

**STOCKS**

# UAC approves merger with Hydrotek, could list on SET

**DARANA CHUDASRI**

MAI-listed Universal Adsorbents & Chemicals' (UAC) board of directors approved a merger plan with MAI-listed Hydrotek (HYDRO) through a share-swap deal worth up to 1.76 billion baht.

Under the deal, UAC will issue 194.98 million newly issued shares at a par value of 0.50 baht each to swap with the existing shares of Hydro at a ratio of 1:1. The offering price is set at 9.04 baht each, based on the weighted average market price of UAC shares during 15 consecutive business days from June 3 to June 21, said Kittti Jivacate, president and CEO, in a filing to the Stock Exchange of Thailand (SET).

UAC's stock yesterday fell 1.26% to 7.85 baht in trade of 7.70 million, while HYDRO rose 10.0% to 7.70 baht in trade of 15.11 million baht.

UAC's revenue is expected to double to 4 billion baht in 2015 from the anticipated consolidated revenue after the merger due to economies of scale and synergy, said Mr Kittti, adding its debt-to-equity ratio will be halved to 0.2.

UAC's board also approved a share purchase agreement with Slib Soong-

swang, Hydrotek's CEO, and Pichai Klongpitak, the president, to buy a combined 17.87% stake from them.

Upon completion of the tender offer by the fourth quarter, Jivacate Group will hold a 44.18% stake in UAC, followed by Jarumanopas Group at 6.75%, Sareewiwatthana Group at 5.22%, Mr Slib at 3.84%, Mr Pichai at 0.82%, with the remaining 39.18% stake owned by other shareholders. Hydro will become a UAC subsidiary.

HYDRO operates a construction and environmental engineering management business with a specialisation in water treatment.

After the merger, UAC's three main businesses will be trading of chemical products, renewable and alternative energy, and water management and utilities.

After the tender offer, UAC will acquire the remaining 49.997 stake in UAC HYDRO at a price equal to a par value of 100 baht per share totalling nearly 5 million baht.

Mr Slib said the merger will qualify UAC to list on the SET, though this would depend on the shareholders. HYDRO will maintain its listing on the MAI.