

**Abdullah Abdul Mohsin Al-Khodari Sons Company  
(A Saudi Joint Stock Company)**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2010**

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
ABDULLAH ABDUL MOHSIN AL-KHODARI SONS COMPANY  
(A SAUDI JOINT STOCK COMPANY)**

**Scope of audit:**

We have audited the accompanying balance sheet of Abdullah Abdul Mohsin Al-Khodari Sons Company (A Saudi Joint Stock Company) ("the company") as at 31 December 2010 and the related statements of income, cash flows and changes in shareholders' equity for the year then ended. These financial statements are the responsibility of the company's board of directors and have been prepared by them and submitted to us together with all the information and explanations which we required. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the Kingdom of Saudi Arabia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable degree of assurance to enable us to express an opinion on the financial statements.

**Unqualified opinion:**

In our opinion, the financial statements taken as a whole present fairly, in all material respects, the financial position of the company as at 31 December 2010 and the results of its operations and its cash flows for the year then ended in accordance with accounting standards generally accepted in the Kingdom of Saudi Arabia.

for Ernst & Young

Abdulaziz Saud Alshubaibi  
Certified Public Accountant  
Registration No. 339

10 Rabi' Awal 1432H  
13 February 2011

Alkhobar

Abdullah Abdul Mohsin Al-Khodari Sons Company (A Saudi Joint Stock Company)

**BALANCE SHEET**

As At 31 December 2010

	Note	2010 SR	2009 SR
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	71,010,619	32,610,231
Accounts receivable and prepayments	5	686,991,223	534,060,722
Value of work executed in excess of billings	6	567,552,170	299,492,364
Amounts due from related parties	7	9,254,704	39,317,534
Inventories	8	37,474,855	19,694,922
Assets held for sale		6,571,344	11,734,437
<b>TOTAL CURRENT ASSETS</b>		<b>1,378,854,915</b>	<b>936,910,210</b>
<b>NON-CURRENT ASSETS</b>			
Investments in subsidiaries	9	4,209,000	4,209,000
Mobilisation costs	10	9,528,818	7,074,743
Property, equipment and vehicles	11	433,782,495	501,561,671
<b>TOTAL NON-CURRENT ASSETS</b>		<b>447,520,313</b>	<b>512,845,414</b>
<b>TOTAL ASSETS</b>		<b>1,826,375,228</b>	<b>1,449,755,624</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accruals	12	436,591,690	248,284,522
Billings in excess of the value of work executed	13	-	1,263,601
Amounts due to related parties	7	5,307,235	2,699,190
Provision for foreseeable losses		-	13,991
Provision for zakat	14	10,606,100	5,199,563
Short term loans	15	10,812,639	32,324,106
Current portion of term loans	16	229,709,693	120,127,129
Dividends payable		99,403	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>693,126,760</b>	<b>409,912,102</b>
<b>NON-CURRENT LIABILITIES</b>			
Term loans	16	511,319,363	502,658,514
Employees' terminal benefits		30,023,097	27,139,595
Loan from an affiliate	7	3,750,000	3,750,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>545,092,460</b>	<b>533,548,109</b>
<b>TOTAL LIABILITIES</b>		<b>1,238,219,220</b>	<b>943,460,211</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	17	425,000,000	400,000,000
Statutory reserve		21,791,060	10,522,759
Proposed dividends	18	-	95,000,000
Retained earnings		141,364,948	772,654
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>588,156,008</b>	<b>506,295,413</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,826,375,228</b>	<b>1,449,755,624</b>

CEO  
Fawwaz Alkhodari



CFO  
Dhirendra Gautam



The attached notes 1 to 29 form part of these financial statements.

Abdullah Abdul Mohsin Al-Khodari Sons Company (A Saudi Joint Stock Company)

STATEMENT OF INCOME

Year ended 31 December 2010

	Note	2010 SR	2009 SR
Revenues	26	1,073,949,872	1,048,083,239
Direct costs		(784,893,514)	(752,985,527)
<b>GROSS PROFIT</b>	26	<b>289,056,358</b>	295,097,712
<b>EXPENSES</b>			
Selling and marketing	19	(13,274,071)	(13,093,201)
General and administration	20	(45,431,604)	(45,597,293)
<b>INCOME FROM MAIN OPERATIONS</b>		<b>230,350,683</b>	236,407,218
Other income	21	12,402,064	7,321,323
Financial charges		(13,993,400)	(20,887,055)
<b>INCOME BEFORE ZAKAT</b>		<b>228,759,347</b>	222,841,486
Zakat	14	(10,848,752)	(5,790,864)
<b>NET INCOME FOR THE YEAR</b>		<b>217,910,595</b>	217,050,622
Earnings per share (from main operations)	25	5.42	5.56
Earnings per share (from net income)	25	5.13	5.11
Weighted average number of shares outstanding	17 & 25	42,500,000	42,500,000

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