



شركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك (عامة)

Heavy Engineering Industries & Shipbuilding Co. K.S.C (Public)

Date: 13th May 2024

Reference: CM/AR/066/2024

التاريخ : 13 مايو 2024

إشارة : CM/AR/066/2024

To: Boursa Kuwait

Greetings,

المحترمين

السادة / شركة بورصة الكويت

تحية طيبة وبعد،،،

Subject: Approval of The Financial Statements for The Period Ended On 31 March 2024 :

الموضوع: اعتماد البيانات المالية للفترة المنتهية في 31 مارس 2024

We would like to inform you that The BOD has approved the Financial Statements of Heavy Engineering Industries and Shipbuilding Co. (Ship-506) & its subsidiaries for the First quarter ended 31 March 2024 on Monday 13 May 2024.

يرجى التفضل بالعلم بأن مجلس إدارة الشركة قد إعتد اليوم الإثنين الموافق 13 مايو 2024 البيانات المالية لشركة الصناعات الهندسية الثقيلة وبناء السفن وشركاتها التابعة (سفن -506) للربع الأول للفترة المنتهية في 31 مارس 2024 .

- The Analyst/ Investor conference will take place on Thursday 16 May 2024 at 4:00 pm Kuwait local time, via live internet broadcast. All interested parties may communicate with HEISCO to obtain invitation & access details through email (investorsaffairs@heisco.com)
- Financial Results Form in addition to Annual Consolidated Financial Statements & External Auditors Report for the period ended 31 March 2024 is attached.

- وقد تقرر عقد مؤتمر المحللين / المستثمرين عن طريق البث المباشر على شبكة الإنترنت في تمام الساعة الرابعة عصراً يوم الخميس الموافق 16 مايو 2024 وفق التوقيت المحلي لدولة الكويت، ويمكن للأطراف المهتمة التواصل مع الشركة للحصول على الدعوة وعلى تفاصيل المشاركة في المؤتمر من خلال البريد الإلكتروني (investorsaffairs@heisco.com)

- مرفق نموذج نتائج البيانات المالية بالإضافة إلى البيانات المالية المُجمعة وتقرير مراقب الحسابات عن الفترة المنتهية في 31 مارس 2024 .

Yours Sincerely

وتفضلوا بقبول وافر التقدير والاحترام،،،



مرزوق ناصر الخرافي

رئيس مجلس الإدارة

Marzouk Naser Al-Kharafi
Chairman

Copy For: Capital Markets Authority.

- نسخة إلى : هيئة أسواق المال



Tel : +965 24624000 Fax : +965 24830291 P.O.Box : 21998, Safat 13080, Kuwait

Email : heisco@heisco.com Commercial Reg. No : 20735

Issued and Paid-Up Capital : KD 18,024,151.700

Authorized Capital : KD 22,000,000

www.heisco.com

Financial Results Form نموذج نتائج البيانات المالية
Kuwaiti Company (KWD) الشركات الكويتية (د.ك.)

Company Name	اسم الشركة
Heavy Engineering Industrial & Shipbuilding co K.S.C.P	شركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك.ع

Second quarter results Ended on	2024-03-31	نتائج الربع الاول المنتهي في
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Board of Directors Meeting Date	2024-05-13	تاريخ اجتماع مجلس الإدارة
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Required Documents	المستندات الواجب إرفاقها بالنموذج
Approved financial statements. Approved auditor's report This form shall not be deemed to be complete unless the documents mentioned above are provided	نسخة من البيانات المالية المعتمدة نسخة من تقرير مراقب الحسابات المعتمد لا يعتبر هذا النموذج مكتملاً ما لم يتم وإرفاق هذه المستندات

التغيير (%) Change (%)	فترة الثلاث اشهر المقارنة Three Month Comparativ Period	فترة الثلاث اشهر الحالية Three Month Current Pe	البيان Statement
	2023-03-31	2024-03-31	
% 116.55	713,237	1,544,496	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
% 116.55	3.96	8.57	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
% 8.61	104,977,037	114,016,831	الموجودات المتداولة Current Assets
% 8.78	177,566,466	193,156,836	إجمالي الموجودات Total Assets
% 14.93	84,015,824	96,556,788	المطلوبات المتداولة Current Liabilities
% 10.74	106,220,307	117,627,707	إجمالي المطلوبات Total Liabilities
% 5.86	71,342,959	75,525,393	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
% 6.11	33,224,362	35,252,986	إجمالي الإيرادات التشغيلية Total Operating Revenue
% 84.57	1,740,685	3,212,731	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
	لا توجد خسائر متراكمة No Accumulated Loss	لا توجد خسائر متراكمة No Accumulated Loss	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

شركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك (عامه)
Heavy Engineering Industries & Shipbuilding Co. K.S.C (Public)



التغيير (%) Change (%)	الربع الاول المقارن First Quarter Comparative Period 2023-03-31	الربع الاول الحالي First Quarter Current Period 2024-03-31	البيان Statement
-	لا ينطبق Not Applicable	لا ينطبق Not Applicable	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-	لا ينطبق Not Applicable	لا ينطبق Not Applicable	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
-	لا ينطبق Not Applicable	لا ينطبق Not Applicable	إجمالي الإيرادات التشغيلية Total Operating Revenue
-	لا ينطبق Not Applicable	لا ينطبق Not Applicable	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
<ul style="list-style-type: none"> The increase in net profit is mainly due to the increase in net operating revenue 	<ul style="list-style-type: none"> يعود سبب الإرتفاع في صافي الربح بشكل رئيسي الى الزيادة في صافي الإيرادات التشغيلية

Total Revenue realized from dealing with related parties (value, KWD)	--	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
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Total Expenditures incurred from dealing with related parties (value, KWD)	533,440	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
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Financial Results Form
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية
للشركات الكويتية (د.ك.)

Tel : +965 24624000 Fax : +965 24830291 P.O.Box : 21998, Safat 13080, Kuwait
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Auditor Opinion		رأي مراقب الحسابات
1. Unqualified Opinion	<input checked="" type="checkbox"/>	١. رأي غير متحفظ
2. Qualified Opinion	<input type="checkbox"/>	٢. رأي متحفظ
3. Disclaimer of Opinion	<input type="checkbox"/>	٣. عدم إبداء الرأي
4. Adverse Opinion	<input type="checkbox"/>	٤. رأي معاكس

In the event of selecting item No. 2, 3 or 4, the following table must be filled out, and this form is not considered complete unless it is filled.

بحال اختيار بند رقم ٢ أو ٣ أو ٤ يجب تعبئة الجدول التالي، ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعبئته

-	نص رأي مراقب الحسابات كما ورد في التقرير
-	شرح تفصيلي بالحالة التي استدعت مراقب الحسابات لإبداء الرأي
-	الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات
-	الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات



شركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك (عامه)

Heavy Engineering Industries & Shipbuilding Co. K.S.C (Public)



Corporate Actions		استحقاقات الأسهم (الإجراءات المؤسسية)	
النسبة	القيمة		
-	لا يوجد / None	توزيعات نقدية	Cash Dividends
-	لا يوجد / None	توزيعات أسهم منحة	Bonus Share
-	لا يوجد / None	توزيعات أخرى	Other Dividend
-	لا يوجد / None	عدم توزيع أرباح	No Dividends
	لا يوجد / None	زيادة رأس المال	Capital Increase
	لا يوجد / None	علاوة الإصدار	Issue Premium
-	لا يوجد / None	Capital Decrease	

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		رئيس مجلس الإدارة	مرزوق ناصر محمد الخرافي

Financial Results Form
Kuwaiti Company (KWD)

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**Heavy Engineering Industries and Shipbuilding Company K.S.C.P
Kuwait**

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS

Report on Review of Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Heavy Engineering Industries and Shipbuilding Company K.S.C.P (the "Parent Company") and its subsidiaries (together referred to as "the Group") as at 31 March 2024 and the related interim condensed consolidated statements of income and comprehensive income for three-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the three-months period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 - Interim Financial Reporting. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410: "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 - Interim Financial Reporting.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the accompanying interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any material violations of the Companies Law No. 1 of 2016, and its executive regulations, as amended, or of the Memorandum of Incorporation and Articles of Association, as amended, of the Parent Company during the three-month period ended 31 March 2024, that might have had a material effect on the business of the Group or on its consolidated financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the three-month period ended 31 March 2024 that might have had a material effect on the business of the Parent Company or on its consolidated financial position.



Bader A. Al-Wazzan

License No. 62A

Deloitte & Touche - Al-Wazzan & Co.

Kuwait

13 May 2024

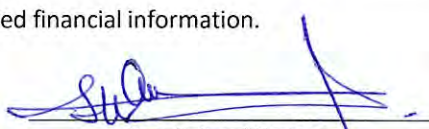
Heavy Engineering Industries and Shipbuilding Company K.S.C.P
and its subsidiaries

Interim Condensed Consolidated Statement of Financial Position (Unaudited) - as at 31 March 2024

	Note	Kuwaiti Dinars		
		31 March 2024 (Unaudited)	31 December 2023 (Audited)	31 March 2023 (Unaudited)
Assets				
Non-current assets				
Right-of-use asset		1,669,252	1,898,896	352,447
Property, plant and equipment	3	73,457,122	72,400,692	66,543,619
Investment securities		1,687,669	1,735,595	1,841,716
Trade and other receivables	4	2,325,962	1,414,684	3,851,647
		<u>79,140,005</u>	<u>77,449,867</u>	<u>72,589,429</u>
Current assets				
Inventories		15,226,406	13,743,236	11,870,579
Contract assets		53,778,161	54,428,110	46,771,476
Trade and other receivables	4	37,334,916	33,356,024	39,181,834
Cash and bank balances	5	7,677,348	4,866,381	7,153,148
		<u>114,016,831</u>	<u>106,393,751</u>	<u>104,977,037</u>
Total assets		<u>193,156,836</u>	<u>183,843,618</u>	<u>177,566,466</u>
Equity and liabilities				
Equity				
Share capital		18,024,152	18,024,152	18,024,152
Statutory reserve		10,946,089	10,946,089	10,946,089
General reserve		10,780,757	10,780,757	10,021,936
Fair valuation reserve		540,876	588,802	694,923
Retained earnings		35,233,519	33,689,023	31,655,859
		<u>75,525,393</u>	<u>74,028,823</u>	<u>71,342,959</u>
Non-controlling interests		3,736	3,607	3,200
Total Equity		<u>75,529,129</u>	<u>74,032,430</u>	<u>71,346,159</u>
Non-current liabilities				
Post employment benefits		17,916,888	19,752,216	18,275,911
Lease liabilities		909,148	914,301	213,310
Due to banks	8	664,163	964,163	1,264,163
Trade and other payables		1,580,720	1,865,843	2,451,099
		<u>21,070,919</u>	<u>23,496,523</u>	<u>22,204,483</u>
Current liabilities				
Lease liabilities		858,206	858,206	97,959
Contract liabilities		303,705	266,335	311,707
Due to a company	7	-	-	1,419,426
Due to banks	8	31,019,580	24,410,872	35,946,330
Trade and other payables		64,375,297	60,779,252	46,240,402
		<u>96,556,788</u>	<u>86,314,665</u>	<u>84,015,824</u>
Total liabilities		<u>117,627,707</u>	<u>109,811,188</u>	<u>106,220,307</u>
Total equity and liabilities		<u>193,156,836</u>	<u>183,843,618</u>	<u>177,566,466</u>

The accompanying notes form an integral part of this interim condensed consolidated financial information.


Marzouq Nasser Mohammed Al-Kharafi
Chairman


Samir Sami Hermez
Chief Executive Officer

**Heavy Engineering Industries and Shipbuilding Company K.S.C.P
and its subsidiaries**

**Interim Condensed Consolidated Statement of Income (Unaudited) -
Three months ended 31 March 2024**

	Note	Kuwaiti Dinars	
		Three months ended	
		2024	2023
		(Unaudited)	(Unaudited)
Revenue	9	35,252,986	33,224,362
Cost of sales	10	(32,040,255)	(31,483,677)
Gross profit		3,212,731	1,740,685
Other income		99,640	146,405
General and administration expenses		(1,333,905)	(907,406)
Investment loss		(545)	(582)
Expected credit loss on financial assets		(11,688)	116,904
Finance costs		(352,823)	(400,554)
Foreign exchange (loss)/gain		(47,246)	48,856
Profit before contribution to taxes		1,566,164	744,308
Contribution to Kuwait Foundation for Advancement of Sciences		(12,523)	(6,625)
National Labour Support Tax		(6,440)	(17,437)
Zakat expense		(2,576)	(6,975)
Net profit for the period		1,544,625	713,271
Attributable to:			
Shareholders of the Parent Company		1,544,496	713,237
Non-controlling interests		129	34
		1,544,625	713,271
Earnings per share (fils)	11	8.57	3.96

The accompanying notes form an integral part of this interim condensed consolidated financial information.

**Heavy Engineering Industries and Shipbuilding Company K.S.C.P
and its subsidiaries**

**Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited) -
Three months ended 31 March 2024**

	Kuwaiti Dinars	
	Three months ended 31 March	
	2024 (Unaudited)	2023 (Unaudited)
Net profit for the period	1,544,625	713,271
Other comprehensive (loss)/income not to be reclassified subsequently to profit or loss:		
Changes in fair value of investment securities	(47,926)	(85,582)
Total comprehensive income for the period	1,496,699	627,689
Attributable to:		
Shareholders of the Parent Company	1,496,570	627,655
Non-controlling interests	129	34
	1,496,699	627,689

The accompanying notes form an integral part of this interim condensed consolidated financial information.