METICO

Mediterranean Tourism Investment Company

شركة البحر المتوسط للإستثمارات السياحية

للاوضاع
* بورصة عمان
* السيد مدير
السيد
السيد

Date : 29/07/2018	التاريخ : ٢٩ تمـوز ٢٠١٨
To : Jordan Securities Commission Amman Stock Exchange	السـادة / هيئة الأوراق المالية المحترمين السادة / بورصـة عمـــان المحترمين ،
Subject : Semi Annual Financial Statements as of 30/06/2018	الموضوع : البيــانات المــاليـــة نصـف السنـويـة كما في ٢٠١٨/٦/٣٠
Attached the Half yearly annual Report of Mediterranean Tourism Investment Company as of 30/06/2018 .	مرفق طيه نسخة من البيانات المالية نصف السنوية لشركة البحر المتوسط للإستثمارات السياحية كما هي بتاريخ ٢٠١٨/٦/٣٠ م .
Kindly Accept our highly appreciation and respect. Mediterranean Tourism Investment Company. Hani Al-Qadi Managing Director	وتفضلوا بقبول فائق الإحترام ،، شركة البحر المتوسط للإستثمارات السياحية . هـانــي القــاضــي عضو مجلس الإدارة المفوض

هيئة الأوراق المالية
الدائرة الادارية / الديوان
٢٩ تموز ٢٠١٨
الرقم المتسلسل ٤٦٦٦٤
الجهة المختصة

تلفون ٥٥١٠٣٦٨ / ٥٥١٠٣٦٩ (٦-٩٦٢) فاكس ٥٥١٠٣٦٣ (٦-٩٦٢) ص.ب ٩٤١٦٥٤ عمان ١١١٩٤ الأردن
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MEDITERRANEAN TOURISM
INVESTMENT COMPANY
(A PUPLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2018
TOGETHER WITH REVIEW REPORT

MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUPLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

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Review Report

AM/ 32794

To the Chairman and members of the Board of Directors
Mediterranean Tourism Investment Company
(A Public Shareholding Limited Company)
Amman - Jordan

Introduction

We have reviewed the accompanying condensed interim financial position of Mediterranean Tourism Investment Company (A Public Shareholding Limited Company) as of June 30, 2018 and the related condensed interim statements of income and comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial information 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 Company". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for 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 the accompanying condensed interim financial statements for Mediterranean Tourism Investment Company (A Public Shareholding Limited Company) are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Other Matters

The Company's financial year end is on December 31st of each year, and the accompanying condensed interim financial statements are prepared for management, Jordanian Securities Exchange Commission purposes and Companies Control Department only.

The accompanying condensed interim financial statements are a translation of the condensed interim financial statements in Arabic language to which reference should be made.

Amman - Jordan
July 26, 2018

Deloitte & Touche
Deloitte & Touche (M.E.) – Jordan
Deloitte & Touche (M.E.
ديلويت آند توش (الشرق الأوسط)
01010

MEDITERRANEAN TOURISM INVESTMENT COMPANY

(A PUPLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	June 30, 2018 (Reviewed not Audited)	December 31, 2017 (Audited)
ASSETS		JD	JD
Non-Current Assets:			
Property and equipment - net	4	47,565,555	47,425,475
Financial assets at fair value through other comprehensive income	5	542,383	560,957
Total Non-Current Assets		48,107,938	47,986,432
Current Assets:			
Inventory		345,944	243,596
Other debit balances	6	340,587	226,677
Accounts receivables - net		720,957	451,130
Cash on hand and at bank	7	3,784,611	6,046,027
Total Current Assets		5,192,099	6,967,430
Total Assets		53,300,037	54,953,862
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity:			
Paid-up capital	8/a	45,000,000	45,000,000
Share premium	8/b	63,624	63,624
Statutory reserve		4,296,128	4,296,128
Fair value reserve - net after tax		126,049	144,623
Retained earnings		13,059	2,488,059
Profit for the period		885,525	-
Total Shareholders' Equity		50,384,385	51,992,434
Liabilities:			
Accounts payable		957,785	837,724
Due to a related party	13	151,689	228,421
Other credit balances	9	1,528,467	1,249,154
Income tax provision	10	277,711	646,129
Total Liabilities		2,915,652	2,961,428
Total Shareholders' Equity and Total Liabilities		53,300,037	54,953,862

Authorized Member from Board of Directors

Board of Directors Chairman

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART
OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS
AND SHOULD BE READ WITH THE ACCOMPANYING REVIEW REPORT.

MEDITERRANEAN TOURISM INVESTMENT COMPANY

(A PUPLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF INCOME

(REVIEWED NOT AUDITED)

	Note	For the Three-Month Period Ended on June 30,		For the Six-Month Period Ended on June 30,	
		2018	2017	2018	2017
		JD	JD	JD	JD
Four Seasons Hotel operating revenue	11	4,606,918	4,869,761	8,801,539	9,124,708
Less: Four seasons cost of revenue		(878,866)	(914,136)	(1,616,309)	(1,715,556)
General and administrative expenses-Four Seasons Hotel		(2,568,760)	(2,500,119)	(4,887,799)	(4,769,583)
Hotel Gross Operating Profit		1,159,292	1,455,506	2,297,431	2,639,569
Interest income and other revenue		49,141	89,189	108,206	178,637
General and administrative expenses - Owner Company		(36,234)	(36,910)	(61,098)	(58,947)
Depreciation of property and equipments		(408,888)	(388,944)	(812,963)	(736,396)
Other expenses		(221,870)	(259,614)	(430,781)	(473,927)
Profit for the period before tax		541,441	859,227	1,100,795	1,548,936
Income tax for the period	10	(103,400)	(164,575)	(215,270)	(302,516)
Profit for the Period		438,041	694,652	885,525	1,246,420
		JD/Share	JD/Share	JD/Share	JD/Share
Earnings per Share for the Period (Basic and Diluted)	12	0/010	0/015	0/020	0/028

Authorized Member from Board of Directors

Board of Directors Chairman

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MEDITERRANEAN TOURISM INVESTMENT COMPANY

(A PUPLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHINSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	2018	2017	2018	2017
	JD	JD	JD	JD
Profit for the period	438,041	694,652	885,525	1,246,420
Other comprehensive income items which will not be reclassified to condensed interim statement of income in subsequent periods:				
Net change in fair value reserve	(32,237)	(83,780)	(18,574)	(50,891)
Total Comprehensive Income for the Period	405,804	610,872	866,951	1,195,529

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THE ACCOMPANYING REVIEW REPORT.

MEDITERRANEAN TOURISM INVESTMENT COMPANY

(A PUPLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Note	Paid-up Capital	Share Premium	Statutory Reserve	Fair Value Reserve - Net after Tax	Retained Earnings	Profit for the Period	Total
		JD	JD	JD	JD	JD	JD	JD
For the Six-Month Period Ended on June 30, 2018								
Beginning balance		45,000,000	63,624	4,296,128	144,623	2,488,059	-	51,992,434
Changes in fair value reserve		-	-	-	(18,574)	-	-	(18,574)
Profit for the period		-	-	-	-	-	885,525	885,525
Total Comprehensive Income for the Period		-	-	-	(18,574)	-	885,525	866,951
Distributed dividends *	16	-	-	-	-	(2,475,000)	-	(2,475,000)
Ending Balance		45,000,000	63,624	4,296,128	126,049	13,059	885,525	50,384,385
For the Six-Month Period Ended on June 30, 2017								
Beginning balance		45,000,000	63,624	3,947,566	198,375	2,863,502	-	52,073,067
Changes in fair Value reserve		-	-	-	(50,891)	-	-	(50,891)
Profit for the period		-	-	-	-	-	1,246,420	1,246,420
Total Comprehensive Income for the Period		-	-	-	(50,891)	-	1,246,420	1,195,529
Distributed dividends *	16	-	-	-	-	(2,812,500)	-	(2,812,500)
Ending Balance		45,000,000	63,624	3,947,566	147,484	51,002	1,246,420	50,456,096

* The General Assembly approved in their meeting held on March 14, 2018, to distribute 5.5% from the paid up capital which is equivalent to JD 2,475,000 as cash dividends for the year 2017 (JD 2,812,500 for the year 2016).

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THE ACCOMPANYING REVIEW REPORT.

MEDITERRANEAN TOURISM INVESTMENT COMPANY

(A PUPLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CASH FLOWS

(REVIEWED NOT AUDITED)

	Note	For the Six-Month Period Ended on June 30, 2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period before tax		1,100,795	1,548,936
Adjustments for:			
Depreciation of property and equipment		812,963	736,396
Bank interest income		(29,278)	(56,152)
Cash Flows from Operating Activities Before Change in Working Capital		1,884,480	2,229,180
(Increase) decrease in accounts receivables		(269,827)	196,398
(Increase) decrease in inventory		(102,348)	30,835
(Increase) in other debit balances		(113,910)	(45,833)
Increase in accounts payable		120,061	187,397
(Decrease) in due to related parties		(76,732)	(67,672)
Increase in other credit balances		279,313	276,992
Cash flows from Operating activities before Income Tax Paid		1,721,037	2,807,297
Income tax paid	10	(583,688)	(709,542)
Net Cash Flows from Operating Activities		1,137,349	2,097,755
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchases) of property and equipment	4	(953,043)	(1,269,943)
Bank interest received		29,278	56,152
Net Cash Flows (used in) Investing Activities		(923,765)	(1,213,791)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	16	(2,475,000)	(2,794,781)
Net Cash Flows (used in) Financing Activities		(2,475,000)	(2,794,781)
Net (Decrease) in Cash		(2,261,416)	(1,910,817)
Cash on hand and at bank - beginning of the period		6,046,027	7,908,511
Cash on Hand and at Bank - End of the Period	7	3,784,611	5,997,694

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THE ACCOMPANYING REVIEW REPORT.

MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUPLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- Mediterranean Tourism Investment Company is a Public Shareholding Limited Company that was established on November 20, 1996 in Amman – Hashemite kingdom of Jordan with an authorized capital of JD 15,000,000 represented by 15,000,000 shares at a par value of one Jordanian Dinar per share. This capital have been increased several times, and the last of which was in 2003 to become JD 45,000,000.

- The Company's main objectives are establishment and management of hotels, resorts and hotel facilities as well as the building of hotels, restaurants and swimming pools, including establishing Four Seasons Hotel in Amman.

- The Company and Four Seasons Hotels and Resorts Corporation signed an agreement for managing the Four Seasons Hotel in Amman on January 27, 1997, the agreement is valid for 15 years effective from the actual commencement of the Hotel's operations which started during 2003, moreover. The Hotel consists of 193 rooms, and according to this agreement the following fees should be paid to the Four Seasons Hotels and Resorts:

  1. Administrative expenses at 0.25 % of operating revenue.
  2. Franchise fees at 0.05 % of operating revenue.
  3. Consultation fees at 1.75 % of operating revenue.
  4. Operating expenses at 9 % of the modified operating revenue.
  5. Marketing fees at 0.87 % of the budgeted operating revenue of the Hotel.
  6. Advertising fees at 0.6 % of operating revenue.

- The condensed interim financial statements have been approved by the authorized member from Board of Directors on July 25, 2018.

2. Significant Accounting Policies

a. Basis of Preparation of the Condensed Interim Financial Statements:

- The accompanying condensed interim financial statements are prepared in accordance with the international accounting standard (34) related to Interim Financial Reporting.

- The condensed interim financial statements are prepared under the historical cost convention, except for financial assets and financial liabilities, which are stated at fair value in the condensed interim financial statements.

- The condensed interim financial statements are stated in Jordanian Dinar which represents the functional currency of the Company.

- The accompanying condensed interim financial statements do not include all the information and disclosures required for the annual financial statements of the Company, which are prepared in accordance with International Financial Reporting Standards. In addition, the results of the Company's operations for the six-month period ended on June 30, 2018 do not necessarily represent indication of the expected results for the year ending December 31, 2018, and do not contain the appropriation of the profit of the current period, which is usually performed at year – end.

b. The accounting policies adopted in preparing the condensed interim financial statements are consistent with those applied in the year ended December 31, 2017 except for the effect of the adoption of the new and revised standards which are applied on or after the first of January of 2018 as follow:

a. **Amendments with no material effect on the condensed interim financial statements of the company:**

Annual Improvements to IFRS Standards 2014 – 2016 The improvements include the amendments on IFRS 1 and IAS 28 and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 2 *Share Based Payment*
The amendments are related to classification and measurement of share based payment transactions and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 4 Insurance Contracts
The amendments relates to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard and they are effective for annual periods beginning on or after January 1, 2018.

IFRIC 22 *Foreign Currency Transactions and Advanced Consideration*
IFRIC 22 addresses how to determine the date of transaction for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income (or part of it) or on de-recognition of a non-monetary asset or liability arising from advance considerations.

The interpretation specifies that the date of transaction is the date on which the entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

Amendments to IAS 40 *Investment Property*
These amendments illustrates when the entity shall transfer (reclass) a property including investments under process or development to, or from, investment property.

IFRS 15 *Revenue from Contracts with Customers*
In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 may be adopted retrospectively, by restating comparatives and adjusting retained earnings at the beginning of the earliest comparative period. – Alternatively, IFRS 15 may be adopted as of the application date on January 1, 2018, by adjusting retained earnings at the beginning of the first reporting year (the cumulative effect approach).

Amendments to IFRS 15 *Revenue from Contracts* with Customers
The amendments are to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

Amendments to IFRS 7 *Financial Instruments: Disclosures*
The amendments are related to disclosures about the initial application of IFRS 9. The amendments are effective when IFRS (9) is first applied.

IFRS 7 Financial Instruments: Disclosures
The amendments are related to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. The Amendments are effective when IFRS 9 is first applied.

B. Amendments effective on the condensed interim financial statements of the Company

IFRS 9 *Financial Instruments*
IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. And a new version of the new standard includes the requirements of recognition, measurement, impairment and hedge accounting.

The final version of IFRS 9 relating to financial instruments was replaced which relates to the credit loss model incurred in accordance with IAS 39 Financial Instruments: Recognition and Measurement, replacing a model for expected credit losses. The Standard includes a business model for debt instruments, loans, financial liabilities, financial guarantee contracts, deposits and receivables, but does not apply to equity instruments.

The Company calculated the initial impact of the International financial reporting standard (IFRS 9), as it is not material, it's impact has not been reversed in the attached condensed interim financial statements.

The implementation was applied retrospectively in compliance with the IFRS (9) furthermore, the Company didn't adjust the comparative figures. The effect of this implementation was recognised in January 1st, 2018 through retained earnings in the statement of changes in equity.

In case there is a low credit risk to the financial asset at the date of initial application of IFRS (9), the credit risk relating to the financial asset is considered to have not been changed substantially since its initial recognition.

In accordance with IFRS 9 Financial Instruments the expected credit losses are recognized at an early date in accordance with IAS 39.

The revised version of IFRS 9 (2014) (Financial Instruments) includes a classification mechanism for financial assets and liabilities. IFRS 9 requires all financial assets to be classified based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

There is no material difference in the classification of financial assets and liabilities arising from the adoption of IFRS 9 for the year 2014.

3. Use of Estimates

Preparation of the financial statements and application of the accounting policies require the Company's management to perform assessments and assumptions that affect the amounts of financial assets and financial liabilities and to disclose all contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, and provisions. In particular, this requires the Company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the mentioned assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

We believe that the estimates adopted in the condensed interim financial statements are reasonable and are consistent with the estimates adopted in the financial statements for the year ended December 31, 2017. Except for the estimates adopted for the calculation of the effect of IFRS (9) which is related to financial instruments where the expected credit decline is calculated under a simplified methodology.

4. Property and Equipment - Net

Additions on property and equipment during the first half of 2018 amounted to JD 953,043 mainly representing the renovation of hotel floors and others facilities (against JD 1,269,943 for the same period of the year 2017).

5. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Quoted Shares in Amman Stock Exchange		
Al-Dawliyah for Hotels and Malls	480,000	486,000
Arab Jordan Investment Bank	39,315	50,589
	519,315	536,589
Un-Quoted Shares in Amman Stock Exchange		
Jordan Hospitality and Tourism Education Company*	23,068	24,368
	23,068	24,368
	542,383	560,957

* The fair value for this investment is calculated using the latest audited financial statements.

6. Other Debit Balances

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Prepaid expenses	268,055	156,103
Accrued interest	19,576	30,889
Others	52,956	39,685
	340,587	226,677

7. Cash on Hand and at Bank

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Cash on hand	20,000	20,000
Bank current accounts	1,079,236	2,834,764
Deposits in bank*	2,685,375	3,191,263
	3,784,611	6,046,027

* This item represents deposits in a local bank in the Jordanian Dinars with an interest of around 4%.

8. Paid-up Capital and Share Premium

a- Paid-up capital:
The paid-up capital amounted to JD 45 million divided into 45 million as of June 30, 2018 and December 31, 2017, moreover, there were no changes over the paid-up capital during the current and previous period.

b- Share premium:
The issuance premium amounted to JD 63,624 as of June 30, 2018 and December 31, 2017.

9. Other Credit Balances

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Accrued expenses	249,419	242,473
Advance payments from customers	685,000	333,146
Advance rent payments	16,899	49,713
Sales tax withholdings	159,970	138,668
Income tax withholdings	34,424	34,117
Increments for Hotel's employees	64,261	117,083
Social Security withholdings	57,295	57,362
Shareholders withholdings	85,687	81,235
Employees vacation provision	86,770	89,185
End of service indemnity provision	42,379	38,751
Other credit balances	46,363	67,421
	1,528,467	1,249,154

10. Income Tax Provision

a. Income tax provision:

The movement of the income tax provision is as follow:

	June 30, 2018	December 31, 2017
	JD	JD
Beginning balance for the period/year	646,129	776,677
Income tax paid	(583,688)	(830,548)
Accrued income tax	215,270	700,000
Ending Balance for the Period / Year	277,711	646,129

b. The income tax shown in condensed interim income statement consists of the following:

	For the Six-Month Period Ended June 30,	
	2018	2017
	JD	JD
Accrued income tax for the profit of the period	215,270	302,516
Ending Balance for the Period	215,270	302,516

- The Company did not book deferred tax assets due to immateriality, moreover, management does not expect to benefit from these assets in the near future.

- The Company has reached a final settlement with Income Tax Department up to the year 2015. Noting that income tax returns for the years 2016 and 2017 have been submitted but not revised by Income Tax Department yet. In the opinion of the Management and its tax advisor, the booked provisions are sufficient to meet the tax obligations.

- Mediterranean Tourism Investment Company (Four Seasons Hotel) was considered as economical project and was granted exemptions from the prescribed fees in articles (6&7) of the investment promotion law No. 16 for the year 1995 as follows:

a. Exempting imported property and equipment that are used exclusively in the project.

b. Exempting imported spare parts equivalent to 15% of the value of property and equipment from all fees taxes and fees.

c. The Company was exempted from taxes and customs fees related to capital expenditures, this exemption will expire on May 27, 2019.

11. Four Seasons Hotel Operating Revenue

This item consists of the following:

	For the Six-Month Period Ended June 30,	
	2018	2017
	JD	JD
Rooms revenue	3,310,917	3,627,314
Food and beverage revenue	3,502,389	3,501,824
Others	1,988,233	1,995,570
	8,801,539	9,124,708

12. Earnings per Share for the Period (Basic and Diluted)

This item consists of the following:

	For the Three-Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	2018	2017	2018	2017
	JD	JD	JD	JD
Income for the period	438,441	694,652	885,525	1,246,420
Weighted-average number of shares	45,000,000	45,000,000	45,000,000	45,000,000
	JD/Share	JD/Share	JD/Share	JD/Share
Earnings per Share for the Period-Basic and Diluted	0/010	0/015	0/020	0/028

13. Balances and Transactions with Related Parties

The following is the details of balances and transactions with related parties details:

	June 30, 2018	December 31, 2017
Items in the condensed interim financial position:	JD	JD
Cash at Bank:		
Deposits and current accounts - AJIB *	3,764,611	6,026,027
Accounts Receivables:		
Members of board of directors	54,228	20,826
Due to a Related Party:		
Four Seasons Hotels and Resorts International **	151,689	228,421
Investments:		
Investment in AJIB *	39,315	50,589
Items off condensed interim statement of financial position:		
Bank Guarantees – AJIB *	40,872	29,872

	For the Six-Month Period Ended June 30,	
	2018	2017
Items in the condensed interim income statement:	JD	JD
Four Seasons Hotels and Resorts International management fees**	380,878	419,331
Bank interest income - AJIB *	29,278	56,152
Executive management salaries and benefits - Hotel	282,351	276,400

* Arab Jordan Investment Bank (AJIB) is a shareholder and Board of Directors member with ownership percentage of 9.63% of the Mediterranean Tourism Investment Company paid-up capital.

** The operator company of the hotel business.

14. Business Segments

a. Information about the Company's Business Segments

The Company is organized, for managerial purposes, into building a residence and managing hotels and resorts, hotels preparations and constructing hotels, restaurants, and swimming pools. Note (11) illustrates the distribution of the Company's revenue.

b. Information about Geographical Distribution

All the Company's assets, liabilities, and operations is in the Hashemite Kingdom of Jordan.

15. Lawsuits

There are lawsuits raised against the Company which amounted to JD 38,000 in the courts as of June 30, 2018. The Management of the Company believes that the booked provisions which amounted to JD 25,000 are sufficient and no need to book additional provision.

16. Distributed Dividends

The General Assembly approved in their meeting held on March 14, 2018, to distribute 5.5% from the paid-up capital which is equivalent to JD 2,475,000 as cash dividends for the year 2017 (against JD 2,812,500 for the year 2016 which amounts to 6.25% of the paid-up capital).

17. Fair Value Hierarchy

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs).

Financial Assets/ Financial Liabilities	Fair Value June 30, 2018	Fair Value December 31, 2017	Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Significant Unobservable Inputs to Fair Value
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through other comprehensive income						
Quoted shares	519,315	536,589	Level 1	Listed prices in the financial markets	Not Applicable	Not Applicable
Unquoted shares	23,068	24,368	Level 2	Through using the latest financial information available	Not Applicable	Not Applicable
Total	542,383	560,957				

There were no transfers between Level 1 and 2 during the period ended June 30, 2018.

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the condensed interim financial statements approximates their fair value because the Company's management believes that the carrying value of the items is equivalent to their fair value. This is due to either maturity or short-term interest rates repriced during the period.

	June 30, 2018		December 31, 2017		
	Book Value	Fair Value	Book Value	Fair Value	Fair Value Hierarchy
	JD	JD	JD	JD	
Financial assets not calculated at fair value					
Deposits with bank	2,685,375	2,704,951	3,191,263	3,222,152	Level 2
Total financial assets not calculated at fair value	2,685,375	2,704,951	3,191,263	3,222,152	

The fair values of the above financial assets and financial liabilities included in level 2 and 3 categories have been determined in accordance with the generally accepted pricing models, which reflects the credit risk of counterparties.