

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

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

Date: 12th November 2024

Reference: CM/AR/153/2024

التاريخ : 12 نوفمبر 2024

إشارة : CM/AR/153/2024

To: Boursa Kuwait
Greetings,

المحترمين

السادة / شركة بورصة الكويت

تحية طيبة وبعد،،،

Subject: Approval of The Financial Statements for The Period Ended On 30 September 2024:

الموضوع: اعتماد البيانات المالية للفترة المنتهية في 30 سبتمبر 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 Third quarter ended 30 September 2024 on Tuesday 12 November 2024.

يرجى التفضل بالعلم بأن مجلس إدارة الشركة قد إعتد اليوم الثلاثاء الموافق 12 نوفمبر 2024 البيانات المالية لشركة الصناعات الهندسية الثقيلة وبناء السفن وشركاتها التابعة (سفن -506) للربع الثالث للفترة المنتهية في 30 سبتمبر 2024 .

- The Analyst/ Investor conference will take place on Monday 18 November 2024 at 2:00 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 ending 30 September 2024 is attached.

- وقد تقرر عقد مؤتمر المحللين / المستثمرين عن طريق البث المباشر على شبكة الإنترنت في تمام الساعة الثانية ظهراً يوم الاثنين الموافق 18 نوفمبر 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 30 سبتمبر 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

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

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

Financial Results Form
Kuwaiti Company (KWD)

نموذج نتائج البيانات المالية
للشركات 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

Third quarter results Ended on	2024-09-30	نتائج الربع الثالث المنتهي في
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Board of Directors Meeting Date	2024-11-12	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 التسعة أشهر المقارنة Nine Month Comparative Period	فترة التسعة أشهر الحالية Nine Month Current Per	البيان Statement
	2023-09-30	2024-09-30	
% 27.59	4,026,139	5,136,850	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
% 27.59	22.34	28.50	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
% 9.63	107,121,501	117,438,223	الموجودات المتداولة Current Assets
% 9.22	181,410,566	198,144,316	إجمالي الموجودات Total Assets
% 19.24	87,989,767	104,918,564	المطلوبات المتداولة Current Liabilities
% 12.63	110,530,422	124,491,366	إجمالي المطلوبات Total Liabilities
% 3.91	70,876,444	73,648,927	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
% (1.81)	106,540,363	104,609,550	إجمالي الإيرادات التشغيلية Total Operating Revenue
% 32.59	6,786,344	8,997,865	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

Financial Results Form
Kuwaiti Company (KWD)

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

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www.heisco.com

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

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

البيان	الربع الثالث الحالي	الربع الثالث المقارن	التغيير (%)
Statement	Third quarter Current Period	Third quarter Comparative Period	Change (%)
	2024-09-30	2023-09-30	
صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company	1,636,243	1,559,500	% 4.92
ربحية (خسارة) السهم الأساسية والمخفضة Basic & Diluted Earnings per Share	9.08	8.65	% 4.92
إجمالي الإيرادات التشغيلية Total Operating Revenue	38,666,654	39,540,493	% (2.21)
صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)	2,808,983	2,046,908	% 37.23

• Not Applicable for first Quarter

• لا ينطبق على الربع الأول

سبب ارتفاع/انخفاض صافي الربح (الخسارة)	Increase/Decrease in Net Profit (Loss) is due to
• يعود سبب الارتفاع في صافي الربح بشكل رئيسي الى الزيادة في صافي الأرباح التشغيلية	• The increase in net profit is mainly due to the increase in net operating profit

بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	--	Total Revenue realized from dealing with related parties (value, KWD)
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بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)	366,887	Total Expenditures incurred from dealing with related parties (value, KWD)
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شركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك (عامة)

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

Auditor Opinion		رأي مراقب الحسابات
1.	Unqualified Opinion	<input checked="" type="checkbox"/> رأي غير متحفظ
2.	Qualified Opinion	<input type="checkbox"/> رأي متحفظ
3.	Disclaimer of Opinion	<input type="checkbox"/> عدم إبداء الرأي
4.	Adverse Opinion	<input type="checkbox"/> 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 2 أو 3 أو 4 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

Financial Results Form
Kuwaiti Company (KWD)

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



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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	Capital Decrease

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

**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 30 September 2024 and the related interim condensed consolidated statements of income and comprehensive income for three-months and nine-month periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-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.

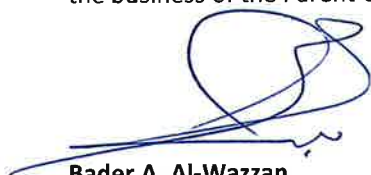
Conclusion

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 nine-month period ended 30 September 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 nine-month period ended 30 September 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.

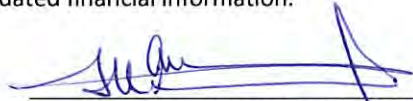
**Heavy Engineering Industries and Shipbuilding Company K.S.C.P
and its subsidiaries**

Interim Condensed Consolidated Statement of Financial Position (Unaudited) - as at 30 September 2024

		Kuwaiti Dinars		
	Note	30 September 2024 (Unaudited)	31 December 2023 (Audited)	30 September 2023 (Unaudited)
Assets				
Non-current assets				
Right-of-use asset		1,272,514	1,898,896	305,964
Property, plant and equipment	3	76,185,044	72,400,692	70,402,473
Investment securities		1,626,051	1,735,595	1,667,129
Trade and other receivables	4	1,622,484	1,414,684	1,913,499
		<u>80,706,093</u>	<u>77,449,867</u>	<u>74,289,065</u>
Current assets				
Inventories		15,744,594	13,743,236	12,357,187
Contract assets		69,253,995	54,428,110	53,659,792
Trade and other receivables	4	26,842,225	33,356,024	37,319,889
Cash and bank balances	5	5,597,409	4,866,381	3,784,633
		<u>117,438,223</u>	<u>106,393,751</u>	<u>107,121,501</u>
Total assets		<u>198,144,316</u>	<u>183,843,618</u>	<u>181,410,566</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		479,258	588,802	520,336
Retained earnings		33,418,671	33,689,023	31,363,931
		<u>73,648,927</u>	<u>74,028,823</u>	<u>70,876,444</u>
Non-controlling interests		4,023	3,607	3,700
Total Equity		<u>73,652,950</u>	<u>74,032,430</u>	<u>70,880,144</u>
Non-current liabilities				
Post employment benefits		17,787,032	19,752,216	19,439,543
Lease liabilities		87,815	914,301	141,136
Due to banks	7	364,163	964,163	964,163
Trade and other payables	8	1,333,792	1,865,843	1,995,813
		<u>19,572,802</u>	<u>23,496,523</u>	<u>22,540,655</u>
Current liabilities				
Lease liabilities		858,364	858,206	97,959
Contract liabilities		479,288	266,335	179,307
Due to a company		-	-	709,566
Due to banks	7	32,876,125	24,410,872	34,943,765
Trade and other payables	8	70,704,787	60,779,252	52,059,170
		<u>104,918,564</u>	<u>86,314,665</u>	<u>87,989,767</u>
Total liabilities		<u>124,491,366</u>	<u>109,811,188</u>	<u>110,530,422</u>
Total equity and liabilities		<u>198,144,316</u>	<u>183,843,618</u>	<u>181,410,566</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 and nine months ended 30 September 2024**

		Kuwaiti Dinars			
		Three months ended 30 September		Nine months ended 30 September	
	Note	2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
Revenue	9	38,666,654	39,540,493	104,609,550	106,540,363
Cost of sales	10	(35,857,671)	(37,493,585)	(95,611,685)	(99,754,019)
Gross profit		2,808,983	2,046,908	8,997,865	6,786,344
Other income		144,205	742,592	873,886	970,697
General and administration expenses		(788,825)	(1,011,641)	(3,106,608)	(3,002,531)
Investment income		33,738	33,676	118,272	118,095
Expected credit loss on financial assets		(60,914)	365,639	(170,574)	625,324
Finance costs		(478,785)	(540,863)	(1,298,194)	(1,370,678)
Foreign exchange (loss)/gain		64,185	(1,074)	(111,727)	97,929
Profit before contribution to taxes		1,722,587	1,635,237	5,302,920	4,225,180
Contribution to Kuwait Foundation for Advancement of Sciences		(11,649)	(10,774)	(42,878)	(29,232)
National Labour Support Tax		(53,191)	(46,239)	(87,697)	(120,911)
Zakat expense		(21,276)	(18,495)	(35,079)	(48,364)
Net profit for the period		1,636,471	1,559,729	5,137,266	4,026,673
Attributable to:					
Shareholders of the Parent Company		1,636,243	1,559,500	5,136,850	4,026,139
Non-controlling interests		228	229	416	534
		1,636,471	1,559,729	5,137,266	4,026,673
Earnings per share (fils)	11	9.08	8.65	28.50	22.34

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 and nine months ended 30 September 2024**

	Kuwaiti Dinars			
	Three months ended		Nine months ended	
	30 September		30 September	
	2024	2023	2024	2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit for the period	1,636,471	1,559,729	5,137,266	4,026,673
Other comprehensive loss not to be reclassified subsequently to profit or loss:				
Changes in fair value of investment securities	99,276	(106,121)	(109,544)	(260,169)
Total comprehensive income for the period	1,735,747	1,453,608	5,027,722	3,766,504
Attributable to:				
Shareholders of the Parent Company	1,735,519	1,453,379	5,027,306	3,765,970
Non-controlling interests	228	229	416	534
	1,735,747	1,453,608	5,027,722	3,766,504

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