



Ref. : .....

Date : .....

1327

الرقم : ٦-٤-٢

التاريخ : ٦-٨-٢٠٢٠

السادة بورصة عمان

الموضوع : البيانات المالية الربعية 30-حزيران - 2020

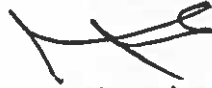
مرفق نسخة عن البيانات المالية الربعية للفترة المنتهية بتاريخ 30/حزيران /2020.

واقبلوا فائق الاحترام و التقدير ،،،

عن /الرئيس التنفيذي

د/مؤيد السمان

المدير المالي

  
علي زهير

بورصة عمان  
الدائرة الإدارية والمالية  
الديوان  
٠٦ آب ٢٠٢٠  
الرقم التسلسلي ٢٩٧٤  
٢١٤٠٢  
م.ع. بورصة عمان

**CENTRAL ELECTRICITY GENERATING COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

**30 JUNE 2020**



Building a better  
working world

Ernst & Young Jordan

P.O.Box 1140

Amman 11118

Jordan

Tel : 00 962 6580 0777/00 962 6552 6111

Fax: 00 962 6553 8300

www.ey.com/me

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF  
CENTRAL ELECTRICITY GENERATING COMPANY  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed financial statements of Central Electricity Generating Company (the "Company") as at 30 June 2020, comprising of the interim statement of financial position as at 30 June 2020, and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six-months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IAS 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity". A review of Interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan

27 July 2020

*Ernst + Young*

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Notes	30 June 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<b><u>ASSETS</u></b>			
<b>NON-CURRENT ASSETS-</b>			
Property, plant and equipment	3	88,484,697	98,623,000
Intangible Assets	3	1,230,800	-
Projects in progress	3	335,439	2,104,892
Right of use asset		1,365,001	1,430,001
Employees' housing fund loan		237,432	237,432
Investment in an associate		487,396	487,396
Deferred tax assets		1,206,136	1,455,381
Strategic fuel inventories		13,275,567	13,276,564
		<u>106,622,468</u>	<u>117,614,666</u>
<b>CURRENT ASSETS-</b>			
Inventories		13,791,971	15,548,902
Other current assets		3,764,127	2,615,174
Accounts receivable	4	85,232,367	73,303,763
Cash and bank balances	5	530,798	7,067,569
		<u>103,319,263</u>	<u>98,535,408</u>
<b>TOTAL ASSETS</b>		<u>209,941,731</u>	<u>216,150,074</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>EQUITY-</b>			
Paid in capital		30,000,000	30,000,000
Statutory reserve		7,500,000	7,500,000
Voluntary reserve		10,672,932	10,672,932
Cash flow hedge reserve		(2,437,702)	(2,488,334)
Retained earnings		6,154,496	24,384,370
<b>TOTAL EQUITY</b>		<u>51,889,726</u>	<u>70,068,968</u>
<b>LIABILITIES-</b>			
<b>NON-CURRENT LIABILITIES-</b>			
Long term loans		22,843,842	25,142,662
Leases liabilities		1,164,526	1,121,590
Employees' end-of-service indemnity provision		5,494,147	5,679,783
Decommissioning provision		2,704,465	2,620,635
Derivative financial liability	6	778,848	778,411
		<u>32,985,828</u>	<u>35,343,081</u>
<b>CURRENT LIABILITIES-</b>			
Current portion of long-term loans		5,058,148	5,012,536
Other current liabilities		8,016,501	6,062,339
Leases liabilities		181,734	181,734
Accounts payable	4	63,372,593	60,760,401
Derivative financial liability	6	1,136,384	1,655,490
Due to banks	5	45,909,306	35,185,551
Income tax provision	7	1,391,511	1,879,974
		<u>125,066,177</u>	<u>110,738,025</u>
<b>Total Liabilities</b>		<u>158,052,005</u>	<u>146,081,106</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>209,941,731</u>	<u>216,150,074</u>

The attached notes from 1 to 14 form part of these interim condensed financial statements

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE- AND SIX-MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2020	2019	2020	2019
		JD	JD	JD	JD
Power generation revenues		14,962,085	18,581,662	29,859,955	36,129,296
Fuel cost		(3,454,593)	(2,482,562)	(6,888,632)	(4,824,287)
Operating Cost		(152,410)	(215,134)	(240,733)	(388,263)
Depreciation and Amortization		(5,392,848)	(3,150,162)	(10,622,428)	(6,291,595)
Depreciation of right of use assets		(32,501)	(45,433)	(65,000)	(90,867)
Salaries Benefit & Allowances		(3,140,678)	(3,613,980)	(6,360,391)	(7,314,352)
Maintenance costs		(330,853)	(408,178)	(591,491)	(913,352)
Administrative expenses		(953,517)	(927,863)	(1,520,418)	(1,477,045)
Depreciation of Slow-moving Spare parts and General Material		(856,772)	(670,108)	(1,786,772)	(1,224,442)
Employees' end-of-service indemnity provision		(163,557)	(181,943)	(324,501)	(362,269)
<b>Total operating costs</b>		<b>(14,477,729)</b>	<b>(11,695,363)</b>	<b>(28,400,366)</b>	<b>(22,886,472)</b>
<b>OPERATING PROFIT</b>		<b>484,356</b>	<b>6,886,299</b>	<b>1,459,589</b>	<b>13,242,824</b>
Foreign currency exchange loss, net		(458,279)	(634,524)	(610,878)	(647,211)
Provision for expected credit losses		-	6,225	-	-
Other income, net		1,644,764	1,268,137	3,051,220	2,599,924
Finance costs, net		(772,650)	(1,430,081)	(1,474,802)	(2,963,317)
<b>PROFIT BEFORE INCOME TAX</b>		<b>898,191</b>	<b>6,096,056</b>	<b>2,425,129</b>	<b>12,232,220</b>
Income tax expense	7	(324,496)	125,862	(655,003)	(363,185)
<b>PROFIT FOR THE PERIOD</b>		<b>573,695</b>	<b>6,221,918</b>	<b>1,770,126</b>	<b>11,869,035</b>
<b>Other comprehensive income items to be reclassified to profit or loss in subsequent periods (net of tax):</b>					
gain (Loss) on cash flow hedges		117,565	(36,607)	50,632	(227,119)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>691,260</b>	<b>6,185,311</b>	<b>1,820,758</b>	<b>11,641,916</b>
		JD / Fils	JD / Fils	JD / Fils	JD / Fils
Basic and diluted earnings (loss) per share		0/019	0/207	0/059	0/396

**The attached notes from 1 to 14 form part of these interim condensed financial statements**

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	Paid in capital		Statutory reserve		Voluntary reserve		Cash flow hedge reserve		Retained earnings		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the six months ended 30 June 2020 -</b>												
Balance at 1 January 2020	30,000,000		7,500,000	10,672,932	(2,488,334)	24,384,370	70,068,968					
Total comprehensive income for the period	-		-	50,632	1,770,126	1,820,758						
Dividends payments (Note 9)	-		-	-	(20,000,000)	(20,000,000)						
<b>Balance at 30 June 2020</b>	<b>30,000,000</b>		<b>7,500,000</b>	<b>10,672,932</b>	<b>(2,437,702)</b>	<b>6,154,496</b>	<b>51,889,726</b>					
<b>For the six months ended 30 June 2019 -</b>												
Balance at 1 January 2019	30,000,000		7,500,000	10,672,932	(2,398,715)	3,000,351	48,774,568					
Total comprehensive income for the period	-		-	(227,119)	11,869,035	11,641,916						
<b>Balance at 30 June 2019</b>	<b>30,000,000</b>		<b>7,500,000</b>	<b>10,672,932</b>	<b>(2,625,834)</b>	<b>14,869,386</b>	<b>60,416,484</b>					

The attached notes from 1 to 14 form part of these interim condensed financial statements

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2020 (UNAUDITED)**

	For the six-months period ended 30 June		
	Note	2020 JD	2019 JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit before income tax		2,425,129	12,232,220
<b>Adjustments for:</b>			
Depreciation and Amortization		10,622,428	6,291,595
Depreciation of right of use asset		65,000	90,867
Interest on lease obligation		42,936	-
Depreciation of Slow-moving Spare parts and General Materials		1,786,772	1,224,442
Provision for decommissioned unit		83,830	-
Employees' end-of-service indemnity provision		324,501	362,269
Provision for employees' vacations		158,835	68,346
Loss from foreign currency exchange-net		610,878	647,211
Employees termination benefits provision		12,000	-
Gain from sale of decommissioned units		-	(8,943)
Gain on sale of property, plant and equipment		(11,250)	(22,026)
Interest income		(427)	(1,212)
Finance costs		1,348,463	2,964,529
<b>Working capital changes:</b>			
Accounts receivable		(11,928,604)	337,990
Other current assets		(1,091,924)	(1,492,480)
Inventories		(28,844)	276,579
Accounts payable		2,612,192	(1,388,975)
Other current liabilities		2,929,593	(222,586)
Employee's end-of-service indemnity provision paid		(510,137)	(882,782)
Employee's vacations provision paid		(47,959)	(62,611)
Provisions and other fees paid		(77,676)	(551,729)
Employees termination benefits provision, paid		(1,002,000)	(2,170,000)
Income tax paid		(894,221)	(814,028)
<b>Net cash flows from operating activities</b>		<b>7,429,515</b>	<b>16,878,676</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property, plant and equipment, and projects in progress		(2,500)	(393,583)
Proceed from sale of property, plant and equipment		11,250	22,487
Proceed from sale of decommissioned units		-	8,943
Interest received		427	1,212
<b>Net cash flows from (used in) investing activities</b>		<b>9,177</b>	<b>(360,941)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Dividends paid		(20,000,000)	-
Repayments of loans		(3,334,116)	(23,143,798)
Interest paid		(1,367,094)	(3,034,788)
<b>Net cash flows used in financing activities</b>		<b>(24,701,210)</b>	<b>(26,178,586)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(17,262,518)</b>	<b>(9,660,851)</b>
Effect of foreign exchange rate changes on cash and cash equivalents		1,992	12,362
Cash and cash equivalents at 1 January		(28,117,982)	(46,178,585)
<b>CASH AND CASH EQUIVALENTS AT 30 June</b>	5	<b>(45,378,508)</b>	<b>(55,827,074)</b>

The attached notes from 1 to 14 form part of these interim condensed financial statements

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020 (UNAUDITED)**

---

**1. GENERAL**

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

The Company was registered with the Ministry of Industry and Trade on 12 February 1998 as a public shareholding company under number (334) with paid in capital of JD 30,000,000 divided into 30,000,000 shares at a per value of JD 1 per share. The Company 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. And in connection with the privatization and sale process, the company has signed on 20 September 2007 three new Power Purchase Agreements (PPA’s) for three locations, Aqaba, Rehab and Risha with its sole customer, the National Electricity Company (NEPCO).

The interim condensed financial statements for the six months period ended 30 June 2020 were authorized for issuance by the Company’s Board of Directors in their meeting held on 27 July 2020.

**2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

The interim condensed financial statements for the six months period ended 30 June 2020 have been prepared in accordance with International Accounting Standard No. (34) “Interim Financial Reporting”.

The interim condensed financial statements do not contain all the information and disclosures that are required by the International Financial Reporting Standards (IFRSs) for preparing the annual financial statements and should be read in conjunction with the Company’s annual report as at 31 December 2019. Furthermore, the results of operations for the six months period ended 30 June 2020 do not necessarily reflect the expected results of operations for the year ending 31 December 2020.



### CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2019 except for the adoption of new standards effective as of 1 January 2020 shown below:

#### **Amendments to IFRS 3: Definition of a Business**

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

The amendments are applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, the Company did not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

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

#### **Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7**

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

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020 (UNAUDITED)**

---

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

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

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

**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. 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 for 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. Starting January 1, 2020, management changed the estimated remaining useful lives of its power units to match the expected remaining production period of these units. This change resulted in an increase in depreciation expense for the six months ended 30 June 2020 that amounted to JD 4,059,534.

**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.

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020 (UNAUDITED)**

**3. PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND PROJECT IN PROGRESS**

Additions to property, plant and equipment and projects in progress amounted to JD 2,500 during the six months ended 30 June 2020 (30 June 2019: JD 393,583).

During the six-month period ending 30 June 2020, an amount of JD 369,733 was capitalized from project under progress to property and equipment, and an amount of JD 1,342,691 was capitalized from projects under progress to intangible assets.

**4. ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE**

The accounts receivable balance represents amount due from National Electric Power Company (NEPCO). In accordance with the Purchase Power Agreements signed with NEPCO, NEPCO is liable to pay all the cost of fuel and gas used in power generation to Jordan Petroleum Refinery Company (JPRC) and National Petroleum Company (NPC). Accordingly, accounts receivable from NEPCO include an amount of JD 63,372,593 as at 30 June 2020 to offset accounts payable to JPRC with an amount of JD 57,568,924 and to NPC with an amount of JD 5,803,669.

**5. CASH AND CASH EQUIVALENTS**

	<u>30 June 2020</u>	<u>30 June 2019</u>
	JD	JD
Cash at banks*	512,385	69,662
Cash on hand	18,413	-
	<u>530,798</u>	<u>69,662</u>
Less: due to banks	<u>(45,909,306)</u>	<u>(55,896,736)</u>
	<u>(45,378,508)</u>	<u>(55,827,074)</u>

\* For the period ended 30 June 2020, banks earned interest rate of 1% (For the period ended 30 June 2019 1%).

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020 (UNAUDITED)**

**6. DERIVATIVE FINANCIAL INSTRUMENTS**

The details of the derivative financial instruments at 30 June 2020 and 31 December 2019 are as follows:

	30 June 2020 (Unaudited)		
	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,136,384	778,848	1,915,232
	<u>1,136,384</u>	<u>778,848</u>	<u>1,915,232</u>
	31 December 2019 (Audited)		
	Current	Non-current	Total
	JD	JD	JD
Currency forward contracts*	1,655,490	778,411	2,433,901
	<u>1,655,490</u>	<u>778,411</u>	<u>2,433,901</u>

\* Loans with Overseas Economic Cooperation Fund (Japan) are denominated in JPY. To mitigate its exposure to fluctuations in currency rates, the Company entered into forward contracts.

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

The negative fair value of the currency forward contracts amounted to JD 1,915,232 as of 30 June 2020 and was recorded as a current and non-current liability in the interim condensed statement of financial position.

The cash flow hedges were assessed to be highly effective and a cumulative unrealized gain of JD 50,632 has been included in the interim condensed statement of comprehensive income.

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020 (UNAUDITED)**

**7. INCOME TAX**

The Company has provided for income tax for the periods ended 30 June 2020 and 30 June 2019 in accordance with Income Tax Law No. (34) of 2014 amended by Income Tax Law No. (38) of 2018, and in accordance with Aqaba Special Economic Zone Law No. (32) of 2000 for the Company's location in Aqaba.

Income tax expense presented in the interim condensed statement of comprehensive income consist of the following:

	For the six-months period ended 30 June (Unaudited)	
	2020	2019
	JD	JD
Income tax expense for the period	405,758	1,097,930
Amounts released from deferred tax assets	249,245	(734,745)
	<u>655,003</u>	<u>363,185</u>

Movement on the income tax provision was as follows:

	30 June 2020 (Unaudited)	31 December 2019 (Audited)
At 1 January	1,879,974	712,456
Income tax expense for the period / year	405,758	2,775,405
Adjustments	-	(424,664)
Income tax paid	<u>(894,221)</u>	<u>(1,183,223)</u>
At the end of the period / year	<u>1,391,511</u>	<u>1,879,974</u>

**Aqaba-**

The Company submitted its tax returns for the years up to 2019. The Income and Sales Tax Department / Aqaba Special Economic Zone Authority reviewed the records of Aqaba location for the years up to 2017. The Company reached a final settlement with Income and Sales Tax Department with respect to Aqaba location for the years up to 2015.

**Other locations-**

The Company submitted its tax returns for the years up to 2019 except for Aqaba location. The Income and Sales Tax Department has not reviewed the Company's records up to the date of the interim condensed financial statements. The Company reached a final settlement with Income and Sales Tax Department for the years up to 2017.

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020 (UNAUDITED)**

**8. RELATED PARTY TRANSACTIONS**

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

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

<b>Amounts due from related parties:</b>	<u>30 June 2020</u> JD	<u>31 December 2019</u> JD
National Electric Power Company - Government of Jordan*	85,232,367	73,303,763
The Local Company for Water and Solar Projects	2,502	57,828
Red Sea Energy (Jordan)	-	1,000
ACWA Power Jordan Holdings	14,978	4,618
Al Zarqa Power Plant for Energy Generation Government of Jordan	1,598,957	1,145,091
	515,925	515,925
Risha Company for Solar Projects	189,513	66,484
Ministry of Energy and Mineral Resources	122,000	122,000
Ra'eda Company for Energy	1,000	1,000
	<u>87,677,242</u>	<u>75,217,709</u>

\* This balance is net of allowance for expected credit losses of JD 1,046,481 as at 30 June 2020 (2019: JD 1,046,481).

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020 (UNAUDITED)**

**8. RELATED PARTY TRANSACTIONS (CONTINUED)**

<b>Amounts due to related parties:</b>	30 June 2020	31 December 2019
	JD	JD
National Petroleum Company - Government of Jordan	5,803,669	3,191,478
Enara Energy Investments	13,881	-
ACWA Power International company for water and power – Riyadh	5,188	3,906
	<u>5,822,738</u>	<u>3,195,384</u>
<b>Interim statement of comprehensive income items:</b>	For the six months period ended 30 June (Unaudited)	
	2020	2019
	JD	JD
<b><u>Power generation revenues:</u></b>		
National Electric Power Company (Government of Jordan)	<u>29,859,955</u>	<u>36,129,296</u>
<b><u>Stations operating costs:</u></b>		
National Petroleum Company (Government of Jordan)	<u>6,888,632</u>	<u>4,824,287</u>
<b><u>Other income:</u></b>		
Enara Energy Investment	-	8,186
The Local Company for Water and Solar Projects ***	337,699	331,380
ACWA Power Jordan Holdings	7,500	85,383
Al Zarqa Power Plant for Energy Generation *	2,381,777	2,154,713
Risha Company for Solar Projects****	220,233	2,350
South Tafila Company	-	3,500
	<u>2,947,209</u>	<u>2,585,512</u>
<b><u>Administrative expenses:</u></b>		
Enara Energy Investment	9,000	21,600
ACWA Power Global Services LLC	-	2,873
ACWA Power international CO. for water & power projects -Dubai	-	26,980
ACWA Power Company / Riyadh**	1,280	8,802
Board of Directors remuneration and transportation	12,000	21,000
	<u>22,280</u>	<u>81,255</u>

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

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020 (UNAUDITED)**

**8. RELATED PARTY TRANSACTIONS (CONTINUED)**

- \*\* On 28 October 2014, the Company entered into a service agreement with ACWA Power Company (Parent Company) to obtain professional, financial, legal and technical services.
- \*\*\* On 13 November 2016, the Company entered into operation and maintenance agreement with The Local Company for Water and Solar Projects.
- \*\*\*\* On 21 November 2017, the Company entered into an agreement with Risha Company for Solar Projects to provide operation and maintenance services.

Compensation of the key management personnel (salaries, wages and other benefits) is as follows:

	For the six months period ended 30 June (Unaudited)	
	2020	2019
	JD	JD
Salaries and benefits	263,968	391,910

**9. DIVIDENDS**

In its regular meeting held on 21 May 2020 the General Assembly approved the recommendation of the Board of Directors to pay a JD 20,000,000 to the shareholders from the retained earnings.

**10. EMPLOYEES' TERMINATION BENEFITS PROVISION**

The company offered in 2019 its employees a voluntary compensation package, accordingly a provision was provided for employee's termination as of 31 December 2019 amounted to JD 3,241,194. The Company has not offered its employees a voluntary compensation package for the period ended 30 June 2020, accordingly no provision was provided for.

Movement on provision is as follows:

	30 June 2020	31 December 2019
	JD	JD
Balance at 1 January	990,000	2,240,230
Provision for the year	12,000	3,241,194
Paid during the year	(1,002,000)	(4,491,424)
Balance at 30 June	-	990,000



**11. COMMITMENTS AND CONTINGENCIES**

***Letters of credit and bills of collection –***

At 30 June 2020, CEGCO has outstanding letters of credit and bills of collection amounting to JD 331,662 (31 December 2019: JD 495,259).

***Letters of guarantee –***

At 30 June 2020, CEGCO has outstanding letters of guarantee amounting to JD 3,340,549 (31 December 2019: JD 16,800).

***Legal claims –***

The Company is a defendant in a number of lawsuits of approximately JD 1,271,718 as of 30 June 2020 (31 December 2019: JD 1,800,371). The Company's management and its independent legal counsel believe that no additional provision is needed other than what has already been recognized in the interim condensed financial statements.

***Capital commitments –***

CEGCO entered into commitments in the ordinary course of business for major capital expenditures. Capital expenditures commitments are JD 208,084 as at 30 June 2020 (31 December 2019: JD 327,126)

***Dispute with Jordan Petroleum Refinery Company (JPRC) –***

Jordan Petrol Refinery PLC is the fuel supplier ("the Supplier"), the Supplier has claimed from CEGCO an amount of JD 106,642,213 (2019: JD 104,061,399), as an interest on late payment of the monthly fuel invoices. The Fuel Supply Agreement (FSA) with the Supplier stipulates that the Supplier shall be entitled to receive interest on late payment of the unpaid invoices after 45 days from invoice. However, the FSA in Article 13.3 further provides that CEGCO shall not be liable for non-performance under the FSA and shall not be in default to the extent such non-performance or default is caused by NEPCO. Given the delay in making the fuel payments to the Supplier are caused by the delay in receipt of the fuel revenues from NEPCO (the off-taker), contractually the Supplier has no basis to claim for any delay interest from CEGCO. Hence the management and its independent legal counsel are of the view that as per the terms of the FSA signed between the Supplier and CEGCO, the Supplier has no contractual basis to claim these amounts. Accordingly, no provision has been made in these financial statements.

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020 (UNAUDITED)**

**12. SEGMENT INFORMATION**

The following tables present the interim condensed statement comprehensive income information for Aqaba and other locations for the periods ended 30 June 2020 and 2019. The information is presented to facilitate the income tax review as the company is subject to different tax rates on Aqaba's operation.

	For the six-months period ended 30 June 2020 (Unaudited)		
	Aqaba	Other locations	Total
	JD	JD	JD
Power generation revenues	14,697,352	15,162,603	29,859,955
Fuel Cost	-	(6,888,632)	(6,888,632)
Operating cost	(76,910)	(163,823)	(240,733)
Depreciation and Amortization	(6,588,668)	(4,033,760)	(10,622,428)
Depreciation of right of use asset	(65,000)	-	(65,000)
Salaries benefits & Allowances	(2,700,750)	(3,659,641)	(6,360,391)
Maintenance costs	(91,974)	(499,517)	(591,491)
Administrative expenses	(675,189)	(845,229)	(1,520,418)
Depreciation of Slow-moving Spare parts and General Material	(232,537)	(1,554,235)	(1,786,772)
Employees' end-of-service indemnity provision	(152,952)	(171,549)	(324,501)
<b>Total operating costs</b>	<b>(10,583,980)</b>	<b>(17,816,386)</b>	<b>(28,400,366)</b>
<b>OPERATING PROFIT</b>	<b>4,113,372</b>	<b>(2,653,783)</b>	<b>1,459,589</b>
Foreign currency exchange loss, net	(611,938)	1,060	(610,878)
Other income, net	41,962	3,009,258	3,051,220
Finance costs, net	(969,562)	(505,240)	(1,474,802)
<b>PROFIT BEFORE INCOME TAX</b>	<b>2,573,834</b>	<b>(148,705)</b>	<b>2,425,129</b>
Income tax expense	(347,003)	(308,000)	(655,003)
<b>PROFIT FOR THE PERIOD</b>	<b>2,226,831</b>	<b>(456,705)</b>	<b>1,770,126</b>

**CENTRAL ELECTRICITY GENERATING COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2020 (UNAUDITED)**

**12. SEGMENT INFORMATION (CONTINUED)**

	For the six-months period ended 30 June 2019 (Unaudited)		
	Aqaba	Other	Total
	JD	locations JD	JD
Power generation revenues	22,383,948	13,745,348	36,129,296
Operating costs	(123,574)	(264,689)	(388,263)
Fuel Cost	-	(4,824,287)	(4,824,287)
Depreciation of right of use asset	(90,867)	-	(90,867)
Depreciation	(3,984,916)	(2,306,679)	(6,291,595)
Salaries Benefit & Allowances	(3,105,821)	(4,208,531)	(7,314,352)
Maintenance costs	(689,927)	(223,425)	(913,352)
Administrative expenses	(655,928)	(821,117)	(1,477,045)
Depreciation of Slow-moving Spare parts and General Material	(602,214)	(622,228)	(1,224,442)
Employee's end-of-service indemnity provision	(175,044)	(187,225)	(362,269)
<b>Total operating costs</b>	<b>(9,428,291)</b>	<b>(13,458,181)</b>	<b>(22,886,472)</b>
<b>OPERATING PROFIT</b>	<b>12,955,657</b>	<b>287,167</b>	<b>13,242,824</b>
Foreign currency exchange loss, net	(652,849)	5,638	(647,211)
Provision for expected credit loss	-	-	-
Other income, net	10,437	2,589,487	2,599,924
Finance costs	(1,820,690)	(1,142,627)	(2,963,317)
<b>PROFIT BEFORE INCOME TAX</b>	<b>10,492,555</b>	<b>1,739,665</b>	<b>12,232,220</b>
Income tax expense	(703,013)	339,828	(363,185)
<b>PROFIT FOR THE PERIOD</b>	<b>9,789,542</b>	<b>2,079,493</b>	<b>11,869,035</b>

**13. COMPARATIVE FIGURES**

Some of 2019 balances were reclassified to correspond to 2020 presentation with no effect on equity or profit for the year 2019.

**14. THE SPREAD OF CORONA VIRUS (COVID-19) AND IT'S IMPACT ON THE COMPANY**

Corona virus (Covid-19) affected the global economy and the imbalance in the global markets, which had a negative impact on various business sectors as a result of the restriction. Whereas, on 17 March 2020, the Jordanian prime minister decided to impose a curfew and suspend all business activities in the Kingdom until further notice as part of the precautionary measures the government has taken to combat the spread of the Corona virus (Covid-19). Consequently, most of the business activities in the Kingdom were affected as a result of the decision. Some vital sectors, such as health, telecommunications, water and electricity, were excluded from this decision. Accordingly, the company continued its operations without interruption during the quarantine period.