

23 December 2021

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

Subject: Disclosure of Material Information- Waves Singer Pakistan Limited (the "Company" or "WSPL")

Dear Sirs,

Under Section 96 and 131 of the Securities Act, 2015 (the "Act") and Clause 5.6.1(a) of the Rule Book of Pakistan Stock Exchange Limited ("PSX"), it is informed that the Board of Directors held a meeting on 23 December, 2021 and following was discussed and approved:

The Directors approved the draft Scheme of Arrangement under the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017 by and between the Company and Samin Textiles Limited ("SMTM"), laid before the Board of Directors of the Company ("Scheme"), subject to finalization of the Scheme, obtaining all necessary shareholders', creditors' and regulatory approvals and the sanction of the Scheme by the Honourable Lahore High Court, Lahore along with fulfilment of related legal formalities, in terms of which *inter alia*;

- (i) the home appliance business/undertaking of the Company shall be separated / demerged from the Company and be amalgamated with and into SMTM against proposed consideration as below:
 - (a) 256,006,196 (Two Hundred Fifty-Six Million Six Thousand One Hundred Ninety-Six) new shares of SMTM to be issued and allotted after proposed capital reduction of SMTM as explained in the note 1 below:
 - a. 199,724,956 (One Hundred Ninety-Nine Million Seven Hundred Twenty-Four Thousand Nine Hundred Fifty-Six) shares of SMTM to be issued and allotted to WSPL.
 - b. 56,281,240 (Fifty-Six Million Two Hundred Eighty-One Thousand Two Hundred Forty) shares of SMTM to be issued and allotted directly to the WSPL shareholders @ 20 shares in SMTM for every 100 shares of WSPL upon implementation of the Scheme of Arrangement. Refer to note 2 below:
 - (b) PKR 2,000,000,000 (Pak Rupees Two Billion Only) in cash shall be payable to WSPL; no additional compensation shall be applicable against this amount if the said amount is settled by SMTM within two years of the sanction of the Scheme. However, if the said amount is still wholly or partially outstanding at the end of two years of the sanction of the Scheme then a profit / mark-up shall be payable on the outstanding amount by SMTM to the Company 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 and SMTM at the relevant time, provided

that such profit/mark-up rate shall not be less than the rate prescribed under applicable laws.

Note 1: The issuance of new shares of SMTM under paragraphs (a) and (b) above will take place after reduction of SMTM's outstanding share capital from every 225 shares to 100 shares i.e. Total paid up 26,728,000 (Twenty-Six Million Seven Hundred Twenty-Eight) SMTM Shares to 11,879,111 (Eleven Million Eight Hundred Seventy-Nine Thousand One Hundred Eleven) SMTM shares

Note 2: 20 SMTM shares directly issued to WSPL shareholders as above are equivalent to presently traded 45 shares of SMTM prior to the proposed capital reduction


- (ii) The name of the Company is to be changed from Waves Singer Pakistan Limited to Waves Corporation Limited.

The Board of Directors approved the Scheme subject to finalization of the Scheme and any changes and modifications as may be required by the shareholders of the merger parties and / or the Honourable Lahore High Court, Lahore and such amendments as may be considered necessary without affecting the substance thereof.

The Scheme will be circulated to the PSX and the shareholders in due course subject to directions / order of the Honourable Lahore High Court, Lahore, and in accordance with applicable laws.

You may please inform the TREC holders accordingly.

Yours faithfully,


Company Secretary
Wasif Ali Rana



Cc:
Director / HOD
Surveillance, Supervision and Enforcement Department
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue
Blue Area, Islamabad.