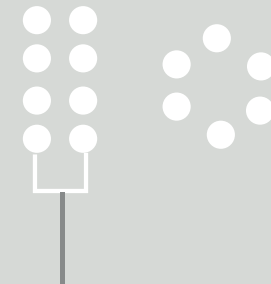


The Hashemite Kingdom of Jordan  
Central Electricity Generating Company



CEGCO

2014







His Majesty  
**King Abdullah II Bin Al Hussein**





H.R.H Crown Prince  
**Hussein bin Abdullah II**





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## A.1 Chairman Address

Dear Shareholders,

With each passing year, Central Electricity Generating Company (CEGCO) continues to reaffirm its remarkable ability to overcome the many challenges it faces, particularly those related to the aging and decommissioning of the Company's electricity generating units. At the beginning of 2014, CEGCO's total generation capacity declined by approximately 20%, while Al-Hussein Thermal Power Station's total generation capacity dropped by nearly 50%. In order to avoid dire consequences resulting from the full decommissioning of several stations, CEGCO proposed to rehabilitate Al-Hussein Thermal Power Station, thus enhancing its efficiency and reducing its fuel consumption. CEGCO also took the initiative to present Aqaba Thermal Power Station and Al Risheh Power Station with alternative solutions, some of which were related to renewable energy. Despite delays in the commencement of the rehabilitation project of Al-Hussein Thermal Power Station, CEGCO made it a top priority to safeguard the job security of its employees at the decommissioned stations.



Throughout 2014, the result of utilizing heavy fuel to generate electricity persisted, negatively affecting units and leading to an increase in routine and preventive maintenance. Nevertheless, electrical energy sales during 2014 reached 7,527 GWh, marking an 8.38% increase compared to 2013, despite the decommissioning of some generating units. However, financial performance reviews indicated a decrease of approximately 15.5% in profits (before exchange rate difference) to reach JOD 14.7 million in 2014 as opposed to JOD 17.4 million in 2013.

CEGCO also witnessed a drop in its debit and credit accounts during the year, as debit accounts to National Electric Power Company (NEPCO) went down to JOD 251.6 million in 2014 compared to JOD 283.2 million in 2013, whereas credit accounts to Jordan Petroleum Refinery Company (JPRC) declined from JOD 242.9 million in 2013 to JOD 208.1 million in 2014.

With regards to our future outlook, we strive to advance CEGCO and ACWA Power International alike by placing a special focus on investing in both companies and their staff. Great efforts have been exerted in terms of rehabilitating Al-Hussein Thermal Power Station, approving multiple additional requirements, as well as offering lower prices than those of the first private generating project in Jordan back in 2005. We are currently in the final stages of signing an agreement with the Government of Jordan that will positively impact CEGCO's sustainability by improving its operations, efficiency and generation capacity. Moreover, ACWA Power International has qualified for the second phase of the solar cell project, which encourages active involvement in renewable energy across Jordan, hence ensuring CEGCO's participation in this field.

In conclusion, I would like to express my gratitude towards the entire CEGCO team at all sites for their exceptional efforts in advancing our Company, realizing expectations and achieving CEGCO's ambitious vision. Finally, thank you to our CEO and Board of Directors for their unwavering and continuous support.

**Mohammed Bin Abdullah Abu Nayyan**  
Chairman



## A.2 CEO Address

Ladies and Gentlemen,

On behalf of Central Electricity Generating Company (CEGCO), we are delighted to share with you the accomplishments we achieved over the past year despite the challenges that we faced and which are expected to continue in 2015.

Although 20% of our electricity generating units had been decommissioned at the start of 2014, CEGCO was able to generate enough electrical power to meet growing demands, which had increased by 8% compared to last year in accordance with NEPCO official forecasts.

The Company also resolved a few incidents that disrupted the operation of certain electricity generating units such as the Rehab Gas Turbine Power Station's 12th gas unit and the Risheh Power Station's first gas unit. CEGCO's technical and managerial staff were able to restart the units, operating them at full capacity and limiting resulting losses.

Over the past year, CEGCO signed a number of agreements with various parties, namely with the Jordan Engineers Association offering fresh engineering graduates training opportunities at the Company's power plants. In addition, CEGCO signed a collective labor agreement with the Electricity Workers Union, providing employee incentives such as scholarships for its staff's academically gifted children, housing loan support, and other benefits.

With regard to its human resources, CEGCO developed an unprecedented performance-based incentive scheme to reward employees at all levels and locations. Moreover, in an effort to boost employee performance, the Company introduced a number of training programs and courses under different specialties across its sites.

As for quality control, last year CEGCO received integrated management system certificates including the ISO 9001:2008 certification for quality management systems, the ISO 14001:2004 for environmental management systems and the OHSAS 18001:2007 for occupational health and safety management at all its sites, including the main offices, Aqaba Thermal Power Station, Al-Hussein Thermal Power Station, Rehab Gas Turbine Power Station, and Risheh Power Station. Furthermore, the Company was granted a distinction award in the field of occupational health and safety by the Social Security Corporation.

In conclusion, I would like to take this opportunity to thank the CEGCO team for their hard work and outstanding efforts in enhancing the Company's efficiency and building on its achievements. Finally, I extend a warm thank you to the Chairman and Board of Directors for their invaluable guidance as we look forward to reaching greater heights of success in the future.

Best regards,



**Eng. Omar Al-Daour**  
**Chief Executive Officer**

## B. Report of Board of Directors

The Board of Directors is pleased to present to you its Annual Report including activities and achievements of the Company as well as the financial statements of the year ended on 31.12.2014

### 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 111953, 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.
- **Hussein Thermal Power Station:** 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 Zarka.
- **Rishih 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.
- **Marka Gas Turbine Power Station:** it is located in Marka district, within the bourdearie of Amman.
- **Amman South Gas Turbine Power Station:** it is located 15 km south of Amman and situated in a rural area.
- **Karak Gas Turbine Power Station:** it is located within boundaries of Karak City, 120 km south of Amman.
- **Al Ibrahimiah Power Plant:** it is located in the north of Jordan about 80 km south of Amman.
- **Houfa Power Plant:** it is located in the south of Jordan about 92 km south of Amman.



	Site	No. of Employees
Head Offices	Amman Khalda	151
Aqaba Thermal Power Station	Aqaba	332
Hussein Thermal Power Station	Zarqa	264
Rehab Power Station	Mafrak	163
Risha Power Station	Ruwaished	38
Marka Power Station	Marka	30
Amman South	Mukablain	13
King Talal Dam	Jarash	8
Karak Power Station	Karak	7
Power Stations ( Hofa, Ibrahimieh )	Irbid	2
Total		1008

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

## 1. C. Company's Capital Investment Volume

179,269,451 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

#### Representatives of Enara Company for Energy Investment

H.E. Mr. Mohammad Bin Abdullah Abunayyan	Chairman Since 18/7/2011
H.E. Mr. Francis Joseph Gomez	Vice Chairman since 15/12/2011 until 5/4/2014
H.E.Mr. Thamer Al Sharhan	Vice Chairman since 6/4/2014
H.E. Mr. Thomas Leroy Langford	Member since 31/10/2007

#### Enara «2» Company for Energy Investment

H.E. Mr. Rajit Nanda	Member since 17/3/2013 until 19/10/2014
H.E.Mr Sanjiv Iyer	Member since 19/10/2014

#### Representatives of the Hashemite Kingdom of Jordan:

H.E. Mrs. Dina Abdullah A. Al Dabbas	Member since 31/10/2007
H.E. Mr. Mahmoud Al Ees	Member since 4/10/2012 until 1/7/2014
H.E. Mr. Zaid Jebril	Member since 1/7/2014

#### Representative of the Investment Unit – social security Corporation:

H.E. Mr. Zaidoun Abu Hassan	Member since 17/3/2013
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H.E. Eng. Omar Ahmad Al Daour /CEO	since 1/2/2013
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## H.E. Mr. Mohammad Bin Abdullah Abu Nayyan

Chairman of Central Electricity Generating Co. since 18/7/2011

**Date of Birth :** 28/11/1962

**Nationality :** Saudi Arabian

### Work Experience

Employment Started : 1979

### Job Titles/Positions:

- With over 30 years of experience in the Water and Power sector Mohammad Abunayyan is Chairman of ACWA Power which in 8 years has emerged as a leading developer of privately financed power generation and desalinated water production plants in the GCC, MENA, Southern Africa and Eastern Europe regions with a portfolio of assets worth US\$ 23 Billion with a contracted capacity of 15,731 MW and 2.4Mm<sup>3</sup>/day of water.
- Mr. Abunayyan is Chairman of Abunayyan Holding Company ("AHC") also serves as Chairman and Board Member of many reputed companies, besides holds number of prestigious leadership positions helping spearhead the Kingdom's economic development.
- Mr. Abunayyan is a Member of the Advisory Committee of the Chairman of high Supreme Economic Council responsible for studying issues related to the national economy.



## H.E. Mr. Thamer Al-Sharhan

**Vice Chairman** : 6/4/2014

**Date of Birth** 1961

**Nationality** : Saudi Arabian

### 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 m<sup>3</sup>/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 m<sup>3</sup>/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. Mr. Francis Joseph Gomez**

**Membership Date** : 18/7/2011 **Until** 5/4/2014

**Vice Chairman** : 15/12/2011

**Date of Birth** 10/12/1954

**Nationality** : Singaporean

**Qualifications:**

University Degree Control Engineering

**Work Experience**

- Chief Executive Officer, ENARA Energy Investments Company, Jordan
- Consultant, Mubadala Development Company, Abu Dhabi
- Executive Vice President, Sembcorp Industries, Singapore

**Previous:**

- SembCorp Utilities, Singapore
- SembCorp Gas, Singapore
- SembCorp Air Products, Singapore- Chairman
- SembCorp Cogen, Singapore
- SembCorp Utilities, United Kingdom
- Wilton Energy Limited, United Kingdom
- SembCorp Gulf Holding Co, United Arab Emirates
- Phu My 3 BOT Power Company, Vietnam
- Central Electricity Generating Company, Jordan- Vice Chairman & Co.
- ENARA Energy Investments Company, Jordan
- RAEDA Energy Investment, Jordan



## H.E. Mr. Thomas Leroy Langford

**Membership Date:** 31/10/2007

**Date of Birth:** 24/6/1941

**Nationality:** American

### Qualifications:

- Bachelor's degree in Business Administration from the University of California at Berkeley.
- Master's degree in Business Administration from the University of California at Berkeley.
- Graduate of Advanced Management Program at Harvard University Graduate School of Business.

### Work Experience:

- Consultant at Consolidated Contractors Company.
- Joined the Consolidated Contractors Group in 2001 as Group Vice President of the
- Investment and Financial Risk Department.
- Prior to joining Consolidated Contractors Company, Mr. Langford
- held executive posts in the field of engineering and construction as
- Chief Financial Officer with Stone & Webster Inc., Massachusetts, as well
- as with Parsons Corporation in California, U.S.A.
- Previously, worked for 6 years as Auditor for Price Waterhouse in Los
- Angeles, California, U.S.A.





**H.E. Mrs. Dina Abdullah A. Al-Dabbas**

**Membership Date :** 31/10/2007

**Nationality :** Jordanian

**Qualifications:**

- Master's degree in Economics-Jordan University, 1984.
- Certificate in Regional Planning- University College/London, 1979.
- Bachelor's degree in Economics & Business Administration, Jordan University 1978.

**Work Experience**

- Executive Privatization Commission
  - Acting Chairperson From 3/5/2011
  - Secretary General From 7/4/2008
  - Transaction Manager (5/1998 - 4/2008)
- Consultant Services (1996-1997)
- Central Bank of Jordan (1982-1994)
- Amman Urban Region Planning Group (1978-1979)



## H.E. Eng. Mahmoud Omar AL-Ees

**Membership Date :** 4/10/2012 **Until** 1/7/2014

**Date of Birth:** May 1<sup>st</sup>, 1956

**Nationality:** Jordanian

### Qualifications

- B.Sc., Mechanical Engineering, Aleppo University, Syria 1984.

### Work Experience

- Director of Energy Planning Department, Ministry of Energy & Mineral Resources (2003-present).
- Official Spokesman of the Ministry of Energy & Mineral Resources (2007-present).
- Secretary of the Jordanian National Committee for World Energy Council (WEC), (2003-present).
- Member of the Board of Directors of Electricity Distribution Company (June 24th, 2006-July 1st, 2008).
- Member of the Board of Directors of National Petroleum Company (July 1st, 2008-Oct 3rd, 2012).
- Member of Board of Directors for Prince Faisal Center for Dead Sea, Environmental & Energy Research-Mu'tah University, Oct. 12th, 2010-Oct. 13th, 2012).
- Energy and Environment Consultant for UNDP for Climate Change Project.
- Lecturer & Energy Expert confirmed by the International Atomic Energy Agency in IAEA's models for energy, electricity & environment



## H.E. Mr. Rajit Nanda

**Membership Date:** 30/4/2012

**Date of Birth:** 12/9/1970

**Nationality:** Indian

**Qualifications:** MBA (Finance)

### Work Experience

- Rajit Nanda is currently the Chief Investment Officer of ACWA Power with responsibility for its global growth bringing together the multi-functional skills of new business development, acquisitions and divestiture, legal, corporate and project finance. Mr Nanda has led the structuring and financing of several IPP/IWPPs in Oman, Saudi Arabia, Jordan, Bahrain, Abu Dhabi, Qatar, Thailand, Singapore, Morocco, Turkey, South Africa and is currently overseeing ACWA Power's rapid international expansion across the GCC, Turkey, Jordan, North Africa and Southern cone of Africa. Mr Nanda has also initiated and overseen several transformational business acquisitions for ACWA Power in Jordan, Oman etc. Before joining ACWA Power in 2009 as its CFO, he was the regional CFO for GDF Suez's Middle East, Asia and Africa region.

### Directorships:

- Mr Nanda sits on the board of several power and utility companies in the MENA and Africa region viz. Rabigh Arabian Water & Electricity Co. (RAWEC), Jubail Water & Power Co. (JWAP), Rabigh Electricity Co. (RABEC), First National Operation & Maintenance Co. (NOMAC), AlimtiAZ Operation & Maintenance Co. (ALIMTIAZ), Saudi Malaysia Water & Electricity Co. (SAMAWEC), ACWA Power International Holdings Limited (JAFZA), ACWA Power Global Holdings Limited (JAFZA), ACWA Power Jordan Holdings Limited (JAFZA), ACWA Power Kirikkale Holdings Limited (JAFZA), Kirikkale Holdings Limited (JAFZA), ACWA Power Plovdiv Holdings (JAFZA), ACWA Power Moatize Holdings Limited (JAFZA), ACWA Power Reinsurance Co. (Dubai – DIFC), ACWA Power Global Services LLC (Dubai – DIFC), ACWA Power Moatize Limited (Dubai – DIFC), ACWA Power Bahrain Holdings (Bahrain), ACWA Power Kirikkale Holdings Limited (Bahrain), Kirikkale Holdings Limited (Bahrain), Jubail Operation Holdings Co. (Bahrain), SGA Marafiq Holdings Co. (Bahrain), Central Electricity Generating Co. (CEGCO)(Jordan), Al Raeda Energy (Jordan), ENARA Energy Investments PSC (Jordan), Red Sea Energy PSC (Jordan), ACWA Power Barka Electric Co. (Oman), ACWA Power Barka Project Co. (Oman), First National Company for Operation and Maintenance Services - NOMAC (Oman), ACWA Power SolAfrica Bokpoort CSP Power Plant (South Africa), ACWA Power Africa Holdings (Pty) Ltd. (South Africa), ACWA GUC ELEKTRİK İŞLETME VE YÖNETİM SANAYİ VE TİCARET ANONİM ŞİRKETİ (Turkey), ACWAPOWER ENERJİ ANONİM ŞİRKETİ (Turkey), ACWA Power Ouazzate (Morocco), ACWA Power Maroc (Morocco), ACWA Power Jordan Generation Limited (BVI), ACWA Power Barka Project TSA Co. (Mauritius), ACWA Power Barka Services 1 (Mauritius), ACWA Power Barka Services 2 (Mauritius), ACF Renewable Energy Limited (Malta), ACWA Power CF Karad PV Park EAD (Bulgaria)



**H.E. Mr. Zaydoun Mamdouh Abed Al Rahman Abu Hassan****Membership Date :** 17/3/2013**Date of Birth :** 1/5/1968**Nationality :** Jordanian**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. Mr. Sanjiv Iyer**

**Membership Date:** 19/10/2014

**Date of Birth:** 3/4/1962

**Qualifications:** Chartered Accountant from India

**Work Experience:**

- COO As of the date of 28/02/2014 until 19/10/2014
- 23 Years of international experience, with over 10 years in the privatized environment in the power sector. Handled implementation of green field power projects, financial closures and negotiated concession agreements during the tenure in the power sector .



**H.E. Eng/ Ziad Jibril Sabra**

**Membership Date :** 1/7/2014

**Date of Birth :** 22/10/1960

**Nationality :** Jordanian

**Qualifications:** Bachelor's degree in Mechanical Engineering from Yarmouk University since 1984 .

**Work Experience**

- The Director of Renewable 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 Solar thermal power generation project in addition to other projects including waste to energy projects, as well as Energy Efficiency studies and measures. Mr. Sabra is a Mechanical Engineer graduated from Yarmuk University of Jordan in 1984, conducted post graduate 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 a member of several local committees for studying and evaluation of different proposals for IPPs projects. He is a member of the International Steering Committee of the World Renewable Energy Congress of WREN at the UK. In addition, he is a member in the Board of Trustees of the Regional Center for Renewable Energy and Energy Efficiency (RCREEE) at Cairo, and working as the Focal Point of Jordan at the International Renewable Energy Agency (IRENA) and for the Mediterranean Solar Plan (MSP) under the UfM Secretariat.



### 3.B Senior Executive Management

#### **Eng. Omar Ahmad AL Daour**

**Present Post:** CEO/ Central Electricity Generating Co. since 1/2/2013

**Date of Birth:** 1954

**Work Experience:**

Leveraging over 30 years of industry-specific experience in the areas of corporate management and power plant engineering, Eng. Omar Al-Daour brings to the table unique strategic insight as CEGCO's CEO.

Eng. Al-Daour has been a member of CEGCO's executive team since 2000, assuming several notable positions prior to his current title as CEO. Eng. Al-Daour's positions within CEGCO included Assistant General Manager for Development and Planning, Executive Manager for Business Development, Assistant General Manager for Technical Affairs and acting Managing Director.

Under his numerous capacities at CEGCO, Eng. Al-Daour played a key role in setting up the Company's annual plans and strategies based on his in-depth experience in the development of CEGCO's assets and the efficient management of expansion projects.

As an active and influential member of the CEGCO team, Eng. Al-Daour was extensively involved in guiding the Company during various milestones such as its privatization in 2007. During his professional career, Eng. Al-Daour also spearheaded several CEGCO projects, the most notable of which was the Aqaba Fuel Switch Project which was recognized as the 2008 Project Of The Year during the Abu Dhabi International Petroleum Exhibition Conference (ADIPEC).

Over the course of his prolific career, Eng. Al-Daour has served as a Leading Professional Advisor for the German International Cooperation Agency (GIZ) and worked at the Ministry of Water and Electricity (MOWE) in Riyadh, Saudi Arabia. Eng. Al-Daour also assumed several positions at the Jordan Electricity Authority (JEA) between the years 1982 and 2000.

Eng. Al-Daour attained his MSC in Mechanical Engineering in 1979 from the University of Bochum in Germany, specializing in the areas of Processing, Fluid Dynamics and Apparatus Design.



## H.E. Mr. Nadeem Rizvi

**Present Post :** Chief Executive Operations  
since 20/10/2014

**Date of Birth :** 1967

### Work Experience

- Nadeem Rizvi has been appointed Chief Operating Officer of CEGCO, Jordan as of 19 October 2014.
- Nadeem, a finance professional from Pakistan, has over 23 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.





## Mr. Sami Yahia Hamto Abzakh

**Present Post :** Consultant/ Secretary of BoD

**Assignment Date :** 22/8/1987

**Date of Birth :** 2/4/1956

**Qualifications:**

Bachelor's Degree in Law, 1980

**Work Experience:**

1/12/2010-till 26/1/2012 : Management committee consultant /admin & H.R affairs/ CEGCO  
Secretary of BoD

2008-30/11/2010 : Executive Manager-corporate Affairs/ CEGCO-Secretary of BoD

2001-2008 : Managing Director Assistant for Administrative Affairs/ CEGCO-  
Secretary of BoD

1999-2001 : Manager of Administrative & Personnel Dept./ CEGCO-Secretary of BoD

1994-1999 : Management Section Head, HTPS / CEGCO

1987-1994 : Administrative Supervisor, HTPS / CEGCO

1979-1987 : Petromin Refinery, Riyadh/ K.S.A

1974-1978 : Jordan Petroleum Refinery Co./ Jordan



## Mrs.Zakieh Abed Al Ghani Suliman Jardaneh

**Present Post :** Financial Controller

**Assignment Date :** 1983

**Date of Birth :** 7/11/1962

**Qualifications :**

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

**Work Experience:**

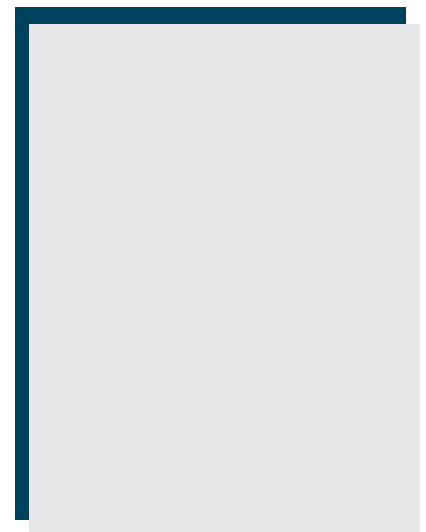
From March 2014 to date : Financial Controller - CEGCO

2007- until now : Executive Manager/Finance, CEGCO

1999- 2006 : Finance Manager, CEGCO

1997-1998 : Section Head /Systems Development, NEPCO.

1983-1996 : Accountant, Jordan Electricity Authority



## Eng. Maher Moh'd Ateyah Tubaishat

**Present Post :** Executive Manager /Assets Management

**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 - Jordan

**Work Experience:**

1/12/2010- until 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



## Eng. Ali Hussein Ibrahim AL\_Rawashdeh

**Present Post :** Executive Manager /Operation & Maintenance

**Assignment Date :** 4/2/1996

**Date of Birth :** 18/2/1971

**Qualifications:**

Bachelor Degree/ Mechanical Engineering

**Work Experience:**

- 20/8/2009- Until 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.



## Eng. Adnan Mohamad Abed Al Rahman Al-Dhoun

**Present Post:** Executive Manager /Supply Chain Management

**Assignment Date:** 20/10/1985

**Date of Birth:** 24/06/1957

**Qualifications:**

- Bachelor Degree/Electrical Engineering-University of Kosovo-Yugoslavia 1985.

**Work Experience:**

- |                            |   |
|----------------------------|---|
| 1/12/2010- Until 26/1/2012 | • Executive Manager/ Business Support/ CEGCO                                    |
| 24/9/2009-30/11/2010       | • Deputy Executive Manager/ Production/ CEGCO                                   |
| 25/10/2003-23/9/2009       | • Directorate Head/ ATPS CEGCO  |
| 1/9/2003-24/10/2003        | • Secretary of Tendering Committees Manager/ CEGCO                              |
| 31/12/1999-30/8/2003       | • Electrical Engineering/ Section Head - CEGCO                                  |
| 22/2/1999-30/12/1999       | • Electrical Engineering Section Head – Acting - Projects/ CEGCO                |
| 21/2/1995-21/12/1999       | • Assistant–Project Manager ATPS Project-Stage II/NEPCO                         |
| 12/4/1993-20/2/1995        | • Electrical Engineer- with the consultant group- ATPS project/ JEA             |
| 21/3/1988-11/4/1993        | • Electrical Engineer- Electrical Dept. - Projects – JEA                        |
| 15/11/1986-20/3/1988       | • Electrical Engineer with Consultant – ATPS project stage II - JEA             |
| 20/10/1985-16/11/1986      | • Trainee Engineer with the Chais.T.Main consultant Group – ATPS project – JEA. |



## Mr. Ismail Ahmad Ismail Qannis

**Present Post :** Accounting Manager.

**Assignment Date :** 13/12/1979

**Date of Birth :** 14/9/1958

### Qualifications:

- Bachelor's Degree in Accounting, Alexandria University, Egypt, May 1985
- Certified Accountant, Member of the Arab Institute for Certified Accountants, 1996.

### Work Experience:

1/9/2008 - Until now : Accounting Manager.  
 1/7/2007- 1/9/2008 : Finance Manager/CEGCO  
 1999- 28/2/2007 : Accounting Dept. Section Head/CEGCO  
 1979-1998 : Accountant /NEPCO



## Mr. Ibrahim Mahmoud Mousa Naser

**Present Post:** Financial Manager

**Date of birth:** 5/6/1975

**Date of employment:** 14/9/1998

### Qualifications

- Accounting Bachelor - University Of Jordan 1997
- JCPA - Jordanian Certified Public Accountant 2007

### Experiences

- Accountant in the private sector 26/4/1997 - 13/9/1998
- Accountant in CEGCO (NEPCO) 14/9/1998 - 31/12/2004
- Management Reporting Section Head ( Internal review previously) 1/1/2005 - 31/12/2012
- Financial Manager - designate 1/1/2013 --- 2014/12/31
- Financial Manager 1/1/2014 --- till now



#### 4. Table of Shareholders whom Shares Exceed 5%

SHARE HOLDERS OWNED > 5%				
2014				
		Shares	%	Nationality
1	Enara Energy Investment Co.	15,250,000	50.83%	Jordanian
2	The Government of Jordan	12,000,000	40.00%	Jordanian
3	Social Security Corporation	2,700,000	9.00%	Jordanian
SHARE HOLDERS OWNED > 5%				
2013				
		Shares	%	Nationality
1	Enara Energy Investment Co.	15,250,000	50.83%	Jordanian
2	The Government of Jordan	12,000,000	40.00%	Jordanian
3	Social Security Corporation	2,700,000	9.00%	Jordanian

#### 5. The Competitive Position for the Company within the Electricity Sector.

The total maximum load has reached (2930) MW for year 2014, compared to (2995) MW for year 2013, which mean a growth rate of (-2.17 %), where the maximum load for the interconnected electrical system has reached (2900) MW for year 2014 compared to (2975) MW for year 2013, which mean a growth rate of (-2.52%), in addition to the production of electric power in the kingdom which has reached (18269) GWh in 2014, compared to (17287) GWh in 2013, a growth rate of (5.68%), the company contributed through its capacity of (1392) MW which represents (32.9%) of the total electrical system capacity with a production of (7964.3) GWh, a percentage of (43.6%) of the total generated electric power in the kingdom for year 2014, where The other companies and industrial institutions contributed to a percentage of (56.4%).

The company sale of electric power has reached (7526.9) GWh in year 2014, compared to (6945.4) GWh in year 2013. A growth rate of ( 8.38 % ) .

#### 6. Degree of dependence on specific suppliers or main clients locally and externally

##### Major Suppliers

Major suppliers	Dealing Ratio from Total Procurements
Jordan Petroleum Refinery (JPRC)	99.3%
National Petroleum Company	0.7%

##### Major Clients

Major client	Dealing Ratio from Total Sales or company Returns
National Electric Power CO.	100%

## 7. 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, 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.

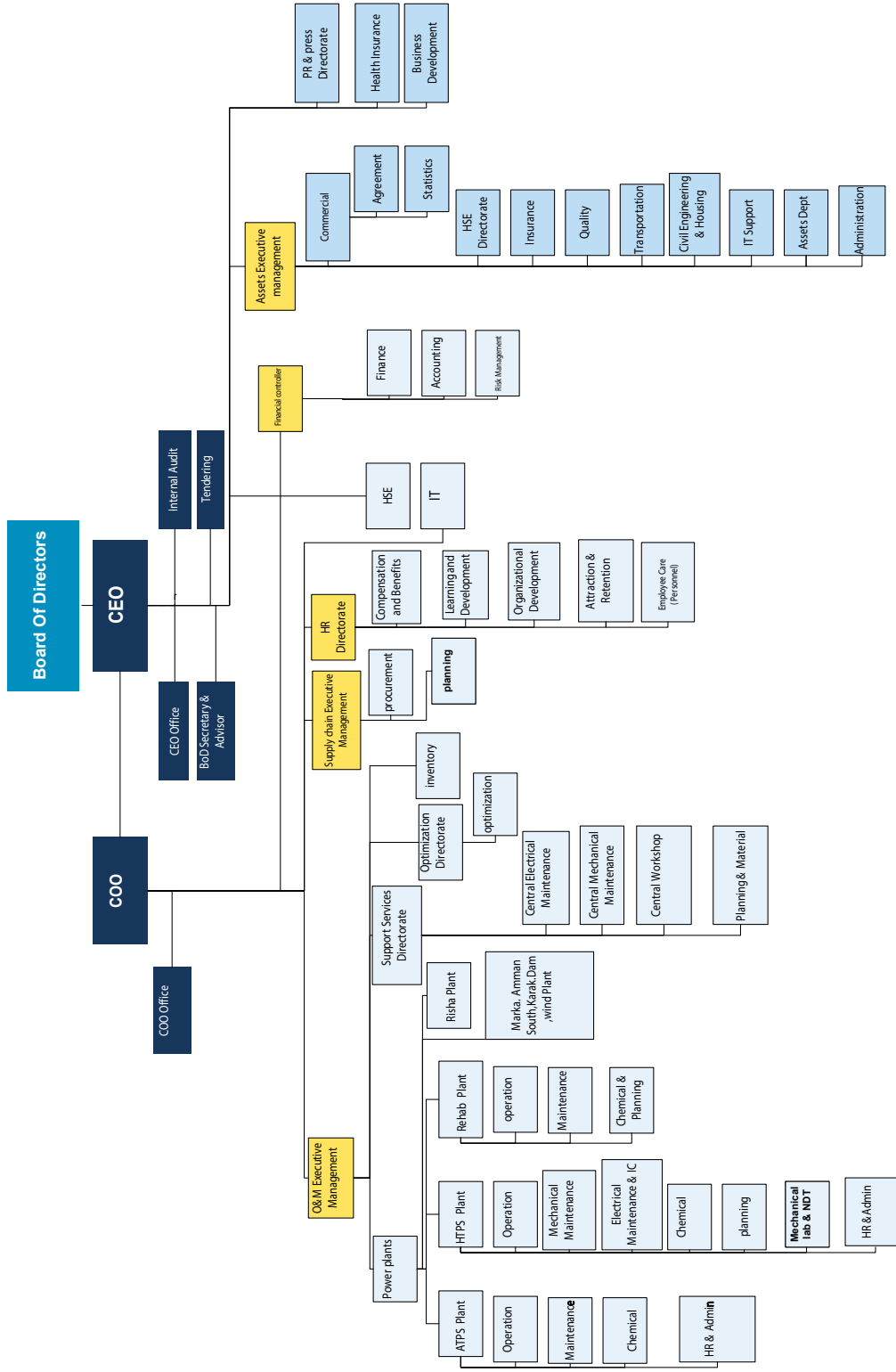
### 8.A. There are no Decisions Issued by the Government or International Organizations that have an impact on the work of the company or its competitive edge.

#### 8. B. Quality and Technical Audit

- CEGCO has attained integrated management system certificates at all its sites including its main offices, Aqaba Thermal Power Station, Al-Hussein Thermal Power Station, Rehab Power Station and Risha Gas Turbine Power Station. The certificates comprise the ISO 9001:2008 for quality management system, the ISO 14001:2004 for environmental management system and the BS OHSAS 18001:2007 for occupational health and safety management system.
- CEGCO works closely with its Quality Control Department to ensure the ongoing implementation and development of the integrated management system through the application of the awarded certificates' criteria. This is also achieved through internal audits by trained certified auditors; biannual external audits by international certification body in addition to conducting regular management reviews with follow up on potential opportunities for improvement and development.
- The installation and implementation of an asset coding system has been completed at CEGCO's main offices, Al-Hussein Thermal Power Station, Rehab Power Station and Aqaba Thermal Power Station.



# 9. A. Organization Structure





### 9. B. The number and Categories of staff of the company and their qualifications

The following table indicates the distribution of employees in accordance with the executive departments, job category and percentages as at 31/12/2013

Educational Degree	Employee number	percentage %
Less than high school	221	21.72%
High school	234	23.41%
Intermediate Diploma	366	36.31%
Bachelor	175	17.36%
Post graduate Diploma	1	0.1%
Master	10	1%
Phd	1	0.1%
Total	1008	100%



Employees destruction (locations):

	Number of Employees	Percentage
Head Offices	151	15%
Aqaba Thermal Power Station	332	33%
Hussein Thermal Power Station	264	26%
Rehab Power Station	163	16%
Risha Power Station	38	4%
Marka - Amman	30	3%
Amman South	13	1.3%
King Talal Dam	8	0.8%
Karak Power Station	7	0.7%
Power Stations ( Hofa, Ibrahimieh )	2	0.2%
Total	1008	100%

Distribution of employees – Job category:

Engineer	Doctor	Technician	Financial	Administration	Supportive services	Total
107	3	687	35	88	88	1008
10.6%	0.30%	68%	3.5%	8.8%	8.8%	100%

## 9. C- Rehabilitation & Training Program for the Staff

### Courses:

According to 2014 training plan L&D intends to motivate Internal Training Plan over all divisions and locations, to consolidate the concept of share knowledge, and to maximize the impact of training, this was achieved by class room training (CRT) along with On Job Training (OJT). the total internal training courses ( CRT & OJT) 52 courses with total training hours of 9785, and 858 trainee from deferent work groups.

A various of specialized technical training courses been conducted by a qualified engineers & technicians after get them into TOT program that has been conducted at the beginning of 2014 that made them capable to manage the training process in a professional manner, in order to increase their ability to design the training materials & develop the presentation skills. 49 employees been attended this TOT with 1225 training hours.

Learning and development department has conducted many specialized technical training courses for O&M team HSE, IT, insurance and HR to improve their knowledge and technical skills, as in the following examples:

Speedtronic systems MKV operation & maintenance been conducted at Rehab plant by Elconcord training company, the

purpose of this training is to improve the skills of O&M staff, develop their knowledge in the systems , learning more about the basics of gas turbine control and operation sequences and protection, Increase the staff background about all normal operation activities and examining the means of troubleshooting alarms and trips and Enhance their knowledge in MK V configuration, calibration, modification, and other software tools that used in MK V software. 23 employees have joined this training from Rehab, Risha, & marka with total cost of 21750 JoDs.

DIASYS control system training course been conducted by Mitsubishi Hitachi power system in Japan in order to build enough knowledge for the control staff about how to deal of distribution control system, improve the capability of the staff to execute troubleshooting, investigation, testing and maintenance activities as per best practice, and develop the their qualifications about the system . Three employees have joined this training with total cost of 20000 JoDs.

A Root Cause Analysis ( Apollo RCA) training has been conducted in order to enable attendees to identify , understand and solve the root causes of problems and failures in a scientific manner and to prevent recurrence of failures. 29 employees have joined this course, with total training hours of 580 hours.

Regarding seminars & conferences, 28 employees have joined with 384 training hours.

The training harvest during 2014 reached 15915 training hours with 56.76 employees percentage, with total cost of 76644.5 JoDs.

The following table showing the training distribution for all CEGCO sites.

Training Distribution							
Location	Total Employees No	No of employees attend Training	Participation percentage	Total Training Hours (Hour)	Location training hours percentage	Training Fees (JD)	Location training fees percentage
ATPS	332	129	38.62%	3905	24%	10564.4	13.78%
HGPS	264	200	75.47%	5451	34%	8267.1	10.79%
REHAB	163	82	49.70%	3102	20%	34432.1	44.92%
RISHA	38	25	65.79%	489	3%	6338.3	8.27%
MARKA	60	42	70.00%	702	4%	3430	4.48%
HQ	151	97	64.24%	2266	15%	13612.6	17.76%
Total	1008	575	56.76%	15915	100%	76644.5	100%

## 9. C. 1. Training Courses

The following table shows the training courses that been conducted during 2014:

Training Type / Title	Training hours	No. Of Attendees	Training fees
External Vendor	6130	281	76644.5
Conference	182	11	3382
Industrial Engineering Conference	42	3	300
Jordanian economy in a changing world conference	8	1	60
Mechanical Engineering Conference	48	3	300
My Transfo Conference	84	4	2722
Class Room Training	5146	243	72862.5
2nd APEX INSURANCE FORUM	14	1	350
Administering Microsoft SQL Server 2012 Databases	40	1	0
Administering System Center 2012 Configuration Manager	80	2	0
Apollo RCA	580	29	14297
ARC flash training	63	3	0
Core Solutions of Microsoft Lync Server 2013	80	2	0
Core Solutions of Microsoft SharePoint Server 2013	80	2	0
Developing Microsoft SharePoint Server 2013 Core Solutions	80	2	0
DIA System Training	90	3	13425
First aid Training	960	48	350
HSW IGC	46	2	600
IMS	180	45	0
ITIL foundation	220	11	5109.5
Juniper JNCIA-JNCIS	210	5	0
KPI Professional	21	1	1700
Lifting equipment inspection	300	10	5293
NEBOSH IGC	120	2	2100
SharePoint 2013 End User	48	2	0
Shipping Insurance and opening letters of credit	28	1	350
Speedtronic Mark V operation and maintenance	660	21	20988
TETRA Engineering HRSG	21	1	950
TOT	1225	49	7350
OJT	600	10	0
MOH UNIT 3	600	10	0

Training Type / Title	Training hours	No. Of Attendees	Training fees
Seminar	77	10	400
CIGRE Scientific Day “A world without electricity and communications”	18	3	0
Energy measurement principals FLUKE seminar	21	3	0
MR On-Load Tap Changer	24	4	0
powering Middle East Summit	14	1	400
Workshop	125	7	0
community responsibility workshop	21	3	0
ERP Conference	8	2	0
managing your business workshop	48	1	0
Internal Training	9785	858	0
Class Room Training	8547	808	0
Boiler Combustion Control	180	9	0
Instrument maintenance	120	6	0
Interlock Test	120	6	0
ISO 14001 and OHSAS 18001 Auditing Training Course	645	22	0
Advanced Excel	580	33	0
alignment	575	25	0
Bently Nevada Protection & Monitoring system (Turbine)	200	10	0
BMS	120	6	0
Boiler start up and shutdown	60	3	0
budgeting	200	25	0
Cash Management	69	23	0
CEGCO Antispam Solution Awareness session	100	100	0
Chemistry of Boilers and HRSG	112	7	0
Computer skills	960	32	0
DCS Control systems	140	7	0
Doluge Valves maintenance	130	13	0
electrical protection, Electrical Metering and Protection, Perform Electrical Unit Testing, and Interlock Test STG 2	88	11	0
Electronic injection System	180	15	0
electronic maint cards	100	5	0
Field Instruments- Measurements & Transducers	560	28	0
First Aid awareness	126	21	0
HRSG Startup and shutdown	110	11	0
HSE LOTO procedures awareness	52	52	0

Training Type / Title	Training hours	No. Of Attendees	Training fees
hydraulic basics	20	1	0
Income Tax	69	23	0
Instrumentations Maintenance (ST+GT).	475	19	0
Interlock Test	105	7	0
inventory management	320	15	0
Maintenance of PLC (Controllers, Tuning Loops, programming and Troubleshooting)	160	8	0
Managing Procurement Related Data Base/reporting	75	5	0
Mechanical refrigeration maintenance and troubleshooting	108	9	0
Oil Analysis	250	10	0
Pumps Types and selection	84	4	0
reviving fire exercise	44	11	0
Risk survey introduction	27	9	0
Sales Tax	69	23	0
Security awareness session	259	143	0
Start Up and Shutdown Steam Turbine	120	12	0
Start Up and Shutdown Turbine	60	3	0
statistical analysis	140	7	0
Thermography	45	3	0
vibration analysis	150	5	0
Waste management	40	5	0
Water Analysis	200	8	0
Water treatment	200	8	0
Class Room Training + OJT	90	3	0
The use of new heat treatment machine	90	3	0
OJT	1148	47	0
Generator Inspection	180	6	0
High Pressure welding	150	3	0
HVAC Control System	48	4	0
Motor operated valve maintenance - HRSG 12	150	3	0
Motors Maintenance & rewinding	200	10	0
Transformers	420	21	0
<b>Grand Total</b>	<b>15915</b>	<b>1139</b>	<b>76644.5</b>

## 10. Risks Faced by the Company

In 2014, CEGCO was faced with the following incidents:

- The decommissioning of electricity generating units and the expiration of the energy purchasing agreement. This resulted in decreasing generation capacity and limited CEGCO's contribution to the local electricity market, in addition to the subsequent implications on employees working at the soon-to-be decommissioned units.
- The risks of utilizing heavy fuel at the Aqaba Thermal Power Station and its negative impact on the units' operational lifespan, as well as on operating and maintenance costs.

## 11. Achievements of the Company in 2014

### 11.1 Electricity in 2014

Staff of the Company implemented periodical and emergency maintenance programs on the units through its own technical staff. The following maintenance works were carried out:

- Major Inspection for Gas Turbine Unit No. 3 in Risha Station.
- Combustion Inspection for Gas Turbine Unit No. 5 in Risha Station
- Combustion Inspection for Gas Turbine Unit No. 4 in Risha Station
- Major Inspection for Gas Turbine Unit No. 12 in Rehab Station.
- Combustion Inspection for Gas Turbine Unit No. 13 in Rehab Station
- Major Overhaul for Steam Unit in Rehab Power Station .
- Hot Gas Path Inspection for Gas Turbine Unit No. 11 Rehab Power Station .
- Combustion Inspection for Gas Turbine Unit No. 12 in Rehab Power Station
- Combustion Inspection for Gas Turbine Unit No. 9 in Amman South Station
- Yearly Maintenance for Steam Units No. 1,2, 4 & 5 in Aqaba Thermal Power Station .
- Major Overhaul for Steam Unit No. 3 in Aqaba Thermal Power Station .
- Yearly Maintenance for Steam Units No. 4 & 7 in Hussein Thermal Power Station .

### 11.2 Use of Available Sources of Energy to Generate Electricity.

In 2014, 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 kept using the natural gas available in Risha Field under control of the National Petroleum Company to generate electricity from the gas turbines in capacity of (150) MW. In this year, it produced, using the natural gas, (299,8) GWh, where contribution of Risha Generating Station was (3,89%) of total production of the Company's stations in 2014 compared to (4,92%) in 2013.

## Wind Energy

The Company kept using the wind energy to produce the electric energy from Houfa and Ibrahimiah Power Plants where the amount of sold electric power was (2,37) GWh, which contributed to reduction of production cost of the electric energy in the Company's stations in amount of (291,532) JD.

### Technical Service and Manufacture of Spare Parts:

The Company focuses on its main workshops that utilize existing capacities and experience to manufacture and repair spare parts for different power plants in both normal and emergency situations. This helps reduce costs and outage time, as well as maintains the availability and readiness of the generating units. Some of the most notable achievements of the workshops include:

- Providing technical support at different company sites during scheduled maintenance program, and manufacturing and repairing various types of required spare parts.
- Manufacturing two heat exchangers for Gas turbine unit No.(13) in Rehab Station (the heat exchangers were the largest ever produced), as well as manufacturing other heat exchangers for atomizing air and purge air cooling systems for 30 and 100 MW units Gas Turbines.
- Manufacturing water, oil and air coolers in different shapes and sizes for various generating units.
- Maintaining and rehabilitating the exhaust duct for Gas Turbine unit No. 12 in the Rehab Power Station.
- Maintaining and rehabilitating the inner casing of the main feed water pumps for the steam generating units /130 MW in Aqaba Power Station.
- Manufacture Burner Wind Boxes for the steam generating units /130 MW in Aqaba Power Station.
- Repairing works of different types and sizes of bearings for the generating units.
- Manufacturing different types and sizes of shafts, gears, couplings and labyrinths for the generating units.
- Manufacturing Six (6) sets of Gas Air Heaters Baskets for the 130MW steam generating units in Aqaba Power Station.
- Providing technical services /manpower for other electricity generating companies in the Kingdom.

## Biogas

Jordan Biogas Company (equally owned by the Central Electricity Generating Company and the Greater Amman Municipality) has continued implementation of its plans and programs of 2014 that aimed to achieve the highest levels of production services of the electric energy and environmental services through extracting the greater possible quantity of the gas resulting from processing of the organic wastes. The company could extract (4,504,094) cubic meters of Methane in 2014 which contributed to reduction of its emission.

The total hours of operation of operating units in the company were (7,423) working hours. The amount of energy generated in 2014 was (5190) MWh.

Also, the company could, through the Clean Development Mechanism Project, get rid of (100) thousand ton of CO<sub>2</sub> in the first phase that lasted from 09/12/2009 to 31/12/2012, and (115) thousand ton in the second phase to be lasted from 01/01/2013 to 31/12/2017 to benefit from revenues of these carbon emissions under Convention On Climate Change.

Noticing that total extracted quantity of Biogas since start up of project in June 2000 until 31/12/2014 is (69,892,794) cubic meters, contributed in generating energy in the same period with total amount of (96,171) MWh.



### 11.3 Health, safety and Environment (HSE).

To achieve vision and mission of CEGCO to keep up with ongoing development and modernization in scope of work systems and mechanisms implementation with relevant attention to HSE, CEGCO has been completed and achieved the following in 2014 year:

- Preparation, adoption and implementation of 21 HSE procedures in addition to procedures that have been adopted previously, the most important procedures that have been adopted during this year are:
  - Legal and other requirements.
  - Aspect and hazard identification.
  - Communication, participation and consultation.
  - Emergency preparedness and response readiness.
  - Monitoring and measuring.
  - Incident investigation.
  - Management of fire-fighting.
  - HSE Recognition and award.
  - Tours and inspections.
  - Chemical laboratory safety.
  - Oil spillage contingency.
  - Management of contractors.
  - Security.
  - Access to hazardous areas.
  - Signage and labeling.
- All CEGCO sites have been granted Integrated Management System (IMS) certifications, including Quality Management System ISO 9001:2008, Environment Management System ISO 14001:2004, and Occupational Health and Safety Management System BS OHSAS 18001:2007, where company has designed, build and started of implementing these international standards systems before passing certification audit stage conducted by SGS Jordan in December.
- Aqaba Thermal Power Station (ATPS) won Incentive Award of Excellence granted by Social Security Corporation due to high performance of ATPS in Occupational Health and Safety in 2013 year.
- CEGCO achieved certificate of «Smoking-free zone» from King Hussein Cancer Institution and Center, Company has pledged to maintain a smoking-free facilities in order to provide a healthy environment for all people and give them the right to exist in a smoking-free place.
- Several portions of employees were trained in the areas of: General awareness of HSE, testing of lifting equipment, First Aid, driving forklifts, internal audit in occupational health, safety, and the environment management systems requirements. In addition to participation of all CEGCO HSE staff in HSE workshop organized by Acwapower company in Jeddah - Saudi Arabia to exchange experiences and knowledge in HSE fields.



6. Two external audits were conducted in different CEGCO locations in HSE, first was conducted by Acwapower company experts to ensure compliance to adopted and approved HSE policies and procedures, while the other was conducted by SGS Jordan to ensure compliance to ISO 14001: 2004 And BS OHSAS18001: 2007 requirements.
7. All lifting equipment in different CEGCO locations were listed, tested, certified and tagged by external vendor to guaranty safe works during usage of lifting equipment.
8. CEGCO has carried out medical tests of lungs and ears efficiency for random samples of employees in different locations to ensure good occupational health and safety of workers in sites relevant to noise and gas emissions .
9. CEGCO hosted meeting of HSE Supreme Committee of companies working in electricity sector in Jordan during June month to discuss the latest developments and to exchange experience and knowledge in occupational health, safety and environment.
10. Number of work injuries during 2014 year was 10 injuries associated with 21 lost days per injury, it is little bit more than the previous year, but it is very low if compared to work injury numbers in years preceded 2013, it is expected that the trend will downward in coming years due to precautions and measurements already taken to reduce incidents and work injuries in different company locations.

#### **11.4 Consultations, Agreements, and External Services**

The Company has continued to provide consultations and technical services

- to internal and external bodies:
- Providing Nondestructive testing services (NDT ) to AES/IIP1
- Providing Nondestructive testing services (NDT ) to Samra Power Company (SEPCO).
- Provide technical services includes manpower hiring and testing equipment for generating units planned outages - Alqatrana Power Co. (kepcO)
- Provide POWER transformers electrical testing services – IDECO.



## 11.5 Significant Statistics

Item	2013	2014	Growth rate (%)
Available capacity ( MW )	1687	1392	-17.5
Generated energy ( GWh )	7380.9	7964.3	7.90
Steam units	5321.2	5490.6	3.18
Combined cycle	1532.2	2079.0	35.7
Gas turbines	482.3	350.2	-27.4
Hydro	41.2	41.6	1.11
Wind	2.56	2.37	-7.3
Diesel engines	1.48	0.50	-66.2
Internal consumed energy ( GWh )	460.5	464.3	5.16
Internal consumed energy (%)	6.24	5.83	-6.57
Sold energy to NEPCO ( GWh )	6945	7527	8.38
Heavy fuel oil consumption ( 1000 ton )	1331	1344	0.97
Diesel oil consumption ( 1000 cubic meter )	383	479	25.2
Natural gas consumption / Risha gas ( million cubic meter )	151.0	131	-13.4
Natural gas consumption / Egypt gas ( Billion BTU )	311	18	-94.3
Overall efficiency ( generated ) (%) *	34.67	35.73	3.06
Overall efficiency ( exported ) (%) *	32.50	33.65	3.54
Availability factor (%)	90.26	92.20	2.15
Forced outage factor (%)	6.32	2.96	-53.2
Planned outage factor (%)	3.42	4.84	41.6
Employees	1035	1008	-2.61

\* Based on low heat value of heavy fuel oil and diesel oil.



## Performance Indicators

Table (1)

Technical Indicators	2010	2011	2012	2013	2014	Growth rate (%)
<b>A. Performance Indicators</b>						
Overall efficiency ( generated ) ( % ) (*)	36.41	35.71	35.47	34.67	35.73	3.06
Overall efficiency ( exported ) ( % ) (*)	34.27	33.59	33.29	32.50	33.65	3.54
Availability of generating units ( % )	95.69	93.97	93.52	90.26	92.20	2.15
Percentage of internal consumed energy ( % )	5.88	5.96	6.16	6.24	5.83	-6.57
<b>B. Financial Indicators</b>						
Average heavy fuel oil price ( JD/ton )	363.1	482.5	500.2	478.5	453.7	-5.18
Average diesel oil price ( JD/cubic meter )	456.7	504.2	550.3	653.5	636.4	-2.62
Average natural gas price / Risha ( fils/cubic meter )	50	50	50	50	50	0.00
<b>C. Manpower Indicators</b>						
Annual productivity ( GWh/employee )	7.01	7.51	7.36	7.13	7.90	10.79
Installed capacity ( MW/employee )	1.56	1.57	1.59	1.63	1.38	-15.27

(\*) 2010 based on low heat value of heavy fuel oil and diesel oil

Fig ( 1 )

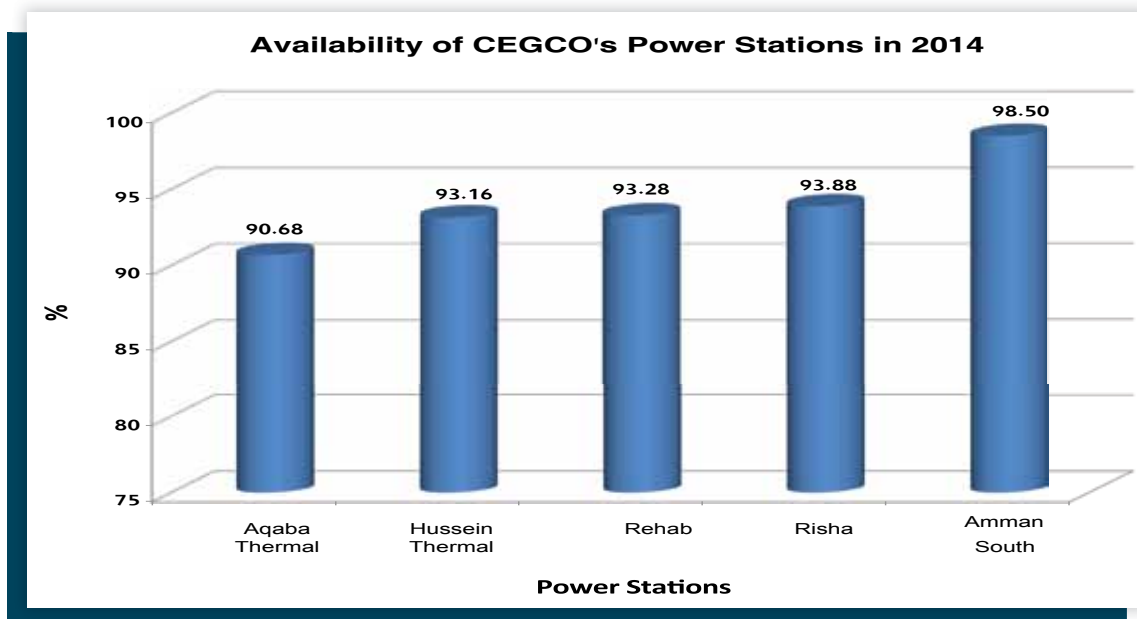


## CEGCO's Power Stations Performance Indicators

**Table (2)**  
**Availability Factor (%)**

Power Station	2010	2011	2012	2013	2014
Aqaba Thermal	96.72	90.83	95.00	92.17	90.68
Hussein Thermal	98.23	95.09	87.32	88.87	93.16
Rehab	89.62	94.92	92.98	82.26	93.28
Risha	96.84	98.72	97.67	95.19	93.88
Marka	99.18	98.71	97.43	99.82	0.00
Amman South	98.62	96.71	99.27	98.09	98.50
Karak	99.76	99.32	100.00	99.99	0.00
<b>Total</b>	<b>95.69</b>	<b>93.97</b>	<b>93.52</b>	<b>90.26</b>	<b>92.20</b>

**Fig (2)**



**Table (3)**  
**Forced Outage Factor (%)**

Power Station	2010	2011	2012	2013	2014
Aqaba Thermal	2.43	4.74	1.36	2.38	3.20
Hussein Thermal	1.50	2.56	9.60	9.01	3.79
Rehab	6.26	2.34	4.91	14.47	1.40
Risha	1.05	1.08	0.33	3.97	4.99
Marka	0.12	0.13	0.31	0.18	0.00
Amman South	0.79	0.50	0.28	1.43	0.35
Karak	0.24	0.00	0.00	0.01	0.00
<b>Total</b>	<b>2.77</b>	<b>3.02</b>	<b>3.64</b>	<b>6.32</b>	<b>2.96</b>

**Table (4)**  
**Planned Outage Factor (%)**

Power Station	2010	2011	2012	2013	2014
Aqaba Thermal	0.85	4.43	3.63	5.44	6.11
Hussein Thermal	0.27	2.35	3.08	2.12	3.06
Rehab	4.12	2.74	2.11	3.27	5.32
Risha	2.10	0.20	2.00	0.83	1.13
Marka	0.71	1.16	2.26	0.00	0.00
Amman South	0.60	2.79	0.45	0.48	1.15
Karak	0.00	0.67	0.00	0.00	0.00
<b>Total</b>	<b>1.54</b>	<b>3.01</b>	<b>2.85</b>	<b>3.42</b>	<b>4.84</b>

## Power Station Efficiency

**Table ( 5 )**

### Efficiency (Generated) for Power Plants (%)

Power Station	2010	2011	2012	2013	2014
Aqaba Thermal	38.60	37.57	37.61	36.86	37.08
Hussein Thermal	28.41	29.07	28.39	27.98	27.92
Rehab	40.26	41.23	41.50	40.45	41.51
Risha	26.53	25.99	25.39	24.32	23.82
Marka	22.02	20.46	20.56	19.50	0.00
Amman South	27.64	25.76	25.25	24.22	24.39
Karak	23.06	22.30	20.94	20.28	0.00
Remote Villages	30.88	27.49	25.08	28.42	29.83
<b>Total</b>	<b>36.41</b>	<b>35.71</b>	<b>35.47</b>	<b>34.67</b>	<b>35.73</b>

**Table ( 6 )**

### Efficiency (Sent Out) for Power Plants (%)

Power Station	2010	2011	2012	2013	2014
Aqaba Thermal	35.40	34.56	34.45	33.88	34.25
Hussein Thermal	25.91	26.78	26.10	25.79	25.73
Rehab	39.55	40.48	40.77	39.78	40.77
Risha	26.39	25.85	25.24	24.14	23.63
Marka	21.69	19.88	19.89	18.04	0.00
Amman South	27.20	25.18	24.83	23.60	23.53
Karak	22.48	21.63	20.04	19.24	0.00
Remote Villages	32.99	25.81	23.44	26.56	27.88
<b>Total</b>	<b>34.27</b>	<b>33.59</b>	<b>33.29</b>	<b>32.50</b>	<b>33.65</b>

(\*) 2010 based on low heat value of heavy fuel oil and diesel oil

## Power Station Heat Rate

**Table ( 7 )**

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

Power Station	2010	2011	2012	2013	2014
Aqaba Thermal	9324	9583	9571	9768	9709
Hussein Thermal	12668	12383	12682	12866	12895
Rehab	8941	8731	8674	8900	8673
Risha	13569	13853	14178	14801	15113
Marka	16348	17592	17435	18465	0
Amman South	13024	13975	14258	14865	14758
Karak	15606	16146	17194	17751	0
Remote Villages	10911	13096	14356	12665	12069
<b>Total</b>	<b>9884</b>	<b>10080</b>	<b>10149</b>	<b>10384</b>	<b>10075</b>

**Table ( 8 )**

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

Power Station	2010	2011	2012	2013	2014
Aqaba Thermal	10168	10417	10449	10625	10509
Hussein Thermal	13889	13441	13790	13961	13991
Rehab	9101	8893	8830	9051	8830
Risha	13639	13927	14264	14910	15234
Marka	16593	18106	18103	19955	0
Amman South	13232	14295	14501	15252	15299
Karak	16012	16646	17967	18709	0
Remote Villages	11655	13950	15360	13552	12914
<b>Total</b>	<b>10502</b>	<b>10719</b>	<b>10816</b>	<b>11076</b>	<b>10699</b>

(\*) 2010 based on low heat value of heavy fuel oil and diesel oil



## Generated Electrical Energy

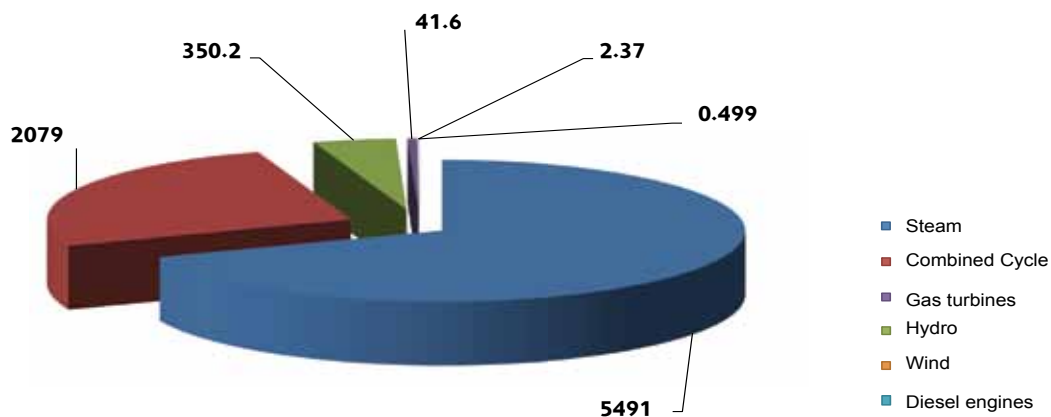
Table (9)

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

Power Station	2010	2011	2012	2013	2014	Growth rate ( % )
Aqaba Thermal	4090.6	4303.9	4013.2	4081.3	4466.7	9.44
Hussein Thermal	781.8	1212.2	1287.6	1281.1	1065.5	-16.83
Rehab	2197.8	2013.6	1994.4	1620.0	2108.4	30.15
Risha	504.7	476.71	434.44	363.85	309.77	-14.86
Marka	29.4	9.85	10.05	3.95	0.00	-100
Amman South	41.6	28.1	42.7	24.6	11.0	-55.20
Karak	5.60	2.71	2.98	2.11	0.0	-100
Ibrahimiya	0.63	0.48	0.89	0.55	0.47	-14.32
Hofa	2.00	1.87	1.38	2.01	1.90	-5.32
Remote Villages	1.12	1.31	1.42	1.48	0.50	-66.25
<b>Total</b>	<b>7655.2</b>	<b>8050.7</b>	<b>7789.1</b>	<b>7380.9</b>	<b>7964.3</b>	
<b>Growth Rate ( % )</b>	<b>-4.42</b>	<b>5.17</b>	<b>-3.25</b>	<b>-5.24</b>	<b>7.90</b>	

Fig (3)

### Generated Electrical Energy in CEGCO's Power Stations by Type of Generation in 2014( GWh )



## Sold Electrical Energy

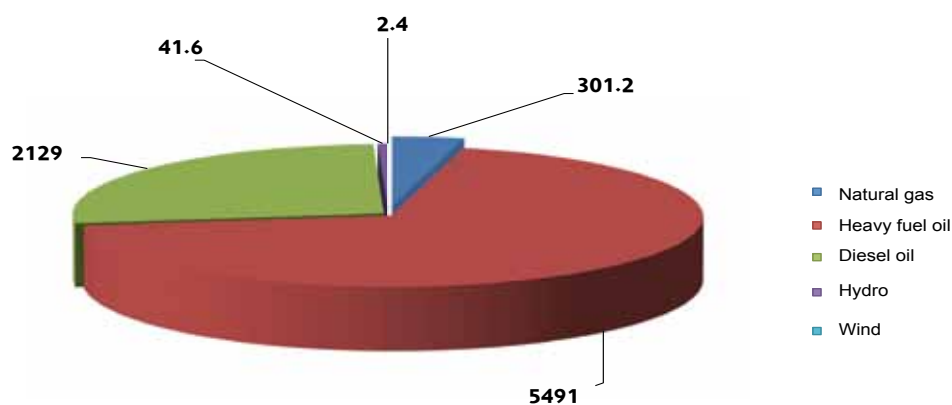
Table ( 10 )

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

Power Station	2010	2011	2012	2013	2014	Growth rate ( % )
Aqaba Thermal	3757.9	3961.5	3673.5	3750.9	4124.7	2.11
Hussein Thermal	735.5	1147.1	1217.3	1207.6	1010.1	-0.79
Rehab	2160.3	1975.6	1960.5	1592.4	2072.1	-18.77
Risha	501.6	472.3	429.7	359.9	306.2	-16.26
Marka	29.03	9.7	9.95	3.9	0.0	-
Amman South	41.3	27.9	41.9	24.5	10.9	-41.7
Karak	5.55	2.76	3.04	2.16	0.00	-
Ibrahimiya	0.60	0.46	0.50	0.53	0.46	6.63
Hofa	2.00	1.85	1.74	1.99	1.88	14.28
Remote Villages	1.05	1.23	1.32	1.38	0.47	4.30
<b>Total</b>	<b>7234.8</b>	<b>7600.5</b>	<b>7339.5</b>	<b>6945.2</b>	<b>7526.9</b>	
Growth Rate ( % )	-4.68	5.05	-3.43	-5.37	8.38	

Fig ( 4 )

### Generated Electrical Energy in CEGCO's Power Stations by Type of Fuel and Primary Energy in 2014 ( GWh )



## Internal Electrical Energy Consumption

**Table ( 11 )**

### CEGCO's Power Stations Internal Consumption (MWh)

Power Station	2010	2011	2012	2013	2014
Aqaba Thermal	339172	344395	337212	329322	340280
Hussein Thermal	68674	95442	103472	100507	83451
Rehab	38459	36595	35154	26911	37669
Risha	2622	2537	2640	2664	2474
Marka	433	280	371	295	0.0
Amman South	655	628	713	625	391
Karak	142	81	128	108	0.0
Ibrahimiah	13.0	80.1	6.6	5.8	4.4
Hofa	10.0	8.4	9.8	9.3	9.6
Remote Villages	71.5	10.1	92.6	97.0	32.6
<b>Total</b>	<b>450252</b>	<b>480056</b>	<b>479798</b>	<b>460544</b>	<b>464311</b>

**Table ( 12 )**

### CEGCO's Power Stations Internal Consumption (%)

Power Station	2010	2011	2012	2013	2014
Aqaba Thermal	8.29	8.00	8.40	8.07	7.62
Hussein Thermal	8.78	7.87	8.04	7.85	7.83
Rehab	1.75	1.82	1.76	1.66	1.79
Risha	0.52	0.53	0.61	0.73	0.80
Marka	1.48	3.84	3.69	7.46	0.00
Amman South	1.57	2.23	1.67	2.54	3.54
Karak	1.40	2.99	4.30	5.12	0.00
Ibrahimiah	2.05	1.75	1.29	1.06	0.92
Hofa	0.50	0.53	0.56	0.46	0.51
Remote Villages	6.38	6.12	6.54	6.54	6.54
<b>Total</b>	<b>5.88</b>	<b>5.96</b>	<b>6.16</b>	<b>6.24</b>	<b>5.83</b>

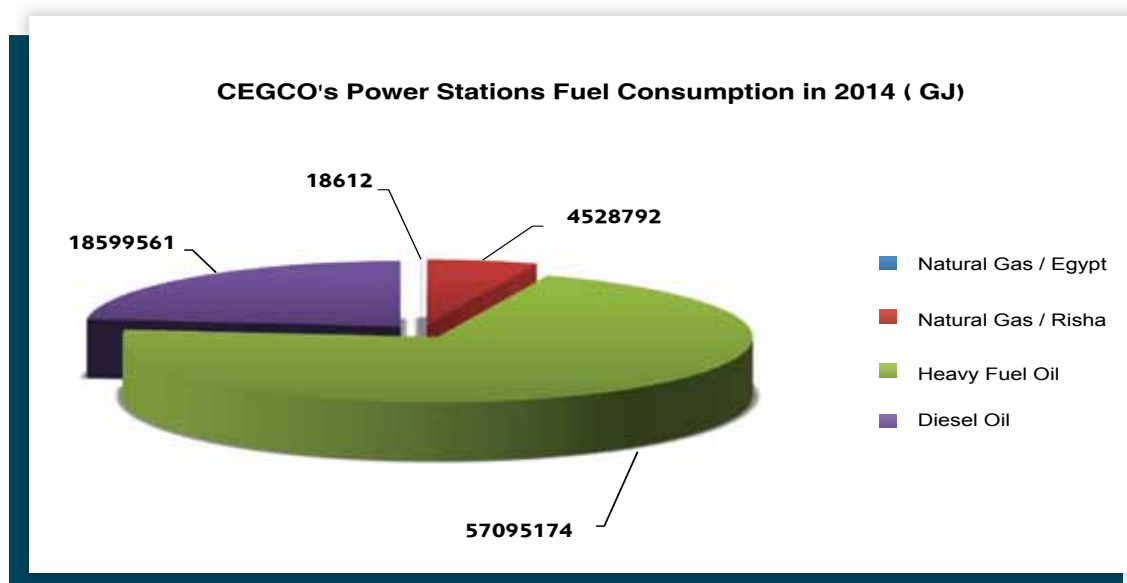
## Fuel Consumption

Table ( 13 )

## CEGCO's Power Plants Consumption of Fuel

Power Plant	Fuel Type	Unit	2010	2011	2012	2013	2014
ATPS	Egyption Gas	Billion BTU	13952	821	0	0	0
	HFO	Ton	594147	960744	921781	941276	1020506
	DO	Cubic meter	32	609	312	458	291
HTPS	HFO	Ton	243455	367244	392079	389782	323450
	DO	Cubic meter	1307	20	16	0	0
Rehab	Egyption Gas	Billion BTU	17858	4209	648	311	18
	DO	Cubic meter	23403	341115	431914	365326	474864
Risha	Risha Gas	(1000) Cubic meter	184621	181258	163640	150997	130741
	DO	Cubic meter	12766	8359	12856	4159	3980
Marka	DO	Cubic meter	13366	4576	4554	1885	0
Amman South	DO	Cubic meter	15095	10363	15794	9482	4237
Karak	DO	Cubic meter	2435	1192	1330	968	0
Remot	DO	Cubic meter	340	446	529	484	156
Total	<b>Egyption Gas</b>	<b>Billion BTU</b>	<b>31810</b>	<b>5029</b>	<b>648</b>	<b>311</b>	<b>18</b>
	<b>Risha Gas</b>	<b>(1000) Cubic meter</b>	<b>184621</b>	<b>181258</b>	<b>163640</b>	<b>150997</b>	<b>130741</b>
	<b>HFO</b>	<b>Ton</b>	<b>837602</b>	<b>1327988</b>	<b>1313860</b>	<b>1331058</b>	<b>1343956</b>
	<b>DO</b>	<b>Cubic meter</b>	<b>68744</b>	<b>366680</b>	<b>467305</b>	<b>382761</b>	<b>479291</b>

Fig ( 5 )



## Installed Capacity of Operating Power Stations in Electrical System

Table ( 14)

### Installed Capacity of CEGCO's Power Stations in 2014 (MW )

Power Station	steam	steam Combined cycle	Natural Gas	Diesel Oil	Hydro	Wind	Total
Aqaba	5 x 130	-	-	-	6	-	656
Hussein	3 x 66	-	-	-	-	-	198
Rehab / Simple cycle	-	-	2 x 30	-	-	-	60
Rehab / Combined cycle	-	1 x 97	2 x 100	-	-	-	297
Risha	-	-	5 x 30	-	-	-	150
Amman South	-	-	-	1 x 30	-	-	30
Ibrahimiah	-	-	-	-	-	4 x 0.08	0.32
Hofa	-	-	-	-	-	5 x 0.225	1.125
<b>Total</b>	<b>848</b>	<b>97</b>	<b>410</b>	<b>30</b>	<b>6</b>	<b>1.4</b>	<b>1392</b>

Table ( 15)

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

Source	2010	2011	2012	2013	2014
<b>1.CEGCO</b>	<b>1687</b>	<b>1687</b>	<b>1687</b>	<b>1687</b>	<b>1392</b>
Steam	1013	1013	1013	1013	848
Combined cycle	297	297	297	297	297
Gas turbines / Natural gas	210	210	210	210	210
Gas turbines / Diesel oil	160	160	160	160	30
Diesel engines	-	-	-	-	-
Hydro	6	6	6	6	6
Wind	1.4	1.4	1.4	1.4	1.4
<b>2.Other Organizations</b>	<b>1363</b>	<b>1733</b>	<b>1733</b>	<b>2032</b>	<b>2846</b>
SEPGCO	885	885	885	1031	1031
King Talal Dam	6	6	6	6	6
Jordan Bio Gas Company	4	4	3.5	3.5	3.5
AES	370	370	370	432	432
Al Qatraneh	-	373	373	420	420
IPP3	-	-	-	-	573
IPP4	-	-	-	-	241
Others	98	95	95	139.3	139.3
<b>Total</b>	<b>3050</b>	<b>3420</b>	<b>3420</b>	<b>3719</b>	<b>4238</b>

## Loads of Electrical System

Table ( 16 )

### Electrical System Peak Load Development ( MW )

Source	2010	2011	2012	2013	2014
Total Electrical System	2650	2660	2770	2975	2900
Load Growth Rate ( % )	15.2	0.38	4.14	7.40	-2.52
CEGCO	1512	1324	1172	1477	1044
CEGCO share of Loads ( % )	57.1	49.8	42.3	49.6	-29.3



Fig (6)

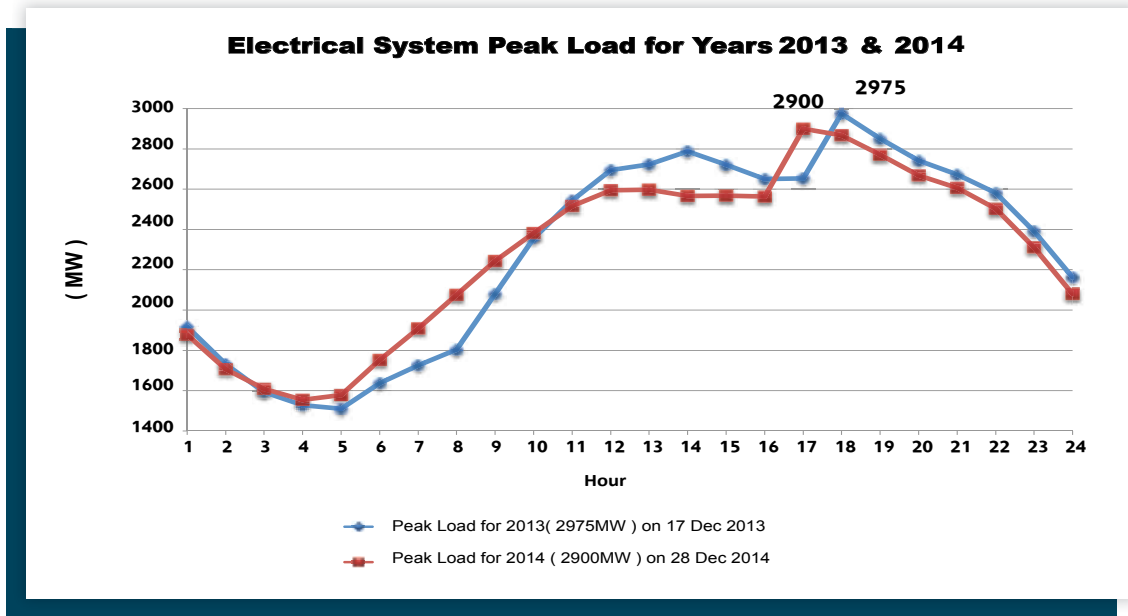
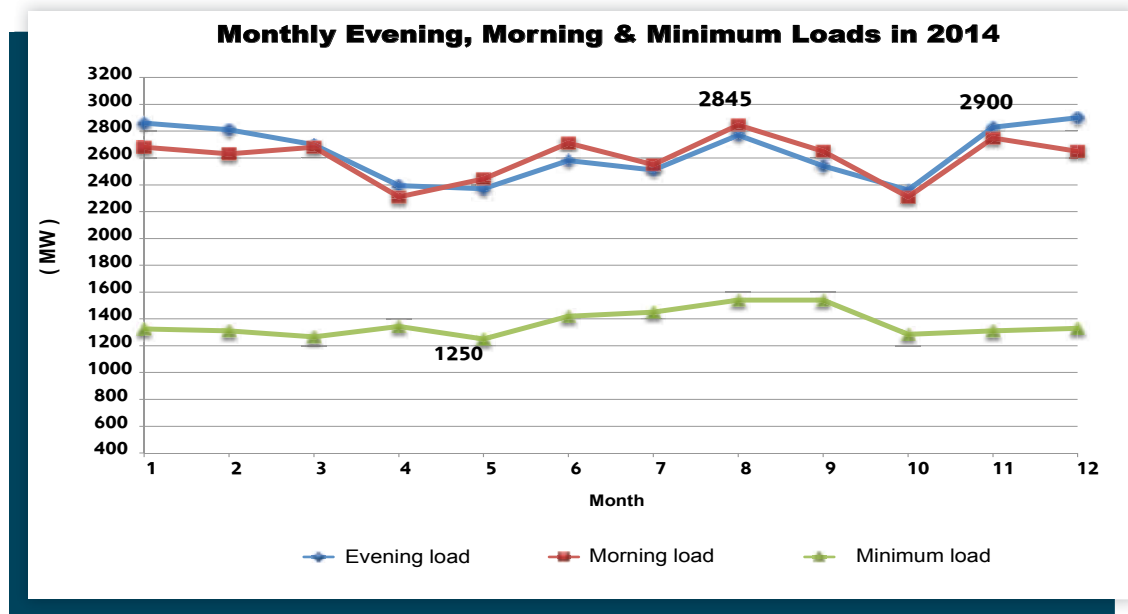


Fig (7)



## 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

## 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

	2014	2013	2012	2011	2010
PROFIT AFTER TAX	17,136,921	24,757,124	21,303,787	8,056,433	4,926,151
DIVIDENDS	24,000,000	20,865,832	9,102,909	4,187,211	9,782,555
DIVIDENDS FROM VOLUNTARY RESERVE	-	8,634,168	14,897,091	19,812,789	12,011,441
SHARE HOLDERS EQUITY (NET)	106,818,213	115,404,167	121,040,370	124,807,100	139,152,488
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	2014	2013
OPERATION PROFIT (LOSS) RATIO (Without fuel)	26.43%	33.13%
NET PROFIT (LOSS) BEFORE INTEREST , FOREIGN EXCHANGE & TAX (Without fuel)	27.74%	31.24%
NET PROFIT (LOSS) BEFORE TAX (Without fuel)	21.96%	31.56%
NET PROFIT (LOSS) AFTER TAX (Without fuel)	20.39%	27.65%
RETURN ON ASSETS RATIO	3.41%	4.30%

LIQUIDITY INDICATORS	2014	2013
CURRENT RATIO (TIME)	1.20	0.95
LIQUIDITY RATIO (TIME)	1.08	0.87
WORK CAPITAL (1000 JD)	47488	(15042)



ASSETS UTILITY INDICATORS	2014	2013
ACCOUNTS RECEIVABLE TURNOVER (TIME)	3.95	3.23
NUMBER OF DAYS OF RECEIVABLES	92	113

CAPITAL STRUCTURE INDICATORS	2014	2013
DEBTS / TOTAL ASSETS RATIO	77.75%	77.96%
DEBTS / EQUITY RATIO	349.44%	353.73%

### 15. Future developments and future plans of the company

- CEGCO is working on repowering projects of the retired power plant and decommissioning units , As the company has submitted a detailed proposal to National Electricity Power Company NEPCO for the repowering of Hussien Thermal Power Plants.
- The company has also applied for the repowering of the wind power plants by replacing the current wind fans with larger ones, the main investor in CEGCO is Acwa Power where it will finance these projects in addition to other projects related to solar energy.

### 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/or due to him

Auditing for the year 2013	
Auditing Office : Ernst & Young	
Auditing charges	23,200
Tax consultations charges	29,000
Total	52,200 JD

**17. A. Numbers Of Shares Owned by Board Of Directors**

	Position	Nationality	Share No.	Share No.
			2014	2013
Enara Energy Investment		Jordanian	15,250,000	15,250,000
H.E.Mr. Mohammed Abunayyan	Chairman	Saudi	_____	_____
H.E.Mr. Thamer Al Sharhan	Vice- Chairman ( from 6-4-2014)	Saudi	_____	_____
H.E.Mr. Joseph Francis Gomez	Vice- Chairman (till 5-4-2014)	Singaporean	_____	_____
H.E.Mr. Thomas Leroy Langford	Member	American	_____	_____
Enara (2) Energy Investment		Jordanian	50,000	50,000
H.E.Mr Sanjiv Iyer	Member( from 19-10-2014)	Indian	_____	_____
H.E.Mr Rajit Nanda	Member (17-3-2013-- 19-10-2014)	Indian	_____	_____
The Government Of Jordan		Jordanian	12,000,000	12,000,000
H.E.Mrs. Dina Al-Dabbas	Member	Jordanian	_____	_____
H.E. Mr. Zaid Jebriil	Member( from 1-7-2014)	Jordanian	_____	_____
H.E.Mr. Mahmoud Al- Ees	Member( till 1-7-2014)	Jordanian	_____	_____
Social Security Corporation		Jordanian	2,700,000	2,700,000
H.E.Eng. Zaydoun Abo Hassan	Member	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

	Position	Transportation	Remunerations	TOTAL
Enara Energy Investment				
H.E.Mr. Mohammed Abunayyan	Chairman	6,000	5,000	11,000
H.E.Mr. Thamer Al Sharhan	Vice- Chairman ( from 6-4-2014)	4,422	-	4,422
H.E.Mr. Joseph Francis Gomez	Vice- Chairman( till 5-4-2014)	1,578	5,000	6,578
H.E.Mr. Thomas Leroy Langford	Member	6,000	5,000	11,000
H.E.Mr Rajit Nanda	Member ( till 17-3-2013)	-	1,667	1,667
Enara (2) Energy Investment				
H.E.Mr Sanjiv Iyer	Member( from 19-10-2014)	1,193	-	1,193
H.E.Mr Rajit Nanda	Member (17-3-2013-- 19-10-2014)	4,807	3,333	8,140
The Government Of Jordan				
* H.E.Mrs. Dina Al-Dabbas	Member	6,000	5,000	11,000
H.E. Mr. Zaid Jebril	Member( from 1-7-2014)	3,000	-	3,000
* H.E.Mr. Mahmoud Al- Ees	Member( till 1-7-2014)	3,000	5,000	8,000
Social Security Corporation				
** H.E.Mr. Zaydoun Abu Hassan	Member	6,000	5,000	11,000
Total		42,000	35,000	77,000

\* The remuneration that belong to H.E.Mrs. Dina Al-Dabbas & H.E. Mr. Mahmoud Al- Ees who represent the Government Of Jordan transferred to Ministry of Finance /Governmental Contribution Department.

\*\* The total benefits that belong to H.E.Mr. Zaydoun Abu Hassan transferred to Social Security Corporation-Investment fund of Social Security .

## 18. B. Benefits and remunerations received by the executive management

	POSITION	Total Salaries	Remunerations	Traveling	TOTAL
Mr. Omar Ahmad Daour	Chief Executive Officer	96,450	-	700	97,150
Mr Joseph Francis Gomez	Chief Operating Officer (COO)(till 1-3-2014)	32,802	-	-	32,802
Mr. Sanjiv Iyer	Chief Operating Officer (COO)(till 20-10-2014)	152,032	-	1,400	153,432
Mr. Nadeem Rizvi	Chief Executive Operations (Form 20-10-2014)	-	-	-	-
Mr.Sami Y.Abzakh	Consultant & Secretary BOD	34,770	6,513	-	41,283
Mrs.Zakieh Abed-Elghani Jardaneh	Financial Controller	36,510	7,428	450	44,388
Mr. Ismail Ahmed Qannis	Manager-Accounting	24,555	1,842	-	26,397
Mr. Maher Mohammad Tubaishat	Executive Manager /Asset Management	36,000	8,916	450	45,366
Mr Ali Hussein Al Rawashdeh	Executive Manager / Operation and Maintenance	31,471	7,503	850	39,824
Mr Adnan Mohammad Dhoun	Executive Manager Supply Chain Management	34,545	4,236	450	39,231
Mr. Ibrahim Naser	Financial Manager	17,425	3,515	-	20,940
Total		496,560	39,953	4,300	540,813

## 19. Grants and Donations Paid by the Company in 2014

Statement	Cost
Shulah Sports Club	5,000
New Rehab Municipality	5,000
Al-hashimiah Municipality	10,000
Rehab schools -winter Coots	3,920
Rehab Municipality -Packages	2,500
Rehab Police station	95
Total	26,515



## **20. 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- Contribution of the Company to the protection of environment**

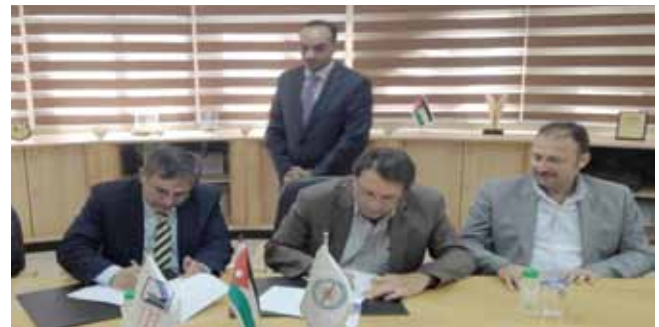
The Central Electricity Generating Company has continued cooperation with the governmental authorities responsible for the environment of Jordan in order to develop the practical solutions to achieve safe and acceptable environmental situation in all locations of the Company and some achievements are listed below:

- CEGCO has get rid of transformer oils contained compounds of polychlorinated biphenyls (PCB's) according to scheduled agreed program in Cooperation with Ministry of Environment in Jordan and the United Nations, where technical staff in CEGCO has completed dismantling all relevant transformers after discharging oils containing compounds of (PCB's) under the supervision of UN expert and French expert from specialized in this field company, oils have been packed and put in containers prepared specially for this purpose and were shipped to France according to agreement and program under the supervision of staff of Jordanian Ministry of Environment.
- CEGCO started implementing Integrated Management System (IMS) which consists of Quality Management System ISO 9001:2008, Environmental Management System ISO 14001:2004 and Occupational Health & Safety Management System OHSAS 18001:2007, IMS was designed, build and started to be implemented since September 2014, company was certified by these standards certifications, most important requirements of environmental management system are: environmental aspects identification and risk level evaluation with developing solutions and measurements to reduce these risks to acceptable levels with continues monitoring and measurement, environmental emergency preparedness and response readiness, communication, participation and consultation with commitment to comply with all applicable environmental laws in all sites and activities of company.

### **21. B- Contribution of the company to the local community**

The Company believes in the importance of supporting and engaging with the local community in Jordan. For this purpose, it has allocated an annual budget to support the following entities:

- Municipalities surrounding the electricity generating stations including Hashimiyeh and New Rehab.
- Jordanian charities that work with child development, orphans, underprivileged families and people with special needs.
- Environmental NGOs.
- Scientific research, conferences and development conducted by Jordanian Universities and professional associations.
- Teaching institutions
- The company has signed a training agreement with Jordan Engineers Association to train newly graduated engineers in the company's stations
- The Company has trained 39 students from Jordanian universities studying engineering at its different locations.
- The Company organizes field trips for University students to its different stations.
- The Company supports national, cultural festivals and sports clubs.
- The Company contributes to a Back to School campaign by giving out school bags and winter coats in the Hashimiyeh and New Rehab.
- The Company conducts blood donation campaigns in cooperation with the National Blood Bank to help employees in cases of emergency.
- The Company hosts free medical days.







# Central Electricity Generating Company

## Financial Statements

31 December 2014





## **Independent Auditors' Report To The Shareholders Of Central Electricity Generating Company (Cegco) Public Shareholding Company**

### **Report on Financial Statements**

We have audited the accompanying financial statements of CENTRAL ELECTRICITY GENERATING COMPANY ('the Company'), which comprise the statement of financial position as at 31 December 2014 and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and explanatory information.

### **Board of Director's Responsibility for the Financial Statements**

Board of Director's is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as Board of Director's determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2014 and its financial performance and its cash flows for the year ended 31 December 2014 in accordance with International Financial Reporting Standards.

### **Report on Other Regulatory Requirements**

The Company maintains proper books of accounts and the accompanying financial statements and financial information in the Board of Director's report are in agreement therewith.

Amman – Jordan  
29 March 2015

The logo for Ernst & Young, featuring the company name in a blue, cursive script font.

**Statement of financial position At 31 December 2014**

	Notes	2014	2013
		JD	JD
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	179,269,451	201,703,164
Projects in progress		519,204	56,310
Employees' housing fund loan	4	312,432	312,432
Investment in an associate	5	739,516	568,468
Deferred tax assets	6	2,412,073	3,246,149
Strategic fuel inventories	7	11,214,134	17,034,231
		194,466,810	222,920,754
<b>Current Assets</b>			
Inventories	8	28,193,300	27,328,291
Other current assets	9	6,073,812	5,260,599
Accounts receivable	10	232,881,967	267,540,028
Cash and bank balances	27	18,470,428	568,680
		285,619,507	300,697,598
<b>Total Assets</b>		<b>480,086,317</b>	<b>523,618,352</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>	11		
Paid in capital		30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Voluntary reserve		54,672,932	54,672,932
Cash flow hedges	17	(2,547,234)	(1,492,493)
Retained earnings		17,192,515	24,723,728
<b>Total Equity</b>		<b>106,818,213</b>	<b>115,404,167</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Long-term loans	12	115,767,115	77,818,239
End-of-service indemnity provision	13	8,150,968	6,826,887
Decommissioning provision	14	1,913,000	1,796,000
Derivative financial liability	17	9,305,727	6,033,961
		135,136,810	92,475,087
<b>Current Liabilities</b>			
Current portion of long-term loans	12	19,497,918	14,767,721
Other current liabilities	15	5,360,190	5,197,451
Accounts payable	16	209,579,343	244,806,017
Derivative financial liability	17	2,935,416	2,065,664
Due to banks	18	-	48,204,221
Income tax Provision	6	758,427	698,024
		238,131,294	315,739,098
<b>Total Liabilities</b>		<b>373,268,104</b>	<b>408,214,185</b>
<b>Total Equity and Liabilities</b>		<b>480,086,317</b>	<b>523,618,352</b>

The attached notes from 1 to 34 form part of these Financial Statements

## Statement of Income For The Year Ended 31 December 2014

	Notes	2014	2013
		JD	JD
Power generation revenues	19	987,410,357	992,521,159
Stations operating costs	20	(913,500,198)	(912,394,856)
Depreciation of property, plant and equipment	3	(23,106,469)	(24,109,607)
Administrative expenses	21	(13,109,890)	(13,340,019)
Maintenance costs	22	(12,994,195)	(10,319,411)
Provision for slow-moving inventory		(1,578,032)	(1,819,542)
End-of-service indemnity provision	13	(912,309)	(869,758)
Total operating costs		(965,201,093)	(962,853,193)
Operating profit		22,209,264	29,667,966
Foreign currency exchange gain	25	2,434,087	7,351,830
Share of profit of an associate	5	171,048	150,211
Provision for doubtful debts	10	(2,979,507)	(4,855,873)
Board of directors remuneration		(35,000)	(35,000)
Other revenues, net	23	3,943,347	3,048,299
Finance costs		(7,288,325)	(7,066,842)
Profit before income tax		18,454,914	28,260,591
Income tax	6	(1,317,993)	(3,503,467)
Profit for the year		17,136,921	24,757,124
Basic and diluted earnings per share	24	JD 0.571	JD 0.825

The attached notes from 1 to 34 form part of these Financial Statements

**Statement of comprehensive Income For The Year Ended 31 December 2014**

	Notes	2014	2013
		JD	JD
Profit for the year		17,136,921	24,757,124
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Loss on cash flow hedge	17	(1,054,741)	(859,931)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(1,054,741)	(859,931)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial loss – end-of-service indemnity	13	(788,073)	(34,310)
Tax on actuarial loss	6	119,939	914
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(668,134)	(33,396)
Other comprehensive income for the year, net of tax		(1,722,875)	(893,327)
Total comprehensive income for the year, net of tax		15,414,046	23,863,797

The attached notes from 1 to 34 form part of these Financial Statements

**Statement Of Changes In Equity For The Year Ended 31 December 2014**

	Paid in capital	Statutory reserve	Voluntary reserve	Cash flow hedges	Retained earnings	Total
	JD	JD	JD	JD	JD	JD
Balance at 1 January 2014	30,000,000	7,500,000	54,672,932	(1,492,493)	24,723,728	115,404,167
Profit for the year	-	-	-	-	17,136,921	17,136,921
Other comprehensive income for the year	-	-	-	(1,054,741)	(668,134)	(1,722,875)
Total comprehensive income for the year	-	-	-	(1,054,741)	16,468,787	15,414,046
Dividends (Note 11)	-	-	-	-	(24,000,000)	(24,000,000)
Balance at 31 December 2014	30,000,000	7,500,000	54,672,932	(2,547,234)	17,192,515	106,818,213
Balance at 1 January 2013	30,000,000	7,500,000	63,307,100	(632,562)	20,865,832	121,040,370
Profit for the year	-	-	-	-	24,757,124	24,757,124
Other comprehensive income for the year	-	-	-	(859,931)	(33,396)	(893,327)
Total comprehensive income for the year	-	-	-	(859,931)	24,723,728	23,863,797
Dividends	-	-	(8,634,168)	-	(20,865,832)	(29,500,000)
Balance at 31 December 2013	30,000,000	7,500,000	54,672,932	(1,492,493)	24,723,728	115,404,167

The attached notes from 1 to 34 form part of these Financial Statements

**Statement of Cash Flows For The Year Ended 31 December 2014**

	Notes	2014	2013
		JD	JD
Operating Activities			
Profit before income tax		18,454,914	28,260,591
Adjustments for:			
Depreciation of property, plant and equipment	3	23,106,469	24,109,607
Provision for slow-moving inventory		1,578,032	1,819,542
End-of-service indemnity provision	13	912,309	869,758
Employees vacations provision	15	53,023	93,335
Gain on sale of strategic fuel	23	(978,194)	-
Gain on disposal of property, plant and equipment	23	(196,393)	(369,899)
Provision for doubtful debts	10	2,979,507	4,855,873
Board of directors remuneration		35,000	35,000
Gain from foreign currency exchange	25	(2,434,087)	(7,351,830)
Share of gain of an associate		(171,048)	(150,211)
Finance costs		7,288,325	7,066,842
Working capital changes:			
Accounts receivable		31,678,554	74,539,370
Other current assets		164,982	(241,591)
Inventories		3,377,056	(2,161,969)
Accounts payable		(35,226,674)	(79,251,902)
Other current liabilities		939,018	701,595
Employees vacations provision Paid	15	(25,853)	(31,192)
Employees incentives provision Paid		(992,107)	(1,139,594)
Board of directors remuneration paid		(35,000)	(33,333)
Employees legal cases provision paid	15	(19,039)	(230)
End-of-service indemnity provision Paid	13	(376,301)	(468,128)
Income tax paid	6	(303,575)	(372,182)
Net cash from operating activities		49,808,918	50,779,452
Investing Activities			
Purchases of property, plant and equipment, and projects under progress		(1,169,814)	(1,053,935)
Proceeds from sale of property, plant and equipment		230,557	661,954
Net cash used in investing activities		(939,257)	(391,981)
Financing Activities			
Payments of loans		(48,926,706)	(34,152,605)
Proceeds from loans		99,400,000	4,300,000
Dividends paid	11	(24,000,000)	(29,500,000)
Interest paid		(9,315,599)	(7,239,407)
Net cash from (used in) financing activities		17,157,695	(66,592,012)
Net increase (decrease) in cash and cash equivalents		66,027,356	(16,204,541)
Effect of exchange rate changes on cash and cash equivalents		78,613	7,609
Cash and cash equivalents at 1 January		(47,635,541)	(31,438,609)
Cash and cash equivalents At 31 December	27	18,470,428	(47,635,541)

The attached notes from 1 to 34 form part of these Financial Statements

## Notes To The Financial Statements At 31 December 2014

### (1) General

- Central Electricity Generating Company (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 only activity that 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 Investment (PSCA). 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 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 28 March 2015 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.

The financial statements are presented in Jordanian Dinars.

### (2-2) Changes In Accounting Policies And Disclosures (Continued)

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 2013 except for the following:

#### Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods which started on or after 1 January 2014. The amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. The application of the new amendments did not have any impact on the Company's financial position or performance.

#### Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. Application of the new amendments did not have any impact on the Company's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

#### IFRIC 21 Levies

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. Application of the interpretation did not have any impact on the Company's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

### Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. Application of the new amendments did not have any impact on the Company's financial position or performance and became effective for annual periods which started on or after 1 January 2014.

## (2-3) Significant Accounting Policies

### Use of estimates

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.

### 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 - 7
Steam generating units	3 - 11
Gas generating units	4 - 20
Diesel generating units	2
Wind generating units	2
Computers	10 - 20
Vehicles	20
Equipment	7 - 20
Tools	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 income.



### **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 income.

The unwinding of the discount is included within the statement of income as a finance charge.

### **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. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortized. The statement of income 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 a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount or part of it is no longer probable. Bad debts are written off when there is no possibility of recovery.

### **Cash and cash equivalents**

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

### **Term Loans**

All term loans are initially recognized at the fair value of the consideration received.

After initial recognition, interest-bearing loans are subsequently measured at amortized cost.

### **End-of-service indemnity provision**

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**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Electric generation revenues through the usage of the power stations to generate power is recognized during the period in which the electric capacity is available in power stations according to the power purchase agreements 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 directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of income in other operating expenses.

Amounts recognised as other comprehensive income are transferred to the statement of income 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. Where 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 nonfinancial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to the statement of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss. hedged cash flows affect income.

## **Taxes**

### **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

### **Deferred income tax**

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and tax losses and tax credit carry-forwards. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the enterprise expects, at the statement of financial position date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are recognized regardless of when the timing difference is likely to reverse. Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each statement of financial position date, the Company re-assesses unrecognized deferred tax assets and the carrying amount of deferred tax assets. The enterprise recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized.

### **Sales Tax**

Revenues, expenses and assets are recognized net of the amount of sales tax except: where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, receivables and payables that are stated with the amount of sales tax included.

### **Impairment and uncollectibility of financial assets**

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the statement of income. Impairment is determined for assets carried at amortized cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

### **Foreign currency**

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 income.

**(3) Property, Plant And Equipment**

2014	Land & Buildings	Steam generating units	Gas generating units	Diesel generating units	Wind generating units	Computers	Vehicles	Equipment	Tools	Furniture & office equipment	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:											
At 1 January 2014	128,131,657	397,697,527	196,074,799	274,000	425,407	1,365,121	1,969,233	4,020,174	1,921,896	1,324,993	733,204,807
Additions	-	-	-	-	-	131,599	106,847	312,290	97,236	58,948	706,920
Disposals	(68,064)	-	-	-	-	-	-	-	-	-	(68,064)
At 31 December 2014	128,063,593	397,697,527	196,074,799	274,000	425,407	1,496,720	2,076,080	4,332,464	2,019,132	1,383,941	733,843,663
Accumulated depreciation:											
At 1 January 2014	89,770,648	292,304,532	140,796,701	273,979	161,471	1,013,316	1,935,774	3,304,391	862,027	1,078,804	531,501,643
Depreciation for the year	4,913,906	12,388,908	5,241,619	-	9,453	114,673	32,438	201,343	150,422	53,707	23,106,469
Disposals	(33,900)	-	-	-	-	-	-	-	-	-	(33,900)
At 31 December 2014	94,650,654	304,693,440	146,038,320	273,979	170,924	1,127,989	1,968,212	3,505,734	1,012,449	1,132,511	554,574,212
Net book value at 31 December 2014	33,412,939	93,004,087	50,036,479	21	254,483	368,731	107,868	826,730	1,006,683	251,430	179,269,451

2013	Land & Buildings	Steam generating units	Gas generating units	Diesel generating units	Wind generating units	Computers	Vehicles	Equipment	Tools	Furniture & office equipment	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:											
At 1 January 2013	128,514,644	397,908,563	196,035,294	1,819,836	425,407	1,198,481	1,969,235	3,810,902	1,885,406	1,295,206	734,862,974
Additions	88,239	111,964	333,259	-	-	166,888	-	233,658	37,554	38,284	1,009,846
Change in decommissioning provision (Note 14)	-	(323,000)	-	-	-	-	-	-	-	-	(323,000)
Disposals	(471,226)	-	(293,754)	(1,545,836)	-	(248)	(2)	(24,386)	(1,064)	(8,497)	(2,345,013)
At 31 December 2013	128,131,657	397,697,527	196,074,799	274,000	425,407	1,365,121	1,969,233	4,020,174	1,921,896	1,324,993	733,204,807
Accumulated depreciation:											
At 1 January 2013	84,740,122	279,310,092	135,729,174	1,819,811	152,017	902,843	1,896,632	3,142,465	717,089	1,034,749	509,444,994
Depreciation for the year	5,356,746	12,994,440	5,214,404	-	9,454	110,719	39,142	186,283	145,996	52,423	24,109,607
Disposals	(326,220)	-	(146,877)	(1,545,832)	-	(246)	-	(24,357)	(1,058)	(8,368)	(2,052,958)
At 31 December 2013	89,770,648	292,304,532	140,796,701	273,979	161,471	1,013,316	1,935,774	3,304,391	862,027	1,078,804	531,501,643
Net book value at 31 December 2013	38,361,009	105,392,995	55,278,098	21	263,936	351,805	33,459	715,783	1,059,869	246,189	201,703,164

#### (4) 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.

#### (5) 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 interest in Biogas is accounted for using the equity method in the financial statements. The following tables illustrates the summarized financial information of the Company's investment in Biogas:

	2014	2013
	JD	JD
Current assets	1,156,773	1,054,148
Non-current assets	561,400	642,873
Current liabilities	(239,141)	(560,086)
Equity	1,479,032	1,136,935
Proportion of the Company's ownership	50%	50%
Carrying amount of the investment	739,516	568,468

	2014	2013
	JD	JD
Revenue	868,017	624,929
Cost of sales	(265,540)	(241,310)
Administrative expenses	(226,049)	(112,260)
Other (expenses) revenues, net	(34,332)	29,063
Profit for the year	342,096	300,422
Company's share of profit for the year	171,048	150,211

**(6) Income Tax**

The reconciliation of accounting profit to tax profit is as follows:

	2014			2013		
	Aqaba	Other locations	Total	Aqaba	Other locations	Total
	JD	JD	JD	JD	JD	JD
Profit before income tax	8,750,126	9,704,788	18,454,914	12,748,578	15,512,013	28,260,591
Deductions from pretax income	(5,908,362)	(1,514,802)	(7,423,164)	(12,453,103)	(1,338,952)	(13,792,055)
Additions to pretax income	4,437,802	3,321,950	7,759,752	7,549,473	4,101,085	11,650,558
Taxable income	7,279,566	11,511,936	18,791,502	7,844,948	18,274,146	26,119,094
Statutory income tax rate	5%	14%	-	5%	14%	-
Income tax expense for the year	(363,978)	(1,611,671)	(1,975,649)	(392,247)	(2,558,380)	(2,950,627)
Deferred tax assets *	(59,320)	716,976	657,656	(573,323)	20,483	( 552,840)
Net tax expense	(423,298)	(894,695)	(1,317,993)	(965,570)	(2,537,897)	( 3,503,467)

\* This amount consists of the following:

	2014	2013
	JD	JD
Deferred tax assets relating to prior years losses	339,739	-
Deferred tax assets relating to the end-of-service indemnity provision	488,497	40,417
Deferred tax liabilities relating to the exchange differences arising from the revaluation of loans in foreign currencies	(170,580)	(593,257)
	657,656	(552,840)

The Company has provided for income tax for the year ended 31 December 2014 in accordance with income tax law No. (28) for 2009 and in accordance with Aqaba Special Economic Zone Law No. (32) for 2000 for the Company's locations in Aqaba.

The Company reached to a final settlement with the Income and Sales Tax Department for all the locations other than Aqaba for the years up to end of 2011. As a result the Company had approved tax losses carried forward of JD 80,395,800 for the years up to 2007 that are available for offset against future taxable profits at that date. The balance of the tax losses carried forward as of 31 December 2014 amounted to JD 2,910,657.

Deferred tax assets have been recognized in respect to those losses as the Company's Management expects and according to its future business plan, will be generating enough taxable profit to offset the recognized deferred tax assets.

According to the new income tax law issued on 31 December 2014 and effective starting 1 January 2015, the Company calculated the Deferred tax assets for the year ended 31 December 2014 using a tax rate of 24% which had a total effect on the deferred tax assets amounting to JD 771,552.

The Company reached final settlement with the Income and Sales Tax Department with respect to Aqaba location for the years up to 2006.

Movement in deferred tax assets is as follows:

	2014	2013
	JD	JD
At 1 January	3,246,149	6,356,455
Relating to exchange differences and others	657,656	(552,840)
Tax effect of actuarial loss	119,939	914
Income tax expense for the year (other locations)	(1,611,671)	(2,558,380)
At 31 December	2,412,073	3,246,149

Movement on the income tax provision is as follows:

	2014	2013
	JD	JD
At 1 January	698,024	677,959
Provided for during the year	363,978	392,247
Paid during the year	(303,575)	(372,182)
At 31 December	758,427	698,024

### (7) Strategic Fuel Inventories

	2014	2013
	JD	JD
Heavy fuel inventory	6,387,199	10,809,904
Diesel inventory	4,826,935	6,224,327
	11,214,134	17,034,231

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 be operated 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 agreements. Accordingly, fuel inventory is classified as operating inventory (Note 8) and strategic inventory.

### (8) Inventories

	2014	2013
	JD	JD
Spare parts	28,802,735	28,048,140
Provision for slow-moving inventory	(1,567,356)	(1,791,447)
	27,235,379	26,256,693
Fuel inventory (Note 7)	3,255	18,262
General materials, net *	261,153	381,695
Materials in transit	693,059	670,374
Others	454	1,267
	28,193,300	27,328,291

\*General materials are presented net of its related provision for slow-moving inventory.

**(9) Other Current Assets**

	2014	2013
	JD	JD
Jordan Valley Authority	21,816	47,473
Aqaba Petroleum Company	546,207	546,207
Jordan Petroleum Refinery Company	2,505,437	307,231
Electricity Distribution Company	73,138	290,341
Insurance claims / accidents	273,384	1,030,570
Other receivables	403,114	310,108
	3,823,096	2,531,930
Allowance for doubtful accounts	(94,395)	(94,395)
Other receivables, net	3,728,701	2,437,535
Prepaid expenses	1,027,564	1,139,725
Refundable deposits	23,990	23,990
Employees receivables	1,245,879	1,550,270
Insurance claims	47,678	109,079
	6,073,812	5,260,599

As at 31 December 2014 and 2013, other receivables at a nominal value of JD 94,395 were impaired and fully provided for. As at 31 December, the aging of unimpaired receivables is as follows:

	Total	Past due but not impaired			
		< 30 days	30 – 90 days	91 – 120 days	>120 days
	JD	JD	JD	JD	JD
2014	3,728,701	42,411	118,366	2,315,492	1,252,432
2013	2,437,535	22,602	392,241	142,098	1,880,594

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable.



**(10) Accounts Receivable**

	2014	2013
	JD	JD
National Electric Power Company – Power generation revenues	251,565,758	283,202,130
National Electric Power Company – Other	211,659	253,841
Provision for doubtful debt	(18,895,450)	(15,915,943)
	232,881,967	267,540,028

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

	Total	Neither past due nor impaired	Past due but not impaired < 30 days	Past due but not impaired > 30 days
	JD	JD	JD	JD
2014	232,881,967	138,472,434	85,658,925	8,750,608
2013	267,540,028	160,816,448	84,348,081	22,375,499

Movement in the allowance for doubtful debts were as follows:

	2014	2013
	JD	JD
At 1 January	15,915,943	11,060,070
Charge for the year	2,979,507	4,855,873
At 31 December	18,895,450	15,915,943

**(11) Equity****Share Capital**

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

**Statutory reserve**

The accumulated balance in the statutory reserve represents the cumulative appropriation of 10% of profit before income tax throughout the years as required by the Jordanian Companies' Law, The Company may resolve to discontinue such annual transfers when the reserve totals 25% of the issued share capital. The Company decided not to exceed 25% of its capital. The reserve is not available for distribution to shareholders.

**Voluntary reserve**

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

**Dividends paid**

In its ordinary meeting held on 16 July 2014, the General Assembly approved the Board of Directors recommendation to pay dividends for an amount of JD 24,000,000 to the shareholders to be deducted from the retained earnings.

**(12) Loans**

	Loan Currency	2014		2013	
		Loan Installments		Loan Installments	
		Current Portion	Long-term Portion	Current Portion	Long-term Portion
		JD	JD	JD	JD
Japanese loan 1	JPY	1,317,773	11,859,959	1,498,592	14,985,924
Japanese loan 2	JPY	3,127,476	32,838,496	3,556,615	40,901,068
Arab Fund loan 1	KWD	1,393,718	3,484,233	1,437,146	5,029,950
Arab Fund loan 2	KWD	3,609,720	11,073,060	3,722,200	15,140,300
Standard Chartered Bank loan	JOD	-	-	3,225,000	-
Italian Soft loan	Euro	137,484	1,168,615	156,033	1,482,317
French Protocol loan	Euro	164,013	81,538	1,172,135	278,680
Standard Chartered term loan	USD	10,650,000	56,800,000	-	-
		20,400,184	117,305,901	14,767,721	77,818,239
Less: Directly attributable transaction costs*		(902,266)	(1,538,786)	-	-
		19,497,918	115,767,115	14,767,721	77,818,239

**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 in 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 in 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.

**Arab Fund loan 1**

On 23 October 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 KWD 10,000,000 at an annual interest rate of 4.5%. The loan is based on the original agreement between the Government and the Arab Fund for Economic and Social Development dated 10 December 1994. The loan is repayable in 35 equal semiannual installments of KWD 285,715 except for the last installment, which amounts to KWD 285,690. The first installment fell due on 1 April 2001 and the last installment will fall due on 1 April 2018.

**Arab Fund loan 2**

On 23 October 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 KWD 26,000,000 at an annual interest rate of 4.5%. The loan is based on the original agreement between the Government and the Arab Fund for Economic and Social Development dated 3 June 1996. The loan is repayable in 35 equal semiannual installments of KWD 740,000 except for the last installment, which amounts to KWD 840,000. The first installment fell due on 1 November 2001 and the last installment will fall due on 1 November 2018.

### Standard Chartered Bank loan

On 19 January 2009, the Company was granted a revolving loan from the Standard Chartered Bank for an amount of JD 6,500,000 at an interest rate presently 200 basis points over 6-month Call Deposits subject to variation. Installments will fall due after 180 days from draw with the option of withdrawing the amount after payment. The Company signed an amendment whereby the interest rate was changed to 7.5% and the loan will be repayable in 12 equal monthly installments.

### 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 in 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.

### French Protocol loan

On 28 November 2006, 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 12,581,618 at an annual interest rate of 1%. The loan is based on the original agreement between the Government and the Financial Protocol between the Government of the Hashemite Kingdom of Jordan and the Government of The French Republic dated 13 January 1994.

The loan is repayable in 20 equal semiannual installments as follows:

Date of Last Installment	Date of First Installment	Installment	Withdrawal Amount	
			Euro	Euro
30 June 2014	31 December 2004	62,908		1,258,162
30 September 2014	31 March 2005	235,762		4,715,248
31 December 2014	30 June 2005	234,962		4,699,241
31 March 2015	30 September 2005	1,086		21,724
31 March 2016	30 September 2006	94,362		1,887,243

### Standard Chartered 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 payable in 10 semi-annual installments. The first installment fell due on 19 August 2014 and the last installment will fall due on 19 February 2019.

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 follows:

Year	JD
2016	23,867,724
2017	23,786,172
2018	23,333,146
2019	18,782,734
2020	4,582,734
2021	4,582,734
2022	4,582,734
2023	4,582,734
2024	4,513,978
2025	3,127,476
2026	1,563,735
	117,305,901

**(13) End-Of-Service Indemnity Provision**

	2014	2013
	JD	JD
Balance at 1 January	6,826,887	6,390,947
Provision during the year	912,309	869,758
Paid during the year	(376,301)	(468,128)
Actuarial loss	788,073	34,310
Balance at 31 December	8,150,968	6,826,887

The principal actuarial assumptions used:	2014	2013
Discount rate at 31 December	6.50%	6.50%
Expected rate of increase of employee remuneration	5.50%	4.50%

These benefits are unfunded.

**(14) Decommissioning Provision**

The decommissioning provision of JD 1,913,000 at 31 December 2014 primarily represent the net present value of the estimated expenditure discounted at a rate of 6.5% (2013: 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 between the financial years 2020 and 2031.

The movement on the decommissioning provision during the year was as follows:

	2014	2013
	JD	JD
Balance at 1 January	1,796,000	2,018,000
Effect of net changes in discount rate and reassessment	-	(323,000)
Discount realized during the year	117,000	101,000
Balance at 31 December	1,913,000	1,796,000

**(15) Other Current Liabilities**

	2014	2013
	JD	JD
Accrued interest expense	901,525	667,210
Employees legal cases provision	34,359	53,398
Accrued expenses	854,979	453,114
Employees' vacations provision	631,874	604,704
Employees payables	87,186	147,453
Contractors payable	22,498	38,230
Loan instalment due	203,024	292,106
Board of directors remuneration	35,000	35,000
Others	2,589,745	2,906,236
	5,360,190	5,197,451

The movements on the provisions during 2014 and 2013 were as follows:

2014	Employees legal cases provision	Employees' vacations provision
	JD	JD
Balance at 1 January	53,398	604,704
Provided for during the year	-	53,023
Paid during the year	(19,039)	(25,853)
Balance at 31 December	34,359	631,874

2013	Employees legal cases provision	Employees' vacations provision
	JD	JD
Balance at 1 January	53,628	542,561
Provided for during the year	-	93,335
Paid during the year	(230)	(31,192)
Balance at 31 December	53,398	604,704

**(16) Accounts Payable**

	2014	2013
	JD	JD
Jordan Petroleum Refinery Company (JPRC)	208,114,815	242,945,021
National Petroleum Company	1,464,528	1,860,996
	209,579,343	244,806,017

**(17) Derivative Financial Instrument**

The details of the derivative financial instruments at 31 December 2014 are as follows:

	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	2,935,416	8,069,809	11,005,225
Interest rate swaps contracts**	-	1,235,918	1,235,918
	2,935,416	9,305,727	12,241,143

\*CEGCO loans with Overseas Economic Cooperation Fund (Japan) are in JPY. To mitigate its exposure to fluctuations in currency rates, during 2011, CEGCO entered into two forward contracts with Standard Chartered Bank that effectively fix the currency rate for four installments for each loan, in addition, the Company entered into new two forward contracts during 2012 that effectively fix the currency rate for four installments for each loan. During the first half of 2013, the Company entered into new six forward contracts that effectively fix the currency rate for ten installments for each loan.

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 11,005,225 as of 31 December 2014 and was recorded as a current and non-current liability in the statement of financial position.

The cash flow hedges were assessed to be highly effective and a cumulative unrealized gain of JD 181,177 has been included in the statement of comprehensive income.

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

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

The negative fair value of the interest rate swaps amounted to JD 1,235,918 as of 31 December 2014 and was recorded as a liability in the statement of financial position.

The cash flow hedges were assessed to be highly effective and an unrealized loss of JD 1,235,918 as of 31 December 2014 was included in statement of comprehensive income.

**(18) Due To Banks**

This item represents utilized credit facilities granted from different banks. Details are as follows:

Bank	Ceiling	Interest
	JD	%
Arab Jordan Investment Bank	4,000,000	7.9
Cairo Amman Bank	16,000,000	7.9
Invest Bank	10,500,000	8
Jordan Bank	20,000,000	7.75 - 8
Bank Al Etihad	12,000,000	8
ABC Bank	7,000,000	7.5 - 8

**(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:

	2014	2013
	JD	JD
Stations capacity revenue	79,683,965	87,351,333
Power revenue	9,621,261	7,689,176
Fuel cost according to the pricing formula	903,370,596	902,978,869
Others	(670,184)	(781,784)
Less: Additional costs (Imported energy)	(4,595,281)	(4,716,435)
	987,410,357	992,521,159

**(20) Stations Operating Costs**

	2014	2013
	JD	JD
Cost of fuel	903,370,596	902,978,869
Other costs	10,129,602	9,415,987
	913,500,198	912,394,856

**(21) Administrative Expenses**

	2014	2013
	JD	JD
Salaries and wages	3,497,225	3,490,925
Employees benefits	4,519,488	4,362,065
Employees' accrued vacation costs	53,023	93,335
Insurance	2,653,189	2,832,806
Office supplies and expenses	1,461,374	1,748,744
Donations	26,515	65,354
Employees housing expenses, net	257,197	246,050
Consultancy fees	417,811	330,360
Other	224,068	170,380
	13,109,890	13,340,019

**(22) Maintenance Expense**

	2014	2013
	JD	JD
Salaries and wages	4,465,803	4,222,329
Maintenance materials and expert's wages	8,528,392	6,097,082
	12,994,195	10,319,411

**(23) Other Revenues, Net**

	2014	2013
	JD	JD
Damage compensation	2,322,550	1,502,557
Gain on sale of strategic fuel	978,194	-
Remote villages revenues	-	867,668
Gain on disposal of property, plant and equipment	196,393	369,899
King Talal Dam revenues	143,343	136,392
Handling charge	55,587	12,727
Heating oil revenue	29,927	-
Tenders and purchase orders fines	7,389	15,724
Sale of distilled water	24,190	25,656
Sale of scrap items	-	29,198
Interest income	113,630	273
Others, net	72,144	88,205
	3,943,347	3,048,299



**(24) Earnings Per Share**

	2014	2013
Profit for the year (JD)	17,136,921	24,757,124
Weighted average number of shares (Share)	30,000,000	30,000,000
Basic earnings per share	0.571	0.825

**(25) Foreign currency exchange gain**

	2014	2013
	JD	JD
Unrealized gain	4,553,990	8,736,496
Realized loss	(2,119,903)	(1,384,666)
	2,434,087	7,351,830

**(26) 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:

	2014	2013
	JD	JD
Power sales to the National Electric Power Company (Government of Jordan)	987,229,407	992,056,615
Purchases of gas from the National Petroleum Company (Government of Jordan)	6,537,060	7,549,837
Services provided to ACWA Power International Company for Water and Power Projects	40,222	40,776
Services provided by ACWA Power International Company for Water and Power Projects	15,246	22,816

Balances due from/to related parties are disclosed in notes (10) and (16) to the financial statements as follows:

Amounts due from related parties	2014	2013
	JD	JD
National Electric Power Company - Government of Jordan (Owned by a shareholder)	232,881,967	267,540,028
ACWA Power International Company for Water and Power Projects (Shareholder)	38,128	13,151

Amounts due to related parties	2014	2013
	JD	JD
National Petroleum Company - Government of Jordan (Owned by a shareholder)	1,464,528	1,860,996

Compensation of key management personnel	2014	2013
	JD	JD
Salaries	536,513	975,933
Benefits (traveling)	4,300	24,457
	540,813	1,000,390

## (27) Cash and Cash Equivalent

	2014	2013
	JD	JD
Cash at banks	18,461,015	551,555
Cash on hand	9,413	17,125
	18,470,428	568,680
Bank overdrafts (Note 18)	-	(48,204,221)
	18,470,428	(47,635,541)

## (28) Segment Information

The following tables present the statement of income information for Aqaba and other locations for the years ended 31 December 2014 and 2013. The information is presented to facilitate the income tax review as the Company is subject to different tax rates on Aqaba's operation.

	2014		
	Aqaba	Other locations	Total
	JD	JD	JD
Power generation revenues	494,050,345	493,360,012	987,410,357
Stations operating costs	(454,358,812)	(459,141,386)	(913,500,198)
Depreciation of property, plant and equipment	(15,024,201)	(8,082,268)	(23,106,469)
Administrative expenses	(6,052,451)	(7,057,439)	(13,109,890)
Maintenance costs	(4,962,981)	(8,031,214)	(12,994,195)
Provision for slow-moving inventory	(1,047,934)	(530,098)	(1,578,032)
Provision for end-of-service indemnity	(372,096)	(540,213)	(912,309)
Total operating costs	(481,818,475)	(483,382,618)	(965,201,093)
Operating profit	12,231,870	9,977,394	22,209,264
Realized and unrealized gain from foreign currency exchange	2,398,300	35,787	2,434,087
Share of profit of an associate	-	171,048	171,048
Provision for doubtful debts	(1,336,646)	(1,642,861)	(2,979,507)
Board of directors remuneration	(17,504)	(17,496)	(35,000)
Other revenues, net	366,040	3,577,307	3,943,347
Finance costs	(4,891,934)	(2,396,391)	(7,288,325)
Profit before income tax	8,750,126	9,704,788	18,454,914
Income tax expense	(423,298)	(894,695)	(1,317,993)
Profit for the year	8,326,828	8,810,093	17,136,921

	2013		
	Aqaba	Other locations	Total
	JD	JD	JD
Power generation revenues	506,535,795	485,985,364	992,521,159
Stations operating costs	(466,695,158)	(445,699,698)	(912,394,856)
Depreciation of property, plant and equipment	(15,030,372)	(9,079,235)	(24,109,607)
Administrative expenses	(6,391,855)	(6,948,164)	(13,340,019)
Maintenance costs	(4,259,206)	(6,060,205)	(10,319,411)
Provision for slow-moving inventory	(844,662)	(974,880)	(1,819,542)
Provision for end-of-service indemnity	(355,783)	(513,975)	(869,758)
Total operating costs	(493,577,036)	(469,276,157)	(962,853,193)
Operating profit	12,958,759	16,709,207	29,667,966
Realized and unrealized gain (loss) from foreign currency exchange	7,415,703	(63,873)	7,351,830
Share of profit of an associate	-	150,211	150,211
Provision for doubtful debts	(2,753,200)	(2,102,673)	(4,855,873)
Board of directors remuneration	(19,353)	(15,647)	(35,000)
Other revenues, net	465,602	2,582,697	3,048,299
Finance costs	(5,318,933)	(1,747,909)	(7,066,842)
Profit before income tax	12,748,578	15,512,013	28,260,591
Income tax expense	(965,570)	(2,537,897)	(3,503,467)
Profit for the year	11,783,008	12,974,116	24,757,124

## (29) Commitments And Contingencies

### Letters of credit and collection policies

At 31 December 2014 the Company had outstanding letters of credit and collection policies amounting to JD 4,290,525 (2013: JD 4,443,402).

### Guarantees

At 31 December 2014 the Company had outstanding letters of guarantee amounting to JD 21,339 (2013: JD 21,339).

### Capital commitments

The Company entered into commitments in the ordinary course of business for major capital expenditures. Outstanding capital expenditures were JD 1,085,391 as at 31 December 2014 (2013: JD 76,461).

### Legal claims

The Company is a defendant in a number of lawsuits in the ordinary course of business amounting to JD 125,448 (2013: JD 141,163). The Company has been advised by its legal counsel that it is possible, but not probable, the action will succeed and accordingly no provision for any liability has been made other than what has already been made in the financial statements.

### Dispute with JPRC

Jordan Petroleum Refinery Company, the Company's fuel supplier, is claiming an amount of JD 568,000 as a penalty for a shipment of heavy fuel that was cancelled during 2008. The Company is disputing the claim with JPRC. The outcome of this dispute is uncertain. The Company and its legal counsel believe that JPRC has no right to claim this amount.

## (30) Risk Management

### Interest rate risk

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

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

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates as at 31 December 2014 and 2013, with all other variables held constant.

The sensitivity of the statement of income 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 2014 and 2013.

- 2014

	Increase (Decrease) in basis points	Effect on profit before tax
Jordanian Dinar	100	-
Jordanian Dinar	(50)	-

- 2013

	Increase (Decrease) in basis points	Effect on profit before tax
Jordanian Dinar	100	( 32,250)
Jordanian Dinar	(50)	16,125

### 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 2014 and 2013.

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 2014 and 2013, based on contractual payment dates and current market interest rates:

Year ended 31 December 2014	Less than 3 months JD	3 to 12 months JD	1 to 5 years JD	> 5 years JD	Total JD
Accounts payable	209,579,343	-	-	-	209,579,343
Term loans	5,075,217	20,704,659	108,430,351	24,737,146	158,947,373
Total	214,654,560	20,704,659	108,430,351	24,737,146	368,526,716

Year ended 31 December 2013	Less than 3 months JD	3 to 12 months JD	1 to 5 years JD	> 5 years JD	Total JD
Accounts payable	244,806,017	-	-	-	244,806,017
Due to banks	123,304	50,989,925	-	-	51,113,229
Term loans	2,566,221	15,129,220	54,136,632	34,910,617	106,742,690
Total	247,495,542	66,119,145	54,136,632	34,910,617	402,661,936

### 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 one JD)

The table below indicates the Company's foreign currency exposure at 31 December, as a result of its monetary Jordanian Dinar, with all other variables held constant, on the income statement

-2014

	Increase / decrease in the rate to the JD	Effect on profit before tax
	%	JD
Euro	+10	(155,165)
Japanese Yen	+10	(1,631,384)
Kuwaiti Dinar	+10	(1,956,073)
Euro	-10	155,165
Japanese Yen	-10	1,631,384
Kuwaiti Dinar	-10	1,956,073

-2013

	Increase / decrease in the rate to the JD	Effect on profit before tax
	%	JD
Euro	+10	(308,917)
Japanese Yen	+10	(1,562,656)
Kuwaiti Dinar	+10	(2,532,960)
Euro	-10	308,917
Japanese Yen	-10	1,562,656
Kuwaiti Dinar	-10	2,532,960

### (31) 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 bank overdrafts, term loans, accounts payable and some other credit balances.

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

### (32) 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 2014 and 31 December 2013. Capital comprises paid in capital, reserves and retained earnings and is measured at JD 109,365,447 as at 31 December 2014 (2013: JD 116,896,660).

### **(33) 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 15 Revenue from Contracts with Customers**

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2017, and early adoption is permitted.

#### **IFRS 9 Financial Instruments**

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". The Company has implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The new version of IFRS 9 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

#### **Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)**

In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

The amendments are effective for annual periods beginning on or after 1 January 2016, must be applied retrospectively and earlier adoption is permitted.

#### **IAS 1 Presentation of Financial Statements – Amendments to IAS 1**

The amendments to IAS 1 include narrow-focus improvements related to:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

These amendments are not expected to impact the Company's financial position or performance. The application of the amendments are not expected to have a significant impact on the Company's disclosures.

The amendments are applicable for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

### Investment entities (Amendments to IFRS 10 and IAS 28)

The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.
- The amendments are applied retrospectively for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

### (34) Subsequent events

On 8 March 2015, the Company received a claim from National Electric Power Company (NEPCO), whereby NEPCO is claiming an amount of JD 31,964,580 as a dispute on the calculation of the availability failures for the period from 1 January 2008 until 31 December 2014. The outcome of this dispute is uncertain. The Company and its legal counsel believe that CEGCO has good arguments to support their interpretation of the Power Purchase Agreement (PPA) provisions and which will support CEGCO's position.





Central Electricity Generating Co.  
(CEGCO)



شركة توليد الكهرباء المركزية م.ع.

Ref. : \_\_\_\_\_

Date : 28/3/2015

الرقم : \_\_\_\_\_

التاريخ : \_\_\_\_\_

### 3. Declaration of the Chairman, Chief Executive Officer and Executive Manager / Finance Affairs

#### 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.

*Financial Controller*

*Zakieh Abdel AlGhani Suliman Jardaneh*

*Chief Executive Officer*

*Eng. Omar Ahmad Mohammad Al-Daour*

*Chairman*

*Mohammad Abdullah Rashed Abunayyan*

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E-mail: cegco@cegco.com.jo

ص.ب : ٢٥٦٤ الرمز البريدي ١١٩٥٣ الأردن  
هاتف : ٩٦٢-٦-٥٣٤٠٠٠٨ مع قفز آلي  
فاكس : ٩٦٢-٦-٥٣٤٠٨٠٠  
البريد الإلكتروني : cegco@cegco.com.jo

Central Electricity Generating Co.  
(CEGCO)



شركة توليد الكهرباء المركزية م.ع.

Ref. : \_\_\_\_\_

Date : 28/3/2015

الرقم : \_\_\_\_\_

التاريخ : ٢٠١٥/٣/٢٨

### ٢١. ج. الإقرارات المطلوبة

١. يقر مجلس إدارة الشركة بعدم وجود أي أمور جوهرية قد تؤثر على استمرارية الشركة خلال السنة المالية التالية.
٢. 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

محمد بن عبدالله بن راشد الجويلان

عضو

دينا عبدالله أحمد الدباس

عضو

توماس ليزوي لانغفورد

نائب الرئيس

ثامر بن سعود الشهران

عضو

زيدون ابو حسان

عضو

زياد جبريل صيره

عضو

بلانجيت آبيد

