



## **PROPOSED ACQUISITION OF UNISTEEL TECHNOLOGY LIMITED BY KKR**

*Singapore, Hong Kong, 7 June 2008* - The directors of Unisteel Technology Limited (“**Unisteel**” or the “**Company**”) and Latch Holding (Labuan) Limited (“**LHL**”) are pleased to announce the proposed acquisition of Unisteel by LHL, a special purpose company which is owned by a fund affiliated with and advised by Kohlberg Kravis Roberts & Co. L.P. (“**KKR**”). The proposed acquisition will be effected by way of a scheme of arrangement.

This news release should be read in conjunction with the full text of the joint announcement by the Company and LHL dated 7 June 2008 (the “**Announcement**”). A copy of the Announcement is available on [www.sgx.com](http://www.sgx.com).

### **Acquisition Details**

Unisteel and LHL have today entered into an agreement to implement a scheme of arrangement (“**Scheme**”) under the Companies Act, Chapter 50 of Singapore and in accordance with the Singapore Code on Take-overs and Mergers.

Under the Scheme, all issued ordinary shares in Unisteel (“**Unisteel Shares**”) held by the shareholders of Unisteel (“**Unisteel Shareholders**”) as at a books closure date to be announced will be transferred to LHL. Each Unisteel Share will be acquired by LHL for a cash consideration of S\$1.95 per share, which values the whole of Unisteel at approximately S\$785 million<sup>1</sup>.

Once the Scheme becomes effective, the Unisteel Shares will be transferred to LHL together with all rights including the right to receive and retain all dividends announced, declared, made or paid by the Company on or after the date of the Announcement.

### **Premium**

On the basis of the consideration price of S\$1.95 in cash for each Unisteel Share, the implied premium of the consideration price compared to the share prices of Unisteel is as follows:

- A premium of 27.2% to Unisteel’s 6-month volume weighted average price (“**VWAP**”) to 15 April 2008, being the day prior to Unisteel’s response to the query by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and announcement on 16 April 2008 that they were reviewing strategic options available to the Company
- A premium of 46.3% to Unisteel’s 3-month VWAP to 15 April 2008
- A premium of 42.0% to Unisteel’s 1-month VWAP to 15 April 2008
- A premium of 18.9% to Unisteel’s closing price on 15 April 2008
- A premium of 39.3% to Unisteel’s closing price on 14 April 2008, being the day prior to the query by the SGX-ST to Unisteel regarding a substantial increase in the price of Unisteel Shares on 15 April 2008.

Furthermore:

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<sup>1</sup> Based on issued share capital of 402,791,410 Unisteel Shares, of which 214,000 Unisteel Shares are held as treasury shares.

- A price-to-net tangible assets multiple of 5.8 times calculated based on Unisteel's unaudited net tangible assets per share as at 31 March 2008
- A price-earnings multiple of 17.7 times calculated based on Unisteel's unaudited earnings per share (EPS) for the 12 months period ended 31 March 2008.

Mr Bernard Toh, Executive Chairman of Unisteel, stated, *"We are delighted to receive KKR's proposal to acquire the Company by way of a scheme of arrangement. The consideration price of S\$1.95 for each Unisteel Share provides an opportunity for Unisteel Shareholders to realise their investment in Unisteel Shares for cash at a significant premium to recent trading prices of the Company's shares."*

Mr Ming Lu, a partner of KKR, said, *"Unisteel's able management team and regional manufacturing capabilities provide a solid foundation for global growth. KKR is uniquely positioned to build upon this foundation, leveraging our vast experience in investing in the technology sector and enabling resources to achieve a different growth trajectory and unlock the full potential of the business."*

### **Management**

It is the intention that the members of the management team of the Unisteel group will continue in their current positions in the Unisteel group.

### **Irrevocable Undertakings**

LHL has received irrevocable undertakings from some of the Unisteel Shareholders, representing approximately 20.54% of Unisteel's issued shares in the capital of Unisteel to, *inter alia*, vote, or procure the voting of, all their Unisteel Shares in favour of the Scheme.

### **Approvals Required**

The Scheme will require, *inter alia*, the approval of the Scheme by a majority in number of Unisteel Shareholders present and voting, either in person or by proxy, at the meeting of the Unisteel Shareholders to be convened by the High Court of Singapore to approve the Scheme, such majority holding not less than 75 per cent. in value of the Unisteel Shares held by the Unisteel Shareholders present and voting at this meeting, and the sanction of the Scheme by the High Court of Singapore.

### **Scheme Document**

The Independent Directors of Unisteel will be appointing an independent financial adviser ("IFA") to advise them for the purpose of making a recommendation to Unisteel Shareholders in connection with the Scheme. Full details of the Scheme including the recommendation of the Independent Directors along with the opinion of the IFA will be included in a Scheme document to be sent to Unisteel Shareholders in due course.

### **Unisteel to be De-listed**

Upon the completion of the Scheme, Unisteel will become a wholly-owned subsidiary of LHL, and will be de-listed from the Official List of the SGX-ST.

### **About Unisteel**

Unisteel was incorporated on 17 September 1988 and was listed on the Main Board of the SGX-ST on 24 February 2000. Unisteel is a leading precision engineering solutions provider with multi-disciplinary competencies in the areas of fastening systems, stamped, cold forged and machined metal components, plastics optics and surface treatment technology. Unisteel serves a diverse range of customers in the hard disk drive, mobile telecommunications, consumer electronics, industrial and automotive sectors. The Unisteel group has manufacturing facilities in Singapore, Malaysia and the People's Republic of China.

For more information, please visit [www.unisteel.com.sg](http://www.unisteel.com.sg).

### **About KKR**

Established in 1976, KKR is a leading global alternative asset manager. The core of the firm's franchise is sponsoring and managing funds that make private equity investments in North America, Europe, and Asia. Throughout its history, KKR has brought a long-term investment approach to portfolio companies, focusing on working in partnership with management teams and investing for future competitiveness and growth. Additional funds that KKR sponsors include KKR Private Equity Investors, L.P. (NYSE Euronext Amsterdam: KPE), a permanent capital fund that invests in KKR identified investments; and two credit strategy funds, KKR Financial (NYSE: KFN) and the KKR Strategic Capital Funds, which make investments in debt transactions. KKR has offices in New York, Menlo Park, San Francisco, London, Paris, Hong Kong, Beijing and Tokyo. More information about KKR is available at: [www.kkr.com](http://www.kkr.com).

### **Financial Advisers**

Macquarie Capital (Singapore) Pte. Limited is the financial adviser to Unisteel.

Morgan Stanley Asia (Singapore) Pte and Deutsche Bank AG, Singapore Branch are the joint financial advisers to KKR and LHL.

### **Legal Advisers**

Shook Lin & Bok LLP is the Singapore legal adviser to Unisteel.

Allen & Gledhill LLP and Simpson Thacher & Bartlett LLP are the Singapore and US legal advisers respectively to KKR and LHL.

Wong Partnership LLP is the Singapore legal adviser to Morgan Stanley Asia (Singapore) Pte and Deutsche Bank AG, Singapore Branch.

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The directors of LHL (including those who may have delegated detailed supervision of the preparation of this Press Release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Press Release are fair and accurate and no material facts have been omitted from this Press Release, and they jointly and severally accept responsibility accordingly. Where any information has been extracted from published or publicly available sources, the sole responsibility of the directors of LHL has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Press Release. The directors of LHL do not accept any responsibility for any information relating to or opinions expressed by Unisteel.