

SCHEME OF ARRANGEMENT
UNDER SECTION 279 OF THE COMPANIES ACT, 2017

In the matter of

Nova Frontiers Limited

and

its shareholders

AND

Gatron (Industries) Limited

and

its shareholders

AND

Ghani & Tayub (Private) Limited

and

its shareholders

A. PRELIMINARY

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Arrangement, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them:

"Arrangement" means this Arrangement in its present form or with any modification thereof or addition thereto approved or condition imposed by the Court;

"Court" means the High Court of Balochistan or any other Court for the time being having jurisdiction under Sections 279 to 283 of the Companies Act, 2017 in connection with this Arrangement;

"Effective Date" means the date falling fifteen (15) days after the Order of the Court under Section 282(1) of the Companies Act, 2017, sanctioning the Arrangement, has been filed with the Registrar of Companies, Quetta, as specified in paragraph 12.4 of the Arrangement;

"G&T" means Ghani & Tayub (Private) Limited, a private company limited by shares incorporated in Pakistan and having its registered office at Room No. 32, First Floor, Ahmed Complex, Jinnah Road, Quetta;

"G&T Remaining Undertaking" means all the estate, assets, rights, title, interests, businesses, undertakings,



activities, operations and the divisions of G&T save and except to the extent of its shareholding in Nova Frontiers and Gatron;

"G&T Shareholders" means all registered shareholders of G&T as at the Record Date;

"Gatron" means Gatron (Industries) Limited, a public company limited by shares, incorporated in Pakistan listed on Pakistan Stock Exchange and having its registered office at Room No. 32, 1st Floor, Ahmed Complex, Jinnah Road, Quetta;

"Nova Frontiers" means Nova Frontiers Limited, a public company limited by shares, incorporated in Pakistan having its registered office at Room No. 50 2nd Floor Ahmed Complex, Jinnah Road, Zargoon Town, Quetta;

"NFL Remaining Undertaking" means all the estate, assets, rights, title, interests, businesses, undertakings, activities, operations and the divisions of Nova Frontiers save and except to the extent of its shareholding in Gatron;

"Outgoing Shareholders" means the registered shareholders of Nova Frontiers as listed in Annex A attached herewith and any of their successors until the Record Date to whom 26,552,709 shares of Gatron will be issued in consideration of the cancellation of 4,047,669 shares of Nova Frontiers owned by the Outgoing Shareholders;



"Record Date"

means the book closure date specified by respective boards of Nova Frontiers and G&T after sanction of this Arrangement on which the eligibility of

(i) the Outgoing Shareholders to receive 26,552,709 shares of Gatron,

(ii) G&T Shareholders to receive 3,240,774 shares of Gatron already owned by G&T, and

(iii) Remining NFL Shareholders of Nova Frontiers to receive 5,342,430 shares of Gatron shall be determined respectively.

"Remaining NFL Shareholders" means the registered shareholders of Nova Frontiers excluding Outgoing Shareholders;

"Swap Ratio"

means the ratio determined for this Arrangement as provided in Clause 3.2 below in which Gatron shall issue shares to the Outgoing Shareholders and G&T Shareholders in the following manner:

(i) by issuing 6.56 ordinary shares of Gatron for every share of Nova Frontiers held by the Outgoing Shareholders (excluding G&T) on the Record Date.

(ii) in case of G&T, by issuing 6.56 ordinary shares of Gatron for every share of Nova Frontiers held by G&T (as an Outgoing



Shareholder) as of the Record Date. Shares of Gatron as a result of Swap Ratio shall be issued directly to G&T Shareholders in proportion to their existing shareholding in G&T as of the Record Date.

- 1.2 The headings and marginal notes are inserted for convenience and shall not affect the construction of this Arrangement.

2. AUTHORIZED AND PAID UP SHARE CAPITAL

- 2.1 The authorized share capital of Nova Frontiers is Rs. 200,000,000/-, divided into 20,000,000 ordinary shares of Rs. 10/- each, out of which 13,585,683 ordinary shares of Rs. 10/- each are issued and remaining 6,414,317 ordinary shares of Rs. 10/- each are un-issued.
- 2.2 The authorized share capital of G&T is Rs. 19,500,000/-, divided into 39,000 ordinary shares of Rs. 500/- each, out of which 36,984 ordinary shares of Rs. 500/- each are issued and remaining 2,016 ordinary shares of Rs. 500/- each are un-issued.
- 2.3 The authorized share capital of Gatron is Rs. 1,300,000,000 divided into 130,000,000 ordinary shares of Rs. 10/- each, out of which 108,728,960 ordinary shares of Rs. 10/- each are issued and remaining 21,271,040 ordinary shares of Rs. 10/- each are un-issued.



3. RESTRUCTURING ARRANGEMENT

- 3.1 The restructuring of the paid-up capital and appropriation of general reserve and accumulated profits of Nova Frontiers is required for the purpose of cancelling 4,047,669 shares of Nova Frontiers currently held by the Outgoing Shareholders. Consequently, the paid-up capital of Nova Frontiers shall be reduced by the such amount. In consideration, 26,552,709 shares of Gatron currently held by Nova Frontiers will be cancelled and 26,552,709 new shares of Gatron shall be issued.
- 3.2 For the purpose of the aforesaid, a Swap Ratio has been determined as of the determination date (i.e. January 31, 2025) by KPMG Taseer Hadi & Co, Chartered Accountants, on the basis of the supplementary audited financial statements of Gatron and Nova Frontiers for the period starting from July 1, 2024 to January 31, 2025, along with Gatron's financial projections for the period from February 1, 2025 to June 30, 2030. A copy of the share swap letter dated May 07, 2025 containing the calculations to determine Swap Ratio is attached hereto as Annex B.
- 3.3 26,552,709 new shares of Gatron shall be issued to;
- (i) the Outgoing Shareholders (excluding G&T) at the Swap Ratio; and
 - (ii) for the shares held by G&T in Nova Frontiers, shares corresponding to Swap Ratio, shall be issued to G&T Shareholders directly instead of G&T, in proportion to their respective shareholding in G&T.
- 3.4 5,342,430 shares of Gatron held by Nova Frontiers shall be cancelled and in lieu of cancellation of the aforesaid shares, 5,342,430 new shares of



Gatron shall be issued to the Remaining NFL Shareholders, in proportion to their respective shareholdings (excluding the Outgoing Shareholders) by utilizing the general reserve and accumulated profits and no reduction in the capital of Nova Frontiers will be required for this purpose.

- 3.5 3,240,774 shares of Gatron already held by G&T prior to this Arrangement shall be cancelled and in lieu of cancellation of the aforesaid shares, 3,240,774 new shares of Gatron shall be issued to the G&T Shareholders in proportion to their shareholding in G&T by utilizing unappropriated profit / reserves and no reduction in the capital of G&T will be required for this purpose.
- 3.6 4,047,669 shares of Nova Frontiers, 31,895,139 shares of Gatron as held by Nova Frontiers and 3,240,774 shares of Gatron as held by G&T along with their respective share certificates shall stand cancelled on the issuance of new shares of Gatron in accordance with this Arrangement.
- 3.7 As a result of cancellation of 4,047,669 shares of Nova Frontiers, the paid-up capital of Nova Frontiers shall be reduced to Rs 95,380,140/- divided into 9,538,014 ordinary shares of Rs. 10/- each.
- 3.8 Outgoing Shareholders have been identified in Annex A attached hereto as of January 31, 2025. On the Record Date the list of Outgoing Shareholders shall be finalized by the Board of Nova Frontiers after taking into account any transfers by the shareholder included in the aforesaid list, that may have occurred between January 31, 2025 and the Record Date. Upon sanction of this Arrangement, at least seven (7) days' notice shall be given to the members of Nova Frontiers, by Nova Frontiers, specifying the Record Date in order to determine the identities of the Outgoing Shareholders and their entitlements. Such notice shall also specify the date by which the Outgoing Shareholders shall deliver



to Nova Frontiers, for cancellation, all the share certificates representing shares held by them and such share certificates shall be delivered to Nova Frontiers on or before that date. Nova Frontiers shall, within seven (7) days of the Record Date, provide Gatron with the list of the Outgoing Shareholders along with details of their respective entitlements.

4. BOARD OF DIRECTORS OF NOVA FRONTIERS

4.1 The Board of Directors of Nova Frontiers is constituted as follows:

1. Muhammad Salim Bilwani
2. Shabbir Diwan
3. Rizwan Diwan
4. Muhammad Altaf Bilwani

4.2 The present Board of Directors of Nova Frontiers will continue to serve as Directors of Nova Frontiers after this Arrangement.

4.3 The Directors of Nova Frontiers have no interest in this Arrangement except to the extent of their shareholding as Outgoing Shareholders and common directorship in case of Shabbir Diwan and Muhammad Altaf Bilwani.

5. BOARD OF DIRECTORS OF G&T

5.1 The Board of Directors of G&T is constituted as follows:

1. Pir Muhammad Diwan
2. Abdul Razak Diwan
3. Muhammad Iqbal Bilwani
4. Muhammad Arif Bilwani



5.2 The present Board of Directors of G&T will continue to serve as Directors of G&T after this Arrangement.

5.3 The Directors of G&T have no interest in this Arrangement except to the extent of their shareholding and common directorship in case of Abdul Razak Diwan, Muhammad Iqbal Bilwani.

6. BOARD OF DIRECTORS OF GATRON

6.1 The Board of Directors of Gatron is constituted as follows:

1. Abdul Razak Diwan
2. Shabbir Diwan
3. Zakaria Bilwani
4. Muhammad Iqbal Bilwani
5. Saqib Haroon Bilwani
6. Muhammad Taufiq Bilwani
7. Muhammad Altaf Bilwani
8. Talat Iqbal
9. Muhammad Tufail Iqbal
10. Huma Rafique

6.2 The present Board of Directors of Gatron will continue to serve as Directors of Gatron after this Arrangement.

6.3 The Directors of Gatron have no interest in this Arrangement except to the extent of their shareholding.



7. RATIONALE FOR ARRANGEMENT

- 7.1 Nova Frontiers subscribed 31,895,139 ordinary shares of Gatron at the cost of Rs. 175/- resulting in aggregate shareholding of (29.33%) shares in Gatron.
- 7.2 The Outgoing Shareholders had received the ordinary shares of Nova Frontiers as result of an earlier scheme of arrangement dated November 23, 2022 as sanctioned by the Balochistan High Court, Quetta vide order dated May 9, 2023, which resulted in aggregate shareholding of 4,047,669 shares in Nova Frontiers.
- 7.3 This Arrangement will reduce and streamline the shareholding structure of Nova Frontiers by canceling 4,047,669 shares of Nova Frontiers held by the Outgoing Shareholders and in consideration offering 26,552,709 shares in Gatron to Outgoing Shareholders and G&T Shareholders who will then have direct shareholding in Gatron. Similarly, the issuance of the remaining 5,342,430 Gatron shares to the Remaining NFL Shareholders will result in their direct shareholding in Gatron.
- 7.4 The Arrangement ensures a fair and proportionate distribution of value to the Outgoing Shareholders through a structured Share Swap mechanism based on a valuation-driven swap ratio.
- 7.5 Issuance of 3,240,774 shares of Gatron to G&T Shareholder directly will result in their direct shareholding in Gatron.
- 7.6 The Outgoing Shareholders, Remaining NFL Shareholders and G&T Shareholders to whom shares are to be issued by Gatron directly, shall



be able to directly exercise their rights as shareholders of Gatron in respect of decision-making in Gatron.

The Arrangement also allows the Outgoing Shareholders, Remaining NFL Shareholders and G&T Shareholders to directly hold shares in Gatron, which may have higher liquidity, value appreciation potential, or strategic benefits compared to their indirect holding through Nova Frontiers and G&T.

- 7.7 After this Arrangement becomes effective, Nova Frontiers will be able to improve its focus on its core operations, which will be an added benefit to the shareholders of Nova Frontiers.
- 7.8 After this Arrangement becomes effective, G&T will be able to improve its focus on its core operations, which will be an added benefit to the shareholders of G&T.

B. THE ARRANGEMENT

8. OBJECT OF THE ARRANGEMENT

The principal object of the Arrangement is that, without any further act or deed and except for the steps expressly provided in this Arrangement:

- (a) 4,047,669 shares of Nova Frontiers shall be cancelled, reducing the paid-up capital of Nova Frontiers by Rs. 40,476,690/-. Consequently, the reduced paid-up capital of Nova Frontiers will be Rs. 95,380,140/- divided into 9,538,014 ordinary shares of Rs. 10 each.
- (b) 31,895,139/- shares as held by Nova Frontiers in Gatron and 3,240,774 shares as held by G&T in Gatron prior to this Arrangement are cancelled;



- (c) 26,552,709 shares of Gatron shall be issued to the Outgoing Shareholders in accordance with the Swap Ratio as of the Record Date. With respect to G&T as an Outgoing Shareholder, upon determination of entitlement of G&T, such shares shall be issued to G&T Shareholders directly proportionate to their existing shareholding in G&T as of the Record Date.

Furthermore, 3,240,774 shares of Gatron as already held by G&T prior to this Arrangement shall be cancelled and shall be issued to the G&T Shareholders directly in proportion to their existing shareholding in G&T as of the Record Date; and

- (d) Remaining 5,342,430 shares of Gatron held by Nova Frontiers shall be cancelled and in lieu of cancellation of the aforesaid shares, new 5,342,430 shares of Gatron shall be issued to the Remaining NFL Shareholders, in proportion to their respective shareholding in Nova Frontiers by utilizing the general reserve and accumulated profits. No reduction in the capital of Nova Frontiers will be required for this purpose.

9. ISSUANCE OF NEW SHARES

- 9.1 Subject to clause 9.4 below, Gatron shall issue new shares in the following manner:

9.1.1 26,552,709 new shares of Gatron:

- (i) in case of Outgoing Shareholders of Nova Frontiers, by issuing 6.56 ordinary shares of Gatron for every share of Nova Frontiers held by the Outgoing Shareholders (excluding G&T) on the Record Date in accordance with Swap Ratio;



- (ii) in case of G&T as a Outgoing Shareholder of Nova Frontiers, by issuing 6.56 ordinary shares of Gatron for every share of Nova Frontiers held by G&T as of the Record Date. Shares of Gatron as result of Swap Ratio shall be issued directly to G&T Shareholders in proportion to their existing shareholding in G&T as of the Record Date;
- 9.1.2 Subject to clause 9.4 below, 5,342,430 shares of Gatron shall be issued to the Remaining NFL Shareholders in proportion to their shareholding in Nova Frontiers as of the Record Date; and
- 9.2 Subject to clause 9.4 below, 3,240,774 new shares of Gatron shall be issued to G&T Shareholders in proportion to their existing shareholding in G&T as of the Record Date;
- 9.3 As provided in Clause 9.1 and 9.2, the new shares of Gatron shall be issued to the Outgoing Shareholders, G&T Shareholders and Remaining NFL Shareholders within 60 days of the Effective Date or such extended period as may be determined by the board of Gatron. Such shares may be issued in physical form or in book entry form.
- 9.4 In case any Outgoing Shareholders, G&T Shareholders or Remaining NFL Shareholders become entitled to a fraction of a share to be issued in accordance with Clause 9.1 through 9.3 above, Gatron shall not issue fractional shares. Such fractions shall be consolidated and the aggregate of such fractions shall be rounded up to a whole number. Such consolidated shares shall then be issued and allotted directly to the Company Secretary of Gatron to be held in trust by him, who shall subsequently seek offers from the shareholders of Gatron for the sale of such shares within a period of 1 (one) month from the date of last issuance of shares in accordance with Clause 9.1 to 9.3. In this respect,



each of the shareholder of Gatron shall be eligible to tender bid(s) to purchase the consolidated shares and these shares shall then be transferred to the person(s) with highest bid(s) tendered, as may be determined by the Company Secretary of Gatron., The net sale proceeds (after deduction of applicable taxes, other expenses incurred, if any) shall be donated to a non-profit organization approved under the Income Tax Ordinance, 2001 and designated by the Board of Gatron.

10. CONTINUANCE OF BUSINESS

10.1 NOVA FRONTIERS

NFL Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Nova Frontiers in the same manner as the same was being conducted prior to this Arrangement.

10.2 G&T

G&T Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by G&T in the same manner as the same was being conducted prior to this Arrangement.

10.3 Gatron

Gatron and all its assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by Gatron in the same manner as the same was being conducted prior to this Arrangement.



11. TREATMENT IN ACCOUNTS

11.1 Nova Frontiers

The effect of this Arrangement shall be reflected in the books of Nova Frontiers as a reduction of its paid-up share capital, appropriation of general reserves and accumulated profits / and disinvestment of Gatron shares

11.2 G&T

The effect of this Arrangement shall be reflected in the books of G&T as appropriation from the general reserves and unappropriated profit and disinvestment in Nova Frontiers and Gatron.

11.3 Gatron

There will be no changes in books of accounts of Gatron except for cancellation and issuance of new shares to Outgoing Shareholders Remaining NFL Shareholders and G&T Shareholders.

12. MISCELLANEOUS

12.1 This Arrangement is subject to the sanction of the Court and may be sanctioned in its present form or with any modification thereof or addition thereto as the Court may approve and this Arrangement, with such modification or addition if any, is also subject to any conditions which the Court may impose.

12.2 The respective Board of Directors of Gatron, Nova Frontiers and G&T may consent on behalf of all concerned to any modifications of or



additions to this Arrangement or to any conditions which the Court may think fit to impose.


12.3 All costs, charges and expenses in respect of the preparation of this Arrangement and carrying the same into effect shall be borne and paid by Nova Frontiers.

12.4 This Arrangement shall become operative as soon as a certified copy of an Order or Orders of the Court under Section 279 of the Companies Act, 2017, sanctioning this Arrangement and making any necessary provisions under Section 282 of the said Act shall have been filed with the Registrar of Companies, Quetta and unless this Arrangement shall have become effective as aforesaid, the same shall not have any effect.



For and on behalf of
Nova Frontiers Limited





For and on behalf of
Ghani & Tayub (Private) Limited





For and on behalf of
Gatron (Industries) Limited



Karachi: Dated: 22.05.2025 [], 2025