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Date : 28th October, 2020

الرقم : ر م / ر ر

التاريخ : ٢٨ تشرين الأول ٢٠٢٠

<p>To : Jordan Securities Commission Amman Stock Exchange</p>	<p>السادة / هيئة الأوراق المالية المحترمين السادة / بورصة عمان المحترمين ،</p>
<p>Subject : Reviewed Financial Statements for the nine months period ended on <u>30/09/2020</u></p>	<p>الموضوع : القوائم المالية المراجعة لفترة التسعة أشهر المنتهية في ٢٠٢٠/٩/٣٠</p>
<p>Attached is the reviewed financial statements (English Language) of Mediterranean Tourism Investment Company for the nine months ended 30/09/2020.</p>	<p>مرفق طيه نسخة من القوائم المالية المراجعة للتسعة أشهر المنتهية في ٣٠ أيلول ٢٠٢٠ (باللغة الإنجليزية) لشركة البحر المتوسط للاستثمارات السياحية .</p>
<p>Kindly Accept our highly appreciation and respect Mediterranean Tourism Investment Company</p>	<p>وتفضلوا بقبول فائق الإحترام ،، شركة البحر المتوسط للاستثمارات السياحية</p>

Raed
Raed Al Mäsis
Board secretary

راند المصيص
أمين سر مجلس الادارة

بورصة عمان
الدائرة الإدارية والمالية
الديوان

٢٨ تموز ٢٠٢٠

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الرقم المتسلسل:

رقم الملف:

الجهة المختصة:

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

CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED
SEPTEMBER 30, 2020
TOGETHER WITH REVIEW REPORT

MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
SEPTEMBER 30, 2020

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Review Report

AM/ 007833

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 September 30, 2020 and the related condensed interim statements of profit or loss and comprehensive income for the three and nine-month period then ended, changes in shareholders' equity and cash flows for the nine-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 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
October 22, 2020


Deloitte & Touche (M.E.) - Jordan

MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		September 30, 2020 (Reviewed not Audited)	December 31, 2019 (Audited)
	Note	JD	JD
<u>ASSETS</u>			
Non-Current Assets:			
Property and equipment - net	4	56,627,751	52,556,251
Financial assets at fair value through other comprehensive income	5	322,501	351,869
Total Non-Current Assets		56,950,252	52,908,120
Current Assets:			
Inventory		244,059	385,338
Other debit balances	6	325,903	213,536
Accounts receivables - net		154,283	460,240
Cash on hand and at bank	7	210,818	4,950,268
Total Current Assets		935,063	6,009,382
Total Assets		57,885,315	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		(93,833)	(64,465)
Retained earnings		1,612,528	1,612,528
(Loss) for the period		(2,525,729)	-
Total Shareholders' Equity		48,583,936	51,139,033
Current Liabilities:			
Accounts payable		791,560	868,106
Due to a related party	14	44,788	180,724
Other credit balances	9	832,422	1,108,057
Income tax provision	11	59,559	76,582
Short-term loans	10	1,849,180	-
Total Current Liabilities		3,577,509	2,233,469
Non Current Liabilities:			
Long-term loans	10	5,723,870	5,545,000
Total Non current Liabilities		5,723,870	5,545,000
Total Liabilities		9,301,379	7,778,469
Total Shareholders' Equity and Total Liabilities		57,885,315	58,917,502

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 PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
(REVIEWED NOT AUDITED)

	Note	For the Three-Month Period		For the Nine-Month Period	
		Ended on September 30,		Ended on September 30,	
		2020	2019	2020	2019
		JD	JD	JD	JD
Four Seasons Hotel operating revenue	12	909,010	3,574,128	3,354,098	11,327,048
<u>Less:</u> Four Seasons Hotel cost of revenue		(275,000)	(699,147)	(836,228)	(2,177,064)
General and administrative expenses-Four Seasons Hotel		(1,213,437)	(2,295,925)	(3,724,223)	(6,991,534)
Hotel Gross Operating (Loss) Profit		(579,427)	579,056	(1,206,353)	2,158,450
Other revenue		130,915	32,709	206,159	157,390
General and administrative expenses - Owner Company		(34,194)	(92,970)	(89,834)	(154,455)
Depreciation of property and equipments		(437,406)	(428,299)	(1,309,859)	(1,268,301)
Bank interest expense		(1,017)	(8,308)	(28,874)	(8,308)
Management fees		(24,599)	(141,639)	(89,660)	(482,591)
Expected credit loss provision		-	-	(7,308)	-
(Loss) Profit for the period before tax		(945,728)	(59,451)	(2,525,729)	402,185
Income tax for the period	11	-	11,890	-	(80,437)
(Loss) Profit for the Period		(945,728)	(47,561)	(2,525,729)	321,748
		<u>JD/Share</u>	<u>JD/Share</u>	<u>JD/Share</u>	<u>JD/Share</u>
(Losses)/ Earnings per Share for the Period - (Basic and Diluted)	13	(0/021)	(0/001)	(0/056)	0/007

Board of Directors Chairman

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MEDITERRANEAN TOURISM INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three-Month		For the Nine-Month	
	Period Ended September 30,		Period Ended September 30,	
	2020	2019	2020	2019
	JD	JD	JD	JD
(Loss) Profit for the period	(945,728)	(47,561)	(2,525,729)	321,748
Other comprehensive Income items which will not be reclassified to condensed interim statement of income in subsequent periods:				
Net change in fair value reserve	(6,578)	(82,844)	(29,368)	(103,156)
Total (Comprehensive loss) Income for the Period	(952,306)	(130,405)	(2,555,097)	218,592

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MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	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
<u>For the Nine-Month Period Ended on September 30, 2020</u>							
Balance - beginning of the period (Audited)	45,000,000	63,624	4,527,346	(64,465)	1,612,528	-	51,139,033
Changes in fair value reserve	-	-	-	(29,368)	-	-	(29,368)
(Loss) for the period	-	-	-	-	-	(2,525,729)	(2,525,729)
Total Comprehensive loss for the Period	-	-	-	(29,368)	-	(2,525,729)	(2,555,097)
Balance - Ending of the Period (Reviewed)	45,000,000	63,624	4,527,346	(93,833)	1,612,528	(2,525,729)	48,583,936
<u>For the Nine-Month Period Ended on September 30, 2019</u>							
Balance - beginning of the period (Audited)	45,000,000	63,624	4,500,107	30,668	1,418,448	-	51,012,847
Changes in fair value reserve	-	-	-	(103,156)	-	-	(103,156)
Profit for the period	-	-	-	-	-	321,748	321,748
Total Comprehensive Income for the Period	-	-	-	(103,156)	-	321,748	218,592
Balance - Ending of the Period (Reviewed)	45,000,000	63,624	4,500,107	(72,488)	1,418,448	321,748	51,231,439

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MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

		For the Nine-Month Period Ended on September 30,	
	Note	2020	2019
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss) Profit for the period before tax		(2,525,729)	402,185
Adjustments for:			
Depreciation of property and equipment		1,309,859	1,268,301
Interest expenses paid		28,874	8,308
(Gain) from sale of property and equipment		(44,112)	-
Bank interest income		(10,820)	(64,530)
Expected credit loss provision		7,308	-
Cash Flows (used in) from Operating Activities Before Change in Working Capital		(1,234,620)	1,614,264
Decrease in accounts receivables		298,649	233,192
Decrease (Increase) in inventory		141,279	(8,915)
(Increase) decrease in other debit balances		(112,367)	16,893
(Decrease) in accounts payable		(76,546)	(126,845)
(Decrease) in due to a related party		(135,936)	(58,400)
(Decrease) increase in other credit balances		(275,635)	106,201
Cash flows (used in) from Operating activities before Income Tax Paid		(1,395,176)	1,776,390
Income tax paid	11	(17,023)	(381,249)
Net Cash Flows (used in) from Operating Activities		(1,412,199)	1,395,141
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of property and equipment	4	(5,291,978)	(4,829,677)
Proceeds from sale of property and equipment		44,112	-
Bank interest received		10,820	64,530
Net Cash Flows (used in) Investing Activities		(5,237,046)	(4,765,147)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in loans	10	2,028,050	1,400,899
Interest expenses paid		(118,255)	(8,308)
Net Cash Flows from Financing Activities		1,909,795	1,392,591
(Decrease) in Cash		(4,739,450)	(1,977,415)
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	210,818	2,507,008
Capitalized Interest expense on property and equipment	4	89,381	-

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MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
NOTES TO THE 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 Million 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 Million.
- 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 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 27th 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. Significant Accounting Policies

a. Basis of preparation of the Condensed Interim Financial Statements

- The accompanying condensed interim financial statements of the Company for the nine months ended September 30, 2020 have been prepared in accordance with International Accounting Standard (IAS) 34 relating to Interim Financial Reporting.
- The condensed interim financial statements 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 statements date.
- The condensed interim financial statements are stated in Jordanian Dinar, which represents the functional currency for the Company.
- The condensed interim financial statements do not include all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards. Moreover, the results of operations for the nine-month period ended September 30, 2020 do not necessarily provide an indication of the expected results of operations for the year ending December 31, 2020 and should be read with the annual report as of December 31, 2019.
- The Company has not booked statutory reserve amounts for profits of the nine-month period ended September 30, 2020 as required by the Jordanian companies' law and issued regulations, as these are interim financial results, and deductions are booked at the end of the entity's fiscal period.

- **Significant Accounting Policies**

The accounting policies used in the preparation of the condensed interim financial information are consistent with those used in the preparation of the 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.

3. Judgements, Estimates, & risk management

Preparation of the 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, expected credit loss and changes in the investment valuation reserve that appear in the condensed interim statement of comprehensive income and within shareholders' 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 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 the kingdom, perform a study to review and evaluate potential risks, in addition to providing additional disclosures in the interim financial statements as of September 30, 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 organized its obligations in accordance with the cash flows.
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 during the year 2020, the permitted works were started during the nine months ended on September 30, 2020 responding to the instructions of the Jordanian Defence Law and the instructions of the Hashemite kingdom of Jordan, 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 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, also the Company has obtained medium-term loans to cover the Hotel's renovation, also the procedures that the government of the Hashemite Kingdom of Jordan has followed had a significant impact in enhancing liquidity of the Jordanian market companies.

4. Property and Equipment - Net

Additions to property and equipment amounted to JD 5,291,978 during the nine months of 2020 mainly representing the renovation of hotel floors and others facilities (JD 4,829,677 for the same period of the year 2019).

The capitalized bank interest during the nine months of 2020 amounted to around JD 89 thousand.

5. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	September 30, 2020	December 31, 2019
	JD	JD
Quoted shares in Amman Stock Exchange	307,221	343,869
Un-quoted shares in Amman Stock Exchange*	15,280	8,000
	<u>322,501</u>	<u>351,869</u>

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

6. Other Debit Balances

This item consists of the following:

	September 30, 2020	December 31, 2019
	JD	JD
Prepaid expenses	203,785	184,773
Advance payments *	96,951	-
Others	25,167	28,763
	<u>325,903</u>	<u>213,536</u>

* This item represents the advance deposits paid to the income and sales tax department (recoveries 16% of advance payments from customers).

7. Cash on Hand and at Bank

This item consists of the following:

	September 30, 2020	December 31, 2019
	JD	JD
Cash on hand	10,000	18,400
Current accounts at bank	41,613	3,789,963
Deposits at bank *	159,205	1,141,905
	<u>210,818</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 3.75%.

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 September 30, 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 September 30, 2020 and December 31, 2019.

9. Other Credit Balances

This item consists of the following:

	September 30, 2020	December 31, 2019
	JD	JD
Accrual expenses	303,447	201,499
Advance payments from customers	210,255	300,126
Advance rent payments	18,673	57,352
Sales tax withholdings	-	153,901
Income tax withholdings	14,577	38,222
Increments for Hotel's employees	45,617	120,573
Social Security withholdings	66,316	54,778
Shareholders withholdings	58,952	60,456
Employees vacation provision	53,213	74,442
Other credit balances	61,372	46,708
	<u>832,422</u>	<u>1,108,057</u>

10. Loans

This item consists of the following:

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)	
	Short Term	Long Term	Short Term	Long Term
	JD	JD	JD	JD
Loan (1) *	62,500	2,937,500	-	2,000,000
Loan (2) **	1,786,680	1,758,320	-	3,545,000
Loan (3) ***	-	1,028,050	-	-
	<u>1,849,180</u>	<u>5,723,870</u>	<u>-</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) during the year of 2019, and during the nine months ended September 30, 2020, the limit has been increased of an amount of JD 1 million to become JD 3 million and has been fully utilized during the period ended September 30, 2020, to be settled over 96 equal and consecutive monthly installments, with a grace period of 24 months from the date of signing the contract with the first installment due on August 31, 2021 and the last installment due on July 31, 2029. The purpose of this loan is to renovate the hotel rooms and other facilities.

** The Company has been granted a loan with a limit of USD 5 million from the Arab Jordan Investment Bank (related party), which has been fully utilized during the period ended September 30, 2020, 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. The purpose of this loan is to renovate the hotel rooms and other facilities.

*** The Company has been granted a loan with a limit of USD 8.45 million from Cairo Amman Bank, an amount of USD 1.450 million was utilized from granted loan, to be settled over 60 installments within 72 months with grace period of 12 months, with the first installment due on October 31, 2021 and the last installment due on April 30, 2023. The purpose of this loan is to renovate the hotel rooms and other facilities.

11. Provision for Income Tax

a. Provision for Income Tax:

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

	September 30, 2020	December 31, 2019
	JD	JD
Beginning of the period/year	76,582	406,758
Income tax paid	(17,023)	(381,249)
Accrued income tax	-	51,073
Ending Balance for the Period/Year	<u>59,559</u>	<u>76,582</u>

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

	For the Nine-Month Period Ended September 30,	
	2020	2019
	JD	JD
Accrued income tax for the profit of the period	-	80,437
Ending Balance for the Period	<u>-</u>	<u>80,437</u>

- 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 2018. Noting that income tax returns for the year 2019 have been submitted but not reviewed 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.
- Management did not record any income tax expense during the nine-month period ended September 30, 2020, as the company incurred loss.

- 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 Nine-Month Period Ended September 30,	
	2020	2019
	JD	JD
Rooms revenue	900,454	3,593,375
Food and beverage revenue	1,470,254	5,182,400
Others	983,390	2,551,273
	<u>3,354,098</u>	<u>11,327,048</u>

13. (Losses)/ earnings per Share for the Period

This item consists of the following:

	For the Three-Month Period Ended September 30,		For the Nine-Month Period Ended September 30,	
	2020	2019	2020	2019
	JD	JD	JD	JD
(Loss)/ Income for the period	(945,728)	(47,561)	(2,525,729)	321,748
Weighted-average number of shares	45 Million Shares	45 Million Shares	45 Million Shares	45 Million Shares
	JD/Share	JD/Share	JD/Share	JD/Share
(Losses)/ Earnings per Share for the Period-Basic and Diluted	(0/021)	(0/001)	(0/056)	0/007

14. Related Parties Transactions and Balances

The details of balances and transactions with related parties are as follows:

	September 30, 2020	December 31, 2019
	JD	JD
On-Financial Position Items		
Cash at Bank:		
Deposits and current accounts – AJIB *	200,818	4,931,868
Accounts Receivable:		
Board of Directors members	13,538	14,793
Due to a related party:		
Four Seasons Hotels and Resorts International **	44,788	180,724
Loans:		
Arab Jordan Investment Bank *	6,545,000	5,545,000
Investment:		
Investment in AJIB *	31,221	37,869
Off-Financial Position Items:		
Bank Guarantees - AJIB *	26,586	26,586
	For the Nine-Month Period Ended on September 30,	
	2020	2019
	JD	JD
Items in the condensed interim Income Statement:		
Four Seasons Hotels and Resorts International management fees **	89,660	482,591
Bank interest income - AJIB *	10,820	64,530
Hotel executive management salaries and benefits	283,240	403,860
Bank interest expenses	118,255	8,308

* 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 noting that the Company's registration including building a residence and managing hotels and resorts, hotels preparations and constructing hotels, restaurants, and swimming pools. Note (12) illustrates the distribution of the Hotel's revenue.

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 amounting to JD 150 thousand at the designated courts as of September 30, 2020. The Company has not booked any provision as the Management and the legal consultant believe that the Company is in a strong position to win the case.

Also, there are labor lawsuits raised against the Hotel which amounted to JD 34 thousand at the designated courts as of September 30, 2020. Noting that the Hotel booked a provision amounted to JD 17 thousand 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 September 30, 2020 (bank guarantees of JD 26,586 as of September 30, 2019).

18. 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		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Significant Unobservable Inputs to Fair Value
	September 30, 2020 (Reviewed)	December 31, 2019 (Audited)				
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through other comprehensive income						
Quoted shares	307,221	343,869	Level 1	Listed prices in the financial markets	Not Applicable	Not Applicable
Unquoted shares	15,280	8,000	Level 2	Through using the latest financial information available	Not Applicable	Not Applicable
Total	322,501	351,869				

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

	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial assets not calculated at fair value					
Deposits at bank	159,205	159,205	1,141,905	1,141,905	Level 1
Total financial assets not calculated at fair value	159,205	159,205	1,141,905	1,141,905	

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 for the nine months ended September 30, 2020, were approved by the Board of Directors on October 21, 2020.