The following is the text of a report received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

PRICEWATERHOUSECOOPERS

羅兵咸永道會計師事務所

PricewaterhouseCoopers
22/F, Prince's Building
Central, Hong Kong

15 December 2009

The Directors
Schramm Holding AG

Guotai Junan Capital Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Samsung Chemical Paint (Thailand) Company Limited (the "Company") set out in Sections I to III below, for inclusion in the prospectus of Schramm Holding AG ("Schramm AG") dated 15 December 2009 (the "Prospectus") in connection with the initial listing of shares of Schramm AG on the Main Board of The Stock Exchange of Hong Kong Limited. The Financial Information comprises the balance sheets as at 31 December 2006, 2007 and 2008 and 30 June 2009, and the income statements, the statements of comprehensive income, the statements of changes in equity and the cash flow statements for each of the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2008 and 2009 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory notes.

The Company was registered as a company with limited liability in Thailand on 25 December 2008 through the amalgamation of the former Samsung Chemical Paint (Thailand) Limited and Techno Coat Company Limited, both were limited liability companies incorporated in Thailand. The financial statements of the Company prepared in accordance with generally accepted accounting principles in Thailand for the period from 25 December 2008 to 31 December 2008 were audited by Mr. Udomsak Hirunkungoon.

For the purpose of this report, the directors of the Company have prepared financial statements of the Company for the Relevant Periods, in accordance with International Financial Reporting Standards ("IFRS") (the "Underlying Financial Statements") We have audited the Underlying Financial Statements for each of the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009 in accordance with International Standards on Auditing.

The Financial Information has been prepared based on the Underlying Financial Statements, with no adjustment made thereon.

Directors' responsibility

The directors of the Company are responsible for the preparation and the true and fair presentation of the Underlying Financial Statements. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

For the financial information for each of the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009, the directors of the Schramm AG are responsible for the preparation and the true and fair presentation of the financial information in accordance with IFRS. This responsibility includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

For the financial information for the six months ended 30 June 2008, the directors of Schramm AG are responsible for the preparation and the presentation of the financial information in accordance with the accounting policies set out in Note 2 of Section II below which are in conformity with IFRS.

Reporting accountant's responsibility

For the financial information for each of the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009, our responsibility is to express an opinion on the financial information based on our examination and to report our opinion to you. We examined the Underlying Financial Statements used in preparing the financial information, and carried out such additional procedures as we considered necessary in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the Hong Kong Institute of Certified Public Accountants.

For the financial information for the six months ended 30 June 2008, our responsibility is to express a conclusion on the financial information based on our review and to report our conclusion to you. We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion and review conclusion

In our opinion, the financial information for each of the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009, for the purpose of this report, gives a true and fair view of the state of affairs of the Company as at 31 December 2006, 2007 and 2008 and 30 June 2009 and of the Company's results and cash flows for the respective years and period then ended.

Based on our review, which does not constitute an audit, nothing has come to our attention that causes us to believe that the financial information for the six months ended 30 June 2008, for the purpose of this report, is not prepared, in all material respects, in accordance with the accounting policies set out in Note 2 of Section II below which are in conformity with IFRS.

(I) FINANCIAL INFORMATION

The following is the Financial Information of the Company for the Relevant Periods prepared on the basis set out in Note 2 of Section II below.

INCOME STATEMENTS

		Year ended 31 December			Six months ended 30 June	
	Notes	**2006**	**2007**	**2008**	**2008**	**2009**
		€ '000	*€ '000*	*€ '000*	*€ '000*	*€ '000*
					(unaudited)	
Continuing operations:						
Sales	5	965	1,610	1,866	840	1,186
Other operating income	5	1	15	18	6	8
Changes in inventories of finished goods and work in progress		128	41	91	(28)	(281)
Cost of materials	6	(867)	(1,255)	(1,460)	(539)	(411)
Employee benefit expenses	7	(495)	(724)	(504)	(275)	(194)
Depreciation	8	(43)	(64)	(64)	(31)	(34)
Other operating expenses	8	(424)	(511)	(333)	(152)	(152)
Other gains/(losses), net	9	155	167	(56)	41	72
Operating (loss)/profit		(580)	(721)	(442)	(138)	194
Finance income	10	—	—	1	—	—
Finance costs	10	(2)	(3)	(2)	(1)	(1)
(Loss)/profit before income tax		(582)	(724)	(443)	(139)	193
Income tax expense	11	—	—	—	—	(65)
(Loss)/profit for the year/period from continuing operations		(582)	(724)	(443)	(139)	128
Discontinued operations:						
(Loss)/profit for the year/period from discontinued operations	22	—	—	(141)	10	—
(Loss)/profit for the year/period		(582)	(724)	(584)	(129)	128

STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
				(unaudited)	
(Loss)/profit for the year/period	(582)	(724)	(584)	(129)	128
Translation differences	(25)	(32)	133	149	(19)
Other comprehensive income for the year/period	(25)	(32)	133	149	(19)
Total comprehensive income attributable to equity holders of the Company	(607)	(756)	(451)	20	109

BALANCE SHEETS

					As at
		As at 31 December			30 June
	Notes	**2006**	**2007**	**2008**	**2009**
		€ '000	*€ '000*	*€ '000*	*€ '000*
ASSETS					
Non-current assets					
Plant and equipment	12	370	344	283	261
Other receivables and prepayments		42	30	31	33
		412	374	314	294
Current assets					
Inventories	13	722	838	920	720
Trade receivables	14	397	469	565	718
Other receivables and prepayments		108	122	148	190
Cash and cash equivalents	15	21	158	142	132
		1,248	1,587	1,775	1,760
Total assets		1,660	1,961	2,089	2,054
EQUITY					
Capital and reserves					
Issued share capital	16	533	533	1,502	1,502
Reserves		(1,015)	(1,771)	(2,271)	(2,162)
Total shareholders' deficits		(482)	(1,238)	(769)	(660)

		As at 31 December			As at 30 June
	Notes	**2006**	**2007**	**2008**	**2009**
		€'000	*€'000*	*€'000*	*€'000*
LIABILITIES					
Non-current liabilities					
Loans from SBHK	17	313	317	—	—
Finance lease liabilities	18	32	14	14	10
		345	331	14	10
Current liabilities					
Current portion of loans from SBHK	17	231	512	90	—
Trade and other payables	19	1,554	2,345	2,737	2,628
Current portion of finance lease liabilities	18	12	11	17	13
Income tax liabilities		—	—	—	63
		1,797	2,868	2,844	2,704
Total liabilities		2,142	3,199	2,858	2,714
Total equity and liabilities		1,660	1,961	2,089	2,054
Net current liabilities		(549)	(1,281)	(1,069)	(944)
Total assets less current liabilities		(137)	(907)	(755)	(650)

STATEMENTS OF CHANGES IN EQUITY

	Notes	Issued share capital	Reserves: Accumulated losses	Reserves: Exchange reserves	Total equity
		€ '000	€ '000	€ '000	€ '000
As at 1 January 2006		299	(408)	—	(109)
Issuance of shares	16	234	—	—	234
Loss for the year		—	(582)	—	(582)
Currency translation differences		—	—	(25)	(25)
As at 31 December 2006		533	(990)	(25)	(482)
Loss for the year		—	(724)	—	(724)
Currency translation differences		—	—	(32)	(32)
As at 31 December 2007		533	(1,714)	(57)	(1,238)
Issuance of shares	16	747	—	—	747
Acquisition of Techno	22	222	(49)	—	173
Loss for the year		—	(584)	—	(584)
Currency translation differences		—	—	133	133
As at 31 December 2008		1,502	(2,347)	76	(769)
Profit for the period		—	128	—	128
Currency translation differences		—	—	(19)	(19)
As at 30 June 2009		1,502	(2,219)	57	(660)
Six months ended 30 June 2008 (unaudited)					
As at 1 January 2008		533	(1,714)	(57)	(1,238)
Issuance of shares	16	747	—	—	747
Acquisition of Techno	22	222	(49)	—	173
Loss for the period		—	(129)	—	(129)
Currency translation differences		—	—	149	149
As at 30 June 2008		1,502	(1,892)	92	(298)

CASH FLOW STATEMENTS

	Year ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
				(unaudited)	
Operating activities					
Net cash (used in)/generated from operations (Note 21)	(353)	(102)	(196)	(80)	113
Interest received	—	—	1	—	—
Interest paid	(1)	—	(1)	—	—
Net cash (used in)/generated from operating activities	(354)	(102)	(196)	(80)	113
Investing activities					
Acquisition of Techno					
— cash acquired (Note 22)	—	—	21	21	—
Purchases of plant and equipment	(195)	(63)	(27)	(30)	(15)
Proceeds from disposals of plant and equipment	3	6	85	2	—
Net cash (used in)/generated from investing activities	(192)	(57)	79	(7)	(15)
Financing activities					
Repayment of loans from SBHK	—	(13)	(761)	(746)	(96)
Proceeds from loans from SBHK	335	329	123	108	—
Payment of finance lease liabilities	(6)	(24)	(11)	(6)	(9)
Proceeds from issuance of ordinary shares (Note 16)	234	—	747	747	—
Net cash generated from/(used in) financing activities	563	292	98	103	(105)
Increase/(decrease) in cash and cash equivalents	17	133	(19)	16	(7)
Translation difference	(2)	4	3	(7)	(3)
Cash and cash equivalents at the beginning of the year/period	6	21	158	158	142
Cash and cash equivalents at the end of the year/period	21	158	142	167	132

II NOTES TO THE FINANCIAL INFORMATION

1 General information

The Company is principally engaged in manufacture of coating for home appliance. The Company is a limited liability company incorporated in Thailand on 25 December 2008 through the amalgamation of the former Samsung Chemical Paint (Thailand) Company Limited (the "Old Company") and Techno Coat Company Limited ("Techno") (the "Amalgamation"), both were limited liability companies incorporated in Thailand. The details of the Amalgamation is set out in Note 2.2 of Section II below. The address of its registered office is 7/206 Moo 6, Pluakdaeng, Mabyangporn, Rayong.

The Company was controlled by Samsung Bestview (Hong Kong) Co., Ltd. ("SBHK"), a company incorporated in Hong Kong, which owns 99.96% of the Company's shares. On 11 September 2009, SBHK disposed its entire interests in the Company to its follow subsidiary, Schramm SSCP (Hong Kong) Limited.

The ultimate parent company of the Company is SSCP Co., Ltd. ("SSCP"), a company incorporated and listed in Korea.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Financial Information are set out below. These policies have been consistently applied to all the years and periods presented, unless otherwise stated.

2.1 *Basis of preparation*

The Financial Information has been prepared in accordance with IFRS issued by the International Accounting Standards Board. The Financial Information has been prepared under the historical cost convention.

The preparation of Financial Information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4.

The Company has considered the new standards, amendments, interpretations and annual improvement project that may be applicable to the Company's accounting periods beginning on or after 30 June 2009. The Company has not yet early adopted the following new standards, amendments and interpretations that have been issued but are not yet effective. The Directors of the Company anticipate that the application of these new standards, amendments and interpretations will have no material impact on the results and financial position of the Company.

IAS 24 (Amendment)	Related party disclosures
IAS 27 (Revised)	Consolidated and separate financial statements
IAS 32 (Amendment)	Financial Instruments: Presentation
IAS 39 (Amendment)	Financial Instruments: Recognition and measurement
IFRS 1 (Revised)	First-time adoption of IFRS and IAS 27 - Consolidated and separate financial statements
IFRS 2 (Amendment)	Share-based payment
IFRS 3 (Revised)	Business combinations
IFRS 5	Non-current assets held for sales as discontinued operations
IFRS 9	Financial instruments
IFRIC 17	Distribution of non-cash assets to owners
IFRSs (Amendments)	Improvements to IFRSs 2009

As at 30 June 2009, the Company's current liabilities exceeded its current assets by €944,000 and there were deficits on shareholders' funds of €660,000. Schramm AG has confirmed its intention to provide continuing financial support to the Company so as to enable the Company to meet its liabilities as and when they fall due and to enable the Company to continue operating in the foreseeable future. The directors believe that the Company will continue as a going concern and accordingly have prepared the Financial Information on a going concern basis.

2.2 ***The Amalgamation and merger basis of accounting***

The former Samsung Chemical Paint (Thailand) Company Limited (the "Old Company") was incorporated on 7 February 2005 in Thailand as a limited liability company, which was held as to 99.96% indirectly by SSCP. Its principal activity was the manufacture of coating for home appliance. Techno Coat Company Limited ('Techno") was incorporated in February 2006 in Thailand as a limited liability company. Its principal activity was the application of paints for home appliances and other consumer goods. Techno was acquired by SBHK on 31 March 2008 from a third party and become an indirect wholly owned subsidiary of SSCP since then (Note 22).

The Amalgamation of the Old Company and Techno Coat was approved by their shareholders in their extraordinary meetings on 16 September 2008. Pursuant to the Amalgamation which was effectively completed on 25 December 2008, the Old Company and Techno were automatically dissolved. The Company was incorporated and registered with the Ministry of Commerce of Thailand under the name of Samsung Chemical Paint (Thailand) Company Limited on the same date.

Since the Old Company and Techno were subsidiaries of and controlled by SSCP as of the date of the Amalgamation, the Amalgamation is accounted for as a common control combination. The Financial Information of the Company has been prepared as if the Amalgamation had been occurred since 1 January 2006, or since the date when the combining entities or businesses first came under the common control.

The net assets of the Old Company and Techno are combined using the existing book values from the controlling shareholders' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of controlling shareholders' interest. The income statement includes the results of the Old Company and Techno from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

2.3 ***Foreign currency translation***

(i) *Functional and presentation currency*

Items included in the Financial Information are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is Thai Baht ("THB" or "฿") and for the convenience of the readers of the Financial Information, the Financial Information is presented in Euros ("€").

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

All foreign exchange gains and losses are presented in the income statement within "other gains/(losses), net".

The results and financial position of the Company are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

- income and expenses for each income statement are translated at average exchange rates; and

- all resulting exchange differences are recognised as a separate component of equity.

2.4 ***Plant and equipment***

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the income statements during the financial period in which they are incurred.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Leasehold improvements - building	20 years
Technical equipment and machinery	10 years
Motor vehicles, furniture and other office equipment	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.5).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other gains/(losses), net" in the income statements.

2.5 ***Impairment of non-financial assets***

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.6 ***Financial assets***

2.6.1 *Classification*

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date.

2.6.2 *Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on the trade-date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade and other receivables is described in Note 2.8.

2.7 ***Inventories***

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.8 ***Trade and other receivables***

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against the income statement.

2.9 ***Cash and cash equivalents***

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.10 ***Trade and other payables***

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 ***Borrowings***

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statements over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.12 ***Current and deferred income tax***

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Information. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.13 ***Employee benefits***

(a) *Pension and similar obligations*

The Company has a defined benefit plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The defined benefit obligation is calculated annually by the Company using the projected unit credit method.

(b) *Termination benefits*

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(c) *Bonus plans*

Provisions for bonus due wholly within twelve months after balance sheet date are recognised when the Company has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

2.14 ***Provisions***

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

2.15 ***Revenue recognition***

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) *Sales of goods and scrap materials*

The Company manufactures and sells specialty coating products. Sales of goods and scrap materials are recognised when the Company has delivered products to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

(ii) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2.16 ***Leases - as a lessee***

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made by the Company under operating leases (net of any incentives received from the lessor) are charged to the income statements on a straight-line basis over the period of the lease.

The Company leases certain property, plant and equipment. Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance cost is charged to the income statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

3 Financial risk management

The Company operates mainly in Asia and its activities expose it to a variety of financial risks (including market risk, such as currency risk and interest rate risk; liquidity risk and credit risk) as part of its ordinary operating activities. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance.

(i) ***Market risk***

Market risk can be broken down into currency risk and interest rate risk.

(a) *Foreign exchange risk*

The Company conducts its transactions in its functional currency. The majority of the sales and purchases transactions are denominated in THB and US dollars ("USD").

The Company does not use foreign exchange contracts to hedge foreign exchange risk arising from sales and purchases transactions as management considers the present exposure to foreign exchange risk is not significant.

If the exchange rates for THB against USD at the balance sheet date has been 4 percent lower or higher, the loss for the year ended 31 December 2006, 2007 and 2008 would have been €71,000, €119,000 and €104,000 lower or higher respectively.

If the exchange rates for THB against USD at the balance sheet date has been 4 percent lower or higher, the profit for the six months ended 30 June 2009 would have been €97,000 higher or lower.

(b) *Interest rate risk*

The Company's income and operating cash flows are independent of the changes in market interest rates. The Company has no significant interest-bearing assets except for the bank balances, details of which have been disclosed in Note 15.

The Company's exposure to changes in interest rates is mainly attributable to its finance lease liabilities. Finance lease liabilities carried at fixed rates expose the Company to fair value interest rate risk. Details of the Company's finance lease liabilities are disclosed in Note 18. The Company has not used any interest rate swaps to hedge its exposure to interest rate risk as management considers that the Company's finance lease liabilities are relatively insignificant; any reasonable change in interest rates would not result in a significant change in the Company's results. Accordingly, no sensitivity analysis is presented for interest rate risk.

(ii) ***Liquidity risk***

Liquidity risk is managed on the basis of cash flow planning and forecast. As part of liquidity risk management, the Company monitors its liquidity requirements arising from operating activities, from investing activities and from financing activities. Prudent liquidity risk management implies maintaining sufficient cash. Due to the dynamic nature of the underlying business, the Company aims to maintain flexibility in funding by fundings from Schramm AG.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	As at 31 December						**As at 30 June**	
	2006		**2007**		**2008**		**2009**	
	Within 1 year	**1 to 5 years**	**Within 1 year**	**1 to 5 years**	**Within 1 year**	**1 to 5 years**	**Within 1 year**	**1 to 5 years**
	€'000	*€'000*	*€'000*	*€'000*	*€'000*	*€'000*	*€'000*	*€'000*
Loans from SBHK	231	313	512	317	90	—	—	—
Finance leases liabilities	15	34	12	15	18	15	14	10
Trade and other payables	1,554	—	2,345	—	2,737	—	2,628	—
	1,800	347	2,869	332	2,845	15	2,642	10

(iii) ***Credit risk***

The Company's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the period end dates in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the balance sheets.

The Company has put in place policies to ensure that sales of products are made to customers with an appropriate credit history and the Company performs periodic credit evaluations of its customers. Payment terms and conditions are modified appropriately in response to any deterioration of the credit history of the customers.

The Company has established different credit terms for customers. The average credit period granted to trade debtors was 30 to 120 days. Occasionally, certain debtors enjoy a longer credit period. The Company reviews the recoverable amount of each individual debt at each balance sheet date, taking into account its financial position, past experience and other factors to ensure that adequate impairment loss are made for irrecoverable amounts.

Cash transactions are limited to financial institutions with high credit quality.

The Company does not have significant exposure to any individual debtors or counterparties.

Occasionally, customer will settle after the credit period given. Management will consider various ways to handle the situation including suspension of supplies until settlement is made, taking legal action or requesting security.

(iv) ***Capital risk management***

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to equity holders, request capital contributions from equity holders or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated by dividing the total borrowings with total assets.

The gearing ratios at the Relevant Periods were as follows:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€'000	*€'000*	*€'000*	*€'000*
Total borrowings	544	829	90	—
Total assets	1,660	1,961	2,089	2,054
	32.8%	42.3%	4.3%	0.0%

The decrease in the gearing ratio as at 31 December 2008 and 30 June 2009 as compared to the previous years resulted primarily from repayment of loans from SBHK.

4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

(a) ***Useful lives of plant and equipment***

The Company's management determines the estimated useful lives, and related depreciation charges for its plant and equipment. This estimate is based on the historical experience of the actual useful lives of plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated lives. It will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation expense in future periods.

(b) ***Impairment of non-financial assets***

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations and fair value less costs to sell. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Company's financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the income statement.

(c) ***Estimated provision for inventories***

Inventories are written down to net realisable value based on an assessment of the realisability of inventories. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

(d) ***Estimated impairment of receivables***

The Company makes provision for impairment of receivables based on an assessment of the recoverability of the receivables. Provisions are applied to receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment of receivables requires the use of judgment and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying value of receivables and loss for the impairment of receivable is recognised in the periods in which such estimates have been changed.

(e) ***Income taxes and deferred income tax***

The Company is subject to income taxes in Thailand. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be required. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred tax assets and income tax charges in the period in which such estimates have been changed.

5 Sales and other operating income

The Company is principally engaged in the manufacturing of coating for home appliance.

Sales and other operating income are analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2006	**2007**	**2008**	**2008**	**2009**
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
				(unaudited)	
Sales of goods	965	1,610	1,866	840	1,186
Other operating income					
Sales of scrap materials	—	2	10	5	3
Others	1	13	8	1	5
	1	15	18	6	8

All of the Company's assets, liabilities and capital expenditure are located or utilised in Thailand, and accordingly, no segment information is presented.

6 Cost of materials

	Year ended 31 December			Six months ended 30 June	
	2006	**2007**	**2008**	**2008**	**2009**
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
				(unaudited)	
Purchase of raw materials and supplies	867	1,255	1,460	539	411

For the years ended 31 December 2006, 2007, 2008 and the six months ended 30 June 2008 and 2009, the cost of materials included provisions for obsolete/slow-moving finished goods of €18,000, €9,000, €31,000, nil and nil respectively. There were no reversals or write-down of inventories in prior years.

7 Employee benefit expenses

(a) Employee benefit expenses are analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2006	**2007**	**2008**	**2008**	**2009**
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
				(unaudited)	
Wages and salaries	352	493	355	198	141
Social security contributions	9	13	8	4	4
Other personnel costs	134	218	141	73	49
	495	724	504	275	194

(b) Directors' emoluments

The aggregate amounts of emoluments paid/payable to the directors of the Old Company, Techno and the Company are as follows:

	Year ended 31 December			Six months ended 30 June	
	2006	**2007**	**2008**	**2008**	**2009**
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
				(unaudited)	
Wage and salaries	23	21	41	22	17
Other personnel cost	15	20	28	9	9
	38	41	69	31	26

There were no arrangement under which a director waived or agreed to waive any emoluments in any of the years ended 31 December 2006, 2007, 2008 and the six months ended 30 June 2008 and 2009. There were no payments made during the Relevant Periods to directors as an inducement to join the Old Company, Techno and the Company or as compensation for loss of office.

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Old Company, Techno and the Company for the years ended 31 December 2006, 2007 and 2008 and six months ended 30 June 2008 and 2009, include nil, one and one, one and one director whose emoluments are reflected in the analysis presented above.

The emoluments paid/payable to the remaining five, four, four, four and four individuals during the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2008 and 2009 are as follows:

	Year ended 31 December			Six months ended 30 June	
	2006	**2007**	**2008**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*	*€ '000*
				(unaudited)	
Wages and salaries	109	105	145	85	63
Social security contributions	1	—	—	—	—
Other personnel costs	49	89	87	36	23
	159	194	232	121	86

The emoluments to each of the above individuals fall within the band of nil to €95,000 (equivalent to HK$1,000,000).

8 Other operating expenses

	Year ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	€ '000	€ '000	€ '000	€ '000	€ '000
				(unaudited)	
Auditors' remuneration	1	1	3	—	—
Depreciation	43	64	64	31	34
Freight charges	11	34	28	11	8
Legal and consulting expenses	10	—	3	—	5
Energy and water costs	5	8	6	3	3
Communication expense	34	52	26	13	9
Repair and maintenance costs	6	11	7	4	5
Travelling expenses	85	108	75	41	15
Operating lease rental in respect of building and motor vehicles	100	83	37	17	19
Provision for impairment of trade receivables	—	—	—	—	26
Others	172	214	148	63	62
Total depreciation and other operating expenses	467	575	397	183	186

9 Other gains/(losses), net

	Year ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	€ '000	€ '000	€ '000	€ '000	€ '000
				(unaudited)	
Net foreign exchange gain/(loss)	155	170	(48)	49	72
Loss on disposal of plant and equipment	—	(3)	(8)	(8)	—
	155	167	(56)	41	72

10 Finance income and costs

	Year ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
				(unaudited)	
Finance income					
Interest income on short-term bank deposits	—	—	1	—	—
Finance costs					
Interest expense on finance lease liabilities	(2)	(3)	(2)	(1)	(1)
Finance costs, net	(2)	(3)	(1)	(1)	(1)

11 Income tax expense

The amount of income tax charged to the income statement represents:

	Year ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
				(unaudited)	
Current income tax	—	—	—	—	65

The Company is subject to the Thailand corporate income tax. The applicable tax rate for the years ended 31 December 2006, 2007 and 2008 and the six months ended 30 June 2009 is 30%.

The tax on the Company's (loss)/profit before income tax differs from the theoretical amount that would arise using the tax rates applicable in Thailand as follows:

	Year ended 31 December			Six months ended 30 June	
	2006	**2007**	**2008**	**2008**	**2009**
	€'000	*€'000*	*'000*	*€'000*	*€'000*
				(unaudited)	
(Loss)/profit before income tax	(582)	(724)	(443)	(139)	193
Tax calculated at the tax rate in Thailand	(175)	(217)	(133)	(42)	58
Expenses not deductible for taxation purpose	27	26	176	1	7
Utilisation of tax loss not recognised	—	—	(43)	—	—
Tax losses not recognised	148	191	—	41	—
Income tax expense	—	—	—	—	65
The weighted average applicable tax rate in %	—	—	—	—	33.7

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of related tax benefit through future taxable profit is probable. As at 31 December 2006 and 2007, the Company has unrecognised tax losses of €493,000 and €1,130,000 respectively. These tax losses are related to the Old Company and Techno, which cannot be carried forward subsequent to the Amalgamation on 25 December 2008 (Note 2.2).

12 Plant and equipment

Year ended 31 December 2006

	Leasehold improvements-building	Technical equipment and machinery	Motor vehicles, furniture and other office equipment	Construction in progress	Total
	€ '000	*€ '000*	*€ '000*	*€ '000*	*€ '000*
Costs					
As at 1 January 2006	44	120	82	—	246
Additions	24	51	66	30	171
Disposals	—	(3)	—	—	(3)
Transfers	28	—	—	(28)	—
Currency translation differences	2	7	6	1	16
As at 31 December 2006	98	175	154	3	430
Accumulated depreciation					
As at 1 January 2006	1	8	6	—	15
Charge for the year	2	18	23	—	43
Currency translation differences	—	1	1	—	2
As at 31 December 2006	3	27	30	—	60
Net book value					
As at 31 December 2006	95	148	124	3	370

	Leasehold improvements-building	Technical equipment and machinery	Motor vehicles, furniture and other office equipment	Construction in progress	Total
	€ '000	*€ '000*	*€ '000*	*€ '000*	*€ '000*
Year ended 31 December 2007					
Costs					
As at 1 January 2007	98	175	154	3	430
Additions	2	11	7	15	35
Disposals	—	—	(11)	(3)	(14)
Transfers	5	—	—	(5)	—
Currency translation differences	4	6	6	—	16
As at 31 December 2007	109	192	156	10	467
Accumulated depreciation					
As at 1 January 2007	3	27	30	—	60
Charge for the year	5	27	32	—	64
Disposals	—	—	(5)	—	(5)
Currency translation differences	1	1	2	—	4
As at 31 December 2007	9	55	59	—	123
Net book value					
As at 31 December 2007	100	137	97	10	344
Year ended 31 December 2008					
Costs					
As at 1 January 2008	109	192	156	10	467
Additions	3	40	2	—	45
Disposals	—	—	(14)	—	(14)
Transfers	—	9	—	(9)	—
Currency translation differences	(11)	(17)	(14)	(1)	(43)
As at 31 December 2008	101	224	130	—	455

	Leasehold improvements-building	Technical equipment and machinery	Motor vehicles, furniture and other office equipment	Construction in progress	Total
	€ '000	*€ '000*	*€ '000*	*€ '000*	*€ '000*
Accumulated depreciation					
As at 1 January 2008	9	55	59	—	123
Charge for the year	5	31	28	—	64
Disposals	—	(3)	—	—	(3)
Currency translation differences	(1)	(6)	(5)	—	(12)
As at 31 December 2008	13	77	82	—	172
Net book value					
As at 31 December 2008	88	147	48	—	283
Six months ended 30 June 2009					
Costs					
As at 1 January 2009	101	224	130	—	455
Additions	—	3	1	—	4
Disposals	—	—	(1)	—	(1)
Currency translation differences	2	6	3	—	11
As at 30 June 2009	103	233	133	—	469
Accumulated depreciation					
As at 1 January 2009	13	77	82	—	172
Charge for the period	3	16	15	—	34
Disposals	—	—	(1)	—	(1)
Currency translation differences	—	1	2	—	3
As at 30 June 2009	16	94	98	—	208
Net book value					
As at 30 June 2009	87	139	35	—	261

Technical equipment and machinery includes the following amounts where the Company is a lessee under finance leases:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*
Costs	71	58	74	76
Accumulated depreciation	(11)	(22)	(32)	(39)
Net book value	60	36	42	37

13 Inventories

The Company's inventories are analysed as follows:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*
Raw materials	585	700	739	529
Work-in-progress	12	18	14	14
Finished goods	88	131	198	199
	685	849	951	742
Less: Provision	(19)	(29)	(56)	(57)
	666	820	895	685
Goods in transit	56	18	25	35
	722	838	920	720

14 Trade receivables

The Company's trade receivables are analysed as follows:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*
Trade receivables - third parties	397	469	565	743
Less: provision for impairment of trade receivables	—	—	—	(25)
Trade receivables, net	397	469	565	718

The carrying amounts of the Company's trade receivables approximate their fair value. At the balance sheet date, there is no concentration of credit risk with respect to trade receivables, as the Company has a large number of customers. The maximum exposure to credit risk at each balance sheet date is the fair value of receivables set out above.

The majority of the Company's customers are granted with credit terms of 30 to 120 days. Aging analysis of trade receivables from due date at the respective balance sheet dates is as follows:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*
Current	154	252	242	397
Within 3 months	147	200	242	285
3 to 6 months	—	10	68	40
6 to 9 months	20	7	8	13
9 to 12 months	60	—	—	1
Over 12 months	16	—	5	7
	397	469	565	743

The ageing analysis of trade receivables past due but not impaired by due date is as follows. These relate to a number of independent customers for whom there is no recent history of default.

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	€'000	*€'000*	*€'000*	*€'000*
Within 3 months	147	200	242	267
3 to 6 months	—	10	68	33
6 to 9 months	20	7	8	13
9 to 12 months	60	—	—	1
Over 12 months	16	—	5	7
	243	217	323	321

The ageing analysis of trade receivables impaired and provided for is as follows. The individually impaired receivables mainly relate to customers, which are in unexpected difficult economic situations.

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	€'000	*€'000*	*€'000*	*€'000*
Within 3 months	—	—	—	18
3 to 6 months	—	—	—	7
	—	—	—	25

The Company's movement for provision of impairment of trade receivables is as follows:

	Year ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	€'000	*€'000*	*€'000*	*€'000*	*€'000*
				(unaudited)	
At beginning of the year/period	—	—	—	—	—
Provision for impairment	—	—	—	—	26
Currency translation differences	—	—	—	—	(1)
At end of the year/period	—	—	—	—	25

The creation and release of provision for impaired receivables have been included in "other operating expenses" in the income statement.

The carrying amounts of the Company's trade receivables are denominated in the following currencies:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*
THB	308	380	388	592
USD	89	89	177	151
	397	469	565	743

15 Cash and cash equivalents

The Company's cash and cash equivalents are as follows:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*
Cash on hand	3	1	1	2
Cash at banks	18	157	141	130
	21	158	142	132

Cash and bank deposits were all denominated in THB. Cash at bank earns interest at floating rates based on daily bank deposit rates.

16 Share capital

	Number of ordinary shares of ฿100 each	*€ '000*
Authorised, issued and fully paid:		
Issuance of shares upon the Amalgamation on 25 December 2008 (date of incorporation of the Company) (Note a)	740,000	1,502
As at 31 December 2008 and 30 June 2009	740,000	1,502

Note:

(a) 740,000 ordinary shares of the Company at ฿100 each were issued to the shareholders of the Company upon the incorporation and the completion of the Amalgamation which represents the aggregate amount of issued share capital of the Old Company and Techno immediately before the Amalgamation.

(b) The amount of issued share capital shown in the Financial Information for periods prior to the incorporation of the Company represents the aggregate amount of issued share capital of the Old Company and Techno. The movements are shown as follows:-

	Number of ordinary shares of ฿100 each	€'000
As at 1 January 2006	150,000	299
Issuance of shares during the year (Note i)	110,000	234
As at 31 December 2006 and 2007	260,000	533
Issuance of shares during the year (Note ii)	370,000	747
Combination of issued share capital of Techno upon acquisition by SSCP	110,000	222
As at 25 December 2008, prior to the Amalgamation	740,000	1,502

(i) On 6 February 2006, the shareholders of the Old Company at an extraordinary shareholders' meeting No.2/2006 passed a resolution to approve the increase of authorised share capital from 150,000 ordinary shares with a par value of ฿100 per share to 260,000 ordinary shares with a par value of ฿100 per share. The Old Company registered the increased share capital with the Ministry of Commerce of Thailand on 15 February 2006.

(ii) On 7 April 2008, the shareholders of the Old Company at an extraordinary shareholders' meeting No.3/2008 passed a resolution to approve the increase of authorised share capital from 260,000 ordinary shares with a par value of ฿100 per share to 630,000 ordinary shares with a par value of ฿100 per share. The Old Company registered the increased share capital with the Ministry of Commerce of Thailand on 25 April 2008.

17 Loans from SBHK

Loans from SBHK are analysed as follows:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*
Non-current	313	317	—	—
Current	231	512	90	—
	544	829	90	—

Loans were unsecured, interest-free and were denominated in USD.

At 31 December 2006, loans from SBHK of €313,000 was repayable on 31 December 2008. Loans from SBHK of €218,000 was repayable on 31 December 2007. The remaining balance have no fixed repayment terms.

As 31 December 2007, loans from SBHK of €317,000 was repayable on 31 December 2009. Loans from SBHK of €302,000 was repayable on 31 December 2008. The remaining balance have no fixed repayment terms.

At 31 December 2008, the loans from SBHK have no fixed repayment terms.

18 Finance lease liabilities

The Company's finance lease liabilities are analysed as follows:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*
No later than one year	15	12	18	14
Later than one year and no later than five years	34	15	15	10
	49	27	33	24
Future finance charges on finance leases	(5)	(2)	(2)	(1)
Present value of finance lease liabilities	44	25	31	23

The present value of the Company's finance lease liabilities is as follows:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*
No later than one year	12	11	17	13
Later than one year and no later than five years	32	14	14	10
	44	25	31	23

19 Trade and other payables

The Company's trade and other payables are analysed as follows:

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	€ '000	€ '000	€ '000	€ '000
Trade payables — related companies	1,131	2,037	2,561	2,451
Trade payables — third parties	263	232	124	129
Total trade payables	1,394	2,269	2,685	2,580
Amounts due to related companies	37	23	10	—
Other payables	123	53	42	48
	1,554	2,345	2,737	2,628

The carrying amounts of trade and other payables approximate their fair value.

The credit terms granted by the suppliers are usually 30 days. Ageing analysis of the Company's trade payables from due date at the respective balance sheet dates are as follows:

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	€ '000	€ '000	€ '000	€ '000
Current	66	234	541	279
Within 3 months	313	173	171	230
3 to 6 months	124	384	—	288
6 to 9 months	99	284	15	143
9 to 12 months	240	349	50	1
Over 12 months	552	845	1,908	1,639
	1,394	2,269	2,685	2,580

The Company's trade payables were denominated in the following currencies:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€'000	*€'000*	*€'000*	*€'000*
THB	—	14	21	46
USD	1,394	2,255	2,664	2,534
	1,394	2,269	2,685	2,580

20 Commitments

Operating lease commitments

As at 31 December 2006, 2007, 2008 and 30 June 2009, the Company's future aggregate minimum lease payments under various non-cancellable operating lease agreements in respect of building and motor vehicles are as follows:

	As at 31 December			As at 30 June
	2006	**2007**	**2008**	**2009**
	€'000	*€'000*	*€'000*	*€'000*
Within one year	—	2	35	43
In the second to fifth year inclusive	—	—	42	35
	—	2	77	78

21 Cash flow statement

(a) Reconciliation of (loss)/profit before income tax to net cash (used in)/generated from operations:

	Notes	Year ended 31 December			Six months ended 30 June	
		2006	2007	2008	2008	2009
		€ '000	*€ '000*	*€ '000*	*€ '000*	*€ '000*
					(unaudited)	
Operating activities						
(Loss)/profit before income tax		(582)	(724)	(584)	(129)	193
Adjustments for:						
Depreciation	8	43	64	64	31	34
Exchange (gain)/loss		(47)	(57)	(32)	(39)	2
Provision for obsolete/slow-moving finished goods	6	18	9	31	—	—
Provision for impairment of trade receivables	8	—	—	—	—	26
Loss on disposal of plant and equipment	9	—	3	8	8	—
Interest income	10	—	—	(1)	—	—
Interest expenses	10	2	3	2	1	1
Operating cash flow before working capital changes		(566)	(702)	(512)	(128)	256
— Inventories		(289)	(95)	(195)	(30)	227
— Trade receivables		(291)	(55)	58	(63)	(169)
— Other receivables and prepayments		(68)	5	13	6	(39)
— Trade and other payables		861	745	440	135	(162)
Net cash (used in)/generated from operations		(353)	(102)	(196)	(80)	113

(b) Proceeds from disposal of plant and equipment comprise:

	Year ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	€ '000	*€ '000*	*€ '000*	*€ '000*	*€ '000*
				(unaudited)	
Net book amounts - continuing operations (Note 12)	3	9	11	10	—
Net book amount - discontinued operations	—	—	82	—	—
Loss on disposal of plant and equipment — continuing operations (Note 9)	—	(3)	(8)	(8)	—
Proceeds from disposals of plant and equipment	3	6	85	2	—

22 Acquisition of Techno

On 31 March 2008, SBHK acquired 100% equity interest in Techno from a third party at a consideration of approximately EUR316,000 (USD500,000) as part of the acquisition of the entire Techno Coat business in Asia which comprises operations in countries other than Thailand. The principal activity of Techno was the application of paints for home appliances and other consumer goods in Thailand. In view of the difficult operating environment in Thailand for the paint application business and considering the lack of synergy with SSCP's other businesses in Thailand, it is the intention of the directors to scale down or dispose the business of Techno within a short period of time following its acquisition.

Prior to the Amalgamation on 25 December 2008, all the operation of Techno had been ceased and its plant and machinery had been disposed. Total loss incurred from the operation of Techno for the year ended 31 December 2008 amounted to EUR141,000 has been accounted for as loss from discontinued operation.

(a) The details of carrying value of assets and liabilities acquired arising from the acquisition are as follows:-

	€ '000
Carrying value of assets and liabilities arising from the acquisition of Techno:	
— Plant and equipment - classified as assets held for sale	81
— Other non-current assets	4
— Cash and cash equivalent	21
— Current assets	246
— Other non-current liabilities	(27)
— Other current liabilities	(152)
Carrying value of net assets acquired	173

(b) The loss for the year/period from discontinued operation:

	Year ended 31 December 2008 *€ '000*	**Six months ended 30 June 2008** *€ '000*
Revenue	163	157
Expenses	(304)	(147)
(Loss)/profit for the year/period from discontinued operation	(141)	10

(c) An analysis of the cash flows of the discontinued operation is as follows:

	Year ended 31 December 2008 *€ '000*	**Six months ended 30 June 2008** *€ '000*
Net cash (used in)/generated from operating activities	(125)	27
Net cash generated from investing activities	106	21
Net cash generated from financing activities	83	69
Increase in cash and cash equivalents	64	117

23 Related party transactions

(a) *List of related parties*

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control.

The Company is controlled by Schramm SSCP (Hong Kong) Limited, a company incorporated in Hong Kong, which owns 100% of the issued share capital of the Company since 11 September 2009. The directors regard SSCP, which Mr. Jung Hyun Oh is the major shareholder with controlling interest, as being the Company's ultimate holding company. Prior to this, the Company was controlled by Samsung Bestview (Hong Kong) Limited, a company incorporated in Hong Kong.

The major related parties that had transactions with the Company were as follows:

Related party	Relationship with the Company
SSCP	Ultimate holding company
SBHK	Former immediate holding company and a subsidiary of SSCP
Samsung Bestview (Huizhou) Co., Ltd.	A subsidiary of Schramm AG and SSCP

(b) *Transactions with related parties*

Save as disclosed elsewhere in this report, during the Relevant Periods, the following transactions were carried out with related parties:

	Year ended 31 December			Six months ended 30 June	
	2006	**2007**	**2008**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*	*€ '000*
				(unaudited)	
Sales of goods:					
Ultimate holding company	—	—	—	—	19

	Year ended 31 December			Six months ended 30 June	
	2006	2007	2008	2008	2009
	€ '000	*€ '000*	*€ '000*	*€ '000*	*€ '000*
				(unaudited)	
Purchase of materials:					
SBHK	433	898	19	19	—
Ultimate holding company	248	153	932	308	220
A subsidiary of Schramm AG	33	—	—	—	—

The above sales and purchases were carried out in accordance with the terms mutually agreed between both parties.

(c) ***Balances with related parties***

The Company had the following significant balances with its related parties during the Relevant Periods:

	As at 31 December			As at 30 June
	2006	2007	2008	2009
	€ '000	*€ '000*	*€ '000*	*€ '000*
Trade payables:				
SBHK	438	1,205	1,897	1,564
A subsidiary of Schramm AG	—	45	—	—
Ultimate holding company	693	787	664	887
Loans from SBHK	544	829	90	—

The above balances were unsecured, interest free and had no fixed repayment terms.

(d) ***Key management compensation can be analysed as follows:***

	Year ended 31 December			Six months ended 30 June	
	2006	**2007**	**2008**	**2008**	**2009**
	€ '000	*€ '000*	*€ '000*	*€ '000*	*€ '000*
				(unaudited)	
Wages and salaries	23	21	41	22	17
Other personnel costs	15	20	28	9	9
	38	41	69	31	26

24 Subsequent events

Pursuant to a resolution at an extraordinary shareholders' meeting No/1/2009 on 11 September 2009, it was resolved to approve the acquisition of SBHK's 99.96% interest in the Company by Schramm SSCP (Hong Kong) Limited on 1 August 2009.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company in respect of any period subsequent to 30 June 2009. No dividend or distribution has been declared or made by the Company in respect of any period subsequent to 30 June 2009.

Yours faithfully
PricewaterhouseCoopers
Certified Public Accountants
Hong Kong