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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT

MEDITERRANEAN TOURISM INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
DECEMBER 31, 2020

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Independent Auditor's Report

AM/ 007833

To the Shareholders of
Mediterranean Tourism Investment Company
Amman - Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mediterranean Tourism Investment Company, which comprise the statement of financial position as of December 31, 2020, and the statement of income and comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company in Jordan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matters	How our audit addressed the key audit matter
Useful life of Property and equipment The Company has property and equipment with a carrying amount of around JD 58.2 million, as detailed in Note (4), as of December 31, 2020. The useful life of the property and equipment is based on management's technical assessment of factors, which requires judgement to be applied, and accordingly contains significant estimation uncertainty. The useful life of the property and equipment has a direct impact on the amount of depreciation charged to profit or loss. Consequently, we considered this to be a key audit matter. In making its assessment of the asset's useful life, Management has assessed the useful life of the property and equipment considering various factors such as property operating cycles, maintenance programs, normal wear and tear and forecasts. Refer to Note (2) "Significant Accounting Policies", Note (3) "Significant Accounting Judgment and key Sources of Uncertainty" and Note (4) "Property, and Equipment" to the financial statements for further detail.	In relation to the key audit matter, our procedures included the following: Obtaining an understanding of management's process for determining the useful life of the main generation property and related equipment. We re-assessed the relevance and appropriateness of the assumptions detailed above by making enquiries of management as to: • The general status of operations of the property and equipment, including the future plans and utilization of the Property and equipment; • Reassessing the useful life of the property and equipment and the depreciation method by comparing these with other companies in the country with similar Property and equipment ; and • Reassessing the continuing adequacy of the disclosures in these financial statements relating to asset lives and the judgments surrounding them to determine if they are in accordance with the requirements of IFRSs. • Our audit procedures included an understanding of the Company's property and equipment nature, in addition to review and attest the related additions during the year and the adopted internal controls related to purchasing of property and equipment and reviewing the accounting estimates that is prepared by the management for the calculation of the annual depreciation of these assets.

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Other Matter Paragraph
The accompanying financial statements are a translation of the statutory financial statements in Arabic language to which reference should be made.

Other Information
Management is responsible for the other information. The other information comprises the other information in the annual report excluding the financial statements and the independent auditor thereon, which is expected to be made available to us after the date of our audit report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of* Management *and Those Charged with Governance for the Financial Statements
The Company's management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards procedures.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

The Company maintains proper accounting records which are in agreement with the accompanying financial statements. We recommend that the General Assembly of Shareholders approve these financial statements.

Amman - Jordan
February 15, 2021

Deloitte & Touche (M.E) - Jordan

Deloitte & Touche (M.E.)
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MEDITERRANEAN TOURSIM INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2020	December 31, 2019
ASSETS		JD	JD
Non Current Assets:			
Property and equipment - net	4	58,203,720	52,556,251
Financial assets at fair value through other comprehensive income	5	367,681	351,869
Total Non Current Assets		58,571,401	52,908,120
Current Assets:			
Inventory	6	210,854	385,338
Other debit balances	7	155,105	213,536
Accounts receivable - net	8	157,367	460,240
Cash on hand and at bank	9	488,999	4,950,268
Total Current Assets		1,012,325	6,009,382
TOTAL ASSETS		59,583,726	58,917,502
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity:			
Paid-up capital	10	45,000,000	45,000,000
Share premium	10	63,624	63,624
Statutory reserve	11	4,527,346	4,527,346
Fair value reserve		(48,653)	(64,465)
Retained (losses) / earnings		(2,037,075)	1,612,528
TOTAL SHAREHOLDERS' EQUITY		47,505,242	51,139,033
Current Liabilities:			
Accounts payable	12	561,117	868,106
Short-term loans	14	2,838,044	-
Other credit balances	13	741,591	1,108,057
Income tax provision	15	55,286	76,582
Due to a related party	24	171,140	180,724
Total Current Liabilities		4,367,178	2,233,469
Non Current Liabilities:			
Long term loans	14	7,711,306	5,545,000
Total Non current Liabilities		7,711,306	5,545,000
Total Liabilities		12,078,484	7,778,469
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		59,583,726	58,917,502

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

MEDITERRANEAN TOURSIM INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF INCOME

	Note	For the Year Ended December 31, 2020	2019
		JD	JD
Four Seasons Hotel operating revenue	16	3,824,021	14,873,688
Less: Four Seasons Hotel cost of operating		(1,020,374)	(2,930,361)
General and administrative expenses- Four Seasons Hotel	17	(4,675,451)	(9,253,830)
Hotel Gross Operating (Loss) Profit		(1,871,804)	2,689,497
Other revenue	18	217,332	222,614
General and administrative expenses- Owner Company	19	(94,550)	(217,258)
Depreciation of property and equipment	4	(1,746,767)	(1,701,023)
Management expenses	20	(104,959)	(679,316)
Bank Interest expense		(41,547)	(42,122)
Expected credit loss provision		(7,308)	-
Income for the year before Income Tax		(3,649,603)	272,392
Income tax expense	15	-	(51,073)
Income for the Year		(3,649,603)	221,319
		JD/Share	JD/Share
Earnings per Share for the Year-Basic and Diluted	21	(0.081)	0.005

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MEDITERRANEAN TOURSIM INVESTMENT COMPANY

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AMMAN - JORDAN

STATEMENT OF COMPREHINSIVE INCOME

	For the Year Ended December 31,	
	2020	2019
	JD	JD
(Loss) Income for the year	(3,649,603)	221,319
Comprehensive income items:		
Net Changes in fair value reserve	15,812	(95,133)
Total Comprehensive (Loss) Income for the Year	(3,633,791)	126,186

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MEDITERRANEAN TOURSIM INVESTMENT COMPANY

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STATEMENT OF CHANGES IN SHAREHOLDES' EQUITY

	Note	Paid-up Capital	Share Premium	Statutory Reserve	Fair Value Reserve - Net after Tax	Retained (Losses)/ Earnings	Total
For the Year Ended December 31, 2020		JD	JD	JD	JD	JD	JD
Balance - beginning of the year		45,000,000	63,624	4,527,346	(64,465)	1,612,528	51,139,033
(Loss) for the year		-	-	-	-	(3,649,603)	(3,649,603)
Changes in fair value reserve		-	-	-	15,812	-	15,812
Total Comprehensive (Loss) for the Year		-	-	-	15,812	(3,649,603)	(3,633,791)
Balance - End of the Year		45,000,000	63,624	4,527,346	(48,653)	(2,037,075)	47,505,242
For the Year Ended December 31, 2019							
Balance - beginning of the year		45,000,000	63,624	4,500,107	30,668	1,418,448	51,012,847
Income for the year		-	-	-	-	221,319	221,319
Changes in fair value reserve		-	-	-	(95,133)	-	(95,133)
Total Comprehensive Income for the Year		-	-	-	(95,133)	221,319	126,186
Transferred to reserves		-	-	27,239	-	(27,239)	-
Balance - End of the Year		45,000,000	63,624	4,527,346	(64,465)	1,612,528	51,139,033

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MEDITERRANEAN TOURSIM INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
(Loss) Income for the year before tax		(3,649,603)	272,392
Adjustment for:			
Depreciation of property and equipment	4	1,746,767	1,701,023
Interest expenses incurred		264,716	50,278
(Gain) from sale of property and equipment	18	(50,588)	(45,000)
Bank interest revenue	18	(15,206)	(78,333)
Expected credit loss provision	8	7,308	-
Cash Flows (used in) Operating Activities before Changes in Working Capital		(1,696,606)	1,900,360
Decrease in accounts receivable		295,565	226,923
Decrease in inventory		174,484	15,401
Decrease in other debit balances		58,431	38,356
(Decrease) increase in accounts payable		(306,989)	36,492
(Decrease) in due to a related party		(9,584)	(64,007)
(Decrease) in other credit balances		(452,736)	(153,614)
Cash Flows (used in) from Operating Activities before Income Tax Paid		(1,937,435)	1,999,911
Income tax paid	15	(21,296)	(381,249)
Net Cash Flows (used in) from Operating Activities		(1,958,731)	1,618,662
CASH FLOWS FROM INVESTING ACTIVITIES:			
Additions of property and equipment		(7,394,236)	(6,770,872)
Proceeds from sale of property and equipment	18	50,588	45,000
Bank interest received	18	15,206	78,333
Net Cash Flows (used in) Investing Activities		(7,328,442)	(6,647,539)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in loans		5,004,350	5,545,000
Intrest expenses paid		(178,446)	(50,278)
Net Cash Flows from Financing Activities		4,825,904	5,494,722
Net (Decrease) Increase in Cash		(4,461,269)	465,845
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 Year	9	488,999	4,950,268

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

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 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 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.

- During the years of 2019 and 2020, the Four Seasons Hotel in Amman was redecorated and renovated, the Management expects to complete the renovation during the year 2021.

- Deficit in working capital
  The Company has a deficit in its working capital amounting to around JD 3.4 Million as of December 31, 2020, which resulted from obtaining loans that matures within a year, suspension of the Hotel's operations due to the Coronavirus (Covid-19) pandemic, and the Hotel's redecoration and renovation process. The Company will obtain the necessary financing from external parties including the related parties to enable the Company to meet its liabilities.

2. Significant Accounting Policies

Basis of Preparation of the Financial Statements:

- The accompanying financial statements are prepared in accordance with the standards issued by the International Accounting Standards Board (IASB) and the related interpretations issued by the Committee of the IASB and applicable local laws.

- The financial statements are prepared under the historical cost basis except for financial assets and financial liabilities shown at fair value at the date of the financial statements.

- The reporting currency of the financial statements is Jordanian Dinar, which is the functional currency of the Company.

The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2019 except for the effect of the adoption of the new and revised standards mentioned in Note (27.a). The following are the most significant accounting policies used during the year ended December 31, 2020:

a. Accounts Receivable

Accounts receivable with fixed or determinable and unquoted payments in an active market are classified as loans and accounts receivable and are initially recognized at amortized cost plus directly attributable acquisition costs, if any, and are subsequently measured at amortized cost using the effective interest method less impairment provision. (Also referred to as the "expected credit loss provision") (if any).

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset, or (where appropriate) a shorter period, to the amortised cost of a financial asset.

The interest income is recognized (if any) through implementing the effective interest method, except for the short term account receivables when the recognition is immaterial.

The Company recognises a loss allowance for expected credit losses on investments in accounts receivables as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company’s core operations.

Financial assets are assessed as low credit value when one or more events occur that have a negative impact on the estimated future cash flows of those assets.

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The probability of default represents the probability of the debtor of not meeting its financial obligations either over the next 12 months (12-month default probability) or over the remaining time period (lifetime default probability) of financial liabilities. The loss given default represents the exposure at default. The Company assumes loss given default for the financial instruments and the possible changes in the amounts permitted in the contract which includes the amortization. The loss given default for any financial asset is impaired is the total of its carrying amount. The exposure at default is the expected loss on the occurrence, and its expected value when realized and the time value of the asset.

The Company applied the simplified approach to recognize the expected credit losses over the life of receivables as permitted by IFRS 9. Accordingly, non-impaired receivables that do not contain a significant component of financing are classified as part of the second stage with the recognition with the expected credit loss over its lifetime.

The objective evidence that the debt instrument has been impaired whether there is any settlement of principal and interest that is overdue for more than 90 days or any known difficulties in cash flows, including the sustainability of the counterparty's business plan, low credit rating and breach of terms of the original contract and its ability to improve performance when the financial difficulties appear and the deterioration of the value of the collateral and so forth. The Company assesses whether there is an objective evidence of impairment on an individual basis for each asset individually and collectively for other assets that are not individually significant.

Provisions for expected credit losses are presented as a decrease in the total carrying amount of the financial assets at amortized cost.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in statement of income.

Provision for expected credit loss

The Company has adopted the simplified approach to recognize expected credit losses over the life of its receivables as permitted by IFRS 9. Accordingly, non-impaired trade receivables that do not contain a significant financing component have been classified as part of second stage with the recognition of expected credit losses over their lifetime.

A provision for the expected credit loss should be recognized over the life of the financial instrument if the credit risk on that financial instrument increases substantially since the initial recognition and the expected credit loss is an expected weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the expectation of several future economic scenarios, discounted at the effective interest rate of the asset.

The Company assesses whether there is objective evidence of impairment on an individual basis for each asset of individual value and collectively for other assets that are not individually significant.

Provisions for loss of credit losses are presented as a reduction of the total carrying amount of financial assets at amortized cost.

b. Financial liabilities and equity of the Company

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Accounts payable and other credit balances which are classified as "financial liabilities" are initially measured at fair value less transaction costs, whereas they are subsequently measured at amortized cost using the effective interest method. Interest expense is recognized on an actual yield basis except for short-term liabilities if it is not material to recognize interest.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when the Company’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

c. Property and Equipment

1. Property and equipment are stated at cost, net of accumulated depreciation and any impairment in its value. Moreover, property and equipment (except for land) are depreciated when they ready for use, according to the straight-line method over their expected useful lives using the following annual rates:

	%
Buildings and constructions	2
Furniture and fixtures	9
Decorations	9
Electrical supplies, equipment's and computers	5-15
Vehicles	12
Mobile restaurant	5

2. When the recoverable amount of any property and equipment becomes less than its net book value, its value is reduced to the recoverable amount, and the impairment loss is charged to the statement of income.
3. The useful lives of property and equipment are revalued at the end of each year. If the revaluation differs from previous estimates, the change is recorded in subsequent years, being a change in estimate.
4. Property and equipment are eliminated when disposed of or when no future benefits are expected from their use or disposal.

d. Financial Assets at Fair Value through Other Comprehensive Income

- These financial assets at fair value through other comprehensive income represent investments in equity instruments for the purpose of keeping them for the long term and not for trading.

- These assets are recognized at fair value plus acquisition expenses at the time of purchase. They are subsequently re-evaluated at fair value; and the change in fair value is presented in the statement of comprehensive income within shareholders' equity, including the change in the fair value from the translation differences of non-cash assets denominated in foreign currencies. In case of selling these assets or part therefrom, the resulted gains or losses are taken to the statement of comprehensive income within shareholders' equity. Moreover, the fair value reserve balance of the sold equity instruments is to be transferred directly to retained earnings, and not through the income statement.

- These assets are not subject to the impairment testing.

- Dividends are taken to the statement of income.

e. Fair Value

The fair value of financial assets traded is determined at market price on the Amman Stock Exchange. Unquoted financial assets or have no announced prices are valued at fair value through:

1. Comparing them with the market valu e of very similar financial instrument.

2. Analysis of future cash flows and discounting of expected cash flows of a rate used for a similar financial instrument

3. Options pricing models

The valuation methods aim to obtain a fair value that reflects market expectations and takes into consideration the market factors and any predictable risks or benefits when estimating the value of financial assets. In case there are financial assets whose fair value can't be measured reliably; they are stated at cost.

f. Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

g. Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (except for financial assets at fair value through statement of income) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. The transaction costs that are directly attributable to the acquisition of financial assets or liabilities at fair value through income statement are directly booked in the statement of income.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost after deducting impairment loss (Except for debt investments determined at fair value through profit or loss upon initial recognition):

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest revenue over the relevant period.The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

h. Inventory

Inventory is stated at cost, using the weighted-average method or net realizable value, whichever is lower.

i. Revenue Earned and Recognition of Expenses

Revenue is measured at the fair value of the considerations received or receivable and recognized when the services are rendered as follows:

- Room revenue is recognized according to the accrual basis.
- Food and beverage revenue is recognized when the service is rendered.
- Other departments' revenue is recognized when the service is rendered.
- Rent revenue is recognized according to the accrual basis.
- Expenses are recognized in the statement of income using accrual basis.
- Commissions are booked as revenues, when the related service is provided, dividend revenue from companies' shares is recognized when it's earned (when approved by the general assembly of shareholders).

j. Foreign Currency Transactions

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar at the exchange rates prevailing at year-end. Transactions in foreign currencies are translated to Jordanian Dinar using the prevailing rates of exchange at the date of the transaction, and exchange differences are taken to the statement of profit or loss.

k. Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.

- Accrued tax expenses are accounted on the basis of taxable income. Moreover, taxable income differs from income declared in the financial statements because the later includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, or items not accepted for tax purposes or subject to tax.

- Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations, and instructions of the Hashemite Kingdom of Jordan.

- Deferred taxes are expected to be paid or recovered due to temporary timing differences between the value of the assets or liabilities in the financial statements and the value on the basis of which taxable income is calculated. Furthermore, deferred taxes are calculated using the liability method in the statement of financial position according to the tax rates expected to be applied at the time of tax liability settlement or the recognition of the deferred tax assets and liabilities.

- On the financial statements date, the balance of deferred tax assets and liabilities is reviewed and reduced in case it is expected that the Company would not benefit in whole or in part from the deferred tax assets, or the tax liability is settled.

l. Segments Information

- Business segments are determined based on internal financial reporting information on the Company's segments, which is reviewed regularly by the main operating decision maker, to specify the resources for the segment and evaluate its performance. Segments are divided into business segments or geographical segments.

- A business segment represents a Company of assets and operations that collaborate together in providing products or services, subject to risks and reward that differ from those related to other business segments.

- A geographical segment relates to providing products or services in a specified economic environment, subject to risks and rewards that differ from those related to segments within other economic environments.

3. Significant Accounting Judgments and Key Sources of Uncertainty

The preparation of the financial statements and the adoption of accounting policies requires the management to make judgments, estimates and assumptions that affect the amounts of financial assets and financial liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses and provisions in general and expected credit losses also the changes in fair value through other comprehensive income and shareholders’ equity. In particular, the Company's management is required to make judgments to estimate the amounts and timing of future cash flows. These mentioned estimates are based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Actual results may differ from estimates as a result of changes in these conditions and circumstances in the future.

Judgments, estimates and assumptions are reviewed periodically. The effect of the change in estimates is recognized in the financial period in which the change has occurred and only if the change affects the same financial period. Moreover, the effect of the change in estimates is recognized in the financial period in which the change has occurred and in future periods in case the change affects the financial period and future financial periods.

We believe that the estimates in the financial statements are reasonable. The details are as follows:

- Evaluation of business model
  The classification and measurement of financial assets depend on the results of the principal and interest payments test on the principal outstanding and the business model test. The Company defines a business model at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment that reflects all relevant evidence, including how to assess the performance of the assets and measure their performance, the risks that affect the performance of assets and how they are managed, and how asset managers are compensated. The Company monitors financial assets measured at amortized cost or fair value through other comprehensive income and derecognized before maturity to understand the reason for derecognition and whether the reasons are consistent with the objective of the business held. In this respect, control is part of the Company’s continuous assessment of whether the business model under which the remaining financial assets are retained is appropriate, and whether it is inappropriate if there is a change in the business model, and therefore, a future change is made in the classification of those assets. No such changes were required during the periods presented.

- Significant increase in credit risk
  The expected credit loss is measured as an allowance equivalent to the expected credit loss of 12 months for the assets of the first stage, or the credit loss over the life of the assets of the second or third stage. The asset moves to the second stage if credit risk increases significantly since initial recognition. IFRS (9) does not specify what constitutes a significant increase in credit risk. In assessing whether the credit risk of any asset has increased significantly, the Company takes into account reasonable and reliable quantitative and qualitative information.

- Useful lives of tangible assets and intangible assets:
  Management periodically reassesses the economic useful lives of tangible assets and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and the assessment of their expected useful economic lives in the future and compared it with the same property and equipment used in the country as well the Management evaluates the adequacy of all related disclosures .Impairment loss (if any) is charged to the statement of profit or loss.

- Assets and liabilities presented at cost
  Management reviews the assets and liabilities at cost periodically for the purpose of estimating any impairment in value, any impairment loss is recognized in the statement of income for the year.

- Slow-moving inventory items are taken on the basis and estimates approved by management for calculating the provision to be booked in conformity with International Financial Reporting Standards.

- Income tax:
  Income tax expense, income tax provision and deferred tax assets and liabilities for the year are accounted for and reevaluated the adequacy and appropriateness of the income tax provision in accordance with the laws, regulations, and International Financial Reporting Standards.

- Lawsuits provision:
  A provision for lawsuits raised against the Company (if any) is taken based on a legal study prepared by the Company's legal consultants. According to the study, probable future risks are identified; the study is reviewed periodically.

- End of service provision:
  A provision of employees' end of service is taken based on the laws and regulations.

<u>Calculation of provision for expected credit losses</u>
The management is required to use important judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risk of significant increase in credit risk for financial assets after the initial recognition and future measurements information for expected credit losses.

The expected credit loss is measured as an allowance equivalent to the expected credit loss over the life of the asset.

Determining the number and relative weight of forward looking scenarios for each type of products / market and the identification of future information relevant to each scenario.

When measuring the expected credit loss, the Company uses reasonable and supportable future information based on significant forward-looking factors and how these factors affect the expected credit loss calculation.

<u>Probability of default</u>
The probability of default is a key input in measuring the expected credit loss. The probability of default is considered an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions and expectations relating to future circumstances.

<u>Loss given default</u>
Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into account cash flows from collaterals and credit adjustments.

<u>Revenue recognition</u>
The Company's management uses significant estimates and assumptions to determine the amount and timing of revenue recognition under IFRS 15, "Revenue from contracts with customers".

Based on the Management estimation there is no significant or material impact resulting from IFRS (15) on the financial statements.

- 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 December 31, 2020. Accordingly, the Company has taken the following measures to contain the crisis:

a. <u>The Company's plan to address the new Coronavirus (COVID-19) pandemic</u>
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 year ended on December 31, 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 didn't terminate any employee during the pandemic, in which 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. <u>The impact of the new Coronavirus (COVID-19) outbreak on the results of the Company's operations</u>
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. <u>The Impact of the Coronavirus (COVID-19) outbreak on the Company's liquidity levels</u>
The Company has prepared all the scenarios related to stressful situations, also the Company has obtained medium and long-term loans to cover the Hotel's renovation and liquidity enhancement.

4. Property and Equipment - Net

This item consists of the followings:

2020	Lands	Buildings and Constructions	Furniture and Fixtures	Decorations	Electrical Supplies, Equipments and Computers	Vehicles	Mobile Restaurant	Projects In Progress*	Total
Cost:	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	13,603,314	35,208,978	8,142,328	1,601,877	9,785,804	218,112	383,626	7,587,702	76,531,741
Additions	-	129,887	87,073	24,835	206,578	-	-	6,945,863	7,394,236
Disposals	-	(1,184,598)	(4,199,982)	(881,392)	(1,028,169)	(120,753)	-	-	(7,414,894)
Balance - End of the Year	13,603,314	34,154,267	4,029,419	745,320	8,964,213	97,359	383,626	14,533,565	76,511,083
Accumulated Depreciation:									
Balance - beginning of the year	-	11,457,782	6,060,313	1,253,255	4,813,507	135,693	254,940	-	23,975,490
Depreciation for the year	-	752,645	360,773	64,698	537,783	11,683	19,185	-	1,746,767
Disposals	-	(1,184,598)	(4,199,982)	(881,392)	(1,028,169)	(120,753)	-	-	(7,414,894)
Balance - End of the Year	-	11,025,829	2,221,104	436,561	4,323,121	26,623	274,125	-	18,307,363
Net Book Value for Property and Equipment	13,603,314	23,128,438	1,808,315	308,759	4,641,092	70,736	109,501	14,533,565	58,203,720
2019									
Cost:									
Balance - beginning of the year	13,603,314	35,928,550	12,090,655	2,420,712	9,792,226	171,602	383,626	1,826,959	76,217,644
Additions	-	46,787	220,740	38,885	657,207	46,510	-	5,760,743	6,770,872
Disposals	-	(766,359)	(4,169,067)	(857,720)	(663,629)				(6,456,775)
Balance - End of the Year	13,603,314	35,208,978	8,142,328	1,601,877	9,785,804	218,112	383,626	7,587,702	76,531,741
Accumulated Depreciation:									
Balance - beginning of the year	-	11,479,951	9,884,955	2,047,827	4,956,903	125,846	235,760	-	28,731,242
Depreciation for the year	-	744,190	344,425	63,148	520,233	9,847	19,180	-	1,701,023
Disposals	-	(766,359)	(4,169,067)	(857,720)	(663,629)				(6,456,775)
Balance - End of the Year	-	11,457,782	6,060,313	1,253,255	4,813,507	135,693	254,940	-	23,975,490
Net Book Value for Property and Equipment	13,603,314	23,751,196	2,082,015	348,622	4,972,297	82,419	128,686	7,587,702	52,556,251

- Property and equipment include fully depreciated assets in the amount of around JD 7.5 Million as of December 31, 2020 (JD13,781,183 as of December 31, 2019).

* This item represents the inccured costs and advanced payments to suppliers for the renovation of the Hotel's floors, rooms and facilities.

* The capitalized bank interest during the year ended December 31, 2020 amounted to around JD 150 thousand.

5. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Quoted shares in Amman Stock Exchange	352,401	343,869
Un-quoted shares in Amman Stock Exchange*	15,280	8,000
	367,681	351,869

* The fair value for this investment has been calculated based on the latest audited financial statements.

6. Inventory

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Food and beverages	89,558	133,956
Rooms supplies	116,643	142,944
Hotel supplies and services	4,653	108,438
	210,854	385,338

7. Other Debit Balances

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Prepaid expenses	101,621	184,773
Advance payments *	39,556	-
Others	13,928	28,763
	155,105	213,536

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

8. Accounts Receivable – Net

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Trade receivables	76,424	401,986
Other receivables	88,251	58,254
	164,675	460,240
Less: Expected credit loss *	(7,308)	-
	157,367	460,240

* The movement on the Provision for Expected Credit Loss is as follows:

	December 31, 2020
	JD
Additions during the year	7,308
Balance – End of the Year	7,308

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

9. Cash on Hand and at Bank

The details of this item are as follows:

	December 31, 2020	December 31, 2019
	JD	JD
Cash on hand	10,000	18,400
Bank current accounts	318,971	3,789,963
Deposits at bank *	160,028	1,141,905
	488,999	4,950,268

* 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.

10. Paid – Up Capital and Share Premium

- The paid-up capital is amounted to JD 45 million divided into 45 million share at a par of JD 1 per share as of December 31, 2020 and 2019, moreover, there were no changes over the paid-up capital during the current year and the previous year.

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

11. Statutory Reserve

This item represents all the amounts that have been transferred from the annual profit before tax at a percentage of 10% according to the Company's law and it is not distributable to the shareholders as long as it doesn't exceed 25% of the capital and the approval of the Company's Board of Directors has to be obtained in case the Company decides to exceed 25% of the capital.

12. Accounts Payable

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Trade payables	482,771	822,245
Other payables	78,346	45,861
	561,117	868,106

13. Other Credit Balances

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Accrual expenses	251,162	201,499
Advance payments from customers	200,421	300,126
Advance rent payments	35,851	57,352
Sales tax withholdings	-	153,901
Income tax withholdings	9,326	38,222
Increments for Hotel's employees	58,144	120,573
Social Security withholdings	13,105	54,778
Shareholders withholdings	58,952	60,456
Employees vacation provision	29,292	74,442
Other credit balances	85,338	46,708
	741,591	1,108,057

14. Loan

This item consists of the following:

	December 31,			
	2020		2019	
	Short Term	Long Term	Short Term	Long Term
	JD	JD	JD	JD
Loan (1) *	156,250	2,843,750	-	2,000,000
Loan (2) **	2,382,240	1,162,760	-	3,545,000
Loan (3) ***	299,554	3,704,796	-	-
	2,838,044	7,711,306	-	5,545,000

* 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 year ended December 31, 2020, the limit has been increased of an amount of JD 1 million to become JD 3 million with an annual interest rate of 2.75%, and has been fully utilized during the year ended December 31, 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) with an interest of 1% above the Libor price for every 6 months, which has been fully utilized during the year ended December 31, 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 with a variable interest of 3.65%, an amount of USD 5.65 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.

15. Provision for Income Tax

a. Provision for income tax:

The movement on the provision for income tax is as follows:

	2020	2019
	JD	JD
Beginning of the year	76,582	406,758
Income tax paid	(21,296)	(381,249)
Accrued income tax	-	51,073
End of the Year Balance	55,286	76,582

b. The income tax shown in the statement of profit or loss is as follows:

	2020	2019
	JD	JD
Accrued income tax for the profit of the year	-	51,073
End of the Year Balance	-	51,073

- The Company did not book deferred tax assets due to immateriality, in addition, management does not expect to benefit from them 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 year ended December 31, 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.

16. Four Seasons Hotel Operating Revenue

This item consists of the following:

	2020	2019
	JD	JD
Rooms revenue	987,368	4,605,767
Food revenue	1,296,887	5,682,039
Beverage revenue	435,089	1,206,793
Revenue from banqueting	335,446	755,754
Others	769,231	2,623,335
	3,824,021	14,873,688

17. General and Administrative Expenses- Four Seasons Hotel

This item consists of the following:

	2020	2019
	JD	JD
Salaries, wages and other benefits	2,618,848	4,922,712
Electricity, water and heating	401,614	1,018,233
Fuel	30,288	85,817
Promotion and advertising	302,987	570,881
Designs and decorations	37,042	140,445
Guests supplies	203,328	443,367
Travel and transportation	40,319	178,508
Cleaning	76,093	163,175
Professional fees	100,713	143,391
Maintenance and services	152,657	209,634
Postage and telecommunication	14,755	59,651
Printing and stationery	6,776	18,734
Tools and supplies	385,890	416,303
Services fees	92,813	211,031
Others	211.328	671,948
	4,675,451	9,253,830

18. Other Revenue

This item consists of the following:

	2020	2019
	JD	JD
Bank Interest	15,206	78,333
Rent revenue	100,938	81,680
Gain from sale of property and equipment	50,588	45,000
Unneeded obligations	50,600	-
Other revenue	-	17,601
	217,332	222,614

19. General and Administrative Expenses- Owner Company

This item consists of the following:

	2020	2019
	JD	JD
Salaries, wages and other benefits	32,000	94,479
Postage and telecommunication	1,434	1,593
Promotion and advertising	5,590	7,445
Printing and stationery	1,009	1,751
Professional fees	10,966	31,337
Fees and taxes	20,493	18,406
Insurance and licenses	4,229	12,107
Hospitality and transportation	1,223	10,662
Maintenance and services	1,438	1,380
Electricity and water	15,521	21,438
Governmental stamps expenses	-	16,660
Training	647	-
	94,550	217,258

20. Management Expenses

This item consists of the following:

	2020	2019
	JD	JD
Managements fees for Four Seasons Hotels and Resorts International	104,959	624,316
Board of Directors remuneration	-	55,000
	104,959	679,316

21. (Losses) Earnings per Share for the Year-Basic and Diluted

This item consists of the following:

	2020	2019
	JD	JD
(Loss) Income for the year	(3,649,603)	221,319
Weighted-average number of shares	45,000,000	45,000,000
	JD/Share	JD/Share
(Losses) Earnings per Share for the Year-Basic and Diluted	(0.081)	0.005

22. Lawsuits

There are lawsuits raised against the Company amounting to JD 184 thousand (2019: JD 10,918) at the designated courts. Noting that the Company booked a provision amounted to around JD 29 thousand as of December 31, 2020 for these lawsuits. And the Management and the legal consultant believe that there is no need to book additional provision for these lawsuits.

23. Contingent Liabilities

- As of the date of the statement of financial position, the Company had contingent liabilities for bank guarantees which amounted to JD 26,586 as of December 31, 2020 (Bank guarantees which amounted to JD 26,586 as of December 31, 2019).

24. Related Parties Transactions and Balances

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

	December 31	
	2020	2019
On-Financial Position Items	JD	JD
Cash at Bank:		
Deposits and current accounts – Arab Jordan Investment Bank *	478,999	4,931,868
Accounts Receivable:		
Board of Directors members	12,579	14,793
Due to a related party:		
Four Seasons Hotels and Resorts International **	171,140	180,724
Loans:		
Arab Jordan Investment Bank *	6,545,000	5,545,000
Investment:		
Investment in Arab Jordan Investment Bank *	34,401	37,869
Off-Financial Position Items:		
Bank Guarantees - Arab Jordan Investment Bank *	26,586	26,586

	2020	2019
Income Statement items:	JD	JD
Four Seasons Hotels and Resorts International management fees **	104,959	624,316
Bank interest income - Arab Jordan Investment Bank *	11,428	73,933
Hotel executive management salaries and benefits	366,414	499,364
Bank interest expense - Arab Jordan Investment Bank	175,423	50,278

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

** The operator Company for the hotel.

25. Risk Management

1. Capital Risk Management

The Company manages its capital to ensure its ability to continue as a going concern and maximize the return to stakeholders through achieving an optimal balance between equity and debt.

2. Liquidity Risk

Liquidity risk, also known as funding risk, represents the difficulty that the Company will encounter in making available the necessary funds to fulfill its obligations. Moreover, the Company manages its liquidity risk through keeping adequate reserves, continuously monitoring the expected and actual cash flows, and matching the maturities of financial assets and financial liabilities, moreover there are part of the Company's assets were invested as cash at banks, and financial assets at fair value through other comprehensive income, and these assets are available to meet short-term and medium-term financing requirements to manage the liquidity. The Company's liquidity as of financial position date is as follows:

	December 31,	
	2020	2019
	JD	JD
Current assets	1,021,325	6,009,382
Less: Current liabilities	(4,367,178)	(2,233,469)
(Deficit) in Working Capital	(3,354,853)	3,775,913

The Company has a deficit in its working capital amounting to around JD 3.4 Million as of December 31, 2020, which resulted from obtaining loans that matures within a year, suspension of the Hotel's operations due to the Coronavirus (Covid-19) pandemic, and the Hotel's redecoration and renovation process. The Company will obtain the necessary financing from external parties including the related parties to enable the Company to meet its liabilities.

3. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company has adopted a policy of dealing with only creditworthy counterparties as a means of mitigating the risk of financial losses from defaults.

The Company's financial assets consist mainly of accounts receivable, financial assets at fair value through comprehensive income, and cash on hand and at bank, which do not represent material concentration for the credit risk other than cash, that represent related parties accounts, as strict credit control and continuous monitoring are maintained on both customers' debt as well as credit limits and providing provision for doubtful receivables through testing the related aging.

4. Market Risk

Market risk is the loss in value resulting from the change in market prices such as interest rate, foreign currency exchange rate, and equity instruments prices, and consequently, the change in the fair value of the financial instruments cash flows on and off-the statement of financial position.

The Company's major operation are in Jordanian Dinar and there are no balances with foreign currencies, accordingly there are no any effect from changing of foreign currencies prices and which applicable to payments on foreign currencies.

The below-mentioned sensitivity analysis is determined according to the exposure to interest rate risk related to the deposits at bank and loans as of the financial statements date. Moreover, the analysis has been prepared assuming that the obligation amount at the financial statements date was outstanding during the whole year.

An increase or decrease of (1%) is used, representing the evaluation of the Company's management of the potential and acceptable change at market interest rates:

	1% +		(1% -)	
	2020	2019	2020	2019
	JD	JD	JD	JD
Statement of income	103,894	44,031	(103,894)	(44,031)

The below table summarized the effect of increase (decrease) in Amman Stock Exchange indicator of 5% on the fair value of the quoted financial assets at fair value through comprehensive income which reflected on shareholders' equity as of the financial position date. The sensitivity prepared assumes that the stocks prices changes with same market indicator changes:

	5% +		(5% -)	
	December 31,		December 31,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Shareholders' equity	17,621	17,193	(17,621)	(17,193)

26. Operational Segments

a. Information on the Company's Business Segments

The details of the business activities is as follow:

				For the Year Ended December 31,	
				2020	2019
	Rooms	Food and Beverage	Other	Total	Total
	JD	JD	JD	JD	JD
Revenue	987,368	1,731,976	1,104,677	3,824,021	14,873,688
Expenses	(89,551)	(709,452)	(221,371)	(1,020,374)	(2,930,361)
Total Sector Profit	897,817	1,022,524	883,306	2,803,647	11,943,327
Undistributed expenses				(6,670,582)	(11,893,549)
Other revenue				217,333	222,614
Profit for the Year before Tax				(3,649,603)	272,392
Income tax expense for the year				-	(51,073)
Profit for the year				(3,649,603)	221,319

b. Information on the Geographical Allocation

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

27. Application of the new and revised International Financial Reporting Standards (IFRS)

a. Amendments with no material effect on the Financial Statements of the Company:

The following new and revised IFRSs have been adopted and are effective for financial periods beginning on or after January 1, 2020 or thereafter in the preparation of the Company's financial statements that did not materially affect the amounts and disclosures in the financial statements for the year and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

New and revised IFRSs	Amendments to New and Revised IFRS Standards
Amendments to IFRS (9) Financial Instruments, IAS (39) Financial Instruments: Verification and Measurement and IFRS (7) Disclosures of financial instruments related to interest rate reform	These amendments modify certain hedging accounting requirements so that enterprises apply those requirements on the assumption that the interest rate standard on which the hedge fund is based will not change as a result of the interest rate reform; These amendments are not intended to provide an exemption from any other consequences arising from the reform of the interest rate standard (if the hedging relationship no longer meets hedging accounting requirements for reasons other than those specified in the amendments, hedging accounting must be discontinued; The amendments require specific disclosures about the extent to which the hedging relationships of the facilities are affected by these modifications.
Amendment to IFRS (3) "Business Combination " with regard to business definition	Amendments to the business definition (amendments to IFRS 3) are changes to Annex A, specific terms, application guidelines and illustrations of IFRS (3) only. These amendments: • Demonstrates that in order to be considered as a business, the range of activities and assets acquired must include, at least, substantial input and process that together contribute significantly to the ability to create outputs; • Narrow the definition of business and output by focusing on goods and services provided to customers and removing reference to cost-cutting capacity; • enhance guidelines and illustrations to help enterprises assess whether a core operation has been acquired; Eliminates the need to assess whether market participants are able to replace any missing inputs or processes and continue to produce outputs; • enhance the optional focus test that allows for a simplified assessment of whether the range of activities and assets acquired is not considered a business.

Amendments to references to the conceptual framework in IFRS 2 payments on a stock basis, IFRS (3) Business Combination , IFRS (6) Exploration and Evaluation of Mineral Resources, and International Financial Reporting Standard (IAS) (14) Regulatory Deferred Accounts, IAS No. (1) Financial Statement presentation, IAS (8) Accounting Policies, Changes in Estimates and Accounting Errors, IAS (34) Reports Finance, IAS No. 37, provisions, potential liabilities and potential assets, IAS No. 38 intangible assets, INTERPRETATION of THE IAA Interpretation Committee (12) Service Privilege Arrangements, and Interpretation of THE IAS Interpretation Committee (19) Extinguishing financial obligations to property rights instruments, INTERPRETATION of IFRS (20) production-stage abstraction costs for a surface mine, INTERPRETATION of THE IAS (22) Foreign currency transactions and prior considerations, INTERPRETATION of THE IAS (32) Intangible Assets - The costs of the website to update those statements in relation to references and quotations from the framework, or, if referring to a different version of the conceptual framework.

The Company applied amendments to the international financial reporting standards (2), (6) and (15); international accounting standards (1), (8), (34), (37) and (38); interpretations of the International committee for the Interpretation of Financial Reports (12), (19), (20) and (22); and interpretation of the Standard Interpretations Committee (21) in the current year.

New and revised IFRSs	Amendments to New and Revised IFRS Standards
Amendments to IAS 1, Financial Statement presentation, IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors in Material Identification	It should be noted that three new aspects of the new definition are: • Blackout. The current definition focused solely on deleting or distorting information, but the Board concluded that the thumbing up of material information with information that could be deleted might have a similar effect. Although the term opacity is new in definition, it was already part of IAI 1 (IAS 1.30a) • It is expected - within reasonable limits - that it may have an impact. The current definition referred to "may have an impact" which the Board felt might be understood to require a lot of information, as almost anything "may" have an impact on the decisions of some financial statement users, even if the possibility is remote. • Key users. The current definition referred only to "users" who the Board also feared might be understood too widely and that it required all potential users to consider financial listings when determining which information to disclose.
Amendments to IFRS (16) leases related to leases related to the Corona pandemic (Coved-19).	The amendment provides Lessee with an exemption from assessing whether the corona pandemic lease concession (Coved-19) is an amendment to the lease. There was no impact on the financial statements as at December 31, 2020 for this standard, as there were no leases showing the company as a Lessee.

b. New and revised IFRS in issue but not yet effective:

At the date of authorization of these consolidation financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	**Effective for financial periods start in or after**
Reform of the Interest Rate Standard - Phase (2) (Amendments to the IFRS (9) Financial Instruments, and IAS (39) Financial Instruments: Recognition and Measurement, and IFRS (7) Financial Instruments Disclosures, And IFRS (4) Insurance Contracts, and IFRS (16) Lease Contracts)	January 1, 2021
Amendments to the Interest Rate Standard - Phase 2 (Amendments to IFRS 9), IAS39 and IAS (7), (4) and (16) provide a practical means of adjustments required by the reform, and indicate that hedging accounting has not been discontinued solely because of the reform of the interest rate standard and the introduction of disclosures that allow users to understand the nature and extent of the interest rate reform to which the enterprise is exposed, how risk management is managed, and the facility's progress, in addition to the availability of the facility. in the transition from interest rate standard reforms to alternative benchmarks, and how to manage the business for this transition.	
Amendments IFRS 3 business combination related to the conceptual framework.	January 1, 2022
The amendments update an old conceptual framework reference in IFRS (3) without significantly changing the requirements in the standard	
Amendments to IAS 16 property, Plant and equipment related to intake prior to intended use.	January 1, 2022
The amendments prohibit deduction from the cost of any item of property, Plant and equipment any proceeds from the sale of the items produced while bringing that asset to the site and preparing it for its necessary condition to be able to operate in the manner established by the Administration. Instead, the enterprise recognizes the proceeds from the sale of these items, and the cost of their production, in profit or loss.	

New and revised IFRSs	Effective for financial periods start in or after
Amendments to IAS 37 provisions, potential liabilities and potential assets relating to contracts overburdened with obligations - the cost of meeting the contract. The amendments specify that the "cost of implementation" of the contract includes "costs directly related to the contract". Costs directly related to the contract can be either additional costs to meet this contract (e.g. direct employment and materials) or the allocation of other costs directly related to the execution of contracts (e.g. allocation of depreciation fees for an item of property, machinery and equipment used in the execution of the contract).	January 1, 2022
Annual improvements to IFRS 2018 -2020 Adjust the following criteria: IFRS (1) - Application of IFRS for the first time - the amendment allows the subsidiary to apply paragraph D16 (a) of IFRS (1) to measure cumulative translation differences through the use of amounts reported by the parent company, based on the date when the parent company moves to international financial reporting standards. The amendment clarifies the fees charged by the enterprise when the "10%" test is applied in paragraph 3.3.6 of IFRS (9) in assessing whether the recognition of a financial obligation will be revoked. The establishment only includes fees paid or received between the establishment (borrower) and the lender, including fees paid or received by the establishment or lender on behalf of the other. IFRS 16 leases - The amendment to illustration No. (13) accompanying IFRS (16) removes the clarification of the landlord's payment of lease improvements in order to resolve any potential confusion with regard to the treatment of rental incentives that may arise because of how the rental incentives in this example were clarified. IAS 41 Agriculture - The amendment eliminates the requirement in paragraph (22) account enterprises to exclude tax cash flows when measuring the fair value of a bio asset using current value technology.	January 1, 2022

New and revised IFRSs	Effective for financial periods start in or after
Amendments to IAS 1: financial statements presentation of classification of liabilities as current or non-current. The amendments are aimed at enhancing consistency in the application of requirements by helping the enterprise determine whether debt and other liabilities should be classified in the financial position list with an uncertain settlement date as in circulation (due or potentially outstanding within one year) or non-current.	January 1, 2023
Amendments to IFRS 4 insurance contracts extending the temporary exemption from the application of IFRS 9. The amendment changes the expiry date set for the temporary exemption in IFRS 4 from the application of IFRS (9) financial instruments, requiring companies to apply IFAS No. 9 for annual periods beginning on or after January 1, 2023.	January 1, 2023
IFRS 17- Insurance Contracts IFRS 17 requires measurement of insurance liabilities at the present value of fulfillment and provides a standardized approach to measurement and presentation for all insurance contracts. These requirements are designed with the goal of being consistent and principled accounting for insurance contracts. International Financial Reporting Standard No. (17) replaces IFRS No. (4) insurance contracts with effect from January 1, 2023.	January 1, 2023
Amendments to IFRS 17- Insurance Contracts IFRS 17 modification to address the concerns and implementation challenges identified after the publication of IFRS (17) insurance contracts in 2017.	January 1, 2023
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associate ands (2011) in relation to the handling of the sale or contribution of assets from the investor in his associate company or joint venture.	Effective date is postposed. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

28. 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 December 31, 2020	Fair Value December 31, 2019	Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	JD	JD				
Financial Assets at fair value through other comprehensive income						
Quoted shares	352,401	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	367,681	351,869				

There were no transfers between Level 1 and 2 during 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 book value of financial assets and liabilities shown in the financial statements approximates their fair value because the Company's management believes that the book value of the items is equivalent to their fair value. This is due to either short-term maturity or interest rates are repriced during the year.

	December 31, 2020		December 31, 2019		
	Book Value	Fair Value	Book Value	Fair Value	Fair Value Hierarchy
	JD	JD	JD	JD	
Financial assets not measured at fair value					
Deposits with bank	160,028	160,028	1,141,905	1,141,905	Level 1
Total financial assets not measured at fair value	160,028	160,028	1,141,905	1,141,905	

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

30. Approval of interim condensed financial information

The accompanying financial statements were approved by the Board of Directors on February 9, 2021 and these financial statements are subject to the approval of the General Assembly of Shareholders.