

Reuters: Sharp, Foxconn to Sign Deal Soon

Written by Marco Attard
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Reuters reports this week should see an end to the delays affecting the Foxconn acquisition of Sharp-- only the takeover will involve a "smaller bailout" for the ailing Japanese company.



How smaller is Foxconn offer for Sharp? According to a pair of anonymous sources Foxconn slashed the price tag by ¥100 billion (around \$884 million). In addition the sources say the two companies are to hold board meetings on Wednesday to approve the deal before signing the deal on the following day.

Predictably neither company has commented on the Reuters story.

Sharp and Foxconn revealed the takeover deal back in February, but hardly a day passed after the original announcement Foxconn announced it was going to delay the acquisition. How come? The Taiwanese company formerly known as Hon Hai Precision discovered a list of "contingent liabilities" worth ¥350bn, demanding a review of Sharp's future financial risks.

The deal remains the biggest acquisition of a Japanese company by a foreign entity, and would boost Foxconn to the position of prime Apple contract manufacturer. It should also provide Sharp with the resources to start mass production of OLED displays by 2018.

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