WAVESAPP/PSX/07/26

23 July 2026

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

Subject: **Declaration of Right Shares**

Dear Sir,

In accordance with Sections 96 and 131 of the Securities Act, 2015, paragraph 5.6.1(a) of the Rule Book of the Pakistan Stock Exchange Limited and Regulation 3(1)(i) of the Companies (Further Issue of Shares) Regulations, 2020, we hereby convey the following information:

The Board of Directors of Waves Home Appliances Limited ("**WAVESAPP**" or the "**Company**"), in their meeting held on 23 July 2026 have decided to increase the paid up share capital of the Company by issue of a further 150,015,772 (One Hundred Fifty Million Fifteen Thousand Seven Hundred Seventy-Two ordinary shares), having face value of PKR 10/- (Pak Rupees Ten Only) each, as Right Shares, to be offered to the members in proportion of 56.00 Right Shares for every 100 ordinary shares held i.e. 56.00%, at a price of PKR 10/- (Pak Rupees Ten Only) per Right Share (i.e. at par, not carrying any premium).

The dates of closure of the share transfer Books of the Company, to determine the entitlement of the Right Shares will be communicated in due course after finalization of the offer letter/document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.

Following details are enclosed:

1. Statement with respect to the details of the Right Issue, including the quantum of issue, issue size, issue price, purpose of issue, utilization of proceeds, benefits of the issue to the Company and its shareholders, risk factors, justification for issue of shares at premium and minimum subscription amount (**Annex A**).
2. Certified true copy of the Extracts of the Resolutions passed by the Board of Directors of the Company dated 23 July 2026 (**Annex B**).
3. Draft copy of the notice of the Right Issue and book closure to the Shareholders prior to its publication in the newspapers (**Annex C**).

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

Khurram Zahoor
Company Secretary

Copy to:

The Commissioner
Corporate Supervision Department
Securities and Exchange Commission of Pakistan
Islamabad

The Director
Surveillance Supervision Enforcement (SMD)
Securities and Exchange Commission of Pakistan
Islamabad

Annex A

WAVES HOME APPLIANCES LIMITED

Statement pertaining to Quantum of Issue, Issue Size, Issue Price, Purpose of Issue, Utilization of proceeds, Benefits of the Issue to the Company and the shareholders, Risk Factors, and Justification for Issue of Shares at Premium, under Rule 3 of the Companies (Further Issue of Shares) Regulations, 2020.

(i) Quantum of the Right Issue (i.e. as a percentage of existing paid-up capital)

The quantum of the Right Issue is 56.00% of the existing paid-up capital of the Company, i.e. 56 right shares for every 100 ordinary shares held by the shareholders of the Company immediately prior to the close of the share transfer books of the Company.

(ii) Right Issue Size

The Company shall issue 150,015,772 (One Hundred Fifty Million Fifteen Thousand Seven Hundred Seventy-Two ordinary shares), at a price of PKR 10/- (Pak Rupees Ten Only) per share, aggregating to PKR 1,500,157,720/- (Pak Rupees One Billion Five Hundred Million One Hundred Fifty-Seven Thousand Seven Hundred Twenty only).

(iii) Right Issue Price Per Share

PKR 10/- (Pak Rupees Ten Only) per share, i.e. at par.

(iv) Purpose of the Right Issue

The principal purpose of the Right Issue is to strengthen the Company's financial position and support its medium-term operational and growth objectives. The proceeds will be utilized to broaden the Company's product portfolio, fund its working capital requirements, and reduce the Company's existing high-cost liabilities, including loan payable to the holding company, Waves Corporation Limited (the "**Holding Company**"). Having recently re-entered the air conditioner market, the Company intends to further expand its presence in this segment while continuing to invest in its deep freezer and refrigerator segments, thereby broadening its product portfolio.

(v) Utilization of Proceeds of the Right Issue

The proceeds from the Right Issue shall be utilized as follows:

a. an amount of up to approximately PKR 800,157,720/- (53.3% of proceeds) will be deployed to meet working capital requirements arising from the Company's expansion in the air conditioner market and continued investment in its deep freezer and refrigerator segments and towards reducing reliance on bank borrowings;
b. an amount of up to approximately PKR 700,000,000/- (46.7% of proceeds) will be allocated towards partial repayment of the loan payable to the Holding Company.

(vi) Benefits to the Company and Shareholders

The Right Issue will strengthen the Company's working capital base, reduce its high-cost liabilities and finance cost, and improve its gearing ratio, thereby strengthening the Company's balance sheet and overall financial position. The additional capital will also enable the Company to improve liquidity, broaden its product portfolio, support operational growth, optimize the capital structure and enhance its ability to pursue business opportunities, thereby contributing to the long term value creation for shareholders.

(vii) Risk Factors associated with the Right Issue, if any

There is a risk that the Rights Issue may be undersubscribed due to insufficient shareholder interest and/or offering made at par value which is higher than the market price. In this regard, it is highlighted that the substantial shareholders and directors of the Company have confirmed they shall subscribe to (or arrange subscription of) their respective rights entitlements, while the balance will be underwritten in accordance with applicable laws, for which appropriate arrangements are in place. General risks associated with the business remain; however, the Company believes that it is well placed in the market to mitigate any such risk.

Further, the Holding Company, subject to obtaining the applicable approvals, has committed to subscribe to any unsubscribed portion of the Rights Issue, in excess of its own entitlement, to be allotted to it by the Board under Section 83(1)(a)(iv) of the Companies Act, 2017.

(viii) Justification for issue of shares at premium or at discount to face value (if applicable)

Not Applicable. It is clarified that the shares are issued at par value which is higher than the current market price of the shares of the Company. The Board of Directors, having considered the Company's break-up value, discounted cash flow valuation, and long-term business prospects, believes that the issue price of PKR 10 per share is fair and reasonable, notwithstanding the prevailing market price.

(ix) Minimum Subscription Amount

Not Applicable.

Annex B

Extract of the Resolutions passed by the Board of Directors of Waves Home Appliances Limited (WAVESAPP or the "Company") at its meeting held on July 23, 2026 at the registered office of the Company in Lahore.

A meeting of the Board of Directors of the Company was held on 23 July 2026 at 12:30 p.m. at the registered office of the Company.

During the meeting, the Board of Directors of the Company discussed and approved the proposed issuance of further share capital by the Company by way of Rights Issue. The Board of Directors of the Company stated that all requirements of the Companies Act, 2017 and the Companies (Further Issue of Shares) Regulations, 2020 have been considered by the Board of Directors of the Company and shall be duly complied with by the Company.

For the purpose of right issue, the management will be obtaining the requisite undertaking(s) from the substantial shareholder(s) (*subject to the completion of the applicable corporate and regulatory formalities*) and the directors of the Company, that they will: (i) subscribe to the right shares offered to them (or shall arrange for the subscription thereof) and that they shall deposit the amount of subscription in accordance with applicable laws; and (ii) ensure that the balance of the right issue i.e. other than the portion subscribed by the substantial shareholder and directors, will be adequately underwritten in accordance with applicable laws.

Accordingly, the following resolutions were passed by the Board of Directors:

"RESOLVED THAT the ordinary paid up share capital of the Company be increased from PKR 2,678,853,070/- (Pak Rupees Two billion Six hundred Seventy-Eight million Eight hundred Fifty-Three thousand and Seventy Only) to PKR 4,179,010,790/- (Pak Rupees Four billion One hundred Seventy-Nine million Ten thousand Seven hundred Ninety only) by issue of further 150,015,772 (One hundred Fifty million Fifteen thousand Seven hundred Seventy-two ordinary shares only) of the Company having face value of PKR 10/- (Pak Rupees Ten Only) each, to be offered to the shareholders of the Company in proportion to the number of shares held by each shareholder (i.e. as right shares) in accordance with the provisions of Section 83 of the Companies Act, 2017 and all applicable laws, at a price of PKR 10/- (Pak Rupees Ten Only) per share (i.e. at par), in the ratio of 56 right shares for every 100 ordinary shares of PKR 10/- (Pak Rupees Ten Only) each held immediately prior to the book closure date (i.e. 56.00%), against payment to the Company of the price for the shares subscribed, which shares shall rank pari passu in all respects with the existing ordinary shares of the Company (the **"Rights Issue"**).

FURTHER RESOLVED THAT the following are the quantum, size, price, and purpose of the Right Issue, along with the utilization of proceeds, benefits of the same to the Company and its shareholders, the risk factors associated with the Right Issue, minimum subscription amount and the justification for the issue of shares at a premium in accordance with Regulation 3(1)(iii) of the Companies (Further Issue of Shares) Regulations, 2020:

(i) Quantum of the Right Issue (i.e. as a percentage of existing paid-up capital)

The quantum of the Right Issue is 56.00% of the existing paid-up capital of the Company, i.e. 56 right shares for every 100 ordinary shares held by the shareholders of the Company immediately prior to the close of the share transfer books of the Company.

(ii) Right Issue Size

The Company shall issue 150,015,772 (One Hundred Fifty Million Fifteen Thousand Seven Hundred Seventy-Two ordinary shares), at a price of PKR 10/- (Pak Rupees Ten Only) per share, aggregating to PKR 1,500,157,720/- (Pak Rupees one billion five hundred million one hundred fifty-seven thousand seven hundred twenty only).

(iii) Right Issue Price Per Share

PKR 10/- (Pak Rupees Ten Only) per share, i.e. at par.

(iv) Purpose of the Right Issue

The principal purpose of the Right Issue is to strengthen the Company's financial position and support its medium-term operational and growth objectives. The proceeds will be utilized to broaden the Company's product portfolio, fund its working capital requirements, and reduce the Company's existing high-cost liabilities, including loan payable to the holding company, Waves Corporation Limited (the "**Holding Company**"). Having recently re-entered the air conditioner market, the Company intends to further expand its presence in this segment while continuing to invest in its deep freezer and refrigerator segments, thereby broadening its product portfolio.

(v) Utilization of Proceeds of the Right Issue

The proceeds from the Right Issue shall be utilized as follows: (a) an amount of up to approximately PKR 800,157,720/- (53.3% of proceeds) will be deployed to meet working capital requirements arising from the Company's expansion in the air conditioner market and continued investment in its deep freezer and refrigerator segments and towards reducing reliance on bank borrowings; (b) an amount of up to approximately PKR 700,000,000/- (46.7% of proceeds) will be allocated towards repayment of the loan payable to the Holding Company.

(vi) Benefits to the Company and Shareholders

The Right Issue will strengthen the Company's working capital base, reduce its high-cost liabilities and finance cost, and improve its gearing ratio, thereby strengthening the Company's balance sheet and overall financial position. The additional capital will also enable the Company to improve liquidity, broaden its product portfolio, support operational growth, optimize the capital structure and enhance its ability to pursue business opportunities, thereby contributing to the long-term value creation for shareholders.

(vii) Risk Factors associated with the Right Issue, if any

There is a risk that the Rights Issue may be undersubscribed due to insufficient shareholder interest and/or offering at a par value which is higher than the market price. In this regard, it is highlighted that the substantial shareholders (subject to the completion of their necessary corporate and regulatory formalities) and directors of the Company have confirmed they shall subscribe to (or arrange subscription of) their respective rights entitlements, while the balance will be underwritten in accordance with applicable laws, for which appropriate arrangements are in place. General risks associated with the business remain; however, the Company believes that it is well placed in the market to mitigate any such risk.

Further, the Holding Company, subject to obtaining the applicable approvals, has committed to subscribe to any unsubscribed portion of the Rights Issue, in excess of its own entitlement, to be allotted to it by the Board under Section 83(1)(a)(iv) of the Companies Act, 2017.

(viii) Justification for issue of shares at premium

Not Applicable.

It is clarified that the shares are issued at par value which is higher than the current market price of the shares of the Company. The Board of Directors, having considered the Company's break-up value, discounted cash flow valuation, and long-term business prospects, believes that the issue price of PKR 10 per share is fair and reasonable, notwithstanding the prevailing market price.

(ix) Minimum Subscription Amount

Not Applicable.

FURTHER RESOLVED THAT the draft offer document/letter of offer presented to the Board of Directors be and is hereby approved, subject to the revision/finalization thereof by the authorized representative(s) of the Company, including but not limited to taking into account any comments/observations received from the Securities and Exchange Commission of Pakistan ("**SECP**") and/or the Pakistan Stock Exchange Limited ("**PSX**") as may be deemed fit by the authorized representative(s), which final document shall be deemed to be approved. While the draft offer letter/document shall be placed on the PSX's and Company's respective websites, public comments on the same shall not be required to be solicited.

FURTHER RESOLVED THAT the letter of offer, as prescribed under Section 83(2) of the Companies Act, shall be issued/signed by any 2 (two) directors of the Company in compliance with the applicable laws.

FURTHER RESOLVED THAT the Chief Executive Officer, the Company Secretary, any Director or the Chief Financial Officer of the Company, be and is hereby singly authorized to sign the circular, accompanying the letter of offer, on behalf of all directors in accordance with Section 83(3) of the Companies Act, 2017, once finalized in accordance with the procedure stipulated under the applicable laws.

FURTHER RESOLVED THAT all fractional entitlements, if any, will be consolidated in the name of the Company Secretary, as an agent (*under trust*), and unpaid letters of right in respect thereof shall be sold on the PSX, the net proceeds from which sale, once realized, shall be distributed/paid to the entitled shareholders in proportion to their respective entitlements as per the Regulations.

FURTHER RESOLVED THAT any unsubscribed shares may be offered and allotted (upon subscription thereof) to such persons as the directors may deem fit in accordance with Section 83(1)(a)(iv) of the Companies Act, including the sponsors / substantial shareholders, directors, Holding Company, or associated undertakings of the Company or any third party, before calling upon the underwriters to subscribe to any unsubscribed shares.

FURTHER RESOLVED THAT the Company be and is hereby authorized to close its share transfer books to determine entitlements of the shareholders of the Company with respect to the Right Issue, as per applicable laws.

FURTHER RESOLVED THAT the Chief Executive Officer and/or any Director and/or the Company Secretary and/or the Chief Financial Officer, be and are hereby singly authorized, to do the following on behalf of the Company:

(i) appoint / negotiate with consultants / advisors / auditors / underwriter(s) and bankers to the right issue, including finalizing terms and conditions and signing the underwriting agreement (s), other documents and settling/finalizing fees, underwriting commission, take up commission and third-party expenses and/or any other expenses relating to the Right Issue;

(ii) to finalize and submit the draft letter of offer / offer document with the SECP / PSX, along with other requisite documents, and revise the same as may be deemed fit, including based on the comments/observations of the SECP / PSX:

(iii) to prepare the schedule for issue of right shares including date of payment, and to make any amendment in the said schedule, appointment of banker(s) to the issue, announce (and amend) book closure dates, and to take all necessary actions, in respect of the Right Issue and ancillary matters thereto, as required by the SECP, PSX, Central Depository Company of Pakistan Limited ("**CDC**") (including, but not limited to, induction of the offer for right shares in the Central Depository System of the CDC) or any other authority/body;

(iv) to determine the entitlements of the shareholders of the Company with respect to the Right Issue;

(v) to open, maintain, operate and close bank accounts for the purpose of amounts received from subscription of rights shares;

(vi) to apply to CDC for the eligibility and to attend to any other matters pertaining to the CDC, including the signing of all documents in relation thereto;

(vii) to credit right shares, once allotted by the Board, and file returns/documents as required by SECP/PSX/ CDC along with the auditor's certificates; and

(viii) to take all other necessary steps, and do all other acts, deeds and things, to prepare/finalize the offer letter, circular and schedule for issue of right shares and any other documents and to make any amendment in the said documents and schedule and to take all necessary action as may be required in this regard including execution of any documents and agreements or any ancillary or incidental actions to give effect to the above resolutions.

Certified that the above mentioned is a true and valid extract from the meeting of the Board of Directors of Waves Home Appliances Limited held at the Registered Office of the Company 23 July 2026.

Khurram Zahoor
Company Secretary
Waves Home Appliances Limited
Dated: 23 July 2026

Annex C

WAVES HOME APPLIANCES LIMITED

NOTICE OF RIGHT ISSUE AND BOOK CLOSURE

Members are hereby notified that the Board of Directors of Waves Home Appliances Limited (the "**Company**") in their meeting held on 23 July 2026 has decided to issue further capital by offering 150,015,772 (One Hundred Fifty Million Fifteen Thousand Seven Hundred Seventy-Two ordinary shares only) shares of PKR 10/- (Pak Rupees Ten Only) each at a price of PKR 10/- (Pak Rupees Ten Only) per share (i.e. at par, not carrying any premium), in the ratio of 56.00 right shares for every 100 existing ordinary shares of PKR 10/- (Pak Rupees Ten Only) each held (i.e. 56.00%), against payment to the Company of the price of the shares subscribed by the shareholders, which shares shall rank pari passu in all respects with the existing ordinary shares of the Company.

The dates of closure of the share transfer Books of the Company, to determine the entitlement of the Right Shares will be communicated in due course after finalization of the offer letter / document in accordance with the provisions of the Companies (Further Issue of Shares) Regulations, 2020.

Khurram Zahoor
Company Secretary