



Iplayco Corp.

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Iplayco scores massive \$8.8 mln Saudi investment

Iplayco (CVE:IPC) has landed a big Saudi investment, with FAS Holding Company agreeing to an \$8.84 million private placement with the maker of children's indoor play structures for a stake of over 50%.

According to Iplayco's statement released late Wednesday, Saudi FAS Holding Company and its British Columbia subsidiary, FAS Entertainment B.C., collectively known as FAS, will purchase 10.65 million units of Iplayco at 83 cents apiece.

The Langley, British Columbia-based company said proceeds would be used to fund working capital requirements and other corporate needs.

FAS is a private Saudi Company that is held by three individuals, and is focused on the retail and real estate business sectors. The group started in 1989 as a partnership between three brothers as a retail apparel store operator, later diversifying into other areas such as real estate, construction, financial services and health care.

FAS and Arabian Centres Company Limited, the largest builder of shopping malls in Saudi Arabia, are Iplayco's largest customers from the past three years, and are affiliates of Fawaz Abdulaziz Al Hokair, a retail conglomerate listed on the Saudi stock exchange with a market cap of over C\$6 billion.

"Over the course of the past three years and through 9 completed projects aggregating to over \$10 million dollars for our chain of Billy Beez family entertainment centres, including a Billy Beez location in the Kingdom of Saudi Arabia that received the distinction of being the world's largest indoor soft-play area, Iplayco has demonstrated to us that they are global leaders in the design, manufacturing and installation of large-scale, premium-quality play-structures for children," said chairman of Al Hokair, Fawaz Alhokair.

"This investment represents the first step in our plan to rollout hundreds of Billy Beez locations worldwide and build a globally recognizable brand."

Under the terms of the placement, each unit will be made up of one common share of Iplayco and one tenth of a share purchase warrant. Every whole warrant can be used to acquire an additional common share until October 1, 2016 for a price of 85 cents each.

Once the financing is closed, expected later this year, FAS will hold about 51% of Iplayco, or 53% assuming the full exercise of warrants.

FAS will also be granted a pre-emptive right to participate in any future financings on a pro-rata basis, Iplayco said, as well as anti-dilution rights restricting the number of stock options Iplayco may grant so long as FAS holds at least 50% of its shares.

On top of this, the Saudi investor will have the right to nominate 50% of Iplayco's board if its stake is equivalent to 50%. Should it own less than 50% and more than 20% of Iplayco's stock, FAS will be able to nominate two individuals to the company's board.

Iplayco has certainly been tapping into the Middle East lately, just this year announcing orders from the region totalling

Price: C\$0.96

Market Cap: C\$9.61M

1 Year Share Price Graph



Share Information

Code: IPC

Listing: TSX-V

Sector: Manufacturing

Website: www.iplaycoltd.com

Company Synopsis:

Iplayco custom designs, manufactures and installs premium quality, fun, safe and durable play structures for children worldwide. In its 14-year history, Iplayco has sold play structures to over 50 countries and to 16 different markets, including family entertainment centres, theme parks, shopping malls, restaurants, fitness and health clubs, municipalities, schools, daycare centres, hospitals, zoos and churches.

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\$5.3 million.

The Canadian company, which ranked among the top 10 best performing companies in the diversified industries sector on the TSX Venture Exchange last year, has sold play structures to over 50 countries and to 16 different markets, including family entertainment centres, theme parks, shopping malls, restaurants, hospitals, zoos, churches and more. It also owns and operates a family entertainment centre, called The Great Escape, in Langley, British Columbia, where Iplayco is headquartered.

"This investment by FAS represents a significant milestone and turning point in Iplayco's history," said Iplayco president Scott Forbes.

"We are extremely honored to have been selected by Al Hokair to help drive their aggressive growth plans for Billy Beez. This investment is a clear sign to our shareholders that Iplayco is positioned for significant growth."

Forbes stressed that the company has Al Hokair's support to continue servicing and growing its existing customer base outside of the Billy Beez line. The company grew sales by over 46% last year, attributed to large orders from mall owners, especially in the Middle East, from where Iplayco received five \$1 million plus orders in 2013, alongside an almost \$2 million project from The Children's Museum in Las Vegas.

Iplayco, which sees its strong growth tide continuing as it looks to expand to the BRIC nations, has seen its share price more than double in the last 12 months, and is up 60% to date in 2014.

The shares closed Wednesday at 96 cents, shy of its 52-week high of C\$1.10.

The private placement with FAS still needs shareholder approvals as well as regulatory clearance. Already, shareholders representing about 27% of Iplayco have agreed to vote in favour of the deal at a shareholder meeting due to take place on August 14.

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