

FORM – 3

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

CS/S&T/FT/PSX/AFR-2019/19

19th July, 2019

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2017

Dear Sir,

1. We have to inform you that the Board of Directors of PIACL in their Meeting held on Thursday, July 18, 2019 at 2:30 P.M. at Karachi, recommended the following:

(i)	CASH DIVIDEND	NIL
(ii)	BONUS SHARES	NIL
(iii)	RIGHT SHARES	NIL
(iv)	ANY OTHER ENTITLEMENT / CORPORATE ACTION	NIL

2. The Annual Audited Financial Results of PIACL under clause (V) of Form-3 of PSX Correspondence Manual are being transmitted through Pakistan Unified Corporate Action Reporting System (PUCARS) and a hard copy is being sent through courier.

3. The Annual General Meeting of PIACL will be held on Saturday, August 24, 2019 at 10:00 a.m. at Karachi.

4. The Share Transfer Books of PIACL will be closed from August 16, 2019 to August 24, 2019 (both days inclusive). Transfers received at the registered office of PIACL Share Registrar / Transfer Agent, Central Depository Company of Pakistan Limited, at the close of business on August 15, 2019, will be treated in time for the purpose of Annual General Meeting of PIACL Shareholders (*Draft Notice of Annual General Meeting is being attached*).

5. The Annual Report – 2017 of PIACL will be transmitted through PUCARS at least 21 days before holding of Annual General Meeting.

Yours truly,


Muhammad SHUAIB
Company Secretary

Encl: As stated above

Pakistan International Airlines Corporation Limited
Head Office : Karachi Airport-Pakistan
Tel : 9904 4850
E-mail : secretary@piac.aero
Website : www.piac.com.pk

Pakistan International Airlines Corporation Limited

Unconsolidated Profit and Loss Account

For the year ended December 31, 2017

		2017	2016	2017	2016
	Note	(Rupees in '000)	(Restated)	(US\$ in '000)	(Restated)
Revenue - net	31	90,843,729	88,997,379	821,911	848,767
Cost of services					
Aircraft fuel		(30,940,544)	(27,152,814)	(279,936)	(258,956)
Others	32	(76,836,830)	(76,040,362)	(695,184)	(725,196)
		(107,777,374)	(103,193,176)	(975,120)	(984,152)
Gross loss		(16,933,645)	(14,195,797)	(153,209)	(135,385)
Distribution costs	33	(4,760,127)	(4,831,766)	(43,067)	(46,081)
Administrative expenses	34	(6,287,515)	(6,318,631)	(56,886)	(60,261)
Other provisions and adjustments	35	(1,892,356)	(6,744,575)	(17,121)	(64,323)
Exchange loss - net		(2,188,460)	(294,981)	(19,800)	(2,813)
Other income	36	548,562	749,606	4,963	7,149
		(14,579,896)	(17,440,347)	(131,911)	(166,329)
Loss from operations		(31,513,541)	(31,636,144)	(285,120)	(301,714)
Finance costs	37	(15,246,640)	(13,159,579)	(137,944)	(125,503)
Loss before taxation		(46,760,181)	(44,795,723)	(423,064)	(427,217)
Taxation	38	(1,000,531)	(104,592)	(9,052)	(997)
Loss for the year		(47,760,712)	(44,900,315)	(432,116)	(428,214)
		(Rupees)		(US\$)	
Loss per share - basic and diluted					
Loss attributable to:					
'A' class ordinary shares of Rs. 10 each	39	(9.12)	(8.58)	(0.08)	(0.08)
'B' class ordinary shares of Rs. 5 each	39	(4.56)	(4.29)	(0.04)	(0.04)

The annexed notes 1 to 47 form an integral part of these unconsolidated financial statements.


Chief Executive Officer


Chief Executive Officer


Director


Chief Financial Officer

Pakistan International Airlines Corporation Limited

Consolidated Profit and Loss Account

For the year ended December 31, 2017

		2017	2016	2017	2016
		(Restated)		(Restated)	
Note		(Rupees in '000)		(US\$ in '000)	
Revenue - net	31	104,198,821	102,426,552	942,742	976,841
Cost of services					
Aircraft fuel		(30,940,544)	(27,152,814)	(279,936)	(258,956)
Others	32	(85,843,907)	(85,378,710)	(776,675)	(814,256)
		<u>(116,784,451)</u>	<u>(112,531,524)</u>	<u>(1,056,611)</u>	<u>(1,073,212)</u>
Gross loss		(12,585,630)	(10,104,972)	(113,869)	(96,371)
Distribution costs	33	(5,493,562)	(5,599,538)	(49,703)	(53,403)
Administrative expenses	34	(9,216,245)	(9,198,376)	(83,384)	(87,725)
Other provisions and adjustments	35	(2,096,526)	(6,748,311)	(18,968)	(64,359)
Exchange loss - net		(2,203,396)	(298,940)	(19,937)	(2,851)
Other income	36	461,148	658,786	4,172	6,283
		<u>(18,548,581)</u>	<u>(21,186,379)</u>	<u>(167,820)</u>	<u>(202,055)</u>
Loss from operations		(31,134,211)	(31,291,351)	(281,689)	(298,426)
Finance costs	37	(15,781,979)	(13,585,691)	(142,788)	(129,567)
Share of loss in an associate	8.1	(2,034)	(338)	(18)	(3)
Loss before taxation		(46,918,224)	(44,877,380)	(424,495)	(427,996)
Taxation	38	(817,948)	117,916	(7,400)	1,125
		<u>(47,736,172)</u>	<u>(44,759,464)</u>	<u>(431,895)</u>	<u>(426,871)</u>
Loss for the year		(47,736,172)	(44,759,464)	(431,895)	(426,871)
Attributable to:					
Equity holders of the Holding Company		(47,756,323)	(44,767,638)	(432,077)	(426,948)
Non-controlling interest		20,151	8,174	182	78
		<u>(47,736,172)</u>	<u>(44,759,464)</u>	<u>(431,895)</u>	<u>(426,871)</u>
Loss per share - basic and diluted					
Loss attributable to:					
'A' class Ordinary shares of Rs 10 each	39	<u>(9.12)</u>	<u>(8.55)</u>	<u>(0.09)</u>	<u>(0.08)</u>
'B' class Ordinary shares of Rs 5 each	39	<u>(4.56)</u>	<u>(4.28)</u>	<u>(0.05)</u>	<u>(0.04)</u>

The annexed notes 1 to 48 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Executive Officer

Director

Chief Financial Officer

NOTICE OF SECOND ANNUAL GENERAL MEETING

Notice is hereby given that Second Annual General Meeting of the Shareholders of Pakistan International Airlines Corporation Limited will be held at 1000 Hours, on Saturday, August 24, 2019 at Hotel Ramada Plaza, Star Avenue, Terminal 1, Jinnah International Airport, Karachi to transact the following business:

1. To receive and adopt the Audited Accounts for the year ended December 31, 2017 together with the Auditors' and Directors' Reports.
2. To appoint External Auditors for FY 2018 and fix their remuneration.
3. To consider and, if deemed fit, pass the following as a Special Resolution, with or without modification for acquisition of Pakistan Airways Limited:

“Resolved that as per the prior approval of Hon'ble Prime Minister of Pakistan PIACL is empowered and authorized to acquire Pakistan Airways Limited by way of purchase of all its shares including full Management control as its subsidiary.”

A statement under Section 134(3) of the Companies Act 2017, relating to the aforesaid special business to be transacted at the AGM is annexed.

4. To transact any other business with the permission of the Chair.

By order of the Board

**Muhammad Shuaib
Company Secretary**

**Karachi
August 02, 2019**

Notes:

1. The shareholders who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to Shares Registrar / Transfer Agent, are once again reminded to send the same at the earliest directly to CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block-B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi. The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number / CDC Account Number with the copy of CNIC /NTN details. Reference is also made to the SECP Notification which mandate that the dividend warrants should bear CNIC number of registered shareholder or authorized person, except in case of minor(s) and corporate shareholders.
2. Share Transfer Books will be closed from Friday, August 16, 2019 to Saturday, August 24, 2019 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of PIACL's Shares Registrar / Transfer Agent viz CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block-B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi up to 05:30 P.M. on Thursday, August 15, 2019, will be treated in time for the purpose of exercising the right to vote.
3. Shareholder may appoint another shareholder as proxy to attend and vote in respect of him/her. Duly completed instrument of proxy, or a notary certified copy thereof, must be lodged with the Company Secretary at the Registered Office PIA Building, Jinnah International Airport, Karachi-75200, Pakistan at least forty eight (48) hours before the time of the meeting.

4. The option of e-voting to the shareholders to vote through electronic means is not available for this AGM.
5. In pursuance of Section 242 of Companies Act, 2017, all Shareholders are notified that details of bank accounts for transmission of any dividend should be registered with our Shares Registrar / Transfer Agent, CDC Share Registrar Services Limited (CDCSRSL). Subsequently no dividend payment through other means, except electronic mode directly into bank account designated by the Shareholders, shall be made.
6. Any change of address of shareholders should be immediately notified to the Shares Registrar / Transfer Agent viz CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block-B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi.

CDC Account Holders will further have to follow the under-mentioned guidelines as laid down by the SECP:

A. For Attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by showing his / her original CNIC or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

- a. In case of individual, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.
- b. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- e. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.

Statement on material facts under Section 134 (3) of the Companies Act 2017

Pakistan Airways Limited (PAL) is wholly owned Public Limited Company of Government of Pakistan with a Paid-Up Capital of Rs.10,000. Prime Minister of Pakistan was pleased to approve acquisition of PAL by way of purchase of all its shares including full management control as its subsidiary, by PIACL. During the year ended December 31, 2016, PIACL Board of Directors had approved acquisition of entire shareholding of PAL. Under Section 199 of Companies Act 2017, the matter is being presented before the Shareholders for approval of purchase of all PAL shares at par value including acquisition of full management control as its subsidiary.