

02 August 2022

Waves/PSX/08/2022/

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building,
Stock Exchange Road, Karachi

Financial Results for the Year Ended 31 December 2021 – Waves Corporation Limited (Formerly Waves Singer Pakistan Limited)

Dear Sir,

The Board of Directors of Waves Corporation Limited, (Waves or the Company) in their meeting held on 02 August 2022 have *inter alia* approved the audited consolidated and audited standalone financial statements of the Company for the year ended 31 December 2021, and recommended the followings:

a) **Cash Dividend/Bonus/Rights:** NIL

b) Any other Entitlement:

Pursuant to the Scheme of Arrangement (Scheme) sanctioned by the honorable Lahore High Court, Lahore (LHC) between the Company and Waves Home Appliances Limited, formerly Samin Textiles Limited (WHALE) and in continuation of the Company's earlier disclosure on 27 June 2022 to PSX, it is informed that 20 shares of WHALE shall be issued to for every 100 shares of the Company held by its shareholders as of the book closure dates. For this purpose, share transfer books of the Company shall remain closed from 22 August 2022 to 29 August 2022 (both days inclusive) to determine entitlement of WHALE shares to the shareholders of the Company. A separate notice shall be sent to the PSX/Shareholders providing necessary details of book closures and ancillary matters. Upon final determination of entitlements, a formal list shall be sent to WHALE for issuance of WHALE shares to shareholders of WAVES and WAVES itself, subject to completion of necessary corporate and regulatory formalities by WHALE.

c) Financial Results:

The audited consolidated financial results and standalone financial results of the Company for the year ended 31 December 2021 are attached as **Annexure A** and **Annexure B** to this letter. The Annual Report of the Company will be transmitted through PUCARS separately and shall also be available on the Company's website www.waves.net.pk

d) Price Sensitive Information:

1. The Board reviewed performance of Company's three business lines undertaken by its subsidiary companies as under::

- (i) In view of current economic conditions of the country and restrictions on import of materials/components, the Board expressed its satisfaction on the inventory levels maintained by WHALE whereby no interruption is foreseen during the whole of ongoing third quarter of the year. Progress on construction of the new factory premises and shifting of manufacturing operations in the last quarter of this calendar year goes well with ongoing situation. With State Bank of Pakistan expected to allow LCs opening from end August 2022, arrival of fresh materials and commissioning of new factory in the last quarter, Insha Allah, will ensure continuity of operations during ongoing difficult times.

Alhamdulillah, demand for WAVES branded products continues to be strong and impact of increase in costs mainly due to devaluation of Pak Rupee is being passed on in the selling prices, almost maintaining net margins with modest growth in volumes.

- (ii) The retail business of Electronic Marketing Company Limited (EMCL) is showing robust growth and in order to fund its expansion plans, the Board in principle decided that it may be listed on PSX at an appropriate time when market is conducive for listing. In line with the EMCL's growth plans focusing on product diversification, cash sales and delivery arrangements using modern ways of e-commerce/online sales from its 140 country wide diversified and already operational locations, the Board decided *inter alia* that name of EMCL be changed to Waves Marketplace Limited, increase its directors and increase in the authorized capital as per EMCL's business plan and listing requirements. The CEO of the Company is authorized to undertake all necessary corporate & regulatory formalities including engagement of consultants and advisers and to come up for the formal approval of the Board.
- (iii) The Board expressed its satisfaction on the development plans of real estate apartments project including architectural and construction designs, engaging one of the leading marketing agencies, obtaining required NOCs and approvals and hiring of construction contractors. Soft launch and ground breaking are expected around end of fourth quarter of current calendar year to coincide with shifting of manufacturing operations to the new site.
- (iv) The Board approved the Company's Annual Business Plan / Budget for the Financial Year 2022.

e) Other Information:

1. Mr. Wasif Ali resigned as Company Secretary and Mr. Ahmad Bilal Zulfiqar is appointed in his place.
2. The Annual General Meeting (AGM) of the Company shall be held on 29 August 2022 at 12.30 p.m. at the Registered Office of the Company located at 9-KM, Multan Road, Lahore. For this purpose, share transfer books of the Company shall remain closed from 22 August 2022 to 29 August 2022 (both days inclusive). A formal notice of AGM along with necessary statements/reports shall be circulated to in due course.

You may inform the TRE Certificate Holders of PSX accordingly.

Yours truly
For Waves Corporation Limited

Company Secretary
Ahmad Bilal Zulfiqar

Enclosed:

- Annexure A: Consolidated Financial Results and Annexure B: Standalone Financial Results

Copy to:

- The Supervision Division and Securities Market Division, SECP, Islamabad
- The Central Depository Company Limited, Karachi
- All Other Concerned

Waves Corporation Limited (formerly, Waves Singer Pakistan Limited)
 Consolidated Statement of Profit or Loss
 For the year ended 31 December 2021

| | Note | 2021 (Rupees in '000) | 2020 |
|---|------|--------------------------|--------------------|
| Revenue - net of sales return | | 12,321,443 | 10,230,068 |
| Sales tax and trade discount on invoices | | (1,882,433) | (1,704,587) |
| Revenue - net | 27 | 10,439,010 | 8,525,481 |
| Cost of sales | 28 | (8,156,644) | (6,681,104) |
| Gross profit | | 2,282,366 | 1,844,377 |
| Marketing, selling and distribution costs | 29 | (1,020,257) | (920,483) |
| Administrative expenses | 30 | (557,864) | (461,016) |
| Other expenses | 31 | (122,423) | (42,671) |
| Other income | 32 | 249,967 | 465,831 |
| | | (1,450,577) | (958,339) |
| | | 831,789 | 886,038 |
| Earned carrying charges | | 388,202 | 262,863 |
| Finance costs | 33 | (704,852) | (879,695) |
| | | (316,650) | (616,832) |
| Profit before taxation | | 515,139 | 269,206 |
| Taxation | 34 | (187,252) | (141,738) |
| Profit for the year | | 327,887 | 127,468 |
| Attributable to: | | | |
| Owners of the Group | | 318,620 | 127,468 |
| Non-controlling interests | | 9,267 | - |
| | | 327,887 | 127,468 |
| Earnings per share - basic and diluted (Rupees) | 35 | 1.13 | (Restated) 0.61 |

The annexed notes 1 to 47 form an integral part of these consolidated financial statements.

KP Singh

Lahore

Director

Chief Executive Officer

Chief Financial Officer

Waves Corporation Limited (formerly Waves Singer Pakistan Limited)
 Unconsolidated Statement of Profit or Loss
 For the year ended 31 December 2021

| | Note | 2021 ----- (Rupees in '000) ----- | 2020 |
|--|------|--------------------------------------|------------------|
| <u>Continuing operations</u> | | | |
| Admin expenses | 32 | (62,671) | (43,709) |
| Other income | 34 | 125,723 | 281,303 |
| Operating profit | | 63,052 | 237,594 |
| Finance cost | 35 | (152,333) | (642,221) |
| Loss before taxation - continuing operations | | (89,281) | (404,627) |
| <u>Discontinued operations</u> | | | |
| Profit before taxation - discontinued operations | 46.2 | 373,419 | 581,723 |
| Profit before tax | | 284,138 | 177,096 |
| Taxation | | | |
| - continuing operation | | - | - |
| - discontinued operation | 36 | (110,186) | (67,259) |
| | | (110,186) | (67,259) |
| Profit for the year | | | |
| - continuing | | (89,281) | (404,627) |
| - discontinued | | 263,233 | 514,464 |
| Profit for the year | | 173,952 | 109,837 |
| Loss per share - Continuing operations | | | <i>Restated</i> |
| Loss per share - <i>basic and diluted (Rupees)</i> | 37 | (0.32) | (1.95) |
| Earnings per share - Discontinued operations | | | <i>Restated</i> |
| Earnings per share - <i>basic and diluted (Rupees)</i> | 37 | 0.94 | 2.48 |

The annexed notes 1 to 49 form an integral part of these unconsolidated financial statements.

WAVES

Lahore

Director

Chief Executive Officer

Chief Financial Officer

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