

بورصة عمان  
الدائرة الإدارية والمالية  
الديوان

٠٦ تموز ٢٠٢٠

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الرقم المتصل:

رقم الملف:

الجهة المختصة:

**METICO**  
Mediterranean Tourism Investment Company  
شركة البحر المتوسط للاستثمارات السياحية

Ref. : R M / L B

Date : 6<sup>th</sup> July , 2020

الرقم : ر م / ل ب

التاريخ : ٦ تموز ٢٠٢٠

|   |  |
|---|--|
| To : Jordan Securities Commission<br>Amman Stock Exchange   | السادة / هيئة الأوراق المالية المحترمين<br>السادة / بورصة عمان المحترمين ،   |
| Subject : Reviewed Financial Statements for the<br>Three months ended on <u>31/03/2020</u>  | الموضوع : القوائم المالية المراجعة لفترة الثلاثة أشهر<br>المنتهية في ٣١ / ٣ / ٢٠٢٠   |
| Attached is the reviewed financial statements<br>(English Language) of Mediterranean Tourism<br>Investment Company for the three months ended<br>on 31/03/2020 .  | مرفق طيه نسخة من القوائم المالية المراجعة للثلاثة<br>أشهر المنتهية في ٣١ آذار ٢٠٢٠ (باللغة الإنجليزية)<br>لشركة البحر المتوسط للاستثمارات السياحية .   |
| Kindly Accept our highly appreciation and respect<br>Mediterranean Tourism Investment Company<br><br>Hani Al-Qadi<br>Chairman of Board | وتفضلوا بقبول فائق الإحترام ،،<br>شركة البحر المتوسط للاستثمارات السياحية<br><br>هاني القاضي<br>رئيس مجلس الإدارة |



MEDITERRANEAN TOURISM INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN

CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD ENDED  
MARCH 31, 2020  
TOGETHER WITH REVIEW REPORT

MEDITERRANEAN TOURISM INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM FINANCIAL INFORMATION  
TOGETHER WITH REVIEW REPORT  
FOR THE THREE-MONTH PERIOD ENDED  
MARCH 31, 2020

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## Independent Auditor's Review Report

AM/ 007833

To the Chairman and Board of Directors members  
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 March 31, 2020 and the related condensed interim statements of profit or loss and comprehensive income for three-month period then ended March 31, 2020, changes in shareholders' equity and cash flows for the three-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 information 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 Matter**

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

Amman - Jordan  
June 11, 2020

  
Deloitte & Touche (M.E.) - Jordan

Deloitte & Touche (M.E.)  
ديلويت أند توش (الشركة المحدودة)  
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MEDITERRANEAN TOURISM INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

|   | Note    | March 31<br>2020<br>(Reviewed)<br>JD | December 31,<br>2019<br>(Audited)<br>JD |
|---|---------|--------------------------------------|---|
| <u>ASSETS</u>   |         |                                      |   |
| Non-Current Assets:   |         |                                      |   |
| Property and equipment - net                                      | 4       | 53,965,944                           | 52,556,251                              |
| Financial assets at fair value through other comprehensive income | 5       | 323,822                              | 351,869                                 |
| Total Non-Current Assets  |         | 54,289,766                           | 52,908,120                              |
| Current Assets:   |         |                                      |   |
| Inventory   |         | 325,726                              | 385,338                                 |
| Other debit balances  | 6       | 193,537                              | 213,536                                 |
| Accounts receivable - net   |         | 328,465                              | 460,240                                 |
| Cash on hand and at bank  | 7       | 3,013,138                            | 4,950,268                               |
| Total Current Assets  |         | 3,860,866                            | 6,009,382                               |
| Total Assets  |         | 58,150,632                           | 58,917,502                              |
| <u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>                       |         |                                      |   |
| Shareholders' Equity:   |         |                                      |   |
| Paid-up capital   | 8.a     | 45,000,000                           | 45,000,000                              |
| Share premium   | 8.b     | 63,624                               | 63,624                                  |
| Statutory reserve   |         | 4,527,346                            | 4,527,346                               |
| Fair value reserve  |         | (92,512)                             | (64,465)                                |
| Retained earnings   |         | 1,612,528                            | 1,612,528                               |
| Loss for the period   |         | (489,958)                            | -                                       |
| Total Shareholders' Equity  |         | 50,621,028                           | 51,139,033                              |
| Current Liabilities:  |         |                                      |   |
| Accounts payable  |         | 797,334                              | 868,106                                 |
| Due to a related party  | 14      | 60,792                               | 180,724                                 |
| Other credit balances   | 9       | 1,052,784                            | 1,108,057                               |
| Income tax provision  | 11      | 73,694                               | 76,582                                  |
| Total Current Liabilities   |         | 1,984,604                            | 2,233,469                               |
| Non-Current Liabilities:  |         |                                      |   |
| Loan  | 10 & 14 | 5,545,000                            | 5,545,000                               |
| Total non-current liabilities                                     |         | 5,545,000                            | 5,545,000                               |
| Total Liabilities   |         | 7,529,604                            | 7,778,469                               |
| Total Shareholders' Equity and Total Liabilities                  |         | 58,150,632                           | 58,917,502                              |

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

MEDITERRANEAN TOURISM INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

|   | Note | For the Three-Month Period |                    |
|---|------|----------------------------|--------------------|
|   |      | Ended on March 31,         |                    |
|   |      | 2020 (Reviewed)            | 2019 (Reviewed)    |
|   |      | JD                         | JD                 |
| Four Seasons Hotel operating revenue                            | 12   | 2,184,510                  | 3,524,243          |
| <u>Less:</u> Four seasons cost of revenue                       |      | (461,344)                  | (665,769)          |
| General and administrative expenses-Four Seasons Hotel          |      | <u>(1,776,632)</u>         | <u>(2,197,623)</u> |
| Hotel Operating Profit  |      | (53,466)                   | 660,851            |
| Other revenue   |      | 99,211                     | 72,630             |
| General and administrative expenses - Owing Company             |      | (27,669)                   | (28,090)           |
| Depreciation of property and equipment                          |      | (435,129)                  | (417,703)          |
| Bank interest expense   |      | (18,135)                   | -                  |
| Management fees   |      | <u>(54,770)</u>            | <u>(147,090)</u>   |
| (Loss)/ Profit for the period before tax                        |      | (489,958)                  | 140,598            |
| Income tax for the period                                       | 11   | -                          | (28,120)           |
| (Loss)/ Profit for the Period                                   |      | <u>(489,958)</u>           | <u>112,478</u>     |
|   |      | <u>JD/Share</u>            | <u>JD/Share</u>    |
| (Loss)/ Earnings per Share for the Period - (Basic and Diluted) | 13   | <u>(0.0109)</u>            | <u>0.0025</u>      |

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MEDITERRANEAN TOURISM INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

|   | For the Three-Month    |                        |
|---|------------------------|------------------------|
|   | Period Ended March 31, |                        |
|   | <u>2020 (Reviewed)</u> | <u>2019 (Reviewed)</u> |
|   | JD                     | JD                     |
| (Loss)/ Profit for the period   | (489,958)              | 112,478                |
| Other comprehensive income items which will not be reclassified         |                        |                        |
| to condensed interim statement of Profit or Loss in subsequent periods: |                        |                        |
| Net change in fair value reserve  | <u>(28,047)</u>        | <u>867</u>             |
| Total Comprehensive Income for the Period                               | <u>(518,005)</u>       | <u>113,345</u>         |

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**MEDITERRANEAN TOURISM INVESTMENT COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**

AMMAN - JORDAN

**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020**

|   | Note | Paid-up Capital | Share Premium | Statutory Reserve | Fair Value Reserve | Retained Earnings | (Loss) Profit for the Period | Total      |
|---|------|-----------------|---------------|-------------------|--------------------|-------------------|------------------------------|------------|
|   |      | JD              | JD            | JD                | JD                 | JD                | JD                           | JD         |
| <b>For the Three-Month Period Ended on March 31, 2020</b> |      |                 |               |                   |                    |                   |                              |            |
| Balance - beginning of the period (Audited)               |      | 45,000,000      | 63,624        | 4,527,346         | (64,465)           | 1,612,528         | -                            | 51,139,033 |
| Loss for the period                                       |      | -               | -             | -                 | -                  | -                 | (489,958)                    | (489,958)  |
| Changes in fair value reserve                             |      | -               | -             | -                 | (28,047)           | -                 | -                            | (28,047)   |
| Total Comprehensive Loss for the Period                   |      | -               | -             | -                 | (28,047)           | -                 | (489,958)                    | (518,005)  |
| Balance - Ending of the Period (Reviewed)                 |      | 45,000,000      | 63,624        | 4,527,346         | (92,512)           | 1,612,528         | (489,958)                    | 50,621,028 |
| <b>For the Three-Month Period Ended on March 31, 2019</b> |      |                 |               |                   |                    |                   |                              |            |
| Balance - beginning of the period (Audited)               |      | 45,000,000      | 63,624        | 4,500,107         | 30,668             | 1,418,448         | -                            | 51,012,847 |
| Profit for the period                                     |      | -               | -             | -                 | -                  | -                 | 112,478                      | 112,478    |
| Changes in fair value reserve                             |      | -               | -             | -                 | 867                | -                 | -                            | 867        |
| Total Comprehensive Income for the Period                 |      | -               | -             | -                 | 867                | -                 | 112,478                      | 113,345    |
| Balance - Ending of the Period (Reviewed)                 |      | 45,000,000      | 63,624        | 4,500,107         | 31,535             | 1,418,448         | 112,478                      | 51,126,192 |

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FINANCIAL INFORMATION AND SHOULD BE READ WITH THE ACCOMPANYING REVIEW REPORT.



MEDITERRANEAN TOURISM INVESTMENT COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

|   | Note | For the Three-Month Period<br>Ended on March 31, |                 |
|---|------|--|-----------------|
|   |      | 2020 (Reviewed)                                  | 2019 (Reviewed) |
| CASH FLOWS FROM OPERATING ACTIVITIES:   |      | JD   | JD              |
| (Loss) Profit for the period before tax   |      | (489,958)  | 140,598         |
| Adjustments for:  |      |  |                 |
| Depreciation of property and equipment  |      | 435,129  | 417,703         |
| Bank interest income  |      | (8,168)  | (26,726)        |
| Interest expenses paid  |      | 18,135   | -               |
| Gain from sale of property and equipment  |      | (2,489)  | -               |
| Cash flows (used in) from operating activities before change in working capital |      | (47,351)   | 531,575         |
| Decrease in accounts receivable   |      | 131,775  | 118,314         |
| Decrease in inventory   |      | 59,612   | 49,183          |
| Decrease (increase) in other debit balances                                     |      | 19,999   | (64,765)        |
| (Decrease) in accounts payable  |      | (70,772)   | (35,615)        |
| (Decrease) in due to a related party  |      | (119,932)  | (87,842)        |
| (Decrease) increase in other credit balances                                    |      | (55,273)   | 111,562         |
| Cash flows (used in) from Operating activities before Income Tax Paid           |      | (81,942)   | 622,412         |
| Income tax paid   | 11   | (2,888)  | (86,062)        |
| Net Cash Flows (used in) from Operating Activities                              |      | (84,830)   | 536,350         |
| CASH FLOWS FROM INVESTING ACTIVITIES:   |      |  |                 |
| Purchases of property and equipment   | 4    | (1,819,355)                                      | (395,345)       |
| Proceeds from sale of property and equipment                                    |      | 2,489  | -               |
| Bank interest received  |      | 8,168  | 15,357          |
| Net Cash Flows (used in) Investing Activities                                   |      | (1,808,698)                                      | (379,988)       |
| CASH FLOWS FROM FINANCING ACTIVITIES:   |      |  |                 |
| Interest expenses paid  |      | (43,602)   | -               |
| Net Cash Flows from Financing Activities  |      | (43,602)   | -               |
| (Decrease) Increase in Cash   |      | (1,937,130)                                      | 156,362         |
| Cash on hand and at bank - beginning of the Year                                |      | 4,950,268  | 4,484,423       |
| Cash on Hand and at Bank - End of the Period                                    | 7    | 3,013,138  | 4,640,785       |
| Capitalized Interest expense on property and equipment                          |      | 25,467   | -               |

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

**MEDITERRANEAN TOURISM INVESTMENT COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - JORDAN**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**

**1. INCORPORATION AND ACTIVITIES**

- 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 Million represented by 15,000,000 shares at a par value of one Jordanian Dinar per share. This capital has been increased several times, and the last of which was in 2003 to become JD 45 Million. The Company's address is fifth circle - Amman, Jordan.
- 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 establishment and operating Four Seasons Hotel in Amman.
- The Company and International 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, and it was automatically renewed for 15 years and valid till the 27<sup>th</sup> of January 2033. The Hotel consists of 193 rooms, and according to this agreement the agreed fees should be paid for the management of the Four Seasons Hotels International.

**2. Basis of preparation**

- The condensed interim financial information for the three-month period ended March 31, 2020 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34").
- The condensed interim financial information are prepared on the historical cost basis except for the financial assets and financial liabilities, which are presented at their fair value as of the condensed interim financial information date.
- The condensed interim financial information are prepared in Jordanian Dinar, which represents the functional currency for the Company.
- The condensed interim financial information do not include all information and disclosures required in the annual financial statements and prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2019. In addition, results for the three-month period ended March 31, 2020 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2020.

**Judgements, Estimates, & risk management**

Preparation of the consolidated condensed interim financial statements and the application of the Company's accounting policies require the Company's management to make judgments and estimates that affect the financial assets and financial liabilities balances and disclosure of contingent liabilities. They also affect revenue, expenses, provisions, and changes in the investment valuation reserve that appear in the consolidated condensed interim statement of comprehensive income and within shareholder's equity. In particular, this requires the Company's management to make significant judgments to estimate future cash flows and their timing. The mentioned estimates are necessarily based on different assumptions and factors that have varying amounts of estimation and uncertainty, and the actual results may differ from estimates due to changes stemming from those estimates future circumstances.



We believe that the estimates and assumptions adopted in preparing these consolidated condensed interim financial statements are reasonable and consistent with those used in the year ended 2019, except for the following and stated in note (3).

The Coronavirus (Covid-19) outbreak in early 2020 in many geographical regions around the world has caused widespread disruptions to business, with a consequential negative impact on economic activity. Also, this event is witnessing continuous and rapid developments, which required the Company's management to conduct an evaluation of the expected effects on the Company's business inside and outside the kingdom, perform a study to review and evaluate potential risks, in addition to providing additional disclosures in the interim financial statements as of March 31, 2020. Accordingly, the Company has taken the following measures to contain the crisis:

a. The Company's plan to address the new Coronavirus (COVID-19) pandemic

The Management's plan to deal with the disruption of economic activities and business related to the outbreak of the new Coronavirus (COVID-19) is as follows:

1. The company has developed a monitoring plan to respond to disruption data and available alternatives periodically.
2. The company has reviewed all of its contracts with suppliers and has postponed all of its obligations in accordance with the instructions of the Jordanian Defence Law.
3. Continuing the Hotel's redecoration and renovation process which started in 2019.
4. Increase the stages related to the Hotel's redecoration and renovation, as the Management suspended the Hotel operations completely responding to the instructions of the Jordanian Defence Law, and utilised the suspension of the Hotel operations to continue the Hotel's redecoration and renovation process.
5. The Hotel Management issued permits for employees with experience in the Hotel's redecoration and renovation.
6. The Company has reduced the salaries and wages of employees who work in the Hotel operations in response to the instructions of the Jordanian Defence Law.
7. The Hotel Management has studied the feasibility of providing catering services related to the hotel's restaurants and has been applied.
8. The Company has the intention to obtain an additional financing loan from the Central Bank of Jordan, based on the recommendations of the Ministry of Tourism, with a minimal preferential interest to support and stimulate tourism and mitigate the effects of the "COVID 19" crisis, noting that the settlements will be made in 2021.
9. The Company has reviewed the fixed assets values and compared them with the market values, and the Management confirms that the market values of the assets exceed the net book value.

**b. The impact of the new Coronavirus (COVID-19) outbreak on the results of the Company's operations**

The Company considers that this event is a non-adjusting event to the interim financial statements and therefore no changes were made to the interim financial statements as a result of this matter. The outcome of this event is unknown, as the company was in the stage of completing the repair process and Hotel renovation, and therefore its impact on the company cannot be reasonably determined as of the date of the issuance of these financial statements. Based on the assessment prepared by the Company's Management to date. Management will continue to closely monitor the situation and take additional measures in the event of a prolonged period of disruption. These and other related matters will be considered alongside their impact on the Company's estimates including the expected credit loss model for financial assets and evaluation of investments in financial assets and real estate, in addition to evaluating the indicators of impairment of fixed assets and the rationality of inputs used for this purpose in future periods.

**c. The Impact of the Coronavirus (COVID-19) outbreak on the Company's liquidity levels**

The Company has prepared all the scenarios related to stressful situations, noting that the Company has comfortable levels that enable it to respond to market conditions, as the Company has previously obtained medium-term loans to cover the Hotel's renovation, also the procedures that the government of the Hashemite Kingdom of Jordan has had a significant impact in enhancing liquidity Jordanian market companies.

**3. Significant Accounting Policies**

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on March 31, 2020 are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2019, except for the impact of the application of the new and amended International Financial Reporting Standards, which have become effective in the current period, as shown below:

**Amendments to IAS 1 and IAS 8 Definition of material**

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the *Conceptual Framework* that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2020.

**Amendments to IFRS 3 Definition of a business**

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.



The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020.

#### **Amendments to References to the Conceptual Framework in IFRS Standards**

Together with the revised *Conceptual Framework*, which became effective upon publication on 29 March 2018, the IASB has also issued *Amendments to References to the Conceptual Framework in IFRS Standards*. The document contains amendments to IFRS No. (2), (3), (6), (14), IAS No. (1), (8) and (34), IAS No. (38), IFRIC No. (12), (19), (20) and (22), and SIC- No. (32).

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised *Conceptual Framework*. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised *Conceptual Framework*.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020.

#### **4. Property and Equipment - Net**

Additions to property and equipment amounted to JD 1.8 Million during the first three months of the year 2020 mainly representing the renovation of hotel floors and others facilities (JD 395,345 for the same period of the year 2019).

The capitalized bank interest during the first three months of the year 2020 amounted to JD 25,000.

#### **5. Financial Assets at Fair Value through Other Comprehensive Income**

This item consists of the following:

|   | March 31, 2020<br>(Reviewed) | December 31,<br>2019 (Audited) |
|---|------------------------------|--------------------------------|
|   | JD                           | JD                             |
| Quoted shares in Amman Stock Exchange     | 315,822                      | 343,869                        |
| Un-quoted shares in Amman Stock Exchange* | 8,000                        | 8,000                          |
|   | <u>323,822</u>               | <u>351,869</u>                 |

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

#### **6. Other Debit Balances**

This item consists of the following:

|                  | March 31,<br>2020 (Reviewed) | December 31,<br>2019 (Audited) |
|------------------|------------------------------|--------------------------------|
|                  | JD                           | JD                             |
| Prepaid expenses | 156,809                      | 184,773                        |
| Others           | 36,728                       | 28,763                         |
|                  | <u>193,537</u>               | <u>213,536</u>                 |

**7. Cash on Hand and at Bank**

This item consists of the following:

|                          | March 31,<br>2020 (Reviewed) | December 31,<br>2019 (Audited) |
|--------------------------|------------------------------|--------------------------------|
|                          | JD                           | JD                             |
| Cash on hand             | 18,055                       | 18,400                         |
| Current accounts at bank | 2,295,200                    | 3,789,963                      |
| Deposits at bank *       | 699,882                      | 1,141,905                      |
|                          | <u>3,013,138</u>             | <u>4,950,268</u>               |

- \* This balance represents deposits in Jordanian Dinar and US Dollars with an annual interest rate between 2.25% and 4.25%.

Balances with bank are assessed to have low credit risk of default since this bank are highly regulated by the Central Bank of Jordan. Accordingly, the Company's management estimates the provision of loss on balances with bank at the end of the reporting period at an amount equal to 12 month expected credit loss. Taking into account the historical default experience and the current credit ratings of the bank, the Company's management have assessed that there is no impairment, hence no provision was recorded on these balances.

**8. Paid-up Capital and Share Premium**

**a. Paid-up capital:**

The paid-up capital amounted to JD 45 Million divided into 45 Million shares and each share amounted to one Jordanian Dinar as of March 31, 2020 and December 31, 2019, moreover, there were no changes over the paid-up capital during the current and previous period.

**b. Share premium:**

The share premium amounted to JD 63,624 as of March 31, 2020 and December 31, 2019.

**9. Other Credit Balances**

This item consists of the following:

|                                  | March 31, 2020<br>(Reviewed) | December 31,<br>2019 (Audited) |
|----------------------------------|------------------------------|--------------------------------|
|                                  | JD                           | JD                             |
| Accrued expenses                 | 295,656                      | 201,499                        |
| Advance payments from customers  | 469,339                      | 300,126                        |
| Rent received in advance         | 37,359                       | 57,352                         |
| Sales tax withholdings           | 14,147                       | 153,901                        |
| Income tax withholdings          | 57,945                       | 38,222                         |
| Increments for Hotel's employees | 1,361                        | 120,573                        |
| Social Security withholdings     | 13,409                       | 54,778                         |
| Shareholders withholdings        | 60,456                       | 60,456                         |
| Employees vacation provision     | 60,124                       | 74,442                         |
| Other credit balances            | 42,988                       | 46,708                         |
|                                  | <u>1,052,784</u>             | <u>1,108,057</u>               |

**10. Loans**

This item consists of the following:

|             | March 31, 2020<br>(Reviewed) | December 31,<br>2019 (Audited) |
|-------------|------------------------------|--------------------------------|
|             | JD                           | JD                             |
| Loan (1) *  | 2,000,000                    | 2,000,000                      |
| Loan (2) ** | 3,545,000                    | 3,545,000                      |
|             | <u>5,545,000</u>             | <u>5,545,000</u>               |



- \* The Company has been granted a loan with a limit of JD 2 million from the Arab Jordan Investment Bank (related party), and has been utilized in full, to be settled over 19 equal and consecutive monthly installments, with a grace period of 37 months from the date of signing the contract with the first installment due on September 30, 2022 and the last installment due on March 31, 2024.
- \*\* The Company has been granted a loan with a limit of USD 5 million from the Arab Jordan Investment Bank (related party), and has been utilized in full, to be settled over consecutive monthly installments, with the first installment due on January 31, 2021 and the last installment due on June 30, 2022.

#### 11. Provision for Income Tax

##### a. Provision for Income Tax:

The movement of the income tax provision is as the following:

|  | March 31, 2020<br>(Reviewed) | December 31,<br>2019 (Audited) |
|--|------------------------------|--------------------------------|
|  | JD                           | JD                             |
| Beginning balance for the period/ year | 76,582                       | 406,758                        |
| Income tax paid                        | (2,888)                      | (381,249)                      |
| Accrued income tax                     | -                            | 51,073                         |
| Ending Balance for the Period/ Year    | <u>73,694</u>                | <u>76,582</u>                  |

- b. The income tax shown in condensed interim statement of Profit or Loss consists of the following:

|   | For the Three-Month Period<br>Ended March 31, |                 |
|---|---|-----------------|
|   | 2020 (Reviewed)                               | 2019 (Reviewed) |
|   | JD  | JD              |
| Accrued income tax for the profit of the period | -   | 28,120          |
| Ending Balance for the Period                   | <u>-</u>                                      | <u>28,120</u>   |

- The Company did not book deferred tax assets and liabilities 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 in addition to the year 2018. Noting that income tax returns for the years 2016 and 2017 have been submitted but not reviewed by Income Tax Department yet. In the opinion of the Management and its tax consultant, the provisions are sufficient to meet the tax obligations.
- Management did not record any income tax expense during the three-month period ended March 31, 2020, as the company incurred loss for the three months ended March 31, 2020.
- Mediterranean Tourism Investment Company (Four Seasons Hotel) has been granted exemptions from taxes and customs fees related to capital expenditures (for the purpose of the renovation), in accordance to article (3.C) of the Investment Incentives law No. 33 for the year 2015 issued under article (4) of the Investment law No. 30 for the year 2014, this exemption will expire on July 11, 2022.

#### 12. Four Seasons Hotel Operating Revenue

This item consists of the following:

|                    | For the Three-Month Period<br>Ended on March 31, |                  |
|--------------------|--|------------------|
|                    | 2020 (Reviewed)                                  | 2019 (Reviewed)  |
|                    | JD   | JD               |
| Rooms Revenue      | 741,673  | 1,254,335        |
| Food Revenue       | 686,781  | 1,126,911        |
| Beverage Revenue   | 215,537  | 352,389          |
| Banqueting Revenue | 125,513  | 174,056          |
| Other              | 412,006  | 616,552          |
|                    | <u>2,184,510</u>                                 | <u>3,524,243</u> |

**13. Earnings per Share for the Period**

This item consists of the following:

|  | For the Three-Month Period<br>Ended March 31, |                    |
|--|---|--------------------|
|  | 2020<br>(Reviewed)                            | 2019<br>(Reviewed) |
|  | JD  | JD                 |
| (Loss)/ Income for the period                                    | (489,958)                                     | 112,478            |
| Weighted-average number of shares                                | 45,000,000 Share                              | 45,000,000 Share   |
|  | JD/Share                                      | JD/Share           |
| (Losses)/ Earnings per Share for the<br>Period-Basic and Diluted | (0/0109)                                      | 0/0025             |

**14. Related Parties Transactions and Balances**

As defined in International Accounting Standard 24: Related Party Disclosures, include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. As follows the balances and transactions arising from transactions with related parties:

|  | March 31,<br>2020 (Reviewed) | December 31,<br>2019 (Audited) |
|--|------------------------------|--------------------------------|
|  | JD                           | JD                             |
| <b>On-Financial Position Items</b>                               |                              |                                |
| <b>Cash at Bank:</b>   |                              |                                |
| Deposits and current accounts – Arab<br>Jordan Investment Bank * | 2,995,083                    | 4,931,868                      |
| <b>Accounts Receivable:</b>                                      |                              |                                |
| Board of Directors members                                       | 8,646                        | 14,793                         |
| <b>Due to a related party:</b>                                   |                              |                                |
| Four Seasons Hotels and Resorts<br>International **              | 60,792                       | 180,724                        |
| <b>Loans:</b>  |                              |                                |
| Arab Jordan Investment Bank*                                     | 5,545,000                    | 5,545,000                      |
| <b>Investment:</b>   |                              |                                |
| Investment in Arab Jordan Investment<br>Bank *                   | 33,822                       | 37,869                         |
| <b>Off-Financial Position Items:</b>                             |                              |                                |
| Bank Guarantees - Arab Jordan Investment<br>Bank *               | 26,586                       | 26,586                         |

|   | For the Three-Month Period<br>Ended on March 31, |                 |
|---|--|-----------------|
|   | 2020 (Reviewed)                                  | 2019 (Reviewed) |
|   | JD   | JD              |
| <b>Items in the condensed interim Profit<br/>or loss Statement:</b> |  |                 |
| Four Seasons Hotels and Resorts<br>International management fees ** | 54,770   | 147,090         |
| Bank interest income - Arab<br>Jordan Investment Bank *             | 8,168  | 26,726          |
| Hotel executive management salaries<br>and benefits                 | 126,403  | 123,953         |

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

\*\* The operator company of the hotel business.

**15. Business Segments**

**a. Information about the Company's Business Segments**

The Company mainly owns the Four Seasons Hotel – Amman noting that the Company's registration including building a residence and managing hotels and resorts, hotels preparations and constructing hotels, restaurants, and swimming pools.

**b. Information about Geographical Distribution**

Major Company's assets, liabilities and operations are in the Hashemite Kingdom of Jordan.

**16. Lawsuits**

There is a lawsuit raised against the Company, amounted to JD 150 thousand in the designated courts related to one of the contractors, the Company has not booked any provision as Management believes that the lawsuit is invalid due to no written contract between the Company and the plaintiff exists, The Management of the Company Believes that it's in a strong position to win the case, noting that the legal advisor's opinion confirms the invalidity of plaintiff claim and it's not possible to predict the expected amounts as the case is in its initial stages.

Also, there are labor lawsuits raised against the Hotel which amounted to JD 20,000 at the designated courts as of March 31, 2020. Noting the Hotel booked a provision amounted to JD 7,000 as of March 31, 2020 and the Management believes that there is no need to book additional provision for these lawsuits.

**17. Contingent Liabilities**

As of the date of the financial position, the Company had contingent liabilities represented in bank guarantees with an amount of JD 26,586 as of March 31, 2020 (bank guarantees of JD 26,000 as of March 31, 2019).



18. Fair Value Hierarchy

a. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:  
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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      |                | Fair Value Hierarchy | Valuation Techniques and Key Inputs  | Significant Unobservable Inputs | Relationship of Significant Unobservable Inputs to Fair Value |
|---|-----------------|----------------|----------------------|--|---------------------------------|---|
|   | March 31,       | December 31,   |                      |  |                                 |   |
|   | 2020 (Reviewed) | 2019 (Audited) |                      |  |                                 |   |
|   | JD              | JD             |                      |  |                                 |   |
| Financial assets at fair value:                                   |                 |                |                      |  |                                 |   |
| Financial assets at fair value through other comprehensive income |                 |                |                      |  |                                 |   |
| Quoted shares   | 315,822         | 343,869        | Level 1              | Listed prices in the financial markets Through using the latest financial statements available | Not Applicable                  | Not Applicable  |
| Unquoted shares   | 8,000           | 8,000          | Level 2              |  | Not Applicable                  | Not Applicable  |
| Total   | 323,822         | 351,869        |                      |  |                                 |   |

There were no transfers between Level 1 and 2 during the period ended March 31, 2020

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 information 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.

|  | March 31, 2020 (Reviewed) |                | December 31, 2019 (Audited) |                  | Fair Value Hierarchy |
|--|---------------------------|----------------|-----------------------------|------------------|----------------------|
|  | Book Value                | Fair Value     | Book Value                  | Fair Value       |                      |
|  | JD                        | JD             | JD                          | JD               |                      |
| <b>Financial assets not calculated at fair value</b>       |                           |                |                             |                  |                      |
| Deposits with bank   | 699,882                   | 699,882        | 1,141,905                   | 1,141,905        | Level 1              |
| <b>Total financial assets not calculated at fair value</b> | <b>699,882</b>            | <b>699,882</b> | <b>1,141,905</b>            | <b>1,141,905</b> |                      |

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.

19. Approval of interim condensed financial information  
These interim condensed financial information were approved by the Board of Directors on May 20, 2020.