(28,117,982)	(46,178,585)

The attached notes from 1 to 36 form part of these Financial Statements

NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2019

(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 financial statements were authorized for issuance by the Company's Board of Directors in their meeting held on 19 March 2020 and it is subject to the approval of the General Assembly.

(2-1) BASIS OF PREPARATION

- The financial statements are prepared under the historical cost convention.
- The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements are presented in Jordanian Dinars.

(2-2) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2018 except for the adoption of new standards effective as of 1 January 2019 shown below:

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

The Company adopted IFRS 16 using the modified retrospective approach with the date of initial application of 1 January 2019. Accordingly, prior year financial statements were not restated. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption IFRS 16 was as follows:

Impact on the statement of financial position (increase/(decrease)) as at 1 January 2019:

	2019
	JD
Assets	
Right of use assets	1,560,002
Other current assets (prepaid expenses)	(168,056)
Total assets	1,391,946
Liabilities	
Lease liabilities	1,391,946
Total adjustment on equity	-

a) Nature of the effect of adoption of IFRS 16

The Company has lease contracts for various items of plant and equipment. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

• **Leases previously classified as finance leases**

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 was applied to these leases from 1 January 2019.

• **Leases previously accounted for as operating leases**

The Company recognised right-of-use assets and operating lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	JD
Operating lease commitments as at 31 December 2018	2,015,430
Weighted average incremental borrowing rate as at 1 January 2019	6.5%
Discounted operating lease commitments at 1 January 2019	1,391,946
Lease liabilities as at 1 January 2019	1,391,946

b) Amounts recognized in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the year ended 31 December 2019:

	Right of use assets	Lease liabilities
	JD	JD
At 1 January 2019	1,560,001	1,391,946
Depreciation	(130,000)	-
Interest on lease obligation	-	93,112
Lease payments	-	(181,734)
At 31 December 2019	1,430,001	1,303,324

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.

These amendments do not have any impact on the Company financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

These amendments do not have any impact on the Company financial statements.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments do not have any impact on the Company financial statements.

(2-3) SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make estimates and assumptions that affect

the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Useful life of property, plant and equipment

The Company's management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations.

Income tax provision

The Company's management calculates tax expense for the year based on reasonable estimates, for possible consequences of audit by the Income and Sales tax department. The amount of tax provision is based on various factors, such as experience of previous tax audits. Additionally, the Company engages an independent tax specialist to review the tax provision calculations.

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Details of income tax provision and deferred tax are disclosed in (Note 7).

Provision for decommissioning

The Company's management calculates provision for decommissioning costs based on future estimated expenditures discounted to present values. Changes in the provision arising from revised estimates or discount rates or changes in the expected timing of expenditures that relate to property, plant and equipment are recorded as adjustments to their carrying value and depreciated prospectively over their remaining estimated useful economic lives; otherwise such changes are recognized in the statement of profit or loss.

The unwinding of the discount is included within the statement of profit or loss as finance costs.

Employees' end-of-service indemnity provision

Employees' end of service indemnity provision are measured using the Projected Unit Credit Method that is calculated by an actuary. Actuarial assumptions are disclosed in (Note 14).

Provision for expected credit loss

Provision for expected credit loss on receivables is reviewed in accordance with the simplified approach and under the principles and assumptions approved by the Company's management to estimate the provision amount in accordance with IFRS requirements.

(2-4) SIGNIFICANT ACCOUNTING POLICES

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets using annual percentages as follows:

	%
Buildings	2 - 10
Steam generating units	3 - 14
Gas generating units	4 - 13
Wind generating units	2
Computers	20
Vehicles	20
Equipment	10 - 20
Tools and miscellaneous devices	7 - 20
Furniture and office equipment	10

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount and impairment loss is presented in the statement of profit or loss.

Projects in progress

Projects in progress are stated at cost including the cost of construction, equipment and other direct costs and it is not depreciated until it is available for use.

Decommissioning costs

Provision is recognized for decommissioning costs, based on future estimated expenditures discounted to present values. Where appropriate, the establishment of a provision is recorded as part of the original cost of the related property, plant and equipment.

Changes in the provision arising from revised estimates or discount rates or changes in the expected timing of expenditures that relate to property, plant and equipment are recorded as adjustments to their carrying value and depreciated prospectively over their remaining estimated useful economic lives; otherwise such changes are recognized in the statement of profit or loss.

The unwinding of the discount is included within the statement of profit or loss as finance costs.

Investment in associates

The Company's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Company has significant influence and which is neither a subsidiary nor a joint venture. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the associate. The statement of profit or loss reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. Profits and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition and is determined using the weighted average method, except for the operating fuel inventory, the cost of which is determined using the first-in-first-out (FIFO) method.

Slow moving provision for spare parts over 5 years is calculated based on the estimated remaining lives of the related assets. Slow moving provision for general materials over 5 years is calculated using an annual percentage of 50%.

Accounts receivable

Accounts receivable are stated at original invoice amount less any provision for any uncollectible amounts or expected credit loss. The Company applies a simplified approach in calculating ECLs. 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.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Term loans

All term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the assets. All other borrowing costs are expensed in the period they occur. Borrowing cost consists of interest and other cost that an entity incurs in connection with the borrowing.

Employees' end-of-service indemnity provision

Employees' end-of-service indemnity provision is calculated according to Board of Directors' resolution No. (89) for the year 2000. It is computed for the accumulated service period based on the last salary and allowances vested to the employees multiplied by the accumulated service period less the Company's periodic contributions to the Social Security Corporation for the accumulated year of service at the statement of financial position date. The liability is valued by professionally qualified independent actuaries.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Revenue recognition

In accordance with IFRS (15), revenue recognized from sales is measured at the fair value of the consideration received or receivable when it is probable to collect such consideration.

Revenues from electric Power Generation is recognised upon the use of power plants to generate electricity during the period when electric power is available at the power stations, according to the Power Purchase Agreement signed with NEPCO.

Expense recognition

Expenses are recognized when incurred according to the accrual basis of accounting.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in other comprehensive income remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

Income tax

Income tax expense represents current year income tax and deferred income tax.

Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include tax-exempt income, non-deductible expenses in the current year that are deductible in subsequent years, tax-accepted accumulated losses or tax-deductible items.

Current income tax is calculated based on the tax rates and laws that are applicable at the statement of financial position date and according to IAS 12.

Deferred income taxation is provided using the liability method on all temporary differences at the financial statement date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted at the financial position date. The carrying values of deferred income tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment of financial assets

The Company assesses at each financial position date whether there is any objective evidence that a financial asset or a group of financial assets are impaired. A financial asset or a group of financial assets are considered impaired when there is objective evidence of impairment as a result of one or more events (loss event) that occur after the asset's initial measurement, that will have a direct and reasonably estimated impact on its future cash flows. Permanent impairment indicators could comprise of indications that the borrower or a group of borrowers are facing significant financial difficulties, or neglect, or default in making interest or principal payments, and are likely to be subject to bankruptcy or financial restructuring. Furthermore, permanent impairment indicators exist when observable data indicates the existence of a measurable decrease in estimated cash flows such as changes in the Company's economic conditions due to negligence.

The Company's management does not believe there were any indications of impairments of its financial assets during 2019 and 2018.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of profit or loss.

Fair value

The Company evaluates its financial instruments such as financial assets at fair value through other comprehensive income at the date of the financial statements. Also, the fair value of financial instruments is disclosed in (Note 33).

Fair value represents the price received in exchange for financial assets sold, or price paid to settle a sale between market participants at the date of financial statements.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Company needs to acquire opportunities to access the active market or the best fit market.

The Company measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to utilize the assets efficiently in order to generate economic benefits, or to sell them to other participants who will utilize them in the best way possible.

The Company uses valuation techniques that are appropriate and commensurate with the circumstances, and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable, and minimizes the use of inputs that are not directly observed.

The Company uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements or have been written off are categories within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Company classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

Segment reporting

The information in the segment reporting is presented to facilitate the income tax review as the Company is subject to different tax rates on Aqaba's operation.

Offsetting

Offsetting between financial assets and financial liabilities and presenting the net amount on the statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

(3) PROPERTY, PLANT AND EQUIPMENT

2019	Land & buildings	Steam generating units	Gas generating units	Diesel generating units	Wind generating units	Computers	Vehicles	Equipment	Tools	Furniture and office equipment	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:	-	-	-	-	-	-	-	-	-	-	-
At 1 January 2019	128,322,474	400,738,424	166,208,759	6	425,407	1,627,550	1,267,917	5,000,820	2,360,502	1,523,485	707,475,344
Additions	-	-	-	-	-	-	-	12,689	7,627	2,907	23,223
Transferred from projects in progress (Note 4)	-	982,339	-	-	-	-	-	-	-	-	982,339
Disposals	(26,403,244)	(125,657,827)	-	(1)	-	(138,665)	(40,600)	(741,434)	(412,278)	(173,422)	(153,567,471)
At 31 December 2019	101,919,230	276,062,936	166,208,759	5	425,407	1,488,885	1,227,317	4,272,075	1,955,851	1,352,970	554,913,435
Accumulated depreciation:	-	-	-	-	-	-	-	-	-	-	-
At 1 January 2019	105,042,248	336,689,558	145,165,767	-	208,736	1,532,174	1,222,423	4,346,381	1,672,674	1,289,983	597,169,944
Depreciation for the year	1,852,110	6,137,601	4,144,686	-	9,453	52,432	32,263	197,800	158,668	41,707	12,626,720
Disposals	(26,403,234)	(125,657,818)	-	-	-	(138,017)	(40,599)	(732,355)	(370,386)	(163,820)	(153,506,229)
At 31 December 2019	80,491,124	217,169,341	149,310,453	-	218,189	1,446,589	1,214,087	3,811,826	1,460,956	1,167,870	456,290,435
Net book value: At 31 December 2019	21,428,106	58,893,595	16,898,306	5	207,218	42,296	13,230	460,249	494,895	185,100	98,623,000

2018 -	Land & buildings	Steam generating units	Gas generating units	Diesel generating units	Wind generating units	Computers	Vehicles	Equipment	Tools	Furniture and office equipment	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:											
At 1 January 2018	128,337,619	398,782,795	166,208,759	6	425,407	1,626,687	1,490,338	4,831,583	2,317,723	1,439,421	705,460,338
Additions	-	-	-	-	-	1,660	-	169,237	42,779	84,064	297,740
Transferred from projects in progress	-	1,955,629	-	-	-	-	-	-	-	-	1,955,629
Disposals	(15,145)	-	-	-	-	(797)	(222,421)	-	-	-	(238,363)
At 31 December 2018	128,322,474	400,738,424	166,208,759	6	425,407	1,627,550	1,267,917	5,000,820	2,360,502	1,523,485	707,475,344
Accumulated depreciation:											
At 1 January 2018	103,196,715	330,880,250	129,033,368	-	199,283	1,463,795	1,407,232	4,123,824	1,508,592	1,250,115	573,063,174
Depreciation for the year	1,852,283	5,809,308	4,144,686	-	9,453	68,764	37,608	222,557	164,082	39,868	12,348,609
Impairment loss of property, plant and equipment	-	-	11,987,713	-	-	-	-	-	-	-	11,987,713
Disposals	(6,750)	-	-	-	-	(385)	(222,417)	-	-	-	(229,552)
At 31 December 2018	105,042,248	336,689,558	145,165,767	-	208,736	1,532,174	1,222,423	4,346,381	1,672,674	1,289,983	597,169,944
Net book value: At 31 December 2018	23,280,226	64,048,866	21,042,992	6	216,671	95,376	45,494	654,439	687,828	233,502	110,305,400

* Impairment loss of property, plant and equipment for the year 2018 amounting to JD 11,987,713 represents impairment loss of property, plant and equipment to their recoverable amount. The impairment loss is recognized as a separate line item in the statement of profit and loss. The recoverable amount is determined on the basis of the present value of the future cash flows discounted at an interest rate of 12.5 %.

(4) PROJECTS IN PROGRESS

Movement on projects in progress were as follows:

	2019	2018
	JD	JD
At 1 January	2,678,880	2,351,260
Additions	408,351	2,283,249
Transferred to property, plant and equipment (Note 3)	(982,339)	(1,955,629)
At 31 December	2,104,892	2,678,880

The estimated cost to complete the projects in progress as of 31 December 2019 is approximately JD 327,126.

(5) EMPLOYEES' HOUSING FUND LOAN

This item represents the balance of loans granted to the Company's employees housing fund. The loan bears no interest and has no specified maturity date. Based on the Board of Directors meeting held on 4 December 2019, the fund will commit to pay back the company an amount of JD 75,000 annually.

(6) INVESTMENT IN AN ASSOCIATE

The Company has a 50% interest in Jordan Biogas Company W.L.L, which is mainly involved in extracting biogas from waste and selling electricity generated from biogas. Biogas is a limited liability Company that is not listed on any public exchange. The Company's investment in Biogas is accounted for using the equity method in the financial statements. The following tables illustrate the summarized financial information of the Company's investment in Biogas:

	2019	2018
	JD	JD
Current assets	925,413	945,050
Non-current assets	51,997	105,224
Current liabilities	(2,618)	(56,027)
Net equity	974,792	994,247
Percentage of ownership	50%	50%
Net investment as of 31 December	487,396	497,124

	2019	2018
	JD	JD
Revenues	189,385	228,818
Cost of sales	(194,107)	(284,494)
Administrative expenses	(76,127)	(86,245)
Other revenues, net	61,393	57,585
Loss for the year	(19,456)	(84,336)
Company's share of loss for the year	(9,728)	(42,168)

(7) INCOME TAX

The reconciliation of accounting profit to taxable profit was as follows:

	2019			2018		
	Aqaba	Other locations	Total	Aqaba	Other locations	Total
	JD	JD	JD	JD	JD	JD
Profit (loss) before income tax	20,671,761	2,625,427	23,297,188	17,413,387	(13,509,420)	3,903,967
Non-taxable income	(3,984,012)	(3,517,988)	(7,502,000)	(1,526,295)	(1,678,659)	(3,204,954)
Non-deductible expenses	3,494,506	5,191,915	8,686,421	2,663,098	14,458,368	17,121,466
Taxable income	20,182,255	4,299,354	24,481,609	18,550,190	(729,711)	17,820,479
Statutory income tax rate	5%	24%	-	5%	24%	-
National contribution tax rate*	3%	3%	-	-	-	-
Income tax expense for the year	(1,009,113)	(1,031,845)	(2,040,958)	(927,510)	-	(927,510)
National contribution tax rate expense	(605,467)	(128,980)	(734,447)	-	-	-
Change of law effect (Implementation Agreement)*	-	515,925	515,925	-	-	-
Deferred tax	(67,583)	347,624	280,041	(27,036)	215,193	188,157
Net tax expense	(1,682,163)	(297,276)	(1,979,439)	(954,546)	215,193	(739,353)

* As a result of the Income Tax Law No. (38) of 2018, the national contribution tax of 3% has been increased in addition to the legal income tax rate on the company, which is 24% under the Income Tax Law (34) in 2014, according to which the legal income tax rate on the company has reached 24% after it was 15% before the implementation agreement, The company has recorded the amount of JD 515,925 as amounts due from the Jordanian government, as on December 31, 2019, according to the implementation agreement, as this agreement stipulates fixing the tax rate on the company at a rate of 15% if the tax impact resulting from changing the tax rate is more than JD 200,000 (Note 10).

Income tax expense presented in the statement of profit or loss represents of the following:

	2019	2018
	JD	JD
Current year income tax expense	(2,040,958)	(927,510)
National contribution tax expense	(734,447)	-
Change of law effect (Implementation Agreement)	515,925	-
Deferred tax:		
Deferred tax (liabilities) assets relating to employees' end-of- service indemnity provision	(137,766)	27,755
Deferred tax liabilities relating to temporary taxable differences arising from unrealized gain of the cash flows hedging	(49,726)	(71,876)
Deferred tax assets relating to the loss in the other location (except Aqaba)	447,883	197,022
Deferred tax assets relating to the exchange differences arising from the revaluation of loans in foreign currencies	19,650	35,256
Income tax expense	(1,979,439)	(739,353)

Deferred tax related to items recognized in other comprehensive income during the year were as follows:

	2019	2018
	JD	JD
Relating to actuarial (gain) losses	(13,966)	47,608

The Company has provided for income tax for the years ended 31 December 2019 in accordance with Income tax law No. (38) of 2018, and for the year ended 31 December 2018, 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 location in Aqaba.

CEGCO submitted its tax returns for all locations other than Aqaba for the year up to 2018. The Income and Sales Tax Department received the records up to the year 2018. The Income and sales Tax Department reviewed the records up to the year 2017 and CEGCO reached a final settlement with Income and Sales Tax Department for all the locations other than Aqaba for the years up to 2017.

CEGCO submitted its tax returns for Aqaba location for the years up to 2018. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority reviewed the records of Aqaba location for the years up to 2015. CEGCO reached final settlement with Income and Sales Tax Department with respect to Aqaba location for the years up to 2015.

Movement on deferred tax assets were as follows:

	2019	2018
	JD	JD
At 1 January	1,189,306	953,541
Relating to actuarial (gains) losses	(13,966)	47,608
Relating to cash flow hedges	(49,726)	(71,876)
Relating to temporary differences in employees' end of service indemnity provision	(137,766)	27,755
Relating to the loss in the other location (except Aqaba)	447,883	197,022
Relating to temporary differences in loans revaluation	19,650	35,256
At 31 December	1,455,381	1,189,306

Movement on the income tax provision were as follows:

	2019	2018
	JD	JD
At 1 January	712,456	549,661
Provided for during the year	2,775,405	927,510
Adjustment	(424,664)	-
Paid during the year	(1,183,223)	(764,715)
At 31 December	1,879,974	712,456

(8) STRATEGIC FUEL INVENTORIES

	2019	2018
	JD	JD
Heavy fuel inventory	6,712,520	7,990,119
Diesel inventory	6,564,044	6,569,137
	13,276,564	14,559,256

In accordance with the Power Purchase Agreements (Note 1), the Company shall maintain sufficient quantities of fuel in the power generating stations to enable the stations to operate continuously. The Company agreed with NEPCO on the quantities of fuel it should maintain at the stations to enable the stations to generate power for the periods stated in the Power Purchase Agreement.

(9) INVENTORIES

	2019	2018
	JD	JD
Spare parts and general materials, net*	15,429,436	19,570,814
Materials in transit	119,466	125,902
Others	-	18,556
	15,548,902	19,715,272

* Spare parts and general materials are presented net of its related depreciation of spare parts and general material amounting to JD 4,050,304 (2018: JD 2,107,139).

(10) OTHER CURRENT ASSETS

	2019	2018
	JD	JD
	-	-
Jordan Valley Authority	158,391	165,168
Jordan Petroleum Refinery Company	-	52,478
Government of Jordan	515,925	424,664
Al Zarqa Power Plant for Energy Generation	1,145,091	729,003
Ministry of Energy and Mineral Resources	122,000	122,000
The local company for water and solar	57,828	252,191
Others	606,835	592,609
	2,606,070	2,338,113
Less: Provision for expected credit losses*	(385,179)	(393,444)
	2,220,891	1,944,669
Prepaid expenses	1,245	660,991
Refundable deposits	23,990	23,990
Employees' receivables	357,397	413,859
Employees' insurance claims	11,651	3,626
	2,615,174	3,047,135

* As at 31 December 2019, expected credit losses amounted to JD 385,179 (2018: JD 393,444).

As at 31 December, the aging of unimpaired other receivables net of expected credit loss is as follow:

(Past due but not impaired)					
	Total	< 30 Days	30 – 90 days	91 – 120 days	>120 days
	JD	JD	JD	JD	JD
2019	2,220,890	154,345	61,875	370,470	1,634,200
2018	1,944,669	135,149	54,179	324,393	1,430,948

Movement on provision for expected credit losses were as follow:

	2019	2018
	JD	JD
At 1 January	393,444	393,444
Write off	(8,265)	-
At 31 December	385,179	393,444

(11) ACCOUNTS RECEIVABLE

	2019	2018
	JD	JD
National Electric Power Company – Power generation revenues	74,262,502	79,937,314
National Electric Power Company – Others	87,742	108,418
	74,350,244	80,045,732
Provision for expected credit losses	(1,046,481)	(1,046,481)
	73,303,763	78,999,251

As at 31 December, the aging of accounts receivable is as follow:

	Total	Neither past due nor impaired	Past due but not impaired < 30 days	Past due but not impaired > 30 days
	JD	JD	JD	JD
2019	73,303,763	12,922,256	-	60,381,507
2018	78,999,251	11,702,035	6,358,668	60,938,548

Movement on provision for expected credit losses were as follow:

	2019	2018
	JD	JD
At 1 January	1,046,481	4,934,360
(Reverse) charge for the year	-	(949,502)
Write off	-	(2,938,377)
At 31 December	1,046,481	1,046,481

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. During the years 2018 and 2017, CEGCO reached a final settlement with NEPCO to settle the issue.

(12) 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 PAID

In its ordinary meeting held on 25 April 2018, the General Assembly approved the Board of Directors recommendation to distribute dividends for an amount 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. No dividends were declared to the shareholders for the year 2019.

(13) TERM LOANS

	Currency	2019		2018	
		Loan Installments		Loan Installments	
		Current portion	Long-term portion	Current portion	Long-term portion
		JD	JD	JD	JD
Japanese loan 1	JPY	1,448,324	5,793,297	1,430,904	7,154,521
Japanese loan 2	JPY	3,437,313	18,905,222	3,395,970	22,073,805
Italian Soft loan	Euro	126,899	444,143	129,531	582,892
Standard Chartered loan 1	USD	-	-	14,200,000	-
Standard Chartered loan 2	USD	-	-	5,680,000	-
	-	5,012,536	25,142,662	24,836,405	29,811,218
Less: Directly attributable transaction costs*	-	-	-	(34,505)	-
	-	5,012,536	25,142,662	24,801,900	29,811,218

Japanese Loan 1

On 22 August 2000, the Company was re-granted a loan from the Government of the Hashemite Kingdom of Jordan represented by the Ministry of Planning and International Cooperation for an amount of JPY 4,745,000,000 at an annual interest rate of 3%. The loan is based on the original agreement between the Government and the Overseas Economic Cooperation Fund (Japan) dated 30 August 1994. The loan is repayable over 41 equal semiannual installments of JPY 110,674,000, the first of which fell due on 20 August 2004 and the last of which will fall due on 20 August 2024.

Japanese Loan 2

On 22 August 2000, the Company was re-granted a loan from the Government of the Hashemite Kingdom of Jordan represented by the Ministry of Planning and International Cooperation for an amount of JPY 10,813,000,000 at an annual interest rate of 2.7%. The loan is based on the original agreement between the Government and the Overseas Economic Cooperation Fund (Japan) dated 17 April 1996. The loan is repayable over 41 equal semiannual installments of JPY 262,663,000, the first of which fell due on 20 April 2006 and the last of which will fall due on 20 April 2026.

Italian Soft Loan

On 13 September 2005, the Company was re-granted a loan from the Government of the Hashemite Kingdom of Jordan represented by the Ministry of Planning and International Cooperation for an amount of Euro 2,864,020 at an annual interest rate of 1 %. The loan is based on the original agreement between the Government and the Istituto Centrale Per Il Credito A Medio Termine – Mediocredito Centrale dated 12 December 1993. The loan is repayable over 36 equal semiannual installments of Euro 79,556 except for the last installment, which amounts to Euro 79,555. The first installment fell due on 8 September 2006 and the last installment will fall due on 8 March 2024.

Standard Chartered loan 1 (Term Loan)

On 19 February 2014, CEGCO entered into a term loan agreement with Standard Chartered to finance the general corporate purposes in the amount of USD 100 million (equivalent to JD 71 million). The loan bears interest rate of 3 month LIBOR + 4.65%. The loan is repayable over in 10 semi-annual installments. The first installment fell due on 19 August 2014 and the last installment fell due on 19 February 2019.

Standard Chartered loan 2 (Revolving Loan)

On 19 February 2014, CEGCO entered into a five years revolving loan agreement with Standard Chartered to cover the working capital requirements and to repay maturing revolving facility loans. The loan bears interest rate of 3 month LIBOR + 4.5%. The ceilings of the loan over its life is as follows:

Period	Ceiling USD
19 February 2014 – 19 February 2015	40,000,000
20 February 2015 – 19 February 2016	32,000,000
20 February 2016 – 19 February 2017	24,000,000
20 February 2017 – 19 February 2018	16,000,000
20 February 2018 – 19 February 2019	8,000,000

Except for Standard Chartered bank loans, which are guaranteed by the Company, all loans are guaranteed by the Government of the Hashemite Kingdom of Jordan.

* This amount represents ancillary costs (legal and financial) incurred in connection with the negotiation of obtaining financing from Standard Chartered. These costs are amortized over the term of the loan.

The aggregate amounts of annual principal maturities of long-term loans are as follow:

Year	JD
2020	5,012,536
2021	5,012,536
2022	5,012,536
2023	5,012,536
2024	4,949,073
2025	3,437,311
2026	1,718,670
	30,155,198

(14) EMPLOYEES' END-OF-SERVICE INDEMNITY PROVISION

	2019	2018
	JD	JD
Balance at 1 January	6,600,196	5,991,254
Provision for the year	802,384	839,649
Paid during the year	(1,642,561)	(572,287)
Actuarial (gains) losses	(80,236)	341,580
Balance at 31 December	5,679,783	6,600,196

Details of employees' end-of-service indemnity expense as presented on the statement of profit or loss was as follows:

	2019	2018
	JD	JD
Interest cost	390,114	373,913
Cost of current service	348,187	350,587
Past service cost	64,083	115,149
	802,384	839,649

The principal actuarial assumptions used:

Discount rate	6.5%
Expected rate of increase of employee remuneration	5.5%
Resignation rate:	
Up to the age of 29 years	4%
From the age of 30 to 34 years	3%
From the age of 35 to 39 years	2%
From the age of 40 to 54 years	1%
Age 55 years and over	0%

These benefits are unfunded.

The following schedule shows the sensitivity in the principal actuarial assumption changes used to determine employees' end-of-service benefit as of 31 December 2019 and 2018:

	Discount rate		Resignation rate		Mortality rate	
	Rate	Increase (decrease)	Rate	Increase (decrease)	Rate	Increase (decrease)
	%	JD	%	JD	%	JD
2019	+1	(594,095)	+1	(20,040)	+20	(672)
	-1	694,142	-1	23,402	-20	677
2018	+1	(658,076)	+1	(12,309)	+20	(220)
	-1	770,517	-1	15,553	-20	224

(15) DECOMMISSIONING PROVISION

The decommissioning provision of JD 2,620,635 as at 31 December 2019 (2018: JD 2,460,690) primarily represents the net present value of the estimated expenditure discounted at a rate of 6.5% (2018: 6.5%) expected to be incurred in respect of the decommissioning of the Aqaba Thermal Station generating units 1 to 5. Expenditure is expected to be incurred throughout the financial years 2020 and 2031.

Movement on the decommissioning provision were as follow:

	2019	2018
	JD	JD
Balance at 1 January	2,460,690	2,310,500
Unwinding of discount during the year (Note 24)	159,945	150,190
Balance at 31 December	2,620,635	2,460,690

(16) OTHER CURRENT LIABILITIES

	2019	2018
	JD	JD
Accrued interest	199,829	395,516
Accrued expenses	215,684	576,156
Employees' vacations provision*	625,814	684,479
Deposits	2,318,536	1,341,155
Employees' termination benefits provision*	990,000	2,240,230
Employees' payables	41,898	25,915
Contractors payables	63,901	472,043
Board of directors remuneration	35,000	35,000
Others	1,571,677	1,328,713
	6,062,339	7,099,207

* Movement on provisions were as follows:

2019 -	Employees' vacations provision	Employees' termination benefits provision**
	JD	JD
Balance at 1 January	684,479	2,240,230
Provision for the year	72,300	3,241,194
Paid during the year	(130,965)	(4,491,424)
Balance at 31 December	625,814	990,000

2018 -	Employees' vacations provision	Employees' termination benefits provision**
	JD	JD
Balance at 1 January	645,705	1,172,792
Provision for the year	105,227	2,230,000
Paid during the year	(66,453)	(1,162,562)
Balance at 31 December	684,479	2,240,230

** Based on board of directors decision dated 24 July 2019, the Company offered its employees a voluntary compensation package for those who are willing to resign. Accordingly, a provision of JD 3,241,194 was provided for. (2018: JD 2,230,000).

(17) ACCOUNTS PAYABLE

	2019	2018
	JD	JD
Jordan Petroleum Refinery Company (JPRC)	57,568,923	58,558,019
National Petroleum Company	3,191,478	3,001,073
	60,760,401	61,559,092

(18) DERIVATIVE FINANCIAL INSTRUMENT

The details of the derivative financial instruments at 31 December 2019 and 31 December 2018 was as follows:

	31 December 2019		
	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,655,490	778,411	2,433,901
	1,655,490	778,411	2,433,901

	31 December 2018		
	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,516,600	1,744,705	3,261,305
Interest rate swaps contracts**	44,839	-	44,839
	1,561,439	1,744,705	3,306,144

* CEGCO loans with Overseas Economic Cooperation Fund (Japan) are in JPY. To mitigate its exposure to fluctuations in currency rates, the Company entered into 12 forward contracts during the years 2011 to 2015 that effectively fix the currency rate for loan installments.

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 2,433,901 as of 31 December 2019 and was recorded as current and non-current liability in the statement of financial position.

The cash flow hedges were assessed to be highly effective and an unrealized loss of JD 134,458 has been included in the statement of other 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 eighteen 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. Knowing that these contracts ended upon the final loan settlement in February of 2019.

Accordingly, the related unrealized gain of JD 44,839 was included in the statement of other comprehensive income as of 31 December 2019.

(19) POWER GENERATION REVENUES

This item represents revenues mainly earned from the power generation invoices in accordance with the Power Purchase Agreements with NEPCO where NEPCO repays the value of the full electric capacity available at the power stations according to the pricing formula that has been pre-determined in the Power Purchase Agreements. Moreover, NEPCO bears the cost of fuel used in the generation of power according to the pricing formula stipulated in those agreements.

Power generation revenues consist of the following:

	2019	2018
	JD	JD
Stations capacity revenue	69,249,535	66,853,142
Power revenue	565,698	2,550,777
Fuel cost according to the pricing formula	11,044,761	46,497,910
Less: startup cost	(52,232)	(38,443)
Additional costs (Imported energy)	(5,289,552)	(6,834,446)
Add: others	-	72,314
	75,518,210	109,101,254

(20) STATIONS OPERATING COSTS

	2019	2018
	JD	JD
Cost of fuel	11,044,761	46,497,910
Other costs	5,209,934	6,629,014
	16,254,695	53,126,924

(21) ADMINISTRATIVE EXPENSES

	2019	2018
	JD	JD
Salaries and wages	2,348,181	2,122,287
Employees benefits	3,414,146	3,832,594
Employees' accrued vacation costs	72,300	105,227
Insurance	1,302,644	1,433,189
Office supplies and expenses	675,582	1,269,829
Donations	63,458	127,754
Employees housing expenses, net	226,965	188,167
Consultancy fees	296,014	238,044
Others	191,594	314,696
	8,590,884	9,631,787

(22) MAINTENANCE EXPENSES

	2019	2018
	JD	JD
Salaries and wages	2,343,508	2,890,200
Maintenance materials and expert's wages	2,180,544	4,623,421
	4,524,052	7,513,621

(23) OTHER INCOME, NET

	2019	2018
	JD	JD
Gain on sale of decommissioned units' - fuel	129,315	-
(Loss) Gain on disposal of property, plant and equipment	(57,508)	22,896
King Talal Dam revenues	172,455	167,269
Scrap sale – Decommissioned units'	1,100,011	-
Operating and maintenance revenues	2,521,743	981,361
Others, net	249,618	173,044
	4,115,634	1,344,570

(24) FINANCE COSTS, NET

	2019	2018
	JD	JD
Term loans interest expense	1,236,408	3,922,817
Intrest on lease obligation expense	93,112	-
Bank overdraft interest expense	3,620,099	2,690,491
Unwinding of discount (Note 15)	159,945	150,190
Interest income	(2,862)	(221)
	5,106,702	6,763,277

(25) EARNINGS PER SHARE

	2019	2018
	JD	JD
Profit for the year (JD)	21,317,749	3,164,614
Weighted average number of shares outstanding (Share)	30,000,000	30,000,000
Basic and diluted earnings per share (JD)*	0/711	0/105

* The diluted earnings per share attributable to Company's shareholders are equal to the basic earnings per share.

(26) FOREIGN CURRENCY EXCHANGE LOSS, NET

	2019	2018
	JD	JD
Unrealized gains	635,462	673,835
Realized losses	(1,600,455)	(1,539,307)
	(964,993)	(865,472)

(27) RELATED PARTY TRANSACTIONS

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

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

The following is the total amount of transactions that have been entered into with related parties:

	2019	2018
	JD	JD
Power sales to the National Electric Power Company (Government of Jordan)	75,518,210	109,028,940
Purchases of gas from the National Petroleum Company (Government of Jordan)	11,044,761	12,342,676
Services provided to Al Zarqa Power Plant for Energy Generation *	4,394,088	1,947,406
Services provided to Enara Energy Investment	25,192	23,023
Services provided to ACWA Power Company **	3,365	9,183
Services provided to The Local Company for Water and Solar Projects ***	919,646	251,961
Services provided to ACWA Power International Company for Water and Power Projects – Dubai	27,963	14,175
Services provided to Red Sea Energy (Jordan)	3,000	2,000
Services provided to ACWA Power Jordan Holdings	107,355	205,442
Services provided to Ra'eda for energy	3,000	2,000
Services provided to Risha for Solar Power Projects ****	239,755	1,600
Services provided by Enara Energy Investment	29,700	29,700
Services provided by ACWA Power International Company for Water and Power Projects – Dubai	27,826	-
Services provided by ACWA Power Global Services LLC	2,873	2,392
Services provided by ACWA Power Company / Riyadh	20,255	4,072
Board of Directors remuneration and transportation	77,000	77,000

* On 21 December 2015, the Company entered into 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 an agreement with Al Zarqa Power Plant for Energy Generation to provide operating and maintenance services.

** 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.

*** On 13 November 2016, the Company entered into an agreement with the Local Company for Water and Solar Projects to provide operation and maintenance services.

**** On 21 November 2017, the Company entered into an agreement with Risha Company for Solar Projects to provide operation and maintenance services.

Balances with related parties are as follows:

Amounts due from related parties:	2019	2018
	JD	JD
National Electric Power Company - Government of Jordan*	73,303,763	78,999,251
The Local Company for Water and Solar Projects	57,828	252,191
Red Sea Energy (Jordan)	1,000	-
ACWA Power Jordan Holdings	4,618	135,415
Al Zarqa Power Plant for Energy Generation	1,145,091	729,003
Government of Jordan	515,925	424,664
Risha Company for Solar Projects	66,484	3,201
Ministry of Energy and Mineral Resources	122,000	122,000
Ra'eda Company for Energy	1,000	-
-	75,217,709	80,665,725

* This balance is net of provision for expected credit losses of JD 1,046,481 as of 31 December 2019 (2018: JD 1,046,481).

Amounts due to related parties	2019	2018
	JD	JD
National Petroleum Company - Government of Jordan	3,191,478	3,001,073
Enara Energy Investments	-	14,097
ACWA Power International Company for Water and Power Projects – Dubai	-	138
ACWA Power Global Services LLC	-	492
ACWA Power International company for water and power – Riyadh	3,906	376
	3,195,384	3,016,176

Compensation of key management personnel	2019	2018
	JD	JD
Salaries	639,145	488,340
Benefits (traveling)	11,300	7,050
	650,445	495,390

(28) CASH AND CASH EQUIVALENTS

	2019	2018
	JD	JD
Cash at banks *	7,056,467	45,260
Cash on hand	11,102	6,274
	7,067,569	51,534

* For the year ended 31 December 2019, bank deposits earned interest rate of 1% (2018: 1%)

For the purpose of the statement of cash flows, cash and cash equivalents consist of the following amounts which appears in the statement of financial position:

	2019	2018
	JD	JD
Cash at banks	7,056,467	45,260
Cash on hand	11,102	6,274
	7,067,569	51,534
Less: due to banks (Note 29)	(35,185,551)	(46,230,119)
	(28,117,982)	(46,178,585)

(29) DUE TO BANKS

This balance represents credit facilities from the following Banks:

- Facilities from Arab Jordan Investment Bank with a ceiling of JD 14,000,000 and interest rate of 6.5%.
- Facilities from Cairo Amman Bank with a ceiling of JD 10,000,000 and interest rate of 6.5%
- Facilities from Bank of Jordan with a ceiling of JD 20,000,000 with an interest rate of 6.375%.
- Facilities from Arab Banking Corporation Bank with a ceiling of JD 7,000,000 with an interest rate of 6,35%.
- Facilities from Housing Bank with a ceiling of JD 13,000,000 with an interest rate of 6,5%.
- Facilities from Itihad Bank with a ceiling of JD 5,000,000 with an interest rate of 6,125%.

(30) SEGMENT INFORMATION

The following tables present the statement of profit or loss information for Aqaba and other locations for the years ended 31 December 2019 and 2018. The information is presented to facilitate the income tax review as the Company is subject to different tax rates on Aqaba's operation.

	2019		
	Aqaba	Other locations	Total
	JD	JD	JD
Power generation revenues	46,531,238	28,986,972	75,518,210
Stations operating costs	(2,795,469)	(13,459,226)	(16,254,695)
Depreciation of property, plant and equipment	(8,022,886)	(4,603,834)	(12,626,720)
Depreciation on right of use assets	(130,000)	-	(130,000)
Administrative expenses	(4,139,095)	(4,451,789)	(8,590,884)
Maintenance expenses	(3,420,258)	(1,103,794)	(4,524,052)
Provision for slow moving inventories	(1,241,472)	(2,808,832)	(4,050,304)
Employees' end-of-service indemnity provision	(368,749)	(433,635)	(802,384)
Employees' termination benefits provision	(1,583,055)	(1,658,139)	(3,241,194)
Total operating costs	(21,700,984)	(28,519,249)	(50,220,233)
Operating profit	24,830,254	467,723	25,297,977
Foreign currency exchange (loss) gain, net	(973,307)	8,314	(964,993)
Share of loss of an associate	-	(9,728)	(9,728)
Board of directors remuneration	(26,439)	(8,561)	(35,000)
Other income, net	70,422	4,045,212	4,115,634
Finance costs, net	(3,229,169)	(1,877,533)	(5,106,702)
Profit before income tax	20,671,761	2,625,427	23,297,188
Income tax expense	(1,682,163)	(297,276)	(1,979,439)
Profit for the year	18,989,598	2,328,151	21,317,749

	2018		
	Aqaba	Other locations	Total
	JD	JD	JD
Power generation revenues	78,323,876	30,777,378	109,101,254
Stations operating costs	(37,704,751)	(15,422,173)	(53,126,924)
Depreciation	(7,753,061)	(4,595,548)	(12,348,609)
Administrative expenses	(4,730,585)	(4,901,202)	(9,631,787)
Maintenance expenses	(3,270,336)	(4,243,285)	(7,513,621)
Provision for slow moving inventories	(1,175,532)	(931,607)	(2,107,139)
Employees' end-of-service indemnity provision	(394,666)	(444,983)	(839,649)
Employees' termination benefits provision	(1,112,515)	(1,117,485)	(2,230,000)
Total operating costs	(56,141,446)	(31,656,283)	(87,797,729)
Operating (loss) profit	22,182,430	(878,905)	21,303,525
Foreign currency exchange loss, net	(865,688)	216	(865,472)
Share of loss of an associate	-	(42,168)	(42,168)
Provision for expected credit losses	500,000	449,502	949,502
Board of directors remuneration	(26,439)	(8,561)	(35,000)
Other income, net	101,069	1,243,501	1,344,570
Finance costs, net	(4,477,985)	(2,285,292)	(6,763,277)
Profit (loss) before income tax and impairment losses	17,413,387	(1,521,707)	15,891,680
Asset Impairment	-	(11,987,713)	(11,987,713)
Profit (loss) before income tax	17,413,387	(13,509,420)	3,903,967
Income tax expense	(954,546)	215,193	(739,353)
Profit (loss) for the year	16,458,841	(13,294,227)	3,164,614

(31) COMMITMENTS AND CONTINGENCIES

Issuing claims to the Ministry of Energy and Mineral Resources:

With reference to item 3\1\10 of the implementation agreement which states that in case of any changes in law that would lead to an increase in the costs of CEGCO or a decrease in the total revenues in an amount greater than JD 200,000, the Company has the right to be compensated from the Jordanian Government.

Central Electricity Generating Company issued two claims on January 30, 2019 to the Ministry of Energy and Mineral Resources:

- 1- Demanding the difference of fuel prices, which amounted to JD 761,616.
- 2- Requesting to amend the price of imported energy which amounted to JD 25,378,589.

Letters of credit and bills of collection

At 31 December 2019, the Company had outstanding letters of credit and bills of collection amounting to JD 495,259 (2018: JD 1,672,983).

Letters of guarantee

At 31 December 2019, the Company had outstanding letters of guarantee amounting to JD 16,800 (2018: JD 26,339).

Capital commitments

The Company entered into commitments in the ordinary course of business for major capital expenditures. Capital expenditures commitments are JD 327,126 as at 31 December 2019 (2018: JD 2,299,254).

Legal claims

The Company is a defendant in a number of lawsuits of approximately JD 1,800,371 as at 31 December 2019 (2018: JD 2,764,356). 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.

Disputes with Jordan Petroleum Refinery Company (JPRC)

Jordan Petrol Refinery PLC is the fuel supplier ("the Supplier"). In 2019 the Supplier has claimed from CEGCO an amount of JD 104,061,399 (2018: JD 98,846,945), as an interest on late payments of the monthly fuel invoices. The Fuel Supply Agreement (FSA) with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by NEPCO. Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO (the off-taker), contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these financial statements.

(32) Risk Management

Interest rate risk

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities such as bank deposits, term loans and due to banks.

The Company's policy is to manage its interest cost using a mix of fixed and variable rate debts.

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 its term loan with Standard Chartered.

The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates as at 31 December, with all other variables held constant.

The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

2019-

	Increase (decrease) in basis points	Effect on profit before income tax
	Currency	JD
Jordanian Dinar	100	(351,856)
Jordanian Dinar	(50)	175,928

2018-

	Increase (decrease) in basis points	Effect on profit before income tax
	Currency	JD
Jordanian Dinar	100	(519,102)
Jordanian Dinar	(50)	259,551

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company has entered into a Power Purchase Agreement with the Government of the Hashemite Kingdom of Jordan represented by the National Electric Power Company (NEPCO).

The amount due from NEPCO forms 100% of outstanding accounts receivable at 31 December 2019 and 2018.

The Company deals only with reputable local banks.

Liquidity risk

The Company limits its liquidity risk by ensuring bank facilities are available.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December 2019 and 2018, based on contractual payment dates and current market interest rates:

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	JD	JD	JD	JD	JD
At 31 December 2019					
Due to banks	11,925,112	24,145,802	-	-	36,070,914
Accounts payable	60,760,401	-	-	-	60,760,401
Term loans	903,345	4,916,081	25,366,249	1,735,162	32,920,837
Lease liabilities	-	181,734	908,670	743,292	1,833,696
Derivative financial liability	-	1,655,490	778,411	-	2,433,901
Total	73,588,858	30,899,107	27,053,330	2,478,454	134,019,749
At 31 December 2018					
Due to banks	47,416,934	7,264,661	-	-	54,681,595
Accounts payable	61,559,092	-	-	-	61,559,092
Term loans	21,163,629	4,972,133	27,514,754	5,233,275	58,883,791
Derivative financial liability	-	1,561,439	1,744,705	-	3,306,144
Total	130,139,655	13,798,233	29,259,459	5,233,275	178,430,622

Currency risk

The Company's transactions in U.S. Dollar have negligible currency risk since the Jordanian Dinar is fixed against the U.S. Dollar (USD 1.41 for each JD 1).

To mitigate its exposure to fluctuations in currency rates, the Company entered into forward contracts that effectively fix the currency rate for installments on each loan with Overseas Economic Cooperation Fund (Japan).

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 table below indicates the analysis which calculates the effect of a reasonable possible movement of the JD currency rate against the foreign currencies, with all other variables held constant, on the statement of profit or loss

2019 -

Currency	Increase / decrease in the rate to the JD	Effect on profit before income tax
	%	JD
Euro	10	(57,104)
Japanese Yen	10	(1,297,445)
-	-	-
Euro	-10	57,104
Japanese Yen	-10	1,297,445

2018 -

Currency	Increase / decrease in the rate to the JD	Effect on profit before income tax
	%	JD
Euro	+10	(71,242)
Japanese Yen	+10	(1, 190,678)
Kuwaiti Dinar	+10	-
Euro	-10	71,242
Japanese Yen	-10	1,190,678
Kuwaiti Dinar	-10	-

(33) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable, employees housing fund loan and some other current assets. Financial liabilities consist of term loans, due to banks, accounts payable, derivative financial liability and some other current liabilities.

Book values of financial instruments are not materially different from their fair values.

The Company uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

- **Level 1** - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3** - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
2019 -				
Financial Liabilities				
Derivative financial liability	-	2,433,901	-	2,433,901
2018 -				
Financial Liabilities				
Derivative financial liability	-	3,306,144	-	3,306,144

(34) CAPITAL MANAGEMENT

The primary objective of the Company's capital is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2019 and 2018. Capital comprises paid in capital, reserves and retained earnings and is measured at JD 70,068,968 as at 31 December 2019 (2018: JD 48,774,568).

(35) STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS (17) Insurance Contracts

IFRS (17) provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS (4) -Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2021 with comparative figures required. Early application is permitted provided that the entity also applies IFRS (9) and IFRS (15) on or before the date it first applies IFRS (17).

This standard is not applicable to the Company.

Amendments to IFRS (3): Definition of a Business

The IASB issued amendments to the definition of a business in IFRS (3) Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Company will not be affected by these amendments on the date of transition.

Amendments to IAS (1) and IAS (8): Definition of “Material”

The IASB issued amendments to IAS (1) Presentation of Financial Statements and IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of ‘material’ across the standards and to clarify certain aspects of the definition. The new definition states that, ‘Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments to the definition of material is not expected to have a significant impact on the Company’s financial statements.

Interest Rate Benchmark Reform Amendments to IFRS (9) and IFRS (7)

Interest Rate Benchmark Reform Amendments to IFRS (9) and IFRS (7) includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an “RFR”). The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB’s project.

The Company has not early adopted the amendments and has concluded that the uncertainty arising from IBOR reform is not affecting its hedge relationships to the extent that the hedge relationships need to be discontinued.

(36) COMPARATIVE FIGURES

Some of 2018 balances were reclassified to correspond to 2019 presentation with no effect on equity or profit for the year 2018.



Ref. :
Date : 19/3/2020

الرقم :
التاريخ : 2020/3/19

21. ج. الإقرارات المطلوبة

1. يقر مجلس إدارة الشركة بعدم وجود أي أمور جوهرية قد تؤثر على استمرارية الشركة خلال السنة المالية التالية.
2. يقر مجلس الإدارة بمسؤوليته عن إعداد البيانات المالية وتوفير نظام رقابة فعال في الشركة.

Acknowledgment

1. The company's Board of Directors acknowledges that there were no material matters that may affect the continuity of the company during the next financial year.
2. Board of Directors acknowledges its responsibility for the preparation of financial statements and the availability of an effective monitoring system in the company.

رئيس مجلس الإدارة

ثامر بن سعود بن اسماعيل الشرحان

عضو

فيصل عبدالرزاق موسى الحياوي

عضو

مكرم أديب الخوري

نائب الرئيس

تركي سعيد العمري

عضو

رائيه موسى الأعرج

عضو

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عضو

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البريد الإلكتروني : cegco@cegco.com.jo

Central Electricity Generating Co.
(CEGCO)



شركة توليد الكهرباء المركزية م.ع.

Ref. : _____

Date : **19/3/2020**

الرقم: _____

التاريخ: _____

3. Declaration of the Chairman, Acting Chief Executive Officer and Chief Financial Officer

Declaration

Attention: M/s Company's Shareholders

We the undersigned hereby certify and declare the authenticity and accuracy of the information and financial statements contained in this Annual Report.

Chief Financial Officer
Zakieh Abdel Ghani Suliman Jardaneh

Chief Executive Officer
Moayad Ibrahim Abdul-Wahhab Samman

Chairman
Thamer Saud Ismail Al Sharhan

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