

PT HEXINDO ADIPERKASA Tbk

Financial Statements

For First Half ended September 30, 2009 and 2008

(In US Dollars)



PT HEXINDO ADIPERKASA Tbk

Kawasan Industri Pulo Gadung
Jl Pulo Kambing II Kav I-II No. 33
Jakarta 13930
Telp : (021) 4611688 (Hunting)
Fax : (021) 4611686
http : //www.hexindo-tbk.co.id

**SURAT PERNYATAAN DIREKSI/ DIRECTORS' STATEMENT
TENTANG/ REGARDING**

**TANGGUNG JAWAB ATAS LAPORAN KEUANGAN
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

**UNTUK SEMESTER KE - I PADA TANGGAL 30 SEPTEMBER 2009
FOR THE FIRST HALF ENDED 30 SEPTEMBER 2009**

PT. HEXINDO ADIPERKASA Tbk

Kami yang bertandatangan di bawah ini :

We, the undersigned :

- | | |
|-------------------------------------|--|
| 1. Nama/Name | : Drs. Manuntun Situmorang |
| Alamat Kantor/Office Address | : Jl. Pulo Kambing II Kav I-II No.33, Jakarta Timur |
| Alamat Domisili/Residential Address | : Pulo Gebang Permai Blok H7/23
Rt.001 Rw.013, Cakung - Jakarta Timur |
| Nomor Telepon/Telephone | : 021-4611688 |
| Jabatan/Title | : President Director |
| 2. Nama/Name | : Shinichi Hirota |
| Alamat Kantor/Office Address | : Jl. Pulo Kambing II Kav I-II No.33, Jakarta Timur |
| Alamat Domisili/Residential Address | : Permata Berlian Residence Tower South
Jakarta Selatan |
| Nomor Telepon/Telephone | : 021-4611688 |
| Jabatan/Title | : Finance Director |

Menyatakan bahwa :

Declare that :

1. Bertanggung jawab atas penyusunan dan penyajian laporan keuangan perusahaan;
We are responsible for the preparation and the presentation of the financial statements of the company;
2. Laporan keuangan perusahaan telah disusun dan disajikan sesuai dengan prinsip akuntansi yang berlaku umum;
The financial statements of the company have been prepared and fairly presented in conformity with accounting principles generally accepted in Indonesia;
3. a. Semua informasi dalam laporan keuangan perusahaan telah di muat secara lengkap dan benar;
All information has been fully and correctly disclosed in the financial statements of the company;
b. Laporan keuangan perusahaan tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
The financial statements of the company do not contain false material information or facts, do not they omit material information or facts;
4. Bertanggung jawab atas sistem pengendalian intern dalam perusahaan.
We are responsible for the internal control system of the company.

Demikian pernyataan ini dibuat dengan sebenarnya.

This is our declaration, which has been made truthfully.

Jakarta, October 29, 2009



Drs. Manuntun Situmorang
President Director

Shinichi Hirota
Finance Director

■ JAKARTA ● MEDAN ● PEKANBARU △ PADANG △ PANGKAL PINANG △ JAMBI △ PERAWANG △ PALEMBANG
△ BANDAR LAMPUNG ● SURABAYA △ SEMARANG △ PONTIANAK ● BALIKPAPAN ● SANGATTA △ SAMARINDA
△ BANJARMASIN ● MAKASSAR ▲ PALU ▲ MANADO

Your Most Reliable Partner

PT HEXINDO ADIPERKASA Tbk
FINANCIAL STATEMENTS
FOR FIRST HALF ENDED SEPTEMBER 30, 2009 AND 2008

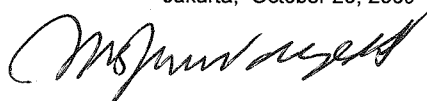
Table of Contents


Balance Sheets	1 -2
Statements of Income	3
Statements of Changes in Equity	4
<i>Statements of Cash Flow</i>	5
Notes to the Financial Statements	6 - 35

PT HEXINDO ADIPERKASA Tbk.
STATEMENTS OF INCOME
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

	Notes	2009 US\$	2008 US\$
NET REVENUES	2c,2k,24, 30b,30c,3 0d	145,277,244	148,817,199
COST OF REVENUES	2c,2k,25	110,698,453	117,600,681
GROSS PROFIT		34,578,791	31,216,518
OPERATING EXPENSES	2k,26		
Selling		7,960,385	8,661,176
General and administrative		5,996,922	5,655,898
Total operating expenses		13,957,307	14,317,074
OPERATING INCOME		20,621,484	16,899,444
OTHER INCOME (CHARGES)			
Interest income	2i,27	267,157	1,177,235
Gain on sales of property & equipment		7,276	23,344
Interest expenses	2c,28	(983,503)	(856,106)
Loss on foreign exchange-net	2n	(314,385)	(1,058,771)
Provision for doubtful accounts	2b,4	(164,669)	(339,146)
Miscellaneous - net	2g	375,426	(938,392)
Other income (charges) - net		(812,698)	(1,991,836)
INCOME BEFORE INCOME TAX		19,808,786	14,907,608
INCOME TAX BENEFIT (EXPENSES)			
Current	2o,16	(6,466,880)	(4,365,805)
Deferred	2o,16	946,198	295,689
Income Tax Expense - Net		(5,520,682)	(4,070,116)
NET INCOME		14,288,104	10,837,492
BASIC EARNINGS PER SHARE (in US Dollar)	2p	0.017	0.013

Jakarta, October 29, 2009




Manuntun Situmorang
President Director

The accompanying notes form are an integral part of these financial statements.



PT. HEXINDO ADIPERKASA Tbk.
STATEMENTS OF CHANGES IN EQUITY
For first half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

	Share Capital - Issued and Fully Paid	Additional Paid-in Capital - Net	Retained Earnings		Total Equity
			Appropriated	Anappropriated	
Balance, April 1, 2009	22,382,617	7,240,795	2,133,530	43,605,224	75,362,166
Cash dividends declared	-	-	-	(10,844,010)	(10,844,010)
Appropriation for general reserve	-	-	489,000	(489,000)	-
Net income period April-September 2009	-	-	-	14,288,104	14,288,104
Balance, September 30, 2009	22,382,617	7,240,795	2,622,530	46,560,318	78,806,260

The accompanying notes form are an integral part of these financial statements.

PT HEXINDO ADIPERKASA Tbk.
STATEMENTS OF CASH FLOWS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

	2009	2008
	US\$	US\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash receipts from customers	171,733,287	180,712,348
Cash paid to:		
Suppliers	(98,117,974)	(137,542,218)
Operating activities	(14,607,939)	(15,862,144)
Salaries, wages and benefit of employees	(6,507,880)	(6,005,237)
Net cash provided by operations	52,499,494	21,302,750
Payment of interest expenses	(1,086,155)	(785,309)
Payments for income taxes	(8,901,133)	(4,724,946)
Payments for value added taxes	(2,950,828)	(2,685,721)
Net cash provided by (used in)		
Operating Activities	39,561,378	13,106,773
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from sales of property equipment	9,297	25,793
Acquisitions of property and equipment	(103,607)	(561,234)
Construction in progress	(184,816)	(4,725,432)
Additional of advance payment	(1,915,235)	(50,396)
Net cash used in Investing		
Activities	(2,194,361)	(5,311,269)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from short-term bank loan	10,000,000	7,811,900
Cash dividend	(10,844,010)	(1,880,998)
Payment of short-term bank loan	(20,031,471)	(10,352,261)
Payment of finance lease obligation	(36,654)	(413,257)
Net cash provided by (used in)		
Financing Activities	(20,912,135)	(10,765,518)
Net Increase (Decrease) in cash on hand and in banks	16,454,882	(2,970,013)
Cash on hand and in bank at beginning of period	7,920,404	18,904,529
CASH ON HAND AND IN BANK AT END OF PERIOD	24,375,286	15,934,516

The accompanying notes form are an integral part of these financial statements.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September 30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

1 GENERAL

a. Establishment of the Company

PT Hexindo Adiperkasa Tbk (the "Company") was established in Indonesia based on Notarial Deed dated November 28, 1988 No. 37 of Mohamad Ali, S.H. The Deed of Establishment was approved by the Ministry of Justice of Republic Indonesia in its Decision Letter No. C2-4389.HT.01.01.TH.89 dated May 12, 1989, and was published in Supplement No. 1251 of the State Gazette No. 54, dated July 7, 1989. Its Articles of Association has been amended several times, the latest amendment was notarized through Notarial Deed No. 163 and 164, June 29, 2009 and No. 61, August 20, 2009 of Robert Purba, S.H.. These amendments will register to the Department of Justice and Human Rights of Republic Indonesia.

The Company started its commercial operations in January 1989.

According to Article 3 of the Company's Articles of Association, its scope of activities comprises of trading and rental of heavy equipment and rendering of after-sales services. Presently, the Company acts as a distributor of certain heavy equipment and related spare parts under Hitachi, John Deere and Krupp trademarks. The Company is domiciled in Jakarta, located at Kawasan Industri Pulo Gadung, Jalan Pulo Kambing II Kav. I-II No. 33, Jakarta 13930. As of September 30, 2009, the Company has 11 main branches, 2 sub-branches, 9 representative offices and 10 project offices, which are all located at various places in Indonesia..

b. **Company's Initial Public Offering**

The Company's registration statement for its public offering of its 10 million shares (with Rp1,000 (full amount) par value per share) at an offer price of Rp2,800 (full amount) per share became effective in accordance with the Letter No. S-1958/PM/1994 dated December 5, 1994 issued by the Chairman of the Capital Market and Financial Institution Supervisory Agency (BAPEPAM-LK). All of the Company's shares have been registered in the Indonesia Stock Exchange since February 13, 1995.

The Company's registration statement for its First Limited Public Offering of 42 million shares (with Rp1,000 (full amount) par value per share) to shareholders with pre-emptive rights at an offer price of Rp1,000 (full amount) per share became effective in accordance with Letter No. S-1264/PM/1998 dated June 19, 1998 issued by the Chairman of BAPEPAM-LK..

In the minutes of the Extraordinary Shareholders' Meeting of the Company held on June 12, 2000, as covered by Notarial Deed No. 12 on the same date of Fathiah Helmi, S.H., the shareholders resolved to amend its Articles of Association, which include, among others, change in par value from Rp1,000 (full amount) per share to Rp500 (full amount) per share. These amendments were accepted and recorded by the Department of Justice and Human Rights of Republic Indonesia in its Letter No. C-21025 HT.01.04.Th.2000 dated September 20, 2000. On July 29, 2002, the stock split was effectively implemented

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

1 GENERAL (Continued)

In the minutes of the Extraordinary Shareholders' Meeting of the Company held on June 15, 2004, as covered by Notarial Deed No. 24 on the same date of Fathiah Helmi, S.H., the shareholders resolved to change the par value from Rp500 (full amount) per share to Rp100 (full amount) per share. This amendment was accepted and recorded by the Department of Justice and Human Rights of Republic Indonesia in its Letter No. C-23337 HT.01.04.Th.2004 dated September 17, 2004. On September 1, 2005, the change of the par value was effectively implemented.

c. Boards of Commissioners, Directors, Audit Committee and Employees.

The composition of the Company's boards of commissioners and directors as of September 30, 2009 are as follows:

Board of Commissioners:

Kardinal Alamsyah Karim, MM.	-	President Commissioner
Harry Danui	-	Commissioner
Donald Christian	-	Commissioner

Directors:

Manuntun Situmorang	-	President Director
Toshiaki Takase	-	Director
Hideo Satake	-	Director
Yoshiya Hamamachi	-	Director
Shinichi Hirota	-	Director
Hideo Kumagai	-	Director
Tony Endroyoso	-	Director
Shogo Yokoyama	-	Director
Toru Sakai	-	Director

The composition of the Company's audit committee as of September 30, 2009 are as follows:

Harry Danui	-	Chairman
Danny Lolowang.	-	Member
Bambang Wiharto	-	Member

The composition of the Company's boards of commissioners and directors as of September 30, 2008 are as follows

Board of Commissioners:

Kardinal Alamsyah Karim, MM.	-	President Commissioner
Harry Danui	-	Commissioner
Donald Christian	-	Commissioner

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September 30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

c. Boards of Commissioners, Directors, Audit Committee and Employees (Continued)

Directors:

Manuntun Situmorang	-	President Director
Toshiaki Takase	-	Director
Hideo Satake	-	Director
Yoshiya Hamamachi	-	Director
Shinichi Hirota	-	Director
Tetsuo Maruyama	-	Director
Tony Endroyoso	-	Director
Naoki Kito	-	Director
Yasushi Ochiai	-	Director

The composition of the Company's boards of commissioners and directors as of September 30, 2008 are as follows

Harry Danui	-	Chairman
Danny Lolowang.	-	Member
Bambang Wiharto	-	Member

The salaries and other compensations benefits incurred for the Company's commissioners and directors amounted to US\$591,967 for September 30, 2009 and RpUS\$ 445,028 for September 30, 2008

As of September 30, 2009 and September 30, 2008, the Company had 1015 and 918 permanent employees

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of the Financial Statements

The financial statements are prepared in accordance with generally accepted accounting principles in Indonesia, which are the Statements of Financial Accounting Standards (PSAK), BAPEPAM-LK regulations and the Guidelines for Financial Statements Presentation as circulated by BAPEPAM-LK for trading companies, which offer their shares to the public.

The financial statements are prepared on the historical cost basis, except for inventories which are valued at the lower of cost or net realizable value and derivative instrument which are valued at fair value. The financial statements are prepared based on accrual basis, except for the statements of cash flows.

The statements of cash flows presents cash receipts and payments classified into operating, investing and financing activities using the direct method.

In accordance with the minutes of the Extraordinary Shareholders' Meeting of the Company held on July 21, 2008, as covered by Notarial Deed No. 159 on the same date of Robert Purba, S.H., the shareholders resolved to change the Company's fiscal year from January to December to April to March that will be effective for 2009 fiscal year. The change was approved by the Directorate General of Tax in its decision letter No. KEP-00003/THBK/ WPJ.07/KP.0803/2008.

The reporting currency used in the financial statements is United State Dollar Amerika.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Allowance for Doubtful Accounts

The Company provides allowance for doubtful accounts based on the certain percentage of accounts receivable balance and review on the condition of each customer at balance sheet date.

c. Transactions with Related Parties

The Company has transactions with certain related parties. Related parties are defined in accordance with PSAK No. 7, "Related Party Disclosures".

All transactions with related parties are disclosed in the notes to the financial statements

d. Inventories

Effective January 1, 2009, the Company has applied PSAK No. 14 (Revised 2008), "Inventories", which supersedes PSAK No. 14 (1994), "Inventories". The adoption of this revised PSAK did not result in a significant effect in the Company's financial statements.

inventories reclassified from heavy equipment previously being leased out, at the end of the lease

The cost of heavy equipment inventories is determined by the specific identification method while the cost of spare parts is determined using the average method

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale.

Allowance for inventories obsolescence is provided based on a review of the condition of the inventories at balance sheet date

e. Prepaid Expenses

Prepaid expenses are charged to operations over the periods benefited

f. Investment in shares of stock

Investment in shares in which the Company has ownership less than 20% is recorded using cost method

g. Property and Equipment

1 Direct ownership

Prior to January 1, 2008, property and equipment were stated at cost less accumulated depreciation (except for land that is not depreciated).

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

g. Property and Equipment (Continued)

Effective January 1, 2008, the Company applied PSAK No. 16 (Revised 2007), "Fixed Assets", which supersedes PSAK No. 16 (1994), "Fixed Assets and Other Assets", and PSAK No. 17 (1994), "Accounting for Depreciation", whereby the Company has chosen the cost model. The adoption of this revised PSAK did not result in a significant effect in the Company's financial statements.

Property and equipment is stated at cost less accumulated depreciation and impairment losses. Such cost includes the cost of replacing part of the property and equipment when that cost incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the property and equipment as a replacement if the recognition criteria are met. All other repairs and maintenance costs that do not meet the recognition criteria are recognized in profit or loss as incurred

Depreciation, except for heavy equipment being leased out, is computed using the straight-line method over the estimated useful lives of the assets as follows

	Year	Rate
Building	20	5%
Vehicles, office equipment, furniture and fixtures and machineries	5	20%
Tools for after-sales service	2	50%

Depreciation for heavy equipment being leased out is based on operational hours and over the term of the lease, which are in line with the related leased agreements

An item of property and equipment is unrecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from unrecognized of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is unrecognized.

The asset's useful lives and methods of depreciation are reviewed, and adjusted prospectively if appropriate, at each financial year end.

Costs incurred in connection with the acquisition or renewal of landrights are deferred and amortized over the lower of legal terms of the related landrights or economic lives of the land using the straight-line method. The deferred charges are presented as part of "Other Assets" account in the balance sheets.

2 Construction in progress

Construction in progress represents the accumulated cost of materials and other costs related to the asset under construction. When the asset is completed and ready for its intended use, these costs are reclassified to the related accounts

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September 30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Impairment in Assets Value

At balance sheet date, the Company conducts a review for any indication of impairment due to possible events or changes in circumstances that the carrying value may not be fully recoverable. Impairment in asset value, if any, is recognized as loss in the statement of income of the current year.

i. Lease

Effective January 1, 2008, the Statement of Financial Accounting Standards (PSAK) No. 30 (Revised 2007), "Leases" supersedes PSAK No. 30 (1990), "Accounting for Leases". Based on PSAK No. 30 (Revised 2007), the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and whether the fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset. Under this revised PSAK, leases that transfer substantially to the lessee all the risks and rewards incidental to ownership of the leased item are classified as finance leases. Moreover, leases which do not transfer substantially all the risks and rewards incidental to ownership of the leased item are classified as operating leases.

The Company as a lessee

- i**
- Based on PSAK No. 30 (Revised 2007), under a finance leases, the Company shall recognize assets and liabilities in their balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Minimum lease payments shall be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge shall be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Finance charges are reflected in profit and loss. Capitalised leased assets (presented under the account of property and equipment) are depreciated over the shorter of the estimated useful life of the assets and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term..
- ii**
- Under an operating lease, the Company recognized lease payments as an expense on a straight-line basis over the lease term

The Company as a lessor

- i**
- Based on PSAK No.30 (Revised 2007), under a finance lease, the Company shall recognise assets held under a finance lease in its balance sheets and present them as a receivable at an amount equal to the net investment in the lease. Lease payment receivable is treated as repayment of principal and finance income. The recognition of finance income shall be based on a pattern reflecting a constant periodic rate of return on the Company's net investment in the finance lease.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September 30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease (Continued)

Under an operating lease, the Company shall present assets subject to operating leases in its balance sheets according to the nature of the asset. Initial direct cost incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Lease income from operating leases shall be recognized as income on a straight-line basis over the lease term.

At the application of this revised PSAK, the Company has chosen to apply this revised PSAK retrospectively in which all leases transactions that existed before January 1, 2008, were evaluated by the Company to determine their classifications in accordance with this revised PSAK and treated as if it had been applied since the commencement of the lease term.

j. Additional Paid-in Capital - Net

Additional paid-in capital - net is the difference between the offering price and the par value of share capital issued, net of the costs incurred in connection with the public offering.

k. Revenue and Expense Recognition

Revenue from sales of heavy equipment and spare parts are recognized when the heavy equipment and spare parts are delivered to the customers. Revenue from repairs and maintenance services and commission income are recognized when the services are rendered to the customers. Revenue from rental of heavy equipment is recognized based on the usage of heavy equipment in accordance with the related agreement.

Expenses are recognized when incurred (accrual basis).

l. Estimated Liability for Employees' Benefits

The Company adopts PSAK No. 24 (Revised 2004), "Employee Benefits" that recognizes the accounting and disclosures of estimated liability for employees' benefits. Total estimated liability for employees' benefits is calculated in accordance with the Labor Law No. 13 Year 2003 dated March 25, 2003. Under PSAK No. 24 (Revised 2004), the defined benefit obligation, current service cost and past service cost are calculated using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognized as income or expense when the net cumulative unrecognized actuarial gains and losses at the end of the previous reporting year exceeded 10% of the present value of defined benefit obligation at that date. These actuarial gains or losses are recognized on a straight line basis over the expected average remaining working lives of the employees. Further, past-service costs arising from the introduction of a defined benefit plan or changes in the benefit payable of an existing plan are required to be amortized over the period until the benefits concerned become vested

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September 30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Derivative Instruments

Every derivative instrument (including embedded derivatives) is recorded in the balance sheets as either asset or liability and measured at their fair values of each contract. Changes in derivative fair value are recognized in current earnings unless for specific hedges which allow a derivative's gains and losses to offset related results on the hedged item in statements of income. An entity must formally document, designate and assess the effectiveness of transactions that meet hedge accounting. The Company's derivative instruments are not designated as hedging instruments for accounting purposes.

n. Foreign Currency Transactions and Balances

Transactions involving foreign currencies are recorded in US Dollar at the rates of exchange prevailing at the time the transactions are made. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are adjusted to Rupiah to reflect the rates at such date. The resulting gains or losses are credited or charged to operations for the period

As of September 30, 2009 and September 30, 2008, the rates of exchange used are, as follows (full amount of US Dollar):

	<u>2009</u>	<u>2008</u>
1 Euro (EUR)	14,158	13,751
1 United States Dollar (US\$)	9,681	9,378
1 Australian Dollar (AUD)	8,509	7,844
1 Singapore Dollar (SGD)	6,841	6,594
1 Japanese Yen (JP¥)	108	89

o. Income Tax

Current tax expense is provided based on the estimated taxable income for the period. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. Future tax benefits are also recognized to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Changes in the carrying amount of deferred tax assets and liabilities due to a change in tax rates is charged to current period operations.

At balance sheet date, the carrying amount of deferred tax asset is reviewed and adjusted to the extent that it is no longer probable that part or all of that deferred tax assets will be realized in the future.

Amendments to tax obligations are recorded when an assessment is received or, if appealed against by the Company, when the result of the appeal is determined.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September 30, 2009 and 2008
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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Basic Earnings per Share

Basic earnings per share is computed by dividing the net income for the period with the weighted-average number of the shares outstanding during the period. The weighted-average number of shares outstanding as of September 30, 2009 and September 30, 2008 is 840,000,000 shares.

q. Segment Information

The Company classifies its segment reporting as follows:

- i) Business segment (primary) based on the nature of its products sold, consists of sales and rental of heavy equipment, sales of spare parts of heavy equipment and repairs and maintenance services
- ii) Geographical segment (secondary) based on location of sales, consists of within Java island and outside Java island.

r. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in Indonesia requires management to make estimations and assumptions that affect amounts reported therein. Due to inherent uncertainty in making estimates, actual results reported in future periods might be based on amounts that differ from those estimates.

s. Revised Statements of Financial Accounting Standards

The following summarizes the revised Statements of Financial Accounting Standards (PSAK) which have been issued by the Indonesian Institute of Accountants but not yet effective in 2009:

- 1 PSAK No. 50 (Revised 2006), "Financial Instruments: Presentation and Disclosures", contains the requirements for the presentation of financial instruments and identification of the information that should be disclosed. The presentation requirements apply to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interests, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset. This standard requires the disclosure, among others, of information about factors that affect the amount, timing and certainty of an entity's future cash flows relating to financial instruments and the accounting policies applied to those instruments. PSAK No. 50 (Revised 2006) supersedes PSAK No. 50, "Accounting for Certain Investments in Securities" and is applied prospectively for the periods beginning on or after January 1, 2009 (which was subsequently revised to become on or after January 1, 2010). Earlier application is permitted and should be disclosed.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September 30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 2 PSAK No. 55 (Revised 2006), "Financial Instruments: Recognition and Measurement", establishes the principles for recognising and measuring financial assets, financial liabilities, and some contracts to buy or sell non-financial items. This standard provides for the definitions and characteristics of a derivative, the categories of financial instruments, recognition and measurement, hedge accounting and determination of hedging relationships, among others. PSAK No. 55 (Revised 2006) supersedes PSAK No. 55, "Accounting for Derivative Instruments and Hedging Activities", and is applied prospectively for financial statements covering the periods beginning on or after January 1, 2009 (which was subsequently revised to become on or after January 1, 2010). Earlier application is permitted and should be disclosed.

- 3 *PSAK No. 14 (Revised 2008) "Inventories" prescribes the accounting treatment for inventories, and supersedes PSAK No. 14 (1994). This revised PSAK provides guidance on the determination of inventory cost and its subsequent recognition as an expense, including any write-down to net realisable value, as well as guidance on the cost formulas used to assign costs to inventories. This revised PSAK is effective for financial statements beginning on or after January 1, 2009.*

- 4 PSAK No. 26 (Revised 2008) "Borrowing cost" prescribes the accounting treatment for borrowing cost, and supersedes PSAK No. 26 (1997). This revised PSAK provides guidance on borrowing cost of that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense. This revised PSAK is effective start on January 1, 2010. Early application is permitted.

The Company is currently evaluating the effect of the above revised PSAK and has not determined the effect on its financial statements.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

3. CASH ON HAND AND IN BANKS

This account consists of:

	September 2009	September 2008
	US\$	US\$
Cash on hand		
Cash, RP 559.963.077 as of September 30, 2009 and RP. 501.071.368 as of September 30, 2008	57,841	53,431
Cash in bank		
Rupiah		
PT Bank CIMB Niaga Tbk (previously Bank Lippo Tbk.) (RP 7.970.343.098 as of September 30, 2009 and RP 7.783.700.004 as of September 30, 2008)	823,298	829,996
PT Bank Resona Perdania (RP80.173.589 as of September 30, 2009 RP81.239.707 as of September 30, 2008)	8,282	8,663
PT Bank International Indonesia Tbk (RP 3.962.875.141 as of September 30, 2009 and RP4.527.871.083 as of September 30, 2008)	409,346	482,818
PT Bank Rakyat Indonesia (RP 960.140.185 as of September 30, 2009 and RP 537.179.093 as of September 30, 2008)	99,178	57,281
PT Bank Danamon Tbk. (RP 1.203.813.956 as of September 30, 2009 and Rp 929.755.505 as of September 30, 2008)	124,348	99,142
PT Bank Mandiri (RP 230.390.277 as of September 30, 2009 and RP 1.557.759.607 as of September 30, 2008)	23,798	166,108
PT Bank Mega (RP 11.635.312.764 as of September 30, 2009 and RP 11.411.125.156 as of September 30, 2008)	1,201,871	1,216,797
Citibank N.A., Jakarta (RP 1.718.636.660 as of September 30, 2009 and RP 2.291.336.244 as of September 30, 2008)	177,527	244,331
PT Bank Negara Indonesia (Persero) Tbk. (RP 124.271.512 as September 30, 2009 and RP 127.173.970 as of September 30, 2008)	12,837	13,561
PT. Bank Mizuho Indonesia (RP9.742.127 as of September 30, 2009 and RP9.820.178 as of September 30, 2008)	1,004	1,045
The Bank of Tokyo Mitsubishi UFJ, Ltd., Jakarta (RP3.523.159.184 as of September 30, 2009 and RP 1.840.964.135 as of September 30, 2008)	363,925	196,307
Total Rupiah Accounts	3,245,413	3,316,049
United States Dollars accounts:		
PT Bank Resona Perdania	2,543	2,543
PT Bank International Indonesia Tbk	4,520,959	7,791,135
The Bank of Tokyo-Mitsubishi UFJ, Ltd. Singapore	876,441	119,958
PT Bank Mega	144,592	927,097
Citibank N.A., Jakarta	329,088	489,156
PT. Bank Mizuho Indonesia	11,054	7,466
PT Bank Shinta	200	195
The Bank of Tokyo Mitsubishi UFJ, Ltd.	15,164,982	3,061,141
Total United States Dollar Accounts	21,049,859	12,398,691
Yen Jepang		
The Bank of Tokyo Mitsubishi UFJ, Ltd. Jakarta (JPY 1,857,963.86 as of September 30, 2009 and JPY 16,639,619 as September 2008)	20,688	157,081
PT Bank International Indonesia Tbk. (JPY 133,422.55 as of September 30, 2009 and JPY 981,461.47 as September 2008)	1,486	9,265
Total Yen accounts	22,173	166,346
Total cash in Banks	24,317,445	15,881,086
Total cash on hand and in banks	24,375,286	15,934,516

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

4. TRADE RECEIVABLES - THIRD PARTIES

This account represents trade receivables - third parties arising from:

	September 2009	September 2008
	US\$	US\$
Sales and rental of heavy equipment, used in:		
Plantation and logging	5,851,713	12,942,358
Constructions	10,384	225,532
Mining	4,698,587	7,596,345
Total	10,560,685	20,764,234
Repairs and maintenance services	12,098,768	8,616,361
Sales of spare parts	15,312,084	12,146,061
Total	37,971,537	41,526,655
Less allowance for doubtful accounts	2,133,346	2,183,266
Net	35,838,191	39,343,390

The movements of allowance for doubtful accounts during the period are as follows:

	September 2009	September 2008
	US\$	US\$
Beginning balance	1,979,745	1,968,160
Provision during the period	164,669	339,146
Write-off of accounts during the period	(11,068)	(124,040)
Ending balance	2,133,346	2,183,266

The aging analysis of trade receivables - third parties based on due dates are as follows:

	September 2009	September 2008
	US\$	US\$
Sales and rental of heavy equipment		
Current and less than 3 months	10,162,654	20,500,838
3 - 6 months	178,243	96,718
Over 6 months - 1 year	166,640	76,993
Over 1 year	53,148	89,685
Total	10,560,685	20,764,234
Repairs and maintenance services		
Current and less than 3 months	11,937,510	8,399,173
3 - 6 months	57,267	139,552
Over 6 months - 1 year	30,925	33,346
Over 1 year	73,066	44,290
Total	12,098,768	8,616,361
Sales of spare parts		
Current and less than 3 months	15,165,836	12,005,385
3 - 6 months	70,195	120,560
Over 6 months - 1 year	72,437	6,201
Over 1 year	3,616	13,915
Total	15,312,084	12,146,061

Details of trade receivables - third parties based on original currencies are as follows:

	September 2009	September 2008
	US\$	US\$
United States Dollars	34,311,424	36,769,929
Rupiah	3,660,113	4,756,726
Total	37,971,537	41,526,655

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

5. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

a. Trade Receivables

Details of trade receivables from related parties on sale transactions are as follows:

	September 2009 US\$	September 2008 US\$	Percentage to total assets	
			2009 %	2008 %
Hitachi Construction Machinery Asia and Pasific Pte, Ltd, Singapore	7,289,927	119,168	3.55	0.06
Hitachi Construction Machinery Shanghai	-	10,000	-	0.00
Total	7,289,927	129,168	3.55	0.06

	September 2009 US\$	September 2008 US\$	Percentage to total assets	
			2009 %	2008 %
b. Other Receivables				
Employees	343,129	371,539	0.17	0.18
Hitachi Construction Machinery Asia and Pacific Pte., Ltd., Singapura	-	21,009	-	0.01
Hitachi Construction Machinery Co, Ltd, Jepang	39,647	-	0.02	-
Hitachi Construction Truck Manufacturing Ltd., Canada.	36,975	2,397	0.02	0.00
Total	419,751	394,945	0.20	0.19
Total of receivables from related parties	7,709,678	524,113	3.75	0.26

Receivables from employees mainly represent non-interest bearing for housing loans collectible through monthly payroll deductions.

	September 2009 US\$	September 2008 US\$	Percentage to Total Liabilities	
			2009 %	2008 %
c. Trade Payables				
PT Hitachi Construction Machinery Indonesia	26,043,707	29,172,450	20.58	31.53
Hitachi Construction Machinery Asia & Pasific Pte., Ltd Singapore	16,422,742	21,106,674	12.98	22.81
Hitachi Construction Machinery Co., Ltd., Jepang	116,067	415,329	0.09	0.45
Hitachi Construction Truck Manufacturing Ltd., Canada	99,115	232,318	0.08	0.25
Total	42,681,631 Rp	50,926,771	33.73	55.05

Payables to PT Hitachi Construction Machinery Indonesia represent payables on purchases of spare parts inventories and heavy equipment.

Payables to Hitachi Construction Machinery Asia and Pacific Pte., Ltd., Singapore (HMAP), represent payables on purchases of spare parts inventories and heavy equipment, and deposits received by the Company from HMAP's customers for purchases of heavy equipment to HMAP, of which the Company is the sales agent.

Payables to Hitachi Construction Machinery Co., Ltd., Japan, represent payables on purchases of spare parts inventories.

Payables to Hitachi Construction Truck Manufacturing Ltd., Canada (HTM), represent portion of revenue sharing of HTM for the rental of heavy equipment owned by HTM to a certain customer.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

5. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (continued)

	September 2009 US\$	September 2008 US\$	Percentage to Total Liabilities	
			2008 %	2007 %
d. <u>Other Payables</u>				
Hitachi Construction Machinery Co., Ltd, Jepang	9,732	73,848	0.01	0.08
Hitachi Construction Machinery Asia & Pasific Pte, Ltd, Itochu Corporation, Jepang	1,519	162	0.00	0.00
	-	7,590	-	0.01
Total	<u>11,251</u>	<u>81,600</u>	<u>0.01</u>	<u>0.09</u>

The nature of relationship of the Company with related parties are as follows:

<u>Name of Related Parties</u>	<u>Relationship</u>
1. Hitachi Construction Machinery Co., Ltd, Jepang	Shareholder
2. Hitachi Construction Machinery Asia Pasific Pte, Ltd., Singapore	Shareholder
3. Itochu Corporation, Jepang	Shareholder
4. Hitachi Construction Truck Manufacturing Ltd., Canada	Affiliated Company
5. PT Hitachi Construction Machinery Indonesia	Affiliated Company
6. Hitachi Construction Machinery (Shanghai) Co., Ltd., Cina	Affiliated Company

6. FINANCE LEASE RECEIVABLES

The future collection finance lease receivables required under the lease agreements are as follows:

	September 2009 US\$	September 2008 US\$
Finance lease receivables	4,495,970	12,087,417
Unearned finance lease income	-	-
Total	<u>4,495,970</u>	<u>12,087,417</u>
Less Current portion	<u>(3,561,033)</u>	<u>(4,629,138)</u>
Long-term portion	<u>934,937</u>	<u>7,458,279</u>

Finance lease receivables represent receivables from PT Kaltim Prima Coal (KPC) in connection with rentals of 14 units of heavy equipment purchased from Mitsubishi Corporation .

The Company's management believes that all finance lease receivables can be collected, and thus no allowance for doubtful accounts were provided for.

7. OTHERS RECEIVABLES - THIRD PARTIES

This account consists of:

	September 2009 US\$	September 2008 US\$
Atlas Copco	-	3,154
Bayu Adji Mandiri	-	2,530
Bumi Resources KPC	-	88,360
Cipta Kridatama	-	24,000
Gracemount Pesut Jay	21,278	-
Kaltim Prima Coal	-	435
Madhani Talatah Nusa	2,525	12,826
PAMA Persada	2,310	1,050
Petroconas	111	-
Waratah	-	1,352
Others	9,497	83,632
Total	<u>35,721</u>	<u>217,339</u>

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

8. INVENTORIES - NET

This account consists of:

	September 2009	September 2008
	US\$	US\$
Merchandise inventories		
Heavy equipment	24,364,104	16,022,158
Spare parts	62,097,506	47,358,180
Total	<u>86,461,610</u>	<u>63,380,338</u>
Less allowance for inventories obsolescence	<u>(2,313,477)</u>	<u>(1,544,855)</u>
Net	<u>84,148,133</u>	<u>61,835,483</u>

The movements of allowance for inventories obsolescence during the period are as follows:

	September 2009	September 2008
	US\$	US\$
Balance at beginning of year	1,394,384	1,057,619
Provision during the period	919,093	487,236
Write-off during the period	-	-
Balance at end of year	<u>2,313,477</u>	<u>1,544,855</u>

The Company's management believes that the allowance for inventories obsolescence is adequate to cover possible losses from inventories obsolescence.

All inventories (except for inventories in transit) are covered by insurance against losses from fire and other risks under blanket policies of Rp499,466,000,000 (equivalent. US\$48,845,575) as of September 30, 2009 and Rp416,169,000,000 (equivalent US\$45,113,171) as of September 30, 2008, which the Company's management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

9. PREPAID TAXES

Prepayment of income taxes:

	September 2009	September 2008
	US\$	US\$
Article 22	952,354	1,432,209
Article 23	892,845	1,353,592
Article 25	3,653,853	6,515
Total prepayment of income taxes	5,499,052	2,792,317
Value Added Tax	1,134,724	50,910
Total prepaid taxes	6,633,776	2,843,227

Estimated tax receivables:

	September 2009	September 2008
	US\$	US\$
Income taxes:		
- Period 2007	1,284,215	
- Period 2006	-	1,283,842
Total estimated tax receivables	1,284,215	1,283,842

10. ADVANCE PAYMENT

This account consists of:

	September 2009	September 2008
	US\$	US\$
Purchasing goods	5,888,012	1,063,553
Travelling	34,480	51,156
Others	61,874	110,678
Total	5,984,367	1,225,387

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

11. PROPERTY AND EQUIPMENT

This account consists of:

Direct ownership

Cost	April- September 2009			
	Beginning Balance	Additions	Deduction	Ending Balance
	US\$	(Reclassifications) US\$	(Reclassification) US\$	US\$
Land	9,115,696	-	-	9,115,696
Building	8,869,272	8,814,558	45	17,683,785
Vehicles	5,580,034	660,748	180,479	6,060,303
Office equipment	4,164,612	363,603	40,043	4,488,172
Furniture & fixtures	1,440,136	141,375	3,072	1,578,439
Machineries	1,755,857	91,472	20,871	1,826,459
Tool for after-sales services	3,162,155	209,004	53,090	3,318,069
Heavy equipment - rental	1,660,957	-	168,065	1,492,892
<u>Leased asset</u>				
Vehicles	466,037	-	-	466,037
	-	-	-	-
<u>Construction in progres</u>	8,360,776	184,816	8,411,025	134,567
Total cost	44,575,531	10,465,577	8,876,688	46,164,420

Accumulated Depreciation

Land	-	-	-	-
Building	4,171,772	242,682	45	4,414,410
Vehicles	4,820,485	182,574	180,479	4,822,580
Office equipment	3,010,724	232,949	38,092	3,205,581
Furniture & fixtures	1,196,506	64,136	3,035	1,257,607
Machineries	1,277,872	83,290	20,871	1,340,292
Tool for after-sales services	2,844,076	155,536	53,056	2,946,555
Heavy equipment - rental	569,319	257,306	112,043	714,582
<u>Leased asset</u>				
Vehicles	161,111	46,604	-	207,715
	-	-	-	-
<u>Construction in progres</u>	-	-	-	-
Total Accumulated Depreciation	18,051,866	1,265,077	407,620	18,909,322

Book value

Direct ownership

Land	9,115,696	-	-	9,115,696
Building	4,697,500	8,571,876	-	13,269,375
Vehicles	759,549	478,175	-	1,237,724
Office equipment	1,153,888	130,654	1,951	1,282,591
Furniture & fixtures	243,630	77,239	37	320,832
Machineries	477,985	8,183	-	486,167
Tool for after-sales services	318,079	53,469	34	371,514
Heavy equipment - rental	1,091,638	(257,306)	56,022	778,310
<u>Leased asset</u>	-	-	-	-
Vehicles	304,926	(46,604)	-	258,322
<u>Construction in progres</u>	8,360,776	184,816	8,411,025	134,567
Net book value	26,523,666	9,200,500	8,469,068	27,255,098

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

11. PROPERTY AND EQUIPMENT (continued)

Direct ownership

	April- September 2008			
	Beginning Balance	Additions (Reclassifications)	Deduction (Reclassification)	Ending Balance
Cost	US\$	US\$	US\$	US\$
Land	8,883,620	232,077	-	9,115,697
Building	8,763,504	29,277	-	8,792,781
Vehicles	5,520,830	54,040	185,359	5,389,511
Office equipment	4,066,873	149,322	63,711	4,152,484
Furniture & fixtures	1,380,855	20,615	1,156	1,400,314
Machineries	1,490,880	90,617	7,268	1,574,229
Tool for after-sales services	2,860,458	227,303	8,657	3,079,104
Heavy equipment - rental	1,492,892	-	-	1,492,892
Leased asset		-	-	-
Vehicles	413,525	52,512	-	466,037
			-	-
Construction in progres	7,554	4,529,607		4,537,160.6
Total cost	34,880,991	5,385,370	266,151	40,000,210

Accumulated Depreciation

Land	0			
Building	3,730,391	220,137	-	3,950,528
Vehicles	4,905,088	91,806	185,342	4,811,552
Office equipment	2,698,887	204,215	60,851	2,842,251
Furniture & fixtures	1,102,558	45,509	1,153	1,146,914
Machineries	1,153,569	56,771	7,268	1,203,072
Tool for after-sales services	2,597,498	102,911	8,633	2,691,776
Heavy equipment - rental	(172,484)	730,783	-	558,299
Leased asset				-
Vehicles	70,529	49,230	-	119,759
Construction in progres	0	-	-	-
Total Accumulated Depreciation	16,086,036	1,501,362	263,247	17,324,151

Book value

Land	8,883,620	232,077	-	9,115,697
Building	5,033,113	(190,860)	-	4,842,253
Vehicles	615,742	(37,766)	17	577,959
Office equipment	1,367,986	(54,893)	2,860	1,310,233
Furniture & fixtures	278,297	(24,894)	3	253,400
Machineries	337,311	33,846	-	371,157
Tool for after-sales services	262,960	124,392	24	387,328
Heavy equipment - rental	1,665,376	(730,783)	-	934,593
Leased asset	-	-	-	0
Vehicles	342,996	3,282	-	346,278
Construction in progres	7,554	4,529,607	-	4,537,161
Book value - net	18,794,955	3,884,008	2,904	22,676,059

PT HEXINDO ADIPERKASA Tbk
 NOTES TO THE FINANCIAL STATEMENTS
 For First Half ended September 30, 2009 and 2008
 (Expressed in US Dollars, Unless Otherwise Stated)

11. PROPERTY AND EQUIPMENT (continued)

Depreciation charged to operations are as follows:

	September 2009	September 2008
	US\$	US\$
Selling	491,795	391,059
General and administrative	386,410	314,332
Cost of rental heavy equipment	257,306	730,783
Total	1,135,512	1,436,174

The Company's land are under "Hak Guna Bangunan (HGB)" (non-ownership with limited duration) and "Hak Milik". As of September 30, 2009, the related landrights under HGB will expire between 2017 to 2038 and the Company's management believes that these rights are renewable upon their expiry.

Property and equipment, except for land, are covered by insurance against losses by fire and other risks under blanket policies of Rp220,166,000,000 (equivalent US\$21,532,127) as of September 30, 2009 and Rp158,620,000,000 (equivalent US\$17,194,580) as of September 30, 2008, which the Company's management believes that the insurance is adequate to cover possible losses arising from such risks.

As of September 30, 2009 and September 30, 2008, the Company's management believes that there is no events or conditions that may indicate impairment of assets.

Leased assets are acquired through financing from PT Orix Indonesia Finance. The leased assets are pledged against the related finance lease obligations.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

12. SHORT-TERM BANK LOANS

This account represents short-term bank loan obtained from various banks, as follow:

	September 2009	September 2008
	US\$	US\$
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	38,000,000	3,000,000
Total	38,000,000	3,000,000

The Bank of Tokyo - Mitsubishi UFJ, Ltd.

The Company and PT Hitachi Construction Machinery Indonesia obtained a multi-currency loan facility from The Bank of Tokyo Mitsubishi UFJ, Ltd., Jakarta (BTMU Jakarta) with a maximum credit facility of US\$25,000,000 and US\$40,000,000, respectively. The term of this facility is 36 months since date of the agreement. The outstanding principal is due at the date of payment of the interest every month but subject to roll-over every date of payment of interest until the end of credit facility. The loan bears interest at 0.25% above LIBOR per year for 2009 and 2008. This loan is guaranteed by Hitachi Construction Machinery Co., Ltd., Japan, a shareholder. The outstanding balance as of September 30, 2009 and September 30, 2008 are US\$25,000,000 and US\$3,000,000, respectively.

The loan obtained from The Bank of Tokyo-Mitsubishi UFJ, Ltd., Singapore (BTMU Singapore) is a multi-currency loan facility for the Company and its related parties (i.e. Hitachi Construction Machinery Asia and Pacific Pte., Ltd., Singapore, Hitachi Construction Machinery Thailand Co., Ltd., Thailand, PT Hitachi Construction Machinery Indonesia, Hitachi Construction Machinery Sdn., Bhd., Malaysia and Cableprice (NZ) Limited) with a maximum credit facility amounting to US\$30,000,000.

The term of this facility is 36 months since date of the agreement. The outstanding principal is due at the date of payment of the interest every month but subject to roll-over every date of payment of interest until the end of credit facility. The loan bears interest at 0.25% above LIBOR per year. The outstanding balance as of September 30, 2009 is US\$8,000,000.

On July 29, 2009, the Company obtained an unsecured short-term working capital facility from The Bank of Tokyo-Mitsubishi UFJ, Ltd., Jakarta Branch with a maximum credit facility of US\$10,000,000. Availability period on July 29, 2009 - March 31, 2010. The loan bears interest at 0.70% above SIBOR per year. The outstanding balance as of September 30, 2009 is US\$ 5,000,000.

Each loan can be drawdown through BTMU Singapore and/or BTMU Jakarta. This loan is guaranteed by Hitachi Construction Machinery Co., Ltd., Japan, a shareholder.

The related loan agreements with BTMU Jakarta and BTMU Singapore contain certain restriction on the Company, among others, change of its business, and sell, lease, transfer or otherwise dispose substantial part of its assets, unless such activity is made in the ordinary course of the Company's business.

Citibank N.A.

On June 5, 2006, the Company obtained a short-term working capital facility from Citibank, N.A., Jakarta with a maximum credit facility of US\$15,000,000. This loan facility have been extended several times, the latest was until June 5, 2010. The loan bears interest at 0.75% above LIBOR per year and is payable in 3 months.

PT Bank Mizuho Indonesia

On April 21, 2006, the Company obtained a short-term working capital facility from PT Bank Mizuho Indonesia with a maximum credit facility of US\$10,000,000. This loan facility have been extended several times, the latest was until July 27, 2009. The loan bears interest at 0.75% above SIBOR per year, is payable in 3 months. The loan contains certain restriction on the Company, among others, to consolidate with or merge into any other corporation and change of its business

13. TRADE PAYABLES – THIRD PARTIES

Details of trade payables - third parties in relation with purchases of goods and services are as follows:

	September 2009	September 2008
	US\$	US\$
Heavy equipment	1,569,440	1,645,413
Spare parts	1,169,999	949,990
Repairs and maintenance	649,188	1,319,365
Total	3,388,627	3,914,767
<u>Heavy equipment</u>		
Current and less than 3 months	1,569,440	1,645,413
3 - 6 months	-	-
Over 6 months - 1 year	-	-
Over 1 year	-	-
Total	1,569,440	1,645,413

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

13. TRADE PAYABLES – THIRD PARTIES (Continued)

<u>Spare parts</u>		
Current and less than 3 months	1,169,999	949,990
3 - 6 months	-	-
Over 6 months - 1 year	-	-
Over 1 year	-	-
Total	<u>1,169,999</u>	<u>949,990</u>
<u>Repairs and maintenance</u>		
Current and less than 3 months	649,188	1,319,365
3 - 6 months	-	-
Over 6 months - 1 year	-	-
Over 1 year	-	-
Total	<u>649,188</u>	<u>1,319,365</u>

As of September 30, 2009 and 2008, the aging of all trade payables - third parties was current and less than 3 months.

14. OTHER PAYABLES - THIRD PARTIES

This account consists of:

	<u>September 2009</u>	<u>September 2008</u>
	US\$	US\$
Heavy equipment	7,019,655	4,034,944
Spare parts	36,993	55,756
Service and Maintenance	2,719	22,935
Others	1,326,021	742,055
Total	<u>8,385,388</u>	<u>4,855,690</u>

15 ACCRUED EXPENSES

This account consists of:

	<u>September 2009</u>	<u>September 2008</u>
	US\$	US\$
Salaries and employees' benefits	1,049,543	931,180
Interest	87,162	194,672
Marketing expenses	10,887,418	4,358,477
Others	498,491	386,934
Total	<u>12,522,614</u>	<u>5,871,263</u>

16. TAXES PAYABLES

Taxes payable represents income taxes payables on:

	<u>September 2009</u>	<u>September 2008</u>
	US\$	US\$
Estimated tax payable in current period	6,466,880	4,365,805
<u>The other taxes payables</u>		
Article 21/26	198,622	352,067
Article 23/26	17,896	81,193
Article 25	660,646	-
Total	<u>7,344,044</u>	<u>4,799,065</u>
<u>Income Tax Expense – Current</u>		

The reconciliation between income before income tax, as shown in the statements of income and taxable income for three months ended September 30, 2009 and for the year ended September 30, 2008, are as follows:

	<u>September 2009</u>	<u>September 2008</u>
	US\$	US\$
Income before income tax expense per statements of income	19,808,786	14,907,608
<u>Add (deduct) temporary differences:</u>		
Provision (reversal of allowance) for Inventories obsolescence	919,094	480,630
Depreciation of property and equipment	(1,675,580)	(6,073)
Depreciation of leased assets	46,604	41,810
Depreciation - Assets leased	-	-
Provision for doubtful accounts	164,669	(136,132)
Taxes and licenses	18,439	62,695

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

16. TAXES PAYABLES (continued)

Entertainment	18,141	46,609
Salaries and wages	8,752	186,919
Donation	13,019	19,198
Others expenses	118,150	196,513
<u>Add (deduct) permanent differences:</u>		
Interest income already subject to final tax	(259,129)	(1,148,293)
Rental Revenue	3,957,498	
Payment of finance lease obligation	(34,479)	(69,417)
Gain on sale of property and equipment	(7,276)	(23,164)
Taxable Income	23,096,688	14,558,904

Deferred Income Tax

The computations of deferred income tax benefit (expense) on temporary differences between commercial and tax reporting purposes using the maximum tax rate of 28% and 30% for six months ended September 30, 2009 and the year ended September 30, 2008, respectively, are as follows:

	September 2009 US\$	September 2008 US\$
Depreciation of property and equipment	(469,162)	151,495
Depreciation of leased assets	13,049	12,543
Depreciation on rental assets	-	-
Gain on sale of property and equipment	(2,037)	(6,949)
Provision for employee - benefit net	2,450	56,076
Provision for doubtful accounts	46,107	(40,840)
Provision (reversal of allowance) for Inventories obsolescence	257,346	144,189
Rental revenue	1,108,099	-
Payment of finance lease obligation	(9,654)	(20,825)
Deferred income tax benefit - net	946,198	295,689
Taxable Income	23,096,688	14,558,904
Estimated Income tax expenses	6,466,880	4,365,805

The deferred tax assets and liabilities as of September 30, 2009 and September 30, 2008, are as follows:

	September 2009 US\$	September 2008 US\$
Deferred tax assets		
Allowance for doubtful accounts	601,191	772,717
Allowance for inventories obsolescence	607,498	337,401
Estimated liability for employees' benefits	405,824	532,055
Deferred tax adjustment	-	42,073
Total deferred tax assets	1,614,513	1,684,247
Deferred tax liabilities		
Depreciation of property and equipment	(542,972)	(75,741)
Depreciation of leased assets	44,061	131,438
Depreciation on rental assets	(3,386,755)	-
Finance lease receivable	5,394,900	-
Payment of finance lease obligation	(55,021)	(168,706)
Interest Income	(1,032,865)	-
Gain (loss) foreign exchange	581,452	-
Gain on sale of property and equipment	(50,461)	(173,152)
Total deferred tax liabilities	952,339	(286,161)
Deferred tax assets - net	2,566,852	1,398,086

The computations of income tax expense and tax payable as of September 30, 2009 and September 30, 2008, are as follows:

	September 2009 US\$	September 2008 US\$
Taxable income (rounded-off)	23,096,430	14,558,132
Income tax expense - current	6,466,880	4,365,805
Prepayment of income taxes:		
Article 22	952,354	1,432,209
Article 23	892,845	1,353,592
Article 25	3,653,853	6,515
Total prepayment of income tax	5,499,052	2,792,317
Estimated tax (receivable) payable	967,828	1,573,488

PT HEXINDO ADIPERKASA Tbk
 NOTES TO THE FINANCIAL STATEMENTS
 For First Half ended September 30, 2009 and 2008
 (Expressed in US Dollars, Unless Otherwise Stated)

17. LONG-TERM BANK LOAN

This account represents long-term bank loan , as follow:

	September 2009	September 2008
	US\$	US\$
The Bank of Tokyo Mitsubishi UFJ, Ltd., Indonesia (Rp 79.437.333.333 as of September 30, 2009 and Rp 55.828.000.000 as of September 30, 2008)	8,205,877	5,953,082
Current maturities	(2,182,668)	(550,544)
Long-term portion	<u>6,023,209</u>	<u>5,402,538</u>

Loans obtained from The Bank of Tokyo-Mitsubishi UFJ, Ltd., Jakarta (BTMU Jakarta) are uncommitted credit facility for investment purposes that were obtained in December 28, 2007 and various dates in 2008 and 2009 with a total maximum credit facility of Rp 118,000,000,000. These loans are payable on installment basis every month for 3 years. These loans bear annual interest at 0.50% above cost of fund for relevant interest period as determined by BTMU Jakarta.

The related loan agreement stated that the Company cannot enter into the various transactions, among others, to sell, lease, transfer or otherwise dispose of part of its assets and obtain a loan from any other party, unless such activity is made in the ordinary course of the Company's business; to declare or pay dividend to the shareholders; to consolidate or merge with other party; and to change of its composition of share capital, shareholders or their shareholdings, composition of the Boards of Directors and Commissioners or its Articles of Association, without prior written consent to BTMU Jakarta.

In relation with payment of dividend to the shareholders, changes in the composition of the Boards of Directors and amendment of its Articles of Association in 2008, the Company had obtained Consent Letter from BTMU on February 24, 2009.

18. FINANCE LEASE OBLIGATION

Leased assets are acquired through financing from PT Orix Indonesia Finance. The leased assets are pledged against the related finance lease obligations.

The future minimum finance lease payment required under the lease agreements are as follows:

<u>Years</u>	September 2009	September 2008
	US\$	US\$
2008	-	34,520
2009	17,526	96,920
2010	34,424	35,536
2011	4,243	4,379
Total	<u>56,193</u>	<u>171,355</u>
Less amount applicable to interest	(3,895)	(18,832)
Present value of minimum finance lease payment	52,298	152,522
Current maturities	(32,257)	(29,250)
Long-term portion	<u>20,041</u>	<u>123,272</u>

19. LONG-TERM OTHER PAYABLES

This account represents long-term payables to Mitsubishi Corporation, Japan, in US Dollar currency in relation to purchases of 14 units of heavy equipment that are leased out to PT Kaltim Prima Coal (Note 5). This loan is payable in quarterly installment in 4 years and bears average interest at 8.50% per year. The payables are guaranteed by certain heavy equipment being leased out. The future installment payment of these payables are as follows:

	September 2009	September 2008
	US\$	US\$
2008	-	2,042,168
2009	1,885,629	7,967,583
2010	2,089,458	2,089,458
Total	<u>3,975,087</u>	<u>12,099,209</u>
Less amount applicable to interest	(156,296)	(849,307)
Net	<u>3,818,791</u>	<u>11,249,902</u>
Current maturities	(2,898,230)	(1,798,921)
Long-term portion	<u>920,561</u>	<u>9,450,981</u>

20. ESTIMATED LIABILITY FOR EMPLOYEES' BENEFITS

This account consists of:

	September 2009	September 2008
	US\$	US\$
Employees' benefits liability	1,868,457	1,709,404
Current maturities	(66,883)	-
Long term portion	<u>1,801,573</u>	<u>1,709,404</u>

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

20. ESTIMATED LIABILITY FOR EMPLOYEES' BENEFITS (Continued)

The movement of estimated liability for employees' benefits during the period are as follows:

	September 2009	September 2008
	US\$	US\$
Beginning balance	1,606,323	1,506,262
Benefit costs during the period	272,928	292,030
Payment during the period	(10,794)	(88,888)
Ending balance	<u>1,868,457</u>	<u>1,709,404</u>

21. SHARE CAPITAL

The share ownership as of September 30, 2009 and September 30, 2008 based on the report from PT Sirca Datapro Perdana, the shares administrator bureau, are as follows:

Shareholders	September 2009		
	Number of Shares Issued and fully Paid Rp 100	Percentage of Ownership	Amount US\$
Local			
Commissioner			
- Donald Christian Sie	62,500	0.007%	1,665
Director			
- Tony Endroyoso	50,000	0.006%	1,332
- Toru Sakai	1,580,000	0.188%	42,101
Public (below 5% ownership each)	159,281,000	18.962%	4,244,197
Foreign			
Hitachi Construction Machinery Co., Ltd., Japan	408,180,000	48.593%	10,876,353
Itochu Corporation, Jepang Hitachi Construction Machinery	189,400,000	22.548%	5,046,747
Asia and Pacific Pte., Ltd., Singapore	42,620,000	5.074%	1,135,651
Public (below 5% ownership each)	<u>38,826,500</u>	4.622%	<u>1,034,570</u>
Balance as of September, 30 2009	<u>840,000,000</u>	<u>100.00%</u>	<u>22,382,617</u>
		September 2008	
Shareholders	Number of Shares Issued and fully Paid Rp 100	Percentage of Ownership	Amount US\$
Local			
Director			
- Tony Endroyoso	50,000	0.01%	1,332
Public (below 5% ownership each)	166,114,000	19.78%	4,426,269
Foreign			
Hitachi Construction Machinery Co., Ltd., Japan	408,180,000	48.59%	10,876,353
Itochu Corporation, Jepang Hitachi Construction Machinery	189,400,000	22.55%	5,046,747
Asia and Pacific Pte., Ltd., Singapore	42,620,000	5.07%	1,135,651
Public (below 5% ownership each)	<u>33,636,000</u>	4.00%	<u>896,264</u>
Balance as of September 30, 2008	<u>840,000,000</u>	<u>100.00%</u>	<u>22,382,617</u>

22. ADDITIONAL paid-in CAPITAL – NET

This account consists of:

	Amount US\$
Additional paid-in capital	7,798,960
Stock issuance costs	(558,165)
Net	<u>7,240,795</u>

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

23. CASH DIVIDENDS AND GENERAL RESERVE

In accordance with the minutes of the Annual Shareholders' Meeting of the Company held on June 29, 2009, the minutes of which were notarized by Notarial Deed No. 163 and 164 on the same date of Robert Purba, S.H., the shareholders resolved to declare cash dividends totaling Rp91.560.000.000 (equivalent US\$8,954,524) and Rp 19.320.000.000 (equivalent US\$1,889,486) for the 840,000,000 shares or Rp109 and Rp 23 (full amount) per share, and to appropriate for general reserve from retained earnings amounting to Rp5,000,000,000 (equivalent US\$489,000). The cash dividends were fully paid to the shareholders on August 7, 2009 and in September 2009.

24. NET REVENUES

Details of net revenues are as follows:

	September 2009 US\$	September 2008 US\$
Sales and rental of heavy equipment		
Third parties	75,400,519	99,165,367
Related parties	10,309,356	1,577,827
Sales of spare parts		
Third parties	36,290,497	26,734,524
Repairs and maintenance services		
Third parties	23,276,872	21,339,481
Total Revenue	145,277,244	148,817,199

25. COST OF REVENUES

Details of cost of revenues are as follows:

	September 2009 US\$	September 2008 US\$
Sales and rental heavy equipment		
Beginning balance of inventories	36,560,529	14,319,712
Purchasing	58,829,188	86,236,552
Available Inventories for sales	95,389,717	100,556,264
Allowance for inventories obsolescence	149,242	-
Ending Inventories	(24,364,104)	(16,022,158)
Cost of sales and rental heavy equipment	71,174,855	84,534,106
Spare-parts:		
Beginning balance of inventories	53,960,265	41,806,937
Purchasing	30,004,720	21,054,872
Available parts inventories	83,964,985	62,861,809
Allowance for inventories obsolescence	769,851	487,236
Ending balance of part inventories	(62,097,506)	(47,358,180)
Cost of spare-parts sales	22,637,330	15,990,865
Repairs and maintenance services cost	16,886,268	17,075,710
Total cost of revenue	110,698,453	117,600,681

26. OPERATING EXPENSES

Details of operating expenses are as follows:

	September 2009 US\$	September 2008 US\$
a Selling Expenses:		
Salaries, wages and employee benefits	2,850,311	3,434,477
Travelling	1,039,870	1,466,126
Depreciation	491,795	391,059
Communication	332,032	266,135
Warehousing and shipping	320,629	412,117
Transportation	1,458,616	1,642,881
Repairs and maintenance	116,358	98,279
Entertainment	60,470	118,371
Rental	146,175	101,344
After sales services	670,799	159,092
Training and education	123,690	255,821
Professional fees	286,656	193,759
Sales and promotion	62,983	121,715
Total selling expenses	7,960,385	8,661,176

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

26. OPERATING EXPENSES (Continued)

b General and Administrative Expenses:

Salaries, wages and employee benefits	2,756,142	2,492,064
Stationery and office supplies	1,565,432	1,504,267
Depreciation	386,410	314,332
Repairs and maintenance	249,959	283,950
Communication	282,842	226,707
Bank charges	44,574	50,067
Asuransi	220,177	217,569
Water, gas and electricity	273,809	238,327
Taxes	63,294	161,607
Donation	13,019	19,500
Membership	13,697	18,183
Others	127,567	129,325
Total General and administrative expenses	<u>5,996,922</u>	<u>5,655,898</u>
Total Operating expenses	<u>13,957,307</u>	<u>14,317,074</u>

27 INTEREST INCOME

This account represents interest income from:

	<u>September 2009</u>	<u>September 2008</u>
	US\$	US\$
Time Deposit	-	-
Current accounts	47,350	50,523
Financing leases	211,779	1,098,982
Trade receivables	8,028	27,730
Total	<u>267,157</u>	<u>1,177,235</u>

28. INTEREST EXPENSES

This account represents interest expense on:

	<u>September 2009</u>	<u>September 2008</u>
	US\$	US\$
Bank loans	693,664	260,188
Finance leases	4,686	12,268
Long-term other payables	285,152	583,650
Total	<u>983,503</u>	<u>856,106</u>

29. MONETARY ASSETS AND LIABILITIES IN FOREIGN CURRENCIES

As of September 30, 2009, the Company has monetary assets and liabilities denominated in foreign currencies as follows:

	<u>Foreign Currencies</u>	<u>Equivalent in US\$</u>
Assets		
Cash on hand and in banks		
Rupiah	IDR 31,970,912,056	3,302,595
Japan Yen	JPY 1,991,386.41	22,173
Trade receivables		
Rupiah	IDR 35,431,879,032	3,660,113
Non-Trade receivables		
Rupiah	IDR 38,218,840	3,948
Total Assets		<u>6,988,830</u>
Liabilities		
<u>Trade payables</u>		
Rupiah	IDR 14,631,635,088	1,511,448
AUD	AUD 6,331.30	5,565
EURO	€ 10,118.06	14,798
Japan Yen	JPY 10,448,517	116,340
SGD	SGD 1,068.90	755
<u>Other payables</u>		
Rupiah	IDR 6,289,825,688	649,739
SGD	SGD 0.00	-
EURO	€ 568.32	831
<u>Bank loan - Short term</u>		
Rupiah	IDR 19,666,333,334	2,031,532
<u>Bank loan - Long portion</u>		
Rupiah	IDR 59,770,666,667	6,174,310
Total Liabilities		<u>10,505,318</u>
Net monetary liabilities		<u>3,516,488</u>

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September 30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

30. SIGNIFICANT AGREEMENTS AND COMMITMENTS

a. Royalty Agreement

In May 1999, the Company entered into a royalty agreement with Hitachi Construction Machinery Co., Ltd., Japan (HCMJ), a shareholder. Based on this agreement, HCMJ agreed to furnish the Company with license, technical information and training in order to remanufacture heavy equipment components. As compensation, the Company shall pay HCMJ royalty fee for the license at 1% of certain product sales and technical assistance services related to heavy equipment component remanufacturing. This agreement will expire on December 31, 2009.

b. Distributorship Agreements

The Company has several distributorship agreements in relation to the sale of certain heavy equipment and its spare parts with several licensed companies, among others, HCMJ, Hitachi Construction Machinery Asia and Pacific Pte., Ltd., Singapore (HMAP), a shareholder, PT Hitachi Construction Machinery Indonesia, a related party.

The above agreements generally cover a period of 1 year to 3 years and can be extended from time to time as agreed with the above companies. The agreements require the Company to achieve certain sales targets and provide after sales service on the heavy equipment sold.

c. Three Parties Sales and Purchase Agreement

The Company entered into a three parties sales and purchase agreements with HMAP and a certain customer, whereby the Company was appointed as a sales agent on sales of heavy equipment from HMAP to certain customer in Indonesia. Based on these agreements, the Company is responsible to provide service warranty that can be claimed back to HMAP and maintenance support for the heavy equipments sold and administer and fully responsible for collection of any payment incurred from the transaction

As compensation, the Company received commission fee and administration revenue from HMAP for collection of receivable based on the certain percentage of the sales price of heavy equipment and collected receivables which is recorded as part of the "Net Revenues" account in the statements of income.

d. Commission Agreement

The Company entered into a commission agreement with HCMJ, whereby based on the agreement, the Company receives commission fee from HCMJ based on the certain percentage of the sales price of heavy equipments sales to certain third parties. As compensation, the Company is responsible to provide the technical assistance of assembling system, perform periodic inspection during the warranty time and provide the training to certain third parties. The commission revenue received by the Company is recorded as part of "Net Revenues" account in the statements of income.

e. Unused Credit Facility

As of September 30, 2009, the Company has unused credit facility obtained from PT Bank Resona Perdania, under promissory note loan facility with a maximum credit facility of US\$2,000,000 that has been extended until May 16, 2010.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half Ended September 30, 2009 and 2008
(Expressed in US\$ Unless Otherwise Stated)

30. SIGNIFICANT AGREEMENTS AND COMMITMENTS (Continued)

f. Derivative Instrument - Cross Currency Swap

On September 1, 2008, the Company entered into cross currency swap contracts with Citibank N.A., Jakarta, whereby the Company shall receive an annual interest income of 1% above the Certificate of Bank Indonesia from the nominal values of Rp28,490 and Rp14,000 at the beginning and will be reduced by Rp1,314 every month and pay annual interests of 5.75% and 5.60% from the nominal values of US\$3,111,961 and US\$1,529,219, respectively, at the beginning and will be reduced by US\$143,528 every month. The interests will be received and paid on monthly basis, starting from September 2008 and each will be matured on July 11, 2011 and December 24, 2010, respectively. Every month, the Company will receive Rp1,314 and pay US\$143,528 to Citibank N.A., Jakarta.

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

31. INFORMASI SEGMENT

The following tables present certain information regarding the business and geographical segments as of September 30, 2009 and September 30, 2008 as follows:

<u>September-09</u>	<u>Sales, rental of Heavy Equip and commission income</u>	<u>Sales of spare parts</u>	<u>Repair and Maintenance service</u>	<u>Unallocated</u>	<u>Total</u>
Business Segment Information (Primary)					
Segment Revenues	85,709,875	36,290,497	23,276,872		145,277,244
Segment Gross Profit	13,764,882	14,423,305	6,390,604		34,578,791
Segment Operating Income	<u>11,529,814</u>	<u>14,087,543</u>	<u>1,736,367</u>	<u>(6,732,240)</u>	<u>20,621,484</u>
Segment Assets	<u>109,692,354</u>	<u>8,969,780</u>	<u>71,076,445</u>	<u>15,602,897</u>	<u>205,341,476</u>
Segment Liabilities	<u>22,102,359</u>	<u>1,268,075</u>	<u>17,373,463</u>	<u>85,791,318</u>	<u>126,535,215</u>
Geographical Segment Information (Secondary)					
Segment Revenues					
Java island	6,453,449	673,798	263,213	-	7,390,460
Outside Java island	79,256,426	35,616,699	23,013,659	-	137,886,784
Total Segment Revenue	<u>85,709,875</u>	<u>36,290,497</u>	<u>23,276,872</u>	<u>-</u>	<u>145,277,244</u>
Segment Gross Profit					
Java island	664,557	304,916	80,200	-	1,049,673
Outside Java island	13,100,325	14,118,389	6,310,404	-	33,529,118
Segment Gross Profit	<u>13,764,882</u>	<u>14,423,305</u>	<u>6,390,604</u>	<u>-</u>	<u>34,578,791</u>
Operating Income					
Java island	468,586	269,188	3,884	(137,875)	603,783
Outside Java island	11,061,228	13,818,355	1,732,483	(6,594,365)	20,017,701
Segment Operating Income	<u>11,529,814</u>	<u>14,087,543</u>	<u>1,736,367</u>	<u>(6,732,240)</u>	<u>20,621,484</u>
<u>September-08</u>	<u>Sales, rental of Heavy Equip and commission income</u>	<u>Sales of spare parts</u>	<u>Repair and Maintenance service</u>	<u>Unallocated</u>	<u>Total</u>
Business Segment Information (Primary)					
Segment Revenues	100,743,194	26,734,524	21,339,482	-	148,817,200
Segment Gross Profit	15,721,852	11,230,895	4,263,771	-	31,216,518
Segment Operating Income	<u>12,767,414</u>	<u>10,620,426</u>	<u>379,790</u>	<u>(6,868,186)</u>	<u>16,899,444</u>
Segment Assets	<u>37,283,088</u>	<u>53,636,871</u>	<u>12,795,543</u>	<u>57,818,907</u>	<u>161,534,409</u>
Segment Liabilities	<u>56,271,427</u>	<u>13,429,478</u>	<u>878,658</u>	<u>21,934,504</u>	<u>92,514,067</u>
Geographical Segment Information (Secondary)					
Segment Revenues					
Java island	13,129,902	1,447,762	183,887	-	14,761,551
Outside Java island	87,613,292	25,286,762	21,155,595	-	134,055,649
Total Segment Revenue	<u>100,743,194</u>	<u>26,734,524</u>	<u>21,339,482</u>	<u>-</u>	<u>148,817,200</u>

PT HEXINDO ADIPERKASA Tbk
NOTES TO THE FINANCIAL STATEMENTS
For First Half ended September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

31. INFORMASI SEGMENT (CONTINUED)

Segment Gross Profit					
Java island	1,855,993	311,897	76,215	-	2,244,105
<i>Outside Java island</i>	13,865,859	10,918,998	4,187,556	-	28,972,413
Segment Gross Profit	15,721,852	11,230,895	4,263,771	-	31,216,518
Operating Income					
Java island	981,639	231,265	(23,147)	(69,895)	1,119,862
<i>Outside Java island</i>	11,785,775	10,389,161	402,937	(6,798,291)	15,779,582
Segment Operating Income	12,767,414	10,620,426	379,790	(6,868,186)	16,899,444


32 CHANGES ON THE REPORTING CURRENCY

In accordance with the minutes of the Extraordinary Shareholders' Meeting of the Company held on June 25, 2008, as covered by Notarial Deed No. 123 on the same date of Robert Purba, S.H., the shareholders resolved to change the reporting currency from Rupiah to US Dollar that will be effective for 2009 fiscal year. The change was approved by the Department of Finance of Republic Indonesia in its decision letter No. KEP-159/WPJ.07/ WPJ.07/BD.04/2008.

PT HEXINDO ADIPERKASA Tbk.
BALANCE SHEETS
September 30, 2009 and 2008
(Expressed in US Dollars, Unless Otherwise Stated)

<u>ASSETS</u>				<u>LIABILITIES AND EQUITY</u>			
	Notes	2009 US\$	2008 US\$		Notes	2009 US\$	2008 US\$
<u>CURRENT ASSETS</u>				<u>CURRENT LIABILITIES</u>			
Cash on hand and in banks	3	24,375,286	15,934,516	Short-term bank loans	12	38,000,000	3,000,000
Receivables				<u>Trade payables</u>			
- Trade (Net of allowance for doubtful accounts of US\$ 2.133.346 as of September 30, 2009 and US\$ 2.183.266 as of September 30, 2008)	2b,4	35,838,191	39,343,390	- Related parties	2c,5c	42,681,631	50,926,771
- Related parties	2c,5a	7,289,927	129,168	- Third parties	13	3,388,627	3,914,767
- Finance lease receivables - current portion	2i, 6	3,561,033	4,629,138	<u>Other payables</u>			
- Other receivables - third parties	7	35,721	217,339	- Related parties	2c, 5d	11,251	81,600
Inventories	2d,8	84,148,133	61,835,483	- Third parties	14	8,385,388	4,855,690
Advance payment	10	5,984,367	1,225,387	Accrued expenses	15	12,522,614	5,871,263
Prepaid expenses	2e	234,230	346,082	Taxes payables	16	7,344,044	4,799,065
Prepaid Tax	9	6,633,776	2,843,227	Divident payables	23	-	-
TOTAL CURRENT ASSETS		168,100,666	126,503,730	Current maturities of long term liabilities:			
				Bank loans	17	2,182,668	550,544
<u>NON CURRENT ASSETS</u>				Finance lease obligation	18	32,257	29,250
Due from related parties	2c,5b	419,751	394,945	Other payables	19	2,898,230	1,798,921
Investment in shares of stock	2f	4,612,142	1,588,142	Estimated liability for employees' benefits	20	66,883	-
Finance lease receivables - long term portion	2i, 6	934,937	7,458,279	Total Current Liabilities		117,513,594	75,827,873
Estimated claim for tax refund	9	1,284,215	1,283,842	<u>NON CURRENT LIABILITIES</u>			
Deferred tas assets - net	2o,16	2,566,852	1,398,086	Due to related parties			
Aktiva tetap				Derivative instrument payables	2m, 31g	256,237	-
Acquisition cost	2g, 11	46,164,420	40,000,210	<u>Long-term liabilities-net of current portion:</u>			
Accumulated Depreciation	2g, 11	(18,909,322)	(17,324,151)	Bank loan	17	6,023,209	5,402,538
Net - Book Value		27,255,098	22,676,059	Finance lease obligation	18	20,041	123,272
				Other payables	19	920,561	9,450,981
Other assets		167,815	231,326	Estimated liability for employees' benefits	20	1,801,573	1,709,404
Total Non-Current Assets		37,240,811	35,030,679	Total Non-Current Liabilities		9,021,621	16,686,194
TOTAL ASSETS		205,341,476	161,534,409	<u>EQUITY</u>			
				Share capital - par value Rp100 per share			
				Authorized - 1.680.000.000 shares			
				Issued and fully paid - 840.000.000 shares	1b,21	22,382,617	22,382,617
				Additional paid-in capital-net	1b,2j, 22	7,240,795	7,240,795
				Retained earnings			
				Appropriated	23	2,622,530	2,133,530
				Unappropriated		46,560,318	37,263,400
				TOTAL EQUITY		78,806,260	69,020,342
				TOTAL LIABILITIES AND EQUITY		205,341,476	161,534,409

Jakarta, October 29, 2009


Manuntun Situmorang
 President Director

The accompanying notes form are an integral part of these financial statements.