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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
CONTINUING CONNECTED TRANSACTIONS
NEW TOLL MANUFACTURING AGREEMENT
AND
NEW MASTER SALES AND PURCHASE AGREEMENTS**

Pursuant to the previous announcements jointly made by the Company and the Offeror in relation to the voluntary conditional cash offer made by the Offeror (“Offer”), it was disclosed that the Offeror would acquire the SSCP Coatings Business in Korea following the closing of the Offer. On 2 December 2011, the acquisition of the SSCP Coatings Business was completed and the SSCP Coatings Business has since then been taken up by ANICK. In order to continue the normal operation of the Group, the Company entered into the CCT Agreements with ANICK, a wholly-owned subsidiary of AkzoNobel, for a term commencing from 5 December 2011 to (i) 31 March 2012 or (ii) the date of Delisting, whichever is earlier. The summarised terms of the CCT Agreements are set out below.

Given the applicable percentage ratios in respect of each of the Transaction Caps for the CCT Agreements exceed 0.1% and HK\$1,000,000, and are less than 5%, the transactions contemplated under the CCT Agreements are subject to the reporting and announcement requirements only under the Listing Rules.

Pursuant to the previous announcements jointly made by the Company and the Offeror in relation to the voluntary conditional cash offer made by the Offeror, it was disclosed that the Offeror would acquire the SSCP Coatings Business in Korea following the closing of the Offer. On 2 December 2011, the acquisition of the SSCP Coatings Business was completed and the SSCP Coatings Business has since then been taken up by ANICK. The Company has entered into a Deed of Termination with SSCP on 1 December 2011 to terminate the toll manufacturing agreement, master sales agreement and master purchase agreement formally entered into with SSCP, respectively on 9 September 2011, 10 December 2009 and 9 September 2011 (collectively known as “**Terminated Agreements with SSCP**”) after the said completion. In order to ensure the continuation of the Group’s normal operation and the compliance of the Listing Rules prior to the Delisting, a New Toll Manufacturing Agreement, a New Master

Sales Agreement and a New Master Purchase Agreement were entered into with ANICK for a term commencing from 5 December 2011 to (i) 31 March 2012 or (ii) the date of Delisting, whichever is earlier.

(1) THE NEW TOLL MANUFACTURING AGREEMENT

Date:

5 December 2011

Parties:

- (i) Schramm Holding AG
- (ii) ANICK

Principal terms:

Under the New Toll Manufacturing Agreement,

- (a) The Group supplies raw materials and intermediary goods to ANICK for the production of coatings products (including the license of certain know-how and technology rights by the Group to ANICK at nil consideration for the manufacturing process); and
- (b) ANICK sells the coatings 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 coatings products supplied by ANICK 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 ANICK in the manufacturing of the coatings products.

Caps:

The caps for the New Toll Manufacturing Agreement are as follows:

Sales Cap: €400,000 (equivalent to approximately HK\$4,134,052)

Purchases Cap: €4,700,000 (equivalent to approximately HK\$48,575,111)

(2) THE NEW MASTER SALES AGREEMENT

Date:

5 December 2011

Parties:

- (i) Schramm Holding AG
- (ii) ANICK

Principal terms:

Under the New Master Sales Agreement, the Group supplies raw materials, intermediary goods and coatings products to AkzoNobel Group, which are on-sold by AkzoNobel Group, at terms no less favourable than those offered to independent third party customers.

Cap:

The cap for the New Master Sales Agreement is €800,000 (equivalent to approximately HK\$8,268,104).

(3) THE NEW MASTER PURCHASE AGREEMENT**Date:**

5 December 2011

Parties:

- (i) Schramm Holding AG
- (ii) ANICK

Principal terms:

Under the New Master Purchase Agreement, the Group sources certain raw materials, intermediary goods and commodities from the AkzoNobel Group. The prices of the raw materials, intermediary goods and commodities are determined on an arm's length negotiation, at the lower of the prices offered by independent third parties and the AkzoNobel Group's acquisition costs plus a maximum margin of 10%.

Cap:

The cap for the New Master Purchase Agreement is €3,200,000 (equivalent to approximately HK\$33,072,416).

DETERMINATION OF TRANSACTION CAPS:

In determining the Transaction Caps, the Board took into account (i) the historical transaction amounts under the Terminated Agreements with SSCP (as set out below) and (ii) the estimated needs for the sale to and purchase from the AkzoNobel Group in the next few months.

	2008	2009	2010	2011 January to October
Actual sales amount under the toll manufacturing agreement (equivalent to approximately	€556,000 HK\$5,746,332	€279,000 HK\$2,883,501	€630,000 HK\$6,511,132	€353,000 HK\$3,648,301
Actual purchase amount under the toll manufacturing agreement (equivalent to approximately	€7,480,000 HK\$77,306,772	€6,189,000 HK\$63,964,120	€10,981,000 HK\$113,490,063	€10,442,000 HK\$107,919,427
Actual sales amount under the master sales agreement (equivalent to approximately	€65,200 HK\$673,850	€283,000 HK\$2,924,842	€194,000 HK\$2,005,015	€237,373 HK\$2,453,283
Actual purchase amount under the master purchase agreement (equivalent to approximately	€6,300,000 HK\$65,111,319	€4,023,000 HK\$41,578,228	€4,961,000 HK\$51,272,580	€3,959,339 HK\$40,920,286

INFORMATION OF THE GROUP AND AKZONOBEL GROUP

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.

ANICK is a wholly-owned subsidiary of AkzoNobel, which is the largest global paints and coatings company and a major producer of specialty chemicals. AkzoNobel supplies industries and consumers worldwide with innovative products and are passionate about developing sustainable answers for its customers. as AkzoNobel's portfolio includes well known brands such as Dulux, Sikkens, International and Eka. Headquartered in Amsterdam, the Netherlands, AkzoNobel is a Global Fortune 500 company and is consistently ranked as one of the leaders in the area of sustainability. With operations in more than 80 countries, AkzoNobel's 55,000 people around the world are committed to excellence and delivering Tomorrow's Answers Today™. AkzoNobel's common shares are listed on the stock exchange of Euronext Amsterdam.

LISTING RULES APPLICATIONS

As ANICK is a wholly owned subsidiary of AkzoNobel, the ultimate controlling shareholder of the Company, ANICK is a connected person and the transactions contemplated under the CCT Agreements constitute continuing connected transactions for the Company under the Listing Rules. The Board considers that the terms of the CCT Agreements and the Transaction Caps in respect thereof are fair and reasonable and are entered into on normal commercial terms, or on terms no less favourable than those available to independent third parties under the prevailing market terms, in the ordinary and usual course of business of the Company and in the interests of the Group and its shareholders as a whole. Given the applicable percentage ratios in respect of the

Transaction Caps for the CCT Agreements exceed 0.1% and HK\$1,000,000, and are less than 5%, the transactions contemplated under the CCT Agreements are subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

No Director has a material interest in the transactions contemplated under the CCT Agreements. None of the Directors was required to abstain from voting in respect of the resolutions to approve the CCT Agreements.

DEFINITIONS

“AkzoNobel”	AkzoNobel N.V., a publicly listed company incorporated under the laws of Netherlands whose common shares are listed on the stock exchange of Euronext Amsterdam, and a Global Fortune 500 company with operations in more than 80 countries
“AkzoNobel Group”	AkzoNobel N.V. and its subsidiaries from time to time
“ANICK”	AkzoNobel Industrial Coatings Korea Limited, a company wholly-owned by AkzoNobel
“Board”	the management board of the Company
“CCT Agreements”	collectively, the New Toll Manufacturing Agreement, the New Master Sale Agreement and the New Master Purchase Agreement
“Company”	Schramm Holding AG, a joint stock company incorporated under the law of Germany, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 955)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Deed of Termination”	a deed of termination entered into between SSCP and the Company on 1 December 2011 to terminate the Terminated Agreements with SSCP
“Delisting”	the withdrawal of listing of the shares of the Company on the Stock Exchange
“Director(s)”	director(s) of the Company
“Euro” or “€”	the lawful currency of the member states of the European Union
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Master Purchase Agreement”	the agreement dated 5 December 2011 entered into between the Company and ANICK in relation to, among the others, the purchase of products from the AkzoNobel Group by the Group under the master purchase arrangements

“New Master Sales Agreement”	the agreement dated 5 December 2011 entered into between the Company and ANICK in relation to, among the others, the sales of products to the AkzoNobel Group by the Group under the master sales arrangements
“New Toll Manufacturing Agreement”	the agreement dated 5 December 2011 entered into between the Company and ANICK in relation to, among the others, the sales and purchase of coatings products to/from the AkzoNobel Group by the Group under the toll manufacturing arrangements
“Offeror”	Salvador AG, a joint Stock Company incorporated under the laws of Germany and a wholly-owned subsidiary of AkzoNobel
“Shareholder(s)”	holder of the shares of the Company
“SSCP”	SSCP Co., Ltd., a company incorporated in Korea and listed on the Korean Securities Dealers Automated Quotations
“SSCP’s Coating Business”	the business of SSCP consisting of the research, development, marketing, manufacturing and selling of any products relating to coatings based on organic and inorganic materials which are applied to the surface of an object to impart specific surface properties to the substrate, such as appearance, wear and scratch resistance which can be waterborne (water dispersible or water soluble), solvent borne, solid particles (powder) or liquid which contains neither organic solvents nor water, and excluding the other business of SSCP, including without limitation the business of manufacturing and marketing electronic materials
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Caps”	the transaction cap amounts for the sales and purchase amount under the New Toll Manufacturing Agreement, the amount of sales of coatings products under the New Master Sales Agreement and the amount of purchases of coatings products under the New Master Purchase Agreement

By Order of the Board
Kyung Seok CHAE
Director

Hong Kong, 7 December 2011

All amounts denominated in Euro have been translated into HK\$ at an exchange rate of Euro 1.00 = HK\$10.33513 in this announcement for illustration purpose only.

* *for identification purpose only*

As at the date of this announcement, Mr Peter Brenner and Mr Kyung Seok Chae are directors on the Management Board of the Company and Mr Kiyoung Shin is an Independent Supervisor on the Supervisory Board.