COPY

BEFORE THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

IN THE MATTER OF SCHEME OF ARRANGEMENT

BETWEEN

1. PIA HOLDING COMPANY LIMITED
ACTING THROUGH MR ASAD RASOOL, CHIEF EXECUTIVE OFFICER OF PIA HOLDING COMPANY LIMITED

.... Holdco

AND

2. PRECISION ENGG COMP (PRIVATE) LIMITED
ACTING THROUGH MR SHAHZADA HAROON ISRAR, DIRECTOR / CHIEF FINANCIAL OFFICER OF PRECISION ENGG COMP (PRIVATE) LIMITED

.... PECPL

JOINT APPLICATION RELATING TO SCHEME OF ARRANGEMENT BETWEEN HOLDCO AND PECPL UNDER SECTION 279 TO 283 AND 285(8) OF THE COMPANIES ACT 2017 READ WITH S.R.O. 500(I)/2023 DATED 20 APRIL 2023 OF THE FINANCE DIVISION (INVESTMENT WING), MINISTRY OF FINANCE OF THE GOVERNMENT OF PAKISTAN

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It is submitted that:

1. This joint application (the "**Application**") is made by Holdco and PECPL.

2. The Government of Pakistan, thorough its decision dated 1 May, 2025 bearing reference number 282/Rule-19/2025/404, approved the transfer of Precision Engineering Complex ("**PEC**"), a business unit of Holdco, along with all related assets and liabilities, to PECPL. The Government of Pakistan also directed the Ministry of Defence, Government of Pakistan to issue directions to

Holdco and Pakistan Air Force for the aforesaid transfer of PEC (the "**GoP Approval**").

3. The Defence Division, Ministry of Defence, Government of Pakistan through its letter dated 7 May, 2025 bearing reference number No 2-42020/D-9 (AF-I) (the "**MoD Approval**"), issued directions to Holdco and the Chief of the Air Staff to comply with the decision of the Government of Pakistan as contained in the GoP Approval. The MoD Approval is attached herewith as Schedule 1.

4. In accordance with the directions of the Government of Pakistan, as contained in the GoP Approval and the directions of the Ministry of Defence, as contained in the MoD Approval, the board of directors of Holdco, through its duly passed resolution dated 15 May, 2025, approved in principle the proposed carve-out, sale and transfer of PEC, along with all related assets, liabilities, active employees and all existing and future obligations relating to the retired employees to PECPL through a scheme of arrangement under Sections 279 to 283 and 285(8) of the Companies Act 2017 (the "**Act**") read together with S.R.O 135(I)/2023 of the Finance Division (Investment Wing), Ministry of Finance of the Government of Pakistan (the "**SRO**"). The SRO is attached herewith as Schedule 2. An extract of the resolution of the board of directors of Holdco dated 15 May 2025 is attached as Schedule 3.

5. In accordance with decision of the Government of Pakistan, as contained in the GoP Approval and the directions of the Ministry of Defence, as contained in the MoD Approval, the board of directors of PECPL, through its duly passed resolution dated 16 May 2025, approved in principle the proposed carve-out, sale and transfer of PEC, along with all related assets, liabilities, active employees and all existing and future obligations relating to the retired employees from Holdco to PECPL through a scheme of arrangement under Sections 279 to 283 and 285(8) of the Act read together with the SRO. A copy of the resolution of the board of directors of PECPL dated 16 May 2025 is attached as Schedule 4.

6. Following the approvals by the board of directors of Holdco and the board of directors of PECPL, the scheme of arrangement (the "**Proposed Scheme**") has been prepared outlining the details of the proposed transfer including the assets, liabilities, contracts, active employees and obligations owed to retired employees to be transferred, consideration for the said transfer, treatment of PEC employees after the transfer, ongoing legal proceedings and other relevant matters. The Proposed Scheme is attached herewith as Schedule 5.

7. The Proposed Scheme was presented for the approval of the board of directors of Holdco in its meeting dated 23 September 2025 and the board of directors of

Holdco has approved the Proposed Scheme. An extract of the resolution of the board of directors of Holdco dated 23 September 2025 is attached herewith as Schedule 6.

8. The Proposed Scheme was presented for the approval of the board of directors of PECPL in its meeting dated 2 October 2025 and the board of directors of PECPL has approved the Proposed Scheme. A copy of the resolution / MOM of the board of directors of PECPL dated 2 October 2025 is attached herewith as Schedule 7.

9. Holdco has following registered creditors:

(i) consortia of banks led by National Bank of Pakistan; and

(ii) consortia of banks led by The Bank of Punjab,

The National Bank of Pakistan and The Bank of Punjab being the syndicate agent in their respective facility and financing documents have been informed about the Proposed Scheme and the notice for the creditor's meeting will be sent to the consortia of banks led by National Bank of Pakistan and consortia of banks led by The bank of Punjab so that they can approve the Proposed Scheme.

10. Additionally, the following documents are also attached for the Commission's reference.

(i) original bank challan for the prescribed application fee, as Schedule 8;

(ii) special purpose audited financial statements of Holdco for the period from 1 January 2025 to 30 April 2025, as Schedule 9

(iii) unaudited financial statement of PECPL, as Schedule 10;

(iv) affidavit by the authorised representative of Holdco, duly attested by the Oath Commissioner, in support of this Application, stating that all contents of the application (including all annexed documents) are true and correct, as Schedule 11; and

(v) affidavit by the authorised representative of PECPL, duly attested by the Oath Commissioner, in support of this Application, stating that all contents of this Application (including all annexed documents) are true and correct, as Schedule 12.

11. Holdco is scheduling an extraordinary general meeting of its members for 25 October 2025. Holdco respectfully seeks the Commission's directions that this meeting be convened for the purpose of considering and, if thought fit, approving the Proposed Scheme, together with all matters incidental or ancillary thereto, in accordance with sections 279 to 283 and 285(8) of the Act read with the SRO.

12. PECPL is scheduling an extraordinary general meeting of its members for 25 October 2025. PECPL seeks the Commission's directions that this meeting be convened for the purpose of considering and, if thought fit, approving the Proposed Scheme, together with all matters incidental or ancillary thereto, in accordance with the sections 279 to 283 and 285(8) of the Act read with SRO.

13. In light of the foregoing, the Applicants respectfully request that the Commission be pleased to:

    (i) issue directions that the extraordinary general meeting of Holdco being scheduled for 25 October 2025 shall be treated as the meeting convened under sections 279 to 283 and 285(8) of the Act read with the SRO for the purpose of considering and, if thought fit, approving the Proposed Scheme together with all matters incidental or ancillary thereto, in lieu of convening a separate meeting.

    (ii) issue directions that the extraordinary general meeting of PECPL being scheduled for 25 October 2025 shall be treated as the meeting convened under sections 279 to 283 and 285(8) of the Act read with the SRO for the purpose of considering and, if thought fit, approving the Proposed Scheme together with all matters incidental or ancillary thereto, in lieu of convening a separate meeting.

    (iii) issue directions with regard to calling a meeting of the registered creditors of Holdco; and

    (iv) issue directions with regard to calling a meeting of the registered creditors of PECPL, if necessary.

Place: Islamabad

Dated: _____ October 2025

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Name: Mr Asad Rasool
Designation: Chief Executive Officer
Authorised Representative of **PIA HOLDING COMPANY LIMITED**

Name: Mr Shahzada Haroon Israr
Designation: Director / Chief Financial Officer
Authorised Representative of
PRECISION ENGG COMP (PRIVATE) LIMITED

APPLICATION TO SECP FOR SUBMISSION OF SCHEME OF ARRANGEMENT B/W PIAHCL & PECPL