

**Jordan Steel Company**  
**And Its Subsidiaries**  
Public Shareholding Company  
Amman -The Hashemite Kingdom Of Jordan

Consolidated statement of financial position as at December 31, 2012

	<b>2012</b>	<b>2011</b>
	<b>JD</b>	<b>JD</b>
<b>ASSETS</b>		
Non-Current Assets		
Property, plant and equipment	43,923,595	42,721,747
Investment property - lands	96,525	96,525
<b>Total Non-Current Assets</b>	<b>44,020,120</b>	<b>42,818,272</b>
<b>Current Assets</b>		
Inventories	33,115,607	23,096,471
Accounts receivable and other debit balances	12,561,869	12,281,479
Cash and cash equivalents	1,896,302	6,287,882
<b>Total Current Assets</b>	<b>47,573,778</b>	<b>41,665,832</b>
<b>TOTAL ASSETS</b>	<b>91,593,898</b>	<b>84,484,104</b>

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	<b>2012</b>	<b>2011</b>
<b>EQUITY AND LIABILITIES</b>	<b>JD</b>	<b>JD</b>
Equity		
Authorized, issued and paid-in capital	35,000,000	35,000,000
Issuance premium	1,509,320	1,509,320
Statutory reserve	5,994,814	5,953,151
Voluntary reserve	1,040,622	1,040,622
Retained earnings	885,000	5,098,001
<b>Total Equity</b>	<b>44,429,756</b>	<b>48,601,094</b>
<b>Non-Current Liabilities</b>		
Long term loan	3,550,000	7,100,000
<b>Current Liabilities</b>		
Provisions	158,138	444,787
Due to shareholders	1,447,632	1,372,972
Accounts payables and other credit balances	8,256,110	8,878,958
Due to banks	30,202,262	14,536,293
Loan - Current portion	3,550,000	3,550,000
<b>Total Current Liabilities</b>	<b>43,614,142</b>	<b>28,783,010</b>
<b>Total Liabilities</b>	<b>47,164,142</b>	<b>35,883,010</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>91,593,898</b>	<b>84,484,104</b>

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Consolidated statement of comprehensive income for the year ended December 31, 2012

	<b>2012</b>	<b>2011</b>
	<b>JD</b>	<b>JD</b>
Sales	97,870,965	118,543,878
Cost of sales	(95,017,448)	(110,301,730)
<b>Gross profit</b>	<b>2,853,517</b>	<b>8,242,148</b>
Other revenues	768,147	809,719
Selling expenses	(148,072)	(214,227)
Administrative expenses	(1,449,545)	(1,479,067)
Loss from impairment of inventories	(641,723)	-
Doubtful receivables	-	(300,000)
Other expenses	-	(75,000)
Finance expenses	(1,259,802)	(844,389)
<b>Profit before tax</b>	<b>122,522</b>	<b>6,139,184</b>
Income tax	(64,827)	(436,000)
Prior years income tax paid	(29,033)	-
<b>Profit</b>	<b>28,662</b>	<b>5,703,184</b>
<b>Earnings per share from profit attributable to shareholders of the parent</b>	<b>JD 0/001</b>	<b>JD 0/163</b>

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Consolidated statement of changes in equity for the year ended December 31, 2012

	Capital		Issuance premium	Statutory reserve	Voluntary reserve	Retained earnings	Total
	JD	JD					
Balance as at January 1, 2011	35,000,000	1,509,320	5,329,956	1,040,622	3,518,012	46,397,910	
Distributed dividends	-	-	-	-	(3,500,000)	(3,500,000)	
Profit	-	-	-	-	5,703,184	5,703,184	
Statutory reserve	-	-	623,195	-	(623,195)	-	
<b>Balance as at December 31, 2011</b>	<b>35,000,000</b>	<b>1,509,320</b>	<b>5,953,151</b>	<b>1,040,622</b>	<b>5,098,001</b>	<b>48,601,094</b>	
Distributed dividends	-	-	-	-	(4,200,000)	(4,200,000)	
Profit	-	-	-	-	28,662	28,662	
Statutory reserve	-	-	41,663	-	(41,663)	-	
<b>Balance as at December 31, 2012</b>	<b>35,000,000</b>	<b>1,509,320</b>	<b>5,994,814</b>	<b>1,040,622</b>	<b>885,000</b>	<b>44,429,756</b>	

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Consolidated statement of cash flows for the year ended December 31, 2012

	<b>2012</b>	<b>2011</b>
	<b>JD</b>	<b>JD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	122,522	6,139,184
<b>Adjustments for:</b>		
Depreciation	3,230,408	5,674,182
Gain from sale of investment property - land	-	(119,064)
Loss from impairment of inventories	641,723	-
Doubtful receivables	-	300,000
Provisions	-	75,000
<b>Changes in operating assets and liabilities:</b>		
Inventories	(10,660,859)	3,334,892
Accounts receivables and other debit balances	(280,390)	(1,652,825)
Provisions	(75,000)	(74,750)
Due to shareholders	74,660	88,272
Accounts payables and other credit balances	(622,848)	766,760
	<b>(7,569,784)</b>	<b>14,531,651</b>
Income tax paid	(305,509)	(440,235)
<b>Net cash from operating activities</b>	<b>(7,875,293)</b>	<b>14,091,416</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(4,432,256)	(3,580,841)
Proceeds from sale of investment property - lands	-	220,001
<b>Net cash from investing activities</b>	<b>(4,432,256)</b>	<b>(3,360,840)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distributed dividends	(4,200,000)	(3,500,000)
Due to banks	15,665,969	(3,586,832)
Loan	(3,550,000)	(3,550,000)
<b>Net cash from financing activities</b>	<b>7,915,969</b>	<b>(10,636,832)</b>
<b>Net change in cash and cash equivalents</b>	<b>(4,391,580)</b>	<b>93,744</b>
Cash and cash equivalents- beginning of year	6,287,882	6,194,138
<b>Cash and cash equivalents- end of year</b>	<b>1,896,302</b>	<b>6,287,882</b>