

Heavy Engineering Industries and Shipbuilding Company K.S.C.  
and Subsidiaries

CONSOLIDATED BALANCE SHEET

31 December 2006

	<i>Notes</i>	<i>2006</i> <i>KD</i>	<i>2005</i> <i>KD</i>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3	13,321,527	15,130,216
Investments at fair value through statement of income	4	6,097,639	5,420,761
Investments available for sale	4	221,265	378,590
Non current accounts receivable and contract retentions		2,752,370	2,704,669
		<u>22,392,801</u>	<u>23,634,236</u>
<b>Current assets</b>			
Inventories		871,031	1,125,390
Gross amount due from customers for contract work	5	14,184,907	12,892,867
Accounts receivable and prepayments	6	20,433,401	17,159,293
Cash in hand and at banks	7	1,669,332	1,688,436
		<u>37,158,671</u>	<u>32,865,986</u>
<b>TOTAL ASSETS</b>		<u><u>59,551,472</u></u>	<u><u>56,500,222</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	8	13,511,105	13,511,105
Statutory reserve	9	2,953,065	2,953,065
General reserve	9	2,953,065	2,953,065
(Deficit) retained earnings		(3,318,432)	7,328,889
Cumulative changes in fair values		(110,908)	(54,224)
		<u>15,987,895</u>	<u>26,691,900</u>
<b>Non current liabilities</b>			
Term loans	10	-	139,412
Employees' end of service benefits	11	2,209,399	2,074,589
		<u>2,209,399</u>	<u>2,214,001</u>
<b>Current liabilities</b>			
Accounts payable, provisions and accruals	12	27,311,329	21,349,274
Bank overdrafts	7	13,071,674	4,855,574
Term loans	10	971,175	1,389,473
		<u>41,354,178</u>	<u>27,594,321</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>59,551,472</u></u>	<u><u>56,500,222</u></u>

Juhail Mohammed Abdul Rehman Juhail  
Chairman

Adnan Musaed Khalifa Al Kharafi  
Vice Chairman

The attached notes 1 to 22 form part of these consolidated financial statements.