

# *Media Times Limited*

## **MEDIA TIMES LIMITED NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 17<sup>th</sup> Annual General Meeting of the shareholders of Media Times Limited ("the Company" or "MTL") will be held on Saturday, 28 October 2017 at 10:30 a.m. at the Head Office of the Company, 2<sup>nd</sup> Floor, Pace Shopping Mall, Fortress Stadium, Cantt., Lahore to transact the following business:

### **Ordinary business**

1. To confirm the minutes of last Extra Ordinary General Meeting held on 20 June 2017;
2. To receive, consider and to adopt the financial statements of the Company for the financial year ended 30 June 2017 together with the Chairman's Review, Directors' and Auditors' reports thereon; and
3. To appoint the Auditors of the Company for the year ending 30 June 2018 and to fix their remuneration.

### **Special business**

4. To pass a special resolution pursuant to Section 83(1)(b) of the Companies Act, 2017 for issuance of further ordinary shares of the Company, having a par value of Rs. 10 each to the lender to enable conversion of the loan into ordinary shares of the Company of amounts outstanding under a Convertible Loan Agreement ("the Agreement") to be entered into between Fajr Enterprises (Pvt.) Limited and the Company pursuant to which Fajr Enterprises (Pvt.) Limited would lend a loan for an amount of Rs. 300.00 Million to the Company. The total number of shares to be issued and the price per share will be calculated in accordance with the terms and conditions of the said Agreement. In this regard it is proposed to pass the following special resolutions, with or without modifications:

**"RESOLVED THAT** pursuant to Section 83(1)(b) of the Companies Act, 2017 the Company issue further capital subject to approval from Securities and Exchange Commission of Pakistan ("the Commission"), by issuance from time to time of such ordinary shares as are required to enable the conversion of the shares underlying the convertible loan of Rs. 300.00 million to be received by the Company from Fajr Enterprises (Pvt.) Limited, on conversion terms and conditions as are provided in the Term Sheet dated 04 October 2017 and Draft Loan Agreement, to be executed between the Company and Fajr Enterprises (Pvt.) Limited ("the Agreement"), subject to any necessary approval of the Commission.

**RESOLVED FURTHER THAT** the conversion of the shares underlying the Agreement into ordinary shares of the Company in accordance with and subject to the terms and conditions of the term sheet dated 04 October 2017 and the Agreement is hereby approved.

**RESOLVED FURTHER THAT** the Chief Executive or any one of the Directors and / or the Company Secretary of the Company be and are hereby singly authorized to sign the Agreement and to complete all the necessary corporate

# Media Times Limited

and legal formalities in respect of the above including but not limited to filing of application(s) with the Commission, making necessary alterations and amendments in the application or any other matter in respect of the above. The Chief Executive is also authorized to delegate his powers to any other person who he may deem fit.”

By order of the Board

Shahzad Jawahar  
Company Secretary



Lahore: 06 October 2017

## Notes:

- 1) The Members Register will remain closed from 21 October 2017 to 28 October 2017 (both days inclusive). Transfers received at THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S Karachi-75400, the Registrar and Shares Transfer Office of the Company, by the close of business on 20 October 2017 will be considered in time for the purpose of Extraordinary General Meeting.
- 2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
- 3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Head Office of the Company 2<sup>nd</sup> and 3<sup>rd</sup> Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, not less than 48 hours before the time of the meeting. Pursuant to SECP Companies (E-Voting) Regulations, 2016, Members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of the meeting to the Company on the appointment of Execution officer by the intermediary as Proxy.
- 4) a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.  
b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.
- 5) Members are requested to notify any change in their registered address immediately;
- 6) In accordance with S.R.O. 831(I)2012 dated 5 July 2012 issued by the Securities and Exchange Commission of Pakistan, dividend warrants should bear CNIC

# *Media Times Limited*

number of the registered member or the authorized person. Accordingly, members who have not yet submitted copy of their valid CNIC/NTN (in case of corporate entities) are requested to submit the same with members folio no. mentioned thereon to the Company or directly to our Independent Share Registrar, THK Associates (Pvt.) Limited;

- 7) In compliance with SECP notification no. 634/(I)/2014 dated 10 July 2014, the Company has placed the Audited Annual Financial Statements for the year ended 30 June 2017 along with Auditors and Directors Reports thereon on its website: [www.dailytimes.com.pk](http://www.dailytimes.com.pk) and Group's website [www.pacepakistan.com](http://www.pacepakistan.com);
- 8) In pursuance of SECP notification S.R.O. 787 (I) 2014 dated 08 September 2014, the companies have been allowed to circulate their Annual Balance Sheet and Profit and Loss Accounts, Auditors, Report and Director's Report (Annual Financial Statements) along with Notice of Annual General Meeting (Notice) through E-mail to the members of the Company. Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website: [www.dailytimes.com.pk](http://www.dailytimes.com.pk) and group's website [www.pacepakistan.com](http://www.pacepakistan.com);
- 9) If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference atleast 10 days prior to the date of the meeting, the Company will arrange video conferencing facility in that city subject to availability of such facility in that city;
- 10) In pursuance of SECP notification S.R.O # 470(I)2016/ dated 31 May 2016, the Company has sent information regarding Annual audited Accounts of the Company to the shareholders in soft form i.e. CD. However, the Company will supply the hard copy of the Annual Audited Accounts to the Shareholders on demand, at their registered addresses, free of cost, within one week of such demand. The Company has placed on its website a standard request form, to communicate their need of hard copies instead of soft form.

## **STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017**

This statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of the Company to be held on 28 October 2017.

### **ISSUANCE OF FURTHER ORDINARY SHARES UNDER PROVISIONS OF SECTION 83(1)(B) OF THE COMPANIES ACT, 2017**

The Company intends to issue further share capital from time to time, pursuant to Section 83 (1) (B) of the Companies Act, 2017, upto the number of such ordinary shares as are required to enable the conversion of amounts outstanding up to Rs. 300.00 Million under a Convertible Loan Agreement ("Loan") to be borrowed by the Company from Fajr Enterprises (Pvt.) Limited ("Fajr" or "Loan provider") along with interest accredited but unpaid thereon till such conversion option is exercised by the Loan provider. This Convertible Loan is to be borrowed from Fajr as contemplated by the Term and conditions agreed between the Company and Fajr in the Term sheet dated 04 October 2017. The conversion of loan is subject to necessary approval of Securities and Exchange Commission of Pakistan.

The aforesaid loan is proposed to be borrowed from Fajr for the purpose of repayment of existing Liabilities of the Company.

The maturity of the Convertible Loan shall be 5 years and 1 day from the date of disbursement or any other date mutually agreed between Fajr and the Company. Unless the Loan has been previously converted, the Company will repay the outstanding Loan (if any) on maturity.

The Conversion Price will be equal to the volume-weighted average price (VWAP) of the Company's share on Pakistan Stock Exchange, over the 90 trading days, prior to the date of receipt of Conversion Notice.

The Conversion Price shall be subject to the floor price of Rs. 5.00 per share, i.e. in case the VWAP calculated of the Company's share is less than Rs. 5.00 at the time of conversion, the Loan shall be converted into ordinary shares of the Company at the rate of Rs. 5.00 per share. There is also a cap of Rs. 12.00 per share on the conversion price. Further, if at any time VWAP of the Company's share on Pakistan Stock Exchange, over the 90 trading days, is over and above Rs. 12.00 per share, the loan shall be mandatorily converted into ordinary shares of the Company at the conversion price of Rs. 12.00 per share.

The existing paid up capital of the Company is Rs, 1,788,516,840 divided into 178,851,684 numbers of ordinary shares. The authorized capital of the Company is Rs. 2,100,000,000 divided into 210,000,000 shares of Rs. 10 each.

The Convertible Loan is provided to the Company at a low cost, that is Three months KIBOR plus 50 bps per annum, and enables the Company to save amount on account of finance cost and settlement of various liabilities of the Company which ultimately enhance its operating profitability and overall outlook.

The funds raised through this Convertible Loan will be utilized by the Company primarily for repayment of its liabilities including its long term financing (obtained earlier at the rate of three months KIBOR plus 300 bps per annum), together with accumulated unpaid mark-up on such long term financing.

This proposed Convertible loan will enable the Company to access lower cost funds amounting to approximately PKR 300.00 million on very nominal interest. The debt is

an unsecured senior obligation of the Company and such unsecured debt could not have been raised from the market.

The Board of Directors in their meeting held on 02 October 2017 has considered and approved the Convertible loan and issuance of further shares capital by way of conversion of aforesaid convertible loan.

The issue of further capital is subject to approval of SECP pursuant to Section 83(1) (B) of the Companies Act 2017. On the basis of Special Resolution a formal application for issue of further shares by the Company to Loan provider will be forwarded to SECP under the Rules/Guidelines of SECP for its final approval.

The salient features of the Convertible Loan are stated as under:

- The Loan will be direct, unsecured, senior obligation of the Company, ranking *pari passu* in right of payment with all other unsecured senior debts of the Company;
- The loan disbursement shall be made by Lender according to 'Draw Down Notices given by the Company to the Lender during the maximum period of Six (06) months from Loan Agreement Date, and loan amount requested to be disbursed in each Draw Down Notice shall not be less than Rs. Ten (10) Million;
- Loan Disbursement Date will be the date of transfer of each loan tranche from Lender's bank account to the Company's bank account;
- The maturity of the Loan will be 5 years and 1 day from the Loan Disbursement Date, unless the outstanding Loan (if any) has been previously converted into ordinary shares of the Company. The outstanding Loan (if any) shall be repayable by the Company after 5 years from Loan Disbursement Date at the Principal Amount, together with any accrued but unpaid Mark-up;
- The Loan shall be subject to markup of three months KIBOR plus 50 bps per annum, payable quarterly in arrears. Markup shall not be compounded and shall not be formed as a part of Principal;
- The Loan shall be convertible by the Lender, at any time after the expiry of 120 days from the "Loan Disbursement Date", in whole or in part, into that number of ordinary shares of the Company equal to the loan amount disbursed, together with any accrued but unpaid Mark-up, divided by the "Conversion Price" in effect at the time of conversion. The Lender will provide atleast 45 days conversion notice to the Company;
- **a)** The Conversion Price will be equal to the volume-weighted average price (VWAP) of the Company's share on Pakistan Stock Exchange, over the 90 trading days, prior to the date of receipt of Conversion Notice by the Company  
**b)** The Conversion Price shall be subject to the floor price of Rs. 5.00 per share, i.e. in case the VWAP of the Company's share is less than Rs. 5.00 at the time of conversion, the Loan shall be converted into ordinary shares of the Company at the rate of Rs. 5.00 per share;
- There is also a cap of Rs. 12.00 per share on the conversion price that is if at any time VWAP of the Company's share on Pakistan Stock Exchange, over the 90 trading days, is over and above is Rs. 12 per share the loan shall be

mandatorily converted into ordinary shares of the Company at the conversion price of Rs. 12 per share.

- The Loan will include a conversion limitation providing that the Company will not effect any conversion of the Loan, and Lender shall not have the right to convert any portion of the Loan, to the extent that after giving effect to such conversion, the Lender would beneficially own in excess of 29.99% of the paid up capital of the Company after giving effect to such conversion;
- The conversion of Loan shall be in piecemeal and every exercise of a conversion right would not entitle the lender to acquire more than 10.00% of the paid up capital of the Company after giving effect to such conversion;
- **a)** The Company will use its best endeavors to ensure that the conversion is duly executed within 45 days after receiving a Conversion Notice from the Lender.  
**b)** If the Company fails to convert the Loan into shares within 45 days, the Company will pay additional mark-up equivalent to 12 per cent per annum on the amount of Loan to be converted until such conversion takes place, for the period such default continues beyond the permitted 45 days;
- Upon conversion of 85% of the Loan amount, the outstanding Loan amount together with any accrued but unpaid interest thereon will be automatically converted into ordinary shares of the Company at the conversion price then in effect;
- The Lender shall have the right to cause to the Company to repay the Loan if an Event of Default (as defined in the draft Loan Agreement) occurs. The following are included as Events of Default (i) non-payment of principal, interest when due; (ii) breach of any covenant, subject to a material adverse effect (iii) failure to convert Loan into shares of the Company upon exercise of conversion rights by the holder and (iv) voluntary or involuntary bankruptcy, insolvency or winding up of the Company.

The VWAP of the Company's shares for preceding 90 trading days (01 July – 30 September, 2017) is around Rs 3.21 per share. The recent VWAP of MTL is around Rs. 3.29 per share for the month of July 2017 and around Rs. 3.39 per share for the month of August 2017 and Rs. 3.07 for the month of September 2017. The negative break up value of the Company's shares based on the audited accounts for the year ended 30 June 2017 is around Rs. 1.383 per share. The current Authorized share capital of the Company is Rs. 2,100,000,000 divided into 210,000,000 shares of Rs. 10.00 each which shall be increased in order to give effect of the conversion of shares.

As the conversion option is exercised in whole or in part, the paid up capital of the Company shall be increased to that extent. As per the latest shareholding available with the Company, Fajr does not hold any shares in the paid up capital of the Company. The envisaged shareholding of Fajr in the Company in case of conversion of entire loan along with mark-up outstanding as payable shall be 60,997,500 shares (25.4%) of the increased capital, if converted at a base price of Rs. 5.00 per share. Fajr has provided written consent for conversion of loan into ordinary shares of the Company.

Since the conversion price is dependent on the criteria set forth in the Draft Loan Agreement and is linked with the market price of the Company's shares on the

Pakistan Stock Exchange, therefore, the conversion price may or may not be equal to the par value, that is, (1 ordinary share of Rs. 10/- each).

The difference in conversion prices and par value of share (if any) arisen on the conversion of the loan into ordinary shares of the Company shall be amortized against future profits of the Company. The premium (if any) arisen on the conversion of the loan into ordinary shares of the Company shall be dealt according to the laws of the country.

The rationale for the further issue of share capital to the Lender without a rights offering is that the Loan Agreement may require issuance of shares from time to time to the lender and it is not practical to undertake a rights issue upon every exercise of a conversion right. Also, the lender requires confirmation that all consents, permissions, resolutions and actions have been undertaken to authorise the conversion as contemplated by the draft Loan Agreement. This confirmation cannot be provided unless the further issues of capital that may be required are authorised now by the shareholders and approved by the Commission. The Loan is being provided to the Company at a low cost and enables the Company to enhance its operating profits. There are clear benefits for the Company and its shareholders for the subject loan (which is convertible into equity) since the Company will have available considerable capital. The cost of convertible loan is much lower than the rate at which loans are currently available. The conversion of the Loan into shares will dilute the shareholding percentage of all the shareholders on a pro-rata basis. The converted shares will rank pari passu in all respects with the existing shares of the Company.

#### **INSPECTION OF DOCUMENTS**

Copies of statement under section 134 (3) of the Companies Act, 2017, recent annual/quarterly accounts along with all published or otherwise required accounts of all prior periods of the Company along with financial projections of the Company, Memorandum and Articles of Association of the Company, Term Sheet dated 04 October 2017, Draft Loan agreement to be executed between the Company and Fajr Enterprises (Pvt.) Limited and other related information of the Company, may be inspected/procured during the business hours on any working day at the Registered Office of the Company from the date of publication of this notice till the conclusion of the Annual General Meeting. The financial statements of the Company can also be viewed at [www.dailytimes.com.pk](http://www.dailytimes.com.pk) and Group's website [www.pacepakistan.com](http://www.pacepakistan.com);

#### **INTEREST OF THE DIRECTORS AND THEIR RELATIVES**

All the directors of the Company including the Chief Executive and their relatives (if any) are interested in the business that is subject of the meeting to the extent of their shares that are held by them in the Company.

# FORM OF PROXY

The Company Secretary  
Media Times Limited  
Head Office, 2<sup>nd</sup> Floor, Pace Shopping Mall  
Fortress Stadium, Lahore Cantt  
Lahore

Folio No./CDC A/c No.: \_\_\_\_\_

Shares Held: \_\_\_\_\_

## Option 1 Appointing other person as Proxy

I/We \_\_\_\_\_ S/o D/o W/o  
\_\_\_\_\_ CNIC \_\_\_\_\_ being the member(s)  
of Media Times Limited hereby appoint Mr./Mrs./Ms./ \_\_\_\_\_ S/o D/o W/o  
\_\_\_\_\_ CNIC \_\_\_\_\_ or failing him / her Mr. / Mrs. Miss  
\_\_\_\_\_ S/o. D/o. W/o. \_\_\_\_\_ CNIC  
\_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the  
Annual General meeting of the Company to be held on 28 October 2017 at 10:30 a.m. and at any  
adjournment thereof.

Signed under my/our hands on this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Affix Revenue Stamp of  
Rupees Five

\_\_\_\_\_  
Signature of member  
(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of:

\_\_\_\_\_  
Signature of Witness 1

\_\_\_\_\_  
Signature of Witness 2

## Option 2 E-voting as per the Companies (E-voting) Regulations, 2016

I/we \_\_\_\_\_ S/o D/o W/o \_\_\_\_\_ CNIC \_\_\_\_\_ being a member of  
Media Times Limited holder of \_\_\_\_\_ Class \_\_\_\_\_ Ordinary share(s) as per Registered Folio No.  
\_\_\_\_\_ hereby opt for e-voting through intermediary and hereby consent the appointment of  
execution officer \_\_\_\_\_ as proxy and will exercise e-voting as per the  
Companies (E-voting) Regulations, 2016 and hereby demand for poll for resolutions. My secured  
email address is \_\_\_\_\_, please send login details, password and electronic  
signature through email.

\_\_\_\_\_  
Signature of member  
(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of:

\_\_\_\_\_  
Signature of Witness 1

\_\_\_\_\_  
Signature of Witness 2

(Please See Notes on reverse)

## **Notes**

1. A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
2. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Head Office of the Company 2<sup>nd</sup> and 3<sup>rd</sup> Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, not less than 48 hours before the time of the meeting. Pursuant to SECP Companies (E-Voting) Regulations, 2016, Members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of the meeting to the Company on the appointment of Execution officer by the intermediary as Proxy.
  - a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.
  - b) b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.