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 20 November, 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:	18 August 2026
Date of Book Closure:	27 August 2026
Subscription Amount Payment Dates:	31 August 2026 to 21 September 2026
Trading Dates for Letter of Rights:	31 August 2026 to 14 September 2026
Website address to download Offer Document:	https://waves.net.pk/waves-home-appliances-right-share/ 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					
Next Capital Limited	Rizwan Yousuf	Company Secretary	+923312676504	2nd Floor, Imperial Court Building, Dr.Ziauddin Ahmed Road Opposite Karachi Club, Karachi	compliance@nextcapital.com.pk
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 space has been left blank intentionally)

Note: BML being a scheduled bank is currently in the process of obtaining the requisite permission from SECP to act as Bankers to the Issue, which is expected before the circulation of the Offer document to the shareholders. In case the permission is delayed then alternative Banker to the Issue will be appointed and all relevant documents/disclosures will be updated.

E-STAMP

ID :	PB-LHR-7056B6827E663C38
Type :	Low Denomination
Amount :	Rs 300/-

Scan for online verification

Description :	AFFIDAVIT- 4
Applicant :	Waves Home Appliances Limited [35202-6621019-9]
Representative From :	Muhammad Saad
Agent :	Self
Address :	Lahore
Issue Date :	23-Jul-2026 3:08:51 PM
Delisted On/Validity :	30-Jul-2026
Amount in Words :	Three Hundred Rupees Only
Reason :	Undertaking in favor of Pakistan Stock Exchange Limited / SECP
Vendor Information :	Muhammad Junaid Ahmad | PB-LHR-102 | Moon Markeet

بلاتحریر جاری کیا گیا ہے

نوٹ :یہ ٹرانزیکشن تاریخ اجراءسے سات دنوں تک کے لیےقابل استعمال ہے۔ای اسٹامپ کی تصدیق بذریعہ ویب سائٹ،کیوآر کوڈ سے کی جا سکتی ہے۔

M. JUNAID AHMAD
STAMP VENDOR
لائسنس نمبر 102
نمبر شمار 490

ATTESTED

OATH COMMISSIONER
District Courts Lahore

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;

1) 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;

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

3) THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;

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

5) 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

E-STAMP
(GOVERNMENT OF PUNJAB)

PB-LHR-02F64937D0398FEE

PSID-40172607284325469

Rs 500/-

Five Hundred Rupees Only

Deed Name	: AGREEMENT OR MEMORANDUM OF AN AGREEMENT - 5(ccc)
First Party	: Waves Home Appliances Limited [3520202577977]
Second Party	: In Favor of SECP and Pakistan Stock Exchange Limite
Receipient	: Khurram Zahoor [35202-0257797-7]
Issue Date	: 28-Jul-2026, 09:57:29 AM
Stamp Duty Paid by	: Waves Home Appliances Limited [3520202577977]
Paid Through Challan	: 2026E9571D59B2C3

ATTESTED

OATH COMMISSIONER
District Courts Lahore

Please Write Below This Line

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 28 JULY 26 (I.E. WITHIN 3 WORKING DAYS OF THE DATE OF ANNOUNCEMENT BY THE BOARD.

(v) COMMENTS FROM SECURITIES EXCHANGE AND THE SECP WERE RECEIVED ON 12 AUG 26. HOWEVER, NO PUBLIC COMMENTS WERE SOUGHT FOR THE DRAFT OFFER DOCUMENT.

(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 18 AUG 26 ALONG WITH THE BOOK CLOSURE DATES AND RELEVANT RIGHT ISSUANCE TIMELINES. (I.E. WITHIN 5 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.

FOR AND ON BEHALF OF WAVES HOME APPLIANCES LIMITED

KHURRAM ZAHOOR
COMPANY SECRETARY

Page 1 of 2

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.

(This space has been left blank intentionally)

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

(This space has been left blank intentionally)

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 27 August 2026
Company	Waves Home Appliances Limited (“**WAVESAPP**” or the “**Company**” or the “**Issuer**”)
Commission	Securities and Exchange Commission of Pakistan (“**SECP**”)
Holding Company	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).
Market Price	The latest available closing price of the Company's share was PKR 8.99 per share as at 17 August 2026.
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%

Table of Contents

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. (A) 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. (B) 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)**	Not Applicable: Pursuant to Regulation 3(1)(vi) of the Companies (Further Issue of Shares) Regulations, 2020, the entire Rights Issue is fully secured. The Directors and Substantial Shareholders of the Company have provided written undertakings to subscribe to (or arrange subscription for) their entire entitlement, while the remaining balance of the Rights Issue is fully and firmly underwritten by licensed underwriter. Consequently, 100% subscription of the issue is legally confirmed, and no threshold for a Minimum Level of Subscription is required or applicable.
k)	**"Application Supported by Blocked amount" (ASBA) facility, if any, will be provided for subscription of right shares**	Not Applicable: The ASBA (Application Supported by Blocked Amount) facility is an e-IPO subscription mechanism applicable primarily to public offers of new securities/IPOs. For the present Rights Issue, subscription and payment execution

		are governed strictly by Section 83 of the Companies Act, 2017 read with standard PSX/CDC corporate action protocols. Existing shareholders and renouncees shall execute subscription through designated Bankers to the Issue using standard Right Subscription Requests (RSRs) or via direct Central Depository Company (CDC) online entitlement procedures.
l)	**Clear justification for issuance of shares of different kind or class, if applicable**	Not Applicable The Company is offering a single, uniform class of equity securities, namely Ordinary Shares of face value PKR 10/- each. No shares of any different kind, class, or with differential voting, dividend, or special rights are being created or issued under this Rights Issue. All new Right Shares, when issued and allotted, shall rank pari passu in all respects with the existing ordinary shares of the Company.

(This space has been left blank intentionally

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 2026 (available at www.psx.com.pk).

It is further clarified that as per the audited financial statements for the year ended 31 December 2025, the total amount payable to the Holding Company was PKR 2,535 million, comprising PKR 2,000 million of principal and PKR 535 million of mark-up accrued thereon. Under the financing arrangement between the Company and the Holding Company, any mark-up not settled by the Company was added to the principal portion. This was approved by the shareholders of the Holding Company in their meeting held on 29 April 2024. The term of the loan was recently extended by a further three (3) years by the shareholders of the Holding Company in their meeting held on 30 April 2026 upto 30 April 2029. Complete repayment of the loan to Holding Company is expected to be in the last quarter before the expiry of the extended term.

As of 30 June 2026, the total principal outstanding is PKR 2,000 million, with PKR 667.5. million of markup payable thereon at a markup rate of [11.06] %. This loan provided by the Holding Company is 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, being [10.24%].

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.

The table below provides an overview of the expected repayment plan of the Company for the said loan:

	PKR Mn
Amount payable to Holding Company as of 30 Jun 2026 (un-audited)	2,667
Less: Repayment made out of proceeds of Rights Issue	(700)
Balance amount payable	1,967

Note: The balance amount payable is expected to be paid till 30 April 2029 including any outstanding markup that is accrued on the above amount, unless any further extension is approved by the shareholders of the Holding Company.

Business Plan and Rationale for the Rights Issue

The proposed Rights Issue of PKR 1,500.16 million is intended to strengthen the Company's operating cycle and financial position. Out of the total proceeds, PKR 800.16 million will be utilized towards working capital requirements, including procurement of raw materials, production, inventory and operating-cycle funding, while PKR 700 million will be utilized towards partial repayment of the Holding Company loan, thereby reducing the Company's financing burden.

The Company intends to progressively increase production and sales by improving utilization of its existing manufacturing platform, which has an installed capacity of approximately 482,500 units per annum. Planned production is expected to increase from 50,975 units in FY2026 to 110,000 units in FY2027, primarily across Deep Freezers, Refrigerators and Air Conditioners, while production of Washing Machines, Microwaves and Water Heaters is also planned to resume. With the implementation of the above Business Plan, the Company expects to progressively increase its production and sales through improved working-capital availability, better utilization of its existing manufacturing platform, enhanced product availability and stronger dealer recoveries. These initiatives are expected to improve the Company's operating efficiency, profitability and earnings, and support sustainable growth in the Company's business and financial performance

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[1]	*PKR*	30.22	23.98	(20.65%)
Gearing Ratio[2]	*Times*	1.42	1.06	(25.27%)
Production Capacity	*Units*	482,500	482,500	Nil
Market Share	Percentage	[Deep Freezer: 12.6% Refrigerator: 0.78% Air Conditioner: 0.38%]	[Deep Freezer: 18.1% Refrigerator: 1.2% Air Conditioner: 0.75%]]	[Deep Freezer: 5.54% Refrigerator: 0.42% Air Conditioner: 0.37%]]

1.4 TOTAL EXPENSES TO THE ISSUE

PSX Fee (0.2% of increase in paid-up capital)	PKR 3 million

[1] Breakup Value per Share is determined using the formula provided herein: Break-up value: Net Assets / Number of Shares

[2] Gearing Ratio has been calculated using the formula provided herein: Total Liabilities / Equity.

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
Next Capital Limited	PKR 985,000,000/-	No

1.6 COMMITMENTS FROM SUBSTANTIAL SHAREHOLDERS/DIRECTORS

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.

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: From 27 August 2026 to 27 August 2026 (both days inclusive)			
S. No	**Procedure**	**Day**	**Date**
a)	Date of credit of unpaid Rights into CDC in Book Entry Form	Friday	28 August 2026
b)	Dispatch of Letter of Right (LOR) to physical shareholders	Monday	01 September 2026
c)	Intimation to Stock Exchange for dispatch of physical Letter of Rights	Tuesday	01 September 2026
d)	Commencement of trading of unpaid Rights on the Pakistan Stock Exchange Limited	Tuesday	01 September 2026
e)	Last date for splitting and deposit of Requests into CDS	Wednesday	02 September 2026
f)	Last date of trading of Rights Letter	Monday	14 September 2026
g)	Last date for acceptance of payment	Monday	21 September 2026
h)	Allotment of shares and credit of book entry of Shares into CDC	Monday	5 October 2026
i)	Date of Dispatch of physical shares certificates	Monday	5 October 2026

(This space has been left blank intentionally)

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 the Company’s Banker to the Issue (i.e. Bank Makramah Limited) on or before **21 September 2026** along with the Right Subscription Request duly filled in and signed by the subscriber(s).

(b) Right Subscription Request can be downloaded from https://waves.net.pk/waves-home-appliances-right-share/.

(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 situated at 9 KM, Multan Road, Lahore 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 Company’s Banker to the Issue will not accept Right Subscription Request delivered by post which may reach after the closure of business on **21 September 2026** unless evidence is available that these have been posted before the last date of payment.

(f) Payment of the amount indicated above to the Company’s Banker to the Issue (*being Bank Makramah Limited*) on or before 05:00 PM on **21 September 2026,** 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.

(This space has been left blank intentionally)

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 / directors

Mr. Muhammad Zafar Hussain

Board 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)-Sponsor

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 a company registered in Pakistan and the holding company / substantial shareholder of Waves Home Appliances Limited, currently holding 34.3% of the shareholding of the Company. Waves Corporation Limited was incorporated at 15-April-1961. 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. The following individuals are members of the board of directors of Waves Corporation Limited:

Sr.No	BOARD OF DIRECTORS
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

(This space has been left blank intentionally)

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	11,463,826	10,560,548	9,637,559
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

Not Applicable, since the Company does not has any subsidiaries.

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 17 August 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%**

Group Structure:

Waves Corporation Limited is the holding company of the Issuer and two other companies, which collectively constitute the Waves Group. The table below provides an overview of the group structure of Waves Corporation Limited:

Company	Nature of Business	Shareholding Structure	Relationship with Waves Corporation Limited
Waves Home Appliances Limited	Manufacturing and assembling consumer home appliances, including deep freezers, refrigerators and air conditioners	• 34.34% owned by Waves Corporation Limited • Please refer to the shareholding pattern given above	Subsidiary
Waves Market Place Limited	Retail sale of home appliances and consumer products through a nationwide retail network	100% owned by Waves Corporation Limited	Wholly owned Subsidiary
Waves Builders & Developers (Private) Limited	Real estate development	100% owned by Waves Corporation Limited	Wholly owned Subsidiary

4.6. Shares held by Directors, Sponsors and Substantial Shareholders of the Issuer (both Existing and Post Right Issue) as of 17 August 2026

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%**

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 82 million in respect of a facility from The Bank of Khyber (“BoK”) is classified as overdue as at 30-June-2026.

BoK has issued its No Objection Certificate in relation to the Right Issue.

The amount is in the process of being regularized through a mutually agreed restructuring arrangement with BoK, which is at an advanced stage of approval (see item (d) below).</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 30-June-2026.

NBP has issued its No Objection Certificate in relation to the Right Issue.

NBP approved the restructuring of this facility in 2024. Subsequently, WAVES requested certain amendments to the approved restructuring terms, which are currently at an advanced stage of approval (see item (d) below)..</td></tr>
<tr><td>(b)</td><td>Carrying amount of the loans payable in default</td><td>The carrying amount of the BoK facility, being the discounted present value of the rescheduled payments referred to above, is PKR 216 million as at 31 December 2025.</td><td>The carrying amount of the NBP facility, being the discounted present value of the rescheduled payments referred to above, is PKR 2667 million as at 31 December 2025.</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 BoK on mutually agreed terms and the restructuring is at an advanced stage of approval.</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><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 the 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><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></table></td></tr>
</table>

		Upon completion, the facility will be serviced in accordance with the restructured terms.	Repayment of Markup | Payable during the last 2 years 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	BoK has issued its No Objection Certificate in relation to the Right Issue.	NBP has issued its No Objection Certificate in relation to the Right Issue.
(g)	Details of recovery proceedings, if any	No recovery proceedings have been initiated in this respect.	Proceedings for implementation of restructuring.

(This space has been left blank intentionally)

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 Rights 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.

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.

Occupational Health & Safety Risk

The Company's manufacturing activities involve plant and machinery and accordingly require appropriate workplace health and safety measures. The Company seeks to manage this risk through established safety practices, operational controls and regular maintenance

Environmental Risk

The Company's manufacturing operations are subject to applicable environmental requirements. Changes in environmental regulations or compliance requirements may result in additional costs. The Company seeks to manage this risk through appropriate operational controls and compliance with applicable requirements

Governance Risk

As a listed company, the Company is subject to applicable corporate governance, disclosure and reporting requirements. The Company seeks to manage this risk through Board oversight, internal controls and compliance with applicable regulatory requirement

Political Risk

Changes in government policies, import restrictions, trade measures, customs duties, taxation policies and geopolitical conditions may affect the Company's procurement, input costs and overall operating environment. The Company monitors relevant policy developments and adjusts its procurement, production and business planning accordingly.

Economic Risk

Inflation, interest/mark-up rates, foreign exchange fluctuations, consumer purchasing power and overall economic conditions may affect the Company's input costs, financing costs, pricing, margins and demand. The Company manages these factors through prudent financial management, procurement planning, pricing and efficient working-capital management.

Social Risk

Changes in consumer preferences, purchasing power, consumption patterns, lifestyle trends and seasonal demand may affect demand for home appliances. The Company mitigates these risks through product diversification, its dealer and distribution network, and appropriate production and inventory planning.

Technological Risk

Technological developments, changing product features, energy-efficiency requirements and manufacturing technologies may affect product competitiveness and consumer demand. The Company monitors technological developments and seeks to align its product portfolio and manufacturing practices with evolving market requirements.

Environmental Risk

Changes in environmental requirements, energy-efficiency standards, waste management requirements and other environmental regulations may affect the Company's operations and compliance costs. The Company monitors applicable requirements and incorporates relevant environmental considerations into its product and operational planning.

Legal / Regulatory Risk

Changes in corporate, taxation, import, customs, labour, environmental, product, consumer protection and other applicable laws and regulations may affect the Company's operations and cost structure. The Company monitors applicable legal and regulatory requirements and maintains appropriate compliance processes.

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.

(This space has been left blank intentionally)

7. LEGAL PROCEEDINGS:

7.1 OUTSTANDING LEGAL PROCEEDINGS OF THE COMPANY

#	Legal Order Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR)	Current Status	Management's Stance
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.	Remanded for fresh proceedings before ACIR; Department has not appealed	Refund position expected to be substantially restored on re-examination

#	Legal Order Date	Issuing Authority	Tax Period	Order Amount / Financial Impact (PKR)	Current Status	Management's Stance
				18,856,268 remanded)		

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

(This space has been left blank intentionally)

8. SIGNATORIES TO THE OFFER DOCUMENT

Mr. Haroon Ahmad Khan
Chief Executive Officer
Waves Home Appliances Limited
Date:18-August-2026

Mr. Khurram Zahoor
Company Secretary
Waves Home Appliances Limited
Date: 18-August-2026

WITNESSES:

Aamir Jamil

Muhammad Saad

PSX COMMENTS

GENERAL POINTS

Sr.	PSX Comment	Company's Response
1	In "Date of placing offer document on PSX for Public Comments", quote the section disallowing public comments;	Incorporated
2	Provide a Business Plan in order to assess the need of issuing right issue;	Incorporated

IMPORTANT DATES IN THE OFFERING DOCUMENTS (OD)

Sr.	PSX Comment	Company's Response
1	The dates need to be disclosed in final OD (where applicable) as per the revised timelines notified via SRO 1665(I)/2025 dated August 29, 2025;	Incorporated
2	Provide complete download link of Offering Documents (OD) on company's website.	Incorporated The link for downloading the Offering Document is as under: [https://waves.net.pk/home-appliances-limited/]
3	The provided table is completely blank. The names of the underwriter(s), their contact persons, designations, contact numbers, office addresses, and email IDs must be fully populated.	The name of Next Capital Limited being the underwriter is incorporated in the Offer Document

3. UNDERTAKINGS BY THE CEO, CFO AND BOARD OF DIRECTORS

Sr.	PSX Comment	Company's Response
1	The Undertaking is to be formally endorsed by the respective signatories in the final OD. The dates need to be disclosed in final OD as per the revised timelines notified via SRO 1665(I)/2025 dated August 29, 2025.	Incorporated

4. UNDERTAKING BY THE BOARD OF DIRECTORS / COMPANY SECRETARY OR AN OFFICER AUTHORIZED BY THE BOARD

Sr	PSX Comment	Company's Response
1	i. Board Resolution by the Board of Directors authorizing Company Secretary / an officer to act in their behalf;	Authority available from Board
2	ii. Please follow the format in true spirit where applicable, while in clause iv, v & viii of final offer document, provide the dates /number of days (where applicable) for the comments from Securities Exchange and Commission and for placement on the website of PSX via PUCARS along with the book closure dates as per revised timelines notified vide S.R.O. 1665(I)/2025 dated August 29, 2025;	Incorporated
3	iii. Inclusion of clause that no public comments are being taken;	Incorporated
4	iv. Indemnity clause to safeguard the directors / officials of Securities Exchange and Commission;	As per SECP Comment No. 4(iv), this clause has been deleted from the Undertaking.
5	v. Undertaking is to be formally endorsed by the respective signatories in the final OD.	Incorporated

PURPOSE OF RIGHT ISSUE

Sr.	PSX Comment	Company's Response
1	i. Please provide a comprehensive overview report evaluating the proposed rights issue. The report must detail the need to meet increased working capital requirements, the expected impact on production capacity, and the subsequent returns to shareholders;	Incorporated
2	ii. Additionally, it should cover capital allocations for purchasing plant, equipment, and technology etc. Finally, please include the percentage of funds to be financed through the rights issue versus other sources;	No new capital expenditure for plant, equipment or manufacturing facilities is planned, as the production growth will be achieved through improved utilization of the Company's existing manufacturing capacity.
3	iii. Indemnity clause to safeguard the directors / officials of Securities Exchange and Commission;	As per SECP Comment No. 4(iv), this clause has been deleted from the Undertaking.

5. GLOSSARY OF TECHNICAL TERMS & DEFINITIONS

Sr.	PSX Comment	Company's Response
1	Write all the definitions & acronyms with abbreviations relevant to your right issue as per Schedule - I.	Incorporated.

6. TABLE OF CONTENTS

Sr.	PSX Comment	Company's Response
1	Please mention all heading and subheadings, write N/A where not applicable as per Schedule – I.	Incorporated

7. SALIENT FEATURES – BRIEF TERMS OF THE RIGHTS ISSUE

Sr.	PSX Comment	Company's Response
1	i. Reason for writing “Not Applicable” for Point No. (j), (k) & (l).	Incorporated in the Offer Document

8. GENERAL REQUIREMENT

Sr.	PSX Comment	Company's Response
1	i. Provide the details.	Incorporated

9. FINANCIAL EFFECTS ARISING FROM RIGHT ISSUE

Sr.	PSX Comment	Company's Response
1	i. Provide the complete data with Latest information at cut-off date.	The complete financial effect is stated in section 1.3 of the Offering Document

10. TOTAL EXPENSES TO THE ISSUE

Sr.	PSX Comment	Company's Response
1	i. Provide the complete data with Latest information at cut-off date.	The complete information at the cut-off date is given at section 1.4 of the Offering document

11. DETAILS OF UNDERWRITERS

Sr.	PSX Comment	Company's Response
1	i. Complete contact details of the Underwriter — in “Details of the relevant contact persons”	Incorporated

12. COMMITMENTS FROM SUBSTANTIAL SHAREHOLDERS/DIRECTORS

Sr.	PSX Comment	Company's Response
1	i. Provide the signed undertaking from the directors, sponsors, and substantial shareholders confirming the subscription of shares according to their entitlement, or arrange for subscription through other persons, as required under Section 3(1)(vi)(a) of the Regulations;	The requisite signed undertakings are available and are sent to PSX
2	ii. Provide the complete data with Latest information at cut-off date;	Incorporated
3	iii. Use correct heading as per Schedule – I.	Incorporated

13. IMPORTANT DATES

Sr.	PSX Comment	Company's Response
1	i. Inclusion of correct dates at the time of final offer documents.	Incorporated

14. SUBSCRIPTION AMOUNT PAYMENT PROCEDURE

Sr.	PSX Comment	Company's Response
1	i. In clause (a) and (f) provide the name of the bank instead of “above mentioned Bank” or “Issuer’s banker / banker to the issue;	The name of the Banker to the Issue i.e. Bank Makramah Limited.
2	ii. Inclusion of correct dates / data at the time of final offer documents.	Incorporated

15. PROFILE OF MANAGEMENT AND SPONSORS

Sr.	PSX Comment	Company's Response
1	i. Use all headings and subheadings, write N/A where not applicable as per Schedule – I	Incorporated
2	ii. Identify Sponsors with Profile of sponsor(s); and	Incorporated
3	iii. If sponsor is company registered in Pakistan, date of incorporation, names of directors % age of shareholding.	Incorporated

16. DETAILS OF THE ISSUER

Sr.	PSX Comment	Company's Response
1	i. Financial highlights for preceding one year of consolidated financial statements;	Not Applicable as the Company does not has any subsidiary or associated company. The word “consolidation” was an error in the draft OD and has been deleted accordingly.
2	ii. Confirmation from the auditor the correct amount with the amount disclosed in the financial statements;	The certificate from the Auditors is available and will be sent to PSX

17. RISK FACTORS

Sr.	PSX Comment	Company's Response
1	i. In the times of PESTEL instability, elaborate how these conditions can impact the valuation, and the method of mitigation to ensure shareholder interest;	Incorporated
2	ii. Additional risk factors relating to the following areas shall necessarily be disclosed in the offer document, wherever applicable as per Schedule I.	Incorporated

3	iii. Inclusion of "Statement that to the best of our knowledge and belief all risk factors have been disclosed" shall be given immediately after the risk factor by the authorized officer / management.	Incorporated
4	iv. Please include legal, Operational & Supply Chain, Occupational Health & Safety (OHS), Environmental, Social, and Governance (ESG), all PESTEL risk, where applicable.	Incorporated

18. LEGAL PROCEEDINGS

Sr.	PSX Comment	Company's Response
1	i. Please provide point (iii) - Legal proceedings be summarized as per the format mentioned in Schedule - I.	Incorporated

19. SIGNATORIES TO THE OD

Sr.	PSX Comment	Company's Response
1	Ensure that the Final OD shall be signed by the respective signatories.	Incorporated

(This space has been left blank intentionally)

SECP COMMENTS

Sr. No	Comment Received	Whether the Company agree/disagree	Proposed change, if Agreed/Response
1	General Point i. Dates shall be disclosed and updated in the OD. ii. Please ensure that no page in OD is left blank.	Agreed	Incorporated
2	Cover Page (Page 1 & 2) i. Add the corporate office address in OD. ii. Delete the download link for the document, being already provided above.	Agreed	Incorporated
3	Undertaking by the CEO and CFO (Page 3): Undertaking shall be signed by the respective signatories in the OD along with date.	Agreed	Incorporated
4	Undertaking by the Company Secretary / an officer of the Company authorized by the Board of Directors (Page 4): i. Undertaking shall be signed by the respective signatories in the OD. ii. In point iv substitute "days" with "working days". iii. In Point viii substitute "working days" with "days". iv. Delete clause xi of the undertaking.	Agreed	Incorporated
5	Definitions (Page 7): i. Add the book closure date and latest market price in OD. ii. Delete the word "means" from the expression "Holding Company: means Waves Corporation Limited".	Agreed	Incorporated
6	Principal Purpose of the Issue and Funding Arrangements (Page 14): In 1.2(B) Repayment of Loan to holding company – disclose the markup rate on loan, average borrowing cost of the holding company and plan of repayment of the balance amount of Rs. 1.3 billion, if any.	Agreed	Incorporated.
7	Financial Effects arising from Right Issue (Page 14): i. Disclose the formulae along with figures used to calculate the Breakup Value per share and Gearing Ratio in footnotes to the table. ii. Disclose Market Share.	Agreed	Incorporated
8	Important Dates (Page 17): Disclose the dates in OD.	Agreed	Incorporated
9	Subscription Amount Payment Procedure (Page 18): i. In clause (a) mention the name of the banker to the issue instead of above-mentioned bank(s) and last date for payment of subscription amount. ii. In clause (b) provide the link for download of Right Subscription Request. iii. In clause (e) mention the date. iv. In clause (f) provide name of the banker to the issue and relevant date.	Agreed	Incorporated
10	Profile of the Directors and Sponsors (Page 19-20): Provide the date of incorporation of the holding company, names of directors, % of shareholding as given in clause 9(iv) of Schedule I to the Regulations.	Agreed	Incorporated

Sr. No	Comment Received	Whether the Company agree/disagree	Proposed change, if Agreed/Response
11	Details of the Issuer (Page 21): Disclose the financial highlights for preceding one year of consolidated financial statements as required under clause 10(ii) of Schedule I to the Regulations.	N/A	Not Applicable as the Company does not has any subsidiary or associated company. The word “consolidation” was an error in the draft OD and has been deleted accordingly.
12	Risk Factors (Page 26-28): In the Liquidity Risk – delete “certain bank borrowings”, if the purpose is only to repay the loan payable to holding company.	Agreed	Incorporated
13	Signatories to the Offer Document (Page 33): The OD shall be signed by all the directors or an officer of the Company authorized by them in this behalf in original duly dated and witnessed, as required under clause 13 of Schedule I to the Regulations.	Agreed	Incorporated