

JORDAN STEEL CO. LTD.
AND ITS SUBSIDIARIES
PUBLIC SHAREHOLDING COMPANY
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

EXHIBIT-A

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2007

ASSETS	<u>Notes</u>	<u>2007</u>	<u>2006</u>
Non-Current Assets		JD	JD
Property, plant and equipment	3	10,970,349	11,825,044
Projects in progress	4	63,735	51,577
Investment in lands	5	197,462	197,462
Investment in associates	6	12,873,329	10,753,964
Investment in available for sale securities	7	384,834	384,834
Total Non-Current Assets		<u>24,489,709</u>	<u>23,212,881</u>
Current Assets			
Inventories	8	12,392,627	10,384,915
Accounts receivable and other debit balances	9	15,776,874	13,422,494
Cash and cash equivalents	10	6,197,743	5,093,599
Total Current Assets		<u>34,367,244</u>	<u>28,901,008</u>
TOTAL ASSETS		<u><u>58,856,953</u></u>	<u><u>52,113,889</u></u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE FINANCIAL STATEMENTS

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CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2007

EQUITY AND LIABILITIES	<u>Notes</u>	<u>2007</u>	<u>2006</u>
Equity attributable to equity holders of the parent		JD	JD
Issued and paid-up capital		23,075,000	23,075,000
Issuance premium		14,000,000	14,000,000
Statutory reserve	11	3,913,486	3,478,438
Voluntary reserve	11	1,040,622	1,040,622
Proposed dividends to shareholders		5,076,500	3,922,750
Retained earnings		80,231	109,066
Treasury shares		<u>(101,273)</u>	<u>(101,273)</u>
		47,084,566	45,524,603
Minority Interest		<u>196,024</u>	<u>196,630</u>
Total Equity		<u>47,280,590</u>	<u>45,721,233</u>
Current Liabilities			
Other provisions	12	141,517	111,485
Due to shareholders		1,213,399	1,267,494
Accounts payable and other credit balances	13	3,741,428	2,247,290
Income tax provision	14	866,072	691,253
Due to banks	15	<u>5,613,947</u>	<u>2,075,134</u>
Total Current Liabilities		<u>11,576,363</u>	<u>6,392,656</u>
TOTAL EQUITY AND LIABILITIES		<u>58,856,953</u>	<u>52,113,889</u>

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EXHIBIT-B

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
		JD	JD
Sales		72,932,076	61,446,672
Cost of Sales	16	<u>(66,600,907)</u>	<u>(57,070,620)</u>
Gross Profit		6,331,169	4,376,052
Other revenues	17	925,569	1,879,811
Selling expenses	18	(249,544)	(439,321)
Administrative expenses	19	(1,004,333)	(920,774)
Financial expenses		(560,758)	(527,394)
Share of profit (loss) of investment in associates		<u>854,379</u>	<u>(12,239)</u>
Profit before tax		6,296,482	4,356,135
Income tax provision	14	<u>(630,000)</u>	<u>(517,000)</u>
Profit for the year		5,666,482	3,839,135
Retained earnings - beginning of the year		<u>109,066</u>	<u>780,218</u>
Earnings proposed for distribution as follow:		<u>5,775,548</u>	<u>4,619,353</u>
Equity holders of the parent			
Statutory reserve		435,048	431,345
Board of directors' remuneration		55,000	55,000
Provision for Jordanian universities fees		43,505	35,917
Provision for scientific research		43,505	35,917
Provision for technical and vocational education and training fees		42,365	32,728
Proposed dividends to shareholders		5,076,500	3,922,750
Retained earnings		<u>80,231</u>	<u>109,066</u>
Equity holders of the parent		5,776,154	4,622,723
Minority Interest		(606)	(3,370)
Total		<u>5,775,548</u>	<u>4,619,353</u>
Weighted average number of shares during the year		<u>23,075,000 Shares</u>	<u>19,037,500 Shares</u>
Earnings per share	20	<u>0/238 JD</u>	<u>0/193 JD</u>

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