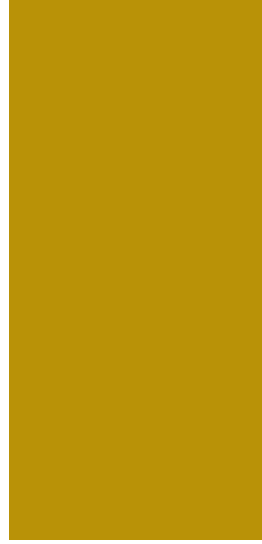




HALF YEARLY REPORT 2024

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VISION

A stylized yellow eye icon with a black outline, positioned between the letters 'I' and 'N' of the word 'VISION'.

To manage the entrusted responsibilities efficiently and systematically, with a focus on strong corporate governance. We aim to make informed decisions on financial matters and assets management, in compliance with statutory and regulatory framework, ensuring accountability and excellence.

MISSION

A stylized yellow target icon with a black outline, positioned between the letters 'I' and 'N' of the word 'MISSION'.

Integration:

Integrating and managing business segments, subsidiaries, and associates alongside their assets and liabilities.

Organizational Efficiency:

Creating a lean and efficient structure to effectively manage allocated shares, liabilities, including restructured debt stock, SOE payables and subsidiary proceeds.

Asset Management:

Maintaining and disposing off properties in line with the established procedures.

Shared-services Provision:

Providing shared and value-added services to third parties.

CORPORATE PROFILE

as at April 24, 2025

BOARD OF DIRECTORS

Mr Tariq Bajwa
Chairman

Lt Gen (Retd) Muhammad Ali HI(M)
Federal Secretary Defence

Mr Imdad Ullah Bosal
Federal Secretary Finance

Mr Shazad Dada

Mr Naeem Iqbal

Mr Yousaf Khosa

Mr Javed Kureishi

Syed Zibber Mohiuddin

Mr Asad Rasool
Chief Executive Officer

Mr Hammad Shamimi
Federal Secretary Privatisation

BOARD AUDIT & FINANCE COMMITTEE

Mr Shazad Dada Chairman

Mr Javed Kureishi Member

Mr Imdad Ullah Bosal Member

Syed Zibber Mohiuddin Member

BOARD HR & LEGAL COMMITTEE

Mr Yousaf Khosa Chairman

Mr Naeem Iqbal Member

Mr Asad Rasool Member
Chief Executive Officer

CHIEF EXECUTIVE OFFICER

Mr Asad Rasool

REGULATORY APPOINTEES

Mr Amos Nadeem
Chief Financial Officer

Rao Muhammad Imran
Company Secretary

EXECUTIVE MANAGEMENT

Mr Amos Nadeem
Chief Financial Officer

Mr Athar Hussain
Chief Human Resource Officer

Syed Qamar Maqbool
General Manager Coordination / Asset Management

Mr Hasnat Ahmed Ali
General Manager Accounting & Finance

EXTERNAL AUDITOR

Grant Thornton Anjum Rahman
(Chartered Accountants)

LEGAL ADVISOR

Mr Haroon Rasheed Abbasi

BANKERS

The Bank of Punjab
National Bank of Pakistan
National Bank of Pakistan (Bahrain)
MCB Islamic Bank Limited

SHARE REGISTRAR

CDC Shares Registrar Services Limited (CDCSRSL)

CDC House, 99-B, Block-B, Sindhi Muslim Cooperative Housing Society Main Shahrah-e-Faisal, Karachi-74400, Pakistan.

Phone (Toll-Free) 0800-CDCPL (23275)

Tel: 0092-21-111111500

Fax 0092-21-34326053

Email: info@cdcsrsl.com

Website: www.cdcsrsl.com

COMPANY ADDRESSES

Registered Address

Company Secretary - PIAHCL
4th Floor, PIA Building, 49-AKM Fazal-e-Haq Road, Blue Area, Islamabad, Pakistan

Liaison Office Address

Company Secretary - PIAHCL
1st Floor, Executive Corridor, PIA Head Office, Karachi-Airport, Pakistan

SUBSIDIARIES

Pakistan International Airlines Corporation Limited (PIACL)

PIA Investments Limited (PIAIL)

Skyrooms (Private) Limited (SRL)

Sabre Travel Network Pakistan (Private) Limited

SECP REGISTRATION CUIN: 0254011

NATIONAL TAX NO: D342499-4

WEBSITE : www.piahcl.com.pk

DIRECTORS' REPORT

FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

On behalf of the Board of Directors of PIA Holding Company Limited (PIAHCL), we are pleased to present the performance report along with the financial statements for the period May 01, 2024, till June 30, 2024.

During the reported period of two months, the Company earned a revenue of PKR 16 million, whereas the reported expenses of PKR 984 million primarily relate to retirement benefits disbursed to retired employees of Pakistan International Airlines Corporation Limited (PIACL) and the finance cost of PKR 3,078 million pertains to interest accrued on government loans. These liabilities were assumed by the Company pursuant to the approved Scheme of Arrangement (SOA) and hence are being supported through financial assistance from the Government of Pakistan. This translated into a loss of PKR 4,046 million for the reported period.

The formation of PIAHCL marks a significant step in the Government's ongoing privatization initiative for PIACL. This restructuring of PIACL aims to streamline its operations, attract strategic investment, and enhance overall service delivery. Through a targeted corporate and financial reorganization, PIAHCL is now positioned to provide strategic oversight, enabling PIACL to remain focused on core airline operations. This structural delineation between core and non-core functions is expected to drive operational synergies, optimize resource allocation, and improve long-term financial performance of PIACL.

Under the new structure, a portfolio of diversified subsidiaries has been transferred to PIAHCL, including PIA Investments Limited, Skyrooms Private Limited and Sabre Travel Network Pakistan (Private) Limited. PIA Investments Limited and Skyrooms Private Limited focus on hospitality services, while Sabre Travel Network Pakistan provides travel and tourism solutions, collectively enhancing group synergies and shareholder value. Additionally, Precision Engineering Complex (PEC), formerly a strategic business unit of PIACL, is also part of PIAHCL.

Going forward, the Management of PIAHCL is committed to strengthening revenue streams through leasing of its real-estate portfolio; dividend income and management fees from subsidiaries while aiming to retire its liabilities from the privatization proceeds of PIACL and other assets.

PIAHCL's establishment reflects a proactive governance approach designed to create long-term stakeholder value, improve financial sustainability, and respond more effectively to changing market dynamics and customer expectations in a highly competitive environment.



Asad Rasool
Chief Executive Officer



Tariq Bajwa
Chairman

ڈائریکٹرز کی رپورٹ

برائے مدت ختم شدہ 30 جون، 2024

پی آئی اے ہولڈنگ کمپنی لمیٹڈ (PIAHCL) کے بورڈ آف ڈائریکٹرز کی جانب سے، یکم مئی 2024 سے 30 جون 2024 تک کی مدت کے لیے کمپنی کی کارکردگی کی رپورٹ جمع مالیاتی گوشوارہ جات پیش خدمت ہے۔

رپورٹ کردہ دو ماہ کی مختصر مدت کے دوران کمپنی نے 16 ملین روپے کی آمدنی حاصل کی، جبکہ 984 ملین روپے کے اخراجات ہوئے جو بنیادی طور پر پاکستان انٹرنیشنل ایئرلائنز کارپوریشن لمیٹڈ (PIACL) کے ریٹائرڈ ملازمین کو دی گئی پنشن اور دیگر ریٹائرمنٹ فوائد سے متعلق تھے۔ مزید برآں، 3,078 ملین روپے کا مالیاتی خرچ حکومت پاکستان سے حاصل کردہ قرضوں پر واجب الادا سود کی مد میں شامل ہے۔ یہ تمام واجبات کمپنی نے منظور شدہ اسکیم آف اریجنٹ (SOA) کے تحت اپنے ذمے لیے، اور ان کے لیے حکومت پاکستان سے مالی معاونت فراہم کی جارہی ہے۔ نتیجتاً، رپورٹ کردہ مدت میں کمپنی کو 4,046 ملین روپے کا خسارہ ہوا۔

پی آئی اے ہولڈنگ کمپنی لمیٹڈ کا قیام حکومت پاکستان کی جانب سے پاکستان انٹرنیشنل ایئرلائنز کارپوریشن لمیٹڈ کی نجکاری کی جاری کوششوں میں ایک اہم پیش رفت ہے۔ پاکستان انٹرنیشنل ایئرلائنز کارپوریشن لمیٹڈ کی اس تنظیم نو کا مقصد اس کی کارکردگی کو بہتر بنانا، اسٹریٹیجک سرمایہ کاروں کو راغب کرنا، اور مجموعی سروس ڈیلیوری کو بہتر بنانا ہے۔ اس مربوط کارپوریٹ و مالیاتی تنظیم نو کے ذریعے، پی آئی اے ہولڈنگ کمپنی لمیٹڈ اب اسٹریٹیجک نگرانی فراہم کرنے کی پوزیشن میں ہے تاکہ پاکستان انٹرنیشنل ایئرلائنز کارپوریشن لمیٹڈ اپنی بنیادی ایئرلائن سرگرمیوں پر بھرپور توجہ دے سکے۔ بنیادی اور غیر بنیادی افعال کے درمیان یہ واضح تفریق آپریشنل ہم آہنگی، وسائل کا مؤثر استعمال اور طویل مدتی مالیاتی کارکردگی کو بہتر بنانے کا باعث بنے گی۔

اس نئے ڈھانچے کے تحت کئی متنوع ذیلی ادارے پی آئی اے ہولڈنگ کمپنی لمیٹڈ کو منتقل کیے گئے ہیں جن میں شامل ہیں:

- پی آئی اے انویسٹمنٹس لمیٹڈ
- اسکاٹی رومز پرائیویٹ لمیٹڈ
- سیبر ٹریول نیٹ ورک پاکستان (پرائیویٹ) لمیٹڈ

پی آئی اے انویسٹمنٹس لمیٹڈ اور اسکاٹی رومز پرائیویٹ لمیٹڈ ہوٹل کی صنعت سے وابستہ ہیں، جبکہ سیبر ٹریول نیٹ ورک پاکستان سیاحت اور سفری حل پیش کرتا ہے۔ یہ تمام ادارے مجموعی طور پر گروپ کی ہم آہنگی اور شیئر ہولڈروں میں اضافہ کرتے ہیں۔ علاوہ ازیں، پریسیشن انجینئرنگ کمپلیکس (PEC)، جو سابقہ طور پر پاکستان انٹرنیشنل ایئرلائنز کارپوریشن لمیٹڈ کا ایک اسٹریٹیجک بزنس یونٹ تھا، اب پی آئی اے ہولڈنگ کمپنی لمیٹڈ کا حصہ ہے۔

آئندہ کے لیے، پی آئی اے ہولڈنگ کمپنی لمیٹڈ کی انتظامیہ اپنے رینک اسٹیٹ پورٹ فولیو کو لیز پر دے کر، ذیلی اداروں سے ڈیویڈنڈ آمدنی اور مینجمنٹ فیس حاصل کر کے، ریونیو کے ذرائع کو مستحکم بنانے کی کوشش کر رہی ہے، جبکہ پاکستان انٹرنیشنل ایئرلائنز کارپوریشن لمیٹڈ کی نجکاری کے ذریعے حاصل شدہ آمدنی و دیگر اثاثوں سے اپنے مالی واجبات ختم کرنے کا ارادہ رکھتی ہے۔

پی آئی اے ہولڈنگ کمپنی لمیٹڈ کا قیام ایک فعال اور مستقبل بین تنظیم سازی کا عملی مظہر ہے، جس کا مقصد طویل مدتی اسٹیک ہولڈروں کو تخلیق کرنا، مالیاتی پائیداری کو بہتر بنانا، اور ایک انتہائی مسابقتی کاروباری ماحول میں بدلتے ہوئے مارکیٹ رجحانات اور صارفین کی توقعات کا مؤثر انداز میں جواب دینا ہے۔

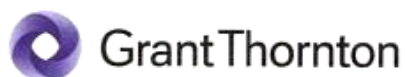


طارق باجوہ
چیئر مین



اسد رسول
چیف ایگزیکٹو آفیسر

AUDITORS' REVIEW REPORT



**Grant Thornton Anjum
Rahman**

1st & 3rd Floor,
Modern Motors House,
Beaumont Road,
Karachi, Pakistan.

INDEPENDENT AUDITORS' REVIEW REPORT

T +92 21 35672951-56

To the members of PIA Holding Company Limited

Report on review of unconsolidated condensed interim financial statements

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of PIA Holding Company Limited (the Company) as at 30 June 2024 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows, unconsolidated condensed interim statement of changes in equity and notes to the unconsolidated condensed interim financial statements for the period from 01 May 2024 to 30 June 2024 (here-in-after referred as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements as at 30 June 2024 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants

grantthornton.pk

Emphasis of matter

We draw attention to note 1.2 to the unconsolidated condensed interim financial statements which states that the Government of Pakistan has confirmed to extend maximum financial support to the Company to maintain its going concern status. Hence, the sustainability of the future operations of the Company is dependent on the said support. Our conclusion is not modified in respect of this matter.

The engagement partners on the review resulting in this independent auditors' review report is Muhammad Khalid Aziz.



Chartered Accountants
Place: Karachi
Date: 30 April 2025
UDIN: RR202410154BKaW6OsJ5

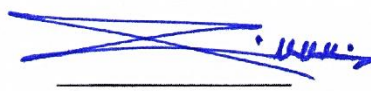
UNCONSOLIDATED
FINANCIAL
STATEMENTS

PIA HOLDING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 30 JUNE 2024

	Note	(Rupees in '000)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	6	109,642
Investment property	7	9,682,707
Long-term investments	8	56,905,865
Long-term loan to subsidiaries	9	3,910,769
		<u>70,608,983</u>
CURRENT ASSETS		
Stores and spares	1.3	154,445
Trade debts	10	-
Advances	1.3	23,330
Trade deposits and short-term prepayments	1.3	1,679
Other receivables	11	11,198,055
Bank balances - current account		39,463
		<u>11,416,972</u>
TOTAL ASSETS		<u><u>82,025,955</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Share capital	12	52,345,121
Reserves		(657,574,162)
		<u>(605,229,041)</u>
NON CURRENT LIABILITIES		
Long-term financing	13	377,393,154
Long-term advance from subsidiaries	14	11,345,199
		<u>388,738,353</u>
CURRENT LIABILITIES		
Trade and other payables	15	212,991,593
Accrued interest	16	68,525,050
Short-term borrowings	17	17,000,000
		<u>298,516,643</u>
TOTAL EQUITY AND LIABILITIES		<u><u>82,025,955</u></u>
CONTINGENCIES	18	

The annexed notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director


Chief Financial Officer

PIA HOLDING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD FROM 01 MAY 2024 TO 30 JUNE 2024

	Note	(Rupees in '000)
General and administrative expenses	19	(983,787)
Other income		15,758
Finance costs	20	(3,077,796)
Loss before taxation		(4,045,825)
Taxation		-
Net loss for the period		(4,045,825)

---- (Rupees) ----

Loss per share - basic and diluted

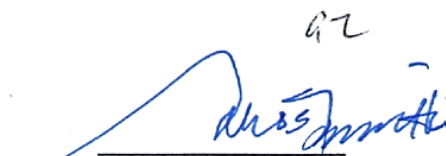
Loss attributable to:

'A' class ordinary shares of Rs. 10/- each	(0.77)
'B' class ordinary shares of Rs. 5/- each	(0.39)

The annexed notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer

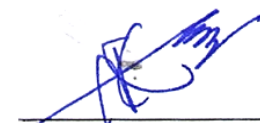

Director

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Chief Financial Officer

PIA HOLDING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD FROM 01 MAY 2024 TO 30 JUNE 2024

	(Rupees in '000)
Net loss for the period	(4,045,825)
Other comprehensive income	-
Total comprehensive loss for the period	<u>(4,045,825)</u>

The annexed notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director

92


Chief Financial Officer

PIA HOLDING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD FROM 01 MAY 2024 TO 30 JUNE 2024

	Reserves			Total reserves	Total equity
	Share capital	Demerger reserve	Accumulated loss		
	(Rupees in '000)				
Ordinary shares under the Scheme (note 1.3)	52,345,121	-	-	-	52,345,121
Reserve under the Scheme (note 1.3)	-	(653,528,337)	-	(653,528,337)	(653,528,337)
Total comprehensive loss for the period	-	-	(4,045,825)	(4,045,825)	(4,045,825)
	52,345,121	(653,528,337)	(4,045,825)	(657,574,162)	(605,229,041)
Balance as at 30 June 2024	<u>52,345,121</u>	<u>(653,528,337)</u>	<u>(4,045,825)</u>	<u>(657,574,162)</u>	<u>(605,229,041)</u>

The annexed notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.


Chief Executive Officer


Director

92

Chief Financial Officer

PIA HOLDING COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD FROM 01 MAY 2024 TO 30 JUNE 2024

(Rupees in '000)

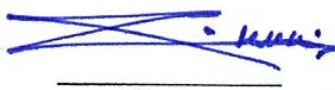
CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation	(4,045,825)
Adjustments for:	
Depreciation	145,983
Finance costs	3,077,796
	(822,046)
Working Capital Changes:	
Other receivables	(15,758)
Trade and other payables	835,797
	820,039
Decrease in cash and cash equivalents during the period	(2,007)
Cash and cash equivalents acquired under the Scheme	41,470
Cash and cash equivalents at end of the period	39,463

The annexed notes from 1 to 24 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive Officer



Director



Chief Financial Officer

PIA HOLDING COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD FROM 01 MAY 2024 TO 30 JUNE 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** PIA Holding Company Limited (the Company) was incorporated in Pakistan under the Company's Act, 2017 (the Act) as a public limited company on 21 March 2024 and listed on Pakistan Stock Exchange on 27 May 2024. The registered office of the Company is situated at PIA Building, 49-AKM Fazal-e-Haq Road, Blue Area, Islamabad. The principal activity of the Company is to act as the holding company of its subsidiaries and associates.
- 1.2** During the period, the Company incurred a net loss of Rs. 4,045.824 million and as of the reporting date, the current liabilities of the Company exceeded its current assets by Rs. 287,438.994 million. However, the management has made an assessment of the Company's ability to continue as a going concern and believes that the sustainability of the future operations of the Company is dependent on the support of the Government of Pakistan (GoP) therefore, no material uncertainty exists and going concern basis of accounting is appropriate. Accordingly, these unconsolidated condensed interim financial statements are prepared on a going concern basis.
- 1.3** In accordance with the Scheme of Arrangement (SOA), Pakistan International Airlines Corporation Limited (PIACL) completed a business restructuring exercise after obtaining approval from the Privatization Commission (PC), along with legal and regulatory approvals. The effective date of the SOA was 30 April 2024 and with effect from the said date the entire shareholding of PIACL was transferred to the Company and PIACL became the wholly owned subsidiary of the Company. As a result of the restructuring of the PIACL's business, certain assets and liabilities were transferred to the Company. The details of assets and liabilities transferred to the Company and its consequential effect on the reserves of the Company as of 30 April 2024 are as follows:

	(Rupees in '000)
ASSETS	
Property, plant and equipment	7,606,304
Investment property	2,332,027
Long-term investments	4,560,744
Long-term loan to subsidiaries	3,910,769
Stores and spares	154,445
Trade debts	-
Advances	23,330
Trade deposits and short-term prepayments	1,679
Other receivables	1,555,049
Bank balances	41,470
	<u>20,185,816</u>
LIABILITIES	
Long-term financing	(328,075,995)
Long-term advance from subsidiaries	(11,345,199)
Trade and other payables	(193,634,950)
Accrued interest	(92,935,218)
Short-term borrowings	(47,722,791)
	<u>(673,714,153)</u>
NET ASSETS (transferred to reserves under the Scheme)	<u><u>(653,528,337)</u></u>

Further, in accordance with SOA, the share capital of PIACL was extinguished and transferred to the Company. The same has been treated as investment in PIACL in the books of accounts of the Company.

2 STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) - 34 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Act and provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

3 BASIS OF PREPARATION

- 3.1** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in annual financial statements.
- 3.2** These unconsolidated condensed interim financial statements are presented in Pakistan Rupees which is also the Company's functional currency and all financial information presented has been rounded off to the nearest thousand rupees, unless otherwise stated.
- 3.3** These are separate unconsolidated condensed interim financial statements of the Company in which investment in subsidiaries and associates are carried at cost less accumulated impairment loss, if any.

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year in which the estimates is revised and in any future years effective. Significant accounting estimates and judgements are disclosed in the relevant notes to these unconsolidated condensed interim financial statements.

5 MATERIAL ACCOUNTING POLICIES

During the period, the Company has adopted the following accounting policies for the preparation of these financial statements.

5.1 Property, plant and equipment

Operating fixed assets

Land classified as 'others' are stated at cost, whereas buildings classified as 'others' are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Leasehold land and buildings thereon are initially recognized at cost and are subsequently measured at revalued amounts less accumulated depreciation and impairment losses, if any. Other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to the statement of profit or loss, applying the straight-line method. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month preceding the disposal. The useful lives of buildings at revaluation model are determined by the management based on the appraisal of an independent valuer. The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted, if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized. When revalued assets are sold or retired from operation, the relevant remaining surplus is transferred to statement of profit or loss and to retained earnings, respectively.

Impairment

The carrying values of property, plant and equipment are reviewed at each reporting date for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amounts.

Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any.

5.2 Investment property

Property held for rental earning or capital appreciation or both, is classified as investment property. These are measured initially at cost, including related transaction costs directly attributable to acquisition and subsequently carried at their fair values based on market value determined by professional independent valuers on a continuing basis. Gain or loss arising as a result of fair valuation is recorded to statement of profit or loss.

5.3 Investments in subsidiaries and associates

These are stated at cost less accumulated impairment losses, if any.

5.4 Trade debts and other receivables

These are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost less provision for impairment.

5.5 Cash and cash equivalents

These are stated at cost.

5.6 Trade and other payables

Liabilities for trade creditors and other amounts payable are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost.

5.7 Loans and borrowings

These are initially recognised at fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The Company recognises the borrowing costs as an expense in the year in which these costs are incurred, except the borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that necessarily takes a substantial year of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset.

5.8 Financial instruments

Financial assets and financial liabilities

The particular recognition methods adopted for significant financial assets and financial liabilities are disclosed in the individual policy statements associated with them. Financial assets are de-recognized when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of the asset. Financial liabilities are de-recognized when obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on de-recognition of the financial assets and liabilities is included in the statement profit or loss of the current period.

Off-setting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the financial statements if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.9 Taxation

Current

The charge for current taxation is based on taxable income at the current rates in accordance with Income Tax Ordinance, 2001. Since the Company has not earned any revenue during the period, no tax charge is required in these financial statements.

5.10 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

5.11 Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates approximating those ruling on the date of the transactions. Monetary assets and liabilities in foreign currencies are translated at the rates using the average spot rate on the reporting date. Gains and losses on translation are taken to the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items, measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value was determined.

PIA HOLDING COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD FROM 01 MAY 2024 TO 30 JUNE 2024

6	PROPERTY, PLANT AND EQUIPMENT	Note	30 June 2024 (Rupees in '000)		
	Operating fixed assets	6.1	35,223		
	Capital work-in-progress - civil works		74,419		
			109,642		
6.1	Operating fixed assets				
Description	COST		ACCUMULATED DEPRECIATION	NET BOOK VALUE	Rate of depreciation
	Transferred from PIACL (note 1.2)	Transferred to investment property	Charge for the period	As at 30 June 2024	
			Rs. in '000'		%
Leasehold land	5,589,900	(5,589,900)	-	-	-
Other land	9,578	-	-	9,578	-
Buildings on leasehold land	1,760,780	(1,760,780)	-	-	-
Other buildings	26,852	-	-	-	-
Workshops and hangars	121,192	-	(1,207)	(1,207)	2.5 - 20
Equipment	4,958	-	(121,192)	(121,192)	-
Engineering equipment and tools	3,927	-	(4,958)	(4,958)	-
Vehicles	144	-	(3,927)	(3,927)	-
Furniture, fixtures and fittings	14,431	-	(144)	(144)	-
Computer and office automation	124	-	(14,431)	(14,431)	-
			(124)	(124)	-
	7,531,886	(7,350,680)	(145,983)	(145,982)	
				35,223	

PIA HOLDING COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD FROM 01 MAY 2024 TO 30 JUNE 2024

	Note	30 June 2024 (Rupees in '000)
7 INVESTMENT PROPERTY		
Land		7,631,585
Buildings		2,051,122
	7.1	<u>9,682,707</u>
7.1 Transferred from PIACL	1.3	2,332,027
Transferred from property, plant and equipment	6.1	7,350,680
		<u>9,682,707</u>
8 LONG-TERM INVESTMENTS		
Related parties		
Subsidiaries	8.1	56,760,833
Associate		398
		<u>56,761,231</u>
At FVOCI		144,634
		<u>56,905,865</u>
8.1 Subsidiaries		
Pakistan International Airlines Corporation Limited		52,345,121
PIA Investments Limited		4,415,712
Skyrooms (Private) Limited		40,000
Midway House (Private) Limited		28,520
Sabre Travel Network Pakistan (Private) Limited		2
		68,522
Less: Provision for diminution in value of investments		(68,522)
		<u>56,760,833</u>
8.2 Transferred from PIACL	1.3	4,560,744
Investments during the period		52,345,121
		<u>56,905,865</u>
9 LONG-TERM LOAN TO SUBSIDIARIES		
Considered good		
PIA Investments Limited		3,910,769
Considered doubtful		
Less: Provision for impairment		119,518
		(119,518)
		-
		<u>3,910,769</u>

PIA HOLDING COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD FROM 01 MAY 2024 TO 30 JUNE 2024

			30 June 2024 (Rupees in '000)
10	TRADE DEBTS	Note	
	Considered doubtful		6,167,182
	Less: Allowance for ECL		(6,167,182)
			<u>-</u>
11	OTHER RECEIVABLES		
	Considered good		
	PIA Investments Limited - related party		1,219,778
	Financial institutions	11.2	9,643,007
	Others		335,271
			<u>11,198,055</u>
	Considered doubtful		<u>447,336</u>
	Less: Provision for impairment		(447,336)
			<u>-</u>
		11.1	<u>11,198,055</u>
11.1	Transferred from PIACL	1.3	1,555,049
	Additions during the period		9,643,007
			<u>11,198,055</u>
11.2	Represent excess amount deducted by financial institutions in respect of principal and markup on borrowings during the period from 01 January 2024 to 30 April 2024. Subsequent to period end, the Company has received the amount from the respective financial institutions.		
12	SHARE CAPITAL		
		(No. of shares)	(Rupees in '000)
	Authorized capital		
	Ordinary share capital		
	'A' class shares of Rs. 10/- each	5,349,250,000	53,492,500
	'B' class shares of Rs. 5/- each	1,500,000	7,500
		<u>5,350,750,000</u>	<u>53,500,000</u>
	Issued, subscribed and paid-up share capital		
	'A' class shares of Rs. 10/- each	5,233,762,118	52,337,621
	'B' class shares of Rs. 5/- each	1,499,999	7,500
		<u>5,235,262,117</u>	<u>52,345,121</u>
12.1	As at 30 June 2024, GoP held 5,023,608,577 'A' class ordinary shares and 1,462,515 'B' class ordinary shares respectively representing 96% holding.		

PIA HOLDING COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD FROM 01 MAY 2024 TO 30 JUNE 2024

		30 June 2024 (Rupees in '000)
13	LONG-TERM FINANCING	
	Financial institutions	13.1 268,439,853
	Government of Pakistan - unsecured	13.2 108,953,301
		13.3 <u>377,393,154</u>
13.1	Financial institutions	
	National Bank of Pakistan	47,535,399
	JS Bank Limited	21,906,163
	Soneri Bank Limited	1,077,155
	Askari Bank Limited	35,533,555
	Habib Bank Limited	30,790,453
	The Bank of Punjab	61,818,623
	Pak Oman Microfinance Bank Limited	783,863
	Al Baraka Bank Limited	7,220,450
	Faysal Bank Limited	22,621,564
	Bank Islami Limited	5,861,290
	Meezan Bank Limited	901,737
	Syndicated financing (HBL & NBP)	27,010,174
	Bank Makramah Limited	5,379,427
		13.1.1 <u>268,439,853</u>
13.1.1	These carry mark-up rate at the lower of 1 year KIBOR or 12% per annum, however in accordance with the syndicate term finance agreement, the mark-up on these loans are borne by GoP with no financial effect on the Company. These are secured by exclusive hypothecation charge over all locally held present and future current and fixed assets of the Company.	
13.2	These carry mark-up rates ranging from 10% to 17% per annum.	
		Note 30 June 2024 (Rupees in '000)
13.3	Transferred from PIACL	1.3 328,075,995
	Reclassified from accrued interest	16.1 18,594,370
	Reclassified from short term borrowings	17.1 30,722,791
		<u>377,393,156</u>
14	LONG-TERM ADVANCE FROM SUBSIDIARIES	
	PIA Investments Limited	11,170,199
	Sabre Travel Network Pakistan (Private) Limited	175,000
		<u>11,345,199</u>
15	TRADE AND OTHER PAYABLES	
	Related parties	
	Pakistan International Airlines Corporation Limited	10,177,318
	Pakistan Civil Aviation Authority	131,793,647
	Pakistan State Oil Company Limited	23,762,400
	National Insurance Corporation Limited	1,135,010
	Pakistan International Airlines Corporation Limited Provident Fund	16.1 8,893,593
		175,761,968
	Others	
	Retirement benefits payable	15.1 35,261,881
	Others	1,967,744
		37,229,625
		<u>212,991,593</u>
15.1	In accordance with the SoA, pension and medical obligations of the employees of PIACL who were retired on or before 30 September 2023 have been transferred to the Company.	

PIA HOLDING COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD FROM 01 MAY 2024 TO 30 JUNE 2024

		30 June 2024 (Rupees in '000)
16	ACCRUED INTEREST	
	Long term financing	64,614,050
	Loan from PIAIL	3,911,000
		<u>68,525,050</u>
16.1	Transferred from PIACL	92,935,217
	Reclassified to long term financing	(18,594,370)
	Reclassified to trade and other payables	(8,893,593)
	Charge for the period	3,077,796
		<u>68,525,050</u>
17	SHORT TERM BORROWINGS - secured	
	Bridge financing facility from PCAA	17,000,000
17.1	Transferred from PIACL	47,722,791
	Reclassified to long term financing	(30,722,791)
		<u>17,000,000</u>
18	CONTINGENCIES	
	Claims not acknowledged by the Company are as follows:	
	Pakistan Civil Aviation Authority	72,549,280
	National Insurance Corporation Limited	1,810,802
	Pakistan State Oil Company Limited	2,559,844
		<u>76,919,926</u>
19	GENERAL AND ADMINISTRATIVE EXPENSES	
	Salaries and other benefits	62,166
	Retirement benefits	484,419
	Legal and professional	215,964
	Depreciation	145,983
	Others	75,255
		<u>983,787</u>
20	FINANCE COSTS	
	Mark-up on long term financing	<u>3,077,796</u>

21 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiaries, associates, profit oriented state-controlled entities and key management personnel. The transactions with related parties, other than those disclosed elsewhere in these condensed interim financial statements, are as follows:

		For the period from 01 May 2024 to 30 June 2024
Name of Related Parties	Nature of Transaction	(Rupees in '000)
Minhal France S.A	Management fee	2,038
National Insurance Corporation Limited	Insurance premium	2,344
Key management personnel	Salaries and other benefits	2,000

22 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company's senior management carries out financial risk management under governance approved by the Board of Directors.

22.1 Market risk

Market risk is the risk that the fair value of future cash flows will fluctuate because of changes in market variables such as interest rates, foreign exchange rates and equity price. The Company is not exposed to any foreign currency or equity price risk. However, it is mainly exposed to interest rate risk in respect of financing from GoP.

22.2 Credit risk

Credit risk represents the risk of financial loss being caused if counter parties fail to discharge an obligation. As of the reporting date, the Company is not materially exposed to such risk.

22.3 Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. The Company manages its liquidity risk through support of GOP either in the form of capital / loans or in the form of guarantee to obtain financing from lenders.

22.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction other than in a forced or liquidation sale. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

23 GENERAL

Being the first accounting period of the Company, there are no comparative figures to report.

24 AUTHORISATION OF FINANCIAL STATEMENTS

These unconsolidated condensed interim financial statements were authorized for issue by the Board of Directors in its meeting held on April 24, 2025.



Chief Executive Officer

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Director



Chief Financial Officer

CONSOLIDATED
FINANCIAL
STATEMENTS

PIA HOLDING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2024

	Note	---- (Rs in '000) ----
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4	303,903,906
Investment property		10,290,172
Intangibles		9,204,653
Long-term investments	5	291,092
Receivable in respect of Centre Hotel	6	2,102,648
Derivative		141,535
Long-term deposits and prepayments		6,747,345
		<u>332,681,351</u>
CURRENT ASSETS		
Stores and spares		4,204,155
Trade debts	7	16,851,567
Advances		5,968,878
Trade deposits and short-term prepayments		6,673,627
Restricted cash		6,706,104
Other receivables	8	17,531,230
Cash and bank balances	9	8,656,345
		<u>66,591,906</u>
TOTAL ASSETS		<u><u>399,273,257</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Issued, subscribed and paid-up share capital		52,345,121
Reserves		(759,812,624)
Surplus on revaluation of property, plant and equipment - net		138,678,098
Attributable to the Holding Company's shareholders		(568,789,405)
Non-controlling interest		5,803,199
		<u>(562,986,206)</u>
NON-CURRENT LIABILITIES		
Long-term financing	10	420,920,485
Lease liabilities	11	17,303,840
Long-term advances and deposits		138,988
Deferred taxation		40,313,320
Deferred liabilities		33,488,271
		<u>512,164,904</u>
CURRENT LIABILITIES		
Trade and other payables	12	344,052,620
Accrued interest	13	68,740,452
Provision for taxation - net		4,989,702
Short-term borrowings	14	24,000,000
Current maturities		8,311,785
		<u>450,094,559</u>
TOTAL EQUITY AND LIABILITIES		<u><u>399,273,257</u></u>
CONTINGENCIES AND COMMITMENTS	15	

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Executive Officer


Director


Chief Financial Officer


Chief Financial Officer

PIA HOLDING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Note	---- (Rs in '000) ----
Revenue - net	16	125,723,838
Cost of services	17	(101,559,412)
Gross Profit		<u>24,164,426</u>
Distribution costs		(4,973,365)
Administrative expenses		(9,906,821)
Other provisions and adjustments		(470,704)
Other income		1,554,442
Profit from operations		<u>(13,796,448)</u> 10,367,978
Exchange loss - net		(1,090,471)
Profit before interest and taxation		<u>9,277,507</u>
Finance costs	18	(14,791,486)
Share of profit in an associate		811
Loss before taxation		<u>(5,513,168)</u>
Taxation	19	(1,662,159)
Loss for the year		<u>(7,175,327)</u>
Attributable to:		
Equity holders of the Holding Company		(7,141,368)
Non-controlling interest		<u>(33,959)</u> <u>(7,175,327)</u>
Loss per share - basic and diluted		----- (Rupees)
Loss attributable to:		
'A' class Ordinary shares of Rs. 10 each		<u>(1.37)</u>
'B' class Ordinary shares of Rs. 5 each		<u>(0.69)</u>

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer

PIA HOLDING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (Un-Audited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

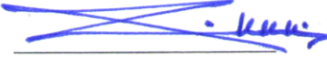
	---- (Rs in '000) ----
Loss for the period	(7,175,327)
Other comprehensive income / (loss)	
Exchange differences on translation of foreign operations	(637,540)
Surplus on revaluation of property, plant and equipment - net of tax	(879,077)
Remeasurement of post retirement defined benefits obligation - net of tax	(23,947)
Total comprehensive loss for the period	<u><u>(8,715,891)</u></u>
Attributable to:	
Equity holders of the Holding Company	(8,608,324)
Non-controlling interest	<u><u>(107,567)</u></u>
	<u><u>(8,715,891)</u></u>

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Chief Executive Officer


 Director


 Chief Financial Officer

PIA HOLDING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (Un-Audited)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Note	--- (Rs in '000) ---
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	20	11,797,611
Profit on bank deposits received		49,504
Finance costs paid		(3,550,751)
Taxes paid		(31,837)
Staff retirement benefits paid		(1,336,366)
Long-term deposits and prepayments - net		(700,578)
Net cash used in operating activities		6,227,583
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment		(184,055)
Restricted Cash		3,147,886
Marketable Securities		(2,103,908)
Purchase of intangibles		1
Proceeds from sale of property, plant and equipment		1,526,993
Net cash used in investing activities		2,386,917
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term Financing - Net		(10,692,236)
Proceeds of short term loan		7,000,000
Repayments of lease liabilities		(4,021,398)
Net cash generated from financing activities		(7,713,634)
(Decrease) / increase in cash and cash equivalents		900,866
Cash and cash equivalents at beginning of the year		7,932,285
Effects of exchange rate changes on cash and cash equivalents		(176,806)
Cash and cash equivalents at end of the period		8,656,345
Cash and cash equivalents		
Cash and bank balances	9	8,656,345
		8,656,345

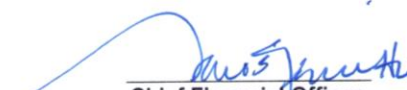
The annexed notes from 1 to 24 form an integral part of these consolidated financial statements.


Chief Executive Officer


Chief Financial Officer


Chief Executive Officer


Director


Chief Financial Officer

PIA HOLDING COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

	Attributable to the Holding Company's shareholders						Other component of equity					Total
	Capital Reserves			Revenue Reserves			Unrealised gain on re-measurement of investment at FVOCI	Foreign currency translation reserves	Actuarial gain / (loss) on defined benefit plan	Non - controlling interest	Surplus on Revaluation of Property plant and equipment	
Share capital	Reserve for replacement of fixed assets	Capital redemption reserve fund	General capital reserve	Legal reserve	Hedging Reserve	General reserves	Accumulated losses					
52,345,110	1,966,779	250,000	284,259	96,027	118,069	1,779,674	(759,941,889)	197,195	15,568,859	(11,817,734)	139,292,259	(563,950,026)
11												11
Balance as at January 01, 2024												
addition - scheme of arrangement												
Total comprehensive income for the Period ended June 30, 2024:												
Loss for the period	-	-	-	-	-	-	-	-	-	-	-	(7,175,327)
- Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	(584,616)
- Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	(2,130,777)
- Surplus arising on property, plant and equipment during the year - net of tax	-	-	-	-	-	-	-	-	-	-	-	879,077
- Revaluation reserved realized	-	-	-	-	-	-	-	-	-	-	-	-
- Remeasurement of post retirement defined benefits obligation - net off deferred tax	-	-	-	-	-	-	-	-	-	-	-	(23,947)
- Unrealised gain on re-measurement of investment	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	-	-	-	-	-	-	-	-	-	-	-	(9,035,591)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-
Surplus on revaluation of property, plant and equipment realised during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at June 30, 2024	52,345,121	1,966,779	250,000	284,259	118,069	1,779,674	(767,083,257)	196,646	15,004,927	(12,395,748)	138,678,098	(562,986,200)

The annexed notes from 1 to 24 form an integral part of these consolidated financial statements


Chief Executive Officer


Chief Executive Officer


Chief Financial Officer


Chief Financial Officer


Director

PIA HOLDING COMPANY LIMITED
NOTES AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENT
FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 The 'Group' consists of PIA Holding Company Limited, i.e. the Holding Company, its subsidiaries and an associate.

PIA Holding Company Limited (the "Holding Company")

PIA Holding Company Limited (the Company) was incorporated in Pakistan under the Companies Act, 2017 (the Act) as a public limited company on 21 March 2024 and listed on Pakistan Stock Exchange on 27 May 2024.

The principal activity of the Company is to act as the holding company of its subsidiaries and associates.

1.2 The Business Units of the Holding Company includes the follows:

Business Unit	Geographical Location
Head Office	PIA Building, 49-AKM Fazal-e-Haq Road, Blue Area, Islamabad

Subsidiaries

Pakistan International Airlines Corporation Limited (the Company) was incorporated on January 10, 1955 under the Pakistan International Airlines Company Ordinance, 1955 and the Company is now governed under the Companies Act, 2017 (the Act). In accordance with the Scheme of Arrangement (SOA), Pakistan International Airlines Corporation Limited (PIACL) completed a business restructuring exercise after obtaining approval from the Privatization Commission (PC), along with legal and regulatory approvals. The effective date of the SOA was 30 April 2024. The Draft Restructuring Report and Legal Segregation Plan along with the SOA proposes the formation of a new Holding Company, which will be owned by the same shareholders. Certain assets and liabilities of the Company, identified as "non-core" will be transferred to the Holding Company. Accordingly, the Company will only hold assets and liabilities relating to its core aviation business.

PIA Investments Limited (PIAIL) was incorporated on September 10, 1977 in Sharjah, United Arab Emirates as a limited liability Holding Company under a decree issued by H. H., The Ruler of Sharjah. During 1986, PIAIL was registered in British Virgin Islands under International Business Companies Ordinance, 1984 (now BVI Business Companies (Amendment) Act, 2012) as a Holding Company limited by shares. The principal activity of PIAIL is to carry on business as promoters of and investors in projects related to construction, development and operation of hotels, motels and restaurants throughout the world. The Holding Company's controlling interest in PIAIL is 100% (2023: 0%). The registered office of PIAIL is situated at Citco Building, Wickham Cay, Road Town, Tortola, British Virgin Islands.

PIAIL has been consolidated in these consolidated financial statements on the basis of its un-audited consolidated financial statements for the year ended June 30, 2024.

Skyrooms (Private) Limited (SRL) was incorporated on May 20, 1975 in Pakistan as a private limited Holding Company under the Companies Act, 1913 (now Companies Act, 2017). SRL owns and manages Airport Hotel, Karachi. SRL is a wholly owned subsidiary of the Holding Company. SRL has been consolidated on the basis of its unaudited management accounts for the year ended June 30, 2024 as the same is not considered to be material to these consolidated financial statements.

Sabre Travel Network Pakistan (Private) Limited (Sabre) was incorporated in Pakistan on October 12, 2004 as a private Holding Company limited by shares, under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Sabre markets and distributes a computer reservation system to subscribers in Pakistan, under a sub-distribution agreement with Sabre Asia Pacific (Pte.) Limited (Sabre TN APAC) (an associated Holding Company and joint venture partner), that incorporates a software package which performs various functions including real-time airlines seat reservations, schedules, bookings for a variety of air, car and hotel services, automated ticketing and fare displays. The Holding Company controlling interest in Sabre is 70%. Sabre has been consolidated on the basis of its unaudited financial statements for the year ended June 30, 2024 as the same is not considered material to these consolidated financial statements.

The other subsidiaries of the Holding Company, PIA Holding (Private) Limited, Midway House (Private) Limited, PIA Shaver Poultry Breeding Farms (Private) Limited and PIA Hotels Limited, had applied under the 'Easy Exit Scheme' announced by the Securities and Exchange Commission of Pakistan (the SECP) for voluntary winding up. Assets and liabilities of these subsidiaries were taken over by the Holding Company, and, accordingly, have not been consolidated in these consolidated financial statements.

Associate

One of the hotels owned by PIAIL, Hotel Scribe Paris, is managed by a related party. The amount of management fee is based on the agreement with the related party.

- 1.3 During the period, the Group incurred a net loss of Rs. 7,175.327 million resulting in accumulated loss of Rs. 767,083.257 million as of June 30, 2024. Further, as of that date, current liabilities of the Group exceeded its current assets by Rs. 383,502.653 million.

2 Basis of Consolidation

- 2.1 These consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries and its associate as at and for the period ended June 30, 2024.
- 2.2 The condensed interim financial statements of the subsidiary companies have been consolidated on a line by line basis. The carrying value of investments held by the Holding Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves.
- 2.3 Non-controlling interest has been presented as a separate item in these consolidated condensed interim financial statements. All material intercompany balances and transactions have been eliminated.

3 BASIS OF PREPERATION

3.1 Statement of Compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and SOE Act 2023

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention except otherwise disclosed in the consolidated financial statements.

3.3 Functional and presentation currency

Items included in the consolidated financial statements relating to each entity of the Group are measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Pakistani Rupees ('PKR', 'Rupees' or 'Rs') which is the Holding Company's functional and presentation currency.

The US Dollar (\$) amounts reported in the consolidated condensed interim statement of financial position, consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows are stated as additional information, solely for the convenience of the users of these consolidated condensed interim financial statements. The US Dollar (\$) amounts in the consolidated condensed interim statement of financial position have been translated into US Dollar (\$) at the rate of Rs. 278.3412 = US\$ 1 (December 31, 2023: Rs. 281.8607 = US\$ 1) and in the consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income and consolidated condensed interim statement of cash flows have been translated into US Dollar (\$) at the average rate of Rs. 280.101 = US\$ 1 (June 30, 2023: Rs. 256.2107 = US\$ 1).

June 30,
2024
(Un-Audited)
--- (Rs in '000) ---

4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets:

- owned	281,929,164
- right of use asset	21,541,181

Capital work-in-progress

433,561

303,903,906

		June 30, 2024
5	LONG - TERM INVESTMENTS	
	Note	---- (Rs in '000) ----
	Investment in related party	
	Unquoted - at cost	
	Associate	5.1 146,458
	Other	
	At fair value through OCI	144,634
		<u>291,092</u>
5.1	Movement in investment in an Associate - unquoted	
	Balance as at beginning of the year	142,911
	Share of profit during the year	811
		<u>143,722</u>
	Translation adjustment	2,734
	Balance as at end of the year	<u>146,456</u>
6	RECEIVABLE IN RESPECT OF CENTRE HOTEL	
	Receivable in respect of Centre Hotel	<u>2,102,648</u>

June 30,
2024

---- (Rs in '000) ----

7 TRADE DEBTS

Considered good

Due from other customers	16,465,246
Due from Government	386,321
	<u>16,851,567</u>

Considered doubtful

Government related	2,133,767
Other customers	4,865,444
Less: Provision for impairment against doubtful debts	(6,999,211)
	<u>-</u>
	<u><u>16,851,567</u></u>

8 OTHER RECEIVABLES

Considered good

- Related party

Sales tax receivable	5,210,735
----------------------	-----------

- other than related party

Receivable from financial institutions	9,643,007
Others	2,677,488
	<u>17,531,230</u>

Considered doubtful

Less: Provision for doubtful other receivables	847,522
	<u>(847,522)</u>
	<u>-</u>
	<u><u>17,531,230</u></u>

9 CASH AND BANK BALANCES

Cash

In hand	106,287
---------	---------

With banks:

- in current accounts	3,782,344
- in deposit accounts	4,767,714
	<u>8,550,058</u>
	<u><u>8,656,345</u></u>

June 30,
2024

---- (Rs in '000) ----

10 LONG-TERM FINANCING

Borrowings

420,920,485

420,920,485

11 LEASE LIABILITIES

Secured

- other than related party

Present value of minimum lease payments

- Aircraft fleet including engines

23,861,411

- Buildings

327,168

- Technical ground equipment

6,457

24,195,036

Less: Current maturity

(6,891,196)

17,303,840

June 30,
2024

Note ---- (Rs in '000) ---

12 TRADE AND OTHER PAYABLES

Trade creditors

Goods	57,377,241
Services	28,619,504
Airport related charges	61,365,708
	<u>147,362,453</u>

Other liabilities

Accrued liabilities	7,771,128
Advance against transportation (unearned revenue)	18,919,959
Compensated absences	9,429,453
Unredeemed frequent flyer liabilities	371,734
Advance from customers	3,042,632
Advances and deposits	244,773
Employees provident fund	8,929,224
Earnest money	3,411
Collection on behalf of others	77,871,814
Customs, federal excise duty and sales tax	4,579,607
Federal excise duty - International travel	14,700,744
Income tax deducted at source	4,639,824
Settlement payable	6,114,581
Property tax	912,075
Contract liability	122,378
Sales tax payable	29,986
Payable to EOBI / SESSI	7,249
Short-term deposits	581,719
Others	3,155,995
	<u>344,052,620</u>

13 ACCRUED INTEREST

Mark-up / profit payable on:

- long-term financing	68,740,452
	<u>68,740,452</u>

14 SHORT-TERM BORROWINGS

Bridge Financing Loan from PCAA	24,000,000
Running finance under mark-up arrangements	-
	<u>24,000,000</u>

15 CONTINGENCIES AND COMMITMENTS

There has been no material changes in the status of contingencies as disclosed in the consolidated financial statements of PIACL for the year ended 31 December 2023

16 SEGMENT REPORTING

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

16.1 Type of segments	Nature of business
Aviation	This part of business is mainly engaged in the provision of commercial air transportation, engineering and allied services.
Hotel Services	This part of business is primarily engaged in operations relating to the Hotels, Restaurants and related services.
Others	It includes management of investments and also provision of reservation system services.

16.2 Information regarding the Group's operating segment is as follows:

REVENUE - NET	---- (Rs in '000) ---
Passenger	99,482,912
Cargo	5,529,938
Excess baggage	-
Charter services	710,578
Room, food and beverages sales	8,272,130
Others	11,728,280
	<u>125,723,838</u>

17 COST OF SERVICES

Aircraft fuel	40,466,944
Salaries, wages and allowances	8,621,742
Welfare and social security costs	757,409
Retirement benefits	1,581,155
Compensated absences	693,528
Legal and professional charges	32,164
Stores and spares consumed	1,211,932
Maintenance and overhaul	9,459,158
Flight equipment rental	5,196,471
Landing and handling	16,172,444
Passenger services	4,383,183
Crew layover	1,655,523
Food and beverages	136,823
Utilities	38,666
Communication	1,613,662
Insurance	2,676,600
Rent, rates and taxes	442,994
Printing and stationery	138,361
Depreciation	6,178,782
Amortisation	4,197
Others	97,674
	<u>101,559,412</u>

June 30,
2024

---- (Rs in '000) ---

18 FINANCE COSTS

Mark-up on:	
- long-term financing	27,032,014
Less: Reimbursement of finance costs	(16,162,846)
	<u>13,946,965</u>
Lease liabilities	837,650
Discounting on long term deposits	(77,963)
Bank charges, guarantee commission and other related charges	84,834
less: Finance cost capitalized during the year	-
	<u><u>14,791,486</u></u>

19 TAXATION

Current - for the year	870,445
Deferred tax expense	791,714
	<u><u>1,662,159</u></u>

20 OPERATING AND FINANCING CASH FLOWS

June 30,
2024

--- (Rs in '000) --

Loss before taxation (5,513,168)

Adjustments for:

Depreciation	6,697,569
Gain on disposal of property, plant and equipment - net	(3,546)
Adjustment for non cash charges and other items	-
Unrealised exchange loss	(178,071)
Fair value gain on Investment Property	(10,933)
Amortisation / adjustment of intangibles	52,461
Provision / (reversal) for slow moving stores and obsolete spares	(125,556)
Provision for impairment against doubtful debts	470,704
Proviison for expected credit loss	15,010
Provision impairment against doubtful other receivables	38,382
Provision for staff retirement benefits	3,484,665
Finance cost	14,791,486
Provision for redelivery cost	4,560
Share of profit from associates	811
Profit on bank deposits	49,504
	<u>19,773,878</u>

Working capital changes

(Increase) / decrease in stores and spares	(5,623)
Decrease in trade debts	(253,634)
(Increase) / decrease in short-term loans and advances	109,999
Decrease / (increase) in trade deposits and short term prepayments	(215,698)
(Increase) in other receivables	(8,112,312)
Decrease / (increase) in trade and other payables	501,001
	<u>(7,976,267)</u>
Cash generated from operations	<u>11,797,611</u>

21 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, fuel price risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's senior management carries out financial risk management under governance approved by the Board of Directors. Senior management identifies, evaluates and hedges financial risks, wherever necessary.

21.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as fuel price and equity price risk. Financial instruments affected by market risk include loans and investments at FVOCI.

a) Fuel price risk

The Group's earnings are affected by changes in price of aircraft fuel. The Group hedges fuel prices to a limited extent through use of derivative contracts. There are no derivative contracts outstanding as of year end.

b) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group's revenue streams are denominated in a number of foreign currencies resulting in exposure to foreign exchange rate fluctuations. In addition, the Group has substantial foreign currency borrowings and lease liabilities that are primarily denominated in US Dollar (US\$), Saudi Riyal (SAR), United Arab Emirates Dirham (AED), Euro (EUR) and Great Britain Pound (GBP). The Group can experience adverse or beneficial effects arising from foreign exchange rate movements. The Group manages some of its currency risk by utilising its foreign currency receipts to satisfy its foreign currency obligations. The following table demonstrates the sensitivity of financial instruments to a reasonable possible change in the foreign currency exchange rates, with all other variables held constant, on loss before tax:

22 TRANSACTIONS WITH RELATED PARTY

- 22.1 The related parties comprise of subsidiaries, associates, profit oriented state-controlled entities, directors, key management personnel. The transactions with related parties, are as follows:

Name of Related Parties	Direct Shareholding	Relationship
Government of Pakistan	96%	Major Shareholder
Pakistan International Airlines Corporation Limited	100%	Subsidiary
PIA Investments Limited (PIAIL)	100%	Subsidiary
Skyrooms (Private) Limited	100%	Subsidiary
Sabre Travel Network Pakistan (Private) Limited	70%	Subsidiary
Minhal France S.A (MFSA)	-	Sub - Subsidiary
Name of Related Parties	Direct Shareholding	Relationship
Profit oriented state controlled entities		
Pakistan State Oil Company Limited	-	State owned / controlled entities
Pakistan Civil Aviation Authority	-	State owned / controlled entities
National Bank of Pakistan	-	State owned / controlled entities
National Insurance Corporation Limited	-	State owned / controlled entities
Federal Board of Revenue	-	State owned / controlled entities
Key management personnel		
AVM Muhammad Amir Hayat	-	Key management personnel
Amos Nadeem	-	Key management personnel
Rao Muhammad Imran	-	Key management personnel

June 30,
2024

Name of Related Parties and relationship with the Company

---- (Rs in '000) ---

Name of Related Parties	Nature of transactions	
Associate Company		
Minhal France S.A	Management Fee	2,038

- 22.2 One of the hotels owned by PIAIL, Hotel Scribe Paris, is managed by a related party. The amount of management fee is based on the agreement with the related party.

23 GENERAL

All figures have been rounded off to the nearest thousand Pakistan Rupees unless otherwise stated. Being the first accounting period of the Company, there are no comparative figures to report.

24 AUTHORISATION OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company in their meeting held on April 24, 2025.



Chief Executive Officer



Chief Executive Officer



Director



Chief Financial Officer



Chief Financial Officer



PIA Holding Company Ltd.

www.piahcl.com.pk

REGISTERED ADDRESS

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LIAISON OFFICE ADDRESS

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