THE HASHEMITE KINGDOM OF JORDAN

Central Electricity Generating Company

CEGCO

ANNUAL REPORT

2018

His Majesty
King Abdullah II Bin Al Hussein

H.R.H Crown Prince
Hussein bin Abdullah II

Contents

A.1 Chairman Address

Valued shareholders,

On behalf of myself and the members of the Board of Directors of the Central Electricity Generating Company (CEGCO), allow me to present to you our 2018 Annual Report, which demonstrates the financial results, performance indicators and notable accomplishments achieved over the course of last year - despite several persisting challenges which we remain determined to resolving permanently.

Thamer Al-Sharhan
Chairman

On the operational front, CEGCO succeeded in recording an availability factor of 95.84% - exceeding declared budget estimates - while achieving outstanding performance indicator results within the area of occupational health, safety and environment. In addition to partnering with official entities and local communities to organize awareness days in various company locations, CEGCO held multiple employee training courses to keep pace with global health and safety developments.

Our biggest challenge is the end of several power purchase agreemens terms, which resulted in the decommissioning of multiple generating units - subsequently negatively impacting the ability of the company to generate revenues, grow and retain employeee. This obstacle continues to endure, but, nevertheless, we are currently in the process of carefully studying our options in order to find a lasting solution that safeguards the continuity of CEGCO in the long term.

Emphasizing our sense of duty towards society, we implemented a comprehensive corporate social responsibility (CSR) program that focused on serving underprivileged local communities, particularly within the areas of healthcare and education.

This being said, I thank our colleagues across our various locations for their unwavering commitment to taking challenges in their stride and fulfilling operational objectives, and to our Board of Directors and CEO for their steadfast support and constructive role in not only maintaining, but also advancing CEGCO.

Furthermore, allow me to take this opportunity to express our appreciation towards the Government of Jordan - represented by its institutions and entities - for their tremendous efforts in sustaining a secure, stable and investment friendly environment for our beloved country.

On behalf of the Board of Directors and myself ,I would like to conclude by extending our deepest gratitude to HM King Abdullah II for his wise vision and leadership ,which are instrumental to enabling Jordan to reach even greater heights of progress and prosperity.

A.2 CEO Address

Ladies and gentlemen,

Nadeem Rizvi

Chief Executive Officer

It is my pleasure to share with you the 2018 Annual Report, which showcases the most noteworthy accomplishments and performance indicators of CEGCO throughout the previous year.

As another year in the journey of Central Electricity Generating Company (CEGCO) has come to a close, we remain steadfast as we move forward to rise above successive challenges. Despite the decline in production capacity due to the end of several power purchase agreement terms and the subsequent adverse impact on the ability of CEGCO to generate revenues, grow and retain employees, we remain committed to seeking permanent solutions that enable us to overcome these obstacles.

2018 witnessed a good performance in operational results. Nonetheless, after taking into account the effect that the JOD 11.9 million in asset impairment had on net profits, 2018 registered a 50% decrease in profits to reach JOD 3.2 million in comparison to JOD 6.3 million in 2017.

From an operations standpoint, CEGCO delivered an exceptional performance, recording an availability factor that exceeded declared budget estimates, while achieving outstanding performance indicator results within the occupational health, safety and environment area. Moreover, CEGCO organized many training courses for both its employees and students from institutes and universities across the Kingdom, underscoring its commitment to human resource development.

As for its corporate social responsibility, CEGCO implemented an extensive plan to deliver services within several fields, namely health and education. In addition to supporting the expansion campaign of the King Hussein Cancer Center and supplying numerous healthcare centers with medical equipment, CEGCO carried out comprehensive maintenance work at multiple schools to help create a suitable study environment for students. CEGCO also donated energy-saving light-emitting diodes (LED) to Rehab Municipality and Ruwaished Municipality in place of street lamps, decreasing power bills by 50%, reducing long term replacement and maintenance costs, while lowering harmful carbon dioxide emissions and gas pollution. With regards to the operation and maintenance agreements signed with its majority shareholder - ACWA Power - CEGCO employees received training on the operation and maintenance on state-of-the-art machines at the ACWA Power locations in Zarqa and Mafraq, reaffirming the team's ability to carry out such projects in accordance with international standards.

In conclusion, I express our gratitude and appreciation to our esteemed Chairman and Board of Directors for their unwavering support and valuable guidance towards the betterment of CEGCO. I would also like to thank our stakeholders, notably the Ministry of Energy and Mineral Resources and National Electric Power Company, as well as the entire team across all locations for their continuous dedication to advancing CEGCO and fulfilling its objectives.

We look forward to reaching greater heights of success in 2019.

B Report of Board of Directors

The Board of Directors is pleased to present to you its Annual Report 20th including activities and achievements of the Company as well as the financial statements of the year ended on 31/12/2018

1. A. Company's Activity

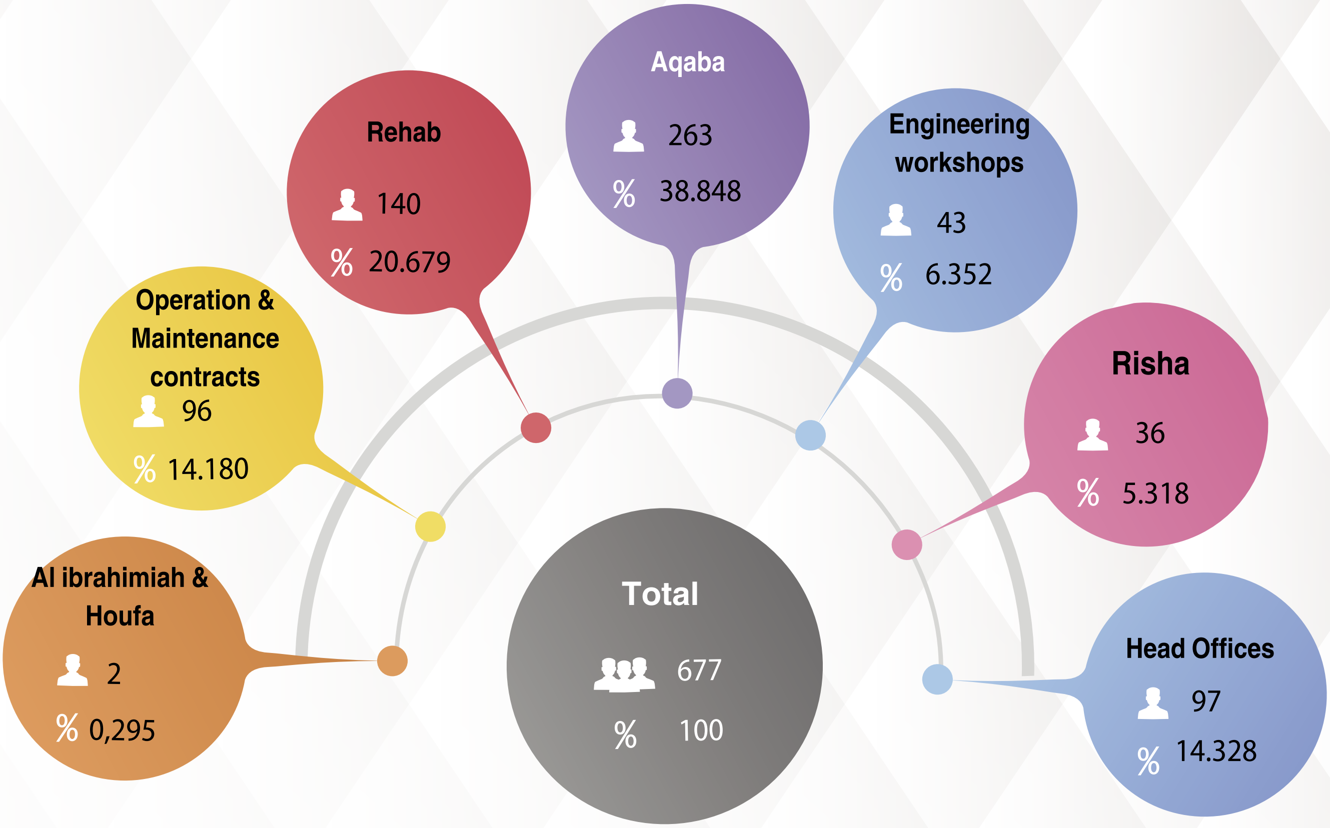
To generate the electric energy in various regions of the Kingdom using any primary sources of energy and the renewable energy to be supplied, in good quality, high availability and at the lowest possible cost, to the National Electric Power Company.

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

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

Aqaba Thermal Power Station	it is located in the south-west of Jordan, approximately 22 km south of the Aqaba City, 1 km from the Red Sea. The plant site is 35 meters above sea level and located in the middle of an industrial area.
Risha Gas Turbine Power Sation	it is located in the eastern region of the Kingdom, about 350 m east of Amman.
Rehab Gas Turbine Power Station	Rehab power plant is located in the northern region of Jordan, approximately 70 km north of the capital Amman. The plant site is approximately 835 meters above sea level and located within a rural area surrounded by extensive agricultural land.
Al Ibrahimiah Power Plant	it is located in the north of Jordan about 80 km south of Amman
Engineering workshops	it is located in the northern region of Jordan, about 30 Km north-east of Amman, and is situated 560 m above the sealevel in the center of the Industrial Area in Zarka.

Company Locations and the number of employees in each location until 31/12/2018



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

1. C. Report of Board of Directors

110,305,400 JD

2 There are no Affiliate Companies

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

Enara Energy Investment

- **H.E.Mr. Thamer Al Sharhan** Chairman
- **H.E.Mr Turki S. Al-Amri** Vice-Chairman (from 2/10/2017)
- **H.E.Mr Makram A. Khoury** from 1/8/2017

Enara (2) Energy Investment

- **H.E.Mr. Kashif Mahboob Rana** Member (from 28/8/2016) till 19/3/2018
- **H.E.Mr. Jasdeep singh anand** Member (from 20/3/2018)

Government investment Management Co. LLC

- **H.E. Dr. Faisal Hyary** Member from 20/6/2017
- **H.E.Eng.. Ziad Jebril** Member from 1/7/2014

Social Security Corporation

- **H.E.Mr. Zaidoun Abu Hassan** from 17/3/2013

H.E. Mr.
Thamer Al-Sharhan

Nationality
Saudi Arabian

Date of Birth
1961

Current Position
Chairman

Work Experience

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

H.E. Eng.

Turki S. Al-Amri

Nationality

Saudi Arabian

Membership Date

11 /9/ 2017

Date of Birth

17 /10/ 1974

Current Position

Vice-Chairman
From 2/10/2017

Qualifications:

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

Work Experience:

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

H.E. Mr.

Kashif Rana

Nationality

British

Membership Date

28 /8/ 2016 till 19/3/2018

Current Position

Member of Board

Qualifications:

- Chartered Accountant (Qualified in 2001) (Institute of Chartered Accountants of Pakistan)

Work Experience:

- **CFO at Acwa Power From Apr 2013 to present**
- **Director Accounting, Controls & Taxation Jan 2009** to Mar 2013 In managing the equity capital market and finance activities for the group and its investments, led the private securities offering with sovereign institutes of Saudi Arabia, International Finance Corporation as well as prepared the company for a listing in Saudi Arabia. Leading the development and implementation of a best practices in areas covering long term planning, audits, accounting, reporting, insurance, treasury and tax structuring as well as representing the company at various audit, board, executive and management committees on its joint venture businesses.
- **Aqualyng AS July 2008** to Dec 2008 As Director Project Finance, was responsible for evaluating, structuring and executing strategies to arrange project finance facilities as well as managing relationships with financial institutions and providing commercial expertise on developing projects. In the process also lead the valuation and modeling activities for development projects and provided strategic support to the management business plans.
- **AES Corporation Jan 2001 to Jun 2008** With AES Corporation, worked in roles in project development, project financing and operational finance. As CFO for the Middle East region led a regionally spread finance team through financial and accounting with responsibility for the budgeting process, long term business plans, devising acquisition strategies etc. during the period also led and closed the $225M financing with multilateral institutes on a 370MW plant. Other special assignments included closing of a minority interest asset sale, due diligence exercise involving asset sales. Throughout the period held various director and secretarial positions in companies across the region.

H.E. Mr.

Jasdeep Anand

Nationality

Hindi

Membership Date

20 /3/ 2018

Current Position

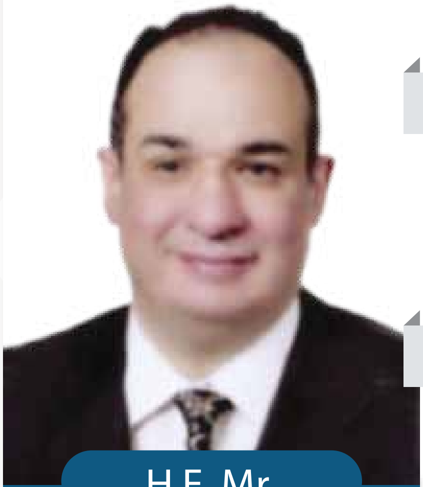
Member of Board

Qualifications:

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

Work Experience:

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



H.E. Mr.

Zaydoun Mamdouh Abed Al Rahman Abu Hassan

Nationality
Jordanian

Membership Date
17/3/2013

Date of Birth
1/5/1968

Current Position
Member of Board

Qualifications:

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

Work Experience:

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

H.E. Mr.

Faysal A. Al-Hyari

Nationality

Jordanian

Membership Date

20/6/2017

Date of Birth

30/12/1955

Current Position

Member of Board

Qualifications:

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

Work Experience:

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

H.E. Mr.

Makram A. Khoury

Nationality

Lebanese

Membership Date

1/8/2017

Date of Birth

12/7/1956

Current Position

Member of Board

Qualifications:

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

Work Experience:

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

H.E. Eng.

Ziad Jibril Sabra

Nationality

Jordanian

Membership Date

1/7/2014

Date of Birth

22/10/1960

Current Position

Member of Board

Qualifications:

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

Work Experience:

- 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.

Nationality: Pakistan

Membership Date

19/10/2014

Date of Birth

27/5/1967

Current Position :

Chief Executive Officer

H.E. Mr. Nadeem Rizvi

Chief Executive Officer

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.

Nationality : Jordanian

Assignment Date: 23/8/1992

Date of Birth: 12/12/1967

Qualifications:

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

Eng. Maher Moh'd Ateyah Tubaishat

Current Position: Executive Manager /Assets Management

Work Experience:

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

Nationality
Jordanian

Assignment Date : 1983

Date of Birth 7/11/1962

Qualifications:

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

Mrs.Zakieh Abed Al Ghani Suliman Jardaneh

Current Position: CFO

Work Experience:

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

Nationality: Jordanian

Assignment Date : 4/2/1996

Date of Birth 18/2/1971

Qualifications:

- Bachelor Degree/ Mechanical Engineering

Eng. Ali Hussein Ibrahim AL_Rawashdeh

Current Position: Executive Manager /Operation & Maintenance

Work Experience:

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

Nationality : Jordanian

Assignment Date : 1/2/2000

Date of Birth :12/ 3/ 1977

Qualifications:

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

Alia Radwan Abdullah Hiassat

Current Position: BoD Secretary

Work Experience:

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

Mr.Ahmad Mohammad Abed Al-Rahman Alozi

Current Position: Supply chain executive manager, acting SRHR manager

Nationality : Jordanian

Assignment Date : 13/7/1987

Date of Birth : 23/3/1965

Qualifications:

BA / Jordan university.

Master degree/ business administration.

Professional diploma in HR.

Work Experience:

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

Samira Samir Zarafili

Current Position: Acting –Internal audit Manager 1/2/2018

Nationality : Jordanian

Assignment Date : 1999-7-10

Date of Birth:1973-12-20

Qualifications:

Bachelor of Accounting.

Work Experience:

- 1/2/2018 To date Director of Internal Audit Department
- 1/1/2016 - 31/1/2018: Reports Management Section Head
- 1/1/2013 - 31/12/2015: Acting-Reports Management Section Head
- 10/7/1999 - 31/12/2012: Accountant -CEGCO
- 14/1/1995 - 8/7/1999: Accountant -Private Sector

Nationality Jordanian
Assignment Date : 27/7/1999

Date of Birth: 3/1/1970

Qualifications:

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

Ali (Mohammad Zuhair) Ali Abdullah

Current Position: Financial Manager

Work Experience:

- 1/10/2017 - Financial Manager till now.
- Acting Financial Manager – Central Electricity Generating Company (Jan. 2016 – till 30/9/2017)
- Budget Control Section Head – Central Electricity Generating Company(April 2004 – till 30/9/2017)
- Accountant – Budget Control Section – Central Electricity Generating Co. (July 1999 – April 2004)
- Estimator - Income Tax Department (Oct. 1996 – July 1999)
- Accountant – Jordan Electrical industries Investment Co. Ltd (Dec 1994 – Sep 1996)

Nationality :Jordanian

Assignment Date : 1/9/2001

Date of Birth: 31/5/1977

Qualifications:

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

Ghaith .T.Q. Obeidat

Current Position: accounting department manager

Work Experience:

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

4 Table of Shareholders whom Shares Exceed 5 %

2018 Shareholders Whom Shares Exeeds 5%

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

2017 Shareholders Whom Shares Exeeds 5%

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

5 The Competitive Position for the Company within the Electricity Sector

The total maximum load of the interconnected electrical system has reached (3205) MW for year 2018, compared to (3320) MW for year 2017, As the total generation of electric power has reached (20286) GWh in 2018 , compared to (20760) GWh in 2017 with a growth rate of (-2.3 %), the company has contributed through its capacity of (1044) MW which represents (20 %) of the total electrical system capacity with a production of (1833.6) GWh which represents a percentage of (9 %) of the total generated electric power in the kingdom for year 2018.

The company sale of electric power has reached (1749.3) GWh in year 2018, compared to (4126.4) GWh in year 2017.

6 The Competitive Position for the Company within the Electricity Sector

Major suppliers	Dealing Ratio from Total Procurements
Jordan Petroleum Refinery (JPRC)	95%
National Petroleum Company	5%

Major suppliers	Dealing Ratio from Total Procurements
National Electric Power CO.	100%

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

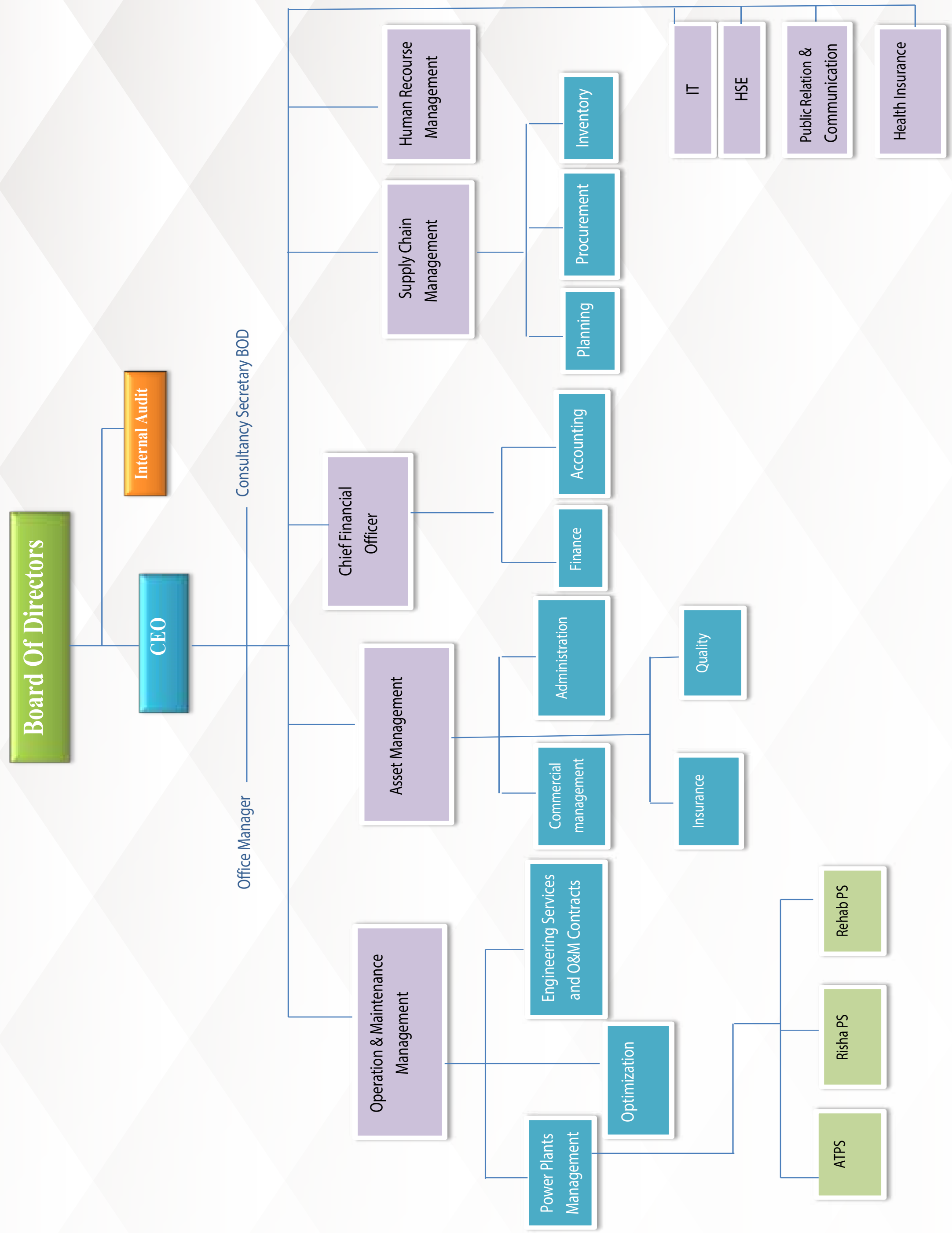
The company and its products don't possess any governmental protection or privileges by virtue of the laws and regulations in force, and the company didnot get any patents or concession rights however, we would like to point out that the government of the Hashemite Kingdom of Jordan has guaranteed the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

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

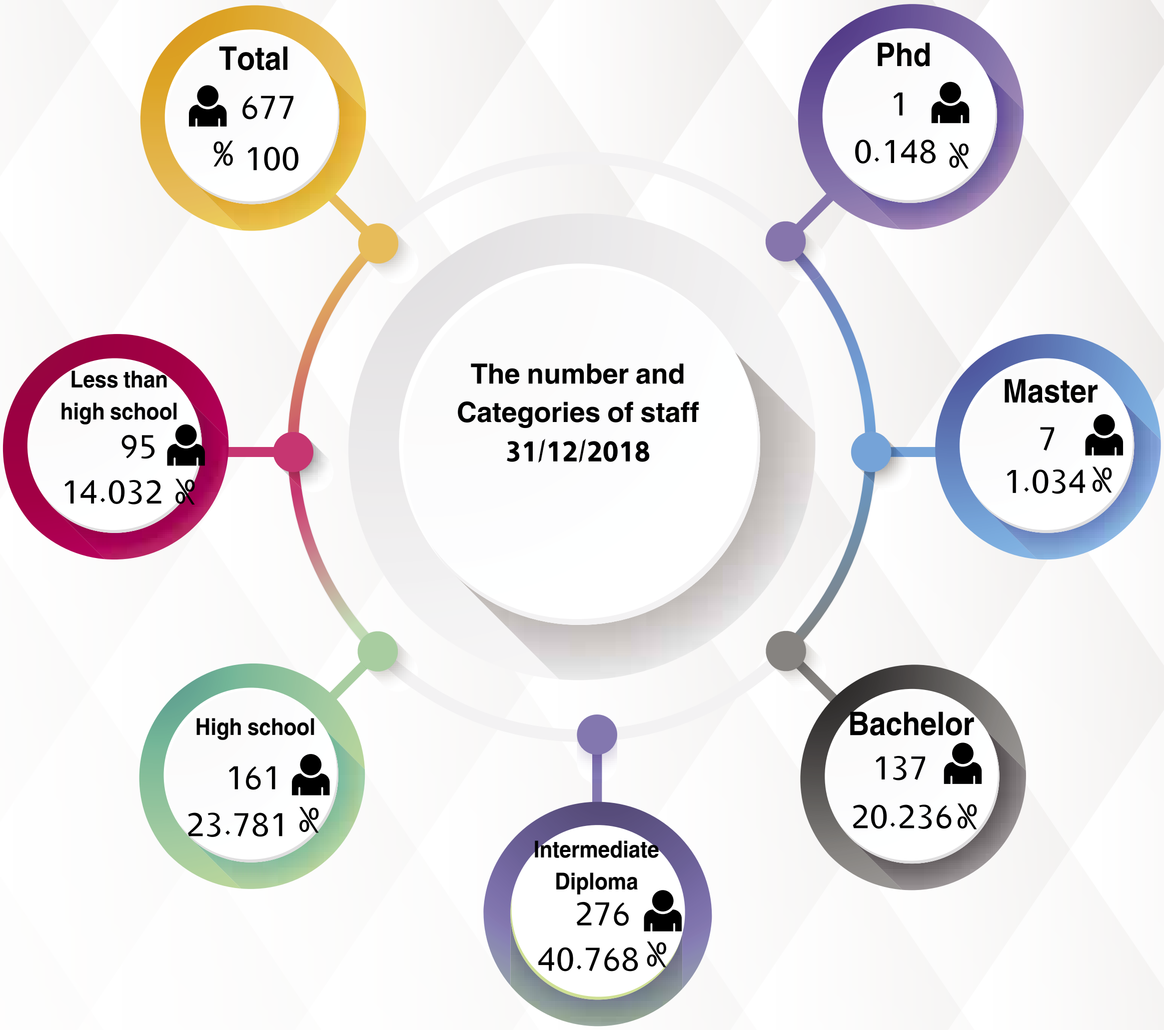
8.B Quality and Technical Audit

- Central Electricity Generating Company is committed to apply with continuous review for continual improvement of the existing integrated management system IMS certified by TUV.
- The Integrated Management System (IMS) certificates had been renewed according to new specifications and requirements of quality management system ISO 90001-2015, Environment management system 14001-2015 and occupational Safety and health management system (OHASA 18001) by external auditor (TUV) valid for 3 years.
- The Implementation of the new integrated management system process had been followed up and evaluated by internal and external audit every six months, and follow up to close all non-conformities, implementing of management review, updating the CEGCO internal and external risk assessment which reflected positively to update CEGCO annual strategies which reflected to the developments and continual improvement of IMS systems.

9.A Organization Structure



9.B Number of employees of the company and categories of qualifications until 31/12/2018:



9.C Learning& Development Activities during 2018

- **Courses**

In the belief of the importance of the process of learning and development in enhancing the capabilities and skills of the staff and follow up the latest developments in all technical and managerial areas, the Department of Learning and Development has implemented several training programs during 2018 training in the fields of technical, engineering, financial and administrative to enhance the efficiency of employees and improve performance in alignment with business need.

And to represent the company in international and regional conferences, a number of the company's employees participated in several conferences, workshops and forums in the fields of technical, engineering, energy, information technology, financial and administrative fields.

- **Training per location**

Location	Trainees	Training hours
Head Office	82	3469.5
Aqaba Thermal Power Station	154	4266
Zarqa Power Plant	44	784.5
Rehab Power Plant	80	2143
Risha Power Plant	11	466
King Talal Dam	3	78.5
Maffraq	11	500.5
Total	385	11708

- **Training hours per divisions & departments**

Division/Dept.	Training Hours
Operation & Maintenance	8200
Asset	426
BoD Secretary & CEO office	100.5
Finance	479.5
HR	393
Health insurance	37.5
HSE	193.5
Audit	286
IT	562
Supply chain	957.5
PR	72.5
Total	**11708**

- **Social Community Service:**

The company contributes to the service of the local community by improving the efficiency and knowledge of the graduates of the Jordanian universities and institutes, through practical training programs at the various sites and stations of the company. The company also facilitates visits and scientific trips of university students to learn about the systems and techniques used in generating electricity, during the year 2018,(52) students were trained in the company as follows:

Location	Number of students
Zarqa Power Plant	3
Aqaba Thermal Power Station	3
Rehab Power station	46
Total	**52**

University	Trainees
Balqa Applied University	5
The Hashemite University	2
Al-Hussein Bin Talal University	1
Baccalaureate School	1
Technical Parasite University	2
University of Science and Technology	14
Yarmouk University	25
Princess Sumaya University	2
Total	**52**

10 Risks Faced by the Company

none

11 Achievements of the Company in 2018

11.1 Use of Available Sources of Energy to Generate Electricty

In 2018, the company continued using the local sources of energy available in the kingdom to generate the eclectic energy.

Natural Gas in Risha Field

The Company continued 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 (60) MW. In this year, it produced using the natural gas (246.2) GWh, where contribution of Risha Generating Station was (13.5%) of total production of the Company's stations in 2018 compared to (5.55%) in 2017.

Wind Energy

The Company continued using the wind energy to produce the electric energy from Houfa and Ibrahimiah Power Plants where the amount of sold electric power was (1,14) GWh, which contributed to reduction of production cost of the electric energy in the Company's stations in amount of (82616) JD.

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 2018 that aimed to achieve the highest levels of production services 2018 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 (3,015,000) m^3 cubic meters of Methane in 2018 which contributed to reduction of Co2 emission.

The total hours of operation of operating units in the company were (6288) working hours in 2018.

The amount of energy generated in 2018 was (3,350) MW H.

Noticing that total extracted quantity of Biogas since start up of the project in June 2000 until 31/12/2018 is (83,828,335) cubic meters, contributed in generating energy in the same period with total amount of (111.489) MW H.

11.2 Health, Safety and Environment (HSE)

In order to achieve its vision and mission in keeping up with the continuous development of the work systems and the mechanisms of implementation health and safety of workers and the preservation of the surrounding environment and property, the following has been accomplished:

- The company has updated its procedures in the Integrated Management System to comply with the new ISO 9001: 2015 Quality Management System and the Environmental Management System (ISO 14001: 2015) and CEGCO got this certifications by TUV Jordan

- Internal and external audits of HSE were conducted twice a year at different locations to ensure that HSE measures are implemented in accordance with ISO 14001: 2015 and OHSAS18001: 2007. The company›s internal audits were conducted during April and November
- TUV Jordan conducted the external audit during June and December. The audits revealed that the company is committed to implementing the requirements of international standards for occupational health, safety and environment
- All lifting equipment in the company has been reexamined and certified by an accredited third party to ensure its safety and compliance with the required standards during its use in the various activities in the company.
- During the last quarter of the year, the company conducted an examination of lung and ear efficiency for all employees in various locations to ensure the safety of their occupational health in the work areas related to noise and gas emissions.
- CEGCO has developed health and safety management plan for the new APZ plant in compliance with local legislations, owner and lenders requirement.
- The company conducted a safety day in all its sites with the participation of local authorities, local community representatives, employees 'families in which safety activities, presentations and safety quizzes were conducted to raise the safety culture among all.

- Central Electricity Generating Company continued to implement a smoke-free policy in various facilities of the Company to maintain its facilities smoke-free except in a smoke designated area in order to provide a healthy environment for all people
- The company has trained and qualified batches of employees in different locations of the company in cooperation with the Department of Education and Development in specialized courses in occupational health, public safety and the environment, like handling and storage of chemicals, safe operations and inspections of lifting equipment, safe drive of forklifts and protection of arc flash during electrical activities.
- HSE staff held awareness sessions internally for employees at different locations of the company on various policies, procedures and requirements of occupational health, public safety and environment. The most important measures that have been practiced include electrical safety, energy sources isolation and discharge, HSE signage, work at high, safety in dealing with forklifts, safety in handling compressed gases.

11.3 Consultations, Agreements, and External Services

In 2018 there was no agreements with external parties.

11.4 Significant Statistics

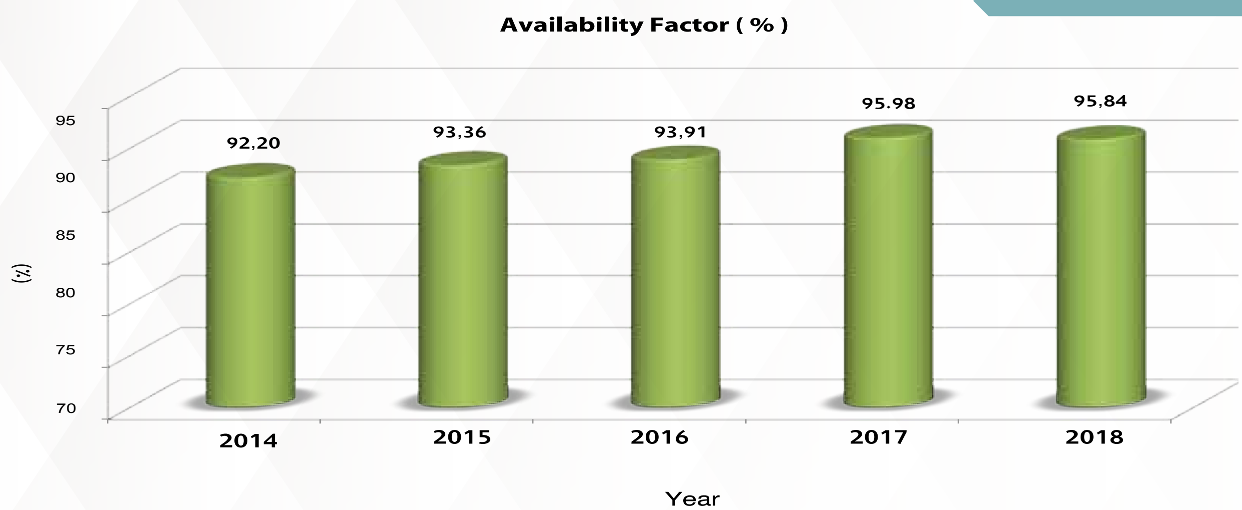
Item	2017	2018	Growth rate(%)
Available capacity (MW)	1074	1044	-2.79
Generated energy (GWh)	4332.4	1833.6	-57.7
Steam units	1963	811	-58.7
Combined cycle	2086	741	-64.5
Gas turbines	260.4	271.2	4.13
Hydro	21.0	8.6	-59.0
Wind	1.60	1.58	-1.48
Diesel engines	0.00	0.00	0.00
Internal consumed energy (GWh)	231.0	112.7	-51.2
Internal consumed energy (%)	5.33	6.15	15.3
Sold energy to NEPCO (GWh)	4126.4	1749.3	-57.6
Heavy fuel oil consumption (1000 ton)	323	123	-62.0
Diesel oil consumption (1000 cubic meter)	0.14	0.06	-59.1
Natural gas consumption / Risha gas (million cubic meter)	101	94	-6.42
Natural gas consumption / Egypt gas (Billion BTU)	23715	9585	-59.6
Overall efficiency (generated) (%)	36.82	35.41	-3.85
Overall efficiency (exported) (%)	34.86	33.23	-4.68
Availability Factor (%)	95.98	95.84	-0.14
Forced outage Factor (%)	1.29	0.39	-70.2
Planned outage Factor (%)	2.73	3.77	38.2
Employees	683	677	-0.88

Performance Indicators

Table (1)

Technical Indicators	2014	2015	2016	2017	2018	Growth rate(%)
A. Performance Indicators						
Overall efficiency (generated) (%) (*)	35.73	35.97	36.11	36.82	33.23	-9.76
Overall efficiency (exported) (%) (*)	33.65	33.92	34.08	34.86	33.78	-3.10
Availability of generating units (%)	92.20	93.36	93.91	95.98	95.84	-0.14
Percentage of internal consumed energy (%)	5.83	5.69	5.61	5.33	6.15	15.30
B. Financial Indicators						
Average heavy fuel oil price (JD/ton)	453.7	292.7	187.7	219.1	277.3	26.6
Average diesel oil price (JD/cubic meter)	636.4	435.7	378.80	467.8	556.6	19.0
Average natural gas price / Risha (fils/cubic meter)	50	50	50	84	129.9	55.00
C. Manpower Indicators						
Annual productivity (GWh/employee)	7.90	6.46	5.45	6.34	2.71	-57.3
Installed capacity (MW/employee)	1.38	1.41	1.49	1.57	1.59	0.89

Fig (1)



CEGCO's Power Stations Performance Indicators

Table (2)

Availabilty Factor (%)

Power Station	2014	2015	2016	2017	2018
Aqaba Thermal	90.68	92.57	93.68	95.02	96.69
Hussein Thermal	93.16	95.53	0.00	0.00	0.00
Rehab	93.28	91.16	93.34	97.73	94.69
Risha	93.88	97.95	95.34	96.28	92.76
Amman South	98.50	99.88	100.00	0.00	0.00
Total	92.20	93.36	93.91	95.98	95.84

Fig 2

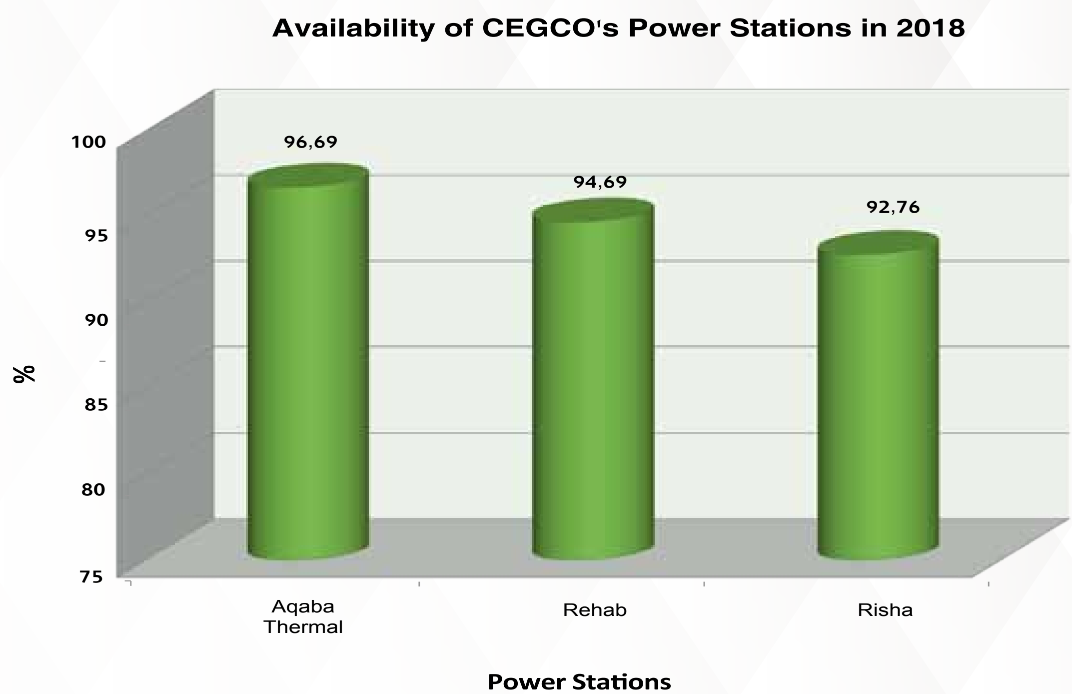


Table (3)

Forced Outage Factor (%)

Power Station	2014	2015	2016	2017	2018
Aqaba Thermal	3.20	4.53	2.19	1.95	0.23
Hussein Thermal	3.79	1.45	0.00	0.00	0.00
Rehab	1.40	1.25	1.46	0.16	0.69
Risha	4.99	0.40	4.28	0.71	0.47
Amman South	0.35	0.12	0.00	0.00	0.00
Total	2.96	2.73	2.13	1.29	0.39

Table (4)

Planned Outage Factor (%)

Power Station	2014	2015	2016	2017	2018
Aqaba Thermal	6.11	2.90	4.14	3.03	3.08
Hussein Thermal	3.06	3.03	0.00	0.00	0.00
Rehab	5.32	7.59	5.20	2.11	4.62
Risha	1.13	1.64	0.38	3.01	6.77
Amman South	1.15	0.00	0.00	0.00	0.00
Total	4.84	3.91	3.96	2.73	3.77

Power Station Efficiency

Table (5)

Efficiency (Generated) for Power Plants (%)

Power Station	2014	2015	2016	2017	2018
Aqaba Thermal	37.08	37.09	35.67	35.68	35.21
Hussein Thermal	27.92	27.44	0.00	0.00	0.00
Rehab	41.51	39.62	39.89	40.17	39.29
Risha	23.82	22.83	21.33	25.04	27.39
Amman South	24.39	24.39	28.86	0.00	0.00
Remote Villages	29.83	18.02	0.00	0.00	0.00
Total	35.73	35.97	36.11	36.82	35.41

Table (6)

Efficiency (Sent Out) for Power Plants (%)

Power Station	2014	2015	2016	2017	2018
Aqaba Thermal	34.25	34.12	32.19	32.22	31.11
Hussein Thermal	25.73	25.18	0.00	0.00	0.00
Rehab	40.77	38.96	39.16	39.45	38.46
Risha	23.63	22.61	21.17	24.91	27.26
Amman South	23.53	20.83	19.14	0.00	0.00
Remote Villages	27.88	16.84	0.00	0.00	0.00
Total	33.65	33.92	34.08	34.86	33.23

Power Station Heat Rate

Table (7)

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

Power Station	2014	2015	2016	2017	2018
Aqaba Thermal	9709	9706	10091	10091	10224
Hussein Thermal	12895	13121	0.00	0.00	0.00
Rehab	8673	9086	9025	8961	9161.9
Risha	15113	15769	16874	14378	13145.8
Amman South	14758	14760	12476	0.00	0.00
Remote Villages	12069	19974	0.00	0.00	0.00
Total	10075	10010	9971	9776	10168

Table (8)

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

Power Station	2014	2015	2016	2017	2018
Aqaba Thermal	10509	10550	11185	11172	11571
Hussein Thermal	13991	14296	0	0	0
Rehab	8830	9240	9193	9125	9360.1
Risha	15234	15922	17003	14452	13204
Amman South	15299	17282	18808	0	0
Remote Villages	12914	21374	0	0	0
Total	**10699**	**10614**	**10563**	**10327**	**10834**

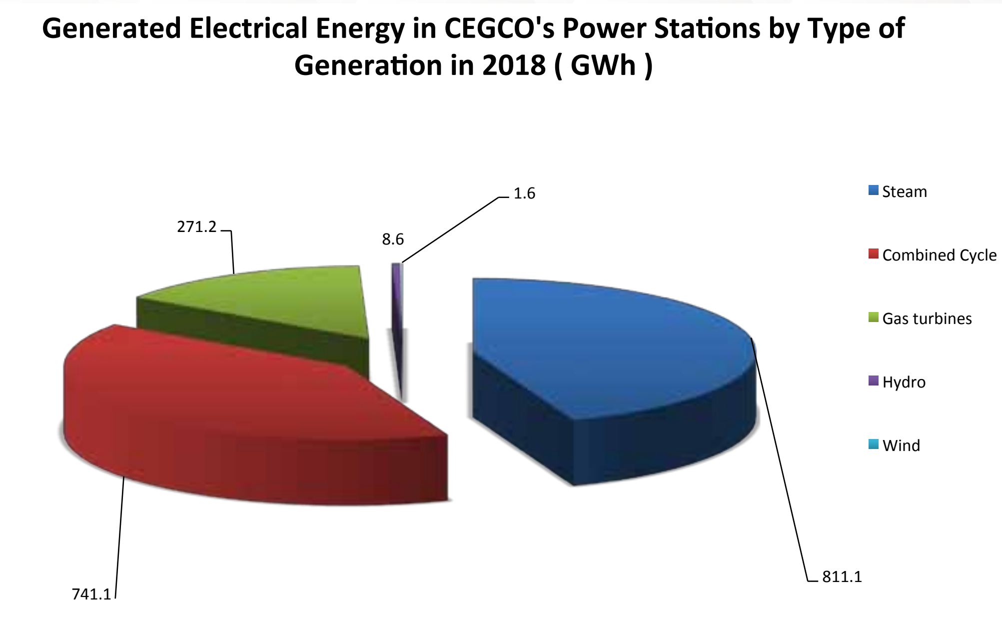
Generated Electrical Energy

Table (9)

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

Power Station	2014	2015	2016	2017	2018	Growth rate (%)
Aqaba Thermal	4466.7	3605.0	2056.4	1984.4	819.7	-58.7
Hussein Thermal	1065.5	461.5	0.0	0.0	0.0	0.0
Rehab	2108.4	2041.9	1963.1	2105.8	764.1	-63.7
Risha	309.8	270.7	237.6	240.55	248.11	3.1
Amman South	11.0	1.5	0.0	0.0	0.0	0.0
Ibrahimiah	0.47	0.30	0.52	0.22	0.44	95.4
Hofa	1.90	1.76	2.74	1.33	1.14	-14.4
Remote Villages	0.50	0.01	0.00	0.00	0.00	
Total	7964.4	6382.6	4260.4	4332.4	1833.6	
Growth Rate (%)	7.90	-19.9	-33.2	1.69	-57.7	

Fig 3



Sold Electrical Energy

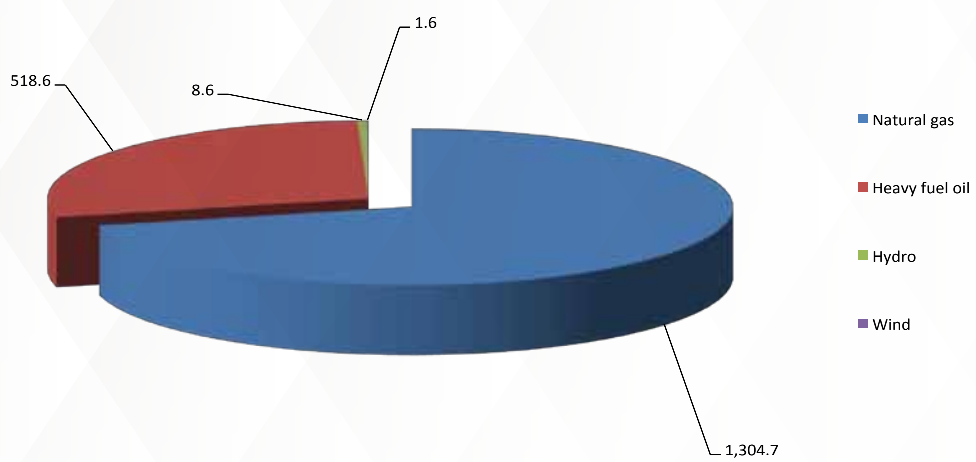
Table (10)

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

Power Station	2014	2015	2016	2017	2018	Growth rate (%)
Aqaba Thermal	4124.7	3325.8	1872.9	1818.6	752.2	-58.6
Hussein Thermal	1010.1	439.3	0.0	0.0	0.0	0.0
Rehab	2072.1	2008.0	1926.9	2067.9	749.2	-63.8
Risha	306.2	267.0	231.3	238.3	246.2	3.33
Amman South	10.91	1.4	0.0	0.0	0.0	0.0
Ibrahimiah	0.46	0.29	0.51	0.28	0.28	0.0
Hofa	1.88	1.75	2.74	1.32	1.32	0.0
Remote Villages	0.47	0.01	0.00	0.00	0.00	0.0
Total	6945.2	7526.9	6043.6	4126.4	1749.3	
Growth Rate (%)	-5.37	8.38	-19.7	-31.7	-57.6	

Fig 4

Generated Electrical Energy in CEGCO's Power Stations by Type of Fuel and Primary Energy in 2018 (GWh)



Internal Electrical Energy Consumption

Table (11)

CEGCO's Power Stations Internal Consumption (MWh)

Power Station	2015	2016	2017	2017	2018
Aqaba Thermal	340280	288339	201021	191990	95442
Hussein Thermal	83451	37925	0	0	0
Rehab	37669	34125	35880	37803	16180
Risha	2474	2596	1804	1235	1098
Amman South	391	212	138	0	0
Ibrahimiah	4.4	5.3	7.8	5.1	10.64
Hofa	9.6	10.6	8.7	8.2	7.17
Remote Villages	32.6	1.0	0.00	0.00	0.00
Total	**464311**	**363214**	**238859**	**231041**	**112737**

Table (12)

CEGCO's Power Stations Internal Consumption (%)

Power Station	2015	2016	2017	2017	2018
Aqaba Thermal	7.62	8.00	9.78	9.67	11.64
Hussein Thermal	7.83	8.22	0.00	0.00	0.00
Rehab	1.79	1.67	1.83	1.80	2.12
Risha	0.80	0.96	0.76	0.51	0.44
Amman South	3.54	14.59	4.61	0.00	0.00
Ibrahimiah	0.92	1.79	1.49	1.82	2.42
Hofa	0.51	0.60	0.32	0.62	0.63
Remote Villages	6.54	6.55	0.00	0.00	0.00
Total	**5.83**	**5.69**	**5.61**	**5.33**	**6.15**

Fuel Consumption

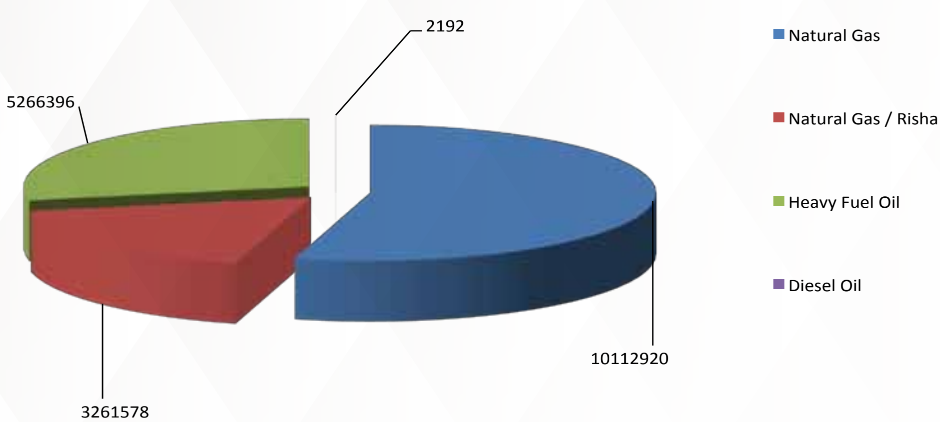
Table (13)

CEGCO's Power Plants Consumption of Fuel

Power Plant	Fuel Type	Unit	2014	2015	2016	2017	2018
ATPS	Natural Gas	Billion BTU	0	2652	5921	5830	2950
	HFO	Ton	1020506	753818	337568	322756	122568
	DO	Cubic meter	291	506	257	118	57
HTPS	HFO	Ton	323450	142085	0	0	0
	DO	Cubic meter	0	87	0	0	0
Rehab	Natural Gas	Billion BTU	18	10419	16793	17885	6635
	DO	Cubic meter	474864	195135	5	16	2
Risha	Risha Gas	(1000) Cubic meter	130741	122924	116442	100852	94378
	DO	Cubic meter	3980	700	56	10	0
Amman South	DO	Cubic meter	4237	556	10	0	0
Remot	DO	Cubic meter	156	4	0	0	0
Total	Natural Gas	Billion BTU	18	13072	22713	23715	9585
	Risha Gas	(1000) Cubic meter	130741	122924	116442	100852	94378
	HFO	Ton	1343956	895903	337568	322756	122568
	DO	Cubic meter	479291	196988	328	143	59

Fig 5

CEGCO's Power Stations Fuel Consumption in 2018 (GJ)



Operating Power Stations Capacity in Electrical System

Table (14)

Installed capacity of CEGCO›s Power Stations in 2018 (MW)

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

Table (15)

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

Source	2014	2015	2016	2017	2018
CEGCO	1392	1392	1164	1074	1044
Steam	848	848	650	650	650
Combined cycle	297	297	297	297	297
Gas turbines / Natural gas	210	210	180	120	90
Gas turbines / Diesel oil	30	30	30	0	0
Diesel engines	-	-	-	-	-
Hydro	6	6	6	6	6
Wind	1.4	1.4	1.4	1.4	1.4
2.Other Organizations	2846	3068	3325	3472	4215
AZP	-	-	-	-	485
Samra Electrical Power Generting Company	1031	1175	1175	1175	1250
King Talal Dam	6	6	6	6	6
Jordan Biogas Company	4	3.5	4	4	4
AES	432	432	432	370	370
Al Qatraneh	420	420	420	373	373
IPP3	573	573	573	573	573
IPP4	241	241	241	241	241
Shamsna	-	5	10	10	10
Jordan wind Renewable Co.	-	117	117	117	117
Hussien University Wind	-	-	80	80	80
Al Ward Al Joury Co	-	-	-	10	10
Maan Sun	-	-	52.5	52.5	52.5
Sun Edison Company	-	-	20	20	20
Zahrat Al Salam	-	-	10	10	10
Mertifier	-	-	10	10	10
Bright power	-	-	10	10	10
Green land	-	-	10	10	10
Ennera	-	-	10	10	10
Catalyst	-	-	21	21	21
Jordan Solar one	-	-	-	20	20
Scatec Solar Company	-	-	10	10	10
Distribution companies	-	-	-	202	235
Development projects almafraq	-	-	-	-	100
Others	139.3	95	93.8	137.6	187.5
Total system	4238	4460	4489	4547	5259

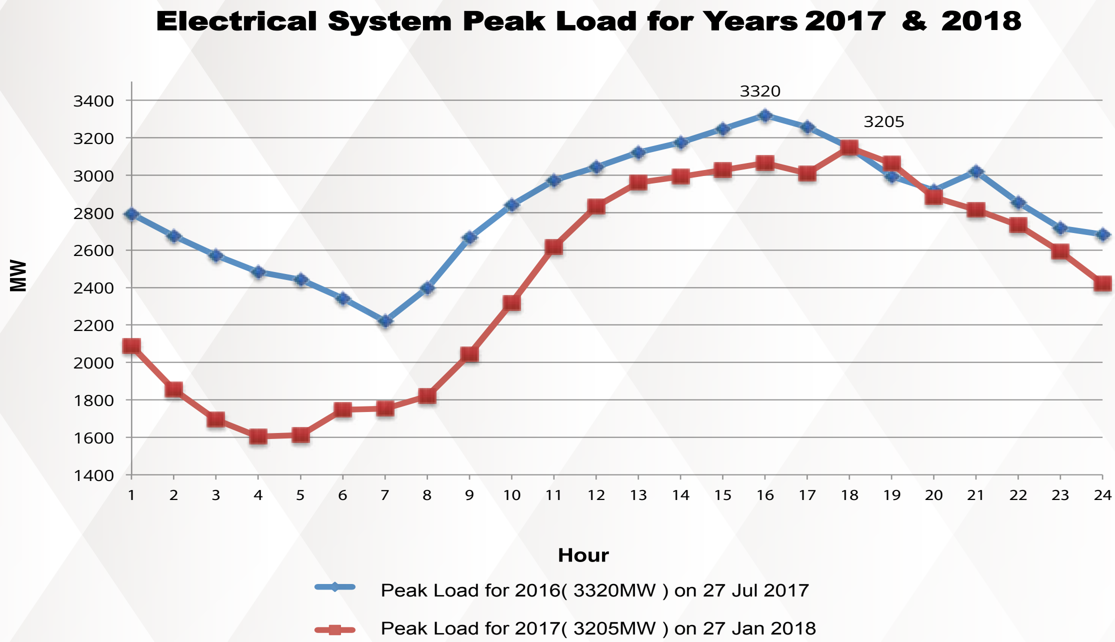
Loads of Electrical System

Table (16)

Electrical System Peak Load Develepment (MW)

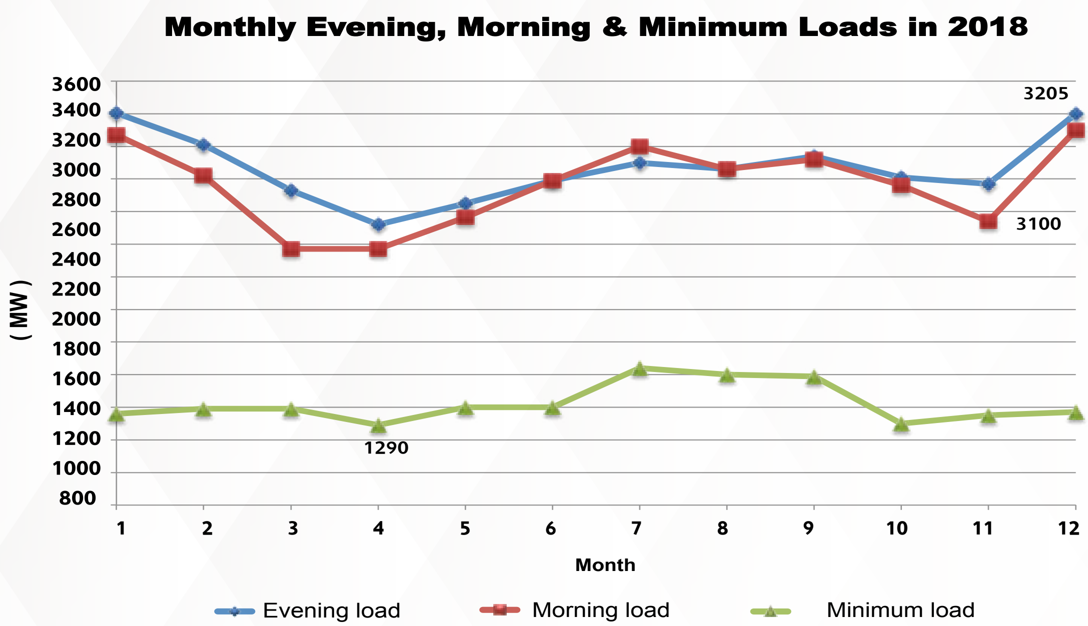
Source	2014	2015	2016	2017	2018
Total Electrical System	2900	3300	3250	3320	3205
Load Growth Rate (٪)	-2.52	13.79	-1.52	2.15	-3.46
CEGCO	1044	743	972	912	810
CEGCO share of Loads (٪)	-29.3	-28.8	30.8	27.5	25.3

Fig 6



Electrical System Peak Load for Years 2017 & 2018
3320
3205
3400
3200
3000
2800
2600
2400
2200
2000
1800
1600
1400
MW
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24
Hour
Peak Load for 2016(3320MW) on 27 Jul 2017
Peak Load for 2017(3205MW) on 27 Jan 2018

Fig 7



Monthly Evening, Morning & Minimum Loads in 2018
3600
3400
3200
3000
2800
2600
2400
2200
2000
1800
1600
1400
1200
1000
800
(MW)
3205
3100
1290
1 2 3 4 5 6 7 8 9 10 11 12
Month
Evening load
Morning load
Minimum load

12 The financial impact to the operations of non-recurrent in nature during the financial year and does not fall within the main company`s activity

The Company has carried an assessment to measure the impairment loss of property, plant and equipment. As a result, the Company recorded an impairment of JD 11,987,713 on one of the Company's steam units number 14 at Rehab power plant. The Company recognized these losses as a separate line item in the Statement of Comprehensive Income.

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

	2018	2017	2016	2015	2014
Profit (loss)- after tax	3,164,614	6,307,401	7,775,002	14,553,741	17,136,921
Dividends	7,000,000	7,000,000	15,000,000	17,000,000	24,000,000
Dividends from voluntary reserve	8,000,000	8,000,000	15,000,000	13,000,000	-
Dividends from special reserve	-	-	-	-	-
Share holders equity (net)	48,774,568	60,324,322	69,402,596	91,758,091	106,818,213
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	2018	2017
Operation profit (loss) ratio (without fuel)	34.09%	36.00%
Net profit (loss) before interest , foreign exchange & tax (without fuel)	37.57%	24.25%
Net profit (loss) before tax (without fuel)	25.38%	11.52%
Net profit (loss) after tax (without fuel)	24.20%	9.19%
Return on assets ratio (without fuel)	6.74%	2.79%

Liquidity Indicators	2018	2017
Current Ratio (time)	0.72	0.72
Liquidity Ratio (time)	0.58	0.48
Work Capital (1000 JD)	(40151)	(25349)

Assets Utility Indicators	2018	2017
Accounts Receivable Turnover (TIME)	1.84	3.54
Number Of Days Of Receivables	199	103

Capital Structure Indicators	2018	2017
Debts / Total Assets Ratio	78.97%	72.31%
Debts / Equity Ratio	375.54%	261.14%

15 Future developments and future plans of the company

Central Electricity Generating Company is still facing the challenge of power purchase agreements expiry, resulting in a decline in profit and an increase in employment due to the decommissioning of units. To meet this challenge, the company is studying the possibility of improving its old stations to compete with new stations in terms of efficiency and production cost, which gives a chance to extend power purchase agreements, in the other and taking advantage of existing expertise it is intended to direct the activity of the company to provide maintenance and operation services to other companies in the electricity generation sector.

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

Auditing Office : Ernst & Young 2018	JD
Auditing charges	25,520
Tax consultations charges	29,000
Total	54,520

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

NAME MEMBER	Position	Nationality	Share No. 2018	Share No. 2017
Enara Energy Investment		Jordanian	15,250,000	15,250,000
H.E.Mr. Thamer Al Sharhan	**Chairman**	Saudi		
H.E.Mr. Makram Adeeb Elkhoury	**Member**	Lebanese		
H.E.Mr. Turki Bin Saeed Alamri	**Vice-Chairman**	Saudi		
Enara (2) Energy Investment		Jordanian	50,000	50,000
Jasdeep singh anand	**Member (from 20/03/2018)**	British	___	___
The Government Of Jordan		Jordanian	12,000,000	12,000,000
H.E. Dr. Faysal Al-Hyari	**Member**	Jordanian	___	___
H.E. Mr. Ziad Jebril	**Member**	Jordanian	___	___
Social Security Corporation		Jordanian	2,700,000	2,700,000
H.E.Eng. Zaidoun Abu 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

NAME	Position	Transportation	Remuneration	Total
Enara Energy Investment				
* H.E.Mr. Thamer Al Sharhan	Chairman	6,000	5,000	11,000
H.E.Mr.William Abdallah Michael	Vice- Chairman (till 31-7-2017)	-	3,333	3,333
H.E.Mr.Makram Adeeb Elkhoury	Member	6,000	1,667	7,667
* H.E.Mr.Turki Bin Saeed Alamri	Vice- Chairman	6,000	1,667	7,667
* H.E.Mrs.Yara mohammed Anabtawi	Member (till 10-9-2017)	-	3,333	3,333
Enara (2) Energy Investment				
*H.E.Mr kashif Mahboob Rana	Member (till 19-3-2018)	1,500	5,000	6,500
*H.E.Mr Jasdeep singh anand	Member (from- 20-3-2018)	4,500	-	4,500
The Government Of Jordan				
** H.E.Mrs.Dina Al-Dabbas	Member (till- 19-6-2017)	-	2,500	2,500
** H.E. Mr. Faisal Al hiari	Member	6,000	2,500	8,500
*** H.E. Mr. Zaid Jebril	Member	6,000	5,000	11,000
Social Security Corporation				
**** H.E.Mr. Zaydoun Abu Hassan	Member	6,000	5,000	11,000
Total		42,000	35,000	77,000

* The total benefits that belong to H.E.Mr. Mohammed Abunayyan,H.E.Mr. Thamer Al Sharhan and H.E.Yara mohammed Anabtawi ,H.E.Mr kashif Rana and H.E.Mr.Turki Bin Saeed Alamri transfered to Enara Energy Investment

** The remuneration that belong to H.E.Mrs.Dina Al-Dabbas, Mr. Faisal Al Hiari who represent the Government Of Jordan transfered to Ministry of Finance /Governmental Contribution Department.

*** The total benefits that belong to H.E. Zaid Jebril who represent the Government Of Jordan transfered to Ministry of Finance /Governmental Contribution Department.

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

18.B Benefits and remunerations received by the executive management

Name	POSITION	Total Salaries	Remu-nera-tions	Trave-ling	Other Benefits	TOTAL
Mr. Nadeem Rizvi	Chief Executive Officer	196,812	-	-	-	196,812
Mr Ali Hussein Al Rawashdeh	Executive Manager / Operation and Maintenance	69,514	14,620	5,850	-	89,984
Mrs.Zakieh Abed-Elghani Jardaneh	CFO	64,860	14,842	150	-	79,852
Mr. Maher Mohammad Tubaishat	Executive Manager /Asset Management	63,965	14,949	4,350	-	83,264
Mrs. Alia Radwan Hiassat	consultant & Secretary BOD	27,080	4,500	-	-	31,580
Mrs.Samira zarafily	Acting Enteral Audit Manager (from 1/2/2018)	27,045	902	-	1,260	27,947
Mr. Ahmad Mohammad Al Losi	Supply Chain Excutive Manager	40,325	9,795	1,800	1,760	53,180
Mr. Ali Mohammad Zuhair	Finance Manager	26,600	4,760	-	-	33,120
Mr. Ghaith Obeidat	Accounting Manager	22,220	3,417	-	3,020	25,637
Total		538,421	67,785	12,150	3,020	621,376

19 Grants and Donations Paid by the Company in 2018

Item	Cost 2018
A free medical day in the Almafraq (Rehab)	1,778
king hussein cancer center	50,000
SOS Children›s villages -JORDAN	15,000
Tkiyet Om Ali	9,000
lighting units for Rihab & al- rwaished municipalities	27,370
School Rehabilitations /Rihab & Aqaba	9,976
Carpets to a mosque in Rehab	2,400
Medical devices provided to medical centers in Rehab & Aqaba	10,306
bankets donations	1,924
Total	**127,754**

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 Company,s contribution to environmental protection

Central Electricity Generating Company continued to cooperate with various official bodies responsible for the protection environment in order to develop plans, programs and practical solutions to reach a safe and acceptable environmental situation in all the company›s sites. The main activities of the company during the year were:

- The company has updated all the procedures in the field of environment to comply with the new version of ISO 14001: 2015, one of the components of the integrated management system, which includes the management of quality, safety and environment. The company followed up the application effectively through the application of the policies and procedures in place The most important of which are: the definition of environmental aspects, the level of risk arising from them, the development of solutions and the taking of necessary measures to reduce these risks to the accepted levels and to include the environmental product life cycle within the procedures and to continue monitoring and measurement, Preparedness for emergency environmental situations and maintaining communication, participation, consultation and compliance with environmental legislation and laws in force in the Kingdom at all locations and activities of the Company.
- Continue full implementation of CEGCO waste management procedure and in compliance with local laws and regulations.
- Special training in environmental issues were conducted for CEGCO employees, a training course in ISO 14001-2015 lead auditor were held for few employees.
- The company contributed to the environmental community service by cleaning the marine environment in Aqaba with the participation of its employees and a number of divers.

21.B Contribution of the company to the local community

Our Humanitarian Work; Giving Back to the Community and Fostering Development

Supporting local communities and conducting humanitarian work are at the core of CEGCO's corporate social responsibility (CSR) programs, enabling the company to serve as an advocate for underprivileged segments of society and actively contribute to achieving tangible social growth and development.

As with every year, CEGCO devises a comprehensive action plan and assigns a defined budget for effectively implementing a CSR strategy that presents the company with the opportunity to positively impact society. As such, CEGCO executed multiple community initiatives across various parts of the Kingdom, with a special focus on the areas in which the company's plants are located.

Healthcare Initiatives… Supporting Patients on the Road to Recovery

1. **King Hussein Cancer Center**

CEGCO joined the Naming and Recognition Program launched by the King Hussein Cancer Center (KHCC), which offers individuals and establishments the opportunity to name a ward or room after that of a loved one, a corporate entity or a personal name. To this end, CEGCO designated the name of the company for a patient suite, under a campaign aimed at supporting the completion of the new KHCC expansion, which seeks to give hope to thousands of cancer patients.

2. **New Medical Equipment for Healthcare Centers in Mafraq and Aqaba Governorates**

CEGCO supplied several healthcare centers in Mafraq Governorate and Aqaba Governorate with new medical equipment to improve existing service levels and relieve underprivileged patients residing in the vicinity of the company's plants.

3. **Free Medical Day in Mafraq**

CEGCO held a free medical day at the Rehab Women's Center in Mafraq that benefited approximately 700 citizens. The medical day drew the participation of a group of CEGCO employees and doctors, in addition to a number of volunteering doctors from various disciplines - including general medicine, pediatrics, internal medicine, surgery, dermatology, orthopedics and laboratory testing. Needed medication was supplied by CEGCO to beneficiaries through multiple pharmaceutical companies and warehouses.

Charity and Humanitarian Initiatives... Giving Back to the Community and Encouraging Volunteerism

1. **SOS Children's Villages**

CEGCO signed a Memorandum of Understanding with the SOS Children's Villages Jordan to cover a share of the running expenses of a family home in the SOS Children's Village Aqaba. Through the sponsorship, CEGCO met a portion of the children's annual needs pertaining to education, training, food, clothing and personal allowance, alongside their daily, medical and transportation costs, in addition to partial administrative overheads of the village.

2. **Tkiyet Um Ali**

CEGCO inked a partnership agreement with Tkiyet Um Ali to sponsor several families who benefit from the Sustainable Food Aid Program to provide monthly food parcels for an entire year, in the areas in which the company operates. At the beginning of Ramadan, CEGCO also distributed food parcels to Tkiyet Um Ali beneficiaries residing in Rehab - Mafraq, in order to help relieve their financial burdens.

3. **Addressing Emergencies across Jordan**

CEGCO allocated a budget for possible emergency situations that could potentially face citizens throughout various parts of the Kingdom. As such, CEGCO provided blankets to community members affected by the floods following multiple rainstorms that occurred during the year.

Educational Initiatives… Creating a Stimulating Environment for Students

1. **General Maintenance for Public Schools in Aqaba and Mafraq Governorates**

CEGCO completed a comprehensive maintenance campaign at numerous schools throughout the Kingdom - including Abu Baker Al Sdeeq Primary School for Boys and Al Farouq Primary School for Boys in Aqaba, and Al Suhat Mixed Primary School in Rehab, Mafraq. Conducted in coordination with the Ministry of Education, the campaign encompassed paintworks; sanitary plumbing; repair of washrooms, water tanks, interior doors, windows and blackboards; as well as installing fans in several classrooms.

Energy Initiatives… Enhancing Electrical Efficiency and Conserving the Environment

1. **Solar Systems to Generate Electricity at Three Mosques across Jordan**

CEGCO commenced the implementation of a solar cell installation project for electricity generation at three mosques across the Kingdom - in collaboration with the Ministry of Awqaf and Islamic Affairs. The mosques are located in Khalda in Amman Governorate, as well as in Ruwaished and Rehab in Mafraq Governorate. This step underscores CEGCO's commitment to remaining abreast of global shifts and developments that enhance electrical efficiency, reduce monthly bills and encourage the utilization of clean energy sources.

2. **Energy-Saving LED Units in Mafraq**

CEGCO donated energy-saving light-emitting diodes (LED) to Rehab Municipality and Ruwaished Municipality in place of street lamps. The installments enabled both municipalities to decrease power bills by 50% and reduce long term replacement and maintenance costs - considering that the service life of LEDs is longer than that of ordinary lamps - while lowering harmful carbon dioxide emissions and gas pollution causing heat retention, ultimately providing a safe and healthy environment for residents.

Championing and supporting these initiatives underscores CEGCO's sense of responsibility towards the communities in which it operates, and emphasizes its commitment to achieving sustainable social development throughout the Kingdom.

Central Electricity Generating Company

Financial Statements

31 December 2018

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Central Electricity Generating Company
Amman -Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Central Electricity Generating Company - Public Shareholding Company (the "Company"), which comprise the statement of financial position as at 31 December 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2018. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

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

<table>
<tr><td colspan="2">1. Impairment loss of property, plant and equipment

Disclosures that relate to the accounting policies of impairment loss of property, plant and equipment are included in note 3 to the financial statements.</td></tr>
<tr><td>Key audit matter

The Company has carried an assessment to measure the impairment loss of property, plant and equipment. As a result, the Company recorded an impairment of JD 11,987,713 on one of the Company’s steam units number 14 at Rehab power plant. The Company recognized these losses as a separate line item in the Statement of Comprehensive Income.

Management’s assessment is based on certain assumptions regarding the future use of such property, plant and equipment, as well as discount rates and assumptions related to its future operations.

These processes are complex and involve high level of estimates that may include uncertainty associated with future political and economic events. Therefore, the results of the impairment assessment may differ substantially if other hypotheses were used and applied.</td><td>How the key audit matter was addressed in the audit
Our audit procedures included evaluating the methodology applied in the impairment test and evaluating the reasonableness of the assumptions used by management, as well as challenging those assumptions against similar ones used in the same industry. In addition, we obtained the sensitivity analysis prepared by management and evaluated it to assess the impact of any potential changes on the underlying assumptions</td></tr>
</table>

Other information included in the Company 's 2018 annual report.

Other information consists of the information included in the Company’s 2018 Annual Report other than the consolidated financial statements and our auditor’s report thereon. Management is responsible for the other information. The Company’s 2018 Annual Report is expected to be made available to us after the date of this auditor’s report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts and the accompanying financial statements are in agreement therewith.

The partner in charge of the audit resulting in this auditor's report was Waddah Isam Barkawi license number 591.

Amman – Jordan
26 March 2019

Ernst & Young

Statement of financial position As At 31 December 2018

	Notes	2018	2017
		JD	JD
Assets			
Non-current Assets			
Property, plant and equipment	3	110,305,400	132,397,164
Projects in progress	4	2,678,880	2,351,260
Employees' housing fund loan	5	312,432	312,432
Investment in an associate	6	497,124	539,292
Deferred tax assets	7	1,189,306	953,541
Strategic fuel inventories	8	14,559,256	14,643,089
		129,542,398	151,196,778
Current Assets			
Inventories	9	19,715,272	22,201,011
Other current assets	10	3,047,135	4,665,653
Accounts receivable	11	78,999,251	39,766,080
Cash and bank balances	28	51,534	25,388
		101,813,192	66,658,132
Total Assets		231,355,590	217,854,910
Equity and Liabilities			
Equity			
Paid in capital	12	30,000,000	30,000,000
Statutory reserve	12	7,500,000	7,500,000
Voluntary reserve	12	10,672,932	18,672,932
Cash flow hedge reserve		(2,398,715)	(2,978,319)
Retained earnings		3,000,351	7,129,709
Total Equity		48,774,568	60,324,322
Liabilities			
Non-current Liabilities			
Long term loans	13	29,811,218	53,848,751
Employees' end-of-service indemnity provision	14	6,600,196	5,991,254
Decommissioning provision	15	2,460,690	2,310,500
Derivative financial liability	18	1,744,705	3,372,785
		40,616,809	65,523,290
Current Liabilities			
Current portion of long term loans	13	24,801,900	28,805,080
Other current liabilities	16	7,099,207	6,462,372
Accounts payable	17	61,559,092	27,338,099
Derivative financial liability	18	1,561,439	1,950,496
Due to banks	29, 28	46,230,119	26,901,590
Income tax provision	7	712,456	549,661
		141,964,213	92,007,298
Total Liabilities		182,581,022	157,530,588
Total Equity and Liabilities		231,355,590	217,854,910

The attached notes from 1 to 35 form part of these Financial Statements

Statement of financial position As At 31 December 2018

	Notes	2018	2017
		JD	JD
Power generation revenues	19	109,101,254	150,590,876
Stations operating costs	20	(53,126,924)	(89,684,121)
Depreciation	3	(12,348,609)	(12,356,667)
Administrative expenses	21	(9,631,787)	(10,695,812)
Maintenance expenses	22	(7,513,621)	(7,350,811)
Provision for slow moving inventories	-	(2,107,139)	(1,855,484)
Employees' end-of-service indemnity provision	14	(839,649)	(836,582)
Employees' termination benefits provision	16	(2,230,000)	(3,092,092)
Total operating costs	-	(87,797,729)	(125,871,569)
Operating profit	-	21,303,525	24,719,307
Foreign currency exchange loss, net	26	(865,472)	(1,051,460)
Share of loss of an associate	6	(42,168)	(17,422)
Provision for (recovery of) expected credit losses	10, 11	949,502	(10,143,883)
Board of directors remuneration	-	(35,000)	(35,000)
Other income, net	23	1,344,570	2,126,934
Finance costs, net	24	(6,763,277)	(7,688,699)
Profit before income tax & Assets impairment	-	15,891,680	7,909,777
Impairment loss of property, plant and equipment	3	(11,987,713)	-
Profit before income tax	-	3,903,967	7,909,777
Income tax expense	7	(739,353)	(1,602,376)
Profit for the year	-	3,164,614	6,307,401
Basic and diluted earnings per share	25	0/105	0/210

The attached notes from 1 to 35 form part of these Financial Statements

Statement of Other Comprehensive Income
For The Year Ended 31 December 2018

	Notes	2018	2017
		JD	JD
Profit for the year	-	3,164,614	6,307,401
Other comprehensive income items to be reclassified to profit or loss in subsequent periods (net of tax):	-	-	-
Gain (Loss) on cash flow hedges	18	579,604	(384,401)
Total other comprehensive income Items to be reclassified to profit or loss in subsequent periods	-	579,604	(384,401)
Other comprehensive income items not to be reclassified to profit or loss in subsequent periods (net of tax):	-	-	-
Actuarial loss on employees' end-of-service indemnity	-	(293,972)	(1,274)
Total other comprehensive income Items not to be reclassified to profit or loss in subsequent periods	-	(293,972)	(1,274)
Other comprehensive income for the year, net of tax	-	285,632	(385,675)
Total comprehensive income for the year, net of tax	-	3,450,246	5,921,726

The attached notes from 1 to 35 form part of these Financial Statements

Statement Of Changes In Equity For The Year Ended 31 December 2018

	Paid in capital	Statutory reserve	Voluntary reserve	Cash flow hedge reserve	Retained earnings	Total
2018 -	JD	JD	JD	JD	JD	JD
Balance at 1 January 2018	30,000,000	7,500,000	18,672,932	(2,978,319)	7,129,709	60,324,322
Profit for the year	-	-	-	-	3,164,614	3,164,614
Other comprehensive income for the year	-	-	-	579,604	(293,972)	285,632
Total comprehensive income for the year	-	-	-	579,604	2,870,642	3,450,246
Dividends (Note 12)	-	-	(8,000,000)	-	(7,000,000)	(15,000,000)
Balance at 31 December 2018	30,000,000	7,500,000	10,672,932	(2,398,715)	3,000,351	48,774,568
2017 -	JD	JD	JD	JD	JD	JD
Balance at 1 January 2017	30,000,000	7,500,000	26,672,932	(2,593,918)	7,823,582	69,402,596
Profit for the year	-	-	-	-	6,307,401	6,307,401
Other comprehensive income for the year	-	-	-	(384,401)	(1,274)	(385,675)
Total comprehensive income for the year	-	-	-	(384,401)	6,306,127	5,921,726
Dividends	-	-	(8,000,000)	-	(7,000,000)	(15,000,000)
Balance at 31 December 2017	30,000,000	7,500,000	18,672,932	(2,978,319)	7,129,709	60,324,322

The attached notes from 1 to 35 form part of these Financial Statements

	Notes	2018	2017
		JD	JD
Operating Activities			
Profit before income tax		3,903,967	7,909,777
Adjustments for:			
Depreciation	3	12,348,609	12,356,667
Impairment loss of property, plant and equipment	3	11,987,713	-
Provision for slow moving inventories	9	2,107,139	1,855,484
Employees' end-of-service indemnity provision	14	839,649	836,582
Provision for employees' vacations	16	105,227	225,400
Employees' termination benefits provision	16	2,230,000	3,092,092
Gain on sale of decommissioned units' - fuel	23	-	(1,008,735)
Gain on disposal of property, plant and equipment	23	(22,896)	(43,569)
(Recovery of) provision for expected credit losses	10, 11	(949,502)	10,143,883
Loss from foreign currency exchange - net	26	865,472	1,051,460
Share of loss of an associate	6	42,168	17,422
Interest income		(221)	(15,148)
Finance costs		6,763,498	7,703,847
Working capital changes:			
Accounts receivable		(38,283,669)	(4,319,290)
Other current assets		(543,200)	271,279
Inventories		462,433	(1,562,019)
Accounts payable		34,220,993	18,149,011
Other current liabilities		(295,829)	978,805
Employees' vacations provision paid	16	(66,453)	(74,035)
Employees' end-of-service indemnity provision paid	14	(572,287)	(857,236)
Employees' termination benefits provision	16	(1,162,562)	(1,965,300)
Income tax paid	7	(764,715)	(1,411,614)
Net cash flows from operating activities		33,215,534	53,334,763
Investing Activities			
Purchases of property, plant and equipment, and projects in progress		(2,580,989)	(1,376,819)
Proceeds from sale of property, plant and equipment		31,707	87,741
Proceeds from sale of decommissioned units' - fuel		2,161,718	803,951
Interest received		221	15,148
Net cash flows used in investing activities		(387,343)	(469,979)
Financing Activities			
Repayments of loans		(30,662,470)	(25,983,234)
Proceeds from loans		-	4,260,000
Dividends paid		(15,000,000)	(15,000,000)
Interest paid		(6,468,773)	(7,243,833)
Net cash flows used in financing activities		(52,131,243)	(43,967,067)
Net (decrease) increase in cash and cash equivalents		(19,303,052)	8,897,717
Effect of exchange rate changes on cash and cash equivalents		669	9,528
Cash and cash equivalents at 1 January		(26,876,202)	(35,783,447)
Cash and cash equivalents At 31 December	28	(46,178,585)	(26,876,202)

The attached notes from 1 to 35 form part of these Financial Statements

(1) General

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

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

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

The financial statements were authorized for issuance by the Company's Board of Directors in their meeting held on 21 March 2019 and it is subject to the approval of the General Assembly.

(2-1) Basis Of Preparation

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

(2-2) Changes In Accounting Policies And Disclosures

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2017 except for the followings:

IFRS 15 Revenue from Contracts with Customers

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

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The Company adopted IFRS 15 using the modified retrospective approach. The effect of adopting IFRS 15 was as follows:

(a) Rendering of services

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

(b) Other adjustments

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

This standard does not have any impact on the Company's financial statements.

IFRS 9 Financial Instruments (non-bank public clients)

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

The Company had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The standard has been applied retrospectively and, in line with IFRS 9, comparative amounts have not been restated.

The impact of the adoption of IFRS 9 as at 1 January 2018 has been recognised in retained earnings and there was no material impact. The standard eliminates the use of the IAS 39 incurred loss impairment model approach, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

Impairment

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

IFRS 9 requires the Company to record an allowance for ECL for all debt instruments measured at amortized cost. For all debt instruments, the Company has applied the standard's simplified approach and has calculated ECL based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Applying ECL approach has no material impact on the Company's financial statements.

Hedge accounting

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

Under IAS 39, all gains and losses arising from the Company's cash flow hedging relationships were eligible to be subsequently reclassified to profit or loss. However, under IFRS 9, gains and losses arising on cash flow hedges of forecast purchases of non-financial assets need to be incorporated into the initial carrying amounts of the non-financial assets. Therefore, upon adoption of IFRS 9, the Net gain or loss on cash flow hedges was presented under 'Other comprehensive income not to be reclassified to profit or loss in subsequent periods'. This change only applies prospectively from the date of initial application of IFRS 9 and has no impact on the presentation of comparative figures.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

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

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

Amendments to IAS 40 Transfers of Investment Property

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

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

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

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. If applicable - The Company's accounting policy for cash-settled share based payments is consistent with the approach clarified in the amendments. In addition, the Company has no share-based payment transaction with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share-based payment transaction.

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

These amendments are not relevant to the Company.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments address concerns arising from implementing the new financial instrument standard, IFRS 9, before implementing IFRS 17 insurance contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments are not relevant to the Company.

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

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

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

(2-3) Significant Accounting Estimates and Assumptions

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

Useful life of property, plant and equipment

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

Income tax provision

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

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

Provision for decommissioning

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

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

Employees' end-of-service indemnity provision

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

Provision for expected credit loss

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

(2-4) Significant Accounting Polices

Property, plant and equipment

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

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

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

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

Projects in progress

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

Decommissioning costs

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

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

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

Investment in associates

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

Inventories

Inventories are valued at the lower of cost and net realisable value.
The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition and is determined using the weighted average method, except for the operating fuel inventory, the cost of which is determined using the first-in-first-out (FIFO) method.
Slow moving provision for spare parts over 5 years is calculated based on the estimated remaining lives of the related assets. Slow moving provision for general materials over 5 years is calculated using an annual percentage of 50%.

Accounts receivable

Accounts receivable are stated at original invoice amount less any provision for any uncollectible amounts or expected credit loss. The Company applies a simplified approach in calculating ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Cash and cash equivalents

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

Term loans

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

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

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

Employees' end-of-service indemnity provision

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

Accounts payable and accruals

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

Provisions

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

Revenue recognition

In accordance with IFRS (15), revenue recognized from sales is measured at the fair value of the consideration received or receivable when it is probable to collect such consideration.
Interest revenue is recognized using the accrual basis of accounting.
Dividend income is recognized when it is realized (declared and approved by the shareholders general assembly).
Other revenues are recognized on an accrual basis of accounting.
Expenses are recognized on an accrual basis of accounting.

Expense recognition

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

Cash flow hedges

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

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

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

Income tax

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

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

Current income tax is calculated based on the tax rates and laws that are applicable at the statement of financial position date and according to IAS 12.
Deferred income taxation is provided using the liability method on all temporary differences at the financial statement date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted at the financial position date. The carrying values of deferred income tax assets are reviewed at each statement of financial position

date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Impairment of non-financial assets

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

Impairment of financial assets

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

The Company's management does not believe there were any indications of impairments of its financial assets during 2018 and 2017.

Foreign currencies

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

Fair value

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

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

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

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

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

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

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

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

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

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

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

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

Segment reporting

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

Offsetting

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

(3) Property, Plant and Equipment

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

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

2017	Land & buildings	Steam generating units	Gas generating units	Diesel generating units	Wind generating units	Computers	Vehicles	Equipment	Tools	Furniture and office equipment	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:											
At 1 January 2017	128,899,473	398,690,097	188,719,181	7	425,407	1,619,151	1,651,082	4,777,592	2,233,682	1,448,460	728,464,132
Additions	-	-	-	-	-	31,311	-	138,098	145,105	23,195	337,709
Transferred from projects in progress	-	92,698	-	-	-	-	-	-	-	-	92,698
Disposals	(561,854)	-	(22,510,422)	(1)	-	(23,775)	(160,744)	(84,107)	(61,064)	(32,234)	(23,434,201)
At 31 December 2017	128,337,619	398,782,795	166,208,759	6	425,407	1,626,687	1,490,338	4,831,583	2,317,723	1,439,421	705,460,338
Accumulated depreciation:											
At 1 January 2017	101,900,479	325,113,965	147,389,108	-	189,830	1,386,082	1,520,866	3,981,754	1,383,251	1,231,201	584,096,536
Depreciation for the year	1,853,246	5,766,285	4,154,676	-	9,453	97,248	39,388	221,896	169,602	44,873	12,356,667
Disposals	(557,010)	-	(22,510,416)	-	-	(19,535)	(153,022)	(79,826)	(44,261)	(25,959)	(23,390,029)
At 31 December 2017	103,196,715	330,880,250	129,033,368	-	199,283	1,463,795	1,407,232	4,123,824	1,508,592	1,250,115	573,063,174
Net book value: At 31 December 2017	25,140,904	67,902,545	37,175,391	6	226,124	162,892	83,106	707,759	809,131	189,306	132,397,164

(4) Projects In Progress

Movement on projects in progress were as follows:

	2018	2017
	JD	JD
At 1 January	2,351,260	1,404,848
Additions	2,283,249	1,039,110
Transferred to property, plant and equipment	(1,955,629)	(92,698)
At 31 December	2,678,880	2,351,260

The estimated cost to complete the projects in progress as of 31 December 2018 is approximately JD 669,440.

(5) Employees' Housing Fund Loan

This item represents the balance of loans granted to the Company's employees housing fund. The loan bears no interest and has no specified maturity date.

(6) Investment In An Associate

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

	2018	2017
	JD	JD
Current assets	945,050	973,583
Non-current assets	105,224	180,853
Current liabilities	(56,027)	(75,852)
Net equity	994,247	1,078,584
Percentage of ownership	50%	50%
Net investment as of 31 December	497,124	539,292

	2018	2017
	JD	JD
Revenues	228,818	294,618
Cost of sales	(284,494)	(280,364)
Administrative expenses	(86,245)	(99,440)
Other revenues, net	57,585	50,342
Loss for the year	(84,336)	(34,844)
Company's share of loss for the year	(42,168)	(17,422)

(7) Income Tax

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

	2018			2017		
	Aqaba	Other locations	Total	Aqaba	Other locations	Total
	JD	JD	JD	JD	JD	JD
Profit (loss) before income tax	17,413,387	(13,509,420)	3,903,967	10,749,549	(2,839,772)	7,909,777
Non-taxable income	(1,526,295)	(1,678,659)	(3,204,954)	(2,530,827)	(2,389,514)	(4,920,341)
Non-deductible expenses	2,663,098	14,458,368	17,121,466	6,935,745	9,947,776	16,883,521
Taxable income	18,550,190	(729,711)	17,820,479	15,154,467	4,718,490	19,872,957
Statutory income tax rate	5%	24%		5%	24%	
Income tax expense for the year	(927,510)	-	(927,510)	(757,723)	(1,132,438)	(1,890,161)
Change of law effect (Implementation Agreement)*	-	-	-	-	424,664	424,664
Deferred tax	(27,036)	215,193	188,157	(105,224)	(31,655)	(136,879)
Net tax expense	(954,546)	215,193	(739,353)	(862,947)	(739,429)	(1,602,376)

* As a result of the Income Tax Law No. (34) of 2014, the Legal Income Tax was changed form 15% to 24%. As per the implementation agreement, the Company has the right to use a fixed tax rate of 15% if tax expense would be higher than JOD 200,000. In accordance with the implementation agreement, the Company recorded an amount of JD 424,664 due from the Government of Jordan as of 31 December 2017 (Note 10).

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

	2018	2017
	JD	JD
Current year income tax expense	(927,510)	(1,890,161)
Change of law effect (Implementation Agreement)	-	424,664
Deferred tax:	-	-
Deferred tax assets relating to employees' end-of-service indemnity provision	27,755	(26,093)
Deferred tax assets relating to temporary taxable differences arising from unrealized gain of the cash flows hedging	(71,876)	(132,563)
Deferred tax assets relating to the loss in the other location (except Aqaba)	197,022	-
Deferred tax assets relating to the exchange differences arising from the revaluation of loans in foreign currencies	35,256	21,777
Income tax expense	(739,353)	(1,602,376)

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

	2018	2017
	JD	JD
Relating to actuarial losses	47,608	6,516

The Company has provided for income tax for the years ended 31 December 2018 and 2017 in accordance with Income Tax Law No. (34) of 2014 and in accordance with Aqaba Special Economic Zone Law No. (32) for 2000 for the Company's location in Aqaba.

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

CEGCO submitted its tax returns for Aqaba location for the years up to 2017. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority reviewed the records of Aqaba location for the years up to 2015. CEGCO reached final settlement with Income and Sales Tax Department with respect to Aqaba location for the years up to 2015.

Movement on deferred tax assets were as follows:

	2018	2017
	JD	JD
At 1 January	953,541	1,083,904
Relating to actuarial losses	47,608	6,516
Relating to cash flow hedges (gains)	(71,876)	(132,563)
Relating to temporary differences in employees' end of service indemnity	27,755	(26,093)
Relating to the loss in the other location (except Aqaba)	197,022	-
Relating to temporary differences in loans revaluation	35,256	21,777
At 31 December	1,189,306	953,541

Movement on the income tax provision were as follows:

	2018	2017
	JD	JD
At 1 January	549,661	71,114
Provided for during the year	927,510	1,890,161
Paid during the year	(764,715)	(1,411,614)
At 31 December	712,456	549,661

(8) Strategic Fuel Inventories

	2018	2017
	JD	JD
Heavy fuel inventory	7,990,119	8,049,478
Diesel inventory	6,569,137	6,593,611
	14,559,256	14,643,089

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

(9) Inventories

	2018	2017
	JD	JD
Spare parts and general materials, net*	19,570,814	21,912,370
Materials in transit	125,902	284,687
Others	18,556	3,954
	19,715,272	22,201,011

* Spare parts and general materials are presented net of its related provision for slow moving inventories amounting to JD 2,107,139 (2017: JD 1,855,484).

(10) Other Current Assets

	2018	2017
	JD	JD
Jordan Valley Authority	165,168	147,705
Jordan Petroleum Refinery Company	52,478	2,465,749
Government of Jordan	424,664	424,664
Al Zarqa Power Plant for Energy Generation	729,003	185,573
Ministry of Energy and Mineral Resources	122,000	122,000
The local company for water and solar	252,191	230
Others	592,609	322,815
	2,338,113	3,668,736
Provision for expected credit losses	(393,444)	(393,444)
	1,944,669	3,275,292
Prepaid expenses	660,991	776,487
Refundable deposits	23,990	23,990
Employees' receivables	413,859	587,886
Employees' insurance claims	3,626	1,998
	3,047,135	4,665,653

As at 31 December 2018, expected credit loss amounted to JD 393,444 (2017: JD 393,444).

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

	(Past due but not impaired)				
	< 30 Days	30 – 90 days	91 – 120 days	>120 days	Total
	JD	JD	JD	JD	JD
2018	135,149	54,179	324,393	1,430,948	1,944,669
2017	101,434	24,645	334,065	2,815,148	3,275,292

Movement on provision for expected credit losses were as follow:

	2018	2017
	JD	JD
At 1 January	393,444	94,395
Charge for the year	-	299,049
At 31 December	393,444	393,444

(11) Accounts Receivable

	2018	2017
	JD	JD
National Electric Power Company – Power generation revenues	79,937,314	44,578,817
National Electric Power Company – Others	108,418	121,623
	80,045,732	44,700,440
Provision for expected credit losses	(1,046,481)	(4,934,360)
	78,999,251	39,766,080

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

	Neither past due nor impaired	Past due but not impaired < 30 days	Past due but not impaired > 30 days	Total
	JD	JD	JD	JD
2018	11,702,035	6,358,668	60,938,548	78,999,251
2017	16,498,954	2,992,650	20,274,476	39,766,080

Movement on provision for expected credit losses were as follow:

	2018	2017
	JD	JD
At 1 January	4,934,360	22,256,064
Charge for the year	(949,502)	9,844,834
Write off	(2,938,377)	(27,166,538)
At 31 December	1,046,481	4,934,360

The Company entered into a Power Purchase Agreements (PPA) with National Electric Power Company (NEPCO) dated 20 September 2007. In April 2012, a dispute occurred between the Company and NEPCO regarding the interpretation of the penalties for repeated availability failures clause in the PPA. During the year 2018 and 2017, CEGCO reached a final settlement with NEPCO to settle the issue.

(12) Equity

Paid in Capital

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

Statutory reserve

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

Voluntary reserve

This reserve is available for distribution to the shareholders.

Dividends paid

In its ordinary meeting held on 25 April 2018 the General Assembly approved the Board of Directors recommendation to distribute dividends for an amount of JD 15,000,000 to the shareholders from the voluntary reserve and retained earnings with an amount of JD 8,000,000 and JD 7,000,000, respectively.

(13) Term Loans

	Currency	2018		2017	
		Loan Installments		Loan Installments	
		Current portion	Long-term portion	Current portion	Long-term portion
		JD	JD	JD	JD
Japanese loan 1	JPY	1,430,904	7,154,521	1,397,326	8,383,953
Japanese loan 2	JPY	3,395,970	22,073,805	3,316,278	24,872,085
Arab Fund loan 1	KWD	-	-	672,800	-
Arab Fund loan 2	KWD	-	-	3,720,900	-
Italian Soft loan	Euro	129,531	582,892	135,858	747,219
Standard Chartered loan 1	USD	14,200,000	-	14,200,000	14,200,000
Standard Chartered loan 2	USD	5,680,000	-	5,680,000	5,680,000
		24,836,405	29,811,218	29,123,162	53,883,257
Less: Directly attributable transaction costs*		(34,505)	-	(318,082)	(34,506)
		24,801,900	29,811,218	28,805,080	53,848,751

Japanese Loan 1

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

Japanese Loan 2

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

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 over 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 over 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.

Italian Soft Loan

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

Standard Chartered loan 1 (Term Loan)

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

Standard Chartered loan 2 (Revolving Loan)

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

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

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

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

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

Year	JD
2020	4,956,404
2021	4,956,404
2022	4,956,404
2023	4,956,404
2024	4,891,641
2025	3,395,970
2026	1,697,991
	29,811,218

(14) Employees' End-Of-Service Indemnity Provision

Movement on employees' end-of-service indemnity provision were as follow:

	2018	2017
	JD	JD
Balance at 1 January	5,991,254	6,004,118
Provision for the year	839,649	836,582
Paid during the year	(572,287)	(857,236)
Actuarial loss	341,580	7,790
Balance at 31 December	6,600,196	5,991,254

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

	2018	2017
	JD	JD
Interest cost	373,913	396,234
Cost of current service	350,587	386,029
Past service cost	115,149	54,319
	839,649	836,582

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

These benefits are unfunded.

The following schedule shows the sensitivity in the principal actuarial assumption changes used to determine employees' end-of-service benefit as of 31 December 2018 and 2017:

	Discount rate		Resignation rate		Mortality rate	
	Rate	Increase (decrease)	Rate	Increase (decrease)	Rate	Increase (decrease)
	%	JD	%	JD	%	JD
2018	+1	(658,076)	+1	(12,309)	+20	(220)
	-1	770,517	-1	15,553	-20	224
2017	+1	(644,197)	+1	(13,854)	+20	(224)
	-1	758,266	-1	17,567	-20	230

(15) Decommissioning Provision

The decommissioning provision of JD 2,460,690 as at 31 December 2018 (2017: JD 2,310,500) primarily represent the net present value of the estimated expenditure discounted at a rate of 6.5% (2017: 6.5%) expected to be incurred in respect of the decommissioning of the Aqaba Thermal Station generating units 1 to 5. Expenditure is expected to be incurred throughout the financial years 2020 and 2031.

Movement on the decommissioning provision were as follow:

	2018	2017
	JD	JD
Balance at 1 January	2,310,500	2,169,400
Unwinding of discount during the year (Note 24)	150,190	141,100
Balance at 31 December	2,460,690	2,310,500

(16) Other Current Liabilities

	2018	2017
	JD	JD
Accrued interest expense	395,516	569,064
Accrued expenses	576,156	487,873
Employees' vacations provision*	684,479	645,705
Deposits	1,341,155	2,002,120
Employees' termination benefits provision*	2,240,230	1,172,792
Employees' payables	25,915	60,737
Contractors payable	472,043	135,593
Board of directors remuneration	35,000	35,000
Others	1,328,713	1,353,488
	7,099,207	6,462,372

* Movement on provisions were as follows:

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

2018 -	Employees' vacations provision	Employees' termination benefits provision
	JD	JD
Balance at 1 January	494,340	46,000
Provision during this year	225,400	3,092,092
Paid during the year	(74,035)	(1,965,300)
Balance at 31 December	645,705	1,172,792

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

(17) Accounts Payable

	2018	2017
	JD	JD
Jordan Petroleum Refinery Company (JPRC)	58,558,019	24,469,159
National Petroleum Company	3,001,073	2,868,940
	61,559,092	27,338,099

(18) Derivative Financial Instrument

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

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

	31 December 2018		
	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,573,528	3,306,313	4,879,841
Interest rate swaps contracts**	376,968	66,472	443,440
	1,950,496	3,372,785	5,323,281

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

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

The negative fair value of the currency forward contracts amounted to JD 3,261,305 as of 31 December 2018 and was recorded as current and non-current liability in the statement of financial position.

The cash flow hedges were assessed to be highly effective and an unrealized gain of JD 181,003 has been included in the statement of other comprehensive income.

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

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

The negative fair value of the interest rate swaps amounted to JD 44,839 was recorded as current and non-current liability in the statement of financial position as of 31 December 2018.

The cash flow hedges were assessed to be highly effective and an unrealized gain of JD 398,601 as of 31 December 2018 was included in statement of other comprehensive income.

(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:

	2018	2017
	JD	JD
Stations capacity revenue	66,853,142	66,127,241
Power revenue	2,550,777	6,355,752
Fuel cost according to the pricing formula	46,497,910	81,930,197
Less: startup cost	(38,443)	(32,426)
Additional costs (Imported energy)	(6,834,446)	(3,973,188)
Add: others	72,314	183,300
	109,101,254	150,590,876

(20) Stations Operating Costs

	2018	2017
	JD	JD
Cost of fuel	46,497,910	81,930,197
Other costs	6,629,014	7,753,924
	53,126,924	89,684,121

(21) Administrative Expenses

	2018	2017
	JD	JD
Salaries and wages	2,122,287	2,756,116
Employees benefits	3,832,594	3,673,134
Employees' accrued vacation costs	105,227	225,400
Insurance	1,433,189	1,591,562
Office supplies and expenses	1,269,829	1,238,160
Donations	127,754	177,541
Employees housing expenses, net	188,167	251,071
Consultancy fees	238,044	429,129
Others	314,696	353,699
	9,631,787	10,695,812

(22) Maintenance Expenses

	2018	2017
	JD	JD
Salaries and wages	2,890,200	3,147,658
Maintenance materials and expert's wages	4,623,421	4,203,153
	7,513,621	7,350,811

(23) Other Income, Net

	2018	2017
	JD	JD
Gain on sale of decommissioned units' - fuel	-	1,008,735
Gain on disposal of property, plant and equipment	22,896	43,569
King Talal Dam revenues	167,269	159,587
scrap sale	-	189,760
Operating and maintenance revenues	981,361	508,262
Others, net	173,044	217,021
	1,344,570	2,126,934

(24) Finance Costs, net

	2018	2017
	JD	JD
Term loans interest expense	3,922,817	5,500,990
Bank overdraft interest expense	2,690,491	2,061,757
Unwinding of discount (Note 15)	150,190	141,100
Interest income	(221)	(15,148)
	6,763,277	7,688,699

(25) Earnings Per Share

	2018	2017
	JD	JD
Profit for the year (JD)	3,164,614	6,307,401
Weighted average number of shares (Share)	30,000,000	30,000,000
Basic earnings per share (JD)*	0/105	0/210

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

(26) Foreign Currency Exchange Loss, net

	2018	2017
	JD	JD
Unrealized gains	673,835	1,272,417
Realized losses	(1,539,307)	(2,323,877)
	(865,472)	(1,051,460)

(27) Related Party Transactions

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.
Pricing policies and terms of the transactions with related parties are approved by the Company›s management.

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

	2018	2017
	JD	JD
Power sales to the National Electric Power Company (Government of Jordan)	109,028,940	150,407,576
Purchases of gas from the National Petroleum Company (Government of Jordan)	12,342,676	8,450,616
Services provided to Al Zarqa Power Plant for Energy Generation *	1,947,406	911,509
Services provided to Enara Energy Investment	23,023	28,304
Services provided to ACWA Power Company **	9,183	88,210
Services provided to The Local Company for Water and Solar Projects ***	251,961	180,251
Services provided to ACWA Power International Company for Water and Power Projects – Dubai	14,175	9,867
Services provided to Red Sea Energy (Jordan)	2,000	1,000
Services provided to ACWA Power Jordan Holdings	205,442	58,141
Services provided to Ra’eda for energy	2,000	1,000
Services provided to Risha for Solar Power Projects ****	1,600	1,600
Services provided by Enara Energy Investment	29,700	29,700
Services provided by ACWA Power International Company for Water and Power Projects – Dubai	-	14,575
Services provided by ACWA Power Global Services LLC	2,392	8,259
Services provided by ACWA Power Company / Riyadh	4,072	48,346
Board of Directors remuneration and transportation	77,000	77,000

* On 21 December 2015, the Company entered into land operating lease with Al Zarqa Power Plant for Energy Generation for an annual rent of JD 50,000. Furthermore, on 20 May 2016, the Company entered into an agreement with Al Zarqa Power Plant for Energy Generation to provide operating and maintenance services.

** On 28 October 2014, the Company entered into a service agreement with ACWA Power Company (Parent Company) to obtain professional, financial, legal and technical services.

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

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

Balances with related parties are as follows:

Amounts due from related parties:	2018	2017
	JD	JD
National Electric Power Company - Government of Jordan*	78,999,251	39,766,080
The Local Company for Water and Solar Projects	252,191	230
ACWA Power / Maroc. Sarl	-	231
Red Sea Energy (Jordan)	-	6,387
ACWA Power Jordan Holdings	135,415	-
Al Zarqa Power Plant for Energy Generation	729,003	185,573
Government of Jordan	424,664	424,664
Risha Company for Solar Projects	3,201	1,600
Ra'eda for energy	-	1,000
	80,543,725	40,385,765

* This balance is net of provision for expected credit losses of JD 1,046,481 as of 31 December 2018 (2017: JD 4,934,360), the Company wrote off from the provision for expected credit losses an amount of JD 2,938,377 during 2018 (2017: JD 27,166,538).

Amounts due to related parties	2018	2017
	JD	JD
National Petroleum Company - Government of Jordan	3,001,073	2,868,940
Enara Energy Investments	14,097	7,420
ACWA Power International Company for Water and Power Projects – Dubai	138	14,313
ACWA Power Global Services LLC	492	1,402
ACWA Power International company for water and power – Riyadh	376	5,488
ACWA Power Jordan Holdings	-	70,027
	3,016,176	2,967,590

Compensation of key management personnel	2018	2017
	JD	JD
Salaries	609,226	548,061
Benefits (traveling)	12,150	11,750
	621,376	559,811

(28) Cash and Cash Equivalents

	2018	2017
	JD	JD
Cash at banks	45,260	19,156
Cash on hand	6,274	6,232
	51,534	25,388

* For the year ended 31 December 2018, bank deposits earned interest rate of 1% (2017: 1%)

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

	2018	2017
	JD	JD
Cash at banks	45,260	19,156
Cash on hand	6,274	6,232
	51,534	25,388
Less: due to banks (Note 29)	(46,230,119)	(26,901,590)
	(46,178,585)	(26,876,202)

(29) Due to Banks

This balance represents credit facilities from the following Banks:

- Facilities from Arab Jordan Investment Bank with a ceiling of JD 14,000,000 and interest rate of 7.25%.
- Facilities from Cairo Amman Bank with a ceiling of JD 16,000,000 and interest rate of 7.5%
- Facilities from Bank of Jordan with a ceiling of JD 20,000,000 with an interest rate of 8.125%.
- Facilities from Arab Banking Corporation Bank with a ceiling of JD 7,000,000 with an interest rate of 7%.
- Facilities from Housing Bank with a ceiling of JD 13,000,000 with an interest rate of 7.5%.

(30) Segment Information

The following tables present the statement of profit or loss information for Aqaba and other locations for the years ended 31 December 2018 and 2017. The information is presented to facilitate the income tax review as the Company is subject to different tax rates on Aqaba's operation.

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

	2018		
	Aqaba	Other locations	Total
	JD	JD	JD
Power generation revenues	115,605,865	34,985,011	150,590,876
Stations operating costs	(75,023,642)	(14,660,479)	(89,684,121)
Depreciation	(7,744,267)	(4,612,400)	(12,356,667)
Administrative expenses	(5,315,794)	(5,380,018)	(10,695,812)
Maintenance expenses	(4,365,237)	(2,985,574)	(7,350,811)
Provision for slow moving inventories	(964,544)	(890,940)	(1,855,484)
Employees' end-of-service indemnity provision	(419,040)	(417,542)	(836,582)
Employees' termination benefits provision	(980,504)	(2,111,588)	(3,092,092)
Total operating costs	(94,813,028)	(31,058,541)	(125,871,569)
Operating profit	20,792,837	3,926,470	24,719,307
Foreign currency exchange loss, net	(1,048,009)	(3,451)	(1,051,460)
Share of loss of an associate	-	(17,422)	(17,422)
Provision for expected credit losses	(3,893,033)	(6,250,850)	(10,143,883)
Board of directors remuneration	(26,439)	(8,561)	(35,000)
Other income, net	88,116	2,038,818	2,126,934
Finance costs, net	(5,163,923)	(2,524,776)	(7,688,699)
Profit (loss) before income tax	10,749,549	(2,839,772)	7,909,777
Income tax expense	(862,947)	(739,429)	(1,602,376)
Profit (loss) for the year	9,886,602	(3,579,201)	6,307,401

(31) Commitments And Contingencies

Issuing claims to the Ministry of Energy and Mineral Resources:

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

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

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

Letters of credit and bills of collection

At 31 December 2018, the Company had outstanding letters of credit and bills of collection amounting to JD 1,216,567 (2017: JD 1,672,983).

Letters of guarantee

At 31 December 2018, the Company had outstanding letters of guarantee amounting to JD 26,039 (2017: JD 26,339).

Capital commitments

The Company entered into commitments in the ordinary course of business for major capital expenditures. Capital expenditures commitments are JD 669,440 as at 31 December 2018 (2017: JD 2,299,254).

Legal claims

The Company is a defendant in a number of lawsuits of approximately JD 2,764,356 as at 31 December 2018 (2017: JD 3,146,332). The Company's management and its independent legal counsel believe that no additional provision is needed other than what has already been recognized in the financial statements.

Disputes with Jordan Petroleum Refinery Company (JPRC)

Jordan Petrol Refinery PLC is the fuel supplier ("the Supplier"), the Supplier has claimed from CEGCO an amount of JD 98,846,945 (2017: JD 94,711,193), as an interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement (FSA) with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by NEPCO. Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO (the off-taker), contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these financial statements

(32) Risk Management

Interest rate risk

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

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

To mitigate its exposure to fluctuations in market interest rates, the Company entered into interest rate swap contracts that effectively fix the interest rate on 90% of its term loan with Standard Chartered.

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

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

2018-

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

2017-

	Increase (decrease) in basis points	Effect on profit before income tax
	Currency	JD
Jordanian Dinar	100	(382,616)
Jordanian Dinar	(50)	191,308

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 2018 and 2017.

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 2018 and 2017, based on contractual payment dates and current market interest rates:

	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	JD	JD	JD	JD	JD
At 31 December 2018					
Due to banks	47,416,934	7,264,661	-	-	54,681,595
Accounts payable	61,559,092	-	-	-	61,559,092
Term loans	21,163,629	4,972,133	27,514,754	5,233,275	58,883,791
Total	130,139,655	12,236,794	27,514,754	5,233,275	175,124,478
At 31 December 2017					
Due to banks	19,152,051	8,395,721	-	-	27,547,772
Accounts payable	27,338,099	-	-	-	27,338,099
Term loans	14,314,947	17,737,024	47,808,390	10,129,185	89,989,546
Total	60,805,097	26,132,745	47,808,390	10,129,185	144,875,417

Currency risk

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

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

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

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

2018 -

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

2017 -

Currency	Increase / decrease in the rate to the JD	Effect on profit before income tax
	%	JD
Euro	+10	(88,308)
Japanese Yen	+10	(1,060,568)
Kuwaiti Dinar	+10	(439,370)
Euro	-10	88,308
Japanese Yen	-10	1,060,568
Kuwaiti Dinar	-10	439,370

(33) Fair Value Of Financial Instruments

Financial instruments comprise financial assets and financial liabilities.

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

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

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

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

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

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
2018 -				
Financial Liabilities				
Derivative financial liability	-	3,306,144	-	3,306,144
2017 -				
Financial Liabilities				
Derivative financial liability	-	5,323,281	-	5,323,281

(34) Capital Management

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

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2018 and 2017. Capital comprises paid in capital, reserves and retained earnings and is measured at JD 48,774,568 as at 31 December 2018 (2017: JD 60,324,322).

(35) Standards Issued But Not Yet Effective

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

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

Transition to IFRS 16

The Group has the option to adopt IFRS 16 retrospectively and restate each prior reporting period presented or using the modified retrospective approach by applying the impact as an adjustment on the opening retained earnings. The Group will elect to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4.

The Group will adopt IFRS 16 using the modified retrospective approach. During 2018, the Group has performed a detailed impact assessment of IFRS 16. The Group expects the effect of adopting IFRS 16 to be JD1,090,403 on the total assets and on the total liabilities.

IFRS 17 Insurance Contracts

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

The new standard will be effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1January 2019, but certain transition reliefs are available.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument

is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted.

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

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group will apply these amendments when they become effective.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

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

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

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

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted.

Central Electricity Generating Co.
(CEGCO)

شركة توليد الكهرباء المركزية م.ع.

Ref. : ....

Date : 21/3/2019

الرقم : ....

التاريخ : ٢٠١٩/٣/٢١

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

ثامر بن سعود بن إسماعيل الشرهان

نائب الرئيس	عضو	عضو
تركي بن سعيد بن سالم العمري	مكرم أديب الخوري	فيصل عبدالرزاق موسى الحياري
عضو	عضو	عضو
جاسديب أنالا	زياد جبريل صبره	زيدون ممدوح أبو حسان

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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 : 21/3/2019

الرقم :
التاريخ :

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

Declaration

Attention: M/s Company's Shareholders

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

Chief Financial Officer
Zakieh Abdel Ghani Suliman Jardaneh

Chief Executive Officer
Nadeem Rizvi Syed Rizvi

Chairman
Thamer Saud Ismail Al Sharhan

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هاتف : ٩٦٢-٦-٥٣٤٠٠٠٨ مع قفز آلي
فاكس : ٩٦٢-٦-٥٣٤٠٨٠٠
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