The Hashemite Kingdom of Jordan

Central Electricity Generating Company

ANNUAL REPORT 2016

The Hashemite Kingdom of Jordan

Central Electricity Generating Company

CEGCO

ANNUAL REPORT 2016

His Majesty

King Abdullah II Bin Al Hussein

H.R.H Crown Prince

Hussein bin Abdullah II

«His Majesty King Abdullah II meets CEGCO chairman, Mr. Mohammad Abu Nayyan»

Contents

A.1 Chairman Address

Dear Shareholders,

Stemming from our commitment to maintain the standing of Central Electricity Generating Company (CEGCO) within the Hashemite Kingdom of Jordan's fiercely competitive energy sector, we have persevered in our efforts to develop the company, identifying solutions to our challenges and continuing to attain accomplishments that reflect the company's mission to provide the Kingdom with electricity In safe and reliable manner.

This annual report summarizes the most important developments faced by the Company in 2016.

As a result of the decommissioning of several units that had reached the end of their operational lifespan, performance review for 2016 indicated a decline in profits of about (42%) before foreign exchange rate differences, for a total value of JOD (8.3) million in 2016 in comparison to JOD (14.5) million in 2015. In addition, the company's accounts receivable experienced a climb in comparison to last year, with debit accounts to the National Electric Power Company (NEPCO) amounting to JOD(67) million in 2016 as opposed to JOD (62) million in 2015. Meanwhile, with regards to accounts payable, the Jordan Petroleum Refinery Company's credit accounts totaled JOD (7.7) million in 2016 against JOD (16.6) million in 2015.

As we continue to contend with the decommissioning of a number of operational units as well as the expiration of power purchase agreements at several stations, we have strived to enhance CEGCO's participation and cooperation with ACWA Power. CEGCO has entered into agreements to operate and maintain the global company's new stations in the Kingdom, beginning with the combined-cycle power plant in Zarqa as well as the solar power plant in Mafraq. Moreover, we intend to sign a similar contract with regards to the solar power plant in the Risha area, further strengthening our employees' confidence in creating more opportunities. This step also reflects ACWA Power's strategy to contribute to the development of the Kingdom's energy sector by offering the latest techniques as well as a diversification of energy sources.

In conclusion, I would like to offer all CEGCO employees my sincerest thanks and gratitude for all of their efforts toward maintaining the company's prestigious position and contributing to its development so that it may face any future challenges. I would also like to express my appreciation to my colleagues, the Board of Directors and Chief Executive Officer, for their continuous support and dedication to the success of our journey.

Extending my sincere wishes for further excellence and growth in 2017.

Thamer Al-Sharhan
Chairman

A.2 CEO Address

Ladies and Gentlemen,

Throughout its history in the field of electricity generation and O&M , Central Electricity Generating Company (CEGCO) has demonstrated a commitment to perpetual progress, consistently developing and improving upon its performance, despite the growing challenges in recent year in this sector that has witnessed rapid improvement in both the volume and quality of electric generation .In this Annual Report for 2016, It is my pleasure to highlight the most significant technical and administrative accomplishments achieved over the past year.

On the operational level, through the execution of preventative maintenance programs in accordance with manufacturer requirements, the Company achieved an availability factor of 93.91%. This figure can be attributed in part to corrective maintenance procedures, as well as the Company's ability to respond to emergencies effectively and to learn from the various technical problems we have previously encountered.

Last year, the Social Security Corporation (SSC) granted CEGCO the 'Excellence in Safety and Occupational Health' award in recognition of the paradigm shift it exacted in the fields of occupational and environmental health and safety. This significant leap forward was achieved through the application of occupational and environmental health and safety procedures, which were enacted alongside management's extensive efforts to not only provide a secure work environment, but also to train and develop employees to further safeguard their wellbeing.

Moreover, on the subject of human resource development, CEGCO ensured its employees' continuous advancement by offering several training programs tailored to its various employee segments. The Company also took part in many conferences and activities related to the electric power industry, facilitating the exchange of knowledge and allowing its staff to familiarize themselves with the current technical regulations utilized by international companies in the field.

Aiming to reinforce its position in the service of its local community, the Company has persevered in its efforts to offer support to various segments of society, focusing on solar energy projects in mosques and public schools. Furthermore, CEGCO not only equipped a large number of schools with water filtration systems, but also established free medical days in several remote villages across the Kingdom.

Meanwhile, in response to the challenges associated with the aging and decommissioning of CEGCO units and the subsequent labor surplus, and in an effort to benefit from the vast experience of its workforce, CEGCO supplied manpower to the international ACWA Power company to support its projects within the Kingdom. In 2016, the Company signed operation and maintenance agreements for the combined-cycle power plant in Zarqa, as well as the solar plant in Mafraq, reflecting ACWA Power's faith in our team ability while also reinforcing CEGCO's sustainability into the future.

In conclusion, I offer my sincere gratitude and appreciation to our esteemed Chairman as well as to the members of our Board of Directors for their unwavering support and invaluable leadership toward the betterment of the Company. I also extend my thanks to the employees at all of our locations, whose ongoing efforts have enabled our Company to continue its journey, upholding its mission and vision while continuing to serve as a distinguished pioneer in the power sector on both the national and regional levels.

We look forward to achieving further successes and accomplishments throughout 2017.

Nadeem Rizvi
Chief Executive Officer

B. Report of Board of Directors

The Board of Directors is pleased to present to you its Annual Report including activities and achievements of the Company as well as the financial statements of the year ended on 31/12/2016

1. A. Company's Activity

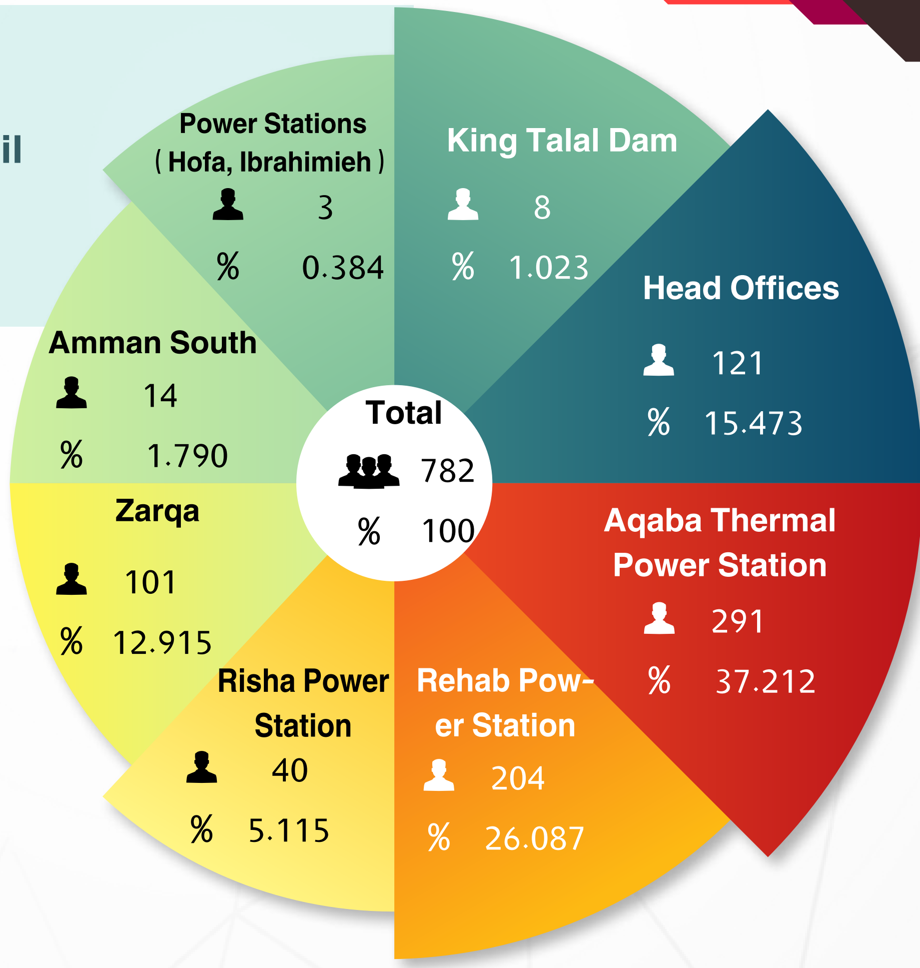
To generate the electric energy in various regions of the Kingdom using any primary sources of energy and the renewable energy to be supplied, in good quality, high availability and at the lowest possible cost, to the National Electric Power Company.

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.
- **Rishia 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.
- **Amman South Gas Turbine Power Station:** it is located 15 km south of Amman and situated in a rural area.
- **Al Ibrahimiah Power Plant:** it is located in the north of Jordan about 80 km south of Amman.
- **Houfa Power Plant:** it is located in the south of Jordan about 92 km south of Amman.

Distribution of staff by location until 31/12/2016



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

1. C. Company's Capital Investment Volume

144,367,596 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. Mohammed Abunayyan	Chairman (From 18-7-2011 till 13/7/2016)
	H.E.Mr. Thamer Al Sharhan	Chairman (from 25-7-2016)
	H.E.Mr.William Wakileh	Vice-Chairman (from 25-7-2016)
	H.E.Mrs. Yara mohammed Anabtawi	Member (from 13-7-2016)

Enara (2) Energy Investment	H.E.Mr. Kashif Mahboob Rana	Member (from 28-8-2016)
	H.E.Mr Sanjiv Iyer	Member (From 19-10-2014 - till 28-8-2016)

The Government Of Jordan till 28/7/2016

Government investment Management Co. LLC	H.E.Mrs.Dina Al-Dabbas	Member (From 31-10-2007)
	H.E. Mr. Ziad Jebril	Member (From 1-7-2014)

Social Security Corporation	H.E.Eng. Zaidoun Abu Hassan	Member (From 17-3-2013)

- **Nationality**

  Saudi Arabian

- **Date of Birth**

  28/11/1962

- **Current Position :**

  Chairman of Central

  Electricity Generating Co

H.E. Mr. Mohammad Bin Abdullah Abu Nayyan

Chairman of Central Electricity Generating Co. till 13/7/2016

Job Titles/Positions:

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

- **Nationality**

  Saudi Arabian

- **Date of Birth**

  1961

- **Current Position :**

  Chairman of Central Electricity Generating Co

H.E. Mr. Thamer Al-Sharhan

Chairman of Central Electricity Generating Co. since 25/7/2016

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. William A. Wakileh

- **Nationality**
  Jordanian
- **Membership Date :**
  20 /12/ 2015
- **Date of Birth**
  11 /5/ 1958
- **Current Position :**
  vice - Chairman of Central Electricity Generating Co
- **Qualifications:**
  - Bachelor's degree in Electrical Engineering from Union College NY USA
  - Bachelor's degree in Mechanical Engineering from Union College NY USA
  - Executive MBA from the American University of Beirut
  - Certified Six Sigma Master Black Belt from General Electric

Work Experience:

- Joined Consolidated Contractors Company in 2012 in the Corporate Audit Department.
- Advisor for corporate risk and initiatives, and for power generation and renewable energy projects.
- Prior to joining CCC, Mr. Wakileh was CEO for SPS group in Lebanon until 2010
- From 1981 to 2007, Mr. Wakileh worked with General Electric.
- Mr. Wakileh served for 16 years in various positions in power generation and international projects department, over 4 years in sales and customer quality, and 2 years as GM of services sales for Middle East, India and Africa.
- From 2003 to 2007, Mr. Wakileh was the GE Corporate country manager for Iraq, Kuwait, and the Levant countries.

H.E. Mrs. Yara Anabtawi

- **Nationality**
  Saudi Arabian
- **Membership Date :**
  13 /7/ 2016
- **Current Position :**
  Member of Board
- **Qualifications:**
  Operational Planning and Strategy at ACWA Power, a leading developer, investor, co-owner and operator of plants with a generation portfolio of over 22 GW of power and 2.5million m3/day of desalinated water with an investment value in excess of USD 33 billion. In her current role, Yara leads the collaborative process of corporate alignment and integration, actively seeks continuous improvement in asset management through effective governance and drives and implements business process improvement and organizational development initiatives

Work Experience:

- With over 23 years of experience, Yara has been in various leadership roles covering a multitude of sectors including energy, investment banking, IT, automotive, education and healthcare and spanning several geographies including the US, North Africa and the GCC.
- Yara holds a B.Sc in Management and Information Systems from Brigham Young University, a Master's degree in Management and Information Systems from the Florida Institute of Technology, a Post Graduate Degree in Education from the University of Sunderland, UK and a certificate in International Management from Thunderbird University. Yara serves on several ACWA Power company boards.

H.E. Mr. Sanjiv Iyer

- **Nationality**
  Indian
- **Membership Date :**
  19 /10/ 2014 -till 28/8/2016
- **Date of Birth**
  3 /4/ 1962
- **Qualifications:**
  - Chartered Accountant from India

Work Experience:

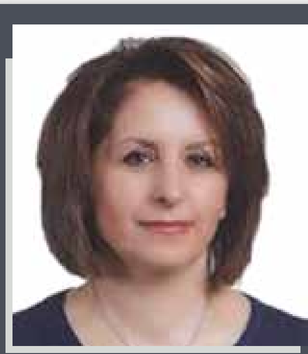
- COO for CEGCO As of the date of 28/02/2014 until 28/6/2016
- 23 Years of international experience, with over 10 years in the privatized environment in the power sector. Handled implementation of green field power projects, financial closures and negotiated concession agreements during the tenure in the power sector .

H.E. Mr. Kashif Rana

- **Nationality**
  British
- **Membership Date :**
  28 /8/ 2016
- **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. Mrs. Dina Abdullah A. Al-Dabbas

- **Nationality**
  Jordanian
- **Membership Date :**
  31/10/2007
- **Current Position :**
  Member of Board
- **Qualifications:**
  - Master's degree in Economics-Jordan University, 1984.
  - Certificate in Regional Planning- University College/London, 1979.
  - Bachelor's degree in Economics & Business Administration, Jordan University 1978.

Work Experience:

- Executive Privatization Commission Acting Chairperson From 3/5/2011 - 30/4/2014
- Secretary General Privatization Commission From 7/4/2008
- Transaction Manager (5/1998 - 4/2008)
- Consultant Services (1996-1997)
- Central Bank of Jordan (1982-1994)
- Amman Urban Region Planning Group (1978-1979)

H.E. 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. 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
Jordanian

Date of Birth

22/3/1954

Qualifications:
Diploma in mechanical engineering from the University of Bochum in 1979, specializing in system dynamics and design Equipment.

H.E. Omar Ahmad AL Daour

CEO/ Central Electricity Generating Co till 15/1/2016

Work Experience:

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

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

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

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

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

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

Nationality
Pakistan

Date of Birth

27/5/1967

Current Position :
Chief Executive Officer

H.E. Mr. Nadeem Rizvi

Chief Executive Officer Since 20/10/2016

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

Date of Birth
2/4/1956

Qualifications:
Bachelor's Degree in Law, 1980

Mr. Sami Yahia Hamto Abzakh

Consultant / BoD Secretary till 4/10/2016

Work Experience:

- 1/12/2010-till 26/1/2012 : Management committee consultant /admin & H.R affairs/ CEGCO Secretary of BoD
- 2008-30/11/2010 : Executive Manager-corporate Affairs/ CEGCO-Secretary of BoD
- 2001-2008 : Managing Director Assistant for Administrative Affairs/ CEGCO-Secretary of BoD
- 1999-2001 : Manager of Administrative & Personnel Dept./ CEGCO-Secretary of BoD
- 1994-1999 : Management Section Head, HTPS / CEGCO
- 1987-1994 : Administrative Supervisor, HTPS / CEGCO
- 1979-1987 : Petromin Refinery, Riyadh/ K.S.A
- 1974-1978 : Jordan Petroleum Refinery Co./ Jordan

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: Financial Controller Since 2014

Work Experience:

- 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 :
23/8/1992

Date of Birth
12/12/1967

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

Eng. Maher Moh'd Ateyah Tubaishat

Current Position: Executive Manager /Assets Management

Work Experience:

- 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 :
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:

- 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.

Eng. Adnan Mohamad Abed Al Rahman Al-Dhoun

Executive Manager /Supply Chain Management till 30/9/2016

Nationality
Jordanian

Assignment Date :
20/10/1985

Date of Birth
24/06/1957

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

Work Experience:

- 26/1/2012-30/9/2016 Executive Manager Supply Chain Management
- 1/12/2010 - 26/1/2012 Executive Manager/ Business Support/ CEGCO
- 24/9/2009-30/11/2010 Deputy Executive Manager/ Production/ CEGCO
- 25/10/2003-23/9/2009 Directorate Head/ ATPS CEGCO
- 1/9/2003-24/10/2003 Secretary of Tendering Committees Manager/ CEGCO
- 31/12/1999-30/8/2003 Electrical Engineering/ Section Head - CEGCO
- 22/2/1999-30/12/1999 Electrical Engineering Section Head – Acting - Projects/ CEGCO
- 21/2/1995-21/12/1999 Assistant–Project Manager ATPS Project-Stage II/NEPCO
- 12/4/1993-20/2/1995 Electrical Engineer- with the consultant group-ATPS project/ JEA
- 21/3/1988-11/4/1993 Electrical Engineer- Electrical Dept. - Projects – JEA
- 15/11/1986-20/3/1988 Electrical Engineer with Consultant – ATPS project stage II - JEA
- 20/10/1985-16/11/1986 Trainee Engineer with the Chais.T.Main consultant Group – ATPS project – JEA.

Alia Radwan Abdullah Hiassat

Current Position: BoD Secretary

Nationality
Jordanian

Assignment Date :
1/2/2000

Date of Birth
12/ 3/ 1977

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

Work Experience:

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

Nationality
Jordanian

Assignment Date :
09/04/2015

Date of Birth
05/10/1980

Qualifications:

Bachelor of Accounting.

Mr. Abdullah Ahmed Mahmoud Qdadh

Current Position: Internal Audit manager

Work Experience:

- 2004-2014 An external audit manager at Ernst & Young

Nationality
Jordanian
Date of Birth
14/9/1958

Qualifications:

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

Mr.Ismail Ahmad Ismail Qannis

Accounting Manager. till 14/6/2016

Work Experience:

- 1/3/2007- 1/9/2008 : Finance Manager/CEGCO
- 1999- 28/2/2007 : Accounting Dept. Section Head/CEGCO
- 1979-1998 : Accountant /NEPCO

Nationality
Jordanian

Date of Birth
5/6/1975

Qualifications:

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

Mr.Ibrahim Mahmoud Mousa Naser

Financial Manager till 21/6/2016

Work Experience:

- 1/1/2015 -Till 21/6/2016 Financial Manager
- 1/1/2013 --- 31/21/2014 Financial Manager - designate
- 1/1/2005 - 31/12/2012 Management Reporting Section Head (Internal review previously)
- 14/9/1998 - 31/12/2004 Accountant in CEGCO (NEPCO)
- 26/4/1997 - 13/9/1998 Accountant in the private sector

Nationality
Jordanian

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: Acting accounting department manager

Work Experience:

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

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: Acting/Financial Manager

Work Experience:

- Acting / Financial Manager – Central Electricity Generating Company (Jan. 2016 – present)
- Budget Control Section Head – Central Electricity Generating Company(April 2004 – present)
- 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)

4. Table of Shareholders whom Shares Exceed 5%

2016

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 from 28/7/2016	12,000,000	40.00%	Jordanian
The Government of Jordan till 27/7/2016	12,000,000	40.00%	Jordanian
Social Security Corporation	2,700,000	9.00%	Jordanian

2015

Shareholders Whom Shares Exeeds 5%

Name of share holder	Shares	%	Nationality
Enara Energy Investment Co.	15,250,000	50.83%	Jordanian
The Government of Jordan	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 (3250) MW for year 2016, compared to (3300) MW for year 2015, As the total generation of electric power has reached (19390) GWh in 2016 , compared to (18911) GWh in 2015 with a growth rate of (2.5 %), the company has contributed through its capacity of (1164) MW which represents (25.9 %) of the total electrical system capacity with a production of (4260.4) GWh which represents a percentage of (22 %) of the total generated electric power in the kingdom for year 2016, where other industrial institutions contributed to a percentage of (88 %).

The company sale of electric power has reached (4034.4) GWh in year 2016, compared to (6043.6) GWh in year 2015.

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

Major Suppliers

Major suppliers	Dealing Ratio from Total Procurements
Jordan Petroleum Refinery (JPRC)	91%
National Petroleum Company	9%

Major Clients

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

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

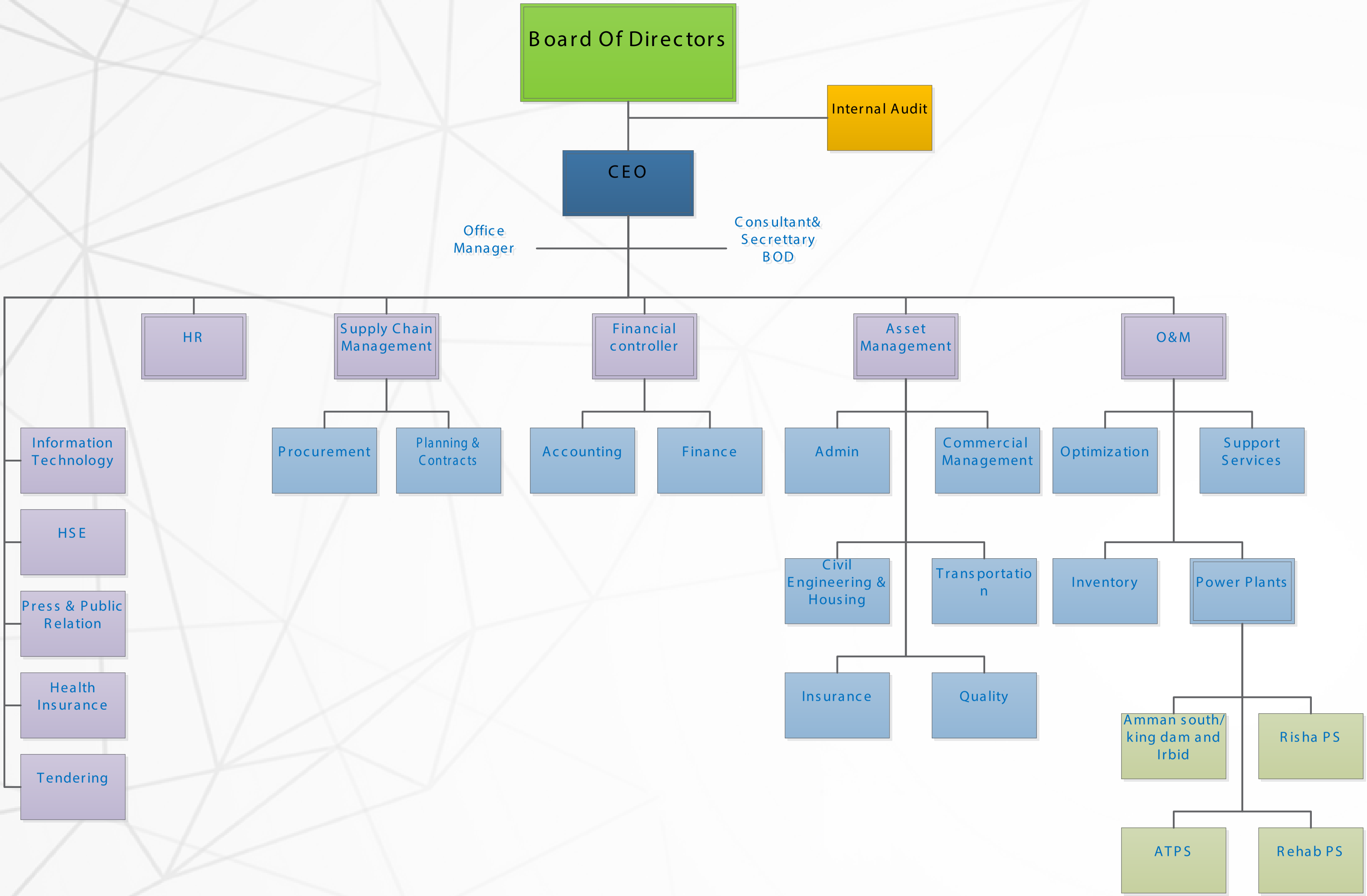
The company and its products don't possess any governmental protection or privileges by virtue of the laws and regulations in force, however, we would like to point out that the government of the Hashemite Kingdom of Jordan has guaranteed the National Electric Power Co. in all the energy purchase agreements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

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

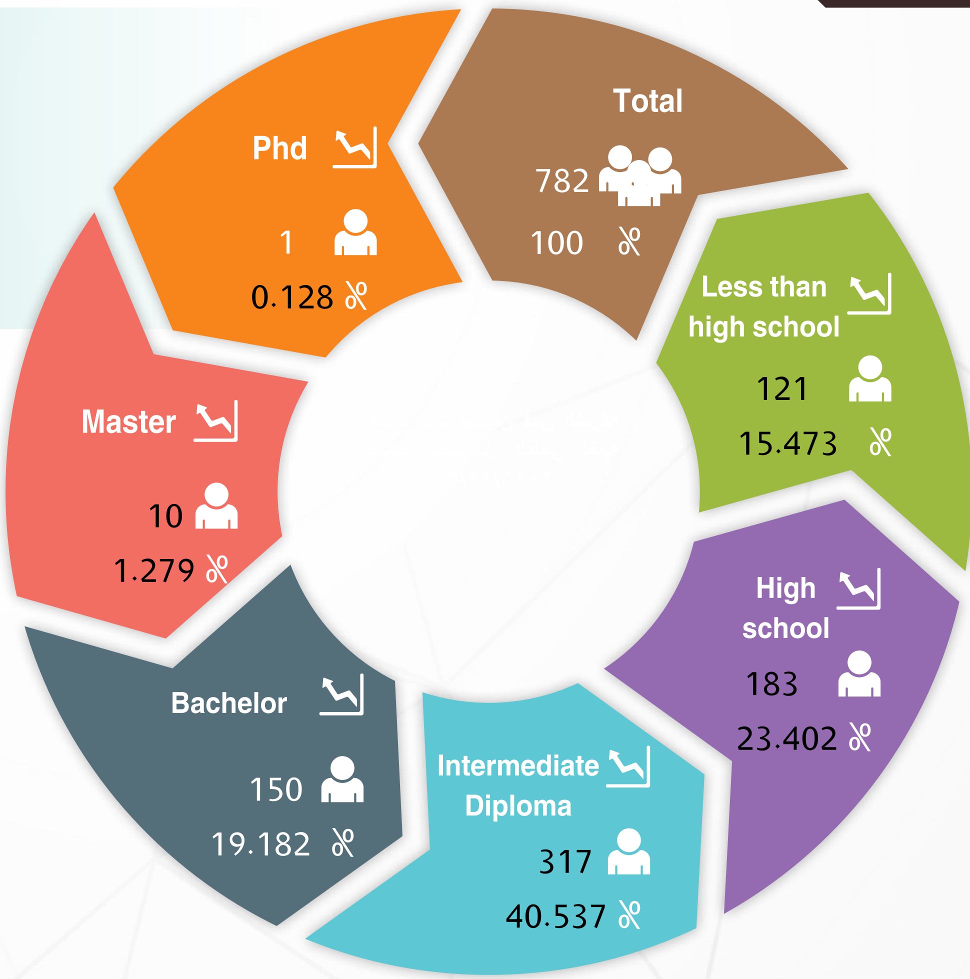
8. B. Quality and Technical Audit

CEGCO top management commitment to insure the implementing , reviewing and continual improvement of the company's vision and mission through quality department activities by implementing the integrated management system ,includes quality management system ISO 9001-2008, Environments Management System ISO 14001-2004 and occupational health and safety management system OHSAS 18001-2007, and follow up the latest international and local laws and regulations. The process of continual improvement performed through internal audit and management review by CEGCO accredited and qualified technical auditors, in addition to insure the implementing of international managements system standards also insured the implementing of operational , preventive , corrective tests and analyze test results reports. Follow up the prosses of corrective actions for technical defects reports and measured the effectiveness. In addition to external audit results performed by external auditor SGS company.

9. A.Organization Structure



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



9. C. Learning and Development Dept. for Activities of the 2016 :

Based on the company's belief in the importance of the learning and development process in enhancing the capabilities and skills of CEGCO employees and keeping update with the latest developments in all technical and administrative fields, the Department of Learning and Development has implemented many training programs during the year 2016 in partnership with a number of training centers in the technical, engineering, and administrative to contribute to increase the efficiency of employees and improve performance to meet business need

In order to facilitate the sharing of knowledge and exchange of experiences among the company's employees, many internal courses were held by qualified employees for training, which had a positive and effective impact on the exchange and transfer of knowledge and the development of technical and professional skills of the employees

Many staff have been involved in English language courses and ICDL courses to provide them with the skills needed to improve their language and computer skills

In order to represent CEGCO in various fields, a number of the employees participated in several conferences, workshops and forums in the fields of technical and engineering, energy, electricity, financial and administrative fields in order to increase knowledge to be updated with most important developments in the fields of systems and technologies for the benefit of work

Below table show the training programs by location :

Location	No. of Employees / Location	No. Of participants / Location	Percentage of participants in Location	Total Training Hours / Location	Training fees (JD) / location
ATPS	291	68	23.40%	1750	8325.9
HTPS	101	95	94.10%	8946	20110.7
Rehab	204	104	51%	5962	20576.8
Risha	40	8	20%	411	5872.8
Marka	25	9	36%	373	3696.6
Head Office	121	54	44.60%	855	9695.4
Total	**782**	**338**	**43.20%**	**18297**	**68278**

9. c. 1. Training courses

Training courses, conferences, seminars and workshops during 2016:
On-job training by internal trainers (company employees) by (2205) training hours as specified in below table :

1.	GC (Gas chromatograph)
2.	Gas Turbine
3.	GT13 CI
4.	Oil Lab Devices Which Were Transferred From HTPS to RPS «No of 8 devices»
5.	Gas Leak Protection System
6.	Gas turbines Overview- functional description
7.	Atomic Absorption Spectrophotometer Device

Specialized (internal and external) training courses in coordination with training centers by (4027) training hours and cost (40127) JD as below :

1.	Confined Space Entry
2.	Diesel Engine
3.	Use of appropriate oils for cars
4.	Environmental Assessment
5.	HMI Upgrade
6.	IMS advent station (advent Enterprise Historian , configuration and operation
7.	Risk Management
8.	Scaffolding and the competent person
9.	Maintenance of steam turbines
10.	System Center 2012 Orchestrator
11.	Variable Frequency
12.	Forklift

Health , safety and the environment by (1522) hours and cost (6900.5) JD :

1.	Fire fighting
2.	First Aid
3.	OHSAS 18001 lead auditor

Courses in Financial, language and computer skills by (9735) training hours and cost (11900) JD :

1.	English language courses
2.	Stamp Fees Law
3.	Dealing with customers
4.	Computer skills courses (Printing, ICDL .... etc.)

10. Risks Faced by the Company

none

11. Achievements of the Company in 2016

11.1 Use of Available Sources of Energy to Generate Electricty.

In 2016, 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 (120) MW. In this year, it produced using the natural gas (237.5) GWh, where contribution of Risha Generating Station was (5.6%) of total production of the Company's stations in 2016 compared to (4.24%) in 2015.

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 (3,25) GWh, which contributed to reduction of production cost of the electric energy in the Company's stations in amount of (155,015) 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 2016 that aimed to achieve the highest levels of production services of the electric energy and environmental services through extracting the greater possible quantity of the gas resulting from processing of the organic wastes. The company could extract (3661754) cubic meters of Methane in 2016 which contributed to reduction of its emission.

The total hours of operation of operating units in the company were (641997) working hours. The amount of energy generated in 2016 was (3366) MW/H.

Also, the company could, through the Clean Development Mechanism Project, get rid of (100) thousand ton of CO_2 in the first phase that lasted from 09/12/2009 to 31/12/2012, and it is intended to get rid from (115) thousand ton in the second phase to be lasted from 01/01/2013 to 31/12/2017 to benefit from revenues of these carbon emissions under Convention On Climate Change.

Noticing that total extracted quantity of Biogas since start up of the project in June 2000 until 31/12/2015 is (77811445) cubic meters, contributed in generating energy in the same period with total amount of (104784) MW/H.

11.2 Health, Safety and Environment (HSE).

To ensure achievement of vision and mission of CEGCO to keep up with ongoing development and modernization in scope of work systems and mechanisms implementation with relevant attention to HSE, CEGCO has been completed and achieved the following in 2016 year:

1. CEGCO was granted in February the certificate of commendation from ACWA Power high performance awards team for the general improvement in HSE Performance in CEGCO during the 2015 year, and for recording the first ever one million man-hours without an LTI.
2. CEGCO won the award of excellence granted by Social Security Corporation for high performance of ATPS in implementing Occupational Health and Safety Standards in workplace.
3. Trained and qualified groups of employees in cooperation with learning and development department on training courses in occupational health, safety and environment, like: firefighting and prevention, first aid, personal protective equipment, national examination board of occupational health and safety, scaffold competent and inspector training, confined space , the environmental impact assessment for industries of marine facilities, OHSAS 18001 lead auditor.
4. Conduct training awareness sessions in adopted HSE policies and procedures in different sites, the training included the following HSE procedures:

    - Electrical safety
    - Permit to Work (PTW).
    - Lock Out Tag Out (LOTO).

- Work at height.
- Forklifts safety
- Compressed gases cylinders
- HSE tours and inspections
- Chemical laboratory safety
- Oil spill contingency
- Management of contractors
- Security procedure
- Confined space
- Access to hazardous areas.
- Signage and labeling.

5. All CEGCO sites continued implementing the different elements and procedures to meet the requirements and the standards of the Integrated Management System (IMS), including Quality Management System ISO 9001:2008, Environment Management System ISO 14001:200, and Occupational Health and Safety Management System BS OHSAS 18001:2007
6. 2013. Aqaba Thermal Power Station (ATPS) and Rehab Power Station participated in the Incentive Award of Excellence granted by Social Security Corporation due to their high performance in Occupational Health and Safety in the previous year 2014.
7. External audits were conducted in different CEGCO locations in HSE, by Acwa power company experts to ensure compliance to adopted and approved HSE policies and procedures, and by SGS Jordan to ensure compliance to ISO 14001: 2004 And BS OHSAS18001:2007 OHSAS18001: 2007 requirements.
8. All lifting equipment in different CEGCO locations were listed to carry out testing , certification and tagging by external vendor to guaranty safe works during usage of lifting equipment.
9. CEGCO has carried out medical tests of lungs and ears efficiency for random samples of employees in different locations during the last quarter of 2016 year to ensure good occupational health and safety of workers in sites relevant to the noise and gas emissions .
10. Number of work injuries during year 2016 was 2 Lost Time Injuries associated with 187 lost days, it is expected that the trend will downward in coming years due to precautions and measurements already taken to reduce incidents and work injuries in different company locations..

11.3 Consultations, Agreements, and External Services

The year 2016 witnessed a quantum change in the services provided by the Central Electricity Generating Company outside the company's boundaries due to the extensive experience and qualifications of its staff, as the company signed an operation and maintenance agreement with Al- Zarqa Power Plant that belong to ACWA power international, to operate and maintain a 485

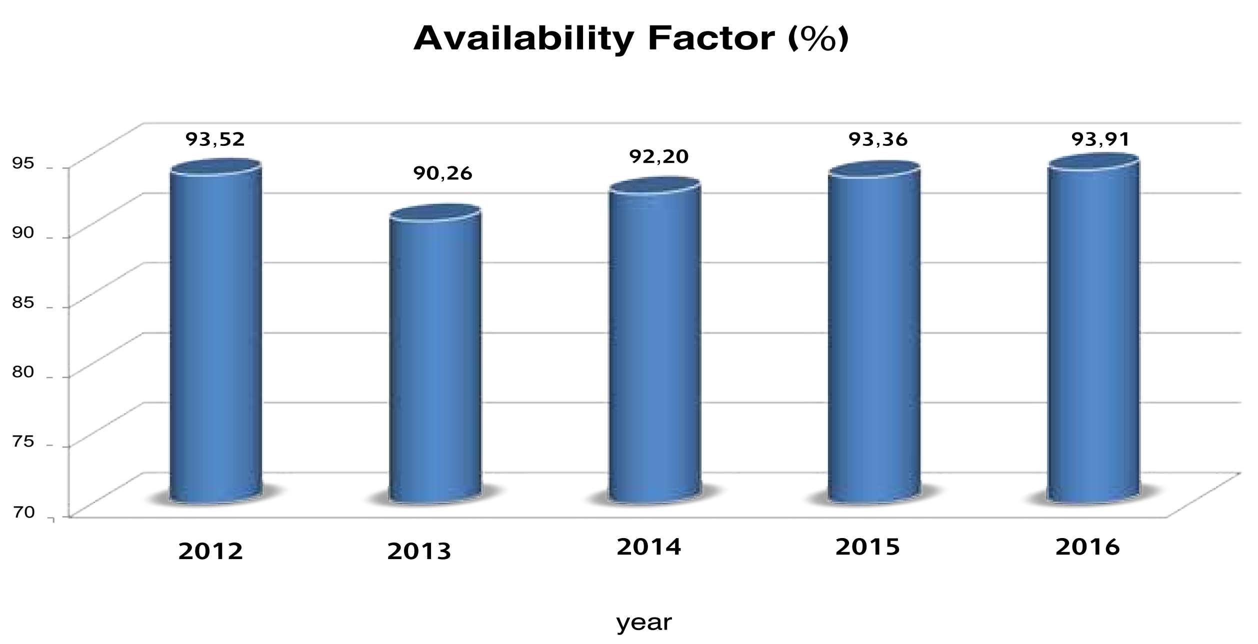
Item	2015	2016	Growth rate(٪)
Available capacity (MW)	1392	1164	-16.4
Generated energy (GWh)	6382.6	4260.4	-33.2
Steam units	4031	2034	-49.6
Combined cycle	1946	1938	-0.43
Gas turbines	368.1	263.1	-28.5
Hydro	35.6	22.9	-35.7
Wind	2.06	3.26	58.4
Diesel engines	0.01	0.12	-100
Internal consumed energy (GWh)	363.2	238.9	-34.2
Internal consumed energy (٪)	5.69	5.61	-1.47
Sold energy to NEPCO (GWh)	6043,6	4034,4	-33.2
Heavy fuel oil consumption (1000 ton)	896	338	-62.3
Diesel oil consumption (1000 cubic meter)	197	0.27	-99.8
Natural gas consumption / Risha gas (million cubic meter)	123	116	-5.27
Natural gas consumption / Egypt gas (Billion BTU)	13072	22713	73.8
Overall efficiency (generated) (٪)	35.97	36.11	0.39
Overall efficiency (exported) (٪)	33.92	34.08	0.48
Availability Factor (٪)	93.36	93.91	0.58
Forced outage Factor (٪)	2.73	2.13	-22.0
Planned outage Factor (٪)	3.91	3.96	1.38
Employees	988	782	-20.9

Performance Indicators

Table (1)

Performance Indicators	2012	2013	2014	2015	2016	Growth rate(%)
A. Technical Indicators						
Overall efficiency (generated) (%)	35.47	34.67	35.73	35.97	36.11	0.39
Overall efficiency (exported) (%)	33.29	32.50	33.65	33.92	34.08	0.48
Availability of generating units (%)	93.52	90.26	92.20	93.36	93.91	0.58
Percentage of internal consumed energy (%)	6.16	6.24	5.83	5.69	5.61	-1.47
B. Financial Indicators						
Average heavy fuel oil price (JD/ton)	500.2	478.5	453.7	292.7	187.7	-35.9
Average diesel oil price (JD/cubic meter)	550.3	653.5	636.4	435.7	378.8	-13.1
Average natural gas price / Risha (fils/cubic meter)	50	50	50	50	50	0.00
C. Manpower Indicators						
Annual productivity (GWh/employee)	7.13	7.13	7.90	6.46	5.45	-15.7
Installed capacity (MW/employee)	1.63	1.63	1.38	1.41	1.49	5.66

Fig (1)



CEGCO's Power Stations Performance Indicators

Table (2)

Availabilty Factor (%)

Power Station	2012	2013	2014	2015	2016
Aqaba Thermal	95.00	92.17	90.68	92.57	93.68
Hussein Thermal	87.32	88.87	93.16	95.53	0.00
Rehab	92.98	82.26	93.28	91.16	93.34
Risha	97.67	95.19	93.88	97.95	95.34
Marka	97.43	99.82	0.00	0.00	0.00
Amman South	99.27	98.09	98.50	99.88	100.00
Karak	100.00	99.99	0.00	0.00	0.00
Total	**93.52**	**90.26**	**92.20**	**93.36**	**93.91**

Fig (2)

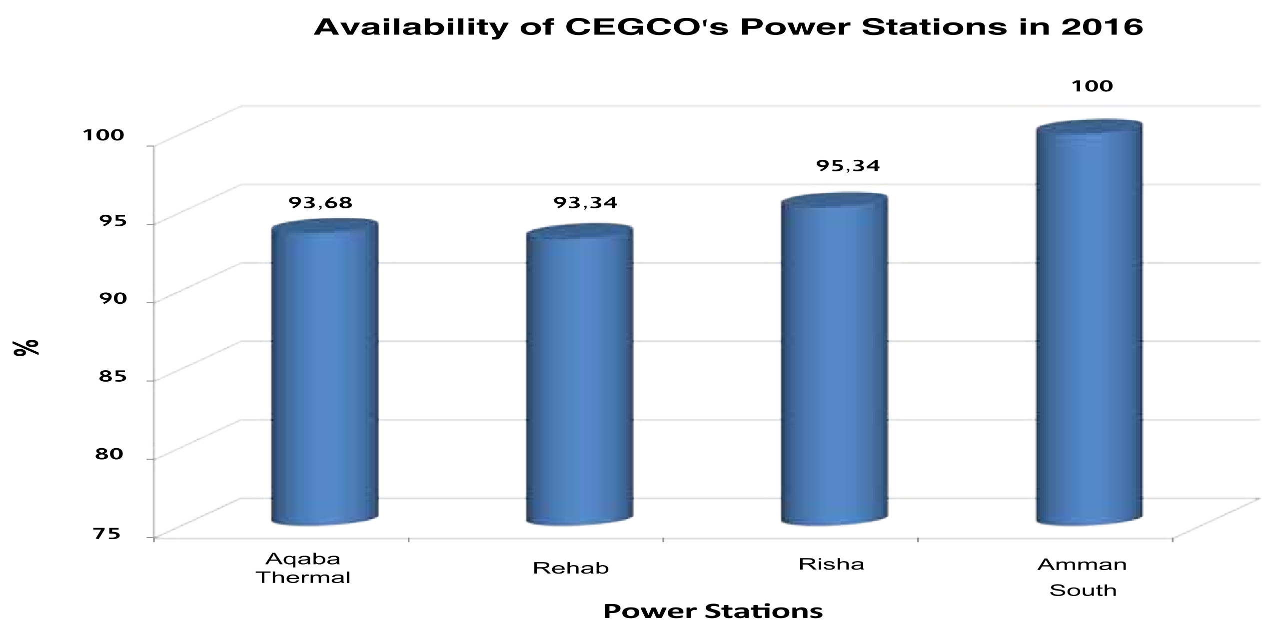


Table (3)

Forced Outage Factor (%)

Power Station	2012	2013	2014	2015	2016
Aqaba Thermal	1.36	2.38	3.20	4.53	2.19
Hussein Thermal	9.60	9.01	3.79	1.45	0.00
Rehab	4.91	14.47	1.40	1.25	1.46
Risha	0.33	3.97	4.99	0.40	4.28
Marka	0.31	0.18	0.00	0.00	0.00
Amman South	0.28	1.43	0.35	0.12	0.00
Karak	0.00	0.01	0.00	0.00	0.00
Total	**3.64**	**6.32**	**2.96**	**2.73**	**2.13**

Table (4)

Planned Outage Factor (%)

Power Station	2012	2013	2014	2015	2016
Aqaba Thermal	3.63	5.44	6.11	2.90	4.14
Hussein Thermal	3.08	2.12	3.06	3.03	0.00
Rehab	2.11	3.27	5.32	7.59	5.20
Risha	2.00	0.83	1.13	1.64	0.38
Marka	2.26	0.00	0.00	0.00	0.00
Amman South	0.45	0.48	1.15	0.00	0.00
Karak	0.00	0.00	0.00	0.00	0.00
Total	**2.85**	**3.42**	**4.84**	**3.91**	**3.96**

Power Station Efficiency

Table (5)

Efficiency (Generated) for Power Plants (%)

Power Station	2012	2013	2014	2015	2016
Aqaba Thermal	37.61	36.86	37.08	37.09	35.67
Hussein Thermal	28.39	27.98	27.92	27.44	0.00
Rehab	41.50	40.45	41.51	39.62	39.89
Risha	25.39	24.32	23.82	22.83	21.33
Marka	20.56	19.50	0.00	0.00	0.00
Amman South	25.25	24.22	24.39	24.39	28.86
Karak	20.94	20.28	0.00	0.00	0.00
Remote Villages	25.08	28.42	29.83	18.02	0.00
Total	**35.47**	**34.67**	**35.73**	**35.97**	**36.11**

Table (6)

Efficiency (Sent Out) for Power Plants (%)

Power Station	2012	2013	2014	2015	2016
Aqaba Thermal	34.45	33.88	34.25	34.12	32.19
Hussein Thermal	26.10	25.79	25.73	25.18	0.00
Rehab	40.77	39.78	40.77	38.96	39.16
Risha	25.24	24.14	23.63	22.61	21.17
Marka	19.89	18.04	0.00	0.00	0.00
Amman South	24.83	23.60	23.53	22.61	19.14
Karak	20.04	19.24	0.00	0.00	0.00
Remote Villages	23.44	26.56	27.88	16.84	0.00
Total	**33.29**	**32.50**	**33.65**	**33.92**	**34.08**

Power Station Heat Rate

Table (7)

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

Power Station	2012	2013	2014	2015	2016
Aqaba Thermal	9571	9768	9709	9706	10091
Hussein Thermal	12682	12866	12895	13121	0.0
Rehab	8674	8900	8673	9086	9025
Risha	14178	14801	15113	15769	16874
Marka	17435	18465	0.0	0.0	0.0
Amman South	14258	14865	14758	14760	12476
Karak	17194	17751	0.0	0.0	0.0
Remote Villages	14356	12665	12069	19974	0.0
Total	**10149**	**10384**	**10075**	**10010**	**9971**

Table (8)

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

Power Station	2012	2013	2014	2015	2016
Aqaba Thermal	10449	10625	10509	10550	11185
Hussein Thermal	13790	13961	13991	14296	0.0
Rehab	8830	9051	8830	9240	9193
Risha	14264	14910	15234	15922	17003
Marka	18103	19955	0.0	0.0	0.0
Amman South	14501	15252	15299	17282	18808
Karak	17967	18709	0.0	0.0	0.0
Remote Villages	15360	13552	12914	21374	0.0
Total	**10816**	**11076**	**10699**	**10614**	**10563**

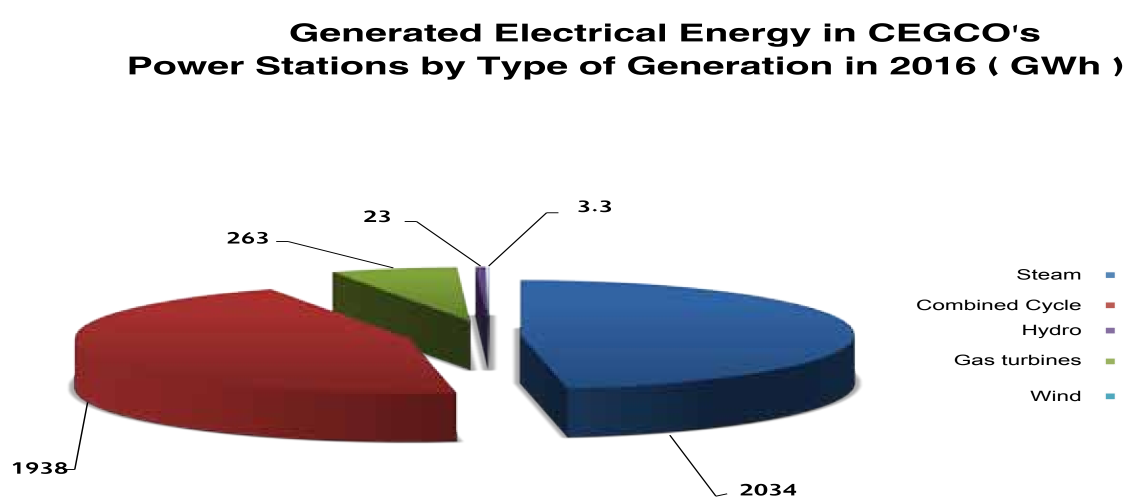
Generated Electrical Energy

Table (9)

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

Power Station	2012	2013	2014	2015	2016	Growth rate (%)
Aqaba Thermal	4013.2	4081.3	4466.7	3605.0	2056.4	-43.0
Hussein Thermal	1287.6	1281.1	1065.5	461.5	0.0	100
Rehab	1994.4	1620.0	2108.4	2041.9	1963.1	-3.86
Risha	434.4	363.85	309.77	270.7	237.6	-12.2
Marka	10.1	3.95	0.00	0.0	0.0	0.0
Amman South	42.7	24.6	11.0	1.45	0.03	-97.9
Karak	3.0	2.1	0.0	0.00	0.00	0.00
Ibrahimiah	0.89	0.55	0.47	0.30	0.52	76.1
Hofa	1.38	2.01	1.90	1.76	2.74	55.48
Remote Villages	1.42	1.48	0.50	0.01	0.00	100
Total	**7789.1**	**7380.9**	**7964.4**	**6382.6**	**4260.4**	
Growth Rate (%)	-3.25	-5.24	7.90	-19.86	-33.25	

Fig (3)



Sold Electrical Energy

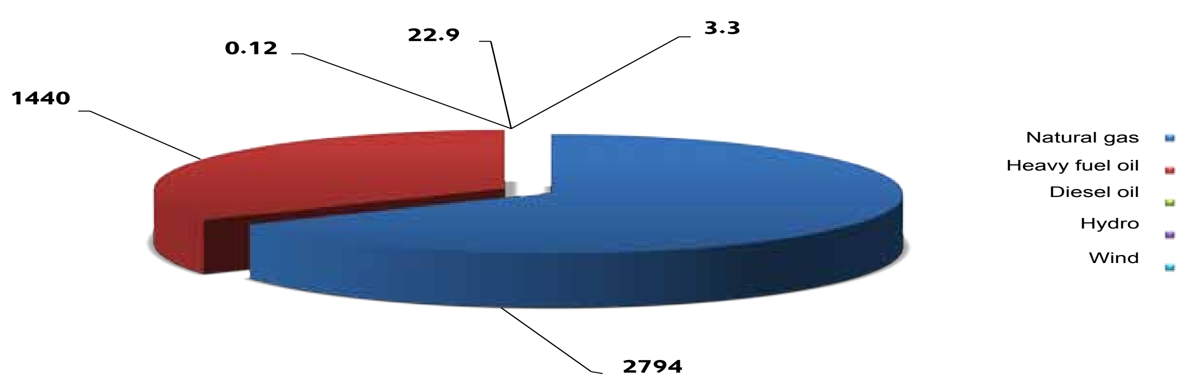
Table (10)

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

Power Station	2012	2013	2014	2015	2016	Growth rate (%)
Aqaba Thermal	3673.5	3750.9	4124.7	3325.8	1872.9	-43.7
Hussein Thermal	1217.3	1207.6	1010.1	439.3	0.0	-100
Rehab	1960.5	1592.4	2072.1	2008.0	1926.9	-4.04
Risha	429.7	359.9	306.2	267.0	231.3	-13.4
Marka	9.9	3.9	0.0	0.0	0.0	0.00
Amman South	41.9	24.5	10.9	1.44	0.03	-98.2
Karak	3.0	2.2	0.0	0.00	0.00	0.0
Ibrahimiah	0.50	0.53	0.46	0.29	0.51	76.7
Hofa	1.74	1.99	1.88	1.75	2.74	55.9
Remote Villages	1.32	1.38	0.47	0.01	0.00	-100
Total	**7339.5**	**6945.2**	**7526.9**	**6043.6**	**4034.4**	
Growth Rate (%)	-3.43	-5.37	8.38	-19.71	-33.24	

Fig (4)

Generated Electrical Energy in CEGCO's Power Stations by Type of Fuel and Primary Energy in 2016 (GWh)



Internal Electrical Energy Consumption

Table (11)

CEGCO's Power Stations Internal Consumption (MWh)

Power Station	2012	2013	2014	2015	2016
Aqaba Thermal	337212	329322	340280	288339	201021
Hussein Thermal	103472	100507	83451	37925	0.0
Rehab	35154	26911	37669	34125	35880
Risha	2640	2664	2474	2596	1804
Marka	371	295	0.0	0.0	0.0
Amman South	713	625	391	212	138
Karak	128	108	0.0	0.0	0.0
Ibrahimiah	6.6	5.8	4.4	5.30	7.77
Hofa	9.8	9.3	9.6	10.6	8.68
Remote Villages	92.6	97.0	32.6	1.00	0.00
Total	**479798**	**460544**	**464311**	**363214**	**238859**

Table (12)

CEGCO's Power Stations Internal Consumption (%)

Power Station	2012	2013	2014	2015	2016
Aqaba Thermal	8.50	8.07	7.62	8.00	9.78
Hussein Thermal	8.04	7.85	7.83	8.22	0.00
Rehab	1.76	1.66	1.79	1.67	1.83
Risha	0.61	0.73	0.80	0.96	0.76
Marka	3.69	7.46	0.00	0.00	0.00
Amman South	1.67	2.54	3.54	14.59	4.61
Karak	4.30	5.12	0.00	0.00	0.00
Ibrahimiah	1.29	1.06	0.92	1.79	1.49
Hofa	0.56	0.46	0.51	0.60	0.32
Remote Villages	6.54	6.54	6.54	6.55	0.00
Total	**6.16**	**6.24**	**5.83**	**5.69**	**5.61**

Fuel Consumption

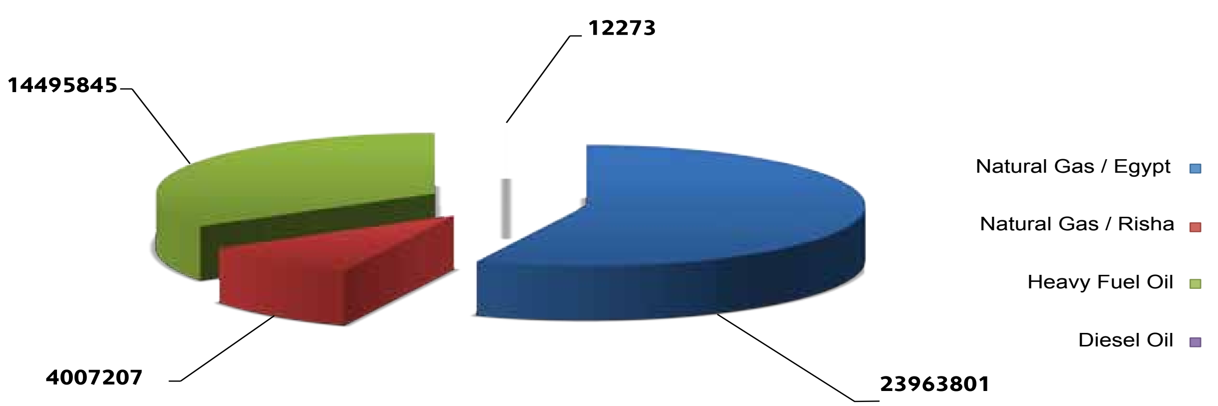
Table (13)

CEGCO's Power Plants Consumption of Fuel

Power Plant	Fuel Type	Unit	2012	2013	2014	2015	2016
ATPS	Natural Gas	Billion BTU	0	0	0	2652	5921
	HFO	Ton	921781	941276	1020506	753818	337568
	DO	Cubic meter	312	458	291	506	257
HTPS	HFO	Ton	392079	389782	323450	142085	0
	DO	Cubic meter	16	0	0	87	0
Rehab	Natural Gas	Billion BTU	648	311	18	10419	16793
	DO	Cubic meter	431914	365326	474864	195135	5
Risha	Risha Gas	(1000) Cubic meter	163640	150997	130741	122924	116442
	DO	Cubic meter	12856	4159	3980	700	56
Amman South	DO	Cubic meter	15794	9482	4237	556	10
Remot	DO	Cubic meter	529	484	156	4	0
Total	Natural Gas	Billion BTU	648	311	18	13072	22713
	Risha Gas	(1000) Cubic meter	163640	150997	130741	122924	116442
	HFO	Ton	1313860	1331058	1343956	895903	337568
	DO	Cubic meter	467305	382761	479291	196988	328

Fig (5)

CEGCO's Power Stations Fuel Consumption in 2016 (GJ)



Operating Power Stations Capacity in Electrical System

Table (14)

Installed capacity of CEGCO›s Power Stations in 2016 (MW)

Power Station	steam	steam Combined cycle	Natural Gas	Diesel Oil	Hydro	Wind	Total
Aqaba	5 x 130	--	--	--	6	--	656
Rehab / Simple cycle	--	--	2 x 30	--	--	--	60
Rehab / Combined cycle	--	1 x 97	2 x 100	--	--	--	297
Risha	--	--	4 x 30	--	--	--	120
Amman South	--	--	--	1 x 30	--	--	30
Ibrahimiah	--	--	--	--	--	4 x 0.08	0.32
Hofa	--	--	--	--	--	5 x 0.225	1.125
Total	**650**	**97**	**380**	**30**	**6**	**1.4**	**1164**

Table (15)

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

Source	2012	2013	2014	2015	2016
CEGCO	1687	1687	1392	1392	1164
Steam	1013	1013	848	848	650
Combined cycle	297	297	297	297	297
Gas turbines / Natural gas	210	210	210	210	180
Gas turbines / Diesel oil	160	160	30	30	30
Diesel engines	-	-	-	-	-
Hydro	6	6	6	6	6
Wind	1.4	1.4	1.4	1.4	1.4
2.Other Organizations	1733	1733	2846	3068	3325
Samra Electrical Power Generting Company	885	885	1031	1175	1175
King Talal Dam	6	6	6	6	6
Jordan Biogas Company	4	4	3.5	3.5	3.5
AES	370	370	432	432	432
Al Qatraneh	373	373	420	420	420
IPP3	-	-	573	573	573
IPP4	-	-	241	241	241
Shamsna	-	-	-	5	10
Jordan wind Renewable Co.	-	-	-	117	117
Hussien University Wind	-	-	-	-	80
Maan Sun	-	-	-	-	52.5
Sun Edison Company	-	-	-	-	20
Zahrat Al Salam	-	-	-	-	10
Mertifier	-	-	-	-	10
Bright power	-	-	-	-	10
Green land	-	-	-	-	10
Ennera	-	-	-	-	10
Catalyst	-	-	-	-	21
Scatec Solar Company	-	-	-	-	10
EJRE	-	-	-	-	20
Others	95	95	139.3	95	93.8
Total system	3420	3420	4238	4460	4489

Loads of Electrical System

Table (16)

Electrical System Peak Load Develepment (MW)

Source	2012	2013	2014	2015	2016
Total Electrical System	2770	2975	2900	3300	3250
Load Growth Rate (٪)	4.1	7.40	-2.52	13.79	-1.52
CEGCO	1172	1477	1044	743	972
CEGCO share of Loads (٪)	**42.3**	**49.6**	**-29.3**	**-28.8**	**30.8**

Fig (6)

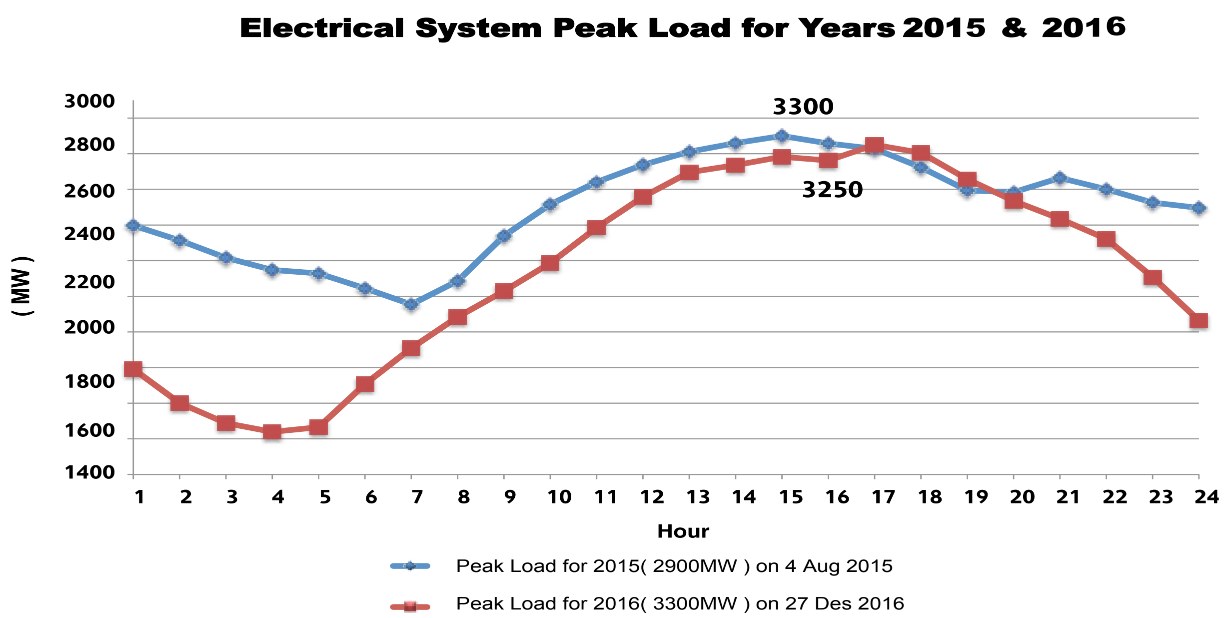
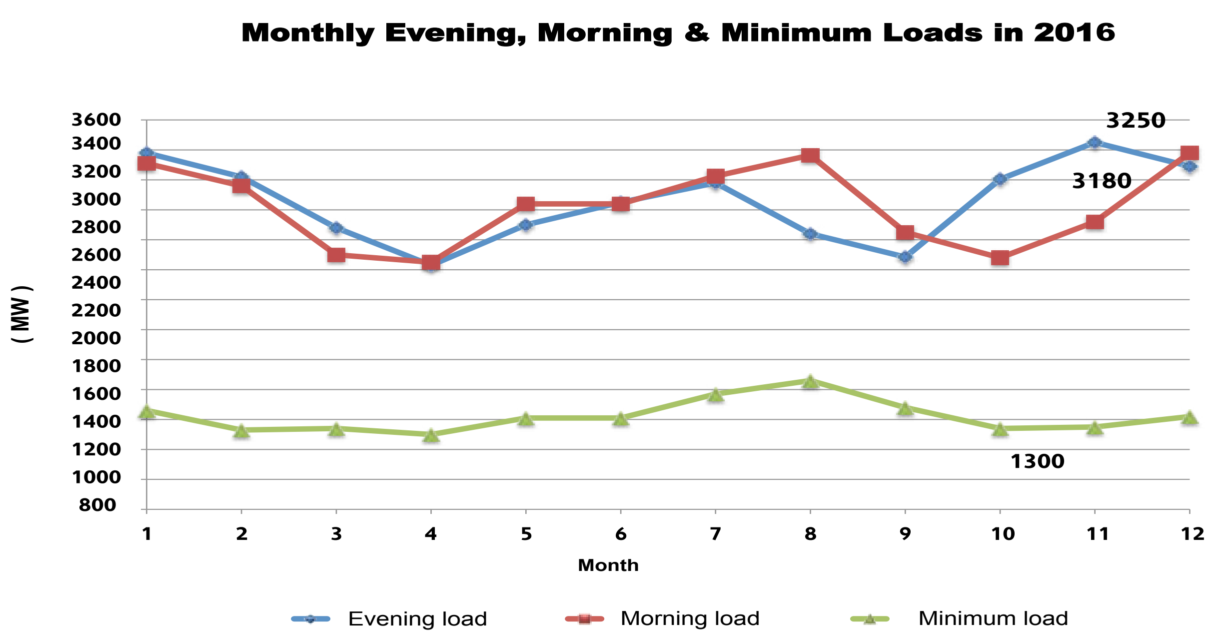

Electrical System Peak Load for Years 2015 & 2016
(MW)
3000
2800
2600
2400
2200
2000
1800
1600
1400
3300
3250
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24
Hour
Peak Load for 2015(2900MW) on 4 Aug 2015
Peak Load for 2016(3300MW) on 27 Des 2016

Fig (7)


Monthly Evening, Morning & Minimum Loads in 2016
(MW)
3600
3400
3200
3000
2800
2600
2400
2200
2000
1800
1600
1400
1200
1000
800
3250
3180
1300
1 2 3 4 5 6 7 8 9 10 11 12
Month
Evening load
Morning load
Minimum load

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

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

	2016	2015	2014	2013	2012
Profit After Tax	7,775,002	14,553,741	17,136,921	24,757,124	21,303,787
Dividends	15,000,000	17,000,000	24,000,000	20,865,832	9,102,909
Dividends From Voluntary Reserve	15,000,000	13,000,000	-	8,634,168	14,897,091
Share Holders Equity (net)	69,402,596	91,758,091	106,818,213	115,404,167	121,040,370
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	2016	2015
Operation Profit Ratio (Without fuel)	22.69%	28.98%
Net Profit Before Interest , Foreign Exchange & Tax (Without fuel)	23.95%	28.71%
Net Profit Before Tax (Without fuel)	12.49%	20.24%
Net Profit After Tax (Without fuel)	10.83%	17.48%
Return On Assets Ratio	3.14%	3.93%

Liquidity Indicators	2016	2015
Current Ratio (time)	0.96	1.61
Liquidity Ratio (time)	0.64	1.11
Work Capital (1000 JD)	(2749)	31491

Assets Utility Indicators	2016	2015
Accounts Receivable Turnover (TIME)	3.17	3.26
Number Of Days Of Receivables	115	112

Capital Structure Indicators	2016	2015
Debts / Total Assets Ratio	70.44%	64.80%
Debts / Equity Ratio	238.30%	184.11%

15. Future developments and future plans of the company

The Central Electricity Generating Company is seeking to develop its field of operations, with the aim of signing operation and maintenance agreements with Acwa Power International,. This has already been achieved by signing operation and maintenance agreements for the combined cycle plant in Zarqa with a capacity of 485 MW and the 50 MW solar power plant in Mafraq. The company will train its staff to qualify them to perform its future role efficiently . Such contracts are expected to extend to new plants in solar and wind power in the future.

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

Auditing Office : Ernst & Young 2016	JD
Auditing charges	19,720
Tax consultations charges	29,000
Total	48,720

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

NAME MEMBER	Position	Nationality	Share No. 2016	Share No. 2015
Enara Energy Investment		Jordanian	15,250,000	15,250,000
H.E.Mr. Thamer Al Sharhan	Chairman (from 25-7-2016)	Saudi	____	____
H.E.Mr. Mohammed Abunayyan	Chairman (till 13-7-2016)	Saudi	____	____
H.E.Mr.William Wakileh	Vice-Chairman (from 25-7-2016)	Jordanian	____	____
H.E.Mrs. Yara mohammed Anabtawi	Member (from 13-7-2016)	Saudi	____	____
Enara (2) Energy Investment		Jordanian	50,000	50,000
H.E.Mr kashif Mahboob Rana	Member (from 28-8-2016)	British	____	____
H.E.Mr Sanjiv Iyer	Member (till 28-8-2016)	Indian	____	____
The Government Of Jordan		Jordanian	12,000,000	12,000,000
H.E.Mrs.Dina Al-Dabbas	Member	Jordanian	____	____
H.E. Mr. Ziad Jibril	Member	Jordanian	____	____
Social Security Corporation		Jordanian	2,700,000	2,700,000
H.E.Eng. Zaydoun Abo Hassan	Member	Jordanian	____	____

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

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

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

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

NAME	Position	Transportation	Remuneration	Total
Enara Energy Investment				
* H.E.Mr. Thamer Al Sharhan	Chairman (from 25-7-2016)	6,000	5,000	11,000
* H.E.Mr. Mohammed Abunayyan	Chairman (till 13-7-2016)	3,500	5,000	8,500
H.E.Mr.William Wakileh	Vice- Chairman (from 25-7-2016)	6,000	1,429	7,429
* H.E.Mrs.Yara mohammed Anabtawi	Member (from 13-7-2016)	2,500	-	2,500
* H.E.Mr.Thomas Leroy Langford	Member(till 20-12-2015)	-	3,571	3,571
Enara (2) Energy Investment				
* H.E.Mr kashif Mahboob Rana	Member (from- 28-8-2016)	2,000	-	2,000
* H.E.Mr Sanjiv Iyer	Member (till- 28-8-2016)	4,000	5,000	9,000
The Government Of Jordan				
** H.E.Mrs.Dina Al-Dabbas	Member	6,000	5,000	11,000
*** H.E. Mr. Ziad Jibril	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 , H.E.Yara mohammed Anabtawi , H.E.Mr Sanjiv Iyer, H.E.Mr kashif Rana and H.E.Mr.Thomas Leroy Langford transfered to Enara Energy Investment

** The remuneration that belong to H.E.Mrs.Dina Al-Dabbas 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

	POSITION	Total Salaries	Remunerations	Traveling	Other Benefits	TOTAL
Mr. Nadeem Rizvi	Chief Executive Officer	196,812	-	-	-	196,812
Mr. Omar Ahmad Al Daour	Chief Executive Officer (till 15-1-2016)	3,670	25,000	-	24,388	53,058
Mr Ali Hussein Al Rawashdeh	Executive Manager / Operation and Maintenance	39,157	9,640	1,175	-	49,972
Mrs.Zakieh Abed-Elghani Jardaneh	Financial Controller	43,365	9,351	1,050	-	53,766
Mr. Maher Mohammad Tubaishat	Executive Manager /Asset Management	37,290	9,469	1,350	-	48,109
Mrs. Alia Radwan Hiassat	BoD Secretary (from 5-10-2016)	13,762	4,465	225	-	18,452
Mr. Abdullah Qadadeh	Interal Audit Manager	34,815	2,100	2,650	-	39,565
Mr. Ali Mohammad Zuhair	Finance Manager - acting (from 4-1-2016)	19,206	3,755	-	-	22,961
Mr. Ghaith Obeidat	Accounting Manager- acting (from 25-10-2016)	15,285	2,000	450	-	17,735
Mr.Sami Y.Abzakh	Consultant & Secretary BOD (till 4-10-2016)	27,414	18,114	300	33,687	79,515
Mr Adnan Mohammad Dhoun	Executive Manager Supply Chain Management (till 30-9-2016)	29,803	5,550	300	74,667	110,320
Mr. Ismail Ahmed Qannis	Manager-Accounting (till 14-6-2016)	14,097	1,600	-	85,848	101,545
Mr. Ibrahim Naser	Finance Manager (till 21-6-2016)	3,980	3,000	-	19,596	26,576
		478,656	**94,044**	**7,500**	**238,186**	**818,386**

19. Grants and Donations Paid by the Company in 2016

Statement	Cost
Rehab Municipality	10,000
Pesticide Spray Tank for Al-Hashmia Municipality	28,000
Photovoltaic Solar System for Four mosques	35,900
Schools Rehabilitations - Al-Hashmia	10,230
Reverse Osmosis Systems - Zarqa & Mafraq Schools	34,062
Schools Rehabilitations - Rehab	3,140
Free Medical Days - Rehab, Aqaba and Rwashid	8,898
Food package's (Aqaba, Rehab and Al-Hashmia)	9,950
Shula Sport Club	6,160
National Blood Donation Association	500
Prince Ali Club for Deaf - Sports Wear	1,472
Mohammed Samour - Retired Employee	3,000
Transport & Customs Expenses of Donated Units	2,128
Northern Badia - Winter Coats	5,220
Total	158,660

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

21. A. Contribution of the Company to the protection of environment

- The cooperation between Central Electricity Generating Company and the governmental authorities responsible for the environment of Jordan has been continued in order to develop the practical solutions to achieve safe and acceptable environmental situation in all locations of the Company and some achievements are listed below:
  1. CEGCO Signed a letter of commitment with the Standards and Metrology Institution to assess the Environmental Life Cycle for Rehab gas station where CEGCO will supply the team with full technical information required and allow the national team to visit the station easily. This project, MENA STAR project, which is managed by the Standards Institution and through the national team who was trained and certified by the international standards organization ISO ,and funded by the agency for international development and cooperation of Swedish SIDA CEGCO will benefit from upgrade its environmental management system currently implemented EMS 14001-2004 to EMS 14001-2015.
  2. The national team visited Rehab station accompanied by the Swedish expert who was appointed as a representative of the World Meteorological Organization (MENA) .
  3. A joint workshop was held in Amman between all concerned parties, including the Jordan Standards and Metrology Institution, the National Team and the Swedish International Agency for Development and Cooperation to introduce the project to develop the quality of work on a practical basis to reach the desired results which we are working to achieve in cooperation with various governmental and international parties to full implementation of the environmental management of our resources, which avoided the negative consequences that we can suffer in the future.

21. B. Contribution of the company to the local community

Another Year Spent Serving the Local Community

Social responsibility has always been a cornerstone and core value of CEGCO, which, it takes care to allocate yearly budget and plan to implement a number of effective social programs, policies and initiatives with participate local community. The Company's efforts are a reflection of its patriotic duty toward uplifting the communities in the vicinity of its stations, strengthening the bonds of social solidarity and driving sustainable social and economic growth in Jordan.

Committed to playing a dynamic role within the community, CEGCO strives to leave a positive, tangible mark on individuals and businesses alike. Contributing to numerous sectors active in the fields of education, social progress, medicine, environment, energy and community empowerment, the Company offers its support to municipalities, schools, associations and sports clubs. In addition to organizing free medical days for the provision of health care, CEGCO supports environmental projects, such as solar energy in mosques, as well many more initiatives, all of which aim to advance the economy, promotes cooperation between the public and private sectors.

Universities Students Training:

For the purposes of linking the practical aspect with the theoretical aspect and to enhance the skills and the practical capabilities of the students, CEGCO provides a number of training opportunities for college and universities students of bachelors and diploma programs from the different disciplines for the purposes of graduation in its sites spread throughout in the kingdom. Where (14) students were trained in 2016 from the different universities and the kingdom institutes within the students training for the sake of graduation .


GROUP
نظام فلترة وتنقية المياه
إهداء من شركة توليد الكهرباء المركزية م.ع
تنفيذ شركة مجموعة منير سختيان التجارية/قسم علوم المياه


شركة توليد الكهرباء المركزية م.ع
Central Electricity Generating Co
(CEGCO)

Central Electricity Generating Company

Financial Statements

31 December 2016

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

Central Electricity Generating Company – Public Shareholding Company

Amman – Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Central Electricity Generating Company (the "Company"), which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss, statement of other 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 2016, and its financial performance and 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 2016. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

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

1. **Allowance for doubtful debts**

The Company entered into a Power Purchase Agreement (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. This dispute affects the Company's collectability of NEPCO's receivables. The total disputed amount is JD 33,979,453. Parties commenced arbitration procedures in Switzerland. The Company's management believe that no additional provision is needed other than what has already been recognized in the financial statements. We included this matter as a key audit matter due to the significance of the amount and the degree of uncertainty it has.

How the key audit matter was addressed

We assessed management's judgement and position over the outcome of the arbitration during our discussions with management and independent legal counsel engaged by the Company. We obtained management representations and direct confirmation from the Company's independent legal counsel.

Refer to note (11) to the financial statements for more details about this matter.

Other information included in the Company's 2016 annual report.

Other information consists of the information included in the annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 exist. 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 and financial information presented in the Board of Directors' report are in agreement therewith.

Ernst & Young/ Jordan

ERNST & YOUNG
Amman - Jordan

Waddah Isam Barkawi
License No. 591

Amman – Jordan
27 March 2017

Statement of financial position as at 31 December 2016

	Notes	2016	2015
		JD	JD
Assets			
Non-current Assets			
Property, plant and equipment	3	144,367,596	159,752,862
Projects in progress	4	1,404,848	1,470,666
Employees' housing fund loan	5	312,432	312,432
Investment in an associate	6	556,714	577,654
Deferred tax assets	7	1,083,904	1,568,943
Strategic fuel inventories	8	15,141,667	14,014,081
		162,867,161	177,696,638
Current Assets			
Inventories	9	23,953,653	25,971,844
Other current assets	10	2,648,778	3,198,209
Accounts receivable	11	45,291,624	41,578,409
Cash and bank balances	28	30,928	12,244,265
		71,924,983	82,992,727
Total Assets		234,792,144	260,689,365
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	26,672,932	41,672,932
Cash flow hedge reserve		(2,593,918)	(2,643,863)
Retained earnings		7,823,582	15,229,022
Total Equity		69,402,596	91,758,091
Liabilities			
Non-current Liabilities			
Term loans	13	77,005,462	98,808,487
Employees' end-of-service indemnity provision	14	6,004,118	8,232,848
Decommissioning provision	15	2,169,400	2,037,000
Derivative financial liability	18	5,536,479	8,199,485
Deferred tax liabilities	7	-	151,457
		90,715,459	117,429,277
Current Liabilities			
Term loans	13	23,172,017	22,883,475
Other current liabilities	16	4,373,832	5,324,633
Accounts payable	17	9,189,088	18,080,141
Derivative financial liability	18	2,053,663	2,544,384
Due to banks	29	35,814,375	-
Income tax provision	7	71,114	2,669,364
		74,674,089	51,501,997
Total Liabilities		165,389,548	168,931,274
Total Equity and Liabilities		234,792,144	260,689,365

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

Statement of Profit or Loss For The Year Ended 31 December 2016

	Notes	2016	2015
		JD	JD
Power generation revenues	19	137,653,572	447,012,418
Stations operating costs	20	(74,084,331)	(373,753,860)
Depreciation	3	(17,232,011)	(20,920,884)
Administrative expenses	21	(11,979,118)	(12,739,793)
Maintenance expenses	22	(9,859,102)	(11,623,594)
Provision for slow moving inventories		(2,179,381)	(2,789,352)
Employees' end-of-service indemnity provision	14	(1,041,731)	(1,060,894)
Employees' termination benefits provision	16	(4,992,626)	-
Total operating costs		(121,368,300)	(422,888,377)
OPERATING PROFIT		16,285,272	24,124,041
Foreign currency exchange (loss) gain, net	26	(573,526)	50,160
Share of (loss) profit of an associate	6	(20,940)	38,138
Provision for doubtful debts	11	(1,479,821)	(1,880,793)
Board of directors remuneration		(35,000)	(35,000)
Other income, net	23	2,442,478	1,655,474
Finance costs, net	24	(7,650,124)	(7,104,531)
PROFIT BEFORE INCOME TAX		8,968,339	16,847,489
Income tax expense	7	(1,193,337)	(2,293,748)
PROFIT FOR THE YEAR		7,775,002	14,553,741
Basic and diluted earnings per share	25	0.259	0.485

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

Statement of other Comprehensive Income For The Year Ended 31 December 2016

	Notes	2016	2015
		JD	JD
PROFIT FOR THE YEAR		7,775,002	14,553,741
Other comprehensive income items to be reclassified to profit or loss in subsequent periods (net of tax):			
Gain (loss) on cash flow hedges	18	49,945	(96,629)
NET OTHER COMPREHENSIVE INCOME ITEMS TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		49,945	(96,629)
Other comprehensive income items not to be reclassified to profit or loss in subsequent periods (net of tax):			
Actuarial (loss) gain on employees' end-of-service indemnity		(180,442)	482,766
NET OTHER COMPREHENSIVE INCOME ITEMS NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS		(180,442)	482,766
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(130,497)	386,137
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		7,644,505	14,939,878

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

Statement Of Changes In Equity For The Year Ended 31 December 2016

	Paid in capital	Statutory reserve	Voluntary reserve	Cash flow hedge reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD
2016 -						
Balance at 1 January 2016	30,000,000	7,500,000	41,672,932	(2,643,863)	15,229,022	91,758,091
Profit for the year	-	-	-	-	7,775,002	7,775,002
Other comprehensive income for the year	-	-	-	49,945	(180,442)	(130,497)
Total comprehensive income for the year	-	-	-	49,945	7,594,560	7,644,505
Dividends (Note 12)	-	-	(15,000,000)	-	(15,000,000)	(30,000,000)
Balance at 31 December 2016	30,000,000	7,500,000	26,672,932	(2,593,918)	7,823,582	69,402,596
2015 -						
Balance at 1 January 2015	30,000,000	7,500,000	54,672,932	(2,547,234)	17,192,515	106,818,213
Profit for the year	-	-	-	-	14,553,741	14,553,741
Other comprehensive income for the year	-	-	-	(96,629)	482,766	386,137
Total comprehensive income for the year	-	-	-	(96,629)	15,036,507	14,939,878
Dividends	-	-	(13,000,000)	-	(17,000,000)	(30,000,000)
Balance at 31 December 2015	30,000,000	7,500,000	41,672,932	(2,643,863)	15,229,022	91,758,091

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

Statement of Cash Flows For The Year Ended 31 December 2016

	Notes	2016	2015
		JD	JD
Operating Activities			
Profit before income tax		8,968,339	16,847,489
Adjustments for:			
Depreciation	3	17,232,011	20,920,884
Provision for slow moving inventories		2,179,381	2,789,352
Employees' end-of-service indemnity provision	14	1,041,731	1,060,894
Provision for (reversal of) employees' vacations	16	92,548	(7,786)
Employees' termination benefits provision	16	4,992,626	-
Gain on sale of decommissioned units' - fuel	23	-	(1,154,697)
Gain on disposal of property, plant and equipment	23	(152,643)	(182,134)
Provision for doubtful debts	11	1,479,821	1,880,793
Loss (gain) from foreign currency exchange	26	573,526	(50,160)
Share of loss (profit) of an associate	6	20,940	(38,138)
Interest income		(48,988)	(408,169)
Finance costs		7,699,112	7,512,700
Working capital changes:			
Accounts receivable		(5,193,036)	189,422,765
Other current assets		549,431	118,247
Inventories		(1,288,776)	(3,367,843)
Accounts payable		(8,891,053)	(191,499,202)
Other current liabilities		(769,986)	304,679
Employees' vacations provision paid	16	(196,770)	(25,526)
Employees' end-of-service indemnity provision paid	14	(3,461,135)	(401,067)
Employees' termination benefits provision	16	(4,946,626)	-
Income tax paid	7	(3,473,253)	(380,065)
Net cash from operating activities		16,407,200	43,343,016
Investing Activities			
Purchases of property, plant and equipment, and projects in progress		(1,899,176)	(2,448,287)
Proceeds from sale of property, plant and equipment		270,892	274,664
Proceeds from sale of decommissioned units' - fuel		-	4,834,193
Interest received		48,988	408,169
Dividends received from an associate		-	200,000
Net cash (used in) from investing activities		(1,579,296)	3,268,739
Financing Activities			
Repayments of loans		(25,873,031)	(27,646,881)
Proceeds from loans		-	11,360,000
Dividends paid		(30,000,000)	(30,000,000)
Interest paid		(6,990,442)	(6,590,334)
Net cash used in financing activities		(62,863,473)	(52,877,215)
Net decrease in cash and cash equivalents		(48,035,569)	(6,265,460)
Effect of exchange rate changes on cash and cash equivalents		7,857	39,297
Cash and cash equivalents at 1 January		12,244,265	18,470,428
Cash and cash equivalents At 31 December	28	(35,783,447)	12,244,265

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

Notes To The Financial Statements as at 31 December 2016

(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 27 March 2017 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 2015 except for the followings:

Early adoption of IFRS 9: Financial Instruments

As part of risk management strategies, the Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge foreign currency exposures and interest rate sensitivities. These derivative financial instruments qualify for hedge accounting; the Company previously accounted for hedge strategies and derivative financial instruments in accordance with the requirements of International Accounting Standard 39 (IAS 39) Financial Instruments Recognition and Measurement.
In July 2014, the International Accounting Standard Board (IASB) issued the final version of International Financial Reporting Standard 9 (IFRS 9) Financial Instruments, which reflects all phases of the financial instruments project and replaces IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted.

The Company has elected to early adopt IFRS 9 for the year ended 31 December 2016, as the Company believes that hedge accounting under IFRS 9 provides more useful information about risk management activities that use financial instruments, with the effect that financial reporting more accurately reflects how the Company manages risk exposures and the extent to which hedging strategies mitigate those risks.
The Company applied the requirements of hedge accounting under IFRS 9 prospectively. The early adoption of IFRS 9 did not affect the accounting policy of the Company on derivative financial instruments and hedge accounting. Thus, adoption of IFRS 9 did not affect the Company's financial statements.

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

IAS 1 Presentation of Financial Statements – Amendments to IAS 1
The amendments to IAS 1 include narrow-focus improvements related to:

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

Investment entities (Amendments to IFRS 10 and IAS 28)
The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

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

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization
The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests
The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The implementation of the new amendments did not have impact on the Company's financial position or performance and became effective for annual periods which started from 1 January 2016.

(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 doubtful debts

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

(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 - 11**
Gas generating units	**4 - 13**
Diesel generating units	**2**
Wind generating units	**2**
Computers	**10 - 20**
Vehicles	**20**
Equipment	**5 - 20**
Tools	**5 - 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 a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of any amount or part of it is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents

For the purpose of the 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

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.
Electric generation revenues through the usage of the power stations to generate power is recognized during the period in which the electric capacity is available in power stations according to the Power Purchase Agreements with NEPCO.

Expense recognition

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

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised 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.

Taxes

Current income tax

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

Deferred income tax

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

Deferred tax assets and liabilities are recognized regardless of when the timing difference is likely to reverse.

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

Sales Tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority; or
- receivables and payables that are stated with the amount of sales tax included.

Impairment and uncollectibility of financial assets

An assessment is made at each statement of financial position date to determine whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the statement of profit or loss.

Impairment is determined for assets carried at amortized cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Foreign currency

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

(3) Property, Plant And Equipment

2016	Land & Buildings	Steam generating units	Gas generating units	Diesel generating units	Wind generating units	Computers	Vehicles	Equipment	Tools	Furniture & office equipment	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:											
At 1 January 2016	128,088,881	398,271,409	188,444,799	22,016	425,407	1,581,779	2,152,283	4,667,697	2,194,625	1,428,217	727,277,113
Additions	-	-	-	-	-	37,553	-	114,992	40,907	25,851	219,303
Transfers from projects in progress	1,020,176	418,688	274,382	-	-	-	-	-	32,445	-	1,745,691
Disposals	(209,584)	-	-	(22,009)	-	(181)	(501,201)	(5,097)	(34,295)	(5,608)	(777,975)
At 31 December 2016	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
Accumulated depreciation:											
At 1 January 2016	98,790,962	315,850,489	143,252,513	21,999	180,377	1,260,572	1,980,874	3,744,488	1,256,518	1,185,459	567,524,251
Depreciation for the year	3,201,195	9,263,476	4,136,595	-	9,453	125,687	41,171	242,328	161,020	51,086	17,232,011
Disposals	(91,678)	-	-	(21,999)	-	(177)	(501,179)	(5,062)	(34,287)	(5,344)	(659,726)
At 31 December 2016	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
Net book value at 31 December 2016	26,998,994	73,576,132	41,330,073	7	235,577	233,069	130,216	795,838	850,431	217,259	144,367,596

2015	Land & Buildings	Steam generating units	Gas generating units	Diesel generating units	Wind generating units	Computers	Vehicles	Equipment	Tools	Furniture & office equipment	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:											
At 1 January 2015	128,063,593	397,697,527	196,074,799	274,000	425,407	1,496,720	2,076,080	4,332,464	2,019,132	1,383,941	733,843,663
Additions	-	176,710	-	-	-	85,059	99,008	258,789	175,493	44,276	839,335
Transfers from projects in progress	183,874	397,172	-	-	-	-	-	76,444	-	-	657,490
Disposals	(158,586)	-	(7,630,000)	(251,984)	-	-	(22,805)	-	-	-	(8,063,375)
At 31 December 2015	128,088,881	398,271,409	188,444,799	22,016	425,407	1,581,779	2,152,283	4,667,697	2,194,625	1,428,217	727,277,113
Accumulated depreciation:											
At 1 January 2015	94,650,654	304,693,440	146,038,320	273,979	170,924	1,127,989	1,968,212	3,505,734	1,012,449	1,132,511	554,574,212
Depreciation for the year	4,206,384	11,157,049	4,844,189	-	9,453	132,583	35,455	238,754	244,069	52,948	20,920,884
Disposals	(66,076)	-	(7,629,996)	(251,980)	-	-	(22,793)	-	-	-	(7,970,845)
At 31 December 2015	98,790,962	315,850,489	143,252,513	21,999	180,377	1,260,572	1,980,874	3,744,488	1,256,518	1,185,459	567,524,251
Net book value at 31 December 2015	29,297,919	82,420,920	45,192,286	17	245,030	321,207	171,409	923,209	938,107	242,758	159,752,862

(4) Projects In Progress

Movement on the projects in progress is as follows:

	2016	2015
	JD	JD
At 1 January	1,470,666	519,204
Additions	1,679,873	1,608,952
Transferred to property, plant and equipment	(1,745,691)	(657,490)
At 31 December	1,404,848	1,470,666

The estimated cost to complete the projects in progress as of 31 December 2016 is approximately JD 564,176.

(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 interest 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:

	2016	2015
	JD	JD
Current assets	825,491	997,433
Non-current assets	334,743	440,220
Current liabilities	(46,806)	(282,345)
Equity	1,113,428	1,155,308
Proportion of the Company's ownership	50%	50%
Carrying amount of the investment	556,714	577,654

	2016	2015
	JD	JD
Revenue	327,468	560,530
Cost of sales	(224,094)	(261,682)
Administrative expenses	(115,788)	(164,311)
Other expenses, net	(29,466)	(58,261)
(Loss) profit for the year	(41,880)	76,276
Company's share of (loss) profit for the year	(20,940)	38,138

(7) Income Tax

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

	2016			2015		
	Aqaba	Other locations	Total	Aqaba	Other locations	Total
	JD	JD	JD	JD	JD	JD
Profit before income tax	7,205,088	1,763,251	8,968,339	7,133,020	9,714,469	16,847,489
Non-taxable income	(3,721,319)	(5,885,831)	(9,607,150)	(3,996,170)	(2,572,782)	(6,568,952)
Non-deductible expenses	6,559,045	5,045,098	11,604,143	3,843,047	3,104,315	6,947,362
Accumulated tax losses	-	-	-	-	(2,178,075)	(2,178,075)
Taxable income	10,042,814	922,518	10,965,332	6,979,897	8,067,927	15,047,824
Statutory income tax rate	5%	24%		5%	24%	
Income tax expense for the year	(502,141)	(221,405)	(723,546)	(348,995)	(1,936,302)	(2,285,297)
Change of law effect (Implementation Agreement)*	-	-	-	-	922,140	922,140
Deferred tax	284,818	(754,609)	(469,791)	(168,029)	(762,562)	(930,591)
Net tax expense	(217,323)	(976,014)	(1,193,337)	(517,024)	(1,776,724)	(2,293,748)

*As a result of the new tax law that became effective as of 1 January 2015, the Company recorded an amount of JD 922,140 due from the Government of Jordan as of 31 December 2015 in accordance with the Implementation Agreement (Note 10).

Income tax expense appears in the statement of profit or loss consist of the following:

	2016	2015
	JD	JD
Current year income tax expense	(723,546)	(2,285,297)
Change of law effect (Implementation Agreement)	-	922,140
Deferred tax:		
Reversal of deferred tax assets relating to prior years losses	-	(707,861)
Deferred tax assets relating to employees' end-of-service indemnity provision	(456,612)	70,032
Deferred tax liabilities relating to temporary taxable differences arising from depreciation	-	(151,457)
Deferred tax assets relating to temporary taxable differences arising from unrealized gain of the cash flows hedging	(153,914)	(80,969)
Deferred tax assets relating to the exchange differences arising from the revaluation of loans in foreign currencies	140,735	(60,336)
Income tax expense reported in the statement of profit or loss	(1,193,337)	(2,293,748)

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

Relating to actuarial losses (gains)	10,232	(95,181)
Relating to cash flow hedges (gains) losses	(25,480)	25,480
	(15,248)	(69,701)

The Company has provided for income tax for the year ended 31 December 2016 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 2015. The Income and Sales Tax Department has not reviewed the records up to the date of the financial statements. CEGCO reached a final settlement with Income and Sales Tax Department for all the locations other than Aqaba for the years up to 2014.

CEGCO submitted its tax returns for Aqaba location for the years up to 2015. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority reviewed the records of Aqaba location for the years up to 2013. CEGCO reached final settlement with Income and Sales Tax Department with respect to Aqaba location for the years up to 2013.

Deferred tax assets movement is as follows:

	2016	2015
	JD	JD
At 1 January	1,568,943	2,412,073
Transferred from income tax provision	-	5,705
Relating to actuarial losses (gains)	10,232	(95,181)
Relating to cash flow hedges (gains)	(179,394)	(55,489)
Relating to temporary differences in employees' end of service indemnity	(456,612)	70,032
Relating to temporary differences in loans revaluation	140,735	(60,336)
Released from deferred tax assets (other locations)	-	(707,861)
At 31 December	1,083,904	1,568,943

Deferred tax liabilities movement is as follows:

	2016	2015
	JD	JD
At 1 January	151,457	-
Relating to temporary taxable differences arising from depreciation	-	151,457
Transferred to income tax provision	(151,457)	-
At 31 December	-	151,457

Movement on the income tax provision is as follows:

	2016	2015
	JD	JD
At 1 January	2,669,364	758,427
Transferred to deferred tax assets	-	5,705
Transferred from deferred tax liability	151,457	-
Provided for during the year	723,546	2,285,297
Paid during the year	(3,473,253)	(380,065)
At 31 December	71,114	2,669,364

(8) Strategie Fuel Inventories

	2016	2015
	JD	JD
Heavy fuel inventory	9,207,532	7,998,427
Diesel inventory	5,934,135	6,015,654
	15,141,667	14,014,081

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

	2016	2015
	JD	JD
Spare parts, net*	23,487,007	25,294,826
General materials, net*	257,268	265,535
Materials in transit	171,054	377,552
Others	38,324	33,931
	23,953,653	25,971,844

* Spare parts and general materials are presented net of its related provision for slow moving inventories amounting to JD 2,179,381 (2015: JD 2,789,352).

(10) Other Current Assets

	2016	2015
	JD	JD
Jordan Valley Authority	94,444	81,658
Jordan Petroleum Refinery Company	304,031	351,681
Government of Jordan (Note 7)	-	922,140
Al Zarqa Power Plant for Energy Generation	286,300	11,012
Aqaba Development Corporation	259,250	-
Other receivables	322,031	476,473
	1,266,056	1,842,964
Allowance for doubtful debts	(94,395)	(94,395)
	1,171,661	1,748,569
Prepaid expenses	823,105	408,360
Refundable deposits	23,990	23,990
Employees' receivables	610,807	1,009,855
Employees' insurance claims	19,215	7,435
	2,648,778	3,198,209

As at 31 December 2016 and 2015, other receivables at a nominal value of JD 94,395 were impaired and fully provided for.

As at 31 December, the aging of unimpaired other receivables is as follow:

	Total	Past due but not impaired			
		< 30 days	30 – 90 days	91 – 120 days	>120 days
	JD	JD	JD	JD	JD
2016	1.171,661	59,773	158,901	21,122	931,865
2015	1,748,569	21,303	175,278	88,524	1,463,464

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

(11) Accounts Receivable

	2016	2015
	JD	JD
National Electric Power Company – Power generation revenues	67,384,752	62,082,615
National Electric Power Company – Other	162,936	272,037
	67,547,688	62,354,652
Allowance for doubtful debts	(22,256,064)	(20,776,243)
	45,291,624	41,578,409

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

	Total	Neither past due nor impaired	Past due but not impaired < 30 days	Past due but not impaired > 30 days
	JD	JD	JD	JD
2016	45,291,624	24,759,678	1,921,716	18,610,230
2015	41,578,409	26,336,938	3,970,071	11,271,400

Movement on the allowance for doubtful debts is as follow:

	2016	2015
	JD	JD
At 1 January	20,776,243	18,895,450
Charge for the year	1,479,821	1,880,793
At 31 December	22,256,064	20,776,243

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. This dispute affects the Company's collectability of NEPCO's receivables. The total disputed amount is JD 33,979,453. Parties commenced arbitration procedures in Switzerland. The Company's management believe that no additional provision is needed other than what has already been recognized in the financial statements.

(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 10 April 2016 the General Assembly approved the Board of Directors recommendation to distribute dividends for an amount of JD 30,000,000 to the shareholders from the voluntary reserve and retained earnings with an amount of JD 15,000,000 and JD 15,000,000, respectively.

(13) Loans

	Currency	2016		2015	
		Loan Installments		Loan Installments	
		Current Portion	Long-term Portion	Current Portion	Long-term Portion
		JD	JD	JD	JD
Japanese loan 1	JPY	1,352,126	9,464,885	1,306,042	10,448,333
Japanese loan 2	JPY	3,209,006	27,276,554	3,099,634	29,446,519
Arab Fund loan 1	KWD	1,331,432	665,658	1,331,432	1,997,090
Arab Fund loan 2	KWD	3,448,400	3,681,400	3,448,400	7,129,800
Italian Soft loan	Euro	118,390	769,549	123,555	926,666
French Protocol loan	Euro	-	-	73,277	-
Standard Chartered loan 1	USD	14,200,000	28,400,000	14,200,000	42,600,000
Standard Chartered loan 2	USD	-	7,100,000	-	7,100,000
		23,659,354	77,358,046	23,582,340	99,648,408
Less: Directly attributable transaction costs*		(487,337)	(352,584)	(698,865)	(839,921)
		23,172,017	77,005,462	22,883,475	98,808,487

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.

French Protocol Loan

On 28 November 2006, the Company was re-granted a loan from the Government of the Hashemite Kingdom of Jordan represented by the Ministry of Planning and International Cooperation for an amount of Euro 12,581,618 at an annual interest rate of 1%. The loan is based on the original agreement between the Government and the Financial Protocol between the Government of the Hashemite Kingdom of Jordan and the Government of The French Republic dated 13 January 1994.

The loan was repayable over 20 equal semiannual installments, the last of which full due and was paid during 2016.

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
2018	26,776,577
2019	22,429,524
2020	4,679,524
2021	4,679,524
2022	4,679,524
2023	4,679,524
2024	4,620,326
2025	3,209,006
2026	1,604,517
	77,358,046

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

The movement on employees' end-of-service indemnity provision is as follow:

	2016	2015
	JD	JD
Balance at 1 January	8,232,848	8,150,968
Provision for the year	1,041,731	1,060,894
Paid during the year	(3,461,135)	(401,067)
Actuarial loss (gain)	190,674	(577,947)
Balance at 31 December	6,004,118	8,232,848

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

	2016	2015
	JD	JD
Interest cost	537,842	533,032
Cost of current service	503,889	527,862
	1,041,731	1,060,894

The principal actuarial assumptions used:	2016	2015
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 2016 and 2015:

	Discount rate		Resignation rate		Mortality rate	
	Rate	Increase (decrease)	Rate	Increase (decrease)	Rate	Increase (decrease)
2016	+ 1	(686,843)	+ 1	(1,703)	+ 20	449
	- 1	810,509	- 1	4,948	- 20	(446)
2015	+ 1	(842,667)	+ 1	15,856	+ 20	1,487
	- 1	989,200	- 1	(13,149)	- 20	(1,488)

(15) Decommissioning Provision

The decommissioning provision of JD 2,169,400 at 31 December 2016 primarily represent the net present value of the estimated expenditure discounted at a rate of 6.5% (2015: 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 is as follow:

	2016	2015
	JD	JD
Balance at 1 January	2,037,000	1,913,000
Unwinding of discount during the year (Note 24)	132,400	124,000
Balance at 31 December	2,169,400	2,037,000

(16) Other Current Liabilities

	2016	2015
	JD	JD
Accrued interest expense	682,602	793,746
Accrued expenses	547,100	910,442
Employees' vacations provision*	494,340	598,562
Employees' termination benefits provision*	46,000	-
Employees' payables	71,730	112,526
Contractors payable	49,920	57,597
Board of directors remuneration	35,000	35,000
Others	2,447,140	2,816,760
	4,373,832	5,324,633

* Movement on provisions is as follows:

2016	Employees' vacations provision	Employees' termination benefits provision**
	JD	JD
Balance at 1 January	598,562	-
Provision for the year	92,548	4,992,626
Paid during the year	(196,770)	(4,946,626)
Balance at 31 December	494,340	46,000

2015	Employees' vacations provision	Employees' termination benefits provision**
	JD	JD
Balance at 1 January	631,874	-
Reversal during this year	(7,786)	-
Paid during the year	(25,526)	-
Balance at 31 December	598,562	-

** Based on board of directors decision dated 24 April 2016, the Company offered its' employees a voluntary compensation package for those who are willing to resign. Accordingly, a provision of JD 4,992,626 was provided for and payments made during the year were amounted to JD 4,946,626 as 31 December 2016.

(17) Accounts Payable

	2016	2015
	JD	JD
Jordan Petroleum Refinery Company (JPRC)	7,727,683	16,656,213
National Petroleum Company	1,461,405	1,423,928
	9,189,088	18,080,141

(18) Derivative Financial Instrument

The details of the derivative financial instruments at 31 December 2016 and 31 December 2015 are as follow:

31 December 2016	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,472,443	5,080,514	6,552,957
Interest rate swaps contracts**	581,220	455,965	1,037,185
	2,053,663	5,536,479	7,590,142

31 December 2015	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,949,172	7,347,045	9,296,217
Interest rate swaps contracts**	595,212	852,440	1,447,652
	2,544,384	8,199,485	10,743,869

* CEGCO loans with Overseas Economic Cooperation Fund (Japan) are in JPY. To mitigate its exposure to fluctuations in currency rates, the Company entered into 10 forward contracts during the years 2011 to 2013. During the first half of 2015 the Company entered into two new forward contracts that effectively fix the currency rate for four installments for each loan.

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

The negative fair value of the currency forward contracts amounted to JD 6,552,957 as of 31 December 2016 and was recorded as current and non-current liability in the statement of financial position.

The cash flow hedges were assessed to be highly effective and an unrealized loss of JD 335,042 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 sixteen interest rate swap contracts that effectively fix the interest rate on 90% of its term loan with Standard Chartered.

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

The negative fair value of the interest rate swaps amounted to JD 1,037,185 was recorded as current and non-current liability in the statement of financial position as of 31 December 2016.

The cash flow hedges were assessed to be highly effective and an unrealized gain of JD 410,467 as of 31 December 2016 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:

	2016	2015
	JD	JD
Stations capacity revenue	69,784,172	80,801,173
Power revenue	5,943,005	7,790,686
Fuel cost according to the pricing formula	65,867,576	363,773,356
Less: Others	(119,562)	(447,738)
Additional costs (Imported energy)	(3,821,619)	(4,905,059)
	137,653,572	447,012,418

(20) Stations Operating Costs

	2016	2015
	JD	JD
Cost of fuel	65,867,576	363,773,356
Other costs	8,216,755	9,980,504
	74,084,331	373,753,860

(21) Administrative Expenses

	2016	2015
	JD	JD
Salaries and wages	2,826,943	3,091,488
Employees benefits	4,349,227	4,583,809
Employees' accrued vacation costs	92,548	-
Insurance	1,815,375	2,580,369
Office supplies and expenses	1,377,296	1,608,231
Donations	157,963	154,641
Employees housing expenses, net	235,494	244,210
Consultancy fees	507,259	238,771
Other	617,013	238,274
	11,979,118	12,739,793

(22) Maintenance Expenses

	2016	2015
	JD	JD
Salaries and wages	3,810,049	4,146,965
Maintenance materials and expert's wages	6,049,053	7,476,629
	9,859,102	11,623,594

(23) Other Income, Net

	2016	2015
	JD	JD
Damage compensation	-	61,920
Reimbursement of tanks insurance	1,104,100	-
Gain on sale of decommissioned units' - fuel	-	1,154,697
Gain on disposal of property, plant and equipment	152,643	182,134
King Talal Dam revenues	153,068	150,930
Handling charges	229,884	-
Reimbursement of dismantling costs	581,233	-
Tenders and purchase orders fines	28,465	6,293
Sale of distilled water	6,580	26,580
Others, net	186,505	72,920
	2,442,478	1,655,474

(24) Finance Costs, net

	2016	2015
	JD	JD
Term loans interest expense	6,734,803	7,388,700
Bank overdraft interest expense	831,909	-
Unwinding of discount (Note 15)	132,400	124,000
Interest income	(48,988)	(408,169)
	7,650,124	7,104,531

(25) Earnings Per Share

	2016	2015
	JD	JD
Profit for the year (JD)	7,775,002	14,553,741
Weighted average number of shares (Share)	30,000,000	30,000,000
Basic earnings per share (JD)*	0.259	0.485

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

(26) Foreign Currency Exchange (Loss) Gain, net

	2016	2015
	JD	JD
Unrealized gains	1,717,164	2,833,833
Realized losses	(2,290,690)	(2,783,673)
	(573,526)	50,160

(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:

	2016	2015
	JD	JD
Power sales to the National Electric Power Company (Government of Jordan)	137,647,996	447,004,868
Purchases of gas from the National Petroleum Company (Government of Jordan)	5,822,089	6,146,188
Services provided to Enara Energy Investment	55,740	62,775
Services provided to The Local Company for Water and Solar Projects ***	20,287	-
Services provided to ACWA Power Maroc. Sarl	231	-
Services provided to ACWA Power International Company for Water and Power Projects – Dubai	728	-
Services provided to Red Sea Energy (Jordan)	5,387	-
Services provided to ACWA Power Jordan Holdings	9,550	-
Services provided to Al Zarqa Power Plant for Energy Generation *	500,213	-
Services provided to ACWA Power Company **	48,211	16,671
Services provided by Enara Energy Investment	32,914	16,290
Services provided by ACWA Power International Company for Water and Power Projects – Dubai	10,332	-
Services provided by ACWA Power Global Services LLC	16,512	-
Services provided by ACWA Power Company / Riyadh	58,776	130,483
Board of Directors remuneration and transportation	77,000	77,000

* On 21 December 2015, the Company entered into a 25 years' land operating lease with Al Zarqa Power Plant for Energy Generation for an annual rent of JD 50,000. Furthermore, on 20 May 2016, the Company entered into service and operating and maintenance agreement with Al Zarqa Power Plant for Energy Generation.

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

*** On 13 November 2016, the Company entered into operation and maintenance agreement with The Local Company for Water and Solar Projects

Balances with related parties are as follows:

Amounts due from related parties:	2016	2015
	JD	JD
National Electric Power Company - Government of Jordan*	45,291,624	41,578,409
The Local Company for Water and Solar Projects	20,287	-
ACWA Power / Maroc. SARL	231	-
Red Sea Energy	5,387	-
ACWA Power Jordan Holdings	9,550	-
Al Zarqa Power Plant for Energy Generation	286,300	11,012
Enara Energy Investments	-	37,630
Government of Jordan	-	922,140
	45,613,379	42,549,191

* This balance is net of allowance for doubtful debts of JD 22,256,046 as of 31 December 2016 (2015: JD 20,776,243).

Amounts due to related parties:	2016	2015
	JD	JD
National Petroleum Company - Government of Jordan	1,461,405	1,423,928
Enara Energy Investments	6,024	-
ACWA Power International Company for Water and Power Projects – Dubai	9,604	-
ACWA Power Global Services LLC	16,512	-
ACWA Power International company for water and power – Riyadh	45,351	75,684
	1,538,896	1,499,612

Compensation of key management personnel	2016	2015
	JD	JD
Salaries	810,886	614,743
Benefits (traveling)	7,500	6,050
	818,386	620,793

(28) Cash and Cash Equivalents

	2016	2015
	JD	JD
Bank deposits	-	1,014,823
Cash at banks	22,973	11,217,082
Cash on hand	7,955	12,360
	30,928	12,244,265

* For the year ended 31 December 2016, bank deposits earned interest rate between 1.5% to 2% (2015: 1.5% to 2.65%).

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:

	2016	2015
	JD	JD
Banks deposits	-	1,014,823
Cash at banks	22,973	11,217,082
Cash on hand	7,955	12,360
	30,928	12,244,265
Less: due to banks (Note 29)	(35,814,375)	-
	(35,783,447)	12,244,265

(29) Due to Banks

This balance represents credit facilities from the Arab Jordan Investment Bank with a ceiling of JD 14,000,000 and interest rate of 5%, facilities from Cairo Amman Bank with a ceiling of JD 16,000,000 and interest rate of 5%, and facilities from Bank of Jordan with a ceiling of JD 20,000,000 with an interest rate of 5%. and facilities from Etihad Bank with a ceiling of JD 12,000,000 with an interest rate of 6.5% and facilities from Arab Banking Corporation Bank with a ceiling of JD 7,000,000 with an interest rate of 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 2016 and 2015. The information is presented to facilitate the income tax review as the Company is subject to different tax rates on Aqaba's operation.

	2016		
	Aqaba	Other locations	Total
	JD	JD	JD
Power generation revenues	104,001,286	33,652,286	137,653,572
Stations operating costs	(63,809,203)	(10,275,128)	(74,084,331)
Depreciation	(12,609,902)	(4,622,109)	(17,232,011)
Administrative expenses	(7,238,898)	(4,740,220)	(11,979,118)
Maintenance expenses	(4,567,063)	(5,292,039)	(9,859,102)
Provision for slow moving inventories	(1,454,255)	(725,126)	(2,179,381)
Employees' end-of-service indemnity provision	(482,490)	(559,241)	(1,041,731)
Employees' termination benefits provision	(1,900,849)	(3,091,777)	(4,992,626)
Total operating costs	(92,062,660)	(29,305, 640)	(121,368,300)
Operating profit	11,938,626	4,346,646	16,285,272
Foreign currency exchange loss, net	(572,298)	(1,228)	(573,526)
Share of loss of an associate	-	(20,940)	(20,940)
Provision for doubtful debts	(1,157,088)	(322,733)	(1,479,821)
Board of directors remuneration	(26,362)	(8,638)	(35,000)
Other income, net	2,080,460	362,018	2,442,478
Finance costs, net	(5,058,250)	(2,591,874)	(7,650,124)
Profit before income tax	7,205,088	1,763,251	8,968,339
Income tax expense	(217,323)	(976,014)	(1,193,337)
Profit for the year	6,987,765	787,237	7,775,002

	2015		
	Aqaba	Other locations	Total
	JD	JD	JD
Power generation revenues	270,405,923	176,606,495	447,012,418
Stations operating costs	(230,505,767)	(143,248,093)	(373,753,860)
Depreciation	(15,099,510)	(5,821,374)	(20,920,884)
Administrative expenses	(6,397,157)	(6,342,636)	(12,739,793)
Maintenance costs	(3,663,252)	(7,960,342)	(11,623,594)
Provision for slow-moving inventories	(1,228,691)	(1,560,661)	(2,789,352)
Employees' end-of-service indemnity provision	(459,613)	(601,281)	(1,060,894)
Total operating costs	(257,353,990)	(165,534,387)	(422,888,377)
Operating profit	13,051,933	11,072,108	24,124,041
Foreign currency exchange gain ,net	26,715	23,445	50,160
Share of profit of an associate	-	38,138	38,138
Provision for doubtful debts	(1,338,093)	(542,700)	(1,880,793)
Board of directors remuneration	(17,504)	(17,496)	(35,000)
Other income, net	210,755	1,444,719	1,655,474
Finance costs , net	(4,800,786)	(2,303,745)	(7,104,531)
Profit before income tax	7,133,020	9,714,469	16,847,489
Income tax expense	(517,024)	(1,776,724)	(2,293,748)
Profit for the year	6,615,996	7,937,745	14,553,741

(31) Commitments And Contingencies

Letters of credit and bills of collection

At 31 December 2016, the Company had outstanding letters of credit and bills of collection amounting to JD 3,088,783 (2015: JD 4,184,166).

Letters of guarantee

At 31 December 2016, the Company had outstanding letters of guarantee amounting to JD 58,895 (2015: JD 21,339).

Capital commitments

The Company entered into commitments in the ordinary course of business for major capital expenditures. Capital expenditures commitments are JD 564,176 as at 31 December 2016 (2015: JD 1,362,113).

Legal claims

The Company is a defendant in a number of lawsuits of approximately JD 1,930,543 (2015: JD 177,706). 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 Petroleum Refinery Company (JPRC), the Company's fuel supplier, is claiming an amount of JD 568,000 as a penalty for a heavy fuel shipment that was cancelled during 2008. The Company is disputing this claim with JPRC. The outcome of this dispute is uncertain.

Furthermore, JPRC is claiming an amount of JD 94,293,587 as interest on late payment of the monthly invoices. The Fuel Supply Agreement (FSA) with JPRC stipulates that JPRC shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from the invoice date.

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

(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.

2016-	Increase (decrease) in basis points	Effect on profit before income tax
		JD
Jordanian Dinar	100	(429,144)
Jordanian Dinar	(50)	214,572

2015-	Increase (decrease) in basis points	Effect on profit before income tax
		JD
Jordanian Dinar	100	(71,000)
Jordanian Dinar	(50)	35,500

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 2016 and 2015.
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, 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 2016					
Due to banks	3,458,747	33,766,878	-	-	37,225,625
Accounts payable	9,189,088	-	-	-	9,189,088
Term loans	8,708,836	18,864,732	69,025,646	14,833,497	111,432,711
	21,356,671	52,631,610	69,025,646	14,833,497	157,847,424
At 31 December 2015					
Accounts payable	18,080,141	-	-	-	18,080,141
Term loans	8,960,705	19,771,987	92,007,803	19,343,816	140,084,311
	27,040,846	19,771,987	92,007,803	19,343,816	158,164,452

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

2016 -	Increase / decrease in the rate to the JD	Effect on profit before income tax
	%	JD
Euro	+10	(88,794)
Japanese Yen	+10	(914,678)
Kuwaiti Dinar	+10	(912,689)
Euro	-10	88,794
Japanese Yen	-10	914,678
Kuwaiti Dinar	-10	912,689

2015 -	Increase / decrease in the rate to the JD	Effect on profit before income tax
	%	JD
Euro	+10	(112,350)
Japanese Yen	+10	(763,103)
Kuwaiti Dinar	+10	(1,390,672)
Euro	-10	112,350
Japanese Yen	-10	763,103
Kuwaiti Dinar	-10	1,390,672

(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.

The fair values of financial instruments are not materially different from their carrying 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
2016				
Financial Liabilities				
Derivative financial liability	-	7,590,142	-	7,590,142
2015				
Financial Liabilities				
Derivative financial liability	-	10,743,869	-	10,743,869

(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 2016 and 2015. Capital comprises paid in capital, reserves and retained earnings and is measured at JD 69,402,596 as at 31 December 2016 (2015: JD 91,758,091).

(35) Standards Issued But Not Yet Effective

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

IFRS 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.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The amendments will be effective for annual periods beginning on or after 1 January 2017, with early application permitted. The application of amendments will result in adding limited amount of disclosure information.

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

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.

Entities may apply the amendments prospectively and are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

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

In September 2016, the IASB issued amendments to IFRS 4 to address issues arising from the different effective dates of IFRS 9 and the upcoming new insurance contracts standard (IFRS 17). The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, a temporary exemption from implementing IFRS 9 to annual periods beginning before 1 January 2021 at latest and an overlay approach that allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets.

Transfers of Investment Property (Amendments to IAS 40)

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.

Entities should apply the amendments prospectively and effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

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 nonmonetary asset or non-monetary liability arising from the advance consideration. Entities may apply the amendments on a fully retrospective or prospective basis. The new interpretation will be effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed.

Central Electricity Generating Co.
(CEGCO)

شركة توليد الكهرباء المركزية م.ع.

Ref. :

Date : 27/3/2017

الرقـم :

التاريخ : ٢٠١٧/٣/٢٧

٢١.ج. الإقرارات المطلوبـة

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 اسماعيل الشرهان

نائب الرئيس	عضو	عضو
وليم عبدالله ميخائيل وكيله	يارا بنت محمد طاهر عنبتاوي	دينا عبدالله أحمد الدباس
عضو	عضو	عضو
كاشف محبوب رانا	زياد جبرييل صبره	زيدون ممدوح ابو حلتان

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هاتف : ٥٣٤٠٠٠٨-٦-٩٦٢ مع قفز آلي
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Central Electricity Generating Co.
(CEGCO)

شركة توليد الكهرباء المركزية م.ع.

Ref. :

Date : 27/3/2017

الرقـم :

التاريخ :

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

Declaration

Attention: M/s Company's Shareholders

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

Financial Controller
Zakieh Abdel Ghani Suliman Jardaneh

Chief Executive Officer
Nadeem Rizvi Syed Rizvi

Chairman
Thamer Saud Ismail Al Sharhan

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