

WAVES

Half Yearly Report
June 2023

Waves Corporation Limited



Waves Corporation Limited

CORPORATION INFORMATION

BOARD OF DIRECTORS

1.	Mr. Haroon Ahmad Khan	Chief Executive Officer
2.	Mr. Moazzam Ahmad Khan	Non-Executive Director
3.	Mrs. Nighat Haroon Khan	Non-Executive Director
4.	Mr. Hamza Ahmad Khan	Executive Director
5.	Mr. Tajammal Hussain Bokharee	Independent Director
6.	Mr. Khalid Azeem	Non-Executive Director
7.	Mr. Muhammad Zafar Hussain	Chairman/Independent Director

AUDIT COMMITTEE

1.	Mr. Tajammal Hussain Bokharee	Chairman/Independent Director
2.	Mr. Moazzam Ahmad Khan	Member/Non-Executive Director
3.	Mrs. Nighat Haroon Khan	Member/Non-Executive Director
4.	Mr. Ahmad Bilal Zulfiqar	Secretary

HR & REMUNERATION COMMITTEE

1.	Mr. Muhammad Zafar Hussain	Chairman/Independent Director
2.	Mr. Khalid Azeem	Member/Non-Executive Director
3.	Mr. Moazzam Ahmad Khan	Member/Non-Executive Director
4.	Mr. Haroon Ahmad Khan	Member/ Executive Director
5.	Mr. Ahmad Bilal Zulfiqar	Secretary

CHIEF FINANCIAL OFFICER

Mr. Arslan Shahid Butt

COMPANY SECRETARY

Mr. Ahmad Bilal Zulfiqar

HEAD OF INTERNAL AUDITOR

Mr. Usman Khalid

LEGAL ADVISOR

Law Wings Advocates & Solicitors

EXTERNAL AUDITORS

RSM Avais Hyder Liaquat Nauman
Chartered Accountants, Islamabad

SHARE REGISTRAR

Corplink (Private) Limited

REGISTERED OFFICE/PLANT

Factory: 9-KM Multan Road, Lahore
PH. No. 042-35415421-5, 35421502-4
UAN: 042-111-31-32-33

COMPANY REGISTRATION NO.

CUIN 0001286
Email: cs@waves.net.pk
Website: www.waves.net.pk

Waves Corporation Limited

BANKERS

Al Baraka Bank (Pakistan) Limited
Askari Bank Limited
Bank Al Falah Limited
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited
First Prudential Modaraba
Habib Bank Limited
Habib Metropolitan Bank Limited
Industrial & Commercial Bank of China

National Bank of Pakistan
Pak Brunei Investment Company Limited
Pak Libya Holding Company Limited
Pak Oman Investment Company Limited
Samba Bank Limited
Silkbank Limited
Sindh Bank Limited
The Bank of Khyber
The Bank of Punjab

Contact Information:

Registered Office:

Email:

Web Site:

042-35415421-5, 042-35421502-4

cs@waves.net.pk

www.waves.net.pk

Waves Corporation Limited

Directors Report to Shareholders

Overview

On behalf of the Board of Directors of Waves Corporation Limited, previously Waves Singer Pakistan Limited (WAVES or the Company), we submit the Directors' Review Report on the condensed interim consolidated and standalone financial statements (reviewed) for the half year period ending on 30 June 2023.

The economic activity in major advanced economies is still challenging, mainly due to the continuation of monetary tightening measures. Inflation has fallen in some economies due to lower energy prices, but food and services prices continue to rise, contributing to persistent high inflation. Monetary tightening measures are still in place. Similarly, the emerging market economies are also facing challenges from the rough global financial conditions such as higher debt servicing costs, capital outflows, and reduced credit availability from foreign lenders. Moreover, rising geopolitical tensions and concerns about supply chain security have prompted several countries to implement trade and investment restrictions. Increasingly restrictive trade policies risk curtailing the gains from global trade and harming the development prospects of low-income countries.

The wholly owned subsidiary Waves Marketplace Limited (WAVES Plus) continued facing challenges due to limited supply, whereas the business model of Waves Builders and Developers (Private) Limited for its real estate development was improved to include sizeable commercial portion, that increases its top and bottom line. However, it is moving on a slower pace owing to tough economic and financial conditions. The home appliances business undertaken by the Company's subsidiary Waves Home Appliances Limited (WHALE) faced challenges as the whole appliances industry was under pressure due to restriction on import of raw materials. However, WHALE was able to position itself to substantially rely on locally manufactured material vis-à-vis its competitors thus mitigating its production risks. The completion of state-of-the-art purpose-built owned factory by WHALE is continuing but at a compact pace in line with current economic environment.

The financial highlights are presented as hereunder for consolidated financial statements, wherein financial results of standalone financial statements are also provided in this report:

Consolidated Operating Results

	HY-2023	HY-2022
	<u>Rs. in '000</u>	<u>Rs. in '000</u>
Sales (net)	2,944,539	7,142,220
Gross profit	760,949	1,478,704
Profit from operations	228,731	652,636
Profit before taxation	208,919	537,568
Profit after taxation	169,011	438,671
Earnings per share – Basic & Diluted (Rupees)	0.60	1.56

The Board has considered and is providing operating results and business performance for consolidated financial results as it better reflects the performance of the Company as a holding entity. The individual standalone operating results of the Company (after demerger of the home appliances business to WHALE) are also given in this Report.

Waves Corporation Limited

The Company's Consolidated Revenues for the half year period stands at PKR 2,944 million with a net profit of PKR 169 million, compared to the previous period's revenues of PKR 7,142 million and net profit of PKR 438 million. This variance is primarily due to the challenging economic and financial environment, where supply was constrained and demand was restricted due to the prevailing recessionary situation. However, it may be noted that the gross margins have substantially improved.

Standalone Results of the Company

The standalone results of the Company are given hereunder (after demerger of home appliances business to WHALE):

	HY-2023	HY-2022
	<u>Rs. in '000</u>	<u>Rs. in '000</u>
Other income	106,081	107,576
Profit before taxation	74,397	84,737
Profit after taxation	74,397	66,095
Earnings per share – Basic & Diluted (Rupees)	0.26	0.23

Based on the financial results in view of the tough current economic and political conditions the Board of Directors do not recommend any pay-out to the shareholders of the Company.

The standalone financial statements of the Company in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. The Consolidated financial statements of the Company are prepared and presented separately. The Company has following subsidiary/wholly-owned subsidiaries, whose further information can be reviewed in the notes to the consolidated financial statements of the Company:

Waves Home Appliances Limited (WHALE)	Subsidiary
Waves Marketplace Limited (WML)	Wholly Owned Subsidiary
Waves Builders & Developers (Private) Limited (WBDL)	Wholly Owned Subsidiary

The Sales (net) of WHALE were PKR 2,473 million as compared to PKR 5,576 million, whereas net profit was PKR 72 million as compared to PKR 290 million in the previous period. The Sales (net) of WML were PKR 620 million as compared to PKR 1,674 million, whereas net profit was PKR 23 million as compared to PKR 83 million in the previous period. WBDL is still in the development phase, whereas all real estate project development activities are carried out in the holding Company. Hence it is carried on going concern basis. The half yearly financial results of WHALE can be reviewed at the Company's website www.waves.net.pk.

In view of recent policy changes in allowing import of materials/components by the home appliances industry, the L/C opening process by the commercial banks is expected to go slow. Consequently, dependence on foreign sources of materials is continuing to be challenging, therefore, WHALE has been making arrangements for achieving major import substitution in order to ensure uninterrupted continuity of operations. In these circumstances market sizes of domestic appliances may not reach the expected levels, therefore deferral of capital expenditure is necessitated. Accordingly, WHALE has substantially switched to local source of materials, which will ensure less dependence on imports and inhouse development of certain imported components through WHALE's vendors. There is a huge potential of deep freezers and vizi-coolers corporate sales not only to Coca Cola but for the whole frozen food and beverages industry. Insha Allah, continuity of operations shall be fully focused during ongoing difficult times.

Waves Corporation Limited

Going forward the financial year 2023 is a challenging year for the country however, it has observed fiscal and current account balance improvements. The decisions and stabilization measures by the Government has navigated the country towards a sustainable path. The growth targets of ~3.5% are anticipated to be met through Kissan package, industrial support, export promotion, encouragement of the IT sector, and resource mobilization efforts. The Consumer Price Index (CPI) inflation and Sensitive Price Indicator (SPI) have declined in the month of June 2023 as compared to previous period. The fiscal front has seen an important improvement, with the primary deficit reducing significantly from the previous period. In order to contain persistently rising inflationary pressures and to maintain external sector stability, SBP had to keep the policy rate to 22%.

To achieve higher and sustainable economic growth, the Government will require prudent and effective economic decisions, political and economic certainty, and continuation of friendly economic policies along with enough foreign exchange financing. The recent IMF approval of the Stand- By Arrangement and other bilateral and multilateral inflows will pave the way to further improve the macroeconomic environment and the confidence of economic agents.

Subsequent to the period ended on 30 June 2023, election of the directors was held on 11 August 2023, wherein the retiring directors were all re-appointed un-opposed.

ACKNOWLEDGEMENTS

We extend our deepest appreciation to all our stakeholders, including our valued customers, suppliers, business partners, financial institutions, regulators, for their trust and support. The Company's achievements and current standing are a demonstration to the solid commitment, hard work, and tremendous support from our management team and employees. We are confident in our ability to meet and exceed stakeholders' expectations.

For and on behalf of the Board:

-Sd-

Chief Executive Officer
Lahore

-Sd-

Director

Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)
Condensed Interim Consolidated Statement of Financial Position (Un-audited)

As at 30 June 2023

	(Un-audited) 30 June 2023	(Audited) 31 December 2022	(Un-audited) 30 June 2023	(Audited) 31 December 2022
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorised capital 300,000,000 (2022: 300,000,000) ordinary shares of Rs. 10 each	3,000,000	3,000,000		
Issued, subscribed and paid up capital	2,814,062	2,814,062		
Capital reserve	5,014,250	5,014,250		
Revenue reserve - unappropriated profit	852,125	716,756		
Surplus on revaluation of property, plant and equipment - net of tax	544,233	528,895		
Non-controlling interest	9,224,670	9,073,963		
	1,581,813	1,563,509		
	10,806,483	10,637,472		
Non-current liabilities				
Long term loans - secured	763,111	789,415		
Lease liabilities	41,329	55,189		
-Assets under right of use - secured	53,363	41,687		
-Building under right of use - unsecured	11,545	13,553		
Employee retirement benefits - obligation	417,675	434,546		
Deferred tax liability - net	5,896	6,477		
Deferred income	1,292,919	1,340,867		
Current liabilities				
Trade and other payables	3,525,336	3,661,839		
Short term borrowings - secured	4,832,410	4,955,965		
Loan from sponsors - unsecured	145,197	119,497		
Current portion of long term liabilities	484,260	524,412		
	8,987,202	9,261,713		
Contingencies and commitments	-	-		
	21,086,605	21,240,052		
ASSETS				
Non-current assets				
Property, plant and equipment	9,657,650	8,855,926		
Intangible assets and goodwill	2,846,094	2,848,133		
Long term deposits	23,998	25,669		
	12,527,742	11,729,728		
Current assets				
Stores, spares and loose tools	40,256	44,143		
Stock-in-trade	3,106,370	3,288,148		
Trade debts	1,258,633	1,457,687		
- Retail	3,512,401	4,118,627		
- Whole Sales	105,786	100,781		
Advances, deposits, prepayments and other receivables	327,994	385,124		
Taxation - net	205,953	114,344		
Cash and bank balances	8,557,393	9,508,854		
	1,470	1,470		
Non-current assets held for sale	8,558,863	9,510,324		
	21,086,605	21,240,052		

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Lahore

Chief Executive Officer

Director

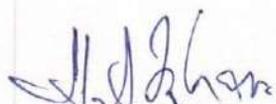
Chief Financial Officer

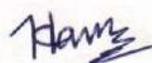
Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)
 Condensed Interim Consolidated Statement of Profit or Loss Account (Un-audited)
 For the six months period ended 30 June 2023

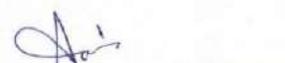
	For six months period ended		For three months period ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Sales - net of sales return	3,584,895	8,712,981	1,949,018	4,662,818
Sales tax and trade discount on invoices	(640,357)	(1,570,760)	(346,446)	(818,445)
Sales - net	2,944,539	7,142,220	1,602,573	3,844,373
Cost of sales	(2,183,589)	(5,663,516)	(1,184,361)	(3,100,774)
Gross profit	760,949	1,478,704	418,211	743,600
Marketing, selling and distribution costs	(345,855)	(534,980)	(159,235)	(232,341)
Administrative expenses	(219,691)	(294,532)	(91,606)	(154,105)
Other expenses	(50,360)	(71,134)	(48,609)	(66,752)
Other income	83,687	74,577	35,554	58,992
	(532,218)	(826,069)	(263,895)	(394,206)
Profit from operations	228,731	652,636	154,316	349,394
Earned carrying charges	141,334	162,289	58,205	87,933
Finance cost	(161,145)	(277,357)	(31,183)	(49,680)
	(19,812)	(115,068)	27,021	38,253
Profit before taxation	208,919	537,568	181,337	387,648
Taxation	(39,908)	(98,896)	(30,574)	(56,538)
Profit for the period	169,011	438,671	150,763	331,109
Attributable to:				
Owners of the Group	150,707	364,984	135,307	281,059
Non-controlling interests	18,304	73,687	15,456	50,050
	169,011	438,671	150,763	331,109
Earnings per share - basic and diluted (Rupees)	0.60	1.56	0.54	1.18

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Lahore


 Chief Executive Officer


 Director


 Chief Financial Officer

Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)
Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the six months period ended 30 June 2023

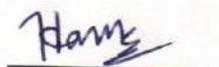
	For six months period ended	
	30 June 2023	30 June 2022
	----- (Rupees in '000) -----	
Profit for the period	169,011	438,671
<u>Other comprehensive income for the period</u>		
<i>Items that will not be reclassified to profit or loss account:</i>	-	-
Total comprehensive income for the period	<u>169,011</u>	<u>438,671</u>

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Lahore



Chief Executive Officer



Director



Chief Financial Officer

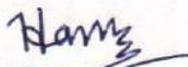
Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)
Condensed Interim Consolidated Statement of Changes In Equity (Un-audited)
For the six months period ended 30 June 2023

	Capital reserves			Revenue reserve	Total	Non controlling interest	Total	
	Issued, subscribed and paid-up capital	Share premium reserve	Other capital reserve	Surplus on revaluation of land and building				Unappropriated profits
----- Rupees in '000 -----								
Balance at 01 January 2022	2,814,062	5,025,661	5,000	561,698	318,322	8,724,742	1,549,553	10,274,295
<u>Total comprehensive income for the period</u>								
Profit for the period	-	-	-	-	351,391	351,391	14,697	366,088
Other comprehensive income for the period	-	-	-	-	14,241	14,241	4,859	19,099
	-	-	-	-	365,632	365,632	19,556	385,188
<u>Surplus transferred to accumulated profits</u>								
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	(32,803)	32,803	-	-	-
Shares capital issuance expenses	-	(16,411)	-	-	-	(16,411)	(5,600)	(22,011)
Related deferred tax on revaluation surplus	-	-	-	-	-	-	-	-
Effect of change in tax rate	-	-	-	-	-	-	-	-
Balance as at 31 December 2022	2,814,062	5,009,250	5,000	528,895	716,756	9,073,963	1,563,509	10,637,472
<u>Total comprehensive income for the period</u>								
Profit for the period	-	-	-	-	150,707	150,707	18,304	169,011
Other comprehensive income for the period	-	-	-	-	-	-	-	-
	-	-	-	-	150,707	150,707	18,304	169,011
<u>Surplus transferred to accumulated profits</u>								
Incremental depreciation relating to surplus on revaluation - net of tax	-	-	-	15,338	(15,338)	-	-	-
Balance as at 30 June 2023	2,814,062	5,009,250	5,000	544,233	852,125	9,224,670	1,581,813	10,806,483

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Lahore


Chief Executive Officer


Director


Chief Financial Officer

Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)

Condensed Interim Consolidated Statement of Cash Flow (Un-audited)

For the six months period ended 30 June 2023

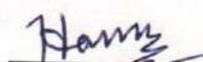
	(Un-audited) 30 June 2023	(Un-audited) 30 June 2022
	----- (Rupees in '000) -----	
<u>Cash flows from operating activities</u>		
Profit before taxation	208,919	537,568
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	149,427	153,264
Amortisation of intangible assets	17,733	31,470
Finance cost	161,145	277,357
Gain on sale of property, plant and equipment	(11,073)	-
Amortisation of deferred income	(581)	2,119
	<u>525,570</u>	<u>1,001,779</u>
<u>Effect on cash flow due to working capital changes</u>		
<i>(Increase) / decrease in current assets:</i>		
Stores, spares and loose tools	3,887	(9,424)
Stock-in-trade	181,778	(84,918)
Trade debts and other receivables	806,951	277,970
Advances, deposits, prepayments and other receivables	(5,005)	(179,404)
<i>Increase in current liabilities:</i>		
Trade and other payables	(136,503)	765,023
	<u>851,108</u>	<u>769,248</u>
Cash used in operations	<u>1,376,678</u>	<u>1,771,027</u>
Income tax received / (paid)	351	(128,740)
Employee retirement benefits paid	(2,008)	(446)
Long term deposits - net	-	(7,719)
Net cash used in operating activities	<u>1,375,022</u>	<u>1,634,122</u>
<u>Cash flow from investing activities</u>		
Capital expenditure -net	(969,312)	(1,591,801)
Proceeds from disposal of property, plant and equipment	13,540	-
Net cash generated from investing activities	<u>(955,772)</u>	<u>(1,591,801)</u>
<u>Cash flow from financing activities</u>		
Long term loan repaid	(66,456)	(916,710)
Loan from sponsors	25,700	2,167
Finance costs paid	(161,145)	(164,465)
Short term borrowing - net	(458,610)	(171,014)
Lease rentals paid	(2,184)	(45,129)
Net cash generated from financing activities	<u>(662,697)</u>	<u>(1,295,151)</u>
Net increase in cash and cash equivalents	<u>(243,446)</u>	<u>(1,252,830)</u>
Cash and cash equivalents - at beginning of the period	<u>(2,749,056)</u>	<u>(1,190,686)</u>
Cash and cash equivalents - at end of the period	<u>(2,992,502)</u>	<u>(2,443,516)</u>

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The annexed notes 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Lahore


Chief Executive Officer


Director


Chief Financial Officer

Waves Corporation Limited (*formerly, Waves Singer Pakistan Limited*)
 Notes to the Condensed Interim Consolidated Financial Information (Un-audited)
 For the six months period ended 30 June 2023

1 Status and nature of business

The Group comprises of:

Holding Company

- **Waves Corporation Limited**
(formerly, Waves Singer Pakistan Limited)

2023 **2022**
(Holding percentage)

Subsidiary Companies

- Waves Builders & Developers (Private) Limited <i>(formerly, Waves Marketing (Private) Limited)</i>	100.00	100.00
- Waves Marketplace Limited <i>(formerly, Electronics Marketing Company (Private) Limited)</i>	100.00	100.00
- Waves Home Appliances Limited <i>(formerly, Samin Textiles Limited)</i>	74.56	74.56

Waves Corporation Limited (formerly, Waves Singer Pakistan Limited) (the Holding Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public company limited by shares and is quoted on the Pakistan Stock Exchange. The company is principally engaged in the manufacturing and assembly of domestic consumer appliances alongwith retailing and trading of the same and other light engineering products. The registered office of the company is located at 9-K.M, Hanjarwal, Multan Road, Lahore.

Geographical locations of the manufacturing facilities of the Group are located at:

- 9-K.M, Hanjarwal, Multan Road, Lahore.
- Dina Nath, Mouza Rakh Serai Cheenba, Tehsil Pattoki, District Kasur.
- Mouza Mustafabad, 41-KM Ferozepur Road, Off 2-KM Rohi Nala Road, Tehsil & District Kasur

Waves Builders and Developers (Private) Limited

(formerly, Waves Marketing (Private) Limited) - Subsidiary Company

Waves Builders and Developers (Private) Limited (formerly, Waves Marketing (Private) Limited) is a private limited company which was incorporated on 10 April 2017 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the company is located at 15/3 A Model Town, Lahore. The principal activity of the company is the sale, distribution and marketing of consumer appliances being a trading concern.

Waves Marketplace Limited

(formerly, Electronics Marketing Company (Private) Limited) - Subsidiary Company

Waves Marketplace Limited (formerly, Electronics Marketing Company (Private) Limited) is a private limited company which was incorporated on 09 September 2016 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The principal activity of the company is to carry out distribution / wholesales / retail business of all kinds of electronic appliances, its components and accessories, etc.

Waves Home Appliances Limited

(formerly Samin Textiles Limited)- Subsidiary Company

Waves Home Appliances Limited (WHAL) (formerly as Samin Textiles Limited) was incorporated in Pakistan on November 27, 1989 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 8.7 KM Hanjarwal, Multan Road, Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company previously was trading, import and export of textile products. Consequent to approval of scheme of arrangement, the principal line of business shall be amended to include manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products.

- 1.1** The Holding Company, Waves Corporation Limited (WCL), acquired WHAL (formerly Samin Textiles Limited) as a subsidiary Company through a scheme of arrangement. As per the term of the scheme, WCL 'Carved out / separated home appliances business by transferring certain assets, liabilities, obligations, contracts and undertakings to the subsidiary Company as of the effective date of 01 September 2021.

The Honourable Lahore High Court (the Court) through its Order dated 22 June 2022, has approved the Scheme of Arrangement as proposed and granted sanction order for the carving out of home appliances business from the Holding Company and amalgamation of the same into the subsidiary Company, WHAL.

The Board of Directors of the Holding Company and subsidiary Company, in their meetings held on 23 December 2021, approved and resolved to present the Scheme of Arrangement before the shareholders of the Company for their approval.

After approval by the BOD, the said scheme was submitted to Court for approval. As per requirements, the Holding Company subsequently obtained approval of the Scheme of Arrangement from its shareholders and secured creditors of the Holding Company.

On account of consideration under the scheme of arrangement, 56,281,240 shares of the subsidiary company were issued and allotted to shareholders of Holding Company in the swap ratio of 20 shares for every 100 shares held in parent company at the date of acquisition. The consideration also included issue of 199,724,956 shares to WCL and Rs. 2 billion in cash (interest free) payable over the period of 2 years but these have no impact on these consolidated financial statements.

The Group expects several benefits after this merger including the synergies of operations, allowing them to become leading suppliers / service providers, resulting in greater revenue. Furthermore, by separating the business segments (as contemplated in this Scheme), the individual companies shall have unique identities, a more focussed business and customer base.

If the acquisition of WHAL had occurred on 01 January 2021, the management estimates that there would not have been any material changes to the revenue and profits of the Group as WHAL was a dormant entity.

However, this scheme of arrangement/group restructuring does not have any material impact on these consolidated financial statements.

2 Basis of preparation

Statement of compliance

- 2.1** These condensed interim Consolidated financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017; and
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These condensed interim consolidated financial statements comprise the condensed interim consolidated statement of financial position of the Company as at 31 December 2022 and the related condensed interim consolidated statement of profit or loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flow and notes to the financial information for the three month period then ended.
- 2.3** These condensed interim consolidated financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2022. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.
- 2.4** Comparative consolidated statement of financial position's numbers are extracted from the annual audited consolidated financial statements of the Company for the year ended 31 December 2022, whereas comparative Consolidated statement of profit or loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim Consolidated financial statement of the Company for the six months period ended 30 June 2023.

3 Use of estimates and judgments

The preparation of condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions for the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation are the same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2022.

4 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim consolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2022.

5 Issued, subscribed and paid up capital

	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
	--- Number of shares ---		--- Rupees in '000 ---	
Issued for cash	105,263,597	105,263,597	1,052,636	1,052,636
Issued for consideration other than cash	703,733	703,733	7,037	7,037
Issued as paid bonus shares	78,988,759	78,988,759	789,888	789,888
Issued under scheme of amalgamation	96,450,000	96,450,000	964,500	964,500
	<u>281,406,089</u>	<u>281,406,089</u>	<u>2,814,061</u>	<u>2,814,061</u>

5.1 Ordinary shares of the Company held by associated persons and undertaking are as follows:

	(Un-audited)	(Audited)	(Un-audited)	(Audited)
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
<i>Chief Executive Officer and his spouse</i>				
- Haroon Ahmad Khan (CEO)	38.32%	38.32%	107,840,286	107,840,286
- Nighat Haroon Khan (Wife of CEO)	9.92%	9.92%	27,925,911	27,925,911
	<u>48.25%</u>	<u>48.25%</u>	<u>135,766,197</u>	<u>135,766,197</u>

5.2 The holders of ordinary shares are entitled to receive dividends as declared (if any), and are entitled to one vote per share at meetings of the Holding Company.

	(Un-audited)	(Audited)
	30 June	31 December
	2023	2022
Note	(Rupees in '000)	

6 Short term borrowings - secured

From banking companies - secured:

Running finance under mark-up arrangements	6.1	3,198,455	2,863,400
Finance against trust receipt	6.1	1,337,614	1,796,224
Short term borrowings under 'Murahaba' arrangement	6.1	296,341	296,341
		<u>4,832,410</u>	<u>4,955,965</u>

6.1 This includes amount of bridge finance facility under markup arrangement availed from National Bank of Pakistan amounting to Rs.1,500 million during the period (2022: Rs. 1,500 million).This facility is secured against 1st charge over land & building with 25% margin and carry markup from 19.25% per annum, payable quarterly in arrears.

6.2 These facilities are secured against charge over current assets of the company and personal guarantees of the sponsors of the company and carries markup rate of three month KIBOR + 2% per annum payable monthly in arrears and KIBOR + 2.5% per annum.

7 Contingencies and commitments

7.1 Contingencies

There has been no significant changes in contingencies as reported in the annual audited financial statements of the Company for the year ended 31 December 2022.

7.2 Commitments

The Company has the following commitments in respect of:

- Commitments for the import of stock in trade outstanding at period end were for Rs. Nill (31 December 2022: Rs. Nill).
- Commitments for capital expenditure against irrevocable letters of credit outstanding at the period end were Rs. Nill (31 December 2022: Rs. 6.50 million).

		(Un-audited) 30 June 2023	(Audited) 31 December 2022
	Note	(Rupees in '000)	
8 Property, plant and equipment			
Operating fixed assets	8.1	7,106,321	6,473,916
Right of-use asset	8.2	117,719	161,105
Capital work-in-progress	8.3	2,433,610	2,220,905
		<u>9,657,650</u>	<u>8,855,926</u>
8.1 Operating fixed assets			
Opening balance - as at 01 January		6,473,916	5,760,285
Additions / (deletion) during the period / year		739,536	985,776
Revaluation gain / (loss)		-	7,000
Transfers from right to use to owned assets		25,383	48,588
		<u>7,238,835</u>	6,801,649
Book value of property, plant and equipment disposed off during the period / year		(2,821)	(41,085)
Depreciation charged during the period / year		(129,693)	(286,648)
Closing balance		<u>7,106,321</u>	<u>6,473,916</u>
8.2 Right of-use asset			
Balance as at 01 January		161,105	231,931
Additions / (deletion) during the period / year		1,731	77,755
Transfers to owned assets		(25,383)	(48,588)
Book value of property, plant and equipment disposed off during the period / year		-	(47,047)
Depreciation charge for the period / year		(19,734)	(52,946)
Closing balance		<u>117,719</u>	<u>161,105</u>
8.3 Capital work-in-progress			
Building - Kasur factory		1,438,478	1,247,631
Plant and machinery		849,699	844,601
Plant and machinery - in Transit		144,074	127,358
Electric installation		1,359	1,315
		<u>2,433,610</u>	<u>2,220,905</u>
9 Intangible assets and goodwill			
Software		39,669	42,026
Goodwill	9.1	1,070,207	1,070,206
Brand value	9.1	1,582,147	1,582,147
Customer relationships	9.1	138,377	153,754
Deferred Cost		30,190	-
		<u>2,860,590</u>	<u>2,848,133</u>
10 Cash and cash equivalents			
Cash and bank balances		205,953	114,344
Short term running finance - secured		(3,198,455)	(2,863,400)
		<u>(2,992,502)</u>	<u>(2,749,056)</u>
		(Un-audited) 30 June 2023	(Un-audited) 30 June 2022
		(Rupees in '000)	
11 Sales - net			
Gross sales:			
- Local		3,588,376	8,768,445
Sales return		(3,481)	(55,465)
		<u>3,584,895</u>	8,712,981
Sales tax		(546,301)	(1,255,489)
Trade discounts		(94,056)	(315,272)
		<u>(640,357)</u>	<u>(1,570,760)</u>
		<u>2,944,538</u>	<u>7,142,220</u>
12 Taxation			

The Company has opted for group taxation and the Group falls under the normal tax regime. Provision for taxation has been calculated as group taxation.

13 Transactions with related parties

Related parties comprise of associated undertakings, directors, entities with common directorship, post employment plans and key management personnel. Amounts due from and to related parties are shown under respective notes in these unconsolidated condensed interim financial statements. Significant transactions with related parties are as follows:

Name of the Company	Relationship	Nature of transactions	(Un-audited) 30 June 2023	(Un-audited) 30 June 2022
Employee's Provident Fund	Post employee contribution plan	Contribution for the period	6,473	16,230
Directors	Employees	Loan from sponsors	25,700	2,167
		Meeting fee	-	300
Key management personnel	Remuneration	Remuneration	38,903	76,450

14 Financial risk management and fair value of financial instruments

14.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 31 December 2022.

14.2 The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

	30 June 2023					
	Carrying amount			Fair value		
	Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>	----- Rupees in '000 -----					
Financial instruments						
<u>31 March 2023 - (Un-audited)</u>						
<u>Financial assets - not measured at fair value</u>						
Trade debts	4,771,034	-	4,771,034	-	-	-
Security deposits	-	-	-	-	-	-
Other receivables	105,786	-	105,786	-	-	-
Cash & Bank Balances	205,953	-	205,953	-	-	-
14.3	5,082,773	-	5,082,773	-	-	-
<u>Financial liabilities - not measured at fair value</u>						
Long term loans - secured	-	1,247,371	1,247,371	-	-	-
Liabilities against assets subject to finance lease	-	94,692	94,692	-	-	-
Loan from sponsors - unsecured	-	145,197	145,197	-	-	-
Trade and other payables	-	3,525,336	3,525,336	-	-	-
Employee retirement benefit	-	11,545	11,545	-	-	-
Short term borrowings - secured	-	4,832,410	4,832,410	-	-	-
Mark-up accrued on short term finances and long term loans	-	-	-	-	-	-
14.3	-	9,856,550	9,856,550	-	-	-

		31 December 2022					
		Carrying Amount		Fair value			
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		----- Rupees in '000 -----					
Financial instruments							
<u>31 December 2022</u>							
<u>Financial assets - not measured at fair value</u>							
		-	-	-	-	-	-
		5,576,314	-	5,576,314	-	-	-
		100,781	-	100,781	-	-	-
		114,344	-	114,344	-	-	-
	14.3	<u>5,791,439</u>	<u>-</u>	<u>5,791,439</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - not measured at fair value</u>							
		-	96,876	96,876	-	-	-
		-	1,313,827	1,313,827	-	-	-
		-	119,497	119,497	-	-	-
		-	3,661,839	3,661,839	-	-	-
		-	13,553	13,553	-	-	-
		-	4,955,965	4,955,965	-	-	-
		-	-	-	-	-	-
	14.3	<u>-</u>	<u>10,161,557</u>	<u>10,161,557</u>	<u>-</u>	<u>-</u>	<u>-</u>

14.3 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprise over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Non financial assets measured at fair value

Land and Building

Revalued Property, plant and equipment

Date of valuation

31 August 2021

Investment property

Date of valuation

31 December 2022

Valuation approach and inputs used

The valuation model is based on price per square metre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.

The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.

15 Date of authorization

This condensed interim Consolidated financial information has been approved by the Board of Directors of the Company and authorized for issue on 09 August 2023.

16 General

Corresponding figures have been re-arranged and re-classified where necessary, for the purpose of comparison and better presentation as per reporting framework.

Figures have been rounded off to nearest thousand unless stated otherwise.



Lahore

Chief Executive



Director



Chief Financial Officer

INDEPENDENT AUDITOR'S REVIEW REPORT**To the members of Waves Corporation Limited**
On review of condensed interim unconsolidated financial Statements**Introduction**

We have reviewed the accompanying condensed interim unconsolidated balance sheet of Waves Corporation Limited ("The Company") as at 30 June 2023, and the related condensed interim unconsolidated profit and loss account, condensed unconsolidated interim statement of comprehensive income, condensed interim unconsolidated cash flow statement and condensed interim unconsolidated statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim unconsolidated financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed unconsolidated interim financial statements 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 unconsolidated 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.

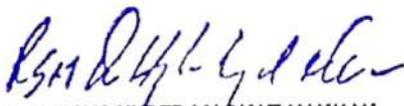
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed unconsolidated interim financial statements as of and for the half year ended 30 June 2023 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

- 1-The figures of the condensed unconsolidated interim profit and loss account and condensed unconsolidated interim statement of comprehensive income for the three months period ended 30 June 2023 and 30 June 2022, have not been reviewed as we are required to review only the cumulative figures for the half year ended 30 June 2023.
- 2-We draw attention to the note no 5.1, that describes the restatement of prior year error.

The engagement partner on this independent auditor's review report is Mr. Nauman Mahmood, FCA.

**RSM AVAIS HYDER LIAQUAT NAUMAN**
CHARTERED ACCOUNTANTS

UDIN: RR202310379w9enhp4YX

Place: Islamabad

Date: 15-Aug-2023

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING**Other Offices at:**
Lahore : 92 (42) 3587 2731-3
Karachi : 92 (21) 3565 5975/6
Faisalabad : 92 (41) 854 1165 854 1165
Peshawar : 92 (91) 527 8310/5277205
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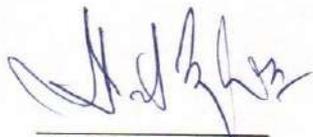
Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)
 Condensed Interim Unconsolidated Statement of Profit or Loss Account (Un-audited)
 For the six months period ended 30 June 2023

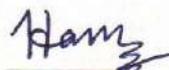
	For six months period ended		For three months period ended	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Other Income	106,081	107,576	83,951	43,178
Admin expenses	(31,684)	(22,839)	(15,163)	(11,419)
Profit before taxation	74,397	84,737	68,788	31,758
Taxation	-	(18,642)	-	(6,977)
Profit after taxation	74,397	66,095	68,788	24,781
Earnings per share - basic and diluted (Rupees)	0.26	0.23	0.24	0.09

RSM

The annexed notes 1 to 14 form an integral part of these condensed interim unconsolidated financial statements.

Lahore


 Chief Executive Officer


 Director


 Chief Financial Officer

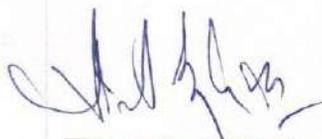
Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)
 Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)
 For the six months period ended 30 June 2023

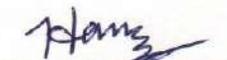
	For six months period ended	
	30 June 2023	30 June 2022
	----- (Rupees in '000) -----	
Profit for the period	74,397	66,095
<u>Other comprehensive income for the period</u>		
<i>Items that will not be reclassified to profit or loss account:</i>	-	-
Total comprehensive income for the period	<u>74,397</u>	<u>66,095</u>

RSM

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Lahore


 Chief Executive Officer


 Director


 Chief Financial Officer

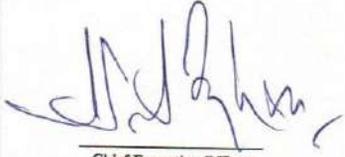
Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)
 Unconsolidated Statement of Changes in Equity
 For the six months period ended 30 June 2023

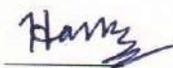
Issued, subscribed and paid-up capital	Capital Reserves			Revenue Reserve	Total	
	Share premium reserve	Other capital reserve	Surplus on revaluation of land and building	(Accumulated losses) / Unappropriated profits		
(Rupees in '000)						
As at 01 January 2022	2,814,062	5,025,661	5,000	151,467	17,774	8,013,964
Total comprehensive income for the year						
Profit after taxation	-	-	-	-	253,754	253,754
	-	-	-	-	-	-
	-	-	-	-	253,754	253,754
Balance as at 31 December 2022	2,814,062	5,025,661	5,000	151,467	271,528	8,267,718
Prior year adjustment					(11,378)	(11,378)
Balance as at 31 December 2022 (Restated)	2,814,062	5,025,661	5,000	151,467	260,150	8,256,340
Total comprehensive income for the year						
Profit after taxation	-	-	-	-	74,397	74,397
	-	-	-	-	-	-
	-	-	-	-	74,397	74,397
Balance as at 30 June 2023	2,814,062	5,025,661	5,000	151,467	334,547	8,330,737

The annexed notes form an integral part of these unconsolidated financial statements.

RSM

Lahore


 Chief Executive Officer


 Director


 Chief Financial Officer

Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)

Condensed Interim Unconsolidated Statement of Cash Flow (Un-audited)

For the six months period ended 30 June 2023

	(Un-audited) 30 June 2023	(Un-audited) 30 June 2022
	-----Rupees in '000-----	
<u>Cash flows from operating activities</u>		
Profit before taxation	74,397	84,737
<u>Effect on Cash flows due to working capital changes</u>		
(Increase) / decrease in current assets:		
Advances, deposits, prepayments and other receivables	(452,244)	(47,474)
Increase in current liabilities:		
Trade and other payables	784,001	363,156
Cash generated / (used) in operations	331,757	315,682
Income tax paid	406,154	400,419
Long term deposits - net	19,429	(135,614)
Net cash generated / (used) in operating activities	(145,311)	-
	280,272	264,805
<u>Cash flow from investing activities</u>		
Capital expenditure -net	(187,482)	(196,265)
Investment in subsidiaries	-	(500,000)
Net cash generated from investing activities	(187,482)	(696,265)
<u>Cash flow from financing activities</u>		
Long term loans repaid	(14,421)	(1,037,640)
Finance costs paid	-	101,257
Net cash generated from financing activities	(14,421)	(936,383)
Net increase in cash and cash equivalents	78,369	(1,367,843)
Cash and cash equivalents - at beginning of the period	(1,705,009)	(276,424)
Cash and cash equivalents - at end of the period	(1,626,640)	(1,644,267)

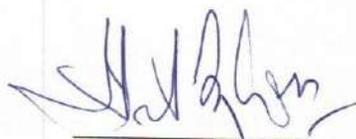
Note

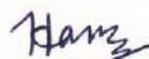
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Lahore


Chief Executive Officer


Director


Chief Financial Officer

Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)
Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)
For the six months period ended 30 June 2023

1 Status and nature of business

Waves Corporation Limited (formerly Waves Singer Pakistan Limited) (the Company) was incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) as a public company limited by shares and is quoted on the Pakistan Stock Exchange. Consequent to approval of scheme of arrangement as discussed in note 2, the principal line of business has been amended which includes managing its investment in subsidiaries, which are principally engaged in manufacturing and assembly of domestic consumer appliances along with retailing and trading the same and real estate development. The registered office of the Company is located at 9-K.M, Hanjarwal, Multan Road, Lahore.

Geographical locations of the manufacturing facilities of the Company are located at:

- 9-K.M, Hanjarwal, Multan Road, Lahore.
- Dina Nath, Mouza Rakh Serai Cheenba, Tehsil Pattoki, District Kasur.

2 Separation / Carving out of Home Appliances Business from the Company and Amalgamation with and into Waves Home Appliances Limited (a related entity)

Waves Singer Pakistan Limited renamed as Waves Corporation Pakistan Limited ("the Company - WCL") completed a Scheme of Arrangement as follows:

- Carving out / separation of home appliances business from the Company by transferring certain assets, liabilities, obligations, contracts and undertakings and amalgamating the same with and into Waves Home Appliance Limited (WHAL) (formerly Samin Textiles Limited) as of the effective date 01 September 2021 against allotment and issue of WHAL shares. WHAL was a related party of the Company by virtue of common shareholding.

The Honourable Lahore High Court (the Court) through its Order dated 22 June 2022, has approved the Scheme of Arrangement as proposed and granted sanction order for the carving out of home appliances business from WCL (the Holding Company) and amalgamation of the same into the subsidiary company WHAL.

The Board of Directors of the Company, in their meeting held on 23 December 2021, approved and resolved to present the Scheme of Arrangement before the shareholders of WCL for their approval. After approval by the BOD, the said scheme was submitted to Court for approval. As per requirements, the Company obtained approval of the Scheme of Arrangement from its shareholders on 15 February 2022, while the secured creditors of the Company approved the Scheme of Arrangement in Extraordinary General Meeting (EOGM) held on 03 March 2022. Further on 15 February 2022, shareholders of the Company also approved the change of name of the Company in accordance with Section 12 of the Companies Act, 2017 from "Waves Singer Pakistan Limited (WSPL)" to "Waves Corporation Limited (WCL)" and "Samina Textile Limited (SMTM)" to "Waves Home Appliance Limited (WHAL)".

As consideration for the transfer of the home appliances business, WHAL shall issue a total of 256,006,196 shares as follows:

- 199,724,956 shares shall be issued and allotted to the Company.
- Remaining 56,281,240 shares of WHAL shall to be issued and allotted to shareholders of the Company in the swap ratio of 20 shares for every 100 shares of the Company. The 20 shares of WHAL directly issued to the shareholders of the Company are equivalent to presently traded 45 shares of the Company prior to the proposed capital reduction.

- Rs. 2 billion in cash shall be payable to the Company; no additional compensation shall be applicable against this amount if the said amount is settled by the WHAL within 2 years of sanction of this scheme. However, if the said amount is still wholly or partially outstanding at the end of 2 years of the sanction of scheme, then a profit/mark-up shall be payable on outstanding amount on a quarterly basis in arrears at such profit/mark-up rate as determined by the Board(s) of Directors of each of the Company at the relevant time, provided such profit/mark-up rate shall not be less than the rate prescribed under applicable laws

As part of the arrangement hereunder, subsequent to the Scheme completion date, but prior to the issuance / allotment of WHAL Shares to the Company and its shareholders, share capital of WHAL will be reduced from every 225 shares to 100 shares i-e total paid up capital from 26,728,000 to 11,879,111 shares.

The Company expects several benefits after this scheme of arrangement including the synergies of operations, allowing them to become leading suppliers / service providers, resulting in greater revenue. Furthermore, by separating the business segments (as contemplated in this Scheme), the individual companies shall have unique identities and a more focused business and customer base. At the same time, as a consequence of the arrangement, WHAL shall become a subsidiary of the Company and this will allow the management of each Company to focus on the business segment, resulting in better performance of the same.

Further, this will enable the Company to oversee, supervise and control the business / direction of WHAL, while the management of WHAL can operate and manage the business of WHAL on a regular /day-to-day basis. Through the scheme of arrangement, WCL shall reduce the risk of diseconomies of scale associated with WCL's growth.

Waves Home Appliances Limited (formerly Samin Textiles Limited) was incorporated in Pakistan on 27 November, 1989 as a public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The registered office of the Company is situated at 8.7 KM Hanjarwal, Multan Road Lahore. The Company is currently listed on Pakistan Stock Exchange. The principal business of the Company is trading, import and export of textile products. Consequent to approval of scheme of arrangement as discussed in note 2, the principal line of business has been amended to include manufacturing, assembly and wholesale of domestic consumer appliances and other light engineering products.

3 Basis of preparation

Statement of compliance

3.1 Separate financial statements

These financial statements are the separate financial statements of the Company in which investments in subsidiaries are accounted for on the basis of direct equity interest rather than on the basis of reported results and net assets of the investees. Consolidated financial statements of the Company are prepared and presented separately.

The Company has the following long term investments:

Name of subsidiary companies	2023	2022
	(Direct holding percentage)	
- Waves Builders and Developers (Private) Limited (formerly, Waves Marketing (Private) Limited)	100	100
- Waves Marketplace Limited (formerly, Electronics Marketing Company (Private) Limited)	100	100
- Waves Home Appliances Limited (formerly, Samin Textiles Limited)	74.56	74.56

3.2 These condensed interim unconsolidated financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- "International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and"
- Provisions of and directives issued under the Companies Act, 2017; and

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.3 These condensed interim unconsolidated financial statements comprise the condensed interim unconsolidated statement of financial position of the Company as at 30 June 2023 and the related condensed interim unconsolidated statement of profit or loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated statement of changes in equity and condensed interim unconsolidated statement of cash flow and notes to the financial information for the six months period then ended.

4 Use of estimates and judgments

The preparation of condensed interim unconsolidated financial statements requires management to make judgments, estimates and assumptions for the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim unconsolidated financial statements, the significant judgments made by the management in applying accounting policies and key sources of estimation are the same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2022.

5 Statement of consistency in accounting policies

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial statements are same as those applied in the preparation of annual audited financial statements for the year ended 31 December 2022.

5.1 During the period, the management identified that the amount of Rs. 2 billion which was receivable from Waves Home Appliances Limited (WHAL) was discounted under IFRS 9 from the Effective Date of Scheme of arrangement, which should have been from the date of Sanction of Scheme. Accordingly, now this impact is recognized retrospectively. The comparative amounts have been restated as per the requirement of IAS 8 "Changes in accounting policy, estimates and errors". The following are the effects on Financial Position and Changes in Equity.

	As at 31 December 2022		
	Restated Balance	Adjustment	As previously Reported
Effect on statement of Financial Position			
Investment in Subsidiary in "Waves Home Appliances Limited (WHAL)"	4,769,481	190,684	4,578,797
Long term advances and deposits to "Waves Home Appliances Limited (WHAL)"	1,519,278	(202,062)	1,721,340
Effect on statement of Changes in Equity			
Un-appropriated Profit	260,150	(11,378)	271,528

6 Issued, subscribed and paid up capital

	(Un-audited) 30 June 2023	(Audited) 31 December 2022	(Un-audited) 30 June 2023	(Audited) 31 December 2022
	--- Number of shares ---		--- Rupees in '000 ---	
Issued for cash	105,263,597	105,263,597	1,052,636	1,052,636
Issued for consideration other than cash	703,733	703,733	7,037	7,037
Issued as paid bonus shares	78,988,759	78,988,759	789,888	789,888
Issued under scheme of amalgamation	96,450,000	96,450,000	964,500	964,500
	<u>281,406,089</u>	<u>281,406,089</u>	<u>2,814,061</u>	<u>2,814,061</u>

6.1 Ordinary shares of the Company held by associated persons and undertaking are as follows:

	(Un-audited) 30 June 2023	(Audited) 31 December 2022	(Un-audited) 30 June 2023	(Audited) 31 December 2022
<i>Chief Executive Officer and his spouse</i>				
- Haroon Ahmad Khan (CEO)	38.32%	38.32%	107,840,286	107,840,286
- Nighat Haroon Khan (Wife of CEO)	10.00%	10.00%	28,132,411	28,132,411
	<u>48.32%</u>	<u>48.32%</u>	<u>135,972,697</u>	<u>135,972,697</u>

6.2 The holders of ordinary shares are entitled to receive dividends as declared (if any), and are entitled to one vote per share at meetings of the Company.

(Un-audited) 30 June 2023	(Audited) 31 December 2022
(Rupees in '000)	

7 Short term borrowings

From banking companies - secured:

Running finance under mark-up arrangements	1,725,000	1,725,000
	<u>1,725,000</u>	<u>1,725,000</u>

7.1 There were no major changes in any of the facilities during the period. All terms and conditions applicable on these facilities are same as those disclosed in the annual financial statements of the Company for the year ended 31 December 2022.

8 Contingencies and commitments

8.1 Contingencies

There has been no significant changes in contingencies as reported in the annual audited financial statements of the Company for the year ended 31 December 2022.

8.2 Commitments

There has been no significant changes in commitments as reported in the annual audited financial statements of the Company for the year ended 31 December 2022.

	(Un-audited) 30 June 2023	(Audited) 31 December 2022
	(Rupees in '000)	
9 Property, plant and equipment		
Operating fixed assets	9.1 <u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>
9.2 Assets held for sale		
Opening balance - as at 01 January	2,740,879	2,356,000
Additions / (deletion) during the period / year	187,482	384,879
Transfers from investment property	-	30,000
	<u>2,928,361</u>	<u>2,770,879</u>
Assets disposed off during the period / year	-	(30,000)
Closing balance	<u>2,928,361</u>	<u>2,740,879</u>
10 Cash and cash equivalents		
Cash and bank balances	98,360	19,991
Short term running finance - secured	<u>(1,725,000)</u>	<u>(1,725,000)</u>
	<u>(1,626,640)</u>	<u>(1,705,009)</u>

11 Transactions with related parties

Related parties comprise of associated undertakings, directors, entities with common directorship, post employment plans and key management personnel. Amounts due from and to related parties are shown under respective notes in these unconsolidated condensed interim financial statements. Significant transactions with related parties are as follows:

Name of the Company	Relationship	Nature of transactions	(Un-audited) 30 June 2023	(Un-audited) 30 June 2022
Subsidiary Companies				
i- Waves Marketplace Limited	Wholly owned subsidiary	Mark-up charged on receivable from subsidiary	16,653	16,938
ii- Waves Home Appliances Limited	Partially owned subsidiary	Mark-up charged on receivable from subsidiary	87,474	-

12 Financial risk management and fair value of financial instruments

12.1 The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements of the Company for the year ended 31 December 2022.

12.2 The following table shows the carrying amounts and fair values of financial instruments and non-financial instruments including their levels in the fair value hierarchy:

		30 June 2023					
		Carrying amount		Fair value			
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		----- Rupees in '000 -----					
Financial instruments							
<u>Financial assets - not measured at fair value</u>							
		1,664,589	-	1,664,589	-	-	-
		790,821	-	790,821	-	-	-
		98,360	-	98,360	-	-	-
	12.3	<u>2,553,770</u>	<u>-</u>	<u>2,553,770</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - not measured at fair value</u>							
		-	1,385,211	1,385,211	-	-	-
		-	1,725,000	1,725,000	-	-	-
		-	-	-	-	-	-
	12.3	<u>-</u>	<u>3,110,211</u>	<u>3,110,211</u>	<u>-</u>	<u>-</u>	<u>-</u>

		31 December 2022					
						Fair value	
		Financial assets at amortized cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<i>Note</i>		----- Rupees in '000 -----					
Financial instruments							
<u>31 December 2022</u>							
<u>Financial assets - not measured at fair value</u>							
		1,519,278	-	1,519,278	-	-	-
		338,577	-	338,577	-	-	-
		19,991	-	19,991	-	-	-
	12.3	<u>1,877,846</u>	<u>-</u>	<u>1,877,846</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Financial liabilities - not measured at fair value</u>							
		-	601,210	601,210	-	-	-
		-	1,725,000	1,725,000	-	-	-
		-	-	-	-	-	-
	12.3	<u>-</u>	<u>2,326,210</u>	<u>2,326,210</u>	<u>-</u>	<u>-</u>	<u>-</u>

12.3 The Company has not disclosed the fair values of these financial assets and liabilities as these are for short term or reprise over short term. Therefore, their carrying amounts are reasonable approximation of fair value.

Non financial assets measured at fair value

Land and Building and plant and machinery

Revalued Property, plant and equipment

Date of valuation

31 August 2021

Investment property

Date of valuation

31 December 2022

Valuation approach and inputs used

The valuation model is based on price per square metre. In determining the valuation for land and building the valuer refers to numerous independent market inquiries from local estate agents / realtors in the vicinity to establish the present market value. The fair valuation of land and building are considered to represent a level 3 valuation based on significant non-observable inputs being the location and condition of the assets.

The fair value are subject to change owing to changes in input. However, management does not expect there to be a material sensitivity to the fair value arising from the non-observable inputs.

13 Date of authorization

This condensed interim Un-Consolidated financial information has been approved by the Board of Directors of the Company and authorized for issue on 09 August 2023.

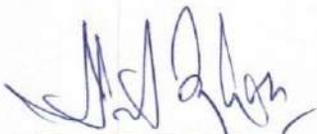
14 General

Corresponding figures have been re-arranged and re-classified where necessary, for the purpose of comparison and better presentation as per reporting framework.

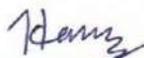
Figures have been rounded off to nearest thousand unless stated otherwise.

RSM

Lahore



Chief Executive Officer



Director



Chief Financial Officer



Published by:
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UAN: 042 111 21 32 33
www.waves.net.pk