

JORDAN STEEL CO. LTD.
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

Balance sheet as of December 31, 2002

SHARE HOLDERS' EQUITY AND LIABILITIES	2002	2001
Shareholders' Equity	J.D.	J.D.
Authorized and issued capital (15) Million shares at JD 1 par value	15,000,000	15,000,000
Paid-in capital	15,000,000	15,000,000
Legal reserve	1,662,149	1,159,374
Voluntary reserve	1,040,622	1,040,622
Proposed devedends to shoreholders	3,000,000	2,700,000
Retained earning - Exhibit B	1,174,762	245,031
Total Shreholders' Equity	21,877,533	20,145,027
Current Liabilities		
Deferred payments on letters of credit	---	4,406,607
Other provisions	140,250	70,089
Due to shareholders	290,198	264,555
Accounts payable	326,674	137,040
Other credit accounts	1,084,060	625,283
Due to banks	9,268,544	2,662,501
Short term loan	936,490	---
Income tax provision	469,007	150,000
Total Current Liabilities	12,515,223	8,316,075
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	34,392,756	28,461,102

THE ACCOMPANYING CONSTITUTE AN INTEGRAL
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Balance sheet as of December 31, 2002

ASSETS	2002	2001
	J.D.	J.D.
Non-Current Assets		
Property, plant and equipment	12,791,964	13,319,239
Investment in lands	317,772	317,772
Investments in affiliated companies	137,967	143,143
Projects under progress	---	220,917
Total Non-Current Assets	13,247,703	14,001,071
 Current Assets		
Inventory	4,297,133	5,354,371
Letters of Credit	269,132	105,813
Accounts receivable after deducting JD 34,262 allowance for doubtful accounts	335,323	358,307
Export letters of credit receivable	4,388,844	4,518,068
Refundable deposits	41,255	41,255
Other debit accounts	22,743	33,676
Cash deposits for bank facilities and letters of credit and others	309,160	2,962,239
Cash in had and at banks	11,481,463	1,086,302
Total Current Assets	21,145,053	14,460,031
Total Assets	34,392,756	28,461,102

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Income statement for the year ended December 31, 2002

	<u>2002</u>	<u>2001</u>
	<u>J.D.</u>	<u>J.D.</u>
SALES	28,623,356	28,811,667
Cost of goods sold	-23,474,874	-24,179,217
Gross income	5,148,482	4,632,450
Export sales expenses	-652,151	-915,758
Administrative expenses	-469,585	-344,078
Administration depreciation & amortization	-26,224	-24,071
Financial revenues (expenses)	480,854	-598,044
Prior years' expenses	---	-13,211
Local sales expenses	-11,932	-2,234
Income (losses) from investments in affiliated companies	34,676	-15,665
Interest revenue	203,418	266,242
Other revenues	320,218	495,648
Net income before income tax	5,027,756	3,481,279
Income tax provisions	-400,000	-150,000
Retained earning carried forward	245,031	86,506
Net earnings available to be distributed as follows:	4,872,787	3,417,785
Legal reserve 10%	502,775	348,128
Board of directors' remuneration	55,000	55,000
Provision for Jordanian universities fees 1%	50,278	34,813
Provision for scientific research & professional training 1%	50,278	34,813
Board of professional & technical education & training fees	39,694	---
Proposed dividends distribution 20% (18% for 2001)	3,000,000	2,700,000
Retained earning	1,174,762	245,031
Total	4,872,787	3,417,785
Earning per share	Fils 295/--	Fils 213/--

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