Before making an investment in the Offer Shares, potential investors should consider carefully all the information contained in this prospectus, including the risk factors set out below. Our operations involve certain risks, many of which are beyond our control. Our business, financial condition and operating results could be materially and adversely affected by any of these risks. The trading price of the Offer Shares could decline due to any of these risks and you could lose all or part of your investment. You should pay particular attention to the fact that part of our operations are conducted in the PRC, Germany, Thailand and Spain and that our Company is incorporated in Germany. We are therefore governed by a legal and regulatory environment that in some respects differs from that which prevails in other countries. Additional risks and uncertainties that are not presently known to us, that are not expressed or implied below, or that we currently deem to be immaterial, could also have a material adverse effect on our business, financial condition and operating results.

RISKS ASSOCIATED WITH THE BUSINESS OF OUR GROUP

Our success depends on the continuing efforts of our senior management team and key members of our research and development team and our business may be harmed if we lose their services

Our Group's success is attributable to the management skill and experience of our senior management team, in particular, our Directors. Mr Brenner, who first started at our Company in 1989 as an apprentice, has grown into his role as our chief executive officer, and has over 14 years' experience in the coatings industry and is charged with heavy responsibility in the management of our operations in Europe. In his role as our chief executive officer, he has also been responsible for building up our Group's metals coatings business and the international business development of our Group. Mr Chae, our chief strategic officer, has been heavily involved in the management of the PRC Subsidiaries and Schramm Thailand since January 2006 and has overseen a period of dramatic growth in profitability by the PRC Subsidiaries and Schramm Thailand during the Track Record Period. Both have well-established relationships with many of our key customers, end-users and suppliers. Mr Kim, our chief financial officer, has approximately 30 years' experience in the finance industry and has been a key part of our Asian operations since April 2008. Accordingly, there may be an adverse impact on our profitability should Mr Brenner, Mr Chae or Mr Kim cease to be involved in our Group's management in the future. Each of Mr Brenner, Mr Chae and Mr Kim has a fixed-term service contract with our Company as Directors, but there is no assurance that they will remain with our Group.

Our Group's success is also, to a significant extent, attributable to the skills and experience of our key research and development personnel, in particular, each of our four laboratory directors at Schramm Coatings. There is no assurance that any such personnel will remain with our Group. There may be an adverse impact on our Group's profitability should any of such personnel cease to be involved in our Group's research and development in the future.

Our competitive edge relies on us being able to protect our technical know-how and trade secrets

Our ability to successfully compete relies on our possession and protection of our technical know-how and trade secrets. As part of our business, we develop and manufacture coatings products which are bespoke to the specifications of our customers, for example in terms of colour and/or functionality. The formulations for these bespoke coatings are therefore important to our business. Furthermore, we rely to some extent on custom resin produced by our Group. For example, some of the resins we used to manufacture our products in Germany were produced in-house with properties and characteristics tailored to meet the specifications of a particular customer. As highlighted in the section headed "Business" in this prospectus, our in-house resin helps us with our competitive edge as the customised formulation for our specialty resins determine many of the properties of our coatings products, such as adhesion, hardness, specific chemical or weathering resistance. The formulations for our bespoke coating products and our in-house resin are not protected by patents or other registrable intellectual property rights. Our ability to successfully compete with other market players therefore relies on trade secrets, know-how, non-disclosure agreements and other contractual provisions which facilitate the protection of our intellectual property. Although we are not aware of any leakage of trade secrets, know-how, infringement of trademark, or breaching of any non-disclosure agreements which may have a material adverse effect on our intellectual property during the Track Record Period and while only a few number of personnel have knowledge of the entire formulation for a particular bespoke coating product and for each type of resin, we cannot give assurance that our know-how, secret formulation and other intellectual property we possess will be adequately protected. The failure to protect such intellectual property and know-how will reduce our commercial and competitive advantage, hence adversely affect our business operation and profitability.

In addition, our business and goodwill relies to some extent on our trademarks as set out in the section headed "Appendix VIII — Statutory and General Information — Further Information about Our Business — Intellectual property rights — Trademarks" in this prospectus. Any infringement upon our intellectual property rights may result in competitors taking our market share and our potential profit. To protect our intellectual property rights, we may have to instigate litigation and/or divert substantial expenses and other resources, which could affect our Group's business and development.

We rely on one production site in Germany to manufacture our in-house resin and to manufacture over 50% of our Group's products

Although we have production sites located in various countries in Asia and Europe, currently only one of our production sites in Germany produces the in-house resin used by our Group. In-house resin accounts for approximately 50% of the resin used by our Group in our Germany Facility during the Track Record Period. In addition, over 50% of our Group's products are manufactured at our production site in Germany. Although no major disruptions to production at this site have occurred in the past, our business may be adversely affected should unexpected events occur at this production site which disrupt the production of our in-house resin or otherwise affect its operations.

Our operations rely on the supply of raw materials from a few major suppliers

For the three years ended 31 December 2008 and six months ended 30 June 2009, the largest supplier of our Group in each period by value accounted for approximately 17.3%, 17.8%, 19.9% and 21.0% of our Group's total purchases respectively. During these periods, our Group's top five suppliers by value in aggregate accounted for approximately 43.2%, 40.1%, 44.5% and 41.2% of our Group's total purchases respectively. In 2008, SSCP was our largest supplier by value which accounted for approximately 19.9% of our Group's total purchases.

We have not entered into long-term agreement or commitment with or any of our major suppliers and there is no assurance that these major suppliers will continue to supply such materials to us in the future. Any disruption in the supply of raw materials from these major suppliers may have an adverse impact on our operations should we fail to find an alternative source of raw material at a comparable price within a reasonable period of time.

In addition, there has been a continued trend of industry consolidation amongst raw material suppliers in the coatings industry. There is a risk that such consolidation may affect the cost of our raw materials or the relationship which we have with our existing suppliers, which may have an adverse impact on our business and financial position if we are unable to pass on increased costs of raw materials to our customers or source from alternative suppliers on comparable terms.

Our turnover relies on a few major customers

For the three years ended 31 December 2008 and the six months ended 30 June 2009, the largest customer of our Group in each period accounted for approximately 14.4%, 14.3%, 9.0% and 9.0% of our Group's turnover respectively. During these periods, the top five customers of our Group for each such period in aggregate accounted for approximately 30.3%, 32.0%, 22.8% and 21.0% of our Group's turnover respectively. We have not entered into any long-term sales agreement or commitment with any of our major customers and there is no assurance that these major customers will continue to purchase from us in future. Our business and profits would be adversely affected should these major customers reduce their quantity of orders placed with us or cease to purchase from us altogether. We may not be able to secure a comparable level of business from other customers on comparable commercial terms to offset the loss of revenue from losing our major customers. In addition, in the event that these major customers are affected by unfavourable economic conditions or if their financial conditions deteriorate for whatever reasons or delay payments, there may be a material adverse impact on our profitability, operating conditions and financial results.

We may be obligated to pay significant compensation to our chief executive officer, if his employment is terminated under certain circumstances

Pursuant to the service contract entered into with Mr Brenner, our chief executive officer, our Company may become obligated to pay Mr Brenner a severance payment of €5 million, in the event that his employment is terminated by us (unless for a serious cause), or ends at the election or agreement by Mr. Brenner in the event of SSCP ceasing to have control in our Company or Mr Oh ceasing to be the single largest shareholder and/or controlling shareholder in SSCP. For further details on Mr Brenner's service contract, please refer to the section headed "Appendix VIII — Statutory and General Information — Further Information about our Directors, Supervisors, Management, Staff and Experts — Particulars of Service Contracts" in this prospectus. While our Directors and Supervisors believe that this provision of Mr Brenner's service contract is not out-of-line with executive remuneration practices in Germany, and that it is not clear whether a court of competent jurisdiction would enforce the relevant terms of this agreement under the service contract, if our Company becomes obligated to make such severance payment, our financial position, profitability and business operations may be adversely affected.

Our turnover is substantially derived from the automotive and general industry segment

The automotive and general industry segment accounts for over 50% of our Group's turnover for the three years ended 31 December 2008 and the six months ended 30 June 2009. The automotive industry has experienced a decline in demand in certain jurisdictions in which we operate during 2008 and 2009 and our turnover derived from the automotive industry has correspondingly declined in those jurisdictions. Like many manufacturers of automotives components, our business and financial results may be adversely affected by any prolonged decrease in worldwide demand for automotives.

Our Group's investment in the development of new technologies may not equate to commercial success

Our Group invests substantial resources into the research and development of new products or in the improvement of existing products. For the three years ended 31 December 2008 and the six months ended 30 June 2009, our Group spent €3.8 million, €9.1 million, €6.5 million and €2.9 million on research and development. Some of these developments cannot translate into products that can feasibly, or cost effectively, be produced on a mass level. Even if new products are successfully developed, we cannot assure you that the products we develop would be commercially accepted. We cannot assure you that our research and development efforts will reap substantial revenue, if at all. Our revenue may be adversely affected if the costs we spent in research and development do not bring along proportional financial benefits.

Our international operations may expose us to fluctuations in foreign currency rates

As an international group, we operate in various different countries in Europe and Asia and import materials from suppliers in various different countries. A majority of our subsidiaries conduct their transactions in their functional currencies. Our Group's operations in Europe are located in the Euro zone and majority of the sales and purchases transactions are denominated in Euros. Our Group's sales and purchases in China are mainly denominated in RMB while certain purchases from overseas suppliers are denominated in US dollars and Hong Kong dollars. Our subsidiaries in China borrowed short-term bank loans denominated in US dollars amounting to USD 5,500,000 as at 31 December 2008 for settlement of certain account payables. As a result, we may become exposed to fluctuations in foreign currency exchange rates, which we do not currently hedge against. Our Group's profitability may therefore be adversely affected by any consequential exchange losses.

We are subject to existing and changing environmental laws and regulations. Potential liability for environmental problems could result in substantial costs

As the manufacture of our products involves chemicals, we are subject to existing and changing laws and regulations in various jurisdictions relating to the protection of the environment, the security of chemicals production facilities and the transport of hazardous chemicals. Our various production facilities have implemented environmental protection measures as part of our environmental standards certifications, and we have obtained valid registrations, licences and permits in respect of the environmental protection regulations in those respective jurisdictions (for further details, please see the section headed "Business — Safety and Environmental Protection — Environmental Protection" in this prospectus). During the Track Record Period, our Group was not subject to any regulatory prosecutions or sanctions, administrative penalties, legal actions, claims or other material problems in respect of non-compliance of applicable laws and regulation on environmental protection. However, as governments increasingly focus on environmental protection, our manufacturing processes may in the future be subject to stricter requirements and/or approval processes, compliance with which may lead to substantial compliance and other costs and/or prohibit or restrict part or all of our current or future activities.

Although to our best knowledge, we had fully complied with the applicable laws and regulations on environmental protection and were not in breach of the same during the Track Record Period, environmental laws may become more stringent in the future and there can be no assurance that our Group will not incur material environmental liabilities or claims or that compliance with environmental laws (whether those currently in effect or those that may be enacted in the future) will not require additional expenditures by our Group or require changes to our Group's current operations in the future.

We may incur significant costs, legal claims or fines or be forced to suspend or withdraw certain operations if we are found to have breached environmental laws or regulations or are unable to comply with such new laws or regulations in the future. In particular, our business involves handling and transporting hazardous materials. We have experience in handling these materials and we comply with the relevant safety standards, but these materials, if leaked or released by accident or mishandling, could result in substantial property or environmental damage or personal injury, which could lead to significant legal claims against us.

We have not yet obtained the relevant approval for occupational disease prevention project for our production facilities at Huizhou and Tianjin

As a manufacturer of products involving substances which may cause possible occupational disease to employees, we are required to obtain approval from the relevant PRC local government authority for occupational disease prevention project in accordance with "Occupational Disease Prevention of the PRC" (中華人民共和國職業病防治法), which provides inter alia that (i) any construction project with serious occupational disease exposure shall submit a pre-assessment report of occupational disease inductive factors before commencement of production; (ii) the design of the occupational disease prevention facilities shall be submitted and approved by the public health authority before commencement of construction; (iii) the construction entity should carry out the assessment of the occupational disease control before the final acceptance of the construction project; and (iv) no construction project shall be put into operation without having its occupational disease prevention facilities accepted by the public health authorities.

Schramm Huizhou and Schramm Tianjin have not yet obtained the final approval for occupational disease prevention project (職業病危害防治項目) in accordance with "The Occupational Disease Prevention of the PRC"《中華人民共和國職業病防治法》from the relevant government authority and our PRC legal adviser has advised us that in relation to our failure to obtain the relevant approval for the occupational disease prevention project and that we have started construction before such approval is granted by the local government authority, the authority may give a warning and order the enterprise to rectify within a prescribed time limit. If the enterprise fails to rectify within such time limit, it may be fined for an amount ranging from RMB 100,000 to RMB 500,000 and in the case of extreme situation, it may order our Company to cease the operation which may cause occupational disease. For further details, please refer to the section headed "Business — Safety and Environmental Protection — Workplace Safety" in this prospectus.

We are subject to European Union REACH obligations

EU Regulation 1907/2006, called REACH, dealing with the registration, evaluation, authorisation and restriction of chemicals, became effective on 1 June 2007. Subsequent obligations will become effective in stages over the next few years. However, REACH has not been fully implemented yet and the details of the full implementation of REACH are not yet clear. Nonetheless, so far as it is announced, REACH has set multiple registration deadlines for a number of chemical substances utilised in production and operation in the European Union. This regulation could have a considerable impact on producers and importers of chemical substances. The availability of chemical substances could be significantly reduced in the European Union, which could have a negative impact on our Group's production as well as research and development activities. Our Group is currently preparing itself in order to absorb, to the extent possible, any possible negative consequences, but as REACH has not yet been implemented in full and the timing and details regarding the full implementation of REACH are as yet unascertained, we cannot exclude the possibility of significant future costs in connection with this regulation. For further details, please refer to the section headed "Business — Safety and Environmental Protection — Environment Protection" in this prospectus.

Our products may fail to perform as expected or may contain defects, and these failures or defects, and any negative publicity resulting from them, could result in reduced sales and could subject us to claims from purchasers or users of our products

We sell products with a variety of specifications and formulations. Our products must conform to tests and contractual specifications and meet certain requirements imposed by laws and regulations. While we have a stringent quality management system in place, if we fail to meet or conform to these requirements and specifications or if any of our products fail to perform as expected or contain defects, such failure or defects, and any subsequent negative publicity, could result in the loss of sales of these or other products and subject us to claims from purchasers or users of these products, either of which could have a material adverse effect on our business, financial condition or results of operations.

We cannot give assurance that there will not be any future claims for product defects. If any of our products were later found to be defective, we may face potential claims from our customers. Should our Group be liable for product defects that caused damage or physical injury to any person, we may have to provide compensation or comply with the judgement outcome, which compliance could require us to divert substantial resources. Furthermore, our business reputation may be harmed, which could lead to a reduction in our product demand or loss in customers, causing material and adverse impacts on the financial performance of our Group. Even if such claims do not give rise to any liability on our behalf, we may have to divert funds and resources to defend them, which may affect our financial position and business operation.

Our insurance coverage may prove inadequate to cover potential claims in full

As a manufacturer of coatings products, it is possible that we may face claims arising from defective products as well as general liability arising from damages or claims. Although there has not been any material claims against our Group during the Track Record Period as a result of failure of any of our products to comply with the applicable safety standards or other specifications or requirements, any claim which may be brought against us may have an adverse effect. There may be circumstances in which we will not be covered or compensated in full by insurance in respect of claims and liabilities. In particular, our insurance coverage in the PRC, Thailand and Korea are limited due to various factors in those respective insurance markets. These events may adversely affect the business and profitability of our Group.

We may be subject to intellectual property claims

We cannot be certain that our use of technology, know-how, formulations and trademarks will not infringe upon the patents or intellectual property rights of others and as a result, our Group may be required to obtain licences or modify aspects of our technology and formulation or refrain from using them. The process of remedying any infringement could disrupt our production and harm our business operations, profitability and future growth. We may also face litigation claims made against us regarding any alleged infringement of intellectual property rights.

We may not be able to adapt to our customers' varying requirements and demand, which could affect our relationship with customers

To gain customer satisfaction and as part of our customer service, we strive to tailor our production processes and products to satisfy our customers' requirements and demands. Our production lines are designed to run smoothly and effectively in order to deliver an acceptable yield to customers within an appropriate time. On occasions, we may not be able to meet our customers' requirements, due to a number of factors including the lack of technology, machinery, skills, expertise or manpower. In the event that we cannot tailor our products to suit our customers' requirements or demands, our relationships with customers could be adversely affected. The loss of customers or a reduction in the quantity of customers' orders would adversely affect our business operations and our profitability.

We must keep up with technological changes in the market in order to remain competitive

Our Group's performance depends on our ability to continually adapt our existing products and technological know-how, timely recruitment of personnel with the relevant skills and deployment of new machinery to develop new products and technologies which keep up with the latest technological trends. In order to maintain our competitiveness, we also have to invest substantial funds and resources (including staff and machinery) to the continued research and development of our existing and potential products.

We cannot accurately predict how emerging and future technological changes will affect our operations, our research and development projects or our competitive stance. The inability to respond to the technological developments in the market may lead to the loss of our customers, hence adversely affecting our Group's business operations and profitability. If we are not able to respond to these new developments successfully or do not respond in a cost-effective way, our operations and financial results could be materially adversely affected.

Our Controlling Shareholder is able to exercise significant influence over our corporate policies and direct the outcome of corporate actions

Immediately upon completion of the Global Offering, approximately 70.51% of our issued Shares will be beneficially owned or controlled by our Controlling Shareholder, SSCP (directly and through its wholly-owned subsidiary, SBHK, and controlled entity, Humble Humanity). For reference purpose only, assuming the Exchange Rights attaching to the Exchangeable Bonds are exercised in full, SSCP (together with its wholly-owned subsidiary, SBHK) will be holding approximately 33.24% interest in our Company based on (i) the assumption that the Offer Price is determined at HK$37.00, being the mid-point of the indicative offer price range of HK$29.00 to HK$45.00, and (ii) the currency exchange rates as at the Latest Practicable Date for calculation of the Exchange Price pursuant to the terms and conditions of the Exchangeable Bonds. By maintaining such voting rights, SSCP is able to exercise significant influence and control over our corporate and management policies. The strategic goals and interests of our Controlling Shareholder may not be aligned with the interest of other Shareholders and our Controlling Shareholder may, subject to applicable laws and regulations, cause us to implement corporate actions which may conflict with other Shareholders' best interests.

In addition, subject to a lock-up period of six months after the date on which trading of our Shares commences and the restriction on transfer under Rule 10.07 of the Listing Rules, our Controlling Shareholder will be free to sell its Shares. After the lock-up period imposed by the Listing Rules, Humble Humanity, being the issuer of the Exchangeable Bonds, may be required to transfer all or part of the Shares held by it to the Exchangeable Bondholders upon exercise of the exchange rights.

This may adversely affect the market price of the Shares held by other Shareholders. Although we are not aware of any intention on the part of our Controlling Shareholders to dispose of a substantial portion of its Shares after the expiry of the lock-up period, there is no assurance that it will continue to hold any or all of its Shares after such period.

A substantial portion of our Group's sales to its customers is made on a credit basis

For the year ended 31 December 2008, sales made on a credit basis (with credit terms typically ranging from 30 days to 90 days) accounted for most of our Group's sales, except for a few customers for which we grant credit terms of up to 120 days due to the established business relationship we have with them and their end customers. None of these customers is our top five customers except for one customer that was in our Group's top five customers for the year ended 31 December 2008. As at 30 June 2009, our Group has trade receivables (before provision) in an amount of €20.2 million. Although bad debts experienced by our Group during the Track Record Period were insignificant in relation to our Group's sales and represented approximately 0.07%, 0.16%, 0.47% and 0.15% respectively of our Group's sales during the three years ended 31 December 2008 and the six months ended 30 June 2009, in the event that credit-worthiness of our Group's customers deteriorates, our Group's financial position and profitability may be adversely affected.

We do not have a full track record period for our production facilities other than in Germany and our results of operations during the Track Record Period may not be indicative of our future performance due to the significant changes we have made to our Group structure

Schramm Shanghai and Schramm Huizhou together contributed approximately 20.0% of our Group's total revenue for the year ended 31 December 2008 through merger accounting following the SSCP Acquisition in November 2007. However, before our acquisitions of Schramm Spain in December 2007, Schramm Shanghai and Schramm Huizhou in December 2008 and the remaining 50% interests of Schramm Korea in July 2008, these subsidiaries were controlled, and their operations conducted, by SSCP, our Controlling Shareholder. SSCP transferred these subsidiaries to us at the end of 2008. Further, Schramm Tianjin and Schramm Thailand were not consolidated into our Group's financial information during the Track Record Period and their acquisitions by us only completed in September 2009. Further details of these changes to our Group structure are set out in the section headed "History and Corporate Structure — Our Corporate Structure" in this prospectus.

We therefore have not integrated the PRC Subsidiaries, Schramm Korea, Schramm Spain and Schramm Thailand for the full Track Record Period and we have not consolidated the results of operations in Schramm Tianjin and Schramm Thailand during the Track Record Period. As a result, we cannot give assurance that our future financial results will reflect our historical and current financial performance, or the financial results we anticipate. Acquisitions carry with them numerous risks, including potential difficulties in assimilating operations and personnel from the acquired business, diversion of management's attention from day-to-day tasks and risks associated with entering into new markets where the acquired businesses operate. We cannot guarantee that we will successfully manage the enlarged Group going forward.

As a result, the historical financial information in this prospectus may not necessarily be indicative of our future financial performance. The respective past results of our operations may not necessarily reflect our future prospects as a Group and should not be relied upon as an indication of future performance.

Our expansion strategy may not be achieved

We have an ambitious strategy to expand our business into new geographical areas either organically and/or through pursuing selective strategic acquisitions if suitable opportunities arise. See the section headed "Our Business Strategies — Business" in this prospectus for further details. However, there is no assurance that we will be able to successfully leverage our experience and contacts in our existing jurisdictions to new jurisdictions and we may face intense competition from established businesses in those jurisdictions or competitors with similar expansion strategies. In addition, expansion or acquisitions require a significant amount of capital resources commitment, which may divert our available resources and the attention of our management from other matters. We cannot assure you that our expansion and acquisition strategy will be successful and any unsuccessful expansion or acquisition may have a material adverse effect on our business and financial condition.

Any restriction on the ability of our subsidiaries to pay dividends to us would adversely affect our cash flows

We are a holding company and conduct substantially all of our operations through our subsidiaries. Most of our assets are held by, and substantially all of our earnings and cash flows are attributable to, our subsidiaries. The ability of our subsidiaries to pay dividends depends on business considerations and regulatory restrictions, including but not limited to their respective cash flows, articles of association and applicable provisions of companies laws and regulations to which they are subject. If the distributable dividends from our subsidiaries decline, our cash flows will be materially and adversely affected.

These restrictions and requirements could reduce the amount of distributions that we receive from our subsidiaries, which would restrict our ability to fund our operations, generate income and pay dividends. We cannot assure you that our subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to enable us to meet our financial obligations or declare dividends.

Our future financial performance will impact on our future dividend policy. We cannot assure you that our future performance will reflect our historic performance, nor can we give assurance that our future dividend policy will reflect our historic dividends payout level.

We rely on advances and short-term bank loans and state-bank granted loans, among other cash resources, for our working capital needs

As at 31 December 2008, approximately €26.6 million or 99% of the total amounts outstanding under our outstanding bank loans were owned under short-term bank loans payable within one year. There can be no assurance that we will always be able to maintain sufficient working capital or raise necessary funding to finance our current liabilities and meet our capital commitments. To support business expansion, certain German state-owned banks grant loans in terms more favourable than that generally available from commercial banking institutions in Germany. Benefiting from this policy, we have obtained long-term loans granted by Kfw Bankengruppe, a German state-owned bank, in March 2009 in an amount of €3 million, which is granted for a term of four years from the date of the loan and with an interest rate of 4.75% per annum. There is no assurance that the German government will continue to offer the state-owned bank granted loan, nor that our Group will, after the expiration of such loan, be able to secure further state-owned bank granted loans to meet our capital needs.

Risks associated with credit agreements for our business in Germany

We have entered into various loan agreements and lines of credit with different banks. Those agreements contain financial covenants according to which certain financial parameters need to be maintained during their term. The non-compliance with such financial covenants is an event of default and such agreements may therefore be terminated by the relevant bank in such instance. Moreover, some of those loan agreements and credit lines may be terminated by the bank if a change of control, directly or indirectly, occurs to Schramm Coatings, our Company or our Group, i.e. if the majority of the shares or voting rights is held by other persons or companies from the current shareholders or if they obtain in other ways control over Schramm Coatings, our Company or our Group. In addition, such contracts and credit lines contain further covenants and obligations, which, if not complied with, may lead to a termination of the contract by the relevant bank. We cannot exclude that we will not be able to comply with some or all of the mentioned financial or other covenants and other obligations in future and that therefore the respective bank will terminate the contract in question. In this case we would be obligated to repay the loan amount or currently outstanding amount under a line of credit as well as any other amount due under the respective agreement. Moreover, if an event of default should occur in relation to one loan agreement or line of credit, this bears the risk that other banks will terminate their loan agreements or line of credits with us and that we will have difficulties to enter into new financing agreements. The obligation to repay the loan amounts or outstanding amounts could have a material adverse effect on our financial and condition and prospects.

We are subject to credit risks and counterparty risks in respect of our derivative transactions

We manage our cash flow interest rate risk by using variable-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from variable rates to fixed rates. The details of the interest rate swap contracts are set out in the Accountant's Report of the Company in Appendix IA to this prospectus.

If applicable floating interest rates fall below the relevant fixed rates specified in our swap contracts, our Group may suffer fair value losses on these instruments, which would have an adverse impact on our performance and financial condition. For the three years ended 31 December 2008 and the six months ended 30 June 2009, we experienced fair value losses of nil, nil, €98,000 and €148,000, respectively. The fair value loss on these swap contracts will be at maximum when the floating interest rate is and remains at zero for the remaining contract period. For illustration purpose, the fair value loss for the six months ending 31 December 2009 and the year ending 31 December 2010 would be approximately €153,000 and €280,000 respectively assuming the applicable floating interest rate is zero.

In addition, we may be subject to counterparty risks in our derivative transactions. Although we believe that the overall credit quality of our counterparties is adequate, there can be no assurances that parties with significant exposures will not face difficulty in paying amounts on derivative contracts when due.

We may be unable to obtain financing on favourable terms, or at all, to fund our continuing operations, existing and future capital expenditure requirements, acquisition and investment plans and other funding requirements

To fund our continuing operations, existing and future capital expenditure requirements, acquisition and investment plans and other funding requirements, we need sufficient internal sources of liquidity or access to additional financing from external sources. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including but not limited to:

- our future financial condition, operating results and cash flows;
- the condition of the global and regional financial markets; and
- changes in the monetary policy of the PRC and other governments of jurisdictions in which we operate with respect to bank interest rates and lending practices and conditions.

In addition, global capital markets and credit markets have been experiencing extreme deterioration and volatility since the second half of 2007. In some cases, the market has exerted downward pressure on the availability of credit. Deterioration, uncertainty or volatility in the capital markets or credit markets may limit our access to capital necessary for operating and expanding our business or cause us to bear an unattractive cost of capital, which could decrease our profitability and significantly reduce our financial flexibility. In the event our current resources are not sufficient for our needs, we may have to seek additional financing. The availability of future banking facilities is subject to approval by the lenders. If we are unable to obtain financing on favourable terms, or at all, our operations may be materially and adversely affected.

Our business operation results may experience significant fluctuations

Our Group's operating results may fluctuate significantly, depending upon many factors that include, but are not limited to, the following:

- changes in demand for our customers' products and our customers' sales outlooks, purchasing and production patterns and inventory adjustments;
- the effectiveness with which our Group manages our manufacturing processes, controls our costs and integrates any potential future business ventures or plans;
- our Group's ability to make optimal utilisation of our available manufacturing capacity;

- changes in the cost and availability of labour, raw materials and other inputs (such as electricity), which often occur in the manufacturing industry and which affect the margins and ability of our Group to meet delivery schedules;

- the ability of our Group to manage the timing of our raw material purchases, so that raw materials are available when needed for production, while avoiding the risks of accumulating inventory in excess of immediate production needs;

- the ability to obtain financing in a timely manner;

- local conditions and events that may affect the production volumes of our Group, such as labour conditions and political instability; and

- our Group's operating results may fluctuate from period to period, due to the above mentioned factors and other risks discussed in this section, many of which are beyond the control of our Group. As a result, the Share price may be volatile and may not always accurately represent the longer-term value of our Group.

We have not obtained legal titles to some of the properties we occupy and certain of our leased properties may be subject to title encumbrances

We have not obtained land use rights and building ownership certificates relating to some of the properties we occupy in the PRC. Our operating rights and production in connection with these properties may be adversely affected if ownership dispute or claim regarding such properties occurs, which could in turn materially and adversely affect our business, results of operations and financial condition if we cannot secure alternative and comparable sites and properties at reasonable costs or at all. In addition, there is no assurance that we would not be subject to any claims for compensation with respect to any actual or alleged illegal and/or unauthorized use of land or buildings owned by third parties.

Occupied land without land use rights certificate

As at the Latest Practicable Date, we were in the process of obtaining the following requisite land title documents.

In relation to the parcel of land occupied by our Group in Tianjin, the PRC, details of which are shown in the Valuation Certificate "Group II — Property interests owned and occupied by our Group in the PRC, Property no. 2" of the property valuation report contained in Appendix IV to this prospectus, Phase 3 of Property 2 with a site area of approximately 18,460.50 square metres which has no land use rights certificate and has no production lines or other production facilities situated thereon. Since our Group has not commenced the planned construction on Phase 3 within the respective construction periods as stated under the Construction Works Commencement Permit and the Tianjin State-owned Land Use Rights Grant Contract (天津市國有土地使用權出讓合同), we are advised by our PRC legal adviser that the Tianjin City Jinnan District Land Bureau is entitled to (i) levy land idle fee representing not more than 20% of the land premium (i.e. RMB369,210) and (ii) withdraw the land use rights with respect to Phase 3 without return of the paid land premium or compensation. There is no assurance that our Group would obtain the Land Use Rights Certificate with respect to Phase 3 of Property 2 occupied by Schramm Tianjin.

Our Company considers that the absence of land use rights certificate in respect of the land occupied by Schramm Tianjin is insignificant to the operations and business of our Group as a whole on the ground that the land occupied by Schramm Tianjin is vacant and has not yet been used for production purposes. We will not use the land for production purposes before the land use rights certificate is officially granted to Schramm Tianjin. Our Company is in the process of applying for the relevant land use rights certificate from the relevant government authorities. Although such parcel of land is currently vacant and has not yet been used for production, failure to obtain land certificate may have an adverse effect on our expansion of the Tianjin Facility. For further information, please refer to the paragraph headed "Business — Properties — Tianjin, PRC" in the prospectus.

Occupied properties without building ownership certificates and construction formalities

As at the Latest Practicable Date, we lack construction formalities and building ownership certificates for the following properties:

In relation to the properties situated on the parcels of land details of which are shown in the Valuation Certificate "Group II — Property interests owned and occupied by our Group in the PRC, Phases 1 and 2 of Property no. 2 and Property no. 3" of the property valuation report contained in Appendix IV to this prospectus, our Group currently lack construction formalities and building ownership certificates for the properties concerned which has a total gross floor area of approximately 39.18 square metres, 215.21 square metres and 92.76 square metres on Phase 1 and 2 of Property no. 2 and Property no.3 respectively. Our PRC legal adviser has advised us that in relation to our failure to obtain the relevant planning and construction permits prior to construction, the local authority may order us to cease construction or demolish the existing buildings and levy fines and penalties of up to 5% to 10% of the construction costs. If any of the above actions are taken by the local authority and no suitable alternatives are available, we will not be able to continue our operations at the properties at those sites and may suffer financial losses in the form of, inter alia, the incurring of fines and penalties. Nonetheless, according to our Company, those properties without construction formalities and building ownership certificates are not used for our major production purposes and thus should not constitute a material adverse effect on our production at those sites.

Our Controlling Shareholders have undertaken to resolve and handle any penalties arising from the failure to obtain the requisite building ownership certificates and construction formalities of the properties erected on Phases 1 and 2 of Property no.2 and Property no.3. In addition, our Controlling Shareholders have also undertaken to indemnify us of any and all damages and losses (including economic losses from reasonable expectations) resulting from any such penalties and any and all construction costs and relocation expenses arising from the properties being demolished. Nonetheless, there is no assurance that our Controlling Shareholders will honour their undertakings and indemnities in which case, we may suffer financial losses in relation to any disputes and penalties arising from such properties and relocation costs.

Free-use structures without building ownership certificates

In relation to an area of our leased property on the parcel of land, details of which are shown in Valuation Certificate "Group II — Property interests leased and occupied by our Group in the PRC, Property no. 6", the lessor does not possess construction and planning formalities and building ownership certificates of several building structures with a total gross floor area of approximately 158.84 square metres located on that parcel of land in Shanghai leased by Schramm Shanghai. According to the advice from our PRC legal advisers, in the event that the relevant lessor is unable to prove construction and planning formalities and relevant permit and real estate title certificate of to the such properties, the relevant buildings may be ordered to demolish or stop using by the government authorities. In any event, these structures are not critical to our production or business operations. Under PRC law, as a result of which, we may not be able to continue to occupy and use such structures.

The lessor has undertaken to resolve and handle any disputes arising from the such properties, in addition to which, we have obtained an indemnity from the relevant lessor in respect of any and all damages and losses (including but not limited to relocation costs etc.) resulting from the lack of the the real estate title certificate of the properties. Nonetheless, there is no assurance that the lessor will honour their undertakings and indemnities in which case, we may suffer financial losses in relation to any relocation costs. As the buildings were constructed by the lessor, Schramm Shanghai should not be punished or fined for the use of these properties.

Any business disruptions we experience as a result of acts of God, acts of war, epidemics, including the recent outbreak of swine influenza, and other factors outside of our control could affect our business and might result in substantial costs

Our business would be adversely affected should there be any unexpected events, including but not limited to riots, fire, power outages, natural disasters, terrorist activities, equipment or system failures, industrial action and environmental issues, which increase the cost of us doing business or otherwise adversely affect our operations or those of our customers or suppliers.

Our business is subject to general, social and political conditions. In particular, our operations in Thailand may be affected by on-going social unrest and uncertainties. Political protests in Thailand in the past have led to occupation of transportation hubs. Any future occupation of transportation hubs in Thailand may affect the business and operations of our Thai operations. Korea may be subject to political uncertainties which may adversely our operations in Korea.

Natural disasters, epidemics, acts of God and other disasters that are beyond our control may materially and adversely affect the economy and infrastructure. Our business, financial condition and operating results may be materially and adversely affected as a result.

Epidemics threaten people's lives and may materially and adversely affect their livelihoods as well as their living and consumption patterns. The occurrence of an epidemic is beyond our control, and there is no assurance that another outbreak of severe acute respiratory syndrome or avian influenza will not happen. Recently, there has been a global outbreak of A/H1N1 swine influenza.

There is no assurance that an outbreak of this or any other disease will not become an epidemic or pandemic. Any epidemic or pandemic occurring in areas in which we operate, or even in areas in which we do not operate, may materially and adversely affect our business, financial condition and operating results.

Acts of war and terrorism may cause damage or disruption to us or our employees, facilities, distribution channels (including the distribution channels operated by third parties), markets, suppliers or customers, any of which may materially and adversely impact our revenue, cost of sales, financial condition and operating results. Potential war or terrorist attacks may also cause uncertainty and cause our business to suffer in ways that we cannot currently predict.

RISKS ASSOCIATED WITH THE INDUSTRY

Our profitability is affected by price fluctuation of raw materials

Certain raw materials used in our solvent borne products are petrochemical products. The prices of these materials are, to a certain extent, affected by the price of crude oil quoted on the international market. Our water-borne products are also influenced by global ethanol prices. These materials are mainly resins and diluents. Based on the Directors' best estimates, the costs of resins and diluents account for approximately 45% of our Group's total cost of materials during the Track Record Period. The Company has not hedged the risk of the raw material prices fluctuation as it is not the industry practice to enter into long term contracts and most of the fluctuations can be transferred to customers. If the cost of these materials of the Group had been 5% higher/lower with other variables held constant, the profit before income tax of the Group for the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2008 and 2009 would have been lower/higher by €756,000, €886,000, €1,157,000, €598,000 and €411,000 respectively, mainly as a result of increased/decreased cost of materials charged to our consolidated income statements for the respective years/periods. As the levels of our operating profit margin for the three years ended 31 December 2008 and the six months ended 30 June 2009 were 8.03%, 7.80%, 9.76% and 4.62%, respectively, any significant increase in the costs of these materials or significant fluctuations in the cost of any other raw materials will have an adverse impact on the operation of our Group if we are unable to pass such increase in costs to our customers.

The mobile electronics, home appliances and consumer electronics industries are cyclical and may result in fluctuations

The mobile electronics, home appliances, consumer electronics industries have historically been characterised by rapidly changing customer patterns, rapid technological advances, short time-to-market schedule and short life cycles. As a result, the demand patterns for our coatings products correlates with those of the mobile electronics, home appliances, consumer electronics industries. We cannot guarantee that the demand for our Group's products will not decrease in the future as a result of these general industry fluctuations, which are beyond our Group's control. If this were to occur, our Group's business and financial results will be adversely affected.

Our Group's business and operations may be adversely affected by the current global economic crisis

The current global economic crisis is adversely affecting the economies in the U.S., Europe and many other parts of the world, including those in which our Group has operations. As a result, demand for our Group's products may decline and the prices of our products may need to be lowered in order to maintain our current customers or attract new customers, hence adversely affecting our profit level. If any of our Group's customers suffers financial difficulties as a result of the current global economic crisis, their demand for our Group's products may be reduced or cancelled, and if any of our suppliers suffers financial difficulties as a result of the current global economic crisis, our Group's ability to obtain supplies may be affected. We cannot guarantee that our customers or suppliers will not be affected by the current financial crisis. In such circumstances, our manufacturing operations, hence financial performance, may be adversely affected.

Furthermore, the current economic crisis has also caused financial institutions to reduce credit to borrowers. Our Group may therefore need to re-negotiate our existing facilities. If we fail to secure new facilities on favourable terms, or at all, our business operations and financial position may be adversely affected.

Entering 2010, the global economic outlook remains uncertain and any continual weakness in the global economy could be expected to result in lower demand for some of our products and expose us to credit risk from customers in the industries most affected by the weak economy.

The demand for our products is subject to seasonal fluctuations

Seasonal fluctuations occur in the coatings industry. Corresponding to the product development cycles of our customers, orders generally peak in the third quarter of the year and generally decline during the Christmas and Chinese Lunar New Year periods. In the event of significant decline in sales orders received from customers during the third quarter of the year or the inability of our Group for any reason to meet customer demand during this period, our Group's profitability may be adversely affected.

Alternative technologies and products could render some of our products uncompetitive

Some of our products could be rendered uncompetitive or obsolete if substitute products are developed and accepted by the market. For example, in-mould technology which our Group has plans to diversify into may be a competing product to traditional coatings. In addition, even if we are able to develop and introduce new products and enhancements, such new products or enhancements may not achieve widespread market acceptance and any failure of future products or product enhancements to achieve market acceptance may harm our business prospects and results of operations.

RISKS ASSOCIATED WITH THE COUNTRY OF OUR COMPANY'S INCORPORATION AND OUR GROUP'S BUSINESS OPERATIONS

Our Company is incorporated in Germany and the laws of Germany for certain matters may be different from those under the laws of Hong Kong

Our Company is incorporated in Germany under the German Stock Corporation Act and governed by German laws and regulations. As highlighted in the section headed "Appendix V — Summary of German Legal and Regulatory Provisions" in this prospectus, German laws and regulations, including

German companies law, differ considerably with Hong Kong laws and regulations. In particular, the right to determine certain matters (including the appointment and remuneration of our Directors) vests with the supervisors, rather than Shareholders, which is prescribed by German law. Furthermore, as the concept of independent non-executive directors as prescribed under the Listing Rules is not contemplated under German laws, our Company will not appoint any independent non-executive director as other companies listed on the Stock Exchange commonly do. Instead, the specific roles and obligations of independent non-executive directors as required under the Listing Rules will be assumed by our Independent Supervisors who fulfil the relevant independence requirements under the Listing Rules. The principal duties and obligations specifically for independent non-executive directors to be assumed by our Independent Supervisors include without limitation, the establishment of various board committees such as audit committee, remuneration committee, nomination committee and independent board committees for advising our Shareholders on certain matters and transactions, as well as other supervisory functions on the management of our Company. Further details of these obligations are set out in "Waiver from Strict Compliance with the Listing Rules — Appointment of Independent Non-Executive Directors".

Under German companies law shareholders are under the obligation to comply with their fiduciary duties towards the AG and other shareholders. In exercising their membership rights arising from the company's interests, the shareholders are obliged to take such actions promoting the purpose of the company and to avoid such actions that are detrimental to the company's purpose. The voting right is one of the shareholders' right the exercise of which may be limited by such fiduciary duty under German Law. Other shareholders' rights are also subject to the duty of consideration arising from the fiduciary duty, such as the right to participate in the shareholders' meeting. The legal consequences for failure to discharge fiduciary duties include, but are not limited to, liability for damages of the shareholder in breach of his fiduciary duties.

Under the German Stock Corporation Act, enterprises pursuant to German corporate law (including companies having their registered offices abroad, public authorities and any individuals having relevant commercial interests other than their participations in a company) reaching certain shareholding thresholds in a German stock company, being more than 25% of the shares in a German stock company or more than 50% of shares or votes in a German stock company, have to immediately notify the company in writing of such ownership. The above disclosure obligations apply to (a) all companies, including companies having their registered office abroad; (b) public authorities; and (c) any individuals if such individuals have relevant commercial interests other than their participation in the company.

With regard to the term "relevant commercial interests" referred to in (c), any individual shareholder is bound by such disclosure obligations if he has relevant commercial interests other than his participation in the company. In this context other relevant commercial interests of the shareholder are those which may lead to the risk that the shareholder pursues his other commercial interests to the detriment of the company. Any individual shareholder is bound by such disclosure obligations if he acts commercially, i.e. operates a commercial enterprise or is self-employed or holds another relevant participation in another company. The shareholder holds a relevant participation if he holds a majority in another company or if he, although he does not hold a majority, is anyhow practically in the position to exercise significant influence on the composition of the boards or the profit distribution. These disclosure obligations apply to such companies, public authorities and individuals as referred to under (a), (b) or (c), respectively.

Although legal ownership of the shares is not affected by the disclosure requirement, failure to comply with the disclosure requirement will result in shareholders' rights of the relevant shareholder being suspended until the disclosure has been duly made. This means that until appropriate disclosure is made to our Company, the relevant shareholder will not be entitled to participate and vote in general meetings, and will in general not have the right to information, the right to contest resolutions passed in the general meeting and subscription rights in case of a capital increase against contributions as well as rights to dividends and liquidation proceeds until the disclosure obligations are fully complied with. Rights to dividends and to liquidation proceeds may be retrospectively restored but only if the disclosure has been duly made later and the relevant shareholder would have to prove that the violation of the disclosure obligation was not intentional. For further details please refer to "Summary of German Legal and Regulatory Provisions — 3 German Companies Law — (v) Disclosure obligations of shareholders of an AG" in Appendix V to this prospectus.

Due to some of these legal restrictions under German laws, certain waivers/exemptions in relation to Listing Rules have been obtained as highlighted in the section headed "Waivers from strict compliance with the Listing Rules" in this prospectus. The exemption of requirements of compliance with the Listing Rules by our Company may have an adverse effect on shareholders protection and corporate governance of our Company.

You may experience difficulties in enforcing your shareholder rights because our Company is incorporated in Germany

Our Company is incorporated in Germany and some of our Directors and officers are resident in Germany. A significant portion of our Company's assets and those of our Directors and officers may be located in jurisdictions outside Hong Kong. It may be difficult for investors to effect service of process within Hong Kong or to recover against our Company, Directors or officers on judgements of Hong Kong courts predicated upon the laws of Hong Kong.

If a judgment is obtained against our Company or our Directors or officers in a Hong Kong court, additional requirements need to be satisfied in order to attempt to have the judgement accepted and enforced in Germany. These additional requirements are highlighted in the section headed "Appendix V — Summary of German Legal and Regulatory Provisions — The German Judicial System — (b) Acceptance and Enforcement of Judgments issued outside Germany" in this prospectus.

Furthermore, as our Company's registered and head office is located in Germany, most of the management decisions of our Group, as well as supervisory powers and decisions of our Supervisory Board, will be made in Germany or otherwise outside of Hong Kong. Shareholders of our Company enjoy their shareholder rights, and are also subject to certain obligations, under German laws, details of which are set out in "Appendix V — Summary of German Legal and Regulatory Provisions — 3 German Companies Law — (k) Shareholder rights". These rights and obligations may not be identical to those commonly applicable to shareholders of companies listed on the Stock Exchange. Further, the legal requirements and proceedings of general meetings of our Company, as well as the rights of Shareholders in the general meetings, possess features unique to a German incorporated company which may not be customary to companies listed on the Stock Exchange. The principal legal requirements of the general meetings of our Company are set out in "Appendix V — Summary of German Legal and Regulatory Provisions — 3 German Companies Law — (l) General Meeting". The majority of the general meetings of our Company (including annual general meetings and extraordinary general meetings) may be held in Germany or otherwise outside of Hong Kong.

Our Company is generally subject to more stringent labour standards in Germany than under the laws of Hong Kong and other jurisdictions in which investors may be located

German employment law contains certain restrictions on the dismissal of employees, which may lead to increased costs being incurred in cases of redundancies and may reduce flexibility as to the measures we may adopt towards our workforce. Furthermore, in common with most continental European countries, Germany has strong employee and employee representation rights relative to some other jurisdictions. Under German law, employees of a business with five or more employees have the right to elect a works council. Such council has extensive co-determination rights with regard to human resources matters and may delay or hinder the implementation of management decisions in this regard. This may also increase costs in the event of any redundancies.

Under German labour law, employees of certain German companies have the right to appoint a certain number of employee representatives onto the supervisory board. This requirement does not currently apply to our Company. However, should our Company and Schramm Coatings together employ between 500 and 2000 employees in Germany, the employees will be entitled to elect one-third of the members of our Supervisory Board. Should our Company and Schramm Coatings together employ more than 2000 employees in Germany, a labour director must be appointed on to our Management Board to represent the interest of employees and the employees will be entitled to elect half of the members of our Supervisory Board, with the chairman of our Supervisory Board (who has the casting vote) being elected by the Shareholders. A member of our Supervisory Board elected by the employees may have interests which are different to or may conflict with those who are elected by the shareholders to represent the interest of the shareholders.

As at the Latest Practicable Date, our Company and Schramm Coatings (the operating subsidiary of our Group in Germany) employed under 300 persons in Germany, but we cannot guarantee that the employees of our Company will not be entitled to elect representatives onto our Supervisory Board in the future, either due to our Group exceeding the relevant thresholds or changes in the relevant laws and regulations in Germany. Further, although to our best knowledge, we had fully complied with the relevant German labour law in general and were not in breach of the same during the Track Record Period, such requirements may become more stringent in the future, and there can be no assurance that our Group will not incur material liabilities or claims or that compliance with the German labour law (whether as currently in effect or as may be amended or enacted from time to time in the future) will not require additional expenditures by our Group.

We are subject to certain risks as our German production facilities are unionised

Our production facilities located in Germany, which account for a significant proportion of our production, are heavily unionised and are subject to the risk of strikes and other work stoppages. Such strikes or work stoppages could occur at our facilities or our suppliers' facilities, as a result of disputes with labor unions under existing collective bargaining agreements or in connection with negotiations of new collective bargaining agreements. Although during the Track Record Period, our Group did not experience any such strikes or work stoppages, any strikes or work stoppages at our facilities or at those of our suppliers for any reason in the future may interrupt production and could materially adversely affect our business, financial condition and results of operations. The employment relationships of most of our German employees are governed by collective bargaining agreements, which contain compulsory provisions on the conclusion, terms and conditions and termination of the respective employment relationship, such as, inter alia, regarding working hours, vacation and other gardening leave, remuneration and continued remuneration in case of sickness, notice periods and consequences of rationalisation actions, especially severance payments for redundancies caused thereby. Therefore, collective bargaining agreements materially affect the legal and/or economic feasibility of reorganisation processes and the financial conditions of employment in Germany and therefore our German results of operations.

We apply short time work arrangement for some of our employees in Germany

In order to reduce our Group's financial burdens in situations of economic crisis, our Group is permitted under German law to make use of "short time work" (*Kurzarbeit*) under certain circumstances. Short time work under German law is an arrangement based on individual or collective agreements according to which the employees' working time and accordingly their remuneration or parts thereof are reduced. The affected employees may be entitled to receive governmental subsidies during such periods in order to partially compensate for the economic disadvantages suffered. Additionally the employer may receive governmental subsidies with respect to social security contributions for such employees. Without such arrangement the employer would have to pay the employees' full remuneration even for periods during which he is not able to employ the employees full time. As at the Latest Practicable Date, 144 of a total of 255 workers of Schramm Coatings in Germany are subject to this arrangement. We implemented such arrangement because we are currently not able to employ all such employees in full-time due to a fall in demand caused by the current worldwide economic crisis. Such arrangement reduces Schramm Coating's payment obligations vis-a-vis the affected employees, since the affected employees only receive a reduced remuneration during the period the arrangement is in force. If a court rules the short time work is implemented illegally, in particular if it found it was not based on a valid individual or collective agreement or if the works council had not participated in the implementation process, Schramm Coatings would be liable to pay to the affected employees their full remunerations (net of any relevant government subsides already paid to them through our Group), the government subsidies and the corresponding social insurance costs, which altogether we estimate the total costs up to 30 September 2009 is approximately €635,000, even though their working hours had been reduced during such period. This would constitute considerable additional financial burdens, which would have an adverse effect on our German results of operations. If governmental subsidies granted to the affected employees are revoked retrospectively Schramm Coatings would be liable to pay to the affected employees the amount of the subsidies. The short time work arrangement was implemented since March 2009. Up to 30 September 2009, our Group had paid approximately €500,000 less in remuneration to the affected employees than it would have if short time work arrangement was implemented. The German government has reimbursed the short time compensations and part of the extra social insurance our Group paid. The total amount of subsidies up to 30 September 2009 was approximately €235,000. The governmental subsidies are subject to constant changes, which may have a material impact on the legal and/or economic feasibility of short time work in the future, and in particular, certain statutory privileges regarding the governmental subsidies are due to expire on 31 December 2010. For further details, please refer to the paragraph headed "Business — Short Time Work Arrangement" in the prospectus.

We are subject to German environmental laws and regulations, which may impose stringent remedial requirements upon us in the event of contamination irrespective of whether we caused the contamination

During the Track Record Period, our Group had not identified and was not aware of any incident of contamination in respect of our Germany Facility. Further, in respect of a contamination incident identified back in 2002 over a piece of land which was formerly owned by our Group, over which a monitoring period was imposed, the competent Germany authorities subsequently issued a statement to our Group dated 14 February 2008 confirming that no decontamination or further controlling would be necessary and no penalty has been paid by our Group in this incident. However, in the event of contamination of soil or water/groundwater, the German Federal Soil Protection Act and Water Resources Act, respectively, imposes joint liability on the polluter, the current owner of the property (irrespective of whether he caused the contamination) and the former owner as far as he knew or should have known about the contamination. Furthermore, the person who is commercially or legally responsible for a legal entity whose property is contaminated, may also be held liable for decontamination of the site. The competent authorities may require any of these persons to decontaminate the premises, disregarding their actual responsibility for the contamination and/or despite their financial situation.

Our Group faces inherent risks of environmental liability in its current and historic manufacturing locations. Any requirement to remedy contamination imposed on our Group may incur substantial costs or result in the closure or demolition of building on contamination sites.

There is also a risk that our Group may become the subject of environmental, health or safety liabilities or litigation. Environmental, health, and safety claims or the failure to comply with current or future regulations could result in the assessment of damages or imposition of fines against our Group, suspension of production or a cessation of operations. Significant financial reserves or additional compliance expenditures could be required in the future due to changes in law or new information regarding environmental conditions or other events, and those expenditures could adversely affect our Group's business or financial condition.

The existing environmental requirements, in particular the German Federal Soil Protection Act and the Water Resources Act, may result in our Group being obligated to remove contamination, deposits or other pollution from the sites affected or to limit their impact on the environment. This may result in the obligation to remedy or secure contaminated areas, and in particular to monitor eventual ground and water contamination over a period of years, which may be associated with substantial costs. Due to the described contamination risk of the manufacturing locations and sites used by our Group, our Group may need to close or tear down the buildings on such sites or not be able to use such buildings, manufacturing locations, property and land at all. This may result in substantial costs and losses for our Group. In addition, such contamination could result in a considerable or even total depreciation of the contaminated property and to liability of our Group.

German and European competition laws and regulations may restrict our business dealings or subject us to liabilities

We are subject to, among others, German and European anti-trust laws. European anti-trust law is set out in the EC-Treaty, in particular, cartel ban (Article 81) and prohibition of the abuse of a dominant position (Article 82) and various regulations (including, amongst others, on distribution, specialisation, research and developments and horizontal cooperation), whilst German anti-trust law is set out in the Act Against Restraints of Competition and substantially follows the European rules.

These laws and regulations may prevent us from contracting or cooperating with other companies when doing so may restrict competition within the EU and/or individual countries. Amongst others, anti-trust law prohibits us from agreeing on an allocation of markets or customers, to fix prices, rig bids or engage in anti-competitive exchanges of commercial information. Any violation of the relevant rules may result in the imposition of significant fines in the amount of up to ten percent of our consolidated world-wide group turnover. Although we have complied with the German and European anti-trust laws applicable to us during the Track Record Period, any non-compliance or violation of the relevant rules may result in the imposition of significant fines on us. The extent of the fines depends on the circumstances of each case, in particular the gravity and duration of the infringement, and is also intended to have a deterrent effect. There is a trend in the application of European anti-trust laws to impose heavier fines. In addition to these fines, we may also be subjected to private law suits for damages by customers (i.e. ranging from the immediate customer to the end consumer). The EU Commission intends to improve the judicial resources for claimants and to make class actions available in the field of anti-trust ("opt-in" actions). In addition, violation of the applicable anti-trust laws will lead to severe damage to our reputation and, in certain jurisdictions, may also lead to criminal sanctions against personnel breaching anti-trust law. These factors may materially and adversely affect our revenue and shareholder value.

Complex and changing tax laws in Germany could have an adverse effect on our Company's tax burden

Due to the complexities in tax laws and their interpretation by the tax authorities, we cannot exclude the possibility that additional tax charges are imposed by the tax authorities which may exceed taxes accounted for as liabilities or provisions.

Our Company's German and foreign tax returns are periodically examined by German tax authorities. Such tax audits may lead to a different computation of taxable income and as a result, increase the tax assessment basis. Ultimately, this could lead to an increase of our Group's and our Company's tax burden.

In case of any change in the shareholding structure of our Company, there is a risk that its tax losses, tax loss carry-forwards and interest carry-forwards may be eliminated entirely or in part. Such elimination in whole or in part may, in particular, result from a direct or indirect acquisition of shares of more than 50% or between 25% and 50%, respectively, by an individual shareholder (corporate or individual person), a related party, or a defined group of shareholders within a five-year period. The tax burden in Germany for future tax assessment periods could increase as respective tax losses, tax loss carry-forwards or interest carry-forwards would no longer be available to offset future taxable income. Should the harmful change in the shareholding of our Company also indirectly lead to a change in the shareholding structure of Schramm Coatings that constitutes more than 25% of the share capital of Schramm Coatings, a partial or full (in case of an indirect change of more than 50%) extinction of losses at Schramm Coatings level may be triggered. Such extinction of losses may also be triggered if another "harmful event" that may result in similar effect to the acquisition of shares leads to a change in the shareholding structure of our Company and/or Schramm Coatings. The German Ministry of Finance has listed a number of situations which may constitute a harmful event. Amongst others, voting agreements (*Stimmrechtsvereinbarungen*), voting commitments (*Stimmrechtsbindungen*) or voting rights waivers (*Stimmrechtsverzicht*) may be considered as harmful events. Also, a reduction of the share capital that changes the shareholding in our Company and/or Schramm Coatings harmful if it leads to a shareholder acquiring more than 25% of the shares in our Company and/or Schramm Coatings.

Furthermore, future changes of the tax laws in Germany or other jurisdictions relevant for our Group could increase our tax burden. This as well as the above mentioned risks could have a material adverse effect on our financial condition and prospects.

Dividends payable by us and any gains on the sale of our Shares may be subject to tax under German tax laws

As there is no Double Taxation Treaty in place between Germany and Hong Kong and the Double Taxation Treaty between Germany and China is not applicable to Hong Kong, an exemption or refund of taxes should generally not be applicable to shareholders resident in Hong Kong.

Under certain circumstances, holders of our Shares may be subject to taxation in Germany as a result of holding or dealing in our Shares. In particular, withholding tax (at the rate of 25% plus 5.5% solidarity surcharge thereon, i.e. a total rate of 26.375%) and/or income tax (depending on the circumstances either at a flat rate of 25% plus 5.5% solidarity surcharge thereon, at the holder's individual tax rate or at the corporate income tax rate of 15% plus 5.5% solidarity surcharge thereon) and trade tax at a rate of approximately 15%, if any, on any dividend income and/or capital gains from the sale of our Shares may apply (please see Appendix VI, paragraphs 2.1 and 2.2).

Capital gains realised by non-resident Shareholders who do not hold the Shares through a permanent establishment or a fixed base in Germany or as part of business assets for which a permanent representative in Germany has been appointed are taxable in Germany only if the seller or, in the case of a gratuitous transfer, any of the seller's legal predecessors held, directly or indirectly, at least 1% of our Company's registered share capital at any time during the five years preceding the sale. If in this case, the shareholder is a corporation, only 5% of the gains are subject to corporate income tax plus 5.5% solidarity surcharge thereon as well as trade tax, if the Shares are held in a permanent establishment/fixed base in Germany. If the shareholder is an individual, 60% of the capital gains are taxable at the Shareholder's individual income tax rate (see Appendix VI, paragraphs 2.1 and 2.2).

If we are required to withhold any taxes on dividend or capital gains or you are required to pay taxes on the transfer of your Shares or the receipt of dividends, the value of your investment in our Shares may be materially and adversely affected. For more information about taxation in Germany, please see Appendix VI of this Prospectus. Shareholders and potential shareholders should consult their professional tax advisers if they are in any doubt as to the taxation implications of holding and dealing in the Shares.

Investment in our Company may be subject to examination, restriction or approval under German foreign investment laws

The German Foreign Trade and Payments Act (the "**FTPA**"), including recent amendments came into effect on 24 April 2009, provides for the examination of the acquisition of interests in German companies through non-EU/European Free Trade Association ("**EFTA**") purchasers and to prohibit such acquisitions if necessary in order to safeguard the public order and security of the Federal Republic of Germany. "Non-EU/EFTA" refers to purchasers with their statutory seat outside the EU and outside the EFTA states. The FTPA affects countries such as the USA, China, Russia, states in the Middle East and Asia, i.e. all countries outside the EU or EFTA. (Iceland, Liechtenstein, Norway, Switzerland are seen as equivalent to EU-countries.)

The restriction applies if at least 25 per cent of the voting rights in a German company are acquired by a non-EU/EFTA purchaser. However such an investment can only be restricted or prohibited if it poses a threat to the public order or security such that there is a genuine and sufficiently serious threat which affects one of the fundamental interests of society. The European Court of Justice has previously recognised the relevance of public security with regard to matters of safeguarding supplies in crisis situations in the area of telecommunications and electricity or safeguarding services of strategic importance. For example, investments in weapons of war, armaments and cryptosystems have so far been subject to examinations.

The German Ministry of Economics and Technology can initiate the examination subsequent to an investment and it can issue orders or prohibit the acquisition within prescribed periods of time. In order to obtain certainty in advance, a potential purchaser can apply for a clearance certificate confirming that the investment does not pose a threat to the public order or security.

Our Group has no reason to believe that the German Ministry of Economics and Technology would perceive our Company, or any of our subsidiary companies, nor the sectors and businesses in which our Company or any of our subsidiary companies are active, nor the participation of a foreign company in those companies, sectors or businesses, as a threat to the public order or security.

RISKS ASSOCIATED WITH CONDUCTING OPERATIONS IN THE PRC

A material part of our operating assets, business and operations are located in the PRC and a material part of our turnover is sourced from the PRC. Our Group's business is therefore dependent on, amongst other factors, the prevailing political, legal and economic conditions in the PRC.

Political, economic and legal developments, as well as PRC government policies, could materially and adversely affect our business and results of operations

The PRC economy differs from the economies of most developed countries in many respects, including but not limited to its structure, level of government involvement, level of development, growth rate, foreign exchange and allocation of resources.

The PRC has traditionally been a planned economy. Whilst the PRC government has pursued economic reforms since its adoption of the open-door policy in 1978, the PRC government still exerts considerable direct and indirect influences on the economy and we cannot predict whether any action by the PRC government could have a material adverse effect on our financial condition and results of operations.

Any changes in the PRC's economic, political and social conditions, laws, regulations and government policies may have an adverse effect on our current future business, results of operations or financial condition. Factors, many of which may be beyond our control and which may affect the demand for our products and the results of our operations in the PRC. include but are not limited to:

- political stability or changes in social conditions within the PRC;
- changes in laws and regulations or the interpretation of laws and regulations;
- measures which may be introduced to control inflation or deflation;
- changes in the rate or method of taxation; and
- the imposition of additional restrictions on currency conversion and remittances abroad.

Any significant changes in relation to any of these or other factors may materially and adversely affect our business, financial condition and results of operations.

The PRC Anti-Monopoly Law may restrict our business dealings, force us to divest our shares in certain assets or subject us to liabilities

The PRC Anti-Monopoly Law (中華人民共和國反壟斷法) (the "**AML**"), which attempts to prevent monopolistic activities and protect fair competition in the PRC, came into effect on 1 August 2008. The AML forbids business entities (including us and all of our subsidiaries and affiliates) from engaging in monopolistic behaviour, entering into monopolistic agreements, abusing a dominant market position and pursuing consolidations which exclude, restrict or potentially inhibit competition. The AML does not prohibit any business entity from expanding its market share to achieve or maintain a dominant market position through fair competition, nor does it set limits on the market share that any one entity can achieve or maintain in the PRC provided the market share is not regarded by the governmental authorities as having the potential to exclude, restrict or inhibit competition in the event of consolidation of business operators.

Our PRC legal adviser has confirmed that, as long as our Group is not involved in any kind of monopolistic behaviors, abuse of dominant market position or pursuance of consolidations as described above, the AML would not intervene upon our Group's business and operations in the PRC. Our management has confirmed that our Group, based on our relative scale of operations, our business strategy of focussing on selected niche product streams and our past track record, has not been involved in any of the above-mentioned behaviours or activities to the extent the same have been applicable during the Track Record Period.

However as the AML has only recently come into effect and has yet to be fully interpreted and implemented by the necessary rules and regulations, its effect on our business is not yet known. We cannot assure you that the relevant authorities will not interpret the law in such a manner or announce specific rules so that the implementation of the AML will affect our business in general or will be in contradiction with the Government's existing policies. Moreover, in the event of non-compliance with the AML, we may be subject to fines and other penalties. In the event of these circumstances, our revenue and shareholder value may be materially and adversely affected.

Fluctuations in the exchange rate of Renminbi and changes in foreign exchange regulations in the PRC may materially and adversely affect the value in other currencies of our net assets, earnings and declared dividends or results of operations and financial results

We receive a material part of our revenue in Renminbi, which is not freely convertible into other currencies. Under the existing foreign exchange regulations in China, we may undertake current account foreign exchange transactions without prior approval from the SAFE by complying with certain procedural requirements. The PRC Government may in the future, however, at its discretion, restrict access to foreign currencies for current account transactions under certain circumstances. Any such change to the foreign exchange regulations may adversely affect our ability to pay dividends or satisfy other foreign exchange requirements.

The value of the Renminbi against other foreign currencies is subject to changes in the PRC's policies and international economic and political developments. With effect from 21 July 2005, the Renminbi is no longer pegged solely to the U.S. dollar. Instead, it is pegged against a basket of currencies, determined by the PBOC, against which it can rise or fall by as much as 0.3% as to U.S. dollar and within the bands fixed by the PBOC as to non-U.S. dollar currencies each day. On 23 September 2005, the PRC Government widened the daily trading band for Renminbi against non-U.S. dollar currencies from 1.5% to 3% in order to improve the flexibility of the new foreign exchange system. With effect from 21 May 2007, the PBOC enlarged the floating band for the trading prices in the inter-bank spot exchange market of the Renminbi against the U.S. dollar from 0.3% to 0.5% around the central parity rate. This allowed the Renminbi to fluctuate against the U.S. dollar by up to 0.5% above or below the central parity rate published by the PBOC each day.

There has been pressure on the PRC from foreign countries to adopt a more flexible currency system that could lead to appreciation of the Renminbi. The exchange rate may become volatile, the Renminbi may be revalued further against the U.S. dollar, or other currencies, or the Renminbi may be permitted to enter into a full or limited free float, which may result in an appreciation or depreciation in the value of the Renminbi against the U.S. dollar or other currencies. Fluctuations in exchange rates may adversely affect the value, translated or converted into U.S. dollars or Hong Kong dollars (which are pegged to the U.S. dollar), of our net assets, earnings or any declared dividends. However, any unfavourable movement in the exchange rate may lead to an increase in our costs, a decline in sales or an increase in our loan liabilities, which could materially affect our results of operation. We have not entered into any agreements to hedge our exchange rate exposure.

The PRC legal system has inherent uncertainties that could affect our business

As a material part of our business is conducted, and our assets are located, in the PRC, our operations are generally affected by and subject to the PRC legal system and PRC laws and regulations. The PRC legal system is based on written statutes, and prior court decisions can be used only as a reference. Since 1979, the PRC Government has promulgated laws and regulations in relation to economic matters, such as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view to developing a comprehensive system of commercial law. However, because these laws and regulations have not been fully developed, and because of the limited volume of published cases and the non-binding nature of prior court decisions, the interpretation of PRC laws and regulations involves uncertainty. Depending on the way an application or case is presented to a Government agent and depending on the Government agent itself, we could receive less favourable interpretations of laws and regulations than our competitors. In addition, any litigation we undertake in the PRC may be protracted and result in substantial cost to us and diversion of both our resources and management attention.

The treatment of our PRC Subsidiaries for PRC corporate income tax purposes may change

The PRC Enterprise Income Tax Law (**New EIT Law**) and its relevant implementing rules came into effect on 1 January 2008. The New EIT Law reduces the base corporate income tax rate for all PRC resident enterprises from 33% to 25%. Enterprises that previously enjoyed a preferential tax rate will gradually transition to the new tax rate over five years since 1 January 2008. Other fixed periods tax benefits, such as corporate income tax exemption or reduction, will continue until the expiry of the prescribed period. For the preferential tax treatment which has not commenced due to lack of profit, such preferential treatment was deemed to have commenced in 2008. Furthermore, the regime for other tax benefits, such as those for high- and new-technology companies, was revised in both the New EIT Law and its implementing rules.

In the past, we have received certain tax benefits. For further details, see the paragraph headed "Financial Information — Taxation — PRC corporate income tax" in this prospectus. If we are unable to continually enjoy our preferential tax treatments or if our other tax benefits are not renewed, our results of operations may be materially and adversely affected.

The implementation of the new employment contract law and the expected increase in labour costs in the PRC may adversely affect our business and profitability

A new employment contract law came into effect in the PRC on 1 January 2008. It imposes more stringent requirements on employers in relation to entering into fixed term employment contracts, hiring of employees and dismissing employees. In addition, under the newly promulgated Regulations on Paid Annual Leave for Employees (職工帶薪年休假條例), which came into effect on the same date, employees who have cumulatively worked for more than one year are entitled to a paid holiday ranging from 5 to 15 days, depending on their length of service. Employees who agree to waive their holiday time at the request of their employers must be compensated with three times their normal daily salaries for each holiday waived. As a result of the new law and regulations, our labour costs may increase. We cannot assure you that any disputes, work stoppages or strikes will not arise in the future. Increases in our labour costs and future disputes with our employees could have a material adverse effect on our business, financial condition or results of operations.

It may be difficult to effect service of process upon or enforce judgements against us, our Directors or senior officers in the PRC

Certain of our assets and our Group companies are located in the PRC. In addition, certain of our officers reside in the PRC, and the assets of our Directors and officers may also be located in the PRC. As a result, it may not be possible to effect service of process outside the PRC upon us or our Directors and officers, including with respect to matters arising under applicable securities laws.

In addition, the PRC does not have treaties providing for the reciprocal recognition and enforcement of judgements of courts with many countries, including the United Kingdom, the United States and Japan. Accordingly, it may be difficult for you to enforce in the PRC any judgements obtained from non-PRC courts.

RISKS ASSOCIATED WITH THE GLOBAL OFFERING

There has been no prior public market for our Shares, the liquidity and market price of our Shares may be volatile, and the Offer Price may not be indicative of prices that will prevail in the trading market

Prior to the Global Offering, there has been no public market for our Shares. The Offer Price range for our Shares was the result of negotiations between us and the Sole Global Coordinator on behalf of the Underwriters, and the Offer Price may differ significantly from the market price for the Shares following the Global Offering. We have applied to list and deal in the Shares on the Stock Exchange. We cannot assure you that the Global Offering will result in the development of an active, liquid public trading market for our Shares. In addition, the price and trading volume of our Shares may be volatile. Factors such as variations in our revenue, earnings and cash flows or any other developments of our Group may affect the volume and price at which the Shares will be traded.

The Offer Price will be determined by negotiations between us and the Sole Global Coordinator (on behalf of the Underwriters) and may not be indicative of prices that will prevail in the trading market, and may bear no relationship to the market price for Shares after the Global Offering. Investors may not be able to resell their Shares at the Offer Price or at a higher price. Volatility in the price of the Shares may be caused by factors beyond our control and may be unrelated to the results of our operations.

The liquidity of our Shares may be affected by the requirement under German law for shares to have a relatively high minimum par value of €1, which means that the issue price of our Shares shall be not lower than €1, which may lead to a relatively high trading price following the issuance. In this regard, at any given market capitalisation amount, our absolute number of issued shares may appear to be significantly smaller than a similarly capitalised company with shares at a lower par value. Although we have adopted a relatively small board lot size the high trading price per Share may have negative impact on the liquidity of our Shares.

Future sales of securities by our Group or Shareholders may decrease the value of an investment

Prior to the Global Offering, there has not been a public market for the Shares. Future sales by our Group or its existing Shareholders of substantial amounts of Shares after the Offering could adversely affect market prices prevailing from time to time. Only a limited number of the Shares currently outstanding will be available for sale immediately after the Global Offering due to contractual and legal restrictions on resale. Nevertheless, after these restrictions lapse or if these restrictions are waived or breached, future sales of substantial amounts of Shares, including Shares issued upon exercise of outstanding options and warrants, or the possibility of such sales, could negatively impact the market price of the Shares and our Group's ability to raise equity capital in the future.

We cannot guarantee the accuracy of certain facts and statistics with respect to the countries and industries in which we operate contained in this prospectus

Facts and statistics in this prospectus relating to the countries and industries in which we operate that are derived from various official government publications are generally believed to be reliable. However, we cannot guarantee the quality or reliability of such facts and statistics. The accuracy or completeness of such information has not been prepared or independently verified by us, the Sole Global Coordinator, the Sponsor, the Underwriters or any of their or our respective affiliates, directors or advisers. We therefore make no representation as to the accuracy of the facts and statistics contained in such official government publications. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the facts and statistics in section headed "Industry Overview" in this prospectus with respect to the PRC, Germany and their economy, and relevant industries may be inaccurate or may not be comparable to facts and statistics produced for other economies and should not be unduly relied upon. In all cases, you should give careful consideration as to how much weight or importance you should attach or place on such statistics, projected industry data and other information relating to the economy and the industry.

Furthermore, certain facts and statistics contained in this prospectus have been sourced from non-commissioned research reports. We believe that the sources of this information are appropriate sources of information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information has not been independently verified by us, the Sponsor, the Underwriters or any other party involved in the Global Offering and no representation is given as to its accuracy.

The current market conditions may not be reflected in the statistical information provided in this prospectus

The historical information provided in this prospectus relating to market conditions and valuation may not reflect the current market due to rapid changes in the global economy. In order to provide context to the industries in which we operate, and greater understanding of our market presence and performance, various statistics and facts have been provided throughout the prospectus. However, this information may not reflect current market conditions as the recent economic downturn may not be fully factored into these statistics, and the availability of the latest data may fall behind the date of this prospectus. As such, any information relating to market value, sizes and growth, or performance in these markets and other similar industry data should be viewed as historical figures that may have little value in determining future results. If this historical information is not in line with current and future trends, our results of operations and our Shareholders value may be negatively impacted.

You should read the entire prospectus and should not rely on any information contained in press coverage or other media in relation to the Global Offering, our business operations or our Group in connection with the decision to invest in the Shares

There has been press coverage about us in November and December 2009 which included information about the Global Offering and other forward-looking statements. There can be no assurance that there will not be further press coverage or other media reports in relation to the Global Offering, our business operations or other details of our Group, including forward-looking and other types of information. There can be no assurance that such further press coverage or other media reports will not be negative or hostile. We do not accept any responsibility for the accuracy or completeness of press coverage or other media reports that have not been prepared or approved by us in advance of publication. We make no representation or warranty as to the appropriateness, accuracy, completeness or reliability of any such report, projection, valuation or forward-looking information about us, or any of the assumptions underlying such information. We disclaim statements in the press or other media that are inconsistent or conflict with the information contained in this prospectus. Accordingly, you should rely only on the information that is included in this prospectus in connection with your investment decision.