ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISK. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT *(HEREIN REFERRED TO AS 'OFFER DOCUMENT')* AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE SOLE LIABILITY OF THE INVESTORS.

THIS DOCUMENT IS ISSUED FOR THE PURPOSE OF PROVIDING INFORMATION TO SHAREHOLDERS OF THE COMPANY AND TO THE PUBLIC IN GENERAL IN RELATION TO THE RIGHTS ISSUE OF PKR 1,500,157,720 CONSISTING OF 150,015,772 NEW ORDINARY SHARES BY WAVES HOME APPLIANCES LIMITED. A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE SECURITIES EXCHANGE.

THIS OFFER DOCUMENT IS VALID TILL [•], 2026 (60 days from the last day of payment of subscription amount)

Waves Home Appliances Limited
Right Share - Offer Document

Date and place of incorporation: 27 November 1989, Lahore. **Incorporation number:** 0020624. **Registered Office:** 9 KM, Multan Road, Lahore. **Contact No:** +92 309 3333547. **Website:** www.waves.net.pk. **Contact Person:** Mr. Khurram Zahoor, **Phone:** +92 309 3333547. **Email**: cs@waves.com.pk.

Issue Size: The Issue consists of 150,015,772 Right Shares (i.e. approximately 56.00% of existing paid-up capital of Waves Home Appliances Limited) having face value of PKR 10/- each at an offer price of PKR 10/- per share (at par). The total amount to be raised through the right issue is PKR 1,500,157,720/- only.

Date of Placing Offer Document on PSX for Public Comments:	Not opted for public comments
Date of Final Offer Letter:	[•]
Date of Book Closure:	[•]
Subscription Amount Payment Dates:	[•]
Trading Dates for Letter of Rights:	[•]
Website address to download Offer Document:	www.waves.net.pk, www.psx.com.pk

Details of the relevant contact persons:

	Name of the Person	Designation	Contact Number	Office Address	Email ID
Authorized Officer of the Issuer	Mr. Khurram Zahoor	Company Secretary	+923093333547 UAN 042-111-31-32-33	9 KM, Multan Road, Lahore	cs@waves.com.pk
Authorized Officer of the Issuer	Mr. Usman Saleem	Head of Treasury	+923314374551 UAN 042-111-31-32-33	9 KM, Multan Road, Lahore	Usman.saleem@waves.com.pk
Underwriters to the Issue					
[To be updated upon execution of Underwriting Agreement]					
Bankers to the Issue					
Bank Makramah Limited (BML)	Umair Hamid	Credit Hub Manager	0346-8221137	165 Street 11, Sector Y DHA Phase 3, Lahore	umair.hamid@bankmakramah.com

This Offer Document can be downloaded from www.waves.net.pk and www.psx.com.pk

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[TO BE EXECUTED ON A STAMP PAPER OF REQUISITE VALUE]

Undertaking by the Chief Executive Officer and Chief Financial Officer

"WE HAROON AHMAD KHAN, THE CHIEF EXECUTIVE OFFICER AND MOAZZAM AHMAD KHAN, CHIEF FINANCIAL OFFICER CERTIFY THAT;

(i) THE OFFER DOCUMENT CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;

(ii) THE INFORMATION CONTAINED IN THE OFFER DOCUMENT IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF;

(iii) THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;

(iv) THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THE OFFER DOCUMENT AS A WHOLE OR ANY PART THEREOF MISLEADING; AND

(v) ALL REQUIREMENTS OF THE COMPANIES ACT, 2017, THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE CENTRAL DEPOSITORY COMPANY AND THAT OF PSX PERTAINING TO THE RIGHT ISSUE HAVE BEEN FULFILLED."

For and on behalf of Waves Home Appliances Limited

____________________ ____________________

Haroon Ahmad Khan
Chief Executive Officer

Moazzam Ahmad Khan
Chief Financial Officer

Date:

[TO BE EXECUTED ON A STAMP PAPER OF REQUISITE VALUE]

Undertaking by the Company Secretary/ an officer of the Company authorized by the Board of Directors of the Company in this behalf

I, THE COMPANY SECRETARY, AS AUTHORISED BY THE BOARD OF DIRECTORS OF THE COMPANY, HEREBY CONFIRM THAT:

(i) ALL MATERIAL INFORMATION AS REQUIRED UNDER THE COMPANIES ACT, 2017, THE SECURITIES ACT, 2015, COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020, THE LISTING OF COMPANIES AND SECURITIES REGULATIONS OF THE PAKISTAN STOCK EXCHANGE LIMITED HAS BEEN DISCLOSED IN THIS OFFER DOCUMENT AND THAT WHATEVER IS STATED IN OFFER DOCUMENT AND IN THE SUPPORTING DOCUMENTS IS TRUE AND CORRECT TO THE BEST OF THE BOARD'S KNOWLEDGE AND BELIEF AND THAT NOTHING HAS BEEN CONCEALED.

(ii) THE BOARD OF DIRECTORS UNDERTAKE THAT ALL MATERIAL INFORMATION, INCLUDING RISKS THAT WOULD ENABLE THE INVESTOR TO MAKE AN INFORMED DECISION, HAS BEEN DISCLOSED IN THE OFFER DOCUMENT.

(iii) RIGHT ISSUE IS THE DISCRETION OF BOARD OF THE ISSUER AND IT NEITHER REQUIRE APPROVAL OF THE COMMISSION NOR THE SECURITIES EXCHANGE.

(iv) THE DRAFT OFFER DOCUMENT WAS PLACED ON THE WEBSITE OF THE SECURITIES EXCHANGE AND THE ISSUER, ON ________ (I.E. WITHIN 3 DAYS OF THE DATE OF ANNOUNCEMENT BY THE BOARD.

(v) COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON _______

(vi) THE BOARD HAS ENSURED THAT DRAFT OFFER DOCUMENT IS UPDATED IN LIGHT OF THE SECURITIES EXCHANGE AND SECP COMMENTS.

(vii) THE BOARD HAS DISCLOSED ON PSX'S AND COMPANY'S WEBSITE, ALL THE COMMENTS RECEIVED ALONG WITH THE EXPLANATIONS AS TO HOW THEY ARE ADDRESSED.

(viii) THE FINAL OFFER DOCUMENT WAS SUBMITTED TO THE COMMISSION AND PLACED ON SECURITIES EXCHANGE WEBSITE ON ____________ ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 5 WORKING DAYS FROM THE DATE OF RECEIPT OF COMMENTS OF PSX and SECP).

(ix) THE STATUTORY AUDITOR M/s. RIZWAN AND COMPANY OF THE ISSUER SHALL SUBMIT HALF YEARLY REPORT TO THE ISSUER REGARDING UTILIZATION OF PROCEEDS IN THE MANNER REFERRED TO IN THE FINAL OFFER DOCUMENT. THE ISSUER WILL INCLUDE THE REPORT OF THE STATUTORY AUDITOR, ALONG WITH ITS COMMENTS THEREON, IF ANY, IN ITS HALF YEARLY AND ANNUAL FINANCIAL STATEMENTS.

(x) THERE WAS NO DISSENTING VOTE IN THE BOARD MEETING HELD ON 23 JULY 2026, IN WHICH RIGHT SHARES WERE RECOMMENDED

(xi) THE COMPANY INDEMNIFIES AND HOLDS HARMLESS THE SECP AND PSX AND ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS, AND REPRESENTATIVES FROM AND AGAINST ANY CLAIMS, LOSSES, DAMAGES, LIABILITIES, COSTS, OR EXPENSES ARISING IN CONNECTION WITH THE TRANSACTION, EXCEPT TO THE EXTENT SUCH CLAIMS RESULT FROM THE GROSS NEGLIGENCE OR WILFUL MISCONDUCT OF THE INDEMNIFIED PARTY

____

Khurram Zahoor
Company Secretary

DISCLAIMER:

i. In line with Companies Act, 2017 and Companies (Further Issue of Shares) Regulations, 2020, this document does not require approval of the Securities Exchange and the Securities and Exchange Commission of Pakistan (SECP).

ii. The Securities Exchange and the SECP disclaims:

  a. Any liability whatsoever for any loss however arising from or in reliance upon this document to anyone, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.

  b. Any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.

  c. Any responsibility w.r.t quality of the issue.

iii. It is clarified that information in this Offer Document should not be construed as advice on any particular matter by the SECP and the Securities Exchange and must not be treated as a substitute for specific advice.

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GLOSSARY OF TECHNICAL TERMS

Act	Securities Act, 2015
BoD	Board of Directors
CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
Companies Act	Companies Act, 2017
IAS	Investor Account Services
LOR	Letter of Rights
Mn	Million
NICOP	National Identity Card for Overseas Pakistani
PKR or Rs.	Pakistan Rupee(s)
PSX /Securities Exchange	Pakistan Stock Exchange Limited
SECP or Commission	Securities and Exchange Commission of Pakistan
WAVESAPP	Waves Home Appliances Limited (the **"Company"** or **"WAVESAPP"** or the **"Issuer"**)
WAVES	Waves Corporation Limited

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DEFINITIONS

Banker to the Issue	**Bank Makramah Limited ("BML")** has been appointed, in the right issue, as the Banker to the Issue with whom an account is opened and maintained by the issuer for keeping the issue amount.
Book Closure Dates	The Book closure shall be held on [•]
Company	Waves Home Appliances Limited ("**WAVESAPP**" or the "**Company**" or the "**Issuer**")
Commission	Securities and Exchange Commission of Pakistan ("**SECP**")
Holding Company	means Waves Corporation Limited
Issue	Issue of 150,015,772 (One Hundred Fifty Million Fifteen Thousand Seven Hundred Seventy-Two only) Right Shares representing 56.00% of total paid-up capital of the Company.
Issue Price	The price at which Right Shares of the Company are issued to the existing shareholders (PKR 10/- per share).
Ordinary Shares	Ordinary Shares of Waves Home Appliances Limited having face value of PKR 10/- each.
Regulations	Companies (Further Issue of Shares) Regulations,2020 as amended from time to time
Right Issue	Shares offered by a Company to its members strictly in proportion to the shares already held in respective kinds and classes.
Sponsors	A person who has contributed initial capital in the issuing Company or has the right to appoint majority of the directors on the board of the issuing Company directly or indirectly; A person who replaces the person referred to above; and A person or group of persons who has control of the issuing Company whether directly or indirectly.
Substantial Shareholder(s)	The following is the Substantial Shareholder of the Company (based on the current paid-up share capital of the Company): (i) Waves Corporation Limited – 34.34%

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[*TABLE OF CONTENTS WILL BE FINALISED PRIOR TO ISSUANCE OF OFFER DOCUMENT*]

1. SALIENT FEATURES OF THE RIGHT ISSUE

1.1 BRIEF TERMS OF THE RIGHT ISSUE

a)	**Description of Issue**	Issuance of new ordinary shares by way of rights to existing shareholders of the Company at PKR 10/- per share, at their proportionate entitlement
b)	**Size of the proposed Issue**	The Company shall issue 150,015,772 (One Hundred Fifty Million Fifteen Thousand Seven Hundred Seventy Two only) Shares, at a price of PKR 10/- (Pak Rupees Ten only) per share, aggregating to PKR 1,500,157,720/- (One Billion Five Hundred Million One Hundred Fifty Seven Thousand Seven Hundred Twenty only)
c)	**Face Value of the Share**	PKR 10/-
d)	**Basis of determination of price of the right issue**	The Right Issue is being carried out at par. The issue price is determined by the Board of Directors at PKR 10/- per share in view of the breakup value per share of the Company and the future potential of the Company.
e)	**Proportion of new issue to existing shares with any condition applicable thereto**	56.00% - 56 new Right Shares for every 100 existing ordinary shares held.
f)	**Date of meeting of Board of Directors (BoD) wherein the right issue was approved**	23rd July 2026
g)	**Name of directors attending the Board Meeting**	1. Mr. Haroon Ahmad Khan 2. Mrs. Nighat Haroon Khan 3. Mr. Hamza Ahmad Khan 4. Mr. Moazzam Ahmad Khan 5. Mr. Tajammal Hussain Bokharee 6. Mr. Khalid Azeem 7. Mr. Muhammad Zafar Hussain
h)	**Brief purpose of utilization of right issue proceeds**	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.

i)	**Purpose of the Right Issue:** Details of the main objects for raising funds through present right issue: • Total funds required for the project: • percentage of funds financed through the right issue: • percentage of funds financed from other sources, if any; • time of completion of project. • Impact on production capacity	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. 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. Total Funds Required for working capital: 969.22 Mn % age of funds financed through rights issue: 82.5% % age of funds financed through Other sources: 17.5% Time of completion of Project: Not Applicable. Impact on the production capacity: Not Applicable. **a)** to make partial repayment of the loan payable to the Holding Company Total Funds Required for Partial Repayment: 700 Mn % age of funds financed through rights issue: 100.0% % age of funds financed through Other sources: Not Applicable Time of completion of Project: Not Applicable. Impact on the production capacity: Not Applicable
j)	**Minimum level of subscription' (MLS)**	None
k)	**"Application Supported by Blocked amount" (ASBA) facility, if any, will be provided for subscription of right shares**	Not Applicable
l)	**Clear justification for issuance of shares of different kind or class, if applicable**	Not Applicable

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1.2 PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS

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. 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.

Break-up of Utilization of Right Issue Proceeds

The expected proceeds from the Right Issue of PKR 1,500,157,720 is budgeted to 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.

(A) WORKING CAPITAL REQUIREMENTS

(i) Activities Classified as working capital

The allocated amount of PKR 800.16 million will be deployed strictly toward operational cash flow management to support increased production runs, seasonal stocking, and market distribution, including:

- Procurement of imported raw materials/components and local raw materials.
- Direct production, conversion, and labor overheads.
- Building up finished goods inventory to support peak seasonal dealer demand across retail and corporate channels.
- Financing trade credit extended to distribution channels and corporate buyers.

(ii) Basis of estimation of working capital requirement, along with relevant assumptions.

Based on the Company's financial projections, sales volumes are expected to grow at a compound annual growth rate (CAGR) of approximately 32% over the next five years (2026-2031), driven by the expansion of the Company's product portfolio and increased market penetration.

The estimation of working capital requirement is based on the Company’s Cash Conversion Cycle (CCC) required to sustain projected production volumes. In line with industry norms for consumer electronics and appliances, the working capital estimation incorporates the following target operational parameters:

Cash Conversion Cycle: Inventory Days + Receivable Days – Payable Days

Target CCC= 235 days + 264 days – 245 days

(iii) Macroeconomic Impact on Historical Working Capital & Cash Conversion Cycle

The Company's operational working capital and Cash Conversion Cycle (CCC) during the period CY2022–CY2024 were significantly impacted by extraordinary macroeconomic challenges across the domestic appliance sector. Following regulatory measures introduced in mid-2022, including import restrictions on raw materials/CKD components, 100% cash margin requirements, severe PKR currency depreciation, and elevated benchmark interest rates—the broader consumer electronics supply chain faced acute credit tightening (www.sbp.gov.pk) .

Market dynamics temporarily shifted toward cash-based transactions with constrained supplier credit and disrupted procurement schedules. While this environment temporarily distorted historical operating cycles, the gradual easing of import restrictions and stabilization of trade channels have allowed market conditions to normalize.

To support the Company's strategic growth, maintain market share across core segments (refrigerators and deep freezers), and scale its re-entered air conditioner operations, restoring an optimal working capital structure is essential. The injection of non-geared equity via the Rights Issue will provide the requisite operational liquidity to secure raw material inventories under favorable trade terms, offer competitive credit to its dealer network, and reduce dependency on expensive short-term bank financing.

(iv) Cash Conversion Cycle in Number of days for last three years (days inventory outstanding + days sales outstanding - days payables outstanding)

Particulars	Formula	2023	2024	2025
(A) Inventory Days	(Inventory ÷ COGS) × 365	307	335	285
(B) Receivable Days	(Trade Debtors ÷ Sales) × 365	261	485	484
(C) Payable Days	(Trade Creditors ÷ COGS) × 365	266	403	377
(D) Cash Conversion Days	**A + B – C**	**302**	**417**	**392**

The extension in the Company's historical Cash Conversion Cycle was the direct result of severe macroeconomic shocks and regulatory shifts experienced across the domestic consumer durables sector following the 2022 import controls:

- *Downstream Dealer Liquidity Constraints:* Sharp monetary tightening (elevated policy rates) and inflationary pressures severely restricted cash liquidity for retail appliance dealers. To safeguard its nationwide distribution network and maintain market share, the Company temporarily absorbed market pressure by extending structured credit terms, leading to elevated Receivable Days (DSO).

- *Precautionary Inventory Buffers:* In response to import restrictions, LC approval delays, and 100% cash margin requirements introduced in 2022–2023, the standard Just-in-Time procurement model was disrupted. The Company maintained elevated safety stock levels for critical imported components (compressors, CKD kits) to ensure uninterrupted manufacturing operations, inflating Inventory Days (DIO).

- *Upstream Cash Disconnect:* While suppliers shifted toward short-tenor LCs or cash-in-advance terms, market conditions required extending trade credit downstream. This liquidity mismatch temporarily broadened the net cash conversion cycle.

(v) Reasons for raising additional working capital, substantiating the same with relevant facts and figures.

The Company's historical Cash Conversion Cycle has averaged approximately 370 days over the last three years, primarily due to import lead times for components and the standard credit terms extended to dealers in the home appliances sector. The planned expansion in the air conditioner segment requires building up strategic inventory and securing raw materials well in advance. Consequently, the existing working capital facilities are insufficient to support this expanded operational scale without straining liquidity. The additional working capital will bridge this gap, ensuring uninterrupted production, optimizing the operating cycle, and preventing over-reliance on high-cost short-term bank borrowings.

(vi) Total envisaged working capital requirement in a tabular form, the margin money thereof and the portion to be financed by any bank(s) or otherwise.

With the stabilization of macro indicators, easing of trade restrictions, and normalizing interest rates, trade debt recoveries have resumed momentum. The estimation of targeted working capital is based on normalizing the operating cycle to support expanded production volumes (specifically in the air conditioner segment).

The total envisaged working capital requirement at the projected level of operations (2027) has been estimated on the basis of the Company's cash conversion cycle, as follows:

Working Capital (Estimated)	Formula	Computation (PKR '000)	Days
Stock in trade in days	Stock in Trade / COGS × 365	(3,768,445 / 5,853,116) × 365	235
Trade debts in days	Trade Debt / Sales × 365	(6,115,072 / 8,463,542) × 365	264
Trade creditors in days	Trade Creditors / COGS × 365	(3,928,804 / 5,853,116) × 365	(245)
Cash Conversion Days			**254**

On this basis, the total working capital requirement and the manner of its financing are as follows:

Particulars	PKR Mn
Projected Gross Working Capital Requirement (CCC basis)	4,073.13
Additional Working Capital Requirement	969.22
Proposed to be financed through Rights Issue	800.16
Balance to be financed through Banking facilities or other sources	169.06

(B) REPAYMENT OF LOAN TO HOLDING COMPANY

An amount of up to approximately PKR 700 million will be allocated towards the loan repayment to the holding company, Waves Corporation Limited, which arose pursuant to the Scheme of Arrangement wherein certain appliances related assets were demerged from the holding company and merged with and into the Company. For further details please refer to note 1.3 of the Audited Financial Statements of the Company for the year ended 31 December 2025 (available at www.psx.com.pk). As of 30 June 2026, the total principal outstanding is PKR 2,000 million, with PKR 682.89 million of markup payable thereon. This loan provided by the holding company unsecured. The subject loan is payable within a period of 3 years from May 2026 (post renewal) and carried markup not less than the borrowing cost of the holding company.

The outstanding liability carries a recurring profit/markup, its partial settlement will reduce the Company's total liabilities, lower its finance cost, and improve its debt-to-equity ratio and overall gearing position, thereby strengthening the Company's financial position and enhancing shareholder value.

1.3 FINANCIAL EFFECTS ARISING FROM RIGHT ISSUE

	Measurement Unit	Pre-Issue	Post Issue	Increase/ (decrease) in %
		As at December 31, 2025		
Authorized Capital	*PKR Mn*	4,250,000,000	4,250,000,000	Nil
Paid-up-Capital	*PKR Mn*	2,678,853,070	4,179,010,790	56.00%
Net Asset/ Breakup value per share	*PKR*	30.22	23.98	(20.65%)
Gearing Ratio	*PKR*	1.42	1.06	(25.27%)
Production Capacity	*Units*	482,500	482,500	Nil
Market Share	Percentage			

1.4 TOTAL EXPENSES TO THE ISSUE

PSX Fee (0.2% of increase in paid-up capital)	PKR 3 million
Bankers Commission	0.5% of the amount collected
Advisory Fees	PKR 1 million
Underwriting Commission	0.25% of the Underwritten Portion
CDC – Fresh Issue Fee	PKR 2.5 million

SECP Supervisory Fee (10% of fees paid to PSX)	PKR 0.3 million
Auditor Fee for Auditor Certificates	PKR 0.3 million (maximum)
Other expenses (including printing costs, lawyers and consultation fees, etc.)	PKR 3 million

1.5 DETAILS OF UNDERWRITERS

Name of the Underwriter	Amount Underwritten in PKR	Associated Company/Associated Undertaking of the Issuer
[To be updated upon execution of Underwriting Agreement]	PKR {X}	

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1.6 COMMITMENTS FROM SUBSTANTIAL SHAREHOLDERS/DIRECTORS

Note: [For the purpose of right issue, the management will be obtaining the requisite undertaking(s) from the Substantial Shareholder (upon 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]

Name	Status	No. of Existing Shares	Entitlement	Number of Shares Committed to be Subscribed*	Amount Committed to be Subscribed (PKR)*	Shareholding % pre- issuance	Shareholding % post issuance
Mr. Haroon Ahmad Khan	CEO / Director	8,977	5,027	5,027	50,270	0.00335%	0.00335%
Mrs. Nighat Haroon Khan	Director	26,703	14,954	14,954	149,540	0.00997%	0.00997%
Mr. Hamza Ahmad Khan	Director	49,048	27,467	27,467	274,670	0.01831%	0.01831%
Mr. Moazzam Ahmad Khan	Director	1,000	560	560	5,600	0.00037%	0.00037%
Mr. Tajammal Hussain Bokharee	Director	100	56	56	560	0.00004%	0.00004%
Mr. Khalid Azeem	Director	222	124	124	1,240	0.00008%	0.00008%
Mr. Muhammad Zafar Hussain	Director	340	190	190	1,900	0.00013%	0.00013%
Waves Corporation Limited	Sponsor / Shareholder / Parent Company	92,000,500	51,520,280	51,520,280	515,202,800	34.34319%	34.34319%
Total		**92,086,890**	**51,568,658**	**51,568,658**	**515,686,580**	**34.37544%**	**34.37544%**

Note: This is pertinent to highlight that the Holding Company has committed to subscribe to any unsubscribed portion of the Right Issue, over and above its own entitlement, subject to the completion of necessary corporate and regulatory formalities, which may be allotted to it by the Board of the Company under Section 83(1)(a)(iv) of the Companies Act, 2017. The above shareholding is based on the data of 15 July 2026.

1.7 FRACTIONAL SHARES

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

1.8 IMPORTANT DATES

Waves Home Appliances Limited Tentative Schedule for Issuance of Letter of Rights Book Closure: [•]			
S. No	**Procedure**	**Day**	**Date**
a)	Date of credit of unpaid Rights into CDC in Book Entry Form	[•]	[•]
b)	Dispatch of Letter of Right (LOR) to physical shareholders	[•]	[•]
c)	Intimation to Stock Exchange for dispatch of physical Letter of Rights	[•]	[•]
d)	Commencement of trading of unpaid Rights on the Pakistan Stock Exchange Limited	[•]	[•]
e)	Last date for splitting and deposit of Requests into CDS	[•]	[•]
f)	Last date of trading of Rights Letter	[•]	[•]
g)	Last date for acceptance of payment	[•]	[•]
h)	Allotment of shares and credit of book entry of Shares into CDC	[•]	[•]
i)	Date of Dispatch of physical shares certificates	[•]	[•]

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2. SUBSCRIPTION AMOUNT PAYMENT PROCEDURE

(a) Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "Waves Home Appliances Limited - Right Shares Subscription Account" through any of the authorized branches of above-mentioned bank on or before **[•]** along with the Right Subscription Request duly filled in and signed by the subscriber(s).

(b) Right Subscription Request can be downloaded from [•].

(c) In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of equivalent amount in Pak Rupees should be sent to the Company Secretary, Waves Home Appliances Limited at the Registered Office of the Issuer along with Right Subscription Request (both copies) duly filled and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.

(d) All cheques and drafts must be drawn on a bank situated in the same city where Right Subscription Request is deposited. Cheque is subject to realization.

(e) The Bank will not accept Right Subscription Request delivered by post which may reach after the closure of business on **[•]** unless evidence is available that these have been posted before the last date of payment.

(f) Payment of the amount indicated above to the Issuer's Banker to the Issue on or before **[•],** shall be treated as acceptance of the Right offer.

(g) After payment has been received by the Company's Banker to the Issue, Right Securities will be credited into respective CDS Accounts within 10 working days from the last payment date. Paid Right Subscription Request will not be traded or transferred.

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3. PROFILES OF THE BOARD OF DIRECTORS OF THE COMPANY AND SPONSORS

3.1 PROFILE OF THE BOARD OF DIRECTORS OF THE COMPANY

BOARD OF DIRECTORS	DESIGNATION	LAST DATE OF APPOINTMENT
Mr. Haroon Ahmad Khan	Chief Executive Officer / Director	25 November 2023
Mrs. Nighat Haroon Khan	Director (Non-Executive)	25 November 2023
Mr. Hamza Ahmad Khan	Director (Non-Executive)	25 November 2023
Mr. Moazzam Ahmad Khan	Director (Executive)	25 November 2023
Mr. Tajammal Hussain Bokharee	Director (Non-Executive – Independent)	25 November 2023
Mr. Khalid Azeem	Director (Non-Executive)	25 November 2023
Mr. Muhammad Zafar Hussain	Chairman - Director (Non-Executive –Independent)	25 November 2023

3.2 OTHER DIRECTORSHIP

DIRECTORS	DESIGNATION	COMPANY
Mr. Haroon Ahmad Khan	Chief Executive Officer	Waves Corporation Limited
Mr. Haroon Ahmad Khan	Director	Waves Marketplace Limited Waves Builders & Developers (Private) Limited
Mrs. Nighat Haroon Khan	Director (Non-Executive)	Waves Corporation Limited Waves Marketplace Limited
Mr. Moazzam Ahmad Khan	Chief Executive Officer	Waves Marketplace Limited Waves Builders & Developers (Private) Limited
Mr. Moazzam Ahmad Khan	Director	Waves Corporation Limited

3.3 Profile of sponsors

Mr. Muhammad Zafar Hussain

Chairman

Mr. Muhammad Zafar Hussain was elected as Director on August 11, 2020 to serve as the member of the Board of Directors of Waves Home Appliances Limited. He is a highly motivated individual and has engaged teams through his inspiring and achievement driven leadership style. High desirability of the company maintaining a reputation for high standard business conduct and need to act fairly as between members of the company. Mr. Muhammad Zafar Hussain effectively leads the board and ensures that the board plays an effective role in fulfilling its responsibilities.

Mr. Haroon Ahmad Khan

Chief Executive Officer (CEO)

Mr. Haroon Ahmad Khan is serving as Chief Executive Officer at Waves Home Appliances. Mr. Haroon has an extensive experience in managing appliances businesses and had previously been working as Managing Director of one of the most renowned appliances companies of Pakistan. Mr. Haroon's expertise include financial management and business structuring Mr. Haroon has played a key role in structuring and setting up of country's first Independent Power Plant and shaped a number of technology transfer and Joint Venture agreements. He is also a fellow of the Institute of Chartered Accountants of Pakistan.

Mr. Tajammal Hussain Bokharee

Non-Executive Director

Mr. Tajammal Hussain Bokharee is a seasoned Pakistani banking and finance professional, a Chartered Accountant and Associate of the Chartered Institute of Bankers (London), who retired as Senior Executive Vice President (SEVP) at National Bank of Pakistan. He has served on the boards of major companies including Siemens Pakistan, Sindh Bank, Pioneer Cement, and Lotte Chemical Pakistan, and currently serves as Independent Director at Waves Home Appliances.

Mr. Khalid Azeem

Non-Executive Director

Mr. Khalid Azeem is a seasoned Mechanical Engineer with over three decades of executive-level experience in the home appliance manufacturing industry. He has held senior leadership roles at renowned companies, including Head of Manufacturing Operations at PEL (Pak Elektron Limited) and Smart Zone Appliances. Currently, he leads the manufacturing operations team at Waves Home Appliances, bringing his vast technical expertise and operational leadership to drive excellence in production.

Mr. Moazzam Ahmad Khan

Executive Director

Mr. Moazzam Ahmad Khan is a Fellow Member of the Institute of Chartered Accountants of Pakistan (FCA) with over three decades of senior management experience across Pakistani and Saudi organizations. Currently, he serves as Chief Financial Officer (CFO) at Waves Home Appliances Ltd.

Mr. Hamza Ahmad Khan

Non-Executive Director /

Mr. Hamza is a graduate of the University of Warwick and a qualified Chartered Accountant (ICAEW) trained at Deloitte UK. After completing his studies and gaining practical work experience in the UK, he joined the company in 2022 and is now overseeing various aspects of its operations.

Mrs. Nighat Haroon Khan

Non-Executive Director / Sponsor

Dr. Nighat Haroon Khan is a Radiologist practicing in Lahore. She holds MBBS, F.C.P.S, M.C.P.S. degree and has years of experience. Dr. Nighat Haroon Khan currently practices in Lahore General Hospital. She is wife of Mr. Haroon Ahmad Khan who is serving as Chief Executive Officer of Waves Home Appliances Limited.

Waves Corporation Limited – (Holding Company/Substantial Shareholder)

Waves Corporation Limited is the investment holding company of the Waves Group and the holding company and a substantial shareholder of Waves Home Appliances Limited. The Company is principally engaged in managing its strategic investments in its subsidiary companies through capital allocation, corporate governance, and strategic oversight. It provides financial and strategic support to its subsidiaries to facilitate sustainable growth, enhance operational performance, and create long-term value for shareholders.

4. DETAILS OF THE ISSUER

4.1. FINANCIAL HIGHLIGHTS OF PRECEDING THREE YEARS OF UNCONSOLIDATED FINANCIAL STATEMENTS

Amount in PKR 000	CY2025	CY2024	CY2023
Name of the Statutory Auditor	Rizwan and Company Chartered Accountants		
Gross Revenue/Sale	5,034,438	4,078,713	5,061,929
Gross Profit	1,006,254	886,395	1,086,063
Profit before interest & Tax	810,232	768,355	516,432
Profit after tax	189,204	153,287	115,718
Net Profit/Loss	189,204	153,287	115,718
Accumulated Profit/Loss	1,030,583	822,360	643,269
Total Assets	19,558,427	18,529,556	17,252,214
Total Liabilities	11,463,825	10,560,548	9,683,742
Net Equity	8,094,601	7,969,008	7,614,654
Break-up value Per Share	30.22	29.75	28.43
Earnings/Loss per share	0.71	0.57	0.43
Dividend Announced	Nil	Nil	Nil
Bonus Issue	0%	0%	0%

4.2. FINANCIAL HIGHLIGHTS OF PRECEDING ONE YEAR OF CONSOLIDATED FINANCIAL STATEMENTS

4.3 DETAILS OF ISSUE OF CAPITAL IN PREVIOUS FIVE YEARS

Right Issue	CY2021	CY2022	CY2023	CY2024	CY2025
Percentage	Nil				
Number of Shares	Nil				
Amount Raised	Nil				
Unsubscribed portion	Nil				
Unsubscribed portion allotted by BoD	Nil				
Unsubscribed portion taken up by the Underwriter	Nil				
Proceed utilization break up	Nil				

No further issue of capital by way of Rights Issue, except that in year 2022 by way of Scheme of Arrangement, effective from 01 September 2021, the Company and Waves Corporation Pakistan Limited, pursuant to the sanctioned Scheme by the honorable High Court, the Company issued 256,006,196 shares i.e. 199,724,956 shares to Waves Corporation Limited and 56,281,240 shares to the shareholders of Waves Corporation Limited. For further details please refer to the audited accounts of the Company available on the Company's website and www.psx.com.pk.

4.4 AVERAGE MARKET PRICE OF THE SHARE OF THE ISSUER DURING THE LAST SIX MONTHS

Average market price of the share of the Company during the last six months (from January 23, 2026 to July 23, 2026) is PKR 8.67 per share.

4.5 SHARE CAPITAL AND RELATED MATTERS

Pattern of Shareholding of the Issuer as of 15 July 2026:

Categories of shareholders	Shareholders	No. of Shares Held	% holding
Directors, Chief Executive Officer & their spouse(s) and minor children			
1	Mr. Haroon Ahmad Khan	8,977	0.00335%
2	Mr. Moazzam Ahmad Khan	1,000	0.00037%
3	Mrs. Nighat Haroon Khan	26,703	0.00997%
4	Mr. Hamza Ahmad Khan	49,048	0.01831%
5	Mr. Tajammal Hussain Bokharee	100	0.00004%
6	Mr. Khalid Azeem	222	0.00008%
7	Mr. Muhammad Zafar Hussain	340	0.00013%
Sub-Total		**86,390**	**0.03225%**
B	**Associated Companies**	**92,000,500**	**34.34324%**
C	**Investment Companies**	**-**	0.00000%
D	**NIT & ICP**	**10**	0.00000%
E	**Financial Institutions**	**722,520**	0.26971%
F	**Leasing Companies**	**5,100**	0.00190%
G	**Pension Funds**	**5,686**	0.00212%
H	**Joint Stock Companies**	**14,426,814**	5.38544%

I	**Other Companies**	**2,119,005**	0.79101%
J	**General Public Local**	**158,494,060**	59.16489%
K	**General Public Foreign**	**25,222**	0.00942%
Sub-Total		**267,798,917**	**99.96775%**
Total		**267,885,307**	**100.00000%**

4.6. Shares held by Directors, Sponsors and Substantial Shareholders of the Issuer (both Existing and Post Right Issue)

The Company is part of the Waves Group. Waves Corporation Limited ("WAVES") is the Holding Company of the Group and, as at the date of this Offer Document, holds the following interests in the Group companies (as of the 15 July 2026):

Group Company	Nature of Business	Shareholding held by Waves Corporation Limited	Relationship within the Waves Group
Waves Home Appliances Limited	Manufacturing and assembling consumer home appliances, including deep freezers, refrigerators and air conditioners	34.34%	Listed Subsidiary (the Issuer)
Waves Market Place Limited	Retail sale of home appliances and consumer products through a nationwide retail network	100.00%	Wholly owned Subsidiary
Waves Builders & Developers (Private) Limited	Real estate development	100.00%	Wholly owned Subsidiary

Name	Status	No. of Existing Shares	Entitlement	Number of Shares Committed to be Subscribed*	Amount Committed to be Subscribed (PKR)*	Shareholding % pre- issuance	Shareholding % post issuance
Mr. Haroon Ahmad Khan	CEO / Director	8,977	5,027	5,027	50,270	0.00335%	0.00335%
Mrs. Nighat Haroon Khan	Director	26,703	14,954	14,954	149,540	0.00997%	0.00997%
Mr. Hamza Ahmad Khan	Director	49,048	27,467	27,467	274,670	0.01831%	0.01831%
Mr. Moazzam Ahmad Khan	Director	1,000	560	560	5,600	0.00037%	0.00037%
Mr. Tajammal Hussain Bokharee	Director	100	56	56	560	0.00004%	0.00004%
Mr. Khalid Azeem	Director	222	124	124	1,240	0.00008%	0.00008%

Mr. Muhammad Zafar Hussain	Director	340	190	190	1,900	0.00013%	0.00013%
Waves Corporation Limited	Sponsor / Shareholder / Parent Company	92,000,500	51,520,280	51,520,280	515,202,800	34.34319%	34.34319%
Total		**92,086,890**	**51,568,658**	**51,568,658**	**515,686,580**	**34.37544%**	**34.37544%**

The above is based on the shareholding of the Company as of 15 July 2026

5. DISCLOSURE OF DEFAULTS / OVERDUE AMOUNTS

<table>
<tr><th>Sr.</th><th>Requirement</th><th>Waves Home Appliances Limited (Issuer)</th><th>Waves Corporation Limited (Substantial Shareholder)</th></tr>
<tr><td>(a)</td><td>Details of any defaults / overdue amounts of principal and interest at the date of submission of the Offer Document and in the last three financial years</td><td>An amount of PKR 227 million in respect of a facility from The Bank of Khyber (“BoK”) is classified as overdue as at the date of submission of this Offer Document.

The amount is in the process of being regularized through a mutually agreed restructuring arrangement with the bank, which is at an advanced stage (see item (d) below).

BoK has issued its No Objection Certificate in relation to the Right Issue.</td><td>An amount of PKR 3,447 million in respect of a facility from National Bank of Pakistan (“NBP”) is classified as overdue as at the date of submission of this Offer Document.

NBP approved the restructuring of this facility in 2024. Subsequently, WCL requested certain amendments to the approved restructuring terms, which are currently at an advanced stage of approval (see item (d) below)..

NBP has issued its No Objection Certificate in relation to the Right Issue.</td></tr>
<tr><td>(b)</td><td>Carrying amount of the loans payable in default</td><td>The carrying amount of the BoK facility referred to above is PKR 116.7 million as at 30-June-2026.</td><td>The carrying amount of the NBP facility referred to above is PKR 28 million as at 30-June-2026.</td></tr>
<tr><td>(c)</td><td>Whether the default was remedied, or the terms of the loans payable were renegotiated</td><td>The terms of the BoK facility have been negotiated with the bank on mutually agreed terms and the restructuring is at an advanced stage of finalization.</td><td>The repayment terms of the facility have been renegotiated with the respective lender. All commercial terms have been mutually agreed, and formal approval of the revised restructuring arrangement is currently awaited.</td></tr>
<tr><td>(d)</td><td>Details and status of any debt restructuring</td><td>Restructuring of the BoK facility is in process with the support of the bank. All terms have been agreed with the bank and formal approval is expected to be received in due course.

<table><tr><th>Particulars</th><th>Terms</th></tr><tr><td>Total Tenor</td><td>5 Years</td></tr><tr><td>Repayment of Principal</td><td>Repayable on a step-up basis over the first 4 years</td></tr><tr><td>Repayment of Markup</td><td>Payable during remaining 1 year</td></tr></table></td><td>Restructuring of the NBP facility is in process with the support of the bank. All terms have been agreed with the bank and formal approval is expected to be received in due course.

<table><tr><th>Particulars</th><th>Terms</th></tr><tr><td>Total Tenor</td><td>12 Years</td></tr><tr><td>Repayment of Principal</td><td>Repayable on a step-up basis over the first 10 years</td></tr><tr><td>Repayment of Markup</td><td>Payable during the last 2 years</td></tr></table></td></tr>
</table>

		Upon completion, the facility will be serviced in accordance with the restructured terms.	Upon completion, the facility will be serviced in accordance with the restructured terms.
(e)	Whether any part of the Right Issue proceeds would be utilized towards overdues	The overdue amount referred to above shall be settled by WAVESAPP from its own sources.	The overdue amount referred to above shall be settled by WAVES from its own sources.
(f)	NOC issued by the financial institution(s) in respect of whom the overdues or defaults appear in the report obtained from the Credit Information Bureau, in relation to the Right Issue	The Bank of Khyber has issued its No Objection Certificate in relation to the Right Issue is obtained	National Bank of Pakistan has issued its No Objection Certificate in relation to the Right Issue is obtained
(g)	Details of recovery proceedings, if any	No recovery proceedings have been initiated in this respect.	No recovery proceedings have been initiated in this respect.

6. RISK FACTORS

6.1 RISK ASSOCIATED WITH THE RIGHTS ISSUE

Undersubscription Risk

There is a risk that the Rights Issue may be undersubscribed due to insufficient shareholder interest. 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 has been underwritten in accordance with applicable laws.

Further, the Holding Company 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.

6.2 RISKS ASSOCIATED WITH ISSUER

A) Internal Risk Factors

i. Liquidity Risk

The Company is exposed to liquidity risk arising from its working capital requirements, inventory levels, trade receivables and debt servicing obligations. Any delay in the collection of receivables, increase in working capital requirements or unforeseen cash flow constraints may adversely affect the Company's ability to meet its financial obligations and operational requirements.

The Company seeks to mitigate this risk by strengthening its working capital position through the proposed Right Issue, maintaining prudent cash flow management, closely monitoring receivables and inventory levels, and reducing its existing high-cost liabilities through repayment of the loan payable to the holding company and certain bank borrowings.

ii. Financing Covenant Risk

The Company is currently servicing its financing facilities in accordance with the agreed terms and conditions and maintains regular engagement with its financing institutions. The proposed Rights Issue is expected to further strengthen the Company's financial position by improving liquidity, reducing leverage and enhancing its ability to meet its financing obligations. The Company seeks to mitigate this risk through prudent financial management, continuous monitoring of its financing obligations and covenant compliance.

iii. Credit Risk

The Company is exposed to credit risk arising from trade receivables due from its dealers, distributors and other customers. Any delay in collection or default by customers may adversely affect the Company's cash flows, liquidity and financial performance.

The Company seeks to mitigate this risk through established credit policies, regular monitoring of receivables, defined credit limits and continuous assessment of customers' creditworthiness.

iv. Foreign Exchange Risk

The Company is exposed to foreign exchange risk as a portion of its raw materials, components and other production inputs are procured through imports. Any significant depreciation of the Pakistani Rupee against foreign currencies may increase procurement costs, adversely affect production costs and reduce the Company's profit margins and financial performance.

The Company seeks to mitigate this risk through prudent procurement planning, maintaining appropriate inventory levels, negotiating with multiple suppliers where commercially feasible, and continuously monitoring foreign exchange movements to effectively manage its procurement strategy.

v. Business Risk

The Company's business is subject to risks arising from changes in consumer demand, competitive pressures, evolving customer preferences and general economic conditions. The Company's future growth also depends on the successful execution of its business strategy, including the expansion of its air conditioner business and continued growth in its refrigerator and deep freezer segments. Failure to respond effectively to changing market conditions may adversely affect the Company's sales, profitability and financial performance.

The Company seeks to mitigate these risks by continuously strengthening its product portfolio, expanding its dealer and distribution network, maintaining product quality, monitoring market trends and consumer preferences, and implementing prudent business and operational strategies to enhance its competitive position.

vi. **Operational Risk Factors**

The Company's operations are subject to operational risks inherent in the manufacturing of home appliances, including plant and machinery breakdowns, production interruptions, utility outages, quality control issues, labour related matters and supply chain disruptions. Any such event may adversely affect production schedules, increase operating costs and impact the Company's financial performance.

The Company seeks to mitigate these risks through preventive maintenance of manufacturing facilities, effective production planning, quality assurance procedures, regular equipment maintenance and continuous monitoring of its manufacturing operations.

vii. **Seasonality Risk**

The Company's sales are subject to seasonal demand, which may fluctuate due to weather conditions, consumer purchasing patterns and prevailing market conditions. Any adverse changes in seasonal demand may affect the Company's sales volumes, revenues and profitability. The Company seeks to mitigate this risk through product diversification, a balanced customer mix comprising retail, institutional and corporate customers, and prudent production and inventory planning.

B) External Risk Factors

i. **Interest / Mark-up Rate Risk**

The Company is exposed to interest / mark-up rate risk arising from its borrowings and other financing arrangements. Any increase in benchmark interest rates may increase the Company's finance costs and adversely affect its profitability and cash flows. Although a portion of the proceeds from the Right Issue will be utilized to repay the loan payable to the holding company and certain bank borrowings, future financing requirements may remain exposed to fluctuations in interest / mark-up rates.

The Company seeks to mitigate this risk by reducing its existing high-cost liabilities through the proposed utilization of the Right Issue proceeds, maintaining prudent financial management practices and regularly monitoring its financing requirements

ii. **Profitability**

The Company reported a profit after tax of PKR 189.204 million for FY2025, compared to PKR 153.287 million for FY2024, reflecting an improvement in the Company's operating performance, supported by higher production and sales volumes.

NOTE: IT IS STATED THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF, ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

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7. LEGAL PROCEEDINGS:

7.1 OUTSTANDING LEGAL PROCEEDINGS OF THE COMPANY

#	Order Date	Forum	Tax Year	Amount (Rs.)	Current Stage	Basis for Management's Confidence
1	16-04-2014	FBR CIR(A)-II / Sec. 122(5)	2008	28,482,019	Cross-appeals (Company & Department) pending before ATIR; original order had already vacated the demand and determined losses of Rs. 128,915,283	Demand already vacated at first appellate stage; the Company's appeal is a protective filing on residual grounds, not a fresh exposure
2	27-09-2014	FBR Add. CIR / Sec. 122(5A)	2009	4,800,000 (approx.)	Appeal pending before ATIR	Assessment made without adequate legal/factual basis on record; merits favour the taxpayer
3	31-10-2012	FBR Add. CIR	2010	521,334	Reference/appeal pending before the Lahore High Court on a question of law	Matter sub judice on a legal question where precedent supports the taxpayer's position
4	06-02-2019	FBR- CIR(A)-II	2010	3,415,779	Department's appeal pending before ATIR; Company had already succeeded at the CIR(A) stage	Relief already secured at first appellate forum; onus is on the Department to disturb a reasoned order
5	06-02-2019	FBR-CIR(A)-II / Sec. 122(5A)	2011	6,014,075	Department's appeal pending before ATIR (filed 22-03-2019)	Relief already secured at CIR(A) stage; Department's appeal raises no fresh grounds
6	26-07-2021	FBR- CIR(A)-II	2012	3,971,666	Net exposure reduced to Rs. 208,422 (remanded portion only); Department has not filed any appeal against the CIR(A) order	Effective exposure reduced by approx. 95%; residual amount pending fresh adjudication before ACIR on merits
7	25-06-2021	FBR- CIR(A)-II	2014	1,293,704	Rs. 21,575,775 of the original Rs. 23,525,775 addition remanded for fresh proceedings; Department has not appealed	Bulk of the original exposure now subject to re-adjudication, with a fresh opportunity for relief on merits
8	26-07-2021	FBR- CIR(A)	2015	Refund impact (Rs. 18,556,268 of Rs. 18,856,268 remanded)	Remanded for fresh proceedings before ACIR; Department has not appealed	Refund position expected to be substantially restored on re-examination

7.2. ANY OUTSTANDING LEGAL PROCEEDING OTHER THAN THE NORMAL COURSE OF BUSINESS INVOLVING THE ISSUER, ITS SPONSORS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND ASSOCIATED COMPANIES, OVER WHICH THE ISSUER HAS CONTROL, THAT COULD HAVE MATERIAL IMPACT ON THE ISSUER

There are currently no legal proceedings other than the normal course of business involving the issuer, its sponsors, substantial shareholders, directors and associated companies, over which the issuer has control, that could have material impact on the issue.

7.3. ACTION TAKEN BY THE SECURITIES EXCHANGE AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NONCOMPLIANCE OF ITS REGULATIONS

(i) WAVES HOME APPLIANCES LIMITED

#	Date	Forum	Amount (PKR)	Basis of Penalty
1	6-Apr-26	Pakistan Stock Exchange Limited	780,000/-	For late disclosures of trades by the Directors and substantial shareholders.
2	16-Apr-26	Pakistan Stock Exchange Limited	94,000/-	For delay of posting of Annual Accounts for the year ended 31 Dec 25 on the PUCARS
3	29-Apr-24	Pakistan Stock Exchange Limited	35,000/-	For re submission of Quarterly Non-Free Float report in the CDS

(ii) WAVES CORPORATION LIMITED

#	Date	Forum	Amount (PKR)	Basis of Penalty
1	06-Apr-26	Pakistan Stock Exchange Limited	1,075,000/-	For late disclosures of trades by the Directors and substantial shareholders.
2	16-Apr-26	Pakistan Stock Exchange Limited	131,600/-	For delay of posting of Annual Accounts for the year ended 31 Dec 25 on the PUCARS
3	18-Mar-22	Securities & Exchange Commission of Pakistan	50,000/-	Appeal filed with the Appellate Tribunal of the SECP in respect of the appointment of independent directors against order passed by the Adjudication Division vide order dated 18 March 2022 against the Chairman of the Board and the Chief Executive Officer of Waves Singer Pakistan Limited in their personal capacity.

(iii) WAVES BUILDERS & DEVELOPERS (PRIVATE) LIMITED

#	Date	Forum	Amount (PKR)	Basis of Penalty
1	10-Oct-22	Securities & Exchange Commission of Pakistan	25,000/-	Appeal to be filed with the Appellate Tribunal of the SECP in respect of order of Registrar of Companies dated 30 June 2026 for failure to hold AGM against the original order passed by the Adjudication Officer, Lahore vide order dated 10 Oct 22.

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8. SIGNATORIES TO THE OFFER DOCUMENT

Mr. Haroon Ahmad Khan
Chief Executive Officer
Waves Home Appliances Limited

Mr. Muhammad Zafar Hussain
Chairman
Waves Home Appliances Limited