

# SHARP INDIA LIMITED

Regd. No. 485/8A&8B, Gat No. 686/4, Koregaon Bhima, Taluka Shirur, District Pune - 412 216. Tel.: +91 2137 252417; Fax: +91 2137 252453

Open offer ("Offer") for acquisition of up to 6,486,000 (Six million four hundred and eighty six thousand) fully paid-up equity shares of face value of INR 10 (Indian Rupees ten) each ("Equity Shares"), representing 25% (twenty five percent) of the fully diluted voting equity share capital of Sharp India Limited ("Target Company"), as of the 10<sup>th</sup> working day from date of closure of the tendering period, by Sharp Corporation (formerly known as Hayakawa Electric Co.) ("Acquirer") along with Hon Hai Precision Industry Co., Ltd. ("PAC1" / "Hon Hai"), Foxconn (Far East) Limited ("PAC2" / "FFE"), Foxconn Technology Pte. Ltd ("PAC3" / "FTP") and SIO International Holdings Limited ("PAC4" / "SIO" collectively with Hon Hai, FFE and FTP shall be referred to as the "PAC" / "Allottees"), in their capacity as the persons acting in concert with the Acquirer. Save and except for the PAC, no other person is acting in concert with the Acquirer for the purpose of this Offer.

This detailed public statement ("DPS") is being issued by ICICI SECURITIES LIMITED, the manager to this Offer ("Manager to the Offer" or "Manager"), on behalf of the Acquirer and the PAC, under Regulations 3, 4 and 5(1), read with Regulations 13(4) and 15(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations"), pursuant to the public announcement dated 26 August 2016 ("PA") in relation to this Offer sent to BSE Limited ("BSE") on 26 August 2016, filed with the Securities and Exchange Board of India ("SEBI") on 29 August 2016, and sent to the Target Company at its registered office on 29 August 2016.

"Eligible Shareholders" shall mean all the public shareholders of the Target Company excluding the persons acting in concert or deemed to be acting in concert with the Acquirer and / or the PAC.

"Voting Share Capital" shall mean the fully diluted voting equity share capital of the Target Company as of the 10<sup>th</sup> (tenth) working day from the date of closure of the tendering period.

## I. ACQUIRER, PAC, TARGET COMPANY AND OFFER

### A. Information about the Acquirer and PAC

#### A1. Acquirer - Sharp Corporation (formerly known as Hayakawa Electric Co.)

- The Acquirer was incorporated on 1 May 1935 under the laws of the Japan with Corporate File Number 1200-01-005484. The registered office of the Acquirer is 1 Takumi-cho, Sakai-ku, Sakai City, Osaka 590-8522, Japan. Its telephone number is +81-72-282-1221 and fax number is +81-72-222-5721.
- The Acquirer is engaged in the business of the manufacture and sale of various products such as digital information equipment, health and environment equipment, energy solutions, business solutions, liquid crystal display, electronic devices etc.
- The Acquirer belongs to Sharp Group. PAC1 directly holds 26.17% and indirectly through PAC2 (a wholly owned subsidiary of PAC1) 18.43% of the Acquirer's voting rights and is the Acquirer's largest shareholder. Accordingly, PAC1 is the ultimate holder of 44.60% voting rights in the Acquirer.
- The equity shares of the Acquirer are listed on the Tokyo Stock Exchange.
- As of the date of this DPS, the Acquirer directly holds 19,458,000 (Nineteen million four hundred and fifty eight thousand) Equity Shares aggregating to 75% of the Voting Share Capital of the Target Company.

Following are the Acquirer's nominee directors on the board of the Target Company:

No.	Directors	Date of Appointment	Details
1.	Mr Tomio Isogai	December 12, 2012	Managing Director
2.	Mr Kazunori Aikawa	August 14, 2015	Non-executive Director

Mr Tomio Isogai and Mr Kazunori Aikawa will not be participating in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to the Offer, as required by Regulation 24(4) of the SEBI (SAST) Regulations.

The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended ("SEBI Act") or under any of the regulations made under the SEBI Act.

The key financial information of the Acquirer, as derived from its consolidated financial statements as at and for the three month period ended 30 June 2016 and the consolidated financial statements as at and for the financial years ended 31 March 2016, 31 March 2015 and 31 March 2014 is as follows:

Particulars	Three month period ended on		Financial Year ended on					
	30-Jun-16		31-March-16		31-March-15		31-March-14	
	in INR mn	in JPY mn	in INR mn	in JPY mn	in INR mn	in JPY mn	in INR mn	in JPY mn
Net Sales	282,490	423,397	1,642,372	2,461,589	1,858,990	2,786,256	1,953,018	2,927,186
Net Income	(18,328)	(27,470)	(168,926)	(253,186)	(146,949)	(220,247)	8,666	12,988
Earnings Per Share (EPS)	(11.53)	(17.28)	(103.18)	(154.64)	(87.74)	(131.51)	5.40	8.09
Net worth / shareholders fund	(50,066)	(75,039)	(20,824)	(31,211)	29,700	44,515	138,226	207,173

Notes: The Balance Sheet INR figure namely Total Stockholders' Equity and Profit & Loss Statement INR figures namely Net Sales, Net Income and EPS have been translated based on the JPY figures, using the daily RBI reference rate as on the date of the PA i.e. August 26, 2016 (Source: Reserve Bank of India website - <http://www.rbi.org.in>); 1 JPY = INR 0.6672

#### A2. PAC1 - Hon Hai Precision Industry Co., Ltd.

- PAC1 was incorporated on 20 February 1974 under the laws of Taiwan with Corporate File Number 04541302. The registered office of the PAC1 is No.66, Zhongshan Rd., Tucheng Dist., New Taipei City 236, Taiwan, with contact numbers +886-2-2268-3466 (telephone) and +886-2-2268-6296 (fax).
- PAC1 is engaged in the business of production, assembling and repair of various consumer devices such as connectors, cases, thermal modules, communication devices, optical devices, power supply, information technology related devices, automotive parts, precision devices etc.
- PAC1 belongs to the Hon Hai group. The equity shares of the PAC1 are listed on Taiwan's Stock Exchange and has diversified shareholding. Mr Gou, Tai-Ming, being the chairman of the PAC1, owns 1,973,952,862 equity shares aggregating to 12.62% stake in PAC1.
- As of the date of this DPS, neither the PAC1 nor its directors and / or key managerial personnel have any interest in the Target Company, save and except the indirect shareholding acquired over the Target Company pursuant to the Primary Transaction (as defined below). As of the date of this DPS, there are no directors representing PAC1 on the Board of Directors of the Target Company.
- As on the date of the DPS, PAC1 does not directly own any Equity Shares of the Target Company.
- PAC1 has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended or under any of the regulations made under the SEBI Act.
- The key financial information of PAC1, as derived from its consolidated financial statements for the six month period ended 30 June 2016 and the consolidated financial statements as at and for the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013 is as follows:

Particulars	Six month period ended on		Financial Year ended on 31 December					
	30-Jun-16		2015		2014		2013	
	in INR mn	in NTD mn	in INR mn	in NTD mn	in INR mn	in NTD mn	in INR mn	in NTD mn
Net Sales	3,971,809	1,880,146	9,468,533	4,482,146	8,900,327	4,213,172	8,349,271	3,952,318
Net Income	96,381	45,624	317,300	150,201	279,868	132,482	226,768	107,346
Earnings Per Share (EPS)	5.53	2.62	19.90	9.42	17.75	8.40	15.34	7.26
Net worth / shareholders fund	2,165,456	1,025,068	2,240,076	1,060,391	2,080,130	984,677	1,702,516	805,925

Notes: The Balance Sheet INR figure namely Total Stockholders' Equity and Profit & Loss Statement INR figures namely Net Sales, Net Income and EPS have been translated based on the NTD figures, using the OANDA rates as on the date of the PA i.e. August 26, 2016 (Source: <https://www.oanda.com/currency/converter/>); 1 NTD = INR2.1125

#### A3. PAC2 - Foxconn (Far East) Limited

- PAC2 was incorporated on 25 January 1996 under the laws of Cayman Islands with Corporate File Number 63939. The registered office of the PAC2 is Floor 4, Willow House, Cricket Square, P.O Box 2804, Grand Cayman KY1-1112, Cayman Islands, with contact numbers +886-2-2268-3466 (telephone) and +886-2-2268-6296 (fax).

- PAC1 directly owns 100% of the share capital of the PAC2, and controls the PAC2. The PAC2 directly holds 18.43% of the share capital of the Acquirer.
- PAC2 belongs to the Hon Hai group. PAC2 is a holding company for Hon Hai group.
- As of the date of this DPS, neither the PAC2 nor its directors and / or key managerial personnel have any interest in the Target Company. As of the date of this DPS, there are no directors representing the PAC2 on the Board of Directors of the Target Company.
- As on the date of the DPS, the PAC2 does not directly own any Equity Shares of the Target Company.
- PAC2 has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended or under any of the regulations made under the SEBI Act.
- The key financial information of the PAC2, as derived from its financial statements for the six month period ended 30 June 2016 and the financial statements as at and for the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013 is as follows:

Particulars	Six month period ended on		Financial Year ended on 31 December					
	30-Jun-16		2015		2014		2013	
	in INR mn	in USD mn	in INR mn	in USD mn	in INR mn	in USD mn	in INR mn	in USD mn
Net Sales	0	0	1,274	19	1,287	19	1,303	19
Net Income	49,654	741	170,325	2,541	171,966	2,566	134,558	2,007
Earnings Per Share (EPS)	9	0.13	33.90	0.51	38.55	0.58	32.80	0.49
Net worth / shareholders fund	1,833,911	27,360	1,760,405	26,263	1,645,781	24,553	1,439,468	21,475

Notes: The Balance Sheet INR figure namely Total Stockholders' Equity and Profit & Loss Statement INR figures namely Net Sales, Net Income and EPS have been translated based on the USD figures, using the daily RBI reference rate as on the date of the PA i.e. August 26, 2016 (Source: Reserve Bank of India website - <http://www.rbi.org.in>); 1 USD = INR 67.0299

#### A4. PAC3 - Foxconn Technology Pte. Ltd

- The PAC3 was incorporated on 18 April 2005 under the laws of Singapore with Corporate File Number 200505164M. The registered office of the PAC3 is 79 Anson Road # 07-03 Singapore (079906), with contact numbers + 886-2-2268-0970 (telephone) and + 886-2-2268-7176 (fax).
- PAC3 is a wholly owned subsidiary of an entity called Q-Run Holdings Limited, a wholly owned subsidiary of Foxconn Technology Co., Ltd. ("FTC"). FTC is a public company listed on the Taiwan's Stock Exchange. PAC1 has a 9.92% stake in FTC and certain PAC1's subsidiaries have a 19.67% stake in FTC. As such, PAC1, directly or indirectly, holds (a non-controlling stake aggregating to) 29.59% of FTC's voting rights.
- PAC3 belongs to the FTC group. PAC3 is engaged in the business of manufacturing, sales, and service of alloy parts and thermal module.
- As of the date of this DPS, neither the PAC3 nor its directors and / or key managerial personnel have any interest in the Target Company. As of the date of this DPS, there are no directors representing PAC3 on the Board of Directors of the Target Company.
- As on the date of the DPS, PAC3 does not directly own any Equity Shares of the Target Company.
- PAC3 has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended or under any of the regulations made under the SEBI Act.
- The key financial information of the PAC3, as derived from its financial statements for the six month period ended 30 June 2016 and the financial statements as at and for the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013 is as follows:

Particulars	Six month period ended on		Financial Year ended on 31 December					
	30-Jun-16		2015		2014		2013	
	in INR mn	in USD mn	in INR mn	in USD mn	in INR mn	in USD mn	in INR mn	in USD mn
Net Sales	17,412	260	37,663	562	34,784	519	41,541	620
Net Income	371	6	7,190	107	8,251	123	12,791	191
Earnings Per Share (EPS)	3	0.04	55	0.83	63	0.95	98	1.47
Net worth / shareholders fund	50,672	756	50,672	756	43,483	649	35,232	526

Notes: The Balance Sheet INR figure namely Total Stockholders' Equity and Profit & Loss Statement INR figures namely Net Sales, Net Income and EPS have been translated based on the USD figures, using the daily RBI reference rate as on the date of the PA i.e. August 26, 2016 (Source: Reserve Bank of India website - <http://www.rbi.org.in>); 1 USD = INR 67.0299

#### A5. PAC4 - SIO International Holdings Limited

- PAC4 was incorporated on 7 May 2012 under the laws of Cayman Islands with Corporate File Number 268661. The registered office of the PAC4 is Floor 4, Willow House, Cricket Square, P.O Box 2804, Grand Cayman KY1-1112, Cayman Islands, with contact numbers + 852-3465-6988 (telephone) and + 852-3009-8533 (fax).
- PAC4 is 74.18% owned by Mr Gou, Tai-Ming. Mr Gou, Tai-Ming owns 1,973,952,862 equity shares of PAC1 aggregating to 12.62% stake in PAC1.
- PAC4 does not belong to any group. PAC4 is a share / investment holding company.
- As of the date of this DPS, neither PAC4 nor its directors and / or key managerial personnel have any interest in the Target Company. As of the date of this DPS, there are no directors representing the PAC4 on the Board of Directors of the Target Company.
- As on the date of the DPS, PAC4 does not directly own any Equity Shares of the Target Company.
- PAC4 has not been prohibited by SEBI from dealing in securities, in terms of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended or under any of the regulations made under the SEBI Act.
- The key financial information of PAC4, as derived from its financial statements for the six month period ended 30 June 2016 and the financial statements as at and for the financial years ended 31 December 2015, 31 December 2014 and 31 December 2013 is as follows:

Particulars	Six month period ended on		Financial Year ended on 31 December					
	30-Jun-16		2015		2014		2013	
	in INR mn	in USD mn	in INR mn	in USD mn	in INR mn	in USD mn	in INR mn	in USD mn
Net Sales	1,120	17	2,045	31	2,643	39	69,885	1,043
Net Income	-8,520	-127	871	13	1,744	26	1,955	29
Earnings Per Share (EPS)	-10	(0.15)	1.34	0.02	2.01	0.03	2.68	0.04
Net worth / shareholders fund	31,395	468	39,920	596	39,495	589	42,904	640

Notes: The Balance Sheet INR figure namely Total Stockholders' Equity and Profit & Loss Statement INR figures namely Net Sales, Net Income and EPS have been translated based on the USD figures, using the daily RBI reference rate as on the date of the PA i.e. August 26, 2016 (Source: Reserve Bank of India website - <http://www.rbi.org.in>); 1 USD = INR 67.0299.

#### B. Details of selling shareholders, if applicable

Details of selling shareholders in this case is not applicable as this Offer is an indirect acquisition being made on account of the Primary Transaction (defined below) and not as a result of any direct acquisition of Equity Shares, voting rights or control of the Target Company.

#### C. Details of the Target Company

- The Target Company was incorporated as Kalyani Telecommunication & Electronics Private Limited ("Initial Name") on 5 July 1985 under the laws of India, and was further converted into a public limited company on 20 September 1985, having its registered office at Gat No. 686/4, Koregaon Bhima, Tal. Shihur, Dist. Pune 412

216, India. The telephone number of the Target Company is +91-02137-252417 and fax number is +91-02137-252453. The CIN for the Target Company is L36759MH1985PLC036759. The Initial Name was changed to Kalyani Sharp India Limited on 2 May 1986, and further was changed to Sharp India Limited on 21 April 2005. The Target Company has not changed its name in the last 3 years.

- The Board of Directors of the Target Company comprises of the following directors:

No	Directors	Date of Appointment	Details
1.	Mr Tomio Isogai	December 12, 2012	Managing Director
2.	Mr Kazunori Aikawa	August 14, 2015	Non-executive Director
3.	Mr Prashant Khatau Asher	11 November, 2014	Independent Director
4.	Ms Bhumika Batra	11 November, 2014	Independent Director

- The Equity Shares are currently listed on BSE (Scrip Code: 523449; Scrip ID: SHARP) (Source: [www.bseindia.com](http://www.bseindia.com).)

The Equity Shares are frequently traded on BSE in terms of Regulation 2(1) (j) of SEBI (SAST) Regulations. (Further details provided in Part IV below (Offer Price).)

- As of the date of this DPS, the total authorised share capital of the Target Company consists of 40,000,000 (Forty million) Equity Shares of INR 10 each amounting to INR 400,000,000 (Indian Rupees four hundred million). The total issued, subscribed and paid-up share capital of the Target Company is INR 259,440,000 (Indian Rupees two hundred and fifty nine million four hundred and forty million) consisting of 25,944,000 (Twenty five million nine hundred and forty four) Equity Shares. As of the date of this DPS, the Target Company does not have any outstanding partly paid-up shares.

- The key financial information of the Target Company, as derived from its unaudited limited reviewed financial statements for the three month period ended on June 30, 2016 and the audited financial statements as at and for the financial years ended March 31, 2016, March 31, 2015 and March 31, 2014 is as follows. The said financials have been prepared in accordance with Indian GAAP.

Particulars	For three month period ended on June 30, 2016	For the financial year ended on March 31,		
		2016	2015	2014
Total Revenue (INR mn)	144	305	1,893	1,543
Net Income (INR mn)	-32	-141	16	28
Earnings Per Share (EPS) - Basic & Diluted (INR)	-1.2	-5.4	0.60	1.1
Net worth / Shareholder Fund (INR mn)	99	130	271	255

Notes: Net worth as on June 30, 2016 has been calculated as net worth on March 31, 2016 plus the net income for the three months' period ended on June 30, 2016.

#### D. Details of the Offer

- This Offer is a mandatory offer made under Regulations 3, 4 and 5(1), and other applicable regulations of the SEBI (SAST) Regulations, pursuant to an indirect acquisition of voting rights in and control by the Acquirer over the Target Company in terms of the Subscription Agreement (defined below). (Further details provided in Part II below (Background to the Offer).)
- As per the report dated 26 August 2016 prepared by K. J. Sheth & Associates (Registration Number 118598W), the criteria as set out under Regulation 5 (2) of the SEBI (SAST) Regulations have been analyzed and it has been concluded that the Primary Transaction (as defined below) cannot be deemed to be a 'direct acquisition' as per the provisions of the SEBI (SAST) Regulations.
- This Offer for acquisition of up to 6,486,000 (Six million four hundred and eighty six thousand) Equity Shares, representing 25% (Twenty five percent) of the Voting Share Capital ("Offer Size"), is being made to the Eligible Shareholders of the Target Company.
- As of the date of this DPS, there are no (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants/ fully convertible debentures / partly convertible debentures) issued by the Target Company.
- All the Equity Shares validly tendered by the Eligible Shareholders of the Target Company in this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in this DPS and those which will be set out in the letter of offer to be sent to all public shareholders in relation to this Offer ("Letter of Offer"). The Eligible Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares of the Eligible Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof.
- This Offer is being made at a price of INR 53.18 (Indian Rupees Fifty three and eighteen paise) per Equity Share (as disclosed in the PA), calculated in accordance with Regulation 8(3) of the SEBI (SAST) Regulations. The Offer Price has been enhanced by an amount equal to a sum determined at the rate of ten per cent per annum for the period between the date on which the intention or the decision of the Primary Transaction (as defined herein below) was announced in the public domain i.e. 25 February 2016, and the date of the detailed public statement, under Regulation 8(12) of SEBI (SAST) Regulations ("Offer Price").
- The Offer Price will be paid in cash in accordance with Regulation 9(1) (a) of the SEBI (SAST) Regulations.
- As of the date of this DPS, to the best of the knowledge of the Acquirer and the PAC, there are no statutory approvals other than as indicated in Part VI (Statutory and Other Approvals) required by the Acquirer and / or the PAC to complete this Offer. However, in case any statutory approvals are required by the Acquirer and / or the PAC at a later date before the closure of the tendering period, this Offer shall be subject to such approvals, and the Acquirer and / or the PAC shall make the necessary applications for such approvals. However, if such statutory approvals are not obtained within the prescribed time or at all, the Acquirer and / or the PAC shall follow the process as set out under Regulation 23 of the SEBI (SAST) Regulations and withdraw the Offer in the manner prescribed.
- The acquisition of Shares tendered by Non-Resident Indian (the "NRIs") and Overseas Corporate Bodies (the "OCBs") are subject to approval / exemption, if applicable, from the RBI. NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI or Foreign Investment Promotion Board, India (the "FIPB")) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including from the RBI or FIPB) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and / or the PAC reserve the right to reject such Equity Shares tendered in this Offer.
- This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations. This Offer is a mandatory indirect offer under Regulations 3, 4 and 5(1) of the SEBI (SAST) Regulations.
- This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and / or the PAC do not currently have any intention to alienate, restructure, dispose of or otherwise encumber any assets of the Target Company or any of its subsidiaries in the succeeding 2 (Two) years from the completion of this Offer, except in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by Target Company. The Acquirer and / or the PAC undertake that they will not restructure, sell, lease, dispose of or otherwise encumber any substantial assets of the Target Company or any of its subsidiaries other than in the ordinary course of business and other than as already agreed, disclosed and / or publicly announced by the Target Company in the succeeding 2 (Two) years from the completion of this Offer, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot.
- If the Equity Shares accepted in the Offer are such that the shareholding of the Acquirer taken together with the PAC pursuant to completion of the Offer results in their collective shareholding exceeding the maximum permissible non-public shareholding, the Acquirer shall be required to bring down the non-public shareholding to the level specified and within the time permitted under Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR").
- At present, the promoter and promoter group of the Target Company holds 75% of the Voting Share Capital of the Target Company. Post completion of the Offer, the Target Company, the members of the promoter and promoter group of the Target

Company, the Acquirer and the PAC undertake to take all steps necessary to comply with the minimum public shareholding requirement in accordance with Clause 40A of the listing agreement read with Rule 19A of the SCRR.

- In case the shareholding of the members of the promoter and promoter group of the Target Company, the Acquirer and the PAC exceeds the maximum permissible non-public shareholding pursuant to the Offer, none of the promoter and promoter group of the Target Company, the Acquirer or the PAC shall be eligible to make a voluntary delisting offer, unless a period of twelve months has elapsed from the date of the completion of the Offer Period.

## II. BACKGROUND TO THE OFFER

- The board of the Acquirer adopted a resolution on 25 February 2016 in respect of Sharp Corporation's issuance of new shares to the Allottees so as to provide funds to contribute to strengthen Sharp Corporation's financial foundation ("Allotment"/ "Primary Transaction"). This decision was announced in the public domain in the Sharp Corporation's "Notice regarding the issuance of new shares through third-party allotments, and change of parent company, the largest shareholder who is a major shareholder, and major shareholders" dated 25 February 2016 ("Initial Notice"). Additionally, the Initial Notice also mentioned about the expected change of the parent company, the largest shareholder, who is a major shareholder, and of major shareholders of Sharp Corporation, all of which would occur as a result of the Allotment.
- Thereafter, the Initial Notice was partially amended on 30 March 2016 ("Update Notice"; together with the Initial Notice referred to as "Notices") and the Update Notice was announced in the public domain. Following the Notices, Sharp Corporation, Hon Hai, FFE, FTP and SIO have executed a share subscription agreement on 2 April 2016 ("Subscription Agreement") for the purpose of making investment in the Sharp Corporation by Hon Hai, FFE, FTP and SIO. In terms of the Subscription Agreement (i) Hon Hai, FFE, FTP and SIO have collectively agreed to subscribe 3,281,950,697 (Three billion two hundred and eighty one million nine hundred and fifty thousand six hundred and ninety seven) common shares, and (ii) Hon Hai has agreed to subscribe 11,363,636 (Eleven million three hundred and sixty three thousand six hundred and thirty six) Class C shares, of the Sharp Corporation.
- Pursuant to the Subscription Agreement, the issuance of new shares of Sharp Corporation to the Allottees was completed on 12 August 2016 and pursuant to the Allotment, (i) Hon Hai holds 1,300,000,000 (One billion and three hundred million) common shares and 11,363,636 (Eleven million three hundred and sixty three thousand six hundred and thirty six) Class C shares of Sharp Corporation aggregating to 26.17% of the voting rights of Sharp Corporation, (ii) FFE, a wholly-owned subsidiary of Hon Hai, holds 915,550,697 (Nine hundred and fifteen million five hundred and fifty thousand six hundred and ninety seven) common shares aggregating to 18.43% of the voting rights of Sharp Corporation, (iii) FTP holds 646,400,000 (Six hundred and forty six million and four hundred thousand) common shares aggregating to 13.01% of the voting rights of Sharp Corporation, and (iv) SIO holds 420,000,000 (Four hundred and twenty million) common shares aggregating to 8.46% of the voting rights of Sharp Corporation.
- On completion of the Allotment, Hon Hai holds 26.17% of Sharp Corporation's voting rights and has become Sharp Corporation's largest shareholder and FFE, a wholly-owned subsidiary of Hon Hai, holds 18.43% of Sharp Corporation's voting rights. Accordingly, Hon Hai directly or indirectly holds 44.60% shares in Sharp Corporation. Hon Hai neither directly nor indirectly controls FTP. FTP is 100% owned by an entity called Q-Run Holding Limited, a 100% owned subsidiary of Foxconn Technology Co., Ltd. ("FTC"). FTC is a public company listed on the Taiwan's Stock Exchange. Hon Hai has a 9.92% stake in FTC and certain Hon Hai's subsidiaries have a 19.67% stake in FTC. As such, Hon Hai, directly or indirectly, holds (a non-controlling stake aggregating to) 29.59% of FTC's voting rights. SIO belongs to a different group and is ultimately controlled by Mr. Gou, Tai-Ming, Chairman of Hon Hai.
- Sharp Corporation directly holds 19,458,000 (Nineteen million four hundred and fifty eight thousand) Equity Shares aggregating to 75% of the Voting Share Capital of the Target Company. Pursuant to completion of the Primary Transaction, Hon Hai with other PAC have acquired 66.07% of the voting rights of Sharp Corporation and have appointed 4 out of 9 directors on the board of Sharp Corporation. Thereby, the Allottees have indirectly acquired substantial Voting Share Capital in the Target Company. Further, on account of Hon Hai's 44.60% voting rights in Sharp Corporation (along with wholly-owned subsidiary FFE), Hon Hai has the right to block strategic decisions relating to the commercial activities of Sharp Corporation.
- As per the report dated 26 August 2016 prepared by K. J. Sheth & Associates (Registration Number 118598W), the criteria as set out under Regulation 5(2) of the SEBI (SAST) Regulations have been analyzed and it has been concluded that the Primary Transaction cannot be deemed to be a "direct acquisition" as per the provisions of the SEBI (SAST) Regulations.
- Pursuant to the above, a mandatory public announcement under the Offer was required to be made within 4 (Four) working days from 25 February 2016. However, such public announcement was made by the Acquirer and the PAC on 26 August 2016. The parties are in the process of making an application for settlement under the Securities and Exchange Board of India (Settlement of Administrative and Civil Proceedings) Regulations, 2014 for the delay in making the Offer.
- The Acquirer does not have any specific plans to dispose of or otherwise encumber any assets of the Target Company in the next two years, except in the ordinary course of business of the Target Company.

## III. SHAREHOLDING AND ACQUISITION DETAILS

The current and proposed shareholding of the Acquirer and the PAC in the Target Company and the details of their acquisitions are as follows:

Details	Acquirer		PAC	
	No. of Equity Shares held	Percentage (%)	No. of Equity Shares held	Percentage (%)
Shareholding as of the date of the PA	19,458,000 (Nineteen million four hundred and fifty eight thousand) of face value INR 10	75%	Nil	Nil
Equity Shares acquired between the date of the PA and the date of this DPS	Nil	Nil	Nil	Nil
Post Offer shareholding (On fully diluted basis, as on 10 <sup>th</sup> working day after close of the tendering period) (assuming full acceptance)	25,944,000 (Twenty five million nine hundred and forty four) Equity Shares	100%	Nil	Nil

As of the date of this DPS, save as set out in the table above, neither the PAC, nor their directors or director of the Acquirer directly hold any Equity Shares, and have not directly acquired any Equity Shares during the 12 (Twelve) months prior to the date of this DPS.

## IV. OFFER PRICE

- The Equity Shares of the Target Company are listed on the BSE.
- The trading turnover of the Equity Shares, based on the trading volume in the Equity Shares of the Target Company on the BSE during August 2015 to July 2016 (12 (Twelve) calendar months preceding the month in which the PA was issued), is as follows:

Stock Exchange	Number of Equity Shares traded	Total number of listed Equity Shares	Trading turnover (as a percentage of the total listed Equity Shares)
BSE	12,617,101	25,944,000	48.63%

(Source: BSE website)

- Therefore, in terms of Regulation 2(1) (j) of the SEBI (SAST) Regulations, the Equity Shares are frequently traded on the BSE.
- The offer price mentioned in the PA of INR 53.18 (Indian Rupees Fifty three and eighteen paise) per Equity Share was in terms of Regulations 8(3) of SEBI (SAST) Regulations, in view of the following:

(a)	Highest negotiated price per Equity Share, if any, of the Target Company for any acquisition under the Primary Transaction.	Not Applicable
(b)	Volume-weighted average price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, during the 52 (Fifty-two) weeks immediately preceding 25 February 2016 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain).	Not Applicable

(c)	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, during the twenty-six weeks immediately preceding 25 February 2016 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain).	Not Applicable
(d)	Highest price paid or payable for any acquisition, whether by the Acquirer or by any person acting in concert with the Acquirer, between 25 February 2016 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain) and the date of the PA.	Not Applicable
(e)	Volume-weighted average market price of the Equity Shares for a period of 60 (Sixty) trading days immediately preceding 25 February 2016 (being the earlier of the date on which the Primary Transaction is contracted, and the date on which the intention or the decision to enter into the Primary Transaction is announced in the public domain) as traded on the BSE.	INR 53.18 per Equity Share
(f)	Per Equity Share value, as required under Regulation 8(5) of SEBI (SAST) Regulations.	Not Applicable

**Note:** In terms of regulation 8(12) of the SEBI (SAST) Regulations, in case of an indirect acquisition other than indirect acquisition referred in Regulation 5(2) of SEBI (SAST) Regulations, the offer price shall stand enhanced by an amount equal to 10% per annum for the period between 25 February 2016, being the earlier of the date on which the Primary Transaction is contracted or the date on which the intention or the decision to make the Primary Transaction is announced in the public domain, and the date of the detailed public statement, i.e. 1 September 2016, provided that such period is more than 5 (Five) working days.

- The Subscription Agreement was executed on 2 April 2016 and the intention or decision to make the Primary Transaction was made on 25 February 2016. The Primary Transaction contemplated in the Subscription Agreement was closed on 12 August 2016. The offer price of INR 53.18 (Indian Rupees Fifty three and eighteen paise), as disclosed in the PA, would be enhanced at a rate of 10% per annum, calculated for the period from 25 February 2016 to 1 September 2016, being the date of publication of this DPS, which works out to INR 2.75 (Indian Rupees two and seventy five paise) per Equity Share ("Enhancement Amount").
- Considering the offer price of INR 53.18 (Indian Rupees Fifty three and eighteen paise) along with the Enhancement Amount of INR 2.75 (Indian Rupees two and seventy five paise), the Offer Price amounts to INR 55.93 (Indian Rupees fifty five and ninety three paise) per Equity Share. Therefore, the Offer Price of INR 55.93 (Indian Rupees fifty five and ninety three paise) per Equity Share has been determined in accordance with the terms of Regulations 8(3) and 8(12) of the SEBI (SAST) Regulations.
- Except for inclusion of the Enhancement Amount, there has been no revision in the Offer Price or to the Offer Size as of the date of this DPS. The Offer Price may be further adjusted in the event of any corporate actions like bonus, rights, split, consolidation, dividend, demergers, and reduction etc. where the record date for effecting such corporate actions falls between the date of this DPS up to 3 (three) working days prior to the commencement of tendering period of the Offer, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
- In the case of acquisition of the Equity Shares by the Acquirer and / or the PAC during the Offer period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and/or the PAC shall not acquire any Equity Shares after the 3rd (Third) working day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 3 (Three) working days before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and/or the PAC shall: (i) make a public announcement in the same newspapers in which this DPS has been published; and (ii) simultaneously with the issue of such announcement, inform the SEBI, BSE and the Target Company at its registered office of such revision.

## V. FINANCIAL ARRANGEMENTS

- The total funding requirement for this Offer assuming full acceptance of this Offer is INR 362,761,980 (Indian Rupees Three hundred sixty two million seven hundred sixty one thousand and nine hundred eighty) ("Maximum Consideration").
- The Acquirer has made firm financial arrangements for fulfilling the payment obligations under this Offer, in terms of Regulation 25(1) of the SEBI Takeover Regulations, and the Acquirer is able to implement this Offer. The Equity Shares validly tendered and accepted under the Offer shall be acquired by the Acquirer.
- In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer, ICICI Bank Limited ("Escrow Agent"), and the Manager have entered into an escrow agreement on 26 August 2016 ("Offer Escrow Agreement"). Pursuant to the Offer Escrow Agreement, the Acquirer has opened a cash escrow account with account number 000405112701 ("Offer Escrow Account") with the Escrow Agent and deposited a sum of INR 91,598,200 (Indian Rupees Ninety one million five hundred ninety eight thousand and two hundred) in the Offer Escrow Account, which is more than the amount required under Regulation 17(1) of the SEBI (SAST) Regulations (i.e. 25% of the Maximum Consideration). The Manager to the Offer has been authorized by the Acquirer to operate and realize the monies lying to the credit of the Offer Escrow Account in terms of the SEBI (SAST) Regulations.
- In case of any upward revision in the Offer Price and / or the Offer Size, the cash in the Offer Escrow Account shall be enhanced as per the revised consideration calculated at such revised offer price by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
- The source of funds to meet the obligations of the Acquirer under the Offer has been met from funds made available by the Acquirer.
- K. J. Sheth & Associates, Chartered Accountants (Registration Number 118598W), has confirmed, by way of a certificate dated 26 August 2016 ("Chartered Accountants' Certificate"), that the Acquirer has adequate financial resources through verifiable means available for meeting its payment obligations under the Offer.
- On the basis of the aforesaid financial arrangements and the Chartered Accountants' Certificate, the Manager is satisfied about the ability of the Acquirer to implement this Offer in accordance with the SEBI (SAST) Regulations and confirms that adequate funds are available with the Acquirer through verifiable means to implement this Offer.

## VI. STATUTORY AND OTHER APPROVALS

- As of the date of this DPS, to the best knowledge of the Acquirer and / or the PAC, there are no statutory approvals required by the Acquirer and / or the PAC to complete this Offer. However, in case of any statutory approvals being required by the Acquirer and / or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and / or the PAC shall make the necessary applications for such approvals.
- The acquisition of Shares tendered by NRIs and OCBs are subject to approval / exemption, if applicable, from the RBI. NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the RBI or the FIPB) and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIs) had required any approvals (including from the RBI or FIPB) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and / or the PAC reserve the right to reject such the Equity Shares tendered in this Offer.
- Subject to the receipt of statutory approvals, the Acquirer and / or the PAC shall complete all requirements relating to this Offer within 10 (Ten) working days from the date of closure of the tendering period to those Public Shareholders whose share certificates and other documents are found valid and in order and are accepted for acquisition by the Acquirer.
- In case of a delay in the receipt of any statutory approvals which may be required by the Acquirer and / or the PAC at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and / or the PAC agreeing to pay interest to the Eligible Shareholders of the Target Company for delay beyond 10 (Ten) working days at such rate, as may be specified by SEBI from time to time. Provided where the statutory

approvals extend to some but not all holders of the Equity Shares, the Acquirer and / or the PAC will have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.

- The Acquirer and / or the PAC will have the right not to proceed with this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals indicated above are refused. In the event of withdrawal of this Offer, a public announcement will be made within 2 (Two) working days of such withdrawal, in the same newspapers in which this DPS is published and such public announcement will also be sent to BSE, SEBI and the Target Company at its registered office.

## VII. TENTATIVE SCHEDULE OF ACTIVITIES

Nature of the Activity	Day and Date
Issue of PA	Friday, 26 August 2016
Publication of this DPS in newspapers	Thursday, 1 September 2016
Last date for public announcement of a competing offer	Monday, 26 September 2016
Identified Date*	Wednesday, 5 October 2016
Last date for dispatch of the Letter of Offer to the Eligible Shareholders	Friday, 14 October 2016
Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Eligible Shareholders of the Target Company for this Offer	Wednesday, 19 October 2016
Commencement of tendering period	Friday, 21 October 2016
Closure of tendering period	Friday, 4 November 2016
Last date for payment to Eligible Shareholders	Monday, 21 November 2016

\*Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer shall be mailed. It is clarified that all the Public Shareholders (registered or unregistered) who own the Equity Shares of the Target Company are eligible to participate in this Offer at any time before expiry of the tendering period.

## VIII. PROCEDURE OF TENDERING THE EQUITY SHARES IN CASE OF NON-RECEIPT OF LETTER OF OFFER

- All the Public Shareholders, whether holding the Equity Shares in physical or dematerialized form, registered or unregistered or holding locked-in Shares, regardless of whether such person have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, are eligible to participate in this Offer any time during the tendering period.
- The Letter of Offer specifying the detailed terms and conditions of this Offer will be mailed to all the Public Shareholders whose name appears in the register of members of the Target Company as at the close of business hours on the Identified Date. Public Shareholders holding Equity Shares in physical mode and Equity Shares under lock-in will be sent respective Form of Acceptance-cum-Acknowledgement (the "Form of Acceptance") along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance. Form of Acceptance will not be sent to the Public Shareholders holding Equity Shares in demat mode.
- This Offer will be implemented by the Acquirer and / or the PAC, subject to applicable laws, through the stock exchange mechanism as provided under the SEBI Takeover Regulations and the SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated 13 April 2015 issued by SEBI. A separate window on the stock exchange ("Acquisition Window") would be provided by the stock exchange for this purpose.
- BSE will be the designated stock exchange for the purpose of tendering the Equity Shares under the Offer.
- The Acquirer and the PAC have appointed ICICI Securities Limited ("Buying Broker") as its broker for the Offer through whom the purchase and settlement of the Equity Shares under the Offer will be made.
- The contact details of the Buying Broker are:

### ICICI SECURITIES LIMITED

ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India

Tel.: (+91 22) 2288 2460

Fax: (+91 22) 2282 6580

Contact Person: Allwyn Cardoza

- All Public Shareholders who desire to tender their Equity Shares under the Offer would have to intimate their respective stock brokers within the normal trading hours of the secondary market, during the tendering period.
- The process of tendering the Equity Shares by the Public Shareholders holding physical Equity Shares and those Equity Shares that are under lock-in and the manner in which the Equity Shares tendered in the Open Offer will be held, will be enumerated in the Letter of Offer.
- There shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares in the Offer. The Equity Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

## IX. OTHER INFORMATION

- For the purposes of disclosures in this DPS relating to the Target Company, the Acquirer and the PAC have relied on publically available information and have not independently verified the accuracy of the details of the Target Company.
- The Acquirer, the PAC and their directors in their capacity as the directors, accept full responsibility for the information contained in the PA, and this DPS (other than such information as has been obtained from public sources or provided or confirmed by the Target Company) and shall be jointly and severally responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Open Offer.
- In this DPS, all references to "Rupees" or "INR" are references to the Indian National Rupee(s) ("INR"). Certain financial details contained in the DPS are denominated in New Taiwan Dollar ("NTD"), United States Dollars ("USD") or Japanese Yen ("JPY"). The INR equivalent quoted in each case for USD and JPY is calculated based on the Reserve Bank of India reference rate of INR 0.6672 per 1 JPY and INR 67.0299 per 1 USD as on the date of the PA (Source: Reserve Bank of India - <http://www.rbi.org.in>). Further, the INR equivalent quoted in each case for NTD is calculated based on the OANDA rate of INR 2.1125 per 1 NTD (Source: <https://www.oanda.com/currency/converter/>).
- The Acquirer, the PAC and the Acquirer's directors shall be responsible for fulfillment of applicable obligations under the SEBI (SAST) Regulations.
- Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer and the PAC have appointed ICICI Securities Limited as the Manager.
- Link Intime India Private Limited has been appointed as the Registrar to the Offer, whose details are set out below:

## LINK Intime

Link Intime India Private Limited

Unit: Sharp India - Open Offer

SEBI Regn. No.: INR000004058

C-13, Pannalal Silk Mills Compound, L.B.S Marg,

Bhandup (West), Mumbai 400078 - India

Tel.: +91 (022) 6171 5400

Fax: +91 (022) 2596 0329

E-mail Id: [sharpindia.offer@linkintime.co.in](mailto:sharpindia.offer@linkintime.co.in)

Contact Person: Mr. Ganesh Mhatre

- This DPS and the PA is expected to be available on the SEBI website (<http://www.sebi.gov.in/>).
- In this DPS, any discrepancy in any table between the total and sums of the amount listed is due to rounding off and / or regrouping.

ISSUED BY THE MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRER AND THE PAC



### ICICI SECURITIES LIMITED

SEBI Registration Number: INM00011179

Address: ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020, India;

Contact Persons: Mr. Amit Joshi / Mr. Govind Khetan

Tel.: +91 22 2288 2460; Fax: +91 22 2282 6580

E-mail: [sharpindia.openoffer@icicisecurities.com](mailto:sharpindia.openoffer@icicisecurities.com)

Website: [www.icicisecurities.com](http://www.icicisecurities.com)

Place : Mumbai

Date : 31 August 2016