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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Schramm Holding AG, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SCHRAMM HOLDING AG
星亮控股股份有限公司*

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

(Stock Code: 955)

**REVISION OF ANNUAL CAPS FOR
TOLL MANUFACTURING AGREEMENT
NEW DIRECTOR
SERVICE CONTRACTS
AND
INVITATION TO EXTRAORDINARY GENERAL MEETING**

Financial Adviser to the Company



SBI E2-Capital (HK) Limited

**Independent Financial Adviser to
the Independent Committee and the Independent Shareholders**



SOMERLEY LIMITED

An invitation to the extraordinary general meeting of Schramm Holding AG to be held at the office of Norton Rose LLP at Theatinerstrasse 11, 80333 Munich, Germany at 10:00 a.m. (CEST) on 31 August 2010 (which can be viewed live at Fountains Room 1-2, LG/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong at 4:00 p.m. (Hong Kong time) on 31 August 2010) for the purposes of convening the extraordinary general meeting under German law is set out on pages 33 to 42 of this circular. The invitation is also published on the website of the Company at www.schramm-holding.com/en_generalmeeting2010.html and of the website of the Stock Exchange at www.hkexnews.hk.

A form of proxy for use in connection with the extraordinary general meeting is enclosed herewith. Please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 4:00 a.m. (CEST) on 30 August 2010/10:00 a.m. (Hong Kong time) on 30 August 2010). Whether or not you intend to attend the extraordinary general meeting, you are advised to complete and return the enclosed form of proxy in accordance with the instructions printed thereon.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting to be held in Munich, Germany or viewing the extraordinary general meeting at the Hong Kong venue and voting in person in Hong Kong should you so wish.

* *for identification purposes only*

23 July 2010

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
LETTER FROM THE INDEPENDENT COMMITTEE	14
LETTER FROM SOMERLEY	15
LETTER FROM THE REMUNERATION COMMITTEE	21
APPENDIX I — DETAILS OF DR. HAN	22
APPENDIX II — DETAILS OF THE SERVICE CONTRACTS	24
APPENDIX III — GENERAL INFORMATION	26
INVITATION TO THE EXTRAORDINARY GENERAL MEETING	33

DEFINITIONS

In this circular, the following expressions have the following meanings unless the context otherwise requires:

“Announcement”	the announcement made by the Company dated 7 July 2010 relating to the proposed revision of annual caps for certain existing continuing connected transactions
“Articles of Association”	the existing articles of association of the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board” or “Management Board”	the management board of the Company
“CEST”	Central European Summer Time
“Company”	Schramm Holding AG, a joint stock company incorporated under the laws of Germany, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the member(s) of the Board
“Dr. Han”	Dr. Sung Su HAN, the proposed Director
“Dr. Han’s Service Contract”	the service contract intended to be entered into with Dr. Han by the Supervisory Board on behalf of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purposes of, among others, considering and, if thought fit, approving the Revised Annual Purchase Caps for Toll Manufacturing Agreement and such other resolutions as stated in the Invitation
“Financial Adviser” or “SBI E2-Capital”	SBI E2-Capital (HK) Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Group”	Schramm Holding AG and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Independent Committee”	an independent committee of the Company comprising the Independent Supervisors, formed to advise the Independent Shareholders in respect of the Revised Annual Purchase Caps for Toll Manufacturing Agreement
“Independent Financial Adviser” or “Somerley”	Somerley Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Committee and the Independent Shareholders in respect of the Revised Annual Purchase Caps for Toll Manufacturing Agreement
“Independent Shareholders”	with respect to (i) the Revised Annual Caps for Toll Manufacturing Agreement, Shareholders other than SSCP and its associates and any other person who has a material interests in the Toll Manufacturing Agreement, (ii) the appointment of Dr. Han considered by the Supervisory Board, Shareholders other than Dr. Han and his associates (to the extent they have any interest in the Company) and (iii) Mr. Chae’s Service Contract, Shareholders other than Mr. Chae and his associates (to the extent they have any interest in the Company)
“Independent Supervisors”	members of the Supervisory Board who meet the independence requirements as provided under Rule 3.13 of the Listing Rules, namely Mr. Bang Seon KO, Mr. Choong Min LEE and Mr. Kiyong SHIN
“Invitation”	the invitation to the EGM for the purposes of convening the EGM under the law of Germany as set out on pages 33 to 42 of this Circular
“Latest Practicable Date”	20 July 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, as amended from time to time
“Mr. Chae”	Mr. CHAE Kyung Seok, a Director
“Mr. Chae’s Service Contract”	the service contract with Mr. Chae which is proposed to be extended to 31 December 2011
“Mr. Oh”	Mr. Jung Hyun OH, chairman of the Supervisory Board, a connected person

DEFINITIONS

“Original Annual Purchase Caps for Toll Manufacturing Agreement”	the original annual cap amounts for the purchase of coating products from the SSCP Group by the Group under the Toll Manufacturing Agreement for the two years ending 31 December 2011
“Original Annual Sales Caps for Toll Manufacturing Agreement”	the original annual cap amounts for the supply of raw materials and intermediary goods by the Group to the SSCP Group under the Toll Manufacturing Agreement for the two years ending 31 December 2011
“Prospectus”	the prospectus of the Company dated 15 December 2009 in relation to the listing of the Shares on the Main Board of the Stock Exchange
“Remuneration Committee”	the remuneration committee of the Company comprising the Independent Supervisors and chaired by a Supervisor, Mr. Oh, to advise the Independent Shareholders of the terms of the Service Contracts
“Revised Annual Purchase Caps for Toll Manufacturing Agreement”	the revised annual cap amounts proposed by the Company in respect of the purchase of coating products from the SSCP Group by the Group under the Toll Manufacturing Agreement, being €11,000,000 (equivalent to approximately HK\$107,030,000) and €11,500,000 (equivalent to approximately HK\$111,895,000) for the two years ending 31 December 2011 respectively
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the share(s) of €1.00 each in the capital of the Company
“SSCP”	SSCP Co., Ltd., a company incorporated in Korea and listed on the Korean Securities Dealers Automated Quotations, being one of the controlling shareholders of the Company, a connected person
“SSCP Group”	SSCP and its subsidiaries from time to time
“Service Contracts”	collectively Dr. Han’s Service Contract and Mr. Chae’s Service Contract
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisory Board”	the supervisory board of the Company established pursuant to the Stock Corporation Act under the law of Germany

DEFINITIONS

“Supervisor(s)”	the member(s) of the Supervisory Board
“Toll Manufacturing Agreement”	the agreement dated 10 December 2009 entered into between the Company and SSCP in relation to, among the others, the purchase of coating products from the SSCP Group by the Group under the toll manufacturing arrangements
“US\$”	United States Dollars, the lawful currency of the United States of America
“€” or “EUR”	the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (as amended and supplemented from time to time)
“%”	per cent

Unless otherwise defined, exchange rates of (i) HK\$9.73 = €1.00 and (ii) HK\$7.80 = US\$1.00 are adopted in this circular, for illustration purposes only.



SCHRAMM HOLDING AG
星亮控股股份有限公司*

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

(Stock Code: 955)

Members of the Management Board:

Mr. Peter BRENNER
Mr. Kyung Seok CHAE

Registered Office:

Kettelerstraße 100
63075 Offenbach am Main
Germany

Members of the Supervisory Board:

Mr. Jung Hyun OH
Mr. Min Koo SOHN
Mr. Jeong Ghi KOO

Independent members of the Supervisory Board:

Mr. Bang Seon KO
Mr. Choong Min LEE
Mr. Kiyoung SHIN

23 July 2010

To the Shareholders

Dear Sirs or Madams,

**REVISION OF ANNUAL CAPS FOR
TOLL MANUFACTURING AGREEMENT
NEW DIRECTOR
SERVICE CONTRACTS
AND
INVITATION TO EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement in relation to the revision of annual caps for certain existing continuing connected transactions and the announcement dated 23 July 2010 in relation to the proposed appointment of Dr. Sung Su HAN as a member of the Board.

* *for identification purposes only*

LETTER FROM THE BOARD

The purposes of this circular are to provide you with (i) information relating to the Revised Annual Purchase Caps for Toll Manufacturing Agreement; (ii) opinions and recommendations of the Independent Committee and the Independent Financial Adviser relating to the Revised Annual Purchase Caps for Toll Manufacturing Agreement; (iii) information relating to the approval of the proposed appointment of Dr. Han as a member of the Board; (iv) information relating to the proposed service contract considered to be entered into with Dr. Han; (v) opinions and recommendations of the Remuneration Committee with regard to the Service Contracts; (vi) further information on the Group; and (vii) an invitation to the EGM for the purposes of convening the EGM under the German law.

The Independent Committee comprising all Independent Supervisors has been established to advise the Independent Shareholders regarding the Revised Annual Purchase Caps for Toll Manufacturing Agreement and Somerley has been appointed as the Independent Financial Adviser to advise the Independent Committee and the Independent Shareholders in this regard.

The Remuneration Committee comprising the Independent Supervisors and a Supervisor, Mr. Oh, the chairman of the Remuneration Committee, has reviewed and considered the terms of the Service Contract for the purpose of advising the Independent Shareholders regarding the Service Contract.

REVISION OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS

Reference is made to the Announcement in relation to, among the others, the transactions contemplated under the Toll Manufacturing Agreement and the proposed Revised Annual Purchase Caps for Toll Manufacturing Agreement, and the section headed “Connected Transactions” in the Prospectus in relation to the Toll Manufacturing Agreement.

Toll Manufacturing Agreement

On 10 December 2009, the Company entered into the Toll Manufacturing Agreement with SSCP for a term of three years commencing from 29 December 2009 in relation to, among others, the purchase of coating products from the SSCP Group by the Group for distribution and sales to the Group’s customers in Korea (including provision of samples to the Group for sales and marketing purposes).

Under the Toll Manufacturing Agreement,

- (i) the Group supplies raw materials and intermediary goods to SSCP for the production of coating products (including the license of certain know-how and technology rights by the Group to SSCP Group at nil consideration for the manufacturing process) for distribution and sales to the Group’s customers in Korea. As disclosed in the Prospectus, the Original Annual Sales Caps for Toll Manufacturing Agreement for each of the three years ending 31 December 2011

LETTER FROM THE BOARD

were expected to be not more than €600,000 (equivalent to approximately HK\$5,838,000), €800,000 (equivalent to approximately HK\$7,784,000) and €1,000,000 (equivalent to approximately HK\$9,730,000), respectively; and

- (ii) SSCP Group sells the coating products manufactured under the Toll Manufacturing Agreement to the Group for distribution and sales to the Group's customers in Korea. The prices of the coating products supplied by SSCP shall be determined on a cost-basis within the tax legal boundaries having regard to the total raw material costs, delivery costs, manufacturing costs (excluding depreciation and selling, general and administrative costs) incurred by SSCP Group in the manufacturing of the coating products. As disclosed in the Prospectus, the Original Annual Purchase Caps for Toll Manufacturing Agreement for each of the three years ending 31 December 2011 were expected to be not more than €6,500,000 (equivalent to approximately HK\$63,245,000), €7,500,000 (equivalent to approximately HK\$72,975,000) and €8,000,000 (equivalent to approximately HK\$77,840,000), respectively.

Revised Annual Purchase Caps for Toll Manufacturing Agreement

Based on the Group's latest unaudited management accounts for the five months ended 31 May 2010, the Company expects that the Original Annual Purchase Caps for Toll Manufacturing Agreement will not be sufficient for the expected sales of the Group. The Board therefore proposes to revise the Original Annual Purchase Caps for Toll Manufacturing Agreement. The Original Annual Sales Caps for Toll Manufacturing Agreement are expected to remain unchanged because the Company expects its supplies of raw materials and intermediary goods to SSCP under the Toll Manufacturing Agreement would not increase significantly as SSCP has sufficient stock of raw materials and intermediary goods to meet their production need.

The Original Annual Caps for Toll Manufacturing Agreement and the Revised Annual Caps for Toll Manufacturing Agreement proposed by the Board are as follows:

	For the year ending 31 December 2010	For the year ending 31 December 2011
Original Annual Purchase Caps for Toll Manufacturing Agreement	€7,500,000 (equivalent to approximately HK\$72,975,000)	€8,000,000 (equivalent to approximately HK\$77,840,000)
Revised Annual Purchase Caps for Toll Manufacturing Agreement	€11,000,000 (equivalent to approximately HK\$107,030,000)	€11,500,000 (equivalent to approximately HK\$111,895,000)

LETTER FROM THE BOARD

In determining the Revised Annual Purchase Caps for Toll Manufacturing Agreement, the Board took into account the historical transaction amounts, the expected increase in production of automobiles for its customers in Korea, in particular the specific models which use the Group's coating products, the expected increase in demand from the Korean automotive manufacturers due to localisation of Korean automotives, and the increase in demand for high value environmental friendly products. The Group's sales to its customers in Korea under the toll manufacturing arrangements during the first five months ended 31 May 2010 has increased by approximately 79.8% compared with the same period in 2009. The fluctuation in exchange rates between Korean Won and Euro is also one of the factors affecting the Group's sales.

Historical Amounts

The original annual caps and the historical transaction amounts for the purchase of coating products under the Toll Manufacturing Agreement are set out as follows:

		For the year ended 31 December 2009
Purchase of coating products under the Toll Manufacturing Agreement	Original Annual cap as disclosed in Prospectus	€6,500,000 (equivalent to approximately HK\$63,245,000)
	Actual transaction amount	€6,189,000 (equivalent to approximately HK\$60,218,970)

Based on the Group's unaudited management accounts, the purchase of coating products under the Toll Manufacturing Agreement from 1 January 2010 up to 31 May 2010 amounted to approximately €5,196,844 (equivalent to approximately HK\$50,565,292), representing approximately 70% of the relevant Original Annual Purchase Caps for Toll Manufacturing Agreement for the current year. As at the Latest Practicable Date, based on the Group's unaudited management accounts, the actual transaction amounts in relation to the Toll Manufacturing Agreement have not exceeded the relevant Original Annual Purchase Caps for Toll Manufacturing Agreement.

Reasons for and Benefits of the Revised Caps

The Group is principally engaged in the sales and distributions of coating products in Europe and Asia. The Group has production facilities in various sales locations, including Germany, Spain, China and Thailand, for manufacturing of coating products customised to meet the specifications of its customers. As disclosed in the Prospectus, to minimise its capital investment, the Group has not constructed its own production plant in Korea. Instead, it contracted SSCP to manufacture the specific coating products in Korea to be sold to its Korean customers by entering into the Toll Manufacturing Agreement.

LETTER FROM THE BOARD

With the general increase in market demand for automotives manufactured in Korea and the expected increase in the use of high quality water-borne coatings in Korea for the second half of 2010, the demand for the Group's products has increased compared with the Group's original business plan and budget at the time of its listing. The Group's sales to its customers under the toll manufacturing arrangements during the five months ended 31 May 2010 has increased by approximately 79.8% compared with the same period in 2009. The revision of the Original Annual Purchase Caps for Toll Manufacturing Agreement was primarily due to the estimated expansion in operation and business growth of the Group in Korea, the increase in future demands for Korean automobiles, the economic outlook of the Asian market, and the Group's estimates of demand and operating conditions. Furthermore, as the sales and purchases under the Toll Manufacturing Agreement were settled in Korean Won, due to the fluctuation in exchange rate between Euro and Korean Won during the first half of year 2010 and the increasing volatility recently, the Original Annual Purchase Caps for Toll Manufacturing Agreement appear insufficient in meeting the Group's expected sales in Korea.

In view of the above reasons, the Directors and the Independent Supervisors (whose views are set out on page 14 of this circular) consider that the Revised Annual Purchase Caps for Toll Manufacturing Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Information of the Group and SSCP

The Group is principally engaged in the provision of technical coatings solutions in automotive and general industry coatings, coil coatings (for pre-coated metals) and electrical insulation paints and varnishes sectors.

SSCP is a company incorporated in Korea in 1973, whose shares have been listed on the Korean Securities Dealers Automated Quotations since October 2005. It is principally engaged in manufacturing and sales of electronic materials and coating materials. SSCP is one of the controlling shareholders of the Company and is a connected person by virtue of Rule 14A.11(1) of the Listing Rules.

Implication under the Listing Rules

Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transaction, it will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction.

As SSCP is one of the controlling shareholders of the Company, a connected person of the Company by virtue of Rule 14A.11(1) of the Listing Rules, the transactions under the Toll Manufacturing Agreement constitute continuing connected transactions of the Company under Rule 14A.13(1)(a) of the Listing Rules.

LETTER FROM THE BOARD

Given that the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) for the Revised Annual Purchase Caps for Toll Manufacturing Agreement exceed 5%, the transactions under the Toll Manufacturing Agreement are subject to reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE DIRECTOR AND THE SERVICE CONTRACTS

Reference is made to the announcement of the Company dated 23 July 2010 in relation to, among others, the potential appointment of Dr. Han as a Director and the chief operation officer of the Company with effect from 1 September 2010 as considered by the Supervisory Board.

A resolution relating to the appointment of Dr. Han as considered by the Supervisory Board has been proposed in the Invitation. Biographical details of Dr. Han are included in Appendix I to this circular.

The Supervisory Board in accordance with its responsibilities granted by German stock corporation laws considers to appoint Dr. Han as a Director and the chief operation officer of the Company and to enter into Dr. Han's Service Contract for a specific term of 24 months from the effective date of appointment, namely, 1 September 2010, and expiring on 31 August 2012. In case of an early termination of Dr. Han's Service Contract by the Company, except for a termination with cause, Dr. Han shall receive a severance payment in the amount of the fixed salary due for the remaining duration of Dr. Han's Service Contract. In this event, Dr. Han shall also receive the retirement benefit accrued until the effective date of the termination.

The current service contract of Mr. Chae with the Company will expire on 31 December 2010 and the Supervisory Board has passed a resolution to extend Mr. Chae's service for one year to 31 December 2011. In case of an early termination of Mr. Chae's Service Contract by the Company, except for a termination with cause, Mr. Chae shall receive a settlement in the amount of the total fixed earnings, performance-related variable bonuses as well as other agreed benefits and share options for the remaining duration of Mr. Chae's Service Contract.

Listing Rules implications

Since each of the Service Contracts contains express term which provides that, in order to entitle the Company to terminate the respective Service Contract, the Company may be required to pay compensation or make other payments equivalent to more than one year's emoluments of Dr. Han or Mr. Chae (as the case may be), the Service Contracts will require the approval of the Independent Shareholders at a general meeting pursuant to Rule 13.68 of the Listing Rules.

LETTER FROM THE BOARD

Proposed resolutions at the EGM

The Board and the Supervisory Board propose to put forward the following resolutions for shareholders' approval at the EGM:

“While observing the competencies of the supervisory board under German stock corporation law, the general meeting grants its agreement, pursuant to Rule 13.68 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, to the appointment of Dr. Sung Su Han as a member of the management board and his service contract, such appointment and service contract only to become effective under the German law if the supervisory board passes the requisite resolution after the EGM and issues the service contract.”

“In confirmation of the resolution of the supervisory board, the general meeting grants its agreement, pursuant to Rule 13.68 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, to the extension of Mr. Chae Kyung Seok's appointment until 31 December 2011 and his service agreement as member of the management board, as approved by the supervisory board.”

This potential appointment of Dr. Han is, however, not final and conclusive, since, under the applicable German law, the powers to appoint any Director and the approval and conclusion of the relevant service contract vest with the unrestricted discretion of the Supervisory Board, and the appointment will therefore only be effective and valid after the relevant resolution of the Supervisory Board being passed.

Terms of and reasons of entering into of the Service Contracts

Dr. Han has over 14 years of experience in leading and managing research and development functions in diverse technology areas including healthcare, photovoltaics, microelectromechanical systems, optoelectronics, environmental engineering and biochemical. Dr. Han joined the Group in July 2010 as a senior executive of the Company and has assumed a proactive role in business developments and new business of the Group. Mr. Chae was appointed as a Director in August 2008, and acts as the chief strategic officer of the Group, with responsibilities for devising the business development and strategies of the Group including responsibilities for planning, human resources, information technology, risk management, and strategic corporate developments. To leverage on Dr. Han's and Mr. Chae's strong experience and network in a variety of industries, their continuous services with the Group are important and essential. Accordingly, the Board and the Supervisory Board consider that the entering into of Dr. Han's Service Contract, and the extension of Mr. Chae's Service Contract, would benefit the business expansion plan of the Group.

The material terms of the current draft of Dr. Han's Service Contract, and Mr. Chae's Service Contract, are included in Appendix II to this circular, copies of which are available for inspection by the Shareholders.

LETTER FROM THE BOARD

The Remuneration Committee comprising the Independent Supervisors and a Supervisor, Mr. Oh, who is the chairman of the Remuneration Committee, has reviewed and considered the terms of the Service Contracts.

EXTRAORDINARY GENERAL MEETING

The Company will convene the EGM in Munich, Germany at the office of Norton Rose LLP at Theatinerstrasse 11, 80333 Munich, Germany at 10:00 a.m. (CEST) on 31 August 2010 (which can be viewed live at Fountains Rooms 1–2, LG/F, Hotel Nikko Hong Kong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong at 4:00 p.m. (Hong Kong time) on 31 August 2010). The Invitation is set out on pages 33 to 42 of this circular.

Pursuant to Rule 14A.54 of the Listing Rules, any connected person and any shareholder and their associates with a material interest in the Toll Manufacturing Agreement or the Service Contracts are required to abstain from voting on the respective resolutions approving the Revised Annual Purchase Caps for Toll Manufacturing Agreement, or, the potential appointment of Dr. Han as a Director and the Service Contracts. SSCP and its associates, which as at the Latest Practicable Date together held 14,035,000 Shares, representing approximately 70.51% interest in the Company, will abstain from voting at the EGM in respect of the resolution to approve the Revised Annual Purchase Caps for Toll Manufacturing Agreement. None of Dr. Han, Mr. Chae or their respective associates was interested in any Shares as at the Latest Practicable Date. Save as disclosed in this circular, none of the Directors or the Supervisors has any material interest in the Toll Manufacturing Agreement or the Service Contracts.

A form of proxy for use in connection with the EGM is enclosed herewith. You are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon which must be deposited at the offices of the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong or sent to the e-mail address of the Company at info@schramm-holding.de at least 30 hours before the time for holding the EGM (i.e. not later than 4:00 a.m. (CEST) on 30 August 2010/10:00 a.m. (Hong Kong time) on 30 August 2010) or any adjourned meeting thereof. Whether or not you intend to attend the EGM, you are advised to complete and return the enclosed form of proxy in accordance with the instructions printed thereon.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM in Munich, Germany or viewing the EGM at the Hong Kong venue and voting in person in Hong Kong should you so wish.

The register of members of the Company will be closed from 26 August 2010 to 31 August 2010, both days inclusive, during which period no transfer of shares will be effected. In order to be entitled to vote at the EGM, all transfers accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Company's Hong Kong share registrar, 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 25 August 2010.

LETTER FROM THE BOARD

VOTING BY POLL

The resolutions to be considered and, if thought fit, passed at the EGM will be voted on by poll. Results of the poll voting will be published on the Company's website at www.schramm-holding.com/en_generalmeeting2010.html and the website of the Stock Exchanges at www.hkexnews.hk after the EGM.

RECOMMENDATION

The Directors and the Independent Supervisors consider that the Revised Annual Purchase Caps for Toll Manufacturing Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board recommends the Independent Shareholders to vote in favour of the resolution proposed in the Invitation by the Board and the Supervisory Board to approve the Revised Annual Purchase Caps for Toll Manufacturing Agreement.

The Directors and the members of the Remuneration Committee consider that the terms of the Service Contracts are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board also recommends the Independent Shareholders to vote in favour of the resolutions proposed in the Invitation by the Board and the Supervisory Board.

Your attention is drawn to the letter from the Independent Committee containing its advice and recommendation to the Independent Shareholders as set out on page 14 of this circular and the letter from Somerley containing its advice and the principal factors which it has considered in arriving at its advice in relation to the Revised Annual Purchase Caps for Toll Manufacturing Agreement as set out on pages 15 to 20 of this circular. Your attention is also drawn to the letter from the Remuneration Committee containing its advice and recommendation to the Independent Shareholders in relation to the Service Contracts as set out on page 21 of this circular.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Kyung Seok CHAE
Director



SCHRAMM HOLDING AG

星亮控股股份公 司*

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

(Stock Code: 955)

23 July 2010

To the Independent Shareholders

Dear Sir or Madam,

**REVISION OF ANNUAL CAPS FOR
TOLL MANUFACTURING AGREEMENT**

We refer to the circular dated 23 July 2010 issued by the Company to its Shareholders (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We, being the Independent Supervisors, have been appointed to form the Independent Committee to advise you as a Shareholder in connection with the Revised Annual Purchase Caps for Toll Manufacturing Agreement, details of which are set out in the Letter from the Board contained in the Circular. Somerley has been appointed to advise us, the Independent Committee, in relation to the Revised Annual Purchase Caps for Toll Manufacturing Agreement.

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 13 of the Circular, and the letter from Somerley to us, the Independent Committee, and the Independent Shareholders containing its advice together with the principal factors and reasons it has been taken into consideration in respect of the Revised Annual Purchase Caps for Toll Manufacturing Agreement, as set out on pages 15 to 20 of the Circular.

Having taken into account the principal factors and reasons considered by Somerley and its conclusion and advice, we consider that the Revised Annual Purchase Caps for Toll Manufacturing Agreement are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Revised Annual Purchase Caps for Toll Manufacturing Agreement.

Yours faithfully,
For and on behalf of the
Independent Committee
Independent Supervisors
Mr. Choong Min LEE

Mr. Bang Seon KO

Mr. Kiyoung SHIN

* *for identification purposes only*

LETTER FROM SOMERLEY

The following is the text of the letter of advice from Somerley to the Independent Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



SOMERLEY LIMITED
10th Floor
The Hong Kong Club Building
3A Chater Road
Central
Hong Kong

23 July 2010

*To: the Independent Committee and
the Independent Shareholders*

Dear Sirs,

REVISION OF ANNUAL CAPS FOR TOLL MANUFACTURING AGREEMENT

We refer to our appointment to advise the Independent Committee and the Independent Shareholders in relation to the on-going purchase of coating products from the SSCP Group by the Group pursuant to the terms of the Toll Manufacturing Agreement for which the Independent Shareholders' approval is being sought for the Revised Annual Purchase Caps for Toll Manufacturing Agreement. Details of the Transaction and the Revised Annual Purchase Caps for Toll Manufacturing Agreement are set out in the letter from the Board contained in the circular of the Company to the Shareholders dated 23 July 2010 (the "Circular"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

SSCP is one of the controlling Shareholders and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Toll Manufacturing Agreement constitute a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

As the Company anticipates that the applicable percentage ratios for the Revised Annual Purchase Caps for Toll Manufacturing Agreement for the two years ending 31 December 2011 are expected to exceed 5% and the annual consideration payable to SSCP is expected to exceed HK\$10 million, the Revised Annual Purchase Caps for Toll Manufacturing Agreement will be subject to the reporting and announcement requirement under Chapter 14A of the Listing Rules and will also be required to be approved by way of poll by the Independent Shareholders. SSCP and its associates, which together hold 14,035,000 Shares, representing approximately 70.51% interest in the Company, will abstain from voting in relation to the resolution approving the Revised Annual Purchase Caps for Toll Manufacturing Agreement at the EGM.

LETTER FROM SOMERLEY

The Independent Committee, comprising all the Company's independent supervisors, namely Mr. Bang Seon KO, Mr. Choong Min LEE and Mr. Kiyoung SHIN, has been established to make recommendation to the Independent Shareholders as to whether the Revised Annual Purchase Cap for Toll Manufacturing Agreement are fair and reasonable so far as the Independent Shareholders are concerned and whether the Revised Annual Purchase Caps for Toll Manufacturing Agreement is in the interest of the Company and the Shareholders as a whole. We, Somerley, have been appointed to advise the Independent Committee and the Independent Shareholders in this regard.

In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group and have assumed that they are true, accurate and complete and will remain so up to the date of the EGM. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We have no reason to believe that any material information has been withheld from us, nor doubt the truth, accuracy or completeness of the information provided. We have relied on such information and consider that the information we have received is sufficient for us to reach an informed view. We have, however, not conducted any independent investigation into the business and affairs of the Company or SSCP, nor have we carried out any independent verification of the information supplied.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on whether the Revised Annual Purchase Caps for Toll Manufacturing Agreement are fair and reasonable, we have taken the following principal factors and reasons into consideration:

1. Background to and reasons for the revision of annual caps

The Group is principally engaged in sales and distributions of coating products in Europe and Asia and the provision of technical coating solutions in automotive and general industry coatings, coil coatings (for pre-coated metals) and electrical insulation paints and varnishes sectors. The automotive and general industry coatings segment accounted for 76.5% of the Group's total sales in 2009 and the key products were coatings for automobile parts, mobile phone handsets and home appliances and consumer electronics.

The Group has production facilities in various sales locations, including Germany, Spain, China and Thailand for manufacturing of coating products customised to meet the specifications of its customers. In order to minimise capital investment, the Group has not constructed its own production plant in Korea. Since April 2005, the Group contracted with SSCP to manufacture the specific coating products in Korea for its Korean customers. The Group has to supply raw materials and intermediary goods which are tailor-made for the Group's customers and are not available in the market to SSCP for the production of coating products.

LETTER FROM SOMERLEY

The Company entered into the Toll Manufacturing Agreement on 10 December 2009 to govern the terms of the Group's purchase of coating products manufactured by SSCP for the sales and distribution to the Group's customers in Korea for a term up to 31 December 2011. The Stock Exchange granted a waiver to the Company from strict compliance with the announcement and independent shareholders' approval requirements under the Listing Rules in respect of the Toll Manufacturing Agreement at the time of its listing on the Stock Exchange in December 2009.

SSCP is principally engaged in the manufacturing and sales of electronic materials and coating materials. As disclosed in the prospectus of the Company dated 15 December 2009, the nature of products, target customers and production logistics of the coating business of SSCP are distinct from those of the Group.

Based on the Group's unaudited management accounts, the purchase of coating products from SSCP from January to May 2010 had already reached approximately 70% of the relevant Original Annual Purchase Caps for Toll Manufacturing Agreement of €7.5 million. Furthermore, the purchases under the Toll Manufacturing Agreement were settled in Korean Won. The exchange rate between Euro and Korean Won fluctuated in 2010 and has recently become increasingly volatile. The Company anticipates that the original caps are not sufficient for the Company's requirement and therefore proposes Revised Annual Purchase Caps for Toll Manufacturing Agreement.

The Directors believe that it is beneficial to the Company to continue the arrangement under the Toll Manufacturing Agreement whereby the Company can continue to utilise the production facilities of SSCP, which has an established relationship with the Group in processing of its coating materials.

2. Principal terms of the Toll Manufacturing Agreement

Pursuant to the Toll Manufacturing Agreement, SSCP Group shall manufacture coating products in accordance with the instruction and specification set out in the Company's purchase orders. The Group shall provide SSCP Group the raw materials and appropriate technical know-how for the manufacturing. SSCP Group shall use the raw materials for the sole purpose of manufacturing of coating products for the Group.

The prices of the coating products supplied by SSCP Group shall be determined on a cost-basis within the tax legal boundaries having regard to the total raw material costs, delivery costs, manufacturing costs (excluding depreciation and selling, general and administrative costs) incurred by SSCP Group in the manufacturing of the coating products.

Although the products are tailor made for the Group's Korean customers and there is no comparable reference to the prevailing market price, we consider the pricing mechanism on an actual cost basis fair and reasonable.

LETTER FROM SOMERLEY

3. The revised annual caps

The Transaction is subject to the Listing Rules' requirements and conditions as more particularly discussed under the section headed "Reporting requirements and conditions of the Transaction" below. In particular, the Transaction is subject to the Revised Annual Purchase Caps for Toll Manufacturing Agreement as discussed below.

(i) Review of historical figures

Set out below are the historical purchases of coating products from SSCP Group by the Group during the three years ended 31 December 2009 and for the five months ended 31 May 2010:

	For the financial year ended 31 December			For the five months ended 31 May 2010
	2007	2008	2009	(unaudited)
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
	€	€	€	€
Total purchase of coating products from SSCP Group by the Group	7,258,000	7,480,000	6,189,000	5,193,000

Due to the increase in the unit selling price driven by the inflated cost of coating raw materials, the 2008 actual purchase of coating products from SSCP Group increased by 3.1% to €7,480,000 in 2008 when compared to 2007.

The Company experienced a significant drop in demand for automotive related coating products amid the global economic turmoil in 2009. The purchase of the coating products from SSCP Group contracted severely by about 17.3% from approximately €7,480,000 in 2008 to approximately €6,189,000 in 2009. The appreciation of Euro against Korean Won in 2009 also created a reduction in the purchase amount when translated from Korean Won to Euro.

Based on the Group's unaudited management accounts, the Group's actual purchase of coating products from SSCP during the first five months in 2010 grew by 79.8% when compared to the corresponding period in 2009 and reached approximately €5,193,000, representing about 70% of the Original Annual Purchase Caps for Toll Manufacturing Agreement for 2010 of €7.5 million. Such growth was mainly attributed to the general economy recovery.

(ii) Assessment of the proposed revised annual caps

Set out below is the Revised Annual Purchase Caps for Toll Manufacturing Agreement for each of the two financial years ending 31 December 2011:

	For the financial year ending 31 December	
	2010	2011
	€	€
Revised Annual Purchase Caps for Toll Manufacturing Agreement	11,000,000	11,500,000

LETTER FROM SOMERLEY

In assessing the reasonableness of the Revised Annual Purchase Caps for Toll Manufacturing Agreement, we have discussed with the Directors the basis and assumptions underlying the projections for the purchase of coating products from SSCP by the Group for the purpose of setting the revised annual caps.

The Revised Annual Purchase Caps for Toll Manufacturing Agreement are determined based on the projected volume of coating products to be sold multiplied by the projected selling price of such products. The Directors estimate that there would be a 30% growth in the quantity of coating products purchased in 2010 when compared to 2009 after taking into account the rising demand on coatings for automobile parts under the growth in automobile industry as the economy is picking up.

The Directors estimated a growth factor of approximately 10% from the 2009 unit market price after considering the expected increase in demand for the higher priced eco-friendly waterborne coating products. The waterborne coating products are expected to be gradually adopted by the automotive industry in Korea in the second half of 2010. The Korean Government is regulating the emission of harmful materials from coating materials used by automobile manufacturers by imposing a restriction that the interior coatings of automobiles should not contain volatile organic compounds such as Formaldehyde or Benzene with effect from 1 July 2010. The Directors believe that such a regulation would shift the demand from traditional solvent coating products to waterborne coating products.

The proposed revised annual cap for 2011 represents an increase of approximately 5% from the revised annual cap amount for 2010.

Having considered the Group's actual production volume exceeded its planned production volume by about 27% in the first five months in 2010 when compared to the corresponding period in 2009 and the fact that the current market price for waterborne products is ranging 10% to 30% higher than traditional solvent based coating products, we consider it reasonable for the Directors to adopt growth rates of 30% in quantity and 10% in price level given the relevant regulation just come into effect in the second half of 2010, for the proposed revised annual cap for 2010 and to build in a 5% growth in the proposed revised annual cap for 2011 when compared to 2010.

REPORTING REQUIREMENTS AND CONDITIONS OF THE TRANSACTION

Pursuant to Rules 14A.37 to 14A.40 of the Listing Rules, the Transaction is subject to the following annual review requirements:

- (a) each year the independent supervisors must review the Transaction and confirm in the annual report and accounts that the Transaction has been entered into:
 - (i) in the ordinary and usual course of business of the Group;
 - (ii) either on normal commercial terms or, if there is not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than terms available to or from (as appropriate) independent third parties; and

LETTER FROM SOMERLEY

- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole;
- (b) each year the auditors of the Company must provide a letter to the Board (with a copy provided to the Stock Exchange at least ten business days prior to the bulk printing of the Company's annual report) confirming that the Transaction:
 - (i) has received the approval of the Board;
 - (ii) is in accordance with the pricing policies of the Group;
 - (iii) has been entered into in accordance with the relevant agreements governing the Transaction; and
 - (iv) has not exceeded the Revised Annual Purchase Caps for Toll Manufacturing Agreement;
- (c) the Company shall allow, and shall procure the relevant counterparties to the Transaction to allow, the Company's auditors to have sufficient access to their records for the purpose of the reporting on the Transaction as set out in paragraph (b);
- (d) the Company shall promptly notify the Stock Exchange and publish an announcement in accordance with the Listing Rules if it knows or has reason to believe that the independent supervisors and/or auditors of the Company will not be able to confirm the matters set out in paragraphs (a) and/or (b) respectively.

In light of the reporting requirements attached to the Transaction, in particular, (i) the restriction of the value of the Transaction by way of the Revised Annual Purchase Caps for Toll Manufacturing Agreement; and (ii) the requirement under the Listing Rules for ongoing review by the independent supervisors and auditors of the Company of the terms of the Transaction and the Revised Annual Purchase Caps for Toll Manufacturing Agreement not being exceeded, we are of the view that appropriate measures will be in place to govern the conduct of the Transaction and assist to safeguard the interests of the Independent Shareholders.

OPINION

Having taken into account the above principal factors, we consider that the Transaction is on normal commercial terms and in the ordinary and usual course of business of the Group. We further consider that the Transaction including the Revised Annual Purchase Caps for Toll Manufacturing Agreement are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Committee to recommend and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Revised Annual Purchase Caps for Toll Manufacturing Agreement.

Yours faithfully,
for and on behalf of
SOMERLEY LIMITED
Maggie Chan
Director



SCHRAMM HOLDING AG

星亮控股股份公 司 *

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

(Stock Code: 955)

23 July 2010

To the Supervisory Board and the Independent Shareholders

Dear Sir or Madam,

**PROPOSED DR. HAN'S SERVICE CONTRACT
AND EXTENSION OF MR. CHAE'S SERVICE CONTRACT**

We refer to the circular dated 23 July 2010 issued by the Company to its Shareholders (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We, being the members of the Remuneration Committee, have reviewed and considered the terms of the current draft of the Service Contracts for the purpose of advising you in respect of the Service Contracts.

We wish to draw your attention to the letter from the Board, as set out on pages 5 to 13 of the Circular, and Appendix I of the Circular containing the biographical details of Dr. Han, and Appendix II containing the material terms of the current draft of the Service Contracts.

Having considered the experience of Dr. Han and Mr. Chae and their respective duties and responsibilities within the Group and the prevailing market conditions, we consider that the terms of the Service Contracts are based on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Supervisory Board to enter into Dr. Han's Service Contract, and to extend the term of Mr. Chae's Service Contract to 31 December 2011, and the Independent Shareholders to vote in favour of the resolutions proposed in the Invitation by the Board and the Supervisory Board.

Yours faithfully,
For and on behalf of the
Remuneration Committee
Chairman and Supervisor
Mr. Jung Hyun OH
Independent Supervisors
Mr. Choong Min LEE

Mr. Bang Seon KO

Mr. Kiyong SHIN

* *for identification purposes only*

This Appendix contains details of Dr. Sung Su HAN who is proposed by the Supervisory Board as a Director:

Dr. Han, aged 47, obtained a bachelor degree in material science and engineering and nuclear engineering, a master degree in nuclear engineering and a doctoral degree in nuclear engineering from the University of California, Berkeley in 1985, 1989 and 1993, respectively. Dr. Han has over 14 years of experience in leading and managing research and development and business development functions in diverse technology areas including healthcare, photovoltaics, microelectromechanical systems, optoelectronics, environmental engineering and biochemical.

Before joining the Company, Dr. Han was a Vice President and Director of Electronic Material and Device System Research and Development Laboratory in LG Electronics of LG Corporation in Korea, a company listed on the Korea Stock Exchange which is principally engaged in the manufacturing, marketing and distribution of high technology electronic products including televisions, audio and video products, home appliances, air conditioners and telecommunications devices. From March 2007 to September 2007, he was a director of the Advanced Detection Systems, Radiation Monitoring Division of Thermo Fisher Scientific in the United States, a company listed on the New York Stock Exchange which is principally engaged in the provision of laboratory equipment, chemicals, supplies and services used in healthcare, scientific research, safety and education. From August 2005 to March 2007, he was a vice president and the chief technology officer in Samsung Corning Company Ltd, a Korea-based manufacturer of glass panels and funnels for cathode ray tube television and display monitors where he was responsible for the overall research and development in Suwon City in Korea. From November 1996 to August 2005, Dr. Han was with General Electric Company, a company listed on the New York Stock Exchange which is principally engaged in provision of infrastructure, media and financial services, in the United States. Dr. Han held various positions during his career in General Electric Company and his last position with General Electric Company was the technology leader in the Chemical & Biological Detection business of GE Security in which he had led a team of scientists and engineers to develop leading edge technologies in the detection of explosives, narcotics, and chemical and biological warfare agents.

Dr. Han is currently a senior manager of the Company responsible for business developments and new business for the Group. Save as disclosed above, Dr. Han had not held any other directorships in the last three years in any other public companies, the securities of which are listed in Hong Kong or overseas. As at the Latest Practicable Date, Dr. Han did not have any interest in the Shares and debentures of the Company within the meaning of Part XV of the SFO. Dr. Han does not have any relationship with any directors, senior management or any substantial or controlling shareholders of the Company.

To the best of the Board's knowledge, information and belief having made reasonable enquiry, save as disclosed above, there is no information which is discloseable nor is/was Dr. Han involved in any of the matters required to be disclosed pursuant to the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning Dr. Han that need to be brought to the attention of the Shareholders.

Subject to his appointment by the Supervisory Board, taking into account Dr. Han's experience and qualifications and the industry practice, the Supervisory Board intends to enter into a service contract with Dr. Han for a specific term of 24 months from the date of appointment and expiring on 31 August 2012. Dr. Han's remuneration packages under the service contract include an annual emolument of US\$320,000 (equivalent to approximately HK\$2,496,000), retirement benefit in an amount of US\$40,000 (equivalent to approximately HK\$312,000) for each year of service, and a reasonable housing allowance for his relocation to Hong Kong and other market comparable allowances. In addition, Dr. Han is also entitled to a performance-related bonus at the sole discretion of the Company. Please refer to Appendix II for further details of the material terms of the current draft of Dr. Han's Service Contract.

Dr. Han confirmed that, save as disclosed above, there is no information which is discloseable nor is/was Dr. Han involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there are no other matters concerning him that need to be brought to the attention of the Shareholders.

DR. HAN'S SERVICE CONTRACT

The material terms of the current draft of Dr. Han's Service Contract are summarised below:

- Term : From 1 September 2010 to 31 August 2012
- Fixed salary : An annual gross amount of US\$320,000.
- Housing and other allowances : Dr. Han shall receive a reasonable housing allowance to the satisfaction to both parties for his housing in Hong Kong, as well as certain other allowances in a reasonable amount including reimbursement of medical insurance costs for family members living in the United States, moving expenses of his family to Hong Kong, costs of international schools for the children in Hong Kong, travel costs for family members (unless they live in Hong Kong), provision of a vehicle if Dr. Han works for over 40% of his working time outside Hong Kong.
- Discretionary bonus : Dr. Han may receive a discretionary bonus payment based on the Company's performance and the personal contribution of Dr. Han to the Group. The payment and amount of the bonus shall be in the sole discretion of the Company.
- Retirement benefit : A gross amount of US\$40,000 shall be deferred every year over the duration of the service contract as retirement benefit for Dr. Han and shall be paid to Dr. Han in a lump sum when the service contract terminates.
- Notice for termination : Dr. Han's Service Contract can be terminated in writing in the event of a withdrawal from the appointment by the Company, the resignation of Dr. Han from the Board, or the termination of the appointment for any other reason:
- (a) by the Company under observance of a notice period of 4 months to the end of a month; or
 - (b) by Dr. Han under observance of a notice period of 2 months to the end of a month. The resignation of Dr. Han from the Board shall be deemed to be a notice of termination given by Dr. Han.

The right of either party to terminate the service contract with cause under the German Civil Code (“Bürgerliches Gesetzbuch”) remains unaffected.

Termination compensation : In case of an early termination of Dr. Han’s Service Contract by the Company, except a termination with cause, Dr. Han shall receive a severance payment in the amount of the fixed salary due for the remaining duration of Dr. Han’s Service Contract. In this event, Dr. Han shall also receive the retirement benefit accrued until the effective date of the termination. For the avoidance of doubt, the aforesaid severance payment and the payment of the retirement benefit shall not apply in case of a termination for an important reason caused by Dr. Han allowing the Company to terminate Dr. Han’s Service Contract with cause under the German Civil Code (“Bürgerliches Gesetzbuch”).

In case of an early termination of Dr. Han’s Service Contract by Dr. Han, Dr. Han shall receive his fixed salary until the termination takes effect.

MR. CHAE’S SERVICE CONTRACT

The material terms of Mr. Chae’s Service Contract are summarised below:

Term : From the signature date to 31 December 2011

Fixed salary : An annual gross amount of €350,000, which will be increased by 4% at the beginning of each calendar year or, if greater, by the rate of inflation for the previous year.

Housing and other allowances : Mr. Chae shall receive a housing allowance for his housing in Hong Kong in a gross amount of €50,000 per year.

Discretionary bonus : Mr. Chae shall receive an one-off payment of 5% of the selling price, in case a part of or the entire business or the company is sold or transferred.

Termination compensation : In the event of early termination of the contract, Mr. Chae shall receive a settlement in the sum of the total fixed earnings, performance-related variable bonuses as well as other agreed benefits and share options for the remainder of the period of the contract, unless the contract is terminated by the Company for a serious cause for which Mr. Chae is to be held to account.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

2. DISCLOSURE OF INTEREST

(A) Directors', Supervisors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares or Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors, the Supervisors and chief executive of the Company in the shares and underlying shares of the Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) once the Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein once the Shares are listed, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange will be as follows:

Name of Director/ Supervisor	Nature of interest	Number and class of securities <i>(note 1)</i>	Approximate percentage of interest in the Company
Mr. Oh <i>(note 2)</i>	Interest in controlled corporation	4,402,177 Shares (L)	22.12%

Notes:

- (1) The letter "L" denotes the person's long position in such Shares.
- (2) Mr. Oh, a Supervisor, was interested in exchangeable bonds in a principal amount of HK\$10,584,000 and US\$10,421,832 (equivalent to approximately HK\$91,353,198 in aggregate) through STM Corporation Co., Ltd., a company wholly-owned by Mr. Oh, which upon exercise of the exchange rights in full, were exchangeable into approximately 4,402,177 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, the Supervisors and chief executive of the Company in the equity or debt securities of the Company or any associated corporations (within the meaning of Part XV of the

SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) once the Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein once the Shares are listed, or pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

(B) Substantial Shareholders' Interests in Securities

As at the Latest Practicable Date, the interests and short positions of every persons, other than Directors, Supervisors or chief executive of the Company, in the Shares and underlying Shares of the Company, which will have to be notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register maintained and kept by the Company under section 336 of the SFO were as below:

Name of Shareholders	Nature of interest	Number and class of securities (note 1)	Approximate percentage of interest in the Company
SSCP Co., Ltd.	Beneficial interest (note 2)	7,900,000 Shares (L)	39.69%
		3,164,897 Shares (S)	15.90%
	Interest in controlled corporation (note 3)	4,385,000 Shares (L)	22.03%
		4,385,000 Shares (S)	22.03%
The Humble Humanity Ltd.	Beneficial interest (note 5)	1,750,000 Shares (L)	8.79%
		4,385,000 Shares (S)	22.03%
Samsung Bestview (Hong Kong) Co., Ltd.	Beneficial interest	1,750,000 Shares (L)	8.79%
STM Corporation Co., Ltd.	Beneficial interest (note 6)	4,402,177 Shares (L)	22.12%

Notes:

- (1) The letter "L" denotes the person's long position in such Shares and the letter "S" denotes the person's short position in such Shares.
- (2) SSCP and its controlled corporations were deemed to be interested in a total of 14,035,000 Shares, representing approximately 70.51% of interest in the Company. Pursuant to the exchangeable bonds subscription agreements, in case The Humble Humanity Ltd. ("**Humble Humanity**") being the issuer of this exchangeable bonds, does not have sufficient number of Shares to be delivered to such exchangeable bondholders, Humble Humanity will, or will cause SSCP to, immediately deposit such number of additional Shares as may be required to be delivered to the exchangeable bondholders exercising the exchange right. Pursuant to the terms and conditions of the exchangeable bonds, SSCP will be required to deliver an aggregate of 3,164,897 Shares for the shortfall of the exchange Shares.

- (3) These Shares were held by Humble Humanity, being the issuer of the exchangeable bonds, which was indirectly controlled by SSCP.
- (4) These Shares were held by Samsung Bestview (Hong Kong) Co., Ltd., a wholly-owned subsidiary of SSCP.
- (5) Humble Humanity, as the issuer of the exchangeable bonds, was under an obligation to deliver the exchange Shares to the exchangeable bondholders. Pursuant to the terms and conditions of the exchangeable bonds, Humble Humanity will be required to deliver all of the Shares held by it in the event that the exchange rights are exercised in full (with the shortfall of the exchange Shares being delivered by SSCP).
- (6) STM Corporation Co., Ltd. was one of the exchangeable bondholders, which was interested in exchangeable bonds in a principal amount of HK\$10,584,000 and US\$10,421,832 (equivalent to approximately HK\$91,353,198 in aggregate), which upon exercise of the exchange rights in full, are exchangeable into approximately 4,402,177 Shares.

(C) Material Interests

Save as disclosed in the announcement of the Company dated 21 June 2010 relating to the proposed acquisition of certain interests in Inlustra Technologies, Inc. from SSCP, a company in which Mr. Oh, a Supervisor, is interested in its shares, as at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement entered into by any member of the Group, which was significant in relation to the business of the Group taken as a whole.

Save as disclosed in the announcement of the Company dated 21 June 2010 relating to the proposed acquisition of certain interests in Inlustra Technologies, Inc. from SSCP, a company in which Mr. Oh, a Supervisor, is interested in its shares, as at the Latest Practicable Date, none of the Directors, Supervisors or the professional adviser named in paragraph 7 of this Appendix had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2009, being the date of the latest published audited financial statements of the Company.

(D) Competing Interests

Save as disclosed in the section headed “Relationship with Controlling Shareholders” in the Prospectus, as at the Latest Practicable Date, none of the Directors, Supervisors or their respective associates was interested in any business apart from the Group’s business that competes or is likely to compete (either directly or indirectly) with the Group’s business.

3. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any litigation or arbitration of material importance and there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Group.

4. SERVICE CONTRACTS

Service contract with Mr. Peter Brenner

Mr. Peter Brenner has entered into a service contract with the Company effective from 1 July 2009 to 31 August 2013, unless terminated earlier. In case of a re-appointment to the position, the contract of employment shall remain in force for the period of the re-appointment, unless otherwise agreed upon by the Company and Mr. Brenner.

Mr. Peter Brenner has an annual salary, which initially amounts to €702,000 (equivalent to approximately HK\$6,830,460) with a fixed annual increase of the higher of 4% or the rate of inflation for the previous year. In addition Mr. Brenner is entitled to a performance-related bonus in the sum of 1.0% of the profits (net income) from the IFRS consolidated accounts for the Company. In circumstances where a part of the business or the Company, or the entire business or the Company, are sold or transferred to another company, Mr. Brenner shall receive a one-off payment of 5% of the selling price as compensation for actual and potential lost variable bonuses.

The service contract with Mr. Brenner provides that the Company may become obligated to pay to Mr. Brenner a severance payment of €5 million (equivalent to approximately HK\$48,650,000) (the “**Severance Payment**”), gross (which means including taxes), in the event that his employment is terminated by the Company before the ordinary termination of the contract (unless such early termination is for a serious cause), or where his employment is terminated as a result of a consensual agreement initiated by new majority shareholders of the Company.

In the event of a change of control, in that SSCP ceases to have control in the Company, or where Mr. Oh ceases to be the single largest shareholder and/or controlling shareholder in SSCP, Mr. Brenner is entitled to terminate the service contract within two months from the time when he is notified in writing of the relevant change in the Company with a notice of four weeks as to the 15th day or the end of the calendar month. In the event that Mr. Brenner chooses to exercise his special termination right and if the service contract terminates as a result, or where his service contract is terminated by the Company or it ends as a result of a consensual agreement initiated by new majority shareholders in the Company, then he is entitled to the Severance Payment. In the event of early termination or Mr. Brenner’s service contract by the Company for any other reasons, Mr. Brenner is entitled to the Severance Payment and an additional settlement in the sum of the total fixed earnings, performance-related variable bonuses as well as other agreed benefits and share options for the remaining period of the contract, unless the contract was terminated by the Company for a serious cause for which Mr. Brenner is to be held accountable. The Severance Payment becomes due at the time of legal termination of the service contract.

Service contract with Mr. Kyung Seok Chae

Mr. Chae has entered into a service contract with the Company effective from 01 July 2009 to 31 December 2010, unless terminated earlier. The Supervisory Board has passed a resolution to extend his service until 31 December 2011. In case of a re-appointment to the position, the contract of employment shall remain in force for the period of the re-appointment, unless otherwise agreed upon by the Company and Mr. Chae.

Mr. Chae has an annual salary, which initially amounts to €300,000 (equivalent to approximately HK\$2,919,000) with a fixed annual increase of the higher of 4% or the rate of inflation for the previous year and a housing allowance amounting €50,000 (equivalent to approximately HK\$486,500). In circumstances where a part of the business or the Company, or the entire business or the Company, are sold or transferred to another company, Mr. Chae shall receive a one-off payment of 5% of the selling price as compensation for actual and potential lost variable bonuses.

In the event of a change of control, in that SSCP ceases to have control in the Company, or where Mr. Oh ceases to be the single largest shareholder and/or controlling shareholder in SSCP, Mr. Chae is entitled to terminate the service contract within two months from the time when he is notified in writing of the relevant change in the Company with a notice of four weeks as to the 15th day or the end of the calendar month.

In the event of early termination or Mr. Chae's service contract by the Company for any other reasons, Mr. Chae is entitled to a settlement in the sum of the total fixed earnings, performance-related variable bonuses as well as other agreed benefits and share options for the remaining period of the contract, unless the contract was terminated by the Company for a serious cause for which Mr. Chae is to be held accountable.

Intended service contract with Dr. Han

Subject his appointment by the Supervisory Board, taking into account Dr. Han's experience and qualifications and the industry practice, the Company will enter into a service contract with Dr. Han for a specific term of 24 months from the date of appointment and expiring on 31 August 2012, unless terminated earlier. In case of a re-appointment to the position, the contract of employment shall remain in force for the period of the re-appointment, unless otherwise agreed upon by the Company and Dr. Han.

Dr. Han's remuneration packages under the service contract include an annual emolument of US\$320,000 (equivalent to approximately HK\$2,496,000), retirement benefit in an amount of US\$40,000 (equivalent to approximately HK\$312,000), housing allowance to the satisfaction of all parties for his relocation to Hong Kong and other market comparable allowances. In addition Dr. Han is also entitled to a performance-related bonus at the sole discretion of the Company.

In case of an early termination of Dr. Han's Service Contract by the Company, except a termination with cause, Dr. Han shall receive a severance payment in the amount of the fixed salary due for the remaining duration of Dr. Han's Service Contract. In this event, Dr. Han shall also receive the retirement benefit accrued until the effective date of the termination. Please refer to Appendix II for further details of the material terms of Dr. Han's Service Contract.

Save as disclosed above, none of the Directors nor members of the Supervisory Board has or is intended to have a service contract with the Company or any of the Company's subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation other than the statutory compensation).

5. MATERIAL ADVERSE CHANGE

Save as disclosed herein, as at the Latest Practicable Date, the Directors confirm that there has not been any material adverse change in the financial or trading position of the Company since 31 December 2009, being the date of the latest published audited financial statements of the Company.

6. CONSENTS

Somerley has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the references to its name in the form and context in which they respectively appear.

7. QUALIFICATIONS OF EXPERT

The following are the qualifications of the professional adviser who has given opinions or advice contained in this circular:

Names	Qualifications
Somerley	a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

As at the Latest Practicable Date, Somerley was not beneficially interested in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor had any interest, either directly or indirectly, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. MISCELLANEOUS

- (a) The company secretary and qualified accountant of the Company is Mr. CHAN Yuen Fai, Kenny, a Fellow Member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The registered office of the Company is Kettelerstraße 100, 63075 Offenbach am Main, Germany.
- (c) The place of business in Hong Kong is Unit 07, 25/F, Lippo Centre, Tower 1, 89 Queensway, Admiralty, Hong Kong.
- (d) The English text of this circular and the accompanying proxy form shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Hong Kong office of the Company at Unit 07, 25/F, Lippo Centre, Tower 1, 89 Queensway, Admiralty, Hong Kong during normal business hours on any business day from the date of this circular up to and including 6 August 2010:

- (a) the services contract entered into between Mr. Peter Brenner and the Company,
- (b) the current draft of Dr. Han's Service Contracts and Mr. Chae's Service Contract;
- (c) the Toll Manufacturing Agreement;
- (d) the letter from Somerley to the Independent Committee and the Independent Shareholders the text of which is set out in the section headed "Letter from Somerley" of this circular;
- (e) the letter from the Independent Committee, the text of which is set out in the section headed "Letter from the Independent Committee" of this circular;
- (f) the letter from the Remuneration Committee, the text of which is set out in the section headed "Letter from the Remuneration Committee" of this circular; and
- (g) the written consent referred to in the section headed "Consent" in this Appendix.

INVITATION TO THE EXTRAORDINARY GENERAL MEETING

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SCHRAMM HOLDING AG

星亮控股股份公司*

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

(Stock Code: 955)

ISIN: DE000A0L1JZ7

Invitation to and Notice of the Extraordinary General Meeting of Schramm Holding AG

Offenbach/Main (Germany)

We hereby invite our shareholders to the

Extraordinary General Meeting

which will be held

at 10:00 a.m. (Central European Summer Time) on Tuesday 31 August 2010

in the conference room of Norton Rose LLP at Theatinerstrasse 11, 80333 Munich, Germany

and which will be broadcasted by video screen and can be viewed live at Fountains Room 1–2, LG/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong at 4:00 p.m. (Hong Kong time) on Tuesday 31 August 2010.

* *for identification purposes only*

Agenda

1 Resolution on the revision of the annual cap for purchase of coating products by the Group from the SSCP Group under the Toll Manufacturing Agreement (connected transaction) for the two years ending 31 December 2011

On 10 December 2009, Schramm Holding AG entered into the Toll Manufacturing Agreement with SSCP Co., Ltd. (“SSCP”) and its subsidiaries (excluding Schramm Holding AG and its subsidiaries (the “Group”)) (the “SSCP Group”) for a term of three years commencing from 29 December 2009 in relation to, among others, the purchase of coating products from the SSCP Group for distribution and sales to the Group’s customers in Korea (including provision of samples to the Group for sales and marketing purposes).

Under the Toll Manufacturing Agreement,

- (i) the Group supplies raw materials and intermediary goods to SSCP for the production of coating products (including the license of certain know-how and technology rights by the Group to SSCP Group at nil consideration for the manufacturing process). As disclosed in Schramm Holding AG’s prospectus, the proposed annual sales amount for the supply of raw materials and intermediary goods by the Group to the SSCP Group under the Toll Manufacturing Agreement for each of the three years ending 31 December 2011 was expected to be not more than €600,000, €800,000 and €1,000,000, respectively; and
- (ii) SSCP Group sells the coating products manufactured under the Toll Manufacturing Agreement to the Group for distribution and sales to the Group’s customers in Korea. The prices of the coating products supplied by SSCP shall be determined on a cost-basis within the tax legal boundaries having regard to the total raw material costs, delivery costs, manufacturing costs (excluding depreciation and selling, general and administrative costs) incurred by SSCP in the manufacturing of the coating products. As disclosed in Schramm Holding AG’s prospectus, the proposed annual purchase amount for the coating products by the Group from the SSCP Group under the Toll Manufacturing Agreement for each of the three years ending 31 December 2011 was expected to be not more than €6,500,000, €7,500,000 and €8,000,000, respectively (the “Original Annual Purchase Caps For Toll Manufacturing Agreement”).

The Company expects that the Original Annual Purchase Caps For Toll Manufacturing Agreement will not be sufficient for the Group’s requirements.

The Board has resolved pursuant to § 119 para. 2 German Stock Corporation Act to submit a revision of the annual cap amounts in respect of the purchase of coating products from the SSCP Group by Schramm Holding AG and its subsidiaries under the Toll Manufacturing Agreement entered into between SSCP Co., Ltd. and Schramm Holding AG dated 10 December 2009 to the Extraordinary General Meeting for its

INVITATION TO THE EXTRAORDINARY GENERAL MEETING

approval, and the Board and the Supervisory Board propose to put forward the following resolution for shareholders' approval in the Extraordinary General Meeting:

“That the proposed revised annual cap amounts in respect of the purchase of coating products from the SSCP Group by Schramm Holding AG and its subsidiaries under the Toll Manufacturing Agreement entered into between SSCP Co., Ltd. and Schramm Holding AG dated 10 December 2009, being €11,000,000 for the year ending 31 December 2010 and €11,500,000 for the year ending 31 December 2011, be and are hereby approved.”

2 Resolution regarding the anticipated approval of the potential appointment of Dr. Sung Su Han as a member of the management board of Schramm Holding AG by the Supervisory Board

The supervisory board of Schramm Holding AG has indicated that it, subject to its own statutory discretion granted by the German Stock Corporation Act, considers to appoint Dr. Sung Su Han, born on 19 January 1963, resident in 10 Hodgdon St, Maine 04543, U.S.A., as a member of the management board of Schramm Holding AG with effect as of 1 September 2010 in its next quarterly meeting.

The Board and the Supervisory Board propose to put forward the following resolution for shareholders' approval in the Extraordinary General Meeting:

“While observing the competencies of the supervisory board under German stock corporation law, the general meeting grants its agreement, pursuant to Rule 13.68 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, to the appointment of Dr. Sung Su Han as a member of the management board and his service contract, such appointment and service contract only to become effective under the German law if the supervisory board passes the requisite resolution after the EGM and issues the service contract.”

As set out under applicable German law, the powers to appoint any member of the management board of the Company and to agree and conclude the relevant service contract vest with the Supervisory Board in its own unrestricted discretion.

A summary of the terms of the current draft of the service contract which the supervisory board of Schramm Holding AG considers to conclude with Dr. Han in case he will be appointed as a member of the management board of Schramm Holding AG is set down below.

Term

From 1 September 2010 to 31 August 2012.

Fixed salary

An annual gross amount of US\$320,000.

INVITATION TO THE EXTRAORDINARY GENERAL MEETING

Housing allowance; other allowances

Dr. Han shall receive a reasonable housing allowance to the satisfaction to both parties for his housing in Hong Kong, as well as certain other allowances in a reasonable amount including reimbursement of medical insurance costs for family members living in the United States, moving expenses of his family to Hong Kong, costs of international schools for the children in Hong Kong, travel costs for family members (unless they live in Hong Kong), provision of a vehicle if Dr. Han works for over 40% of his working time outside Hong Kong.

Discretionary bonus

Dr. Han may receive a discretionary bonus payment based on the Company's performance and the personal contribution of Dr. Han to the Group. The payment and amount of the bonus shall be in the sole discretion of the Company.

Retirement benefit

A gross amount of US\$40,000 shall be deferred every year over the duration of the service contract as retirement benefit for Dr. Han and shall be paid to Dr. Han in a lump sum when the service contract terminates.

Notice for termination

The service contract can be terminated in writing in the event of a withdrawal from the appointment by the Company, the resignation of Dr. Han from the Board, or the termination of the appointment for any other reason:

- (a) by the Company under observance of a notice period of 4 months to the end of a month; or
- (b) by Dr. Han under observance of a notice period of 2 months to the end of a month. The resignation of Dr. Han from the Board shall be deemed to be a notice of termination given by Dr. Han.

The right of either party to terminate the service contract with cause under the German Civil Code ("Bürgerliches Gesetzbuch") remains unaffected.

Termination compensation

In case of an early termination of the service contract by the Company, except a termination with cause, Dr. Han shall receive a severance payment in the amount of the fixed salary due for the remaining duration of the service contract. In this event, Dr. Han shall also receive the retirement benefit accrued until the effective date of the termination. For the avoidance of doubt, the aforesaid severance payment and the payment of the retirement benefit shall not apply in case of a termination for an important reason caused by Dr. Han allowing the Company to terminate the service contract with cause under the German Civil Code ("Bürgerliches Gesetzbuch").

INVITATION TO THE EXTRAORDINARY GENERAL MEETING

In case of an early termination of the service contract by Dr. Han, Dr. Han shall receive his fixed salary until the termination takes effect.

3 Resolution on the service contract of Mr. Kyung Seok Chae

The supervisory board has passed a resolution to extend the term of the service contract with Mr. Kyung Seok Chae as member of the management board until 31 December 2011 and has instructed and authorised the chairman of the supervisory board, Mr. Oh, to agree an extended service contract with Mr. Kyung Seok Chae.

The Board and the Supervisory Board propose to put forward the following resolution for shareholders' approval in the Extraordinary General Meeting:

“In confirmation of the resolution of the supervisory board, the general meeting grants its agreement, pursuant to Rule 13.68 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, to the extension of Mr. Chae Kyung Seok's appointment until 31 December 2011 and his service agreement as member of the management board, as approved by the supervisory board.”

Actual Extraordinary General Meeting in Munich with live video screen broadcast to Hong Kong

The Extraordinary General Meeting will be held in the conference room of Norton Rose LLP at Theatinerstrasse 11, 80333 Munich, Germany at 10:00 a.m. (Central European Summer Time) on Tuesday, 31 August 2010. It will be broadcasted live by video screen and can be viewed at Fountains Room 1–2, LG/F, Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong at 4:00 p.m. (Hong Kong time) on Tuesday, 31 August 2010.

The Extraordinary General Meeting will be conducted in English.

Shareholders or other persons attending the Extraordinary General Meeting to be held in Munich, Germany shall be responsible for their own travel and accommodation expenses.

Participation requirements

Only those shareholders who are registered as shareholders of Schramm Holding AG in the share register on the **end of 26 August 2010** are entitled to attend and vote at the Extraordinary General Meeting.

The share register will be closed from 26 August 2010 to 31 August 2010, both days inclusive, during which period no transfer of shares will be effected and no applications for transfer of shares will be accepted. Hence, transactions of shares made during this period of time do not impact the entitlement to attend the Extraordinary General Meeting.

The share register will re-open on 1 September 2010 to process the respective transfer of shares.

A notice prior to the Extraordinary General Meeting is not required.

INVITATION TO THE EXTRAORDINARY GENERAL MEETING

If a custodian (such as a bank) is registered in the share register, the custodian is not entitled to vote such shares not owned by it unless it has the respective shareholder's authority.

Voting and voting by proxy

Those shareholders who are physically present at the Extraordinary General Meeting held in Munich or at the venue in Hong Kong in which the Extraordinary General Meeting is broadcasted live by video screen are entitled to vote in person.

Shareholders who do not participate in person at the Extraordinary General Meeting in Munich nor view the Extraordinary General Meeting at the Hong Kong venue may exercise their voting right via an authorised representative, e.g. a credit institution, a shareholder association, a proxyholder nominated by Schramm Holding AG or any other authorised third party. Only those shareholders who are entitled to attend and vote at the Extraordinary General Meeting and whose names appear on the register of members of Schramm Holding AG on 26 August 2010 are entitled to appoint proxies who attend and vote in their stead.

The assignment of a proxy, its revocation and the proof of a proxy towards Schramm Holding AG must be in text form, if neither a credit institution, nor a shareholder association nor any other institution or person which is correspondingly treated pursuant to section 135(8) and (10) German Stock Corporation Act are assigned as proxy.

If voting proxies are assigned to credit institutions or institutions or companies treated correspondingly (sections 135(10), 125(5) German Stock Corporation Act) as well as shareholder associations or persons pursuant to section 135(8) and (10) German Stock Corporation Act, there is no text form requirement, but the proxy declaration has to be recorded in a verifiable manner; it also has to be complete and may only contain declarations which are connected with the exercise of the votes. We therefore kindly ask the shareholders who wish to assign a proxy to a credit institution, a shareholder association or any other institute, company or persons which are treated correspondingly pursuant to section 135 German Stock Corporation Act to arrange themselves with the intended proxyholder about the formal requirements of the proxy.

Proofs regarding the appointment of a proxyholder can be transferred electronically to the following e-mail address of Schramm Holding AG:

info@schramm-holding.de

Schramm Holding AG offers the shareholders the option to exercise their voting rights via proxyholders nominated by Schramm Holding AG. The proxyholders nominated by Schramm Holding AG have to be granted a proxy form with explicit and clear instructions for the relevant cast of the vote. The proxyholders nominated by Schramm Holding AG are obligated to cast the relevant vote according to the instruction as set out in the proxy form. They are not allowed to cast the vote in their sole discretion. In case an instruction to any of the items of the agenda has not or not explicitly been made the proxyholders nominated by Schramm Holding AG are insofar not allowed to and hence will not cast the relevant vote.

INVITATION TO THE EXTRAORDINARY GENERAL MEETING

If the proxyholders are not the persons nominated by Schramm Holding AG, nor credit institution(s) (as defined in section 135 German Stock Corporation Act), nor professional agent(s) (as defined in section 135 German Stock Corporation Act), failure to give clear instructions as to how to cast the vote(s) will entitle the proxyholders to cast the vote(s) at their discretion.

The delivery of a proxy form shall not preclude a shareholder from attending the Extraordinary General Meeting and voting in person. For clarification purposes, the shareholder should revoke the proxy towards the proxyholder and Schramm Holding AG and achieve a return of the proxy form.

The document to be used for assigning a proxy and giving voting instructions to the proxyholders nominated by Schramm Holding AG as well as to any other proxyholder apart from credit institutions or institutions or companies treated correspondingly (sections 135(10), 125(5) German Stock Corporation Act) as well as shareholder associations or persons pursuant to section 135(8) and (10) German Stock Corporation Act is enclosed to this invitation and is also available on the homepage of Schramm Holding AG under

www.schramm-holding.com/en_generalmeeting2010.html.

and the website of the Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

The proof regarding the assignment of any of the above described proxies as well as the relevant voting instructions with regard to the relevant items of the agenda to the proxyholders nominated by Schramm Holding AG, shall be received **not later than on 30 August 2010 at 4:00 a.m. (Central European Summer Time) or 10:00 a.m. (Hong Kong time)** by

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

or sent by Email to:

info@schramm-holding.de.

Otherwise the proxy and the instructions to the proxyholders nominated by Schramm Holding AG cannot be considered.

Right of the shareholders to request supplementary motions to the agenda (section 122(2) German Stock Corporation Act)

Shareholders, whose combined shares amount in aggregate to one-twentieth of the share capital (**corresponds to €995,250**) or represent an amount of the share capital corresponding to €500,000 may demand according to section 122(2) German Stock Corporation Act in writing that items are to be put on the agenda of the Extraordinary General Meeting and to

INVITATION TO THE EXTRAORDINARY GENERAL MEETING

be published; such demand shall be addressed to the Management Board. Each new item on the agenda shall be accompanied by an explanation or a draft proposal for a resolution. The applicants shall prove that they have been shareholders of Schramm Holding AG for at least three months before the day of the Extraordinary General Meeting, i.e. **since 31 May 2010**, and that they will hold the shares until a decision has been made on the request for a supplementary motion. The request must be received by Schramm Holding AG by no later than 30 days prior to the Extraordinary General Meeting; the day of receipt and the day of the Extraordinary General Meeting shall not be included in the calculation. Hence, last possible day for the receipt of the request for a supplementary motion is **Saturday, 31 July 2010, at 12:00 p.m. (Central European Summer Time)/Sunday, 1 August 2010, at 6:00 a.m. (Hong Kong time)**.

Further explanations to the shareholder rights pursuant to section 122 (2) German Stock Corporation Act are available on the website of Schramm Holding AG

www.schramm-holding.com/en_generalmeeting2010.html.

Shareholders' rights to announce motions and proposals for the election (sections 126(1), 127 German Stock Corporation Act)

According to section 126(1) German Stock Corporation Act motions by shareholders together with the shareholder's name, the grounds and any position taken by the Management Board and/or Supervisory Board shall be made available to the persons entitled pursuant to section 125(1) to (3) German Stock Corporation Act under the requirements stated therein if at least 14 days prior to the Extraordinary General Meeting, **i.e. at the latest on the 16 August 2010, 12:00 p.m. (Central European Summer Time) or 17 August 2010, 6.00 a.m. (Hong Kong time)**, the shareholder sends a counter motion with its grounds to a proposal of the Management Board and Supervisory Board as to an item of the agenda to the address indicated in the invitation convening the Extraordinary General Meeting (see further below). The day of receipt and the day of the Extraordinary General Meeting shall not be taken into account. A counter motion and its grounds do not need to be made available, if the requirements according to section 126(2) German Stock Corporation Act have been met. According to section 127 German Stock Corporation Act section 126 German Stock Corporation Act shall apply analogously with regard to the proposal of a shareholder for the election of the members of the Supervisory Board or the appointment of the auditor. It is not necessary to include grounds for the proposal. The Management Board is not obliged to make the proposal for the election available if the proposal does not contain the information according to section 124(3) sentence 3 German Stock Corporation Act and section 125(1) sentence 5 German Stock Corporation Act.

Shareholders' motions and proposals for the election shall be addressed to the following address:

Schramm Holding AG
Kettelerstraße 100
63075 Offenbach/Main
Fax: +49 69 8603 229

INVITATION TO THE EXTRAORDINARY GENERAL MEETING

Motions and proposals for elections which have been addressed elsewhere will not be considered. Such motions and proposals for elections which have been addressed to this address in time, i.e. which Schramm Holding AG has received at the latest until **16 August 2010 at 12:00 p.m. (Central European Summer Time) or 17 August 2010, at 6:00 a.m. (Hong Kong time)** will be immediately made available endorsed with a possible comment by the Management Board and/or Supervisory Board according to the statutory provisions on Schramm Holding AG's website as follows:

www.schramm-holding.com/en_generalmeeting2010.html.

Further explanations to the shareholder rights pursuant to sections 126 (1), 127 German Stock Corporation Act are available on the website of Schramm Holding AG at

www.schramm-holding.com/en_generalmeeting2010.html.

Shareholders' right to information at the Extraordinary General Meeting (section 131(1) German Stock Corporation Act)

Each shareholder shall upon request be provided with information at the Extraordinary General Meeting by the Management Board regarding Schramm Holding AG's affairs to the extent such information is necessary to permit a proper evaluation of the relevant item on the agenda. The obligation to provide information shall also cover Schramm Holding AG's legal and business relations with any affiliated enterprise. If Schramm Holding AG makes use of the simplified procedure pursuant to section 266(1) sentence 3, section 276 or section 288 German Commercial Code, each shareholder may request at the Extraordinary General Meeting that the annual financial statements be presented to him at the Extraordinary General Meeting on such annual financial statements in the form which would have been used if such provisions on simplified procedure were not applied. A parent enterprise's (section 290(1) and (2) German Commercial Code) Management Board's obligation to inform the shareholders at the Extraordinary General Meeting that considers the consolidated financial statement and consolidated management report shall extend to the situation of the group and the enterprises included in the consolidated financial statement.

Further explanations to the shareholder rights pursuant to section 131(1) German Stock Corporation Act are available on the website of Schramm Holding AG at

www.schramm-holding.com/en_generalmeeting2010.html.

Total number of shares and voting rights at the time of the convention of the Extraordinary General Meeting

At the time of the publication of the convention of the Extraordinary General Meeting in the German Federal Electronic Gazette the share capital of Schramm Holding AG amounts to EUR 19,905,000.00 and is divided in 19,905,000 par value shares with the nominal value of EUR 1.00 each. The shares are registered shares. Each share confers the shareholders with one vote (section 16(1) Articles of Association). Therefore, the total number of votes in Schramm Holding AG at the time of the publication of the convention of the Extraordinary

INVITATION TO THE EXTRAORDINARY GENERAL MEETING

General Meeting in the German Federal Electronic Gazette amounts to 19,905,000. To Schramm Holding AG's knowledge no voting right is generally extinguished at the time of the convention of the Extraordinary General Meeting.

Publication on the website of Schramm Holding AG

Immediately after the convention of the Extraordinary General Meeting its content, the above mentioned documents as well as the total number of shares and voting rights at the time of the convention of the Extraordinary General Meeting as well as any other information according to section 124a German Stock Corporation Act shall be made available on Schramm Holding AG's website as follows:

www.schramm-holding.com/en_generalmeeting2010.html.

After the Extraordinary General Meeting the voting results will be published on the same website.

The documents which have to be made accessible will also be available during the Extraordinary General Meeting on 31 August 2010.

Further, the invitation to the Extraordinary General Meeting was published in the electronic Federal Gazette on 23 July 2010 and on the website of the Stock Exchange of Hong Kong Limited under www.hkexnews.hk and transmitted to such media for publication, regarding which it can be assumed that they disseminate the information throughout the European Union.

Only the German version of this invitation is relevant. The English translation serves for information purposes only.

Offenbach/Main, in July 2010

Schramm Holding AG

— **Management Board** —

Schramm Holding AG
Kettelerstraße 100
63075 Offenbach/Main
Tel: +49 69 8603-0
Fax: +49 69 8603 229

As at the date of this document, the members of the Management Board of Schramm Holding AG are Mr. Peter BRENNER and Mr. Kyung Seok CHAE; the members of the Supervisory Board of Schramm Holding AG are Mr. Jung Hyun OH, Mr. Jeong Ghi KOO, Mr. Min Koo SOHN, Mr. Bang Seon KO, Mr. Choong Min LEE and Mr. Kiyong SHIN (whereas the last-mentioned three act out the function of an independent supervisor pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).