

Iplayco Corp Ltd

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iPlayco to purchase and retire 51% of its common shares from a controlling shareholder; shares pop

Indoor playground specialist iPlayco Corp Ltd (CVE:IPC) announced today that it will purchase and retire 51% of its common shares from a controlling shareholder.

Shares popped 45.26% in midday trading at C\$0.69.

The company said it has entered into a share purchase agreement with FAS Entertainment B.C. Ltd., Saudi FAS Holding Company, and Billy Games Company Ltd. (FAS) to buy back 10,650,000 of the company's common shares. The shares represent FAS's entire ownership position in Iplayco and make up 51.03% of all Iplayco common shares issued and outstanding.

Under the agreement, Iplayco will pay FAS US\$2,500,000 and offer price discounts of up to US\$1,000,000 toward future purchases of playground equipment from iPlayco. Upon completion of the acquisition, iPlayco will cancel all of the acquired shares.

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"The agreement we are announcing today achieves several important objectives for Iplayco shareholders, including a very significant strengthening of our balance sheet and reducing shares outstanding by over 50%, both of which we anticipate will have a direct and positive impact on earnings per share in future years," said president and chief executive officer, Scott Forbes.

"We thank the FAS group for working with us to reach an agreement that serves the interests of all parties involved and look forward to continuing to support the expansion of the Billy Beez network with Iplayco's industry-leading playcenter equipment. The agreement positions Iplayco to re-balance our sales strategy and more fully leverage opportunities in Europe and other overseas markets, as well as in North America."

Upon completion of the acquisition and cancellation of the acquired shares, iPlayco will have 10,220,187 common shares issued and outstanding.

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Closing of the acquisition is subject to conditions standard for a transaction of this nature, including approval of the acquisition by the disinterested shareholders of iPlayco and approval of the TSX Venture Exchange.

"With FAS's decision to sell its stake in Iplayco, our affiliates remain committed to the global playcenter market and these affiliates look forward to continue working with Iplayco on existing and new playcenters in the future," said FAS vice chairman Sultan Fawaz Abdulaziz Al Hokair.

Price: C\$0.61

Market Cap: C\$12.73M

1 Year Share Price Graph



Share Information

Code: IPC

Listing: TSX-V

52 week High Low
0.74p 0.385p

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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Adoption of advance notice by-law

The company also announced the adoption of advance notice by-law, and that the Board has approved certain amendments to require provisions requiring advance notice of director nominees from shareholders. The purpose of the advance notice provisions is to provide shareholders, directors and management of the corporation with a clear framework for nominating directors.

Among other things, the provisions fix a deadline by which shareholders of the corporation must submit nominations before any annual or special meeting of the shareholders and sets forth the minimum information that a shareholder must include in the notice.

In its 19-year history, iPlayco has sold over 3,000 playgrounds to over 60 countries worldwide. It's known as a global leader in the design and supply of quality and durable indoor playgrounds for children.

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