

Independent study title	FAIR VALUE AND HIDDEN MOTIVATION OF SHARE ACQUISITION:A STUDY OF DELTA ELECTRONICS (THAILAND)
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ABSTRACT

The recent share acquisition deal of DELTA Electronics (Thailand) Public Company Limited (“DELTA”) by its own group seems to be normal acquisition. The structure of the deal can be also considered as share repurchase due to the same owner group. However, the deal price and rationale are criticized by various opinions from both analysts and its management which lead to a study regarding the hidden motivation behind the transaction. The objective of study is to investigate any possible hidden motivation of the transaction. The fair value is the key component of investigation which is conducted through Discounted Cash Flow model. The analysis of each hypothesis is used to study the possibility of motivation. The result supports the reissue and information signaling hypotheses, however there is a stronger evidence on owner self-interest regarding tax avoidance to be the main motivation of DELTA’s group transaction for its founding family to sell its stakes.

Keywords: acquisition, motivation, tax avoidance, fair value, tender offer