

PT HEXINDO ADIPERKASA Tbk.
BALANCE SHEETS
FOR THE FIRST HALF ENDED JUNE 30, 2006 AND 2005
(IN RUPIAH)

<u>ASSETS</u>				<u>LIABILITIES AND STOCKHOLDERS EQUITY</u>			
	Notes	2006	2005		Notes	2006	2005
CURRENT ASSETS				CURRENT LIABILITIES			
Cash and cash equivalent	2b,3	Rp 70,607,099,691	Rp 87,180,575,648	Short-term bank Loan	11	Rp 350,610,000,000	-
Account Receivables				<u>Trade Account payable</u>			
Trade				- Related parties	2d,5c	197,024,512,413	359,618,349,022
Third parties (net of allowance for doubtful account of Rp 13.475.622.536 in 2006 and Rp 22.729.354.250 in 2005)	2c,4	256,872,421,775	207,065,947,233	- Third parties	12	28,596,901,594	24,375,116,810
Related parties	2d,5a	1,636,056,000	8,735,759,220	<u>Other Payable</u>			
Others	2c,6	4,074,483,857	925,990,608	- Related parties	2d,5d	469,699,290	922,453,323
Inventories	2e,7	507,188,769,759	397,266,556,410	- Third parties	13	12,402,531,791	17,286,553,001
Advance payment	9	8,724,660,684	18,098,917,056	Accrued expenses	14	24,806,987,970	13,810,860,233
Prepaid expenses	2f	2,227,021,331	929,548,818	Taxes payable	15	14,741,812,508	34,975,991,330
Prepaid taxes	8	28,721,955,487	29,402,446,283	Dividen Payable		38,647,153,000	36,127,153,000
			-	<u>Current maturities of long-term debt :</u>			
Total current assets		<u>880,052,468,584</u>	<u>749,605,741,276</u>	Bank loan	16	55,800,000,000	58,278,000,000
				Lease Payable	17	115,662,247	637,497,505
				Others payables	18	24,051,306,600	-
				Estimated liability for employee service entitlements	19	-	239,466,000
NON CURRENT ASSETS				TOTAL CURRENT LIABILITIES		<u>747,266,567,413</u>	<u>546,271,440,224</u>
Due from related parties	2d,5b	3,010,032,690	-	NON CURRENT LIABILITIES			
Estimated claim for tax refund		16,033,305,062		Due to related parties		-	-
Deferred tax assets	15	11,553,522,313	16,049,999,705	Long term debt - Net of Current portion			
PROPERTY AND EQUIPMENT				Bank loans	16	-	-
Cost	2g, 10	462,069,618,066	223,558,335,650	Lease Payable	17	-	700,040,255
Accumulated depreciation		(101,369,592,863)	(118,038,808,465)	Others payables	18	183,133,228,500	-
				Estimated liability for employee service entitlements	19	7,398,680,196	5,727,457,738
Total net book value		<u>360,700,025,203</u>	<u>105,519,527,185</u>	Total Long-term Debt		<u>190,531,908,696</u>	<u>6,427,497,993</u>
				Related parties payable		-	-
				Total non current liabilities		<u>190,531,908,696</u>	<u>6,427,497,993</u>
OTHERS ASSETS		<u>432,431,791</u>	<u>380,903,346</u>	STOCKHOLDERS EQUITY			
Total other assets		<u>432,431,791</u>	<u>380,903,346</u>	Capital stock - per value of Rp100 in 2006 (and Rp500 in 2005)			
				Authorized stock - 1,680,000,000 shares in 2006 (and 336,000,000 shares in 2005)			
Total non current assets		<u>391,729,317,059</u>	<u>121,950,430,236</u>	Issued and fully paid - 840,000,000 shares in 2006 (and 168,000,000 shares in 2005)	20	84,000,000,000	84,000,000,000
				Capital paid in excess of par value	2i, 21	16,711,755,375	16,711,755,375
				Retained Earnings			
				Appropriated		10,000,000,000	5,000,000,000
				Unappropriated		223,271,554,158	213,145,477,920
				STOCKHOLDERS' EQUITY - Net		<u>333,983,309,533</u>	<u>318,857,233,295</u>
TOTAL ASSETS	Rp	<u>1,271,781,785,642</u>	Rp <u>871,556,171,512</u>	TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	Rp	<u>1,271,781,785,642</u>	Rp <u>871,556,171,512</u>

Jakarta, July 27, 2006

Manuntun Situmorang
President Director

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

PT HEXINDO ADIPERKASA Tbk.
INCOME STATEMENT
FOR THE FIRST HALF ENDED JUNE 30, 2006 AND 2005
(IN RUPIAH)

	Notes	2006	2005
INCOME FROM SALES AND SERVICE - NET	2j,23	Rp 606,387,576,234	Rp 842,865,868,650
COST OF SALES AND SERVICE - NET	2j,24	487,826,095,488	666,938,431,146
GROSS PROFIT		118,561,480,746	175,927,437,504
OPERATING EXPENSES			
Selling expenses	2j,25	50,941,309,516	35,766,407,381
General and administration	2j,25	40,435,103,142	30,161,180,698
Total operating expenses		91,376,412,658	65,927,588,079
INCOME FROM OPERATION		27,185,068,088	109,999,849,425
OTHER INCOME (CHARGES)			
Interest income	26	770,359,886	321,801,593
Commission and Administration Fee		19,724,153	29,914,567
Gain(loss) from Sale of property and Equipm	2g	274,284,575	(189,063)
Financing cost	27	(17,145,123,407)	(1,370,725,391)
Gain(loss) on foreign exchange - net	2l	28,643,099,594	(7,092,680,462)
Miscellaneous - net		825,767,198	857,666,720
Total other income (charges)		13,388,111,999	(7,254,212,036)
INCOME BEFORE PROVISION FOR INCOME TAX		40,573,180,087	102,745,637,389
PROVISION FOR CORPORATE TAX			
INCOME TAXES	2n,15	(12,745,573,100)	(33,883,095,500)
Deferred income tax	2n,15	34,806,395	3,004,885,588
NET INCOME	Rp	27,862,413,382	Rp 71,867,427,477
Net Income per share		32	131
Basic Earning per share	2n Rp	33	Rp 86

Jakarta, July 27, 2006

Manuntun Situmoran
President Director

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

PT. HEXINDO ADIPERKASA Tbk.					
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY					
FOR THE FIRST HALF ENDED JUNE 30, 2006 AND 2005					
	Capital stock	Capital Paid-in Excess of Par value-net	Retained earnings		Total Stockholders' Equity
			Appropriated	Unappropriated	
Balance, January 1, 2005	Rp 84,000,000,000	16,711,755,375	1,000,000,000	181,398,050,443	Rp 283,109,805,818
Cash dividends	-	-	-	(36,120,000,000)	(36,120,000,000)
General Reserve	-	-	4,000,000,000	(4,000,000,000)	-
Net income period 2005	-	-	-	97,771,090,333	97,771,090,333
Balance, December 31, 2005	Rp 84,000,000,000	16,711,755,375	5,000,000,000	239,049,140,776	Rp 344,760,896,151
Cash dividends	-	-	-	(38,640,000,000)	(38,640,000,000)
General Reserve	-	-	5,000,000,000	(5,000,000,000)	-
Net income period Jan-Jun 2006	-	-	-	27,862,413,382	27,862,413,382
Balance, June 30, 2006	Rp 84,000,000,000	16,711,755,375	10,000,000,000	223,271,554,158	333,983,309,533

See accompanying Notes to Financial Statements which are
an integral part of the financial statements.

PT HEXINDO ADIPERKASA Tbk
STATEMENTS OF CASH FLOWS
FOR THE FIRST HALF ENDED JUNE 30, 2006
(With Comparative Figures for 2005)
(Expressed in Rupiah, unless otherwise stated)

	2006		2005
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	Rp 665,517,783,102	Rp	886,997,711,232
Cash paid to:			
Suppliers	(559,039,449,252)		(715,454,446,988)
Operational Expenses	(91,247,696,380)		(82,402,051,400)
Commissioners, directors and employees	(27,051,485,581)		(26,244,746,258)
Net cash provided by operations	(11,820,848,111)		62,896,466,586
Payments for interest - net	(5,785,522,036)		(942,416,208)
Payments for income taxes	(14,368,344,011)		(38,453,852,005)
Payment for VAT	(2,339,235,585)		(1,502,187,209)
Net Cash Provided by Operating Activities	(34,313,949,743)		21,998,011,164
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property and equipment	280,175,000		0
Acquisitions of property and equipment	(28,631,857,531)		(5,279,866,312)
Acquisitions of construction in progress	(3,359,442,426)		(5,092,237,809)
Decrease (increase) in advances	6,028,276,495		(1,329,935,362)
Net Cash Used in Investing Activities	(25,682,848,462)		(11,702,039,483)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term bank loans	107,410,000,000		29,139,000,000
Payment for cash dividends	0		0
Repayment of short-term bank loans	(19,660,000,000)		0
Payment of long-term bank loan	0		(29,139,000,000)
Repayment of obligations under capital lease	(622,168,000)		(815,280,000)
Net Cash Provided by Financing Activities	87,127,832,000		(815,280,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,131,033,795		9,480,691,681
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	43,476,065,896		77,699,883,967
CASH AND CASH EQUIVALENTS AS OF MARCH 31	70,607,099,691		87,180,575,648
Detail of Cash and cash equivalents end of June 30 2006			
- Cash on hand & in bank	Rp 70,607,099,691	Rp	87,180,575,648
- Deposit	-		
Total	Rp 70,607,099,691	Rp	87,180,575,648

See accompanying Notes to Financial Statements which are an integral part of the financial statements.