SCHRAMM HOLDING AG
星亮控股股份公司 *

(A joint stock company incorporated under the laws of Germany)

(Stock Code: 955)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

We are pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group"), prepared under International Financial Reporting Standards ("IFRS"), for the year ended 31 December 2009 together with the comparative figures in 2008. The annual results have been reviewed and approved by the Company's management board (the "Management Board" or the "Board") and supervisory board (the "Supervisory Board"), including the audit committee.

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2009

	Note	**2009** **€'000**	2008 €'000
Continuing operations:			
Sales	2	**98,526**	104,250
Other operating income		**591**	498
Changes in inventories of finished goods and work-in-progress		**(823)**	70
Cost of materials	3	**(53,061)**	(57,821)
Employee benefit expenses		**(19,965)**	(18,981)
Depreciation and amortization	4	**(3,337)**	(2,947)
Other operating expenses	4	**(14,627)**	(17,359)
Other gains, net		**253**	1,502
Operating profit		**7,557**	9,212

	Note	**2009**	2008
		€'000	*€'000*
Finance income		**30**	43
Finance costs		**(1,587)**	(1,531)
Share of results from a jointly controlled entity		**—**	42
Profit before income tax		**6,000**	7,766
Income tax expense	5	**(1,537)**	(2,086)
Profit for the year from continuing operations		**4,463**	5,680
Discontinued operations:			
Loss for the year from discontinued operations		**—**	(141)
Profit attributable to equity holders of the Company		**4,463**	5,539
Earnings per share			
— basic and diluted	6	**€0.33**	N/A
Dividend			
— proposed final	7	**1,393**	—

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2009

	2009 €'000	2008 €'000
Profit attributable to equity holders of the Company	**4,463**	5,539
Translation differences on foreign operations	**(492)**	1,271
Other comprehensive income for the year	**(492)**	1,271
Total comprehensive income attributable to equity holders of the Company	**3,971**	6,810

CONSOLIDATED BALANCE SHEET
as at 31 December 2009

	Note	**2009** **€'000**	2008 €'000
ASSETS			
Non-current assets			
Intangible assets		**2,829**	2,203
Property, plant and equipment		**24,831**	26,750
Land use rights		**548**	573
Other receivables and prepayments		**343**	296
Deferred tax assets		**2,393**	1,033
		30,944	30,855
Current assets			
Inventories		**15,689**	24,145
Trade and bill receivables	8	**30,075**	22,716
Other receivables and prepayments		**3,694**	2,624
Income tax recoverable		**137**	585
Cash and cash equivalents		**14,226**	2,045
		63,821	52,115
Total assets		**94,765**	82,970
EQUITY			
Capital and reserves			
Issued capital		**19,905**	13,155
Additional paid-in capital		**24,921**	12,284
Other reserves		**(15,491)**	(7,694)
Retained earnings		**18,671**	14,208
		48,006	31,953
LIABILITIES			
Non-current liabilities			
Pensions and similar obligations		**1,140**	1,160
Other provisions		**721**	708
Financial liabilities	9	**17,406**	1,358
Deferred tax liabilities		**2,028**	2,259
		21,295	5,485

	Note	2009 €'000	2008 €'000
Current liabilities			
Trade and other payables	10	**13,109**	13,320
Other provisions		**1,342**	1,496
Financial liabilities	9	**10,393**	30,241
Income tax liabilities		**620**	475
		25,464	45,532
Total liabilities		**46,759**	51,017
Total equity and liabilities		**94,765**	82,970
Net current assets		**38,357**	6,583
Total assets less current liabilities		**69,301**	37,438

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2009

	Capital and reserves attributable to equity holders				
	Issued capital €'000	Additional paid-in capital €'000	Retained earnings €'000	Other reserves €'000	Total equity €'000
As at 1 January 2008	1,400	7,878	8,669	6,502	24,449
Conversion of additional paid-in capital	6,500	(6,500)	—	—	—
Issuance of shares for cash	5,255	10,906	—	—	16,161
Distribution to previous shareholders of subsidiaries	—	—	—	(17,813)	(17,813)
Capital contribution from previous shareholders of subsidiaries	—	—	—	2,173	2,173
Acquisition of a subsidiary	—	—	—	173	173
Profit for the year	—	—	5,539	—	5,539
Exchange differences	—	—	—	1,271	1,271
As at 31 December 2008	**13,155**	**12,284**	**14,208**	**(7,694)**	**31,953**
Distribution to previous shareholders of subsidiaries	**—**	**—**	**—**	**(7,305)**	**(7,305)**
Issuance of shares for acquisition of a subsidiary	**1,750**	**5,940**	**—**	**—**	**7,690**
Issuance of shares for cash	**5,000**	**11,450**	**—**	**—**	**16,450**
Share issuance costs charged to equity	**—**	**(4,753)**	**—**	**—**	**(4,753)**
Profit for the year	**—**	**—**	**4,463**	**—**	**4,463**
Exchange differences	**—**	**—**	**—**	**(492)**	**(492)**
As at 31 December 2009	**19,905**	**24,921**	**18,671**	**(15,491)**	**48,006**

Notes

1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative instruments at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Unless otherwise stated, accounting policies adopted in the annual financial statements of the Group for the year ended 31 December 2009 are consistent with those adopted in the financial information as included in the accountant's report set out in the prospectus dated 15 December 2009 ("Prospectus").

(a) Reorganization

On 17 November 2007, SSCP Co., Ltd ("SSCP"), a company incorporated in Korea and listed on the KOSDAQ Market Division of the Korea Exchange, acquired the entire interest in the Company from Grebe Holding AG ("Grebe") and shareholders of Grebe. The Company became a wholly owned subsidiary of SSCP.

In preparation for the listing, the Company acquired from Samsung Bestview (Hong Kong) Co., Limited ("SBHK"), a wholly-owned subsidiary of SSCP, 100% equity interests each in Schramm SSCP (Hong Kong) Limited ("Schramm Hong Kong") in 2007, Schramm SSCP Co., Ltd. ("Schramm Korea"), Samsung Bestview (Huizhou) Co. Limited ("Schramm Huizhou"), Shanghai Hanseng Chemical Paint Company Limited ("Schramm Shanghai") in 2008, and Schramm SSCP (Tianjin) Limited ("Schramm Tianjin") in 2009 and 99.96% equity interests in Samsung Chemical Paint (Thailand) Co. Ltd. ("Schramm Thailand") in 2009.

Schramm Thailand was registered as a company with limited liability in Thailand on 25 December 2008 through the amalgamation (the "Amalgamation") of the former Samsung Chemical Paint (Thailand) Company Limited (the "Old Company") and Techno Coat Company Limited ("Techno") as mentioned in the following section, both were limited liability companies incorporated in Thailand.

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. Techno was incorporated in February 2006 in Thailand as a limited liability company, and was acquired by SBHK on 31 March 2008 from a third party and become an indirect wholly owned subsidiary of SSCP since then.

The Amalgamation was approved by shareholders of the Old Company and Techno 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, and Schramm Thailand 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.

For further details of the group reorganization and abovementioned acquisitions, please refer to the Prospectus.

Since the Company, Schramm Hong Kong, Schramm Korea, Schramm Huizhou, Schramm Shanghai, Schramm Tianjin and the Old Company were subsidiaries of SSCP as at 17 November 2007 and Techno was acquired by SBHK on 31 March 2008, the acquisitions as described above were considered as transactions under common control. Accordingly, these transactions have been accounted for using merger accounting as if the Company had been the holding company of Schramm Hong Kong, Schramm Korea, Schramm Huizhou, Schramm Shanghai, Schramm Tianjin and the Old Company since 17 November 2007, and of Techno since 31 March 2008. The consolidated financial statements include the financial position, results and cash flows of the companies comprising the Group since 17 November 2007 or the date of the acquisition by SBHK, whichever is later.

The following is a reconciliation of the Group's equity as at 31 December 2008 as previously presented in the accountant's report of the Company included in the Prospectus and the 2008 comparatives presented in this announcement:

	As at 31 December 2008 (as previously reported) *(Note)*	Combining entities acquired in 2009		As at 31 December 2008 (as presented in this announcement)
		Schramm Tianjin	Schramm Thailand	
	€'000	*€'000*	*€'000*	*€'000*
Equity	26,231	6,491	(769)	31,953

Note: The consolidated financial information of the Group as presented in the accountant's report of the Company set out in the Prospectus only includes the financial information of the Company and its then acquired subsidiaries as of 31 December 2008.

(b) New Standards, amendments and interpretation effective in 2009:

The Group has adopted the new and amended standards which have become effective on 1 January 2009. The adoption of these standards does not have significant impact on our financial statements except as stated below:

— IAS 1 (Revised) "Presentation of financial statements" prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

— IFRS 7 "Financial Instruments — Disclosures" (amendment) requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on earnings per share.

— IFRS 8 "Operating segments" requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented. In addition, the segments are reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker. However, such restatement in note disclosure does not have any impact on the balance sheet.

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The Company has considered the new standards, amendments, interpretations and annual improvement project that may be applicable to the Group's accounting periods beginning on or after 1 January 2010. The Group has not 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 Group.

IAS 1 (Amendment)	Presentation of financial statements
IAS 27 (Revised)	Consolidated and separate financial statements
IAS 38 (Amendment)	Intangible assets
IFRS 2 (Amendment)	Share-based payment
IFRS 3 (Revised)	Business combinations
IFRS 5	Non-current assets held for sale and discontinued operations
IFRIC 17	Distributions of non-cash assets to owners
IFRIC 18	Transfers of assets from customers
IFRIC 19	Extinguishing financial liabilities with equity instruments
IFRSs (Amendments)	Improvements to IFRSs 2009

2 SEGMENT REPORTING

The Group is principally engaged in the development, production and sales of automotive, coil, mobile and consumer electronics coatings and electrical paints and variables.

	Year ended 31 December 2008					
	Automotive and General Industry *€'000*	Coil Coating *€'000*	Electrical Insulations *€'000*	Other division *€'000*	Elimination *€'000*	Total *€'000*
Continuing operations:						
External sales	76,016	21,426	6,808	—	—	104,250
Inter-segment sales	3,371	—	—	—	(3,371)	—
Total sales	79,387	21,426	6,808	—	(3,371)	104,250
Operating result	6,454	1,551	436	(991)	—	7,450
Finance income	44	10	3	—	(14)	43
Finance costs	(899)	(483)	(162)	(1)	14	(1,531)
Operating result						7,450
Other unallocated income						274
Share of results from a jointly controlled entity						42
Profit before income tax						7,766
Income tax expense						(2,086)
Profit for the year from continuing operations						5,680
Discontinued operations:						
Loss for the year from discontinued operations	—	—	—	(141)	—	(141)
Profit attributable to equity holders of the Company						5,539
Segment assets	55,055	6,894	2,002	19,019	—	82,970
Additions to property, plant and equipment and intangible assets	2,845	12	16	2,659	—	5,532
Depreciation and amortization	1,258	11	33	1,645	—	2,947

	Year ended 31 December 2009					
	Automotive and General Industry	**Coil Coating**	**Electrical Insulations**	**Other division**	**Elimination**	**Total**
	€'000	***€'000***	***€'000***	***€'000***	***€'000***	***€'000***
External sales	**75,355**	**18,526**	**4,389**	**256**	**—**	**98,526**
Inter-segment sales	**2,553**	**—**	**—**	**—**	**(2,553)**	**—**
Total sales	**77,908**	**18,526**	**4,389**	**256**	**(2,553)**	**98,526**
Operating result	**6,558**	**949**	**(217)**	**(1,128)**	**—**	**6,162**
Finance income	**21**	**7**	**2**	**—**	**—**	**30**
Finance costs	**(987)**	**(357)**	**(85)**	**(158)**	**—**	**(1,587)**
Operating result						**6,162**
Other unallocated costs						**(162)**
Profit before income tax						**6,000**
Income tax expense						**(1,537)**
Profit attributable to equity holders of the Company						**4,463**
Segment assets	**55,120**	**6,902**	**2,005**	**30,738**	**—**	**94,765**
Additions to property, plant and equipment and intangible assets	**2,138**	**12**	**16**	**241**	**—**	**2,407**
Depreciation and amortization	**3,291**	**11**	**33**	**2**	**—**	**3,337**

The Company is domiciled in Germany. Sales by geographical area are analyzed as follows:

	2009	2008
	€'000	*€'000*
Germany	**33,376**	41,416
European Union countries other than Germany	**19,972**	22,577
Countries other than European Union countries	**45,178**	40,257
	98,526	104,250

No individual customer accounted for more than 10% of total sales volume.

Non-current assets by geographical area are analyzed as follows:

	2009 €'000	2008 €'000
Germany	**19,381**	19,024
European Union countries other than Germany	**2,541**	3,653
Countries other than European Union countries	**6,286**	6,849
	28,208	29,526
Other receivables and prepayments	**343**	296
Deferred tax assets	**2,393**	1,033
Total non-current assets	**30,944**	30,855

3 COST OF MATERIALS

	2009 €'000	2008 €'000
Purchase of raw materials, supplies and goods	**52,475**	57,031
Other services	**586**	790
	53,061	57,821

For the year ended 31 December 2009, the cost of materials included write-down of inventories to their net realizable values of €976,000 (2008: €1,151,000). There were no reversals of write-downs of inventories made in prior years.

4 DEPRECIATION, AMORTIZATION AND OTHER OPERATING EXPENSES

	2009 €'000	2008 €'000
Auditors' remuneration	**241**	170
Depreciation	**2,941**	2,823
Amortization	**396**	124
Freight charges	**2,952**	3,080
Legal and consulting expenses	**972**	2,125
Energy and water costs	**1,561**	1,477
Repair and maintenance costs	**1,258**	1,270
Travelling expenses	**1,337**	1,302
Operating lease rental in respect of buildings, equipments and motor vehicles	**1,220**	1,011
Others	**5,086**	6,924
Total depreciation, amortization and other operating expenses	**17,964**	20,306

5 INCOME TAX EXPENSE

The Company and Schramm Coatings GmbH are subject to the German corporate income tax, the solidarity surcharge as well as trade tax. The applicable tax rate for the year ended 31 December 2009 is 31% (2008: 31%). Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing on the countries in which the Group operates.

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

	2009	2008
	€'000	*€'000*
Current income tax	**1,746**	1,895
Deferred tax	**(209)**	191
	1,537	2,086

6 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2009
Profit attributable to equity holders of the Company (*€'000*)	**4,463**
Weighted average number of shares in issue *(thousand of shares)*	**13,682**
Basic earnings per share (€)	**0.33**

Diluted earnings per share equals to basic earnings per share as there was no outstanding share options or warrants or other instruments that would have a dilutive impact during the year.

No earnings per share information is presented for the year ended 31 December 2008 because the Directors considered the information not meaningful as the Company changed its legal status from a limited company to a joint stock company during the year ended 31 December 2008.

7 DIVIDEND

	2009	2008
	€'000	*€'000*
Proposed final cash dividend of €0.07 per share	**1,393**	—

The Supervisory Board agreed with the Management Board's recommendation to pay a final cash dividend for the year ended 31 December 2009 of €0.07 (2008: Nil) per share. This dividend will be accounted for as an appropriation of distributable reserve in the year ending 31 December 2010 if it is approved.

The proposed final cash dividend for the year ended 31 December 2009 is subject to the approval of the Group's financial statements prepared under Generally Accepted Accounting Principles in Germany ("German GAAP financial statements") by the Supervisory Board, which is expected to be obtained before the forthcoming annual general meeting (the "Annual General Meeting") and the approval of the Company's shareholders (the "Shareholders") at the Annual General Meeting.

8 TRADE AND BILL RECEIVABLES

The Group's trade and bill receivables are analyzed as follows:

	2009	2008
	€'000	*€'000*
Trade receivables — related parties	**5,117**	145
Trade receivables — third parties	**24,278**	22,233
Trade receivables, gross	**29,395**	22,378
Less: provision for impairment of receivables	**(533)**	(704)
Trade receivables, net	**28,862**	21,674
Bill receivables	**1,213**	1,042
	30,075	22,716

The carrying amounts of the Group's trade and bill receivables approximate their fair value at the balance sheet date.

The majority of the Group's customers are granted with credit terms of 30 to 90 days. Occasionally, certain customers enjoy a longer credit period. Ageing analysis of trade receivables from due date at the balance sheet date are as follows:

	2009	2008
	€'000	*€'000*
Within 3 months	**18,065**	16,312
3 to 6 months	**10,313**	4,370
6 to 9 months	**445**	846
9 to 12 months	**16**	478
Over 12 months	**556**	372
	29,395	22,378

9 FINANCIAL LIABILITIES

The Group's financial liabilities are analyzed as follows:

	2009	2008
	€'000	*€'000*
Bank borrowings	**26,739**	30,336
Finance leases liabilities	**1,060**	1,173
Loan from a related party	**—**	90
	27,799	31,599
Less: current portion of bank borrowings	**(10,286)**	(30,037)
current portion of finance leases liabilities	**(107)**	(204)
Non-current financial liabilities	**17,406**	1,358

10 TRADE AND OTHER PAYABLES

The Group's trade and other payables are analyzed as follows:

	2009	2008
	€'000	*€'000*
Trade payables — third parties	**4,623**	3,516
Trade payables — related parties	**2,504**	6,734
	7,127	10,250
Other payables	**5,982**	3,070
	13,109	13,320

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

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

	2009	2008
	€'000	*€'000*
Within 3 months	**6,761**	5,331
3 to 6 months	**251**	1,112
6 to 9 months	**10**	1,244
9 to 12 months	**3**	50
Over 12 months	**102**	2,513
	7,127	10,250

The fair value of the Group's trade and other payables are approximately the same as their carrying values.

REVIEW OF MARKET SITUATION

2009 was a year full of challenges. In the first half of 2009, the global market was deeply affected by the financial crisis that broke out in the fourth quarter of 2008. Consumer confidence was low and demand for consumer products dropped significantly. The drop eventually reduced the demand for our products. The situation improved in the second half of 2009 when governments' economic stimulus policies started having results. Global economy stabilized with the PRC leading the recovery. Conditions in the global market were gradually restored to their pre-financial crisis situations. Demand for raw materials increased significantly during this period, partly due to the recovery of the economy and partly due to the fact that the market had only kept inventory at the bare minimum level. Qualified raw material suppliers were able to recover from the crisis through this prime opportunity.

REVIEW OF OPERATIONS

Although the year ended 31 December 2009 was a tough one, the Group managed to have another productive year. The Group's total sales was €98.5 million (compared to €104.3 million for the year ended 31 December 2008) and the profit for the year was €4.5 million (compared to €5.5 million for the year ended 31 December 2008).

Sales dropped by 5.5% compared to the year ended 31 December 2008 while material costs (being equal to the sum of change in inventories of finished goods and work in progress and cost of materials) dropped by 6.7%. The decrease in sales was pre-dominately due to the shrinking volume and the increase in margins (being amount of sales minus material costs) was mainly due to a change in product mix. Sales contributed by the Group's Asian operation has increased from €40.2 million in 2008 to €45.2 million for the year ended 31 December 2009. Contribution to the total sales by the Asian operation increased from 38.6% in 2008 to 45.9% in 2009. The majority of our Asian sales is the sales of coating materials used in mobile phones, notebook computers and consumer electronics, which are normally at lower volumes but have higher margins.

AUTOMOTIVE AND GENERAL INDUSTRY DIVISION

The automotive and general industry division continues to be the largest division of the Group, contributing 76% (2008: 73%) of the total sales. Sales decreased from €76.0 million in 2008 to €75.4 million in 2009 while operating result improved from €6.5 million in 2008 to €6.6 million in 2009. This is mainly due to the above-mentioned shift of sales from Europe to Asia.

General industry

High technology products appeared to have suffered the least impact from the financial crisis that the speed of companies launching new products was at a faster pace as compared to that in 2008. New products, especially mobile phones and notebook computers, are competing not only on their functionalities but also on their appearances. Products with better appearances are more likely to be accepted by the market. Product design is becoming more and more important given these products are becoming more unified in their technological specifications. We were able to secure new contracts and at the same time, maintain our existing customers because of our tailor-made high quality coating products. As a result, our Group's overall profitability in this division has increased.

Automotive industry

The automotive industry has been significantly hurt by the financial crisis and we experienced a significant drop in product demand in the first half of the year. The market has improved since the second half of the year and we have also seen automobile manufacturers launching more entry-class and environmentally friendly models. Instead of competing with others by equipping their automobiles with powerful engines and hi-tech parts, automotive manufacturers aimed to focus more on the quality and appearance of their automobiles.

In addition, we are among the first few companies to supply automotive water-borne coatings in the PRC, where we expect sales of water-borne coatings will increase significantly in the near future, owing to the expected growing demand for quality automobiles and the increasing desire for Chinese automobile manufacturers to compete with global players.

COIL COATING DIVISION

Sales from the coil coating division decreased from €21.4 million in 2008 to €18.5 million in 2009 which was mainly due to the fact that this division operates primarily in Europe where the business has been deeply affected by the global financial crisis. Contribution to the Group's total sales decreased from 20.6% in 2008 to 18.8% in 2009, at the same time, operating results of this division decreased from €1.6 million in 2008 to €0.9 million in 2009.

ELECTRICAL INSULATIONS

Sales from the division contributed 4.5% (2008: 6.5%) of the Group's total sales and down from €6.8 million in 2008 to €4.4 million in 2009. Operating result changed from a profit of €0.4 million in 2008 to a loss of €0.2 million in 2009. This is a market that our company dominated in and is also one which has been affected by the global financial crisis, resulting in a reduction of the overall market profitability.

BUSINESS OUTLOOK

Looking forward, we expect 2010 will be challenging but full of opportunities. We see governments starting to wrap up stimulus programs as it seems likely markets will be able to recover without further government assistance.

We believe the Eurozone will stabilize but a full recovery may take a few more years. The PRC will continue to lead the world in economic recovery and its domestic consumer market will continue to grow at a fast pace. We also believe that demand for high quality products will increase.

We expect steady growth in the automotive market that automobile manufacturers will invest further in environmentally friendly automobiles. European and Korean automobile manufacturers could benefit in the short-term following the recent product recalls by the Japanese automobile manufacturers. We also expect they will further expand their production facilities and sales networks in the PRC. Chinese automobile manufacturers are expected to grow at a faster pace than other manufacturers. We are seeing improvement in the quality of the automobiles produced by Chinese manufacturers. We believe they will further improve in style and quality in the future.

High technology products are expected to continue their fast-paced growth in 2010 as we continue to see new products coming out to the market. We do believe our performance in this market will improve in 2010.

Coil coatings and electrical insulation markets are expected to improve in 2010. We believe market demand for these products will improve steadily following the recovery of the global economy.

Meanwhile, we are working closely with our end product makers to develop new products. We are seeing more innovative products coming to the market. Functionable and stylish coatings will play a more important role. On the other hand, we also plan to bring the coil coatings and electrical products to the Asian market. We are confident that these products will be well accepted in the Asian market.

We understand the future will be challenging. We will differentiate ourselves by our advanced technology and quality products, as in the past. We will continue to work closely with the end product makers and invest in research and development ("R&D") to ensure our pole position in product technology. We are committed to boosting overall competitiveness and seizing every opportunity in the market.

Liquidity and Financial Resources

As at 31 December 2009, cash and cash equivalents were €14.2 million (2008: €2.0 million) and net current assets were €38.4 million (2008: €6.6 million), with a current ratio of 2.51 (2008: 1.14). The strong cash and cash equivalents position and relatively high current ratio was mainly due to the proceeds received from the Company's initial public offering in December 2009.

As at 31 December 2009, total bank borrowings were €26.7 million (2008: €30.3 million). Out of this amount, €10.3 million (2008: €30.0 million) was repayable within one year.

The annual interest rate on bank loans during the year varied from 3% to 7%. The Group has entered into interest rate swap contracts to hedge part of the interest rate exposure to the Group. For the year ended 31 December 2009, the Group recorded €100,000 fair value loss as a result of the revaluation of these derivatives as they are not qualified for hedging accounting under IFRS.

Regarding foreign currency fluctuations, during the year, the Group's sales and business were evenly derived from Asia and Europe, where income and expenses were primarily denominated in Renminbi and Euro. In addition, the proceeds received from the Company's initial public offering were denominated in Hong Kong dollars so the Group does have foreign currency risk.

We consider the foreign currency risk is manageable as:

1. Both our Asian and European operations are profit making. The income generated from each of the operations is sufficient to cover its expenditures. This naturally minimizes the Group's foreign currency exposure;

2. Upon the receipt of the proceeds from the Company's initial public offering, we have exchanged the Hong Kong dollars into appropriate currencies and sent the proceeds to respective operations in order to minimize any unnecessary risk on currency fluctuations; and

3. We monitor the relevant exchange rates on a daily basis and review the Group's exposure on foreign currency risk from time to time.

Should the Group's foreign currency exposure become unmanageable, we will consider entering into derivatives to hedge against the exposure. As at 31 December 2009, the Group had not entered into any derivative instruments for hedging against foreign exchange risk.

Human Resources

At 31 December 2009, the Group had 819 employees. In order to attract and retain high quality talent to ensure smooth operations and facilitate the Group's constant expansion, the Group offers market comparable remuneration packages and provides continuous trainings to the employees. The remuneration packages are subject to review on a regular basis.

CORPORATE GOVERNANCE

The Supervisory Board and the Management Board are committed to creating value and maximizing returns to the Shareholders while striving to maintain high standards of corporate governance. The Board will continue to review and enhance the quality of corporate governance practices with reference to local and international standards.

The Company had, throughout the period from its listing on the Stock Exchange on 29 December 2009 (the "Listing Date") to 31 December 2009 (the "Listing Period"), in principle complied with the recommendations of the "Government Commission German Corporate Code" (Regierungskommission Deutscher Governance Kodex; DCGK, dated 19 June 2009) ("DCGK"). In addition, the Board and the Supervisory Board have also considered all the additional requirements under the Code on Corporate Governance Practices (the "HKCG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and are of the opinion that the Company has complied with all applicable requirements throughout the Listing Period.

The Company has established an internal compliance team which is in charge of the overall compliance, risk management and internal audit. It is also responsible for overseeing the implementation of the Company's internal compliance guidelines so as to ensure that all the requisite requirements are complied with. The compliance team has been in place since the Listing Date and has yet to conduct internal audit in the Listing Period.

Two committees have been established, which are on no less exacting terms than those set out in DCGK on HKCG Code. These two committees are the audit committee and the remuneration committee.

Full details on the Company's Corporate Governance practices will be set out in the Company's 2009 Annual Report.

Audit Committee

The audit committee was established on 4 December 2009 in compliance with the HKCG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are considering accounting, risk management and compliance issues, preparing a proposal for the auditor to be elected by the general meeting, reviewing the internal control system and providing advice and recommendations to the Board. The audit committee also makes a preliminary examination of the financial statements. The audit committee is also empowered to review and report to the Management Board on the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programs and budget.

The audit committee has reviewed the internal control, connected transactions and annual results of the Company for the year ended 31 December 2009 and the accounting principles and practices adopted by the Group. Our external auditor and senior management attended the meeting to answer questions raised by the audit committee. The audit committee has reviewed the annual results for the year ended 31 December 2009.

MODEL CODE FOR SECURITIES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set forth in Appendix 10 to the Listing Rules as its own code for dealing in securities by the directors of the Company. Based on specific enquiry with the directors and supervisors, all the directors and supervisors confirmed that they have complied with the required standards as set out in the Model Code throughout the period from the Listing Date to 31 December 2009.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31st December 2009 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its listed securities throughout the Listing Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the Listing Period.

FINAL DIVIDEND

The Supervisory Board agrees with the Board's recommendation to pay to the Shareholders a final dividend of €0.07 (2008: Nil) per share for the year ended 31 December 2009. Subject to the approval of the Group's German GAAP financial statements by the Supervisory Board and the approval of the 2009 final dividend by the Shareholders at the Annual General Meeting to be held on 21 May 2010, it is expected that the 2009 final dividend will be paid on or before 11 June 2010 to those Shareholders whose names appear on the register of members of the Company on 21 May 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 18 May 2010 to 21 May 2010, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend and entitle to vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Company's registrars, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 17 May 2010.

PUBLICATION OF ANNUAL REPORT AND THE NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 21 May 2010, details of which will be disclosed in the notice of annual general meeting. The 2009 annual report and the notice of annual general meeting will be despatched to the shareholders and available on the Company's website at www.schramm-holding.com and HKExnews at www.hkexnews.hk on or about 9 April 2010.

BOARD OF DIRECTORS

As at the date of this announcement, the Supervisory Board and the Management Board comprises the following members:

Directors	*Supervisors*
Mr. Peter BRENNER *(Chief Executive Officer)*	Mr. Jung Hyun OH *(Chairman)*
Mr. Kyung Seok CHAE	Mr. Suk Whan CHANG *(Vice Chairman)*
Mr. Sung Yoon KIM	Mr. Jeong Ghi KOO
	Mr. Kun Hwa PARK#
	Mr. Choong Min LEE#
	Mr. Kiyoung SHIN#

Independent Supervisors

By Order of the Board
Kyung Seok CHAE
Director

Hong Kong, 17 March 2010

* *for identification purpose only*