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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)**

## **ANNOUNCEMENT**

### **NEW DIRECTOR AND SERVICE CONTRACTS**

The Board was informed by the Supervisory Board that it considers to appoint Dr. Sung Su HAN as a member of the Board and the chief operation officer of the Company and to enter into a service contract with Dr. Han for a specific term of 24 months from the effective date of appointment.

The current service contract of Mr. Kyung Seok CHAE, a Director, 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.

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.

The Board will seek anticipated approval by the Independent Shareholders at the EGM for the potential appointment of Dr. Han by the Supervisory Board and the Service Contracts. The Remuneration Committee has reviewed and considered the terms of the Service Contracts. A circular containing, among other things, further information about Dr. Han and the Service Contracts, the letter from the Remuneration Committee, together with the invitation to the EGM will be dispatched to the shareholders as soon as practicable.

### **NEW MEMBER OF THE MANAGEMENT BOARD**

The management board (the "**Board**") of Schramm Holding AG (the "**Company**", together with its subsidiaries, the "**Group**") was informed by the supervisory board of the Company (the "**Supervisory Board**") that it considers to appoint Dr. Sung Su HAN ("**Dr. Han**") as a member of the Board (a "**Director**") and the chief operation officer of the Company and to enter into a

service contract with Dr. Han (“**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.

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. The appointment of Dr. Han will therefore only be effective and valid after the relevant resolution of the Supervisory Board being passed.

### **Biographical details of Dr. Han and Dr. Han’s Service Contract**

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 Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). 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 Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (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.

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. 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. Further details of Dr. Han's Service Contract are set out in the circular of the Company dated 23 July 2010.

#### **EXTENSION OF SERVICE CONTRACT WITH MR. KYUNG SEOK CHAE**

Mr. Kyung Seok Chae is a Director and the chief strategic officer of the Group. 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 contract ("**Mr. Chae's Service Contract**", together with the Dr. Han's Service Contract, the "**Service Contracts**") 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. Further details of Mr. Chae's Service Contract are set out in the circular of the Company dated 23 July 2010.

#### **REASONS OF ENTERING INTO 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.

## 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 shareholders other than those who has a material interest in the Service Contracts (the "**Independent Shareholders**") at a general meeting pursuant to Rule 13.68 of the Listing Rules.

## EXTRAORDINARY GENERAL MEETING

The Board will seek anticipated approval by the Independent Shareholders at the extraordinary general meeting of the Company (the "**EGM**") for the potential appointment of Dr. Han by the Supervisory Board and the Service Contracts. The remuneration committee of the Company (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. A circular, containing among others, a letter from the Remuneration Committee and the invitation to the EGM will be dispatched to the shareholders as soon as practicable.

By Order of the Board  
**CHAE Kyung Seok**  
*Director*

Hong Kong, 23 July 2010

At the date of this announcement,

*Management Board comprises of:*

Mr. Peter BRENNER  
Mr. CHAE Kyung Seok

*Supervisory Board comprises of:*

Mr. OH Jung Hyun, chairman  
Mr. KOO Jeong Ghi, vice chairman  
Mr. SOHN Min Koo  
Mr. KO Bang Seon<sup>#</sup>  
Mr. LEE Choong Min<sup>#</sup>  
Mr. SHIN Kiyoun<sup>#</sup>

<sup>#</sup> Independent supervisors

\* *for identification purpose only*