

A FURTHER INFORMATION ABOUT OUR COMPANY

1 Incorporation of our Company

Our Company was incorporated in Germany as a limited partnership (*Kommanditgesellschaft*) under the German Commercial Code (*Handelsgesetzbuch, HGB*). It was subsequently converted into a company with limited liability (*GmbH*) under the German Act regarding Companies with Limited Liability (*Gesetz betreffend die Gesellschaften mit beschränkter Haftung, GmbHG*) on 26 June 2000, and then into an AG under the German Stock Corporation Act on 21 November 2008. Our head office is at Kettelerstraße 100, D-63075 Offenbach/Main, Germany. We have established a place of business in Hong Kong at Unit 07, 25/F., Lippo Centre, Tower 1, 89 Queensway, Admiralty, Hong Kong and have been registered as a non-Hong Kong company under Part XI of the Hong Kong Companies Ordinance under the same address. Mr Chae Kyung Seok and Mr Chan Yuen Fai Kenny have been appointed as our agents for the acceptance of service of process and notices at the same address. As we are incorporated in Germany, our corporate structure and our Articles of Association are subject to the relevant laws of Germany. A summary of the relevant provisions of our Articles of Association and certain relevant aspects of German companies laws are set out in the sections headed “Appendix VII — Summary of our Constitutional Documents and Internal Rules” and “Appendix V — Summary of German Legal and Regulatory Provisions” to this prospectus.

2 Changes in share capital of our Company

The following sets out the changes in our share capital within the two years preceding the date of this prospectus:

- (a) On 8 July 2008, our Company increased its share capital by €6,500,000 to €7,900,000 through the issue of one share to SSCP by means of conversion of capital reserves.
- (b) On 22 August 2008, our Company increased its share capital by €870,000 to €8,770,000 through the issue one share for a cash consideration of €300,000 to Myriad Fine Investment Limited, one share for a cash consideration of €350,000 to Pacific Finance Limited and one share for a cash consideration of €220,000 to Apex Link Investment Limited.
- (c) On 21 November 2008, a general mandate was granted to our Management Board and it was authorised to increase the share capital of our Company by an amount up to €4,385,000 by the issuance of new shares against contribution until 1 August 2013 (**Authorised Capital 2008/1**).
- (d) The general mandate under the Authorised Capital 2008/1 was exercised and the share capital of our Company was increased by €4,385,000 to €13,155,000 through the issue of 4,385,000 Common Stocks to Humble Humanity for a cash consideration of €15,290,495. The capital increase was registered with the commercial register on 24 April 2009.

- (e) On 12 November 2009, our Company increased its share capital by €1,750,000 to €14,905,000 through the issue of 1,750,000 Common Stocks to SBHK for the capitalisation and cancellation of the outstanding loan in an amount of €7,612,500 due from Schramm Hong Kong to SBHK.
- (f) Under a shareholders' resolution dated 2 December 2009, which was registered with the commercial register on 11 December 2009, all Common Stocks were converted from ordinary non-par value shares representing a pro rata amount of €1.00 of the share capital of our Company into par value registered shares with a par value of €1.00 each.
- (g) Under a shareholders' resolution dated 2 December 2009, which was registered with the commercial register on 11 December 2009, our Shareholders approved the capital increase of €5,000,000 of our Company by the issuance of new shares against contribution in cash.
- (h) Under a shareholders' resolution dated 2 December 2009, which was registered with the commercial register on 11 December 2009, a general mandate was granted to our Management Board. Our Management Board was authorized to increase the share capital of our Company by up to an amount of €2,981,000 until 30 June 2010 by the issuance of new Shares against contribution in cash or in kind once or several times (Authorised Capital 2009/II).

Further information on alternation in the capital of our Company within the two years immediately preceding the issue of this prospectus:

Date	Name of shareholders	Nominal amount(s) of share capital/ Common Stocks/ Shares	Change in share capital
8 July 2008	SSCP	€1,315,950 €46,550 €21,900 €15,600 €6,500,000	Capital increase
22 August 2008	Myriad Fine Investment Ltd.	€300,000	Capital increase
22 August 2008	Pacific Finance Ltd.	€350,000	Capital increase
22 August 2008	Apex Link Investment Ltd.	€220,000	Capital increase
21 November 2008	SSCP	€7,900,000 converted into 7,900,000 Common Stocks	Conversion of share capital into Common Stocks under the conversion of GmbH into AG

Date	Name of shareholders	Nominal amount(s) of share capital/ Common Stocks/ Shares	Change in share capital
21 November 2008	Myriad Fine Investment Ltd.	€300,000 converted into 300,000 Common Stocks	Conversion of shares capital into Common Stocks under the conversion of GmbH into AG
21 November 2008	Pacific Finance Ltd.	€350,000 converted into 350,000 Common Stocks	Conversion of share capital into Common Stocks under the conversion of GmbH into AG
21 November 2008	Apex Link Investment Ltd.	€220,000 converted into 220,000 Common Stocks	Conversion of share capital into Common Stocks under the conversion of GmbH into AG
24 April 2009	Humble Humanity	4,385,000 Common Stocks	Allotment of Common Stocks
12 November 2009	SBHK	1,750,000 Common Stocks	Allotment of Common Stock

Immediately after the Global Offering becomes unconditional and the Offer Shares are issued, our share capital upon completion of the Global Offering will be divided into 19,905,000 Shares of €1.00 each, allotted and issued as fully paid Shares. There is no present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of the Shareholders at a general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this prospectus, there has been no alteration to our share capital within the two years preceding the date of this prospectus.

3 Resolutions of our Shareholders

Under a shareholders' resolutions dated 2 December 2009, which were registered with the commercial register on 11 December 2009, our Shareholders approved the capital increase of €5,000,000 of our Company by the issuance of new Shares against contribution in cash.

It was also resolved under the same shareholders' resolution that the Articles of Association be approved and adopted (the amendment of the articles have been registered with the commercial register on 11 December 2009).

The Listing and Global Offering were approved and our Management Board is authorised to approve, perform or execute all necessary acts in connection with the Listing and Global Offering.

General mandate to issue Shares (authorised capital)

Our Shareholders have granted our Management Board an authorisation to increase the share capital of our Company and a general mandate to allot and issue Shares in the course of such increase with the approval of our Supervisory Board once or several time up to the aggregate nominal value of the Shares not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue as at the date of passing of the resolution (being 2,981,000 Shares of aggregate nominal value of €2,981,000) (Authorised Capital 2009/II).

This general mandate to issue Shares will remain in effect until 30 June 2010.

The above authorisation and general mandate were registered with the commercial register on 11 December 2009.

General mandate to repurchase Shares

Our Shareholders have granted our Management Board a general mandate to exercise all our powers to repurchase and cancel Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of our Company's share capital in issue as at the date of passing of the resolution. Based on 14,905,000 Shares in issue as at the date of the Shareholders' approval, our Management Board is authorized to repurchase and cancel up to 1,490,500 Shares.

This mandate only relates to repurchases made on the Hong Kong Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose), and made in connection with all applicable laws and regulations including German laws, and the requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in the paragraph headed "6. Repurchases of our own securities" in this section. Apart from the Listing Rules and relevant laws which are applicable to our Company in the repurchase of its shares, the general mandate also sets out the lowest and highest price for which the Shares may be repurchased. Subject to the restrictions on repurchase of our Shares as set out in the Listing Rules, the consideration paid by our Company per Share shall not exceed 10% and shall not fall below 10% of the average closing price of our Shares at the electronic trading system at the Main Board of the Hong Kong Stock Exchange during the last three trading days prior to the acquisition of our Shares (excluding cost of acquisition).

The general mandate to repurchase and cancel Shares will remain in effect until 30 June 2010.

Expiry of General Mandate

Rule 13.36(3) of the Listing Rules provides that a general mandate given under Rule 13.36(2) shall only continue in force until the earlier of:

- (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse, unless the mandate is renewed by shareholders in general meeting; and
- (b) revoked or varied by ordinary resolution of the shareholders in general meeting.

Rule 10.06(1)(c)(ii) provides for similar expiry date for general mandate granted to the board of directors for repurchase of the listed issuer's own shares.

Pursuant to the internal rules of our Supervisory Board, our Management Board shall ensure the compliance with the relevant Listing Rules regarding expiry of the general mandates. In the event that an annual general meeting of our Company takes place before the expiry date of the general mandates (i.e. authorised capital) as approved by the shareholders, our Management Board shall procure that a resolution be proposed to and considered by our Shareholders in the annual general meeting of our Company, for (i) revocation and termination of the existing general mandate, or (ii) renewal or grant of a new general mandate with an expiry date determined by our Shareholders.

4 Changes in share capital of our subsidiaries

Our subsidiaries are referred to in the accountant's report of the Company as set out in Appendix IA to this prospectus. The following alterations in the share capital (or registered capital, as the case maybe) of our subsidiaries have taken place within the two years preceding the date of this prospectus:

Schramm Coatings

Upon its incorporation on 22 August 2008, the issued share capital of Schramm Coatings amounted to €25,000. This was increased by €5,000 to €30,000 on 8 October 2008 through the issue of one share in the nominal amount of €5,000 to our Company as the consideration for the spin-off of the entire operational business of our Company (including certain equity interests in other companies and excluding certain specified assets) to Schramm Coatings on 8 October 2008 under the Spin-off Agreement. Please refer to the paragraph headed "History and Corporate Structure — Reorganisation and Acquisitions" of this prospectus for details.

Schramm Hong Kong

- (a) On 14 March 2008, 857,999 shares of HK\$1 each were allotted to Schramm Coatings at par value which has been fully paid up.
- (b) On 25 March 2008, 780,000 shares of HK\$1 each were allotted to Schramm Coatings at par value which has been fully paid up.

- (c) On 24 December 2008, the authorised share capital of Schramm Hong Kong was increased from HK\$1,716,000 to HK\$22,563,270 and 20,925,270 ordinary shares of HK\$1 each were allotted to Schramm Coatings at a consideration of HK\$10 each, which were fully paid up.
- (d) On 18 November 2009, the registered share capital of Schramm Hong Kong was increased by HK\$8,341,017 to HK\$30,904,287, and 8,341,017 ordinary shares of HK\$1 each were allotted to Schramm Coatings and were fully paid up, in consideration of the capitalization and cancellation of the book debts in an amount of HK\$75,069,153 due from Schramm Hong Kong to Schramm Coatings.

Ultra Million

On 29 November 2008, the authorised share capital of Ultra Million was increased from HK\$10,000 to HK\$67,860,000 and 67,859,999 ordinary shares of HK\$1 each were allotted to SBHK at par value which has been fully paid up.

Uranus

On 29 November 2008, the authorised share capital of Uranus was increased from HK\$10,000 to HK\$56,940,000 and 56,939,999 ordinary shares of HK\$1 each were allotted to SBHK at par value which has been fully paid up.

Schramm Shanghai

On 12 May 2008, the registered share capital of Schramm Shanghai was increased from US\$2,100,000 to US\$5,200,000 which has been fully paid up.

Schramm Huizhou

On 20 May 2008, the registered share capital of Schramm Huizhou was increased from US\$1,820,000 to US\$4,400,000 which has been fully paid up.

Schramm Tianjin

The registered share capital of Schramm Tianjin was increased from US\$4,000,000 to US\$5,800,000 on 28 November 2007 and then to US\$8,000,000 on 16 April 2008, each has been fully paid up.

Schramm Thailand

No alterations to its share capital have taken place since its incorporation.

Schramm Korea

The authorised shares of the common stock of Schramm Korea was increased from 200,000 shares to 800,000 shares on 28 August 2007.

Schramm Spain

No alterations to its share capital have taken place within the two years preceding the date of this prospectus.

Save as disclosed in this prospectus, there has been no other alteration in the share capital of our subsidiaries in the two years preceding the date of this prospectus.

5 The Reorganisation

Please refer to the paragraph headed “History and Corporate Structure — Reorganisation and Acquisitions” of this prospectus for further details of the reorganisation of our Group.

6 Repurchases of our own securities

This section includes information relating to the repurchase of our Shares, including information required by the Stock Exchange to be included in this prospectus concerning such repurchase.

(a) Relevant Legal and Regulatory Requirements

The Hong Kong Listing Rules permit our Shareholders to grant to our Management Board a general mandate to exercise all our powers to repurchase and cancel Shares that are listed on the Stock Exchange. Such mandate is required to be given by way of an ordinary resolution passed by our Shareholders at a general meeting.

(b) Shareholders' Approval

For compliance with the Listing Rules, all proposed repurchases of Shares (which must be fully paid up) must be approved in advance by our Shareholders at a general meeting, either by way of general mandate or by specific approval of a particular transaction. Pursuant to shareholders resolutions passed on 2 December 2009 and registered with the commercial register on 11 December 2009, our Management Board was granted a general mandate to exercise all our powers to repurchase and cancel Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of our Company's share capital in issue as at the date of passing of the resolution. This mandate only relates to repurchases made on the Hong Kong Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose), and made in connection with all applicable laws and regulations including German laws, and the requirements of the Listing Rules. This general mandate to repurchase Shares will remain in effect until 30 June 2010.

(c) Source of Funds

Our repurchase of the Shares listed on the Stock Exchange must be funded out of funds legally available for the purpose in accordance with our Articles of Association and the applicable laws and regulations including German laws and the requirements of the Listing

Rules. We may not repurchase our Shares on the Stock Exchange for consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange and German Laws. Subject to the foregoing, we may make repurchases out of our profit or out of the proceeds of a fresh issue of Shares for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of our Shares to be repurchased must be out of profits of our Company or out of our Company's share premium account. If authorised by our Articles of Association and subject to the German laws, repurchase may also be made out of capital.

(d) *Reasons for Repurchases*

Our Management Board believes that it is in our and our Shareholders' best interests for our Management Board to have general authority to execute repurchases of our Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Management Board believes that such repurchases will benefit us and our Shareholders.

(e) *Funding of Repurchases*

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with our Articles of Association, the German laws and the Hong Kong Listing Rules. On the basis of the current financial position of our Company as disclosed in this prospectus and taking into account the current working capital position of our Company, our Management Board believes that, if the repurchase mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or the gearing position as compared with the position disclosed in this prospectus. However, our Management Board does not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Management Board are from time to time appropriate for us.

(f) *Share Capital*

On the basis of 14,905,000 Shares in issue as at the date of the Shareholders' approval, our Management Board is authorized to repurchase and cancel up to 1,490,500 Shares in the event that the current repurchase mandate is exercised in full.

(g) *General*

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any of our Shares to us. Our Management Board has undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Hong Kong Listing Rules and Articles of Association and any other applicable laws of the German Laws. If, as a result of any repurchase of our Shares, a Shareholder's proportionate interest in our voting rights

is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Our Management Board is not aware of any consequences of repurchases which would arise under the Takeovers Code. No connected person as defined by the Hong Kong Listing Rules has notified us that he has a present intention to sell his Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

7 Terms and conditions of the Exchangeable Bonds

The principal terms and conditions under the Exchangeable Bonds Subscription Agreements and the terms and conditions of the Exchangeable Bonds are set out below:

(i) *Form and denomination*

The definitive certificates of the Exchangeable Bonds are issued in bearer form in the respective denomination as set out in the Exchangeable Bonds Subscription Agreements. Subject to the terms and conditions of the Exchangeable Bonds, Humble Humanity promises to pay the bearer upon presentation and surrender (or, in the case of part payment, endorsement) of the definitive certificates of the Exchangeable Bonds the respective principal amount of the Exchangeable Bonds outstanding on the Initial Maturity Date (as defined below) (or, as the case may be, on the New Maturity Date (as defined below)) together with any premium, interest and other amounts as may be payable under the Exchangeable Bonds.

(ii) *Maturity*

The Exchangeable Bonds have a term of two years commencing from (and including) the date of issue (i.e. 3 December 2008) (the “**Issue Date**”), and shall mature on the last day of the second anniversary of the Issue Date (i.e. 3 December 2010) (the “**Initial Maturity Date**”). In case the Shares become listed on any stock exchange at any time prior to the Initial Maturity Date, the maturity date of the Exchangeable Bonds will be changed to the date which is one month and one week from the expiration the lock-up period applicable to Humble Humanity in respect of the Exchange Shares (as defined below) (the “**New Maturity Date**”).

(iii) *Interest*

The Exchangeable Bonds do not bear any interest, other than the amount payable upon redemption of the Exchangeable Bonds in accordance with the terms and conditions of the Exchangeable Bonds. Exchangeable Bondholder(s) holding, in the aggregate 5% of the outstanding principal amount of the Exchangeable Bonds, may give notice to Humble Humanity if any of events of default occurs and is continuing, and in which case the Exchangeable Bonds will immediately become due and repayable at the early redemption price as provided under the terms and conditions of the Exchangeable Bonds, together with a sum equal to interest accruing on such early redemption price at the rate of 15% per annum.

(iv) *Redemption Rights*

Unless previously redeemed, exchanged or purchased and cancelled in accordance with the terms and conditions of the Exchangeable Bonds, Humble Humanity shall redeem all the outstanding Exchangeable Bonds at the redemption price (the “**Redemption Price**”) in the following circumstances:

- (A) **Maturity:** Humble Humanity shall redeem all the outstanding Exchangeable Bonds on the Initial Maturity Date or the New Maturity Date, as the case may be at a Redemption Price equal to:

For Exchangeable Bonds Subscription Agreement (A):

Principal amount of
the outstanding Exchangeable Bonds $\times (1+12.0\%)^{(m / 365)}$

For Exchangeable Bonds Subscripton Agreements (B), (C) and (D):

Principal amount of
the outstanding Exchangeable Bonds $\times (\text{FXadjuster}) \times (1+12.0\%)^{(m / 365)}$

whereas,

“FXadjuster”= FXi / FXm

“FXi” = (i) KRW188.8 = HK\$1.00 (for Exchangeable Bonds Subscription Agreement (B));

(ii) KRW1,481.00 = US\$1.00 (for Exchangeable Bonds Subscription Agreement (C)); or

(iii) KRW1,468 = US\$1.00 (for Exchangeable Bonds Subscription Agreement (D))

“FXm” = average of the market exchange rate between the HK\$ (or US\$, as the case may be) and the KRW appearing on Korea Financial Telecommunications and Clearings Institute page 18 quoted by the Seoul Money Brokerage Services, Ltd. (the “**Market Exchange Rate**”) for the two business days immediately prior to the Initial Maturity Date or the New Maturity Date, as the case may be.

“m” equals the number of days from the Issue Date to the Initial Maturity Date or the New Maturity Date, as the case may be.

- (B) **Redemption for Taxation Reasons:** If Humble Humanity satisfies the Exchangeable Bondholders that, as a result of any change in, amendment or non-renewal of or judicial decision relating to, the laws of Malaysia or any treaty to which Malaysia is

a party, or any change in the official application of any such laws or treaty, in each case occurring after the Issue Date, on the occasion of the next payment due in respect of any Exchangeable Bond, Humble Humanity would be required to pay additional amounts for taxation, Humble Humanity may, at its option, subject to giving notice to the Exchangeable Bondholders in accordance with the terms and conditions of the Exchangeable Bonds, redeem all (but not part of) the outstanding Exchangeable Bonds at a Redemption Price equal to:

For Exchangeable Bonds Subscription Agreement (A):

Principal amount of
the outstanding Exchangeable Bonds $\times (1+12.0\%)^{(t / 365)}$

For Exchangeable Bonds Subscription Agreements (B), (C) and (D):

Principal amount of
the outstanding Exchangeable Bonds $\times (\text{FXadjuster}) \times (1+12.0\%)^{(t / 365)}$

whereas,

“FXadjuster”= FXi / FXt

“FXi” = (i) KRW188.8 = HK\$1.00 (for Exchangeable Bonds Subscription Agreement (B));

(ii) KRW1,481.00 = US\$1.00 (for Exchangeable Bonds Subscription Agreement (C));

(iii) KRW1,468 = US\$1.00 (for Exchangeable Bonds Subscription Agreement (D))

“FXt” = average of the Market Exchange Rate for the two business days immediately prior to the redemption date

“t” equals the number of days from the Issue Date to the redemption date.

(v) *Exchange Rights*

The Exchangeable Bondholders shall have the right (the “**Exchange Rights**”) to exchange their Exchangeable Bonds into Shares (the “**Exchange Shares**”) and such other property as may be available from time to time for exchange pursuant to the terms and conditions of the Exchangeable Bonds (together, the “**Exchange Property**”) in full or in part (or beneficial interest therein) at any time during the Exchange Period (as defined below). The Exchange Rights may be exercised, at the option of the Exchangeable Bondholders, at any time from and including the date on which the lock-up period applicable to the Exchange Shares expires up to

the day falling seven days prior to the New Maturity Date (the “**Exchange Period**”). The Exchangeable Rights may only be exercised with respect to Exchangeable Bonds having minimum denominations of the amount stated in the terms and conditions of the Exchangeable Bonds or their integral multiples.

(vi) *Exchange Price*

The price at which an Exchange Share will be delivered upon exchange (the “**Exchange Price**”) will initially be determined according to the following (subject to adjustments in accordance with the terms and conditions of the Exchangeable Bonds):

- (A) In the event of a Qualified Listing (as defined below) at any time prior to the date which is one year from the Issue Date, the Exchange Price will be the lower of:

For Exchangeable Bond Subscription Agreement (A):

- (i) €4.00 per Share converted into HK\$ at the average market exchange rate between Euro and the HK\$ appearing on Reuters at 9:00 a.m. on the Pricing Date (as defined below); and
- (ii) 75% of the Listing Price (as defined below), rounding the resulting number down to the nearest cent.

For Exchangeable Bonds Subscription Agreements (B), (C) and (D):

- (i) €4.00 per Share converted into KRW at the Market Exchange Rate on the Pricing Date; and
- (ii) 75% of the Listing Price converted into KRW at the Market Exchange Rate on the Pricing Date, rounding the resulting number down to the nearest KRW.

- (B) In the event of a Qualified Listing at any time on or after the first anniversary of the Issue Date, the Exchange Price will be the lower of:

For Exchangeable Bond Subscription Agreement (A):

- (i) €4.00 per Share converted into HK\$ at the average market exchange rate between Euro and the HK\$ appearing on Reuters at 9:00 a.m. on the Pricing Date (as defined below); and
- (ii) 70% of the Listing Price (as defined below), rounding the resulting number down to the nearest cent.

For Exchangeable Bonds Subscription Agreements (B), (C) and (D):

- (i) €4.00 per Share converted into KRW at the Market Exchange Rate on the Pricing Date (as defined below); and
- (ii) 70% of the Listing Price (as defined below) converted into KRW at the Market Exchange Rate on the Pricing Date, rounding the resulting number down to the nearest KRW.

whereas:

“**Qualified Listing**” means an initial public offering and listing of the Shares on the Korea Exchange, NASDAQ, London Stock Exchange (AIM), Singapore Stock Exchange, Hong Kong Stock Exchange, or any other stock exchange in any country (“**Recognised Stock Exchange**”).

“**Listing Price**” means the initial price at which the Shares are to be listed on the Recognised Stock Exchange.

“**Pricing Date**” means the date on which the price per shares for initial public offering and listing of the Shares on the Recognised Stock Exchange is officially determined.

The number of Shares required to constitute the Exchange Property will be determined by Humble Humanity by dividing the principal amount of the Exchangeable Bonds (converted into the KRW at the fixed exchange rate of (i) KRW188.88 = HK\$1.00 for Exchangeable Bonds Subscription Agreement (B); (ii) US\$1.00 = KRW1,481 for Exchangeable Bonds Subscription Agreement (C); and (iii) US\$1.00 = KRW1,468 for Exchangeable Bonds Subscription Agreement (D)) by the Exchange Price in effect on the Exchange Date and, subject to the provisions of this paragraph (c), rounding the resulting number down to the nearest whole number of Exchange Shares. Fractions of a Share will not be exchanged and no adjustment or cash payment will be made in respect thereof.

(vii) *Adjustment of Exchange Price*

Upon notification by our Company of the following events of adjustment to Humble Humanity, the Exchange Price shall be adjusted as follows:

- (a) *Free distributions of Shares, sub-divisions, consolidations and reclassifications.* If our Company shall (i) make a free distribution or bonus issue of Shares, (ii) sub-divide its outstanding Shares, (iii) consolidate its outstanding Shares into a smaller number of Shares, or (iv) reclassify any of its Shares into other securities of our Company, then the Exchange Price shall be appropriately adjusted so that the holder of any Exchangeable Bond as of the day specified in the relevant notice requiring exchange of the Exchangeable Bonds (the “**Exchange Date**”) in respect of which occurs after the coming into effect of the adjustment described in this paragraph

(a), shall be entitled to receive the number of Shares and/or other securities of our Company which it would have held or would have been entitled to receive after the happening of any of the events described above in this paragraph had such Exchangeable Bond been exchanged immediately prior to the happening of such event (or, if our Company has fixed a prior record date for the determination of shareholders entitled to receive any such free distribution of Shares or other securities issued upon any such sub-division, consolidation or re-classification, immediately prior to such record date), but without prejudice to the effect of any other adjustment to the Exchange Price made with effect from the date of the happening of such event (or such record date) or at any time thereafter.

An adjustment made pursuant to this paragraph (a) shall become effective immediately on the relevant event referred to above becoming effective or, if a record date is fixed therefor, immediately after such record date; *provided* that, in the case of a free distribution or bonus issue of Shares which must, under applicable German law, be submitted for approval to a general meeting of shareholders or be approved by a meeting of the Board before being legally paid or made, and which is so approved after the record date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately after such approval being given by such meeting, become effective retroactively to immediately after such record date.

- (b) *Share dividends.* If our Company shall declare a dividend in Shares, then the Exchange Price in effect on the date when such dividend is declared (or, if our Company has fixed a prior record date for the determination of shareholders entitled to receive such dividend, on such record date) shall be adjusted in accordance with the following formula:

$$\text{NEP} = \text{OEP} \times [(N + y) \div (N + n)]$$

where:

NEP = the Exchange Price after such adjustment.

OEP = the Exchange Price before adjustment.

N = the number of Shares outstanding (having regard to paragraph (g) below) at the time of declaration of such dividend (or at the close of business in Seoul on such record date, as the case may be).

n = the number of Shares to be distributed to the shareholders as a dividend; *provided*, that if the Issuer does not receive its pro rata portion of such Shares, the number will be adjusted by multiplying the ratio of the number of shares actually received by the Issuer by the number of Shares corresponding to its pro rata portion.

y = the number of Shares which the aggregate par value of such Shares to be distributed to the shareholders as a dividend would purchase at the Current Market Price Per Share (as defined in paragraph (f) below) on the date of the declaration of such dividend (or, if a prior record date has been fixed as aforesaid, such record date).

An adjustment made pursuant to this paragraph (b) shall become effective as provided with respect to paragraph (a) above; *provided* that in the case of a dividend in Shares which must, under applicable German law, be submitted for approval to a general meeting of shareholders or be approved by a meeting of the Board before being legally paid, and which is so approved after the record date fixed for the determination of shareholders entitled to receive such dividend, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date.

If our Company shall declare a dividend in Shares which dividend is to be paid or made to shareholders as of a record date that is also the record date for the issue of any options, rights or warrants which requires an adjustment of the Exchange Price pursuant to paragraph (c) below, then (except where such dividend gives rise to a retroactive adjustment of the Exchange Price under this paragraph (b)) no adjustment of the Exchange Price in respect of such dividend shall be made under this paragraph (b), but in lieu thereof an adjustment shall be made under paragraph (c) below as described therein as if the dividend Shares received by the Issuer were purchased by it pursuant to such clause (c).

(c) *Issues of options, rights or warrants to purchase Shares or securities convertible or exchangeable for Shares.* If our Company shall grant, issue or offer to the holders of Shares options, rights or warrants entitling them to subscribe for or purchase (x) Shares or (y) any securities convertible into or exchangeable for Shares or any securities that carry rights to subscribe for or purchase Shares (other than any rights granted, issued or offered to and accepted by existing employees of our Company in accordance with mandatory provisions of German law) at a consideration per Share receivable by our Company (determined as provided in paragraph (g) below) which is fixed:

(x) on or prior to the record date mentioned below and is less than the Current Market Price Per Share at such record date; or

(y) after the record date mentioned below and is less than the Current Market Price Per Share on the date our Company fixes the said consideration,

then an adjustment to the Exchange Price shall be made only on the conditions and to the extent (x) that such options, rights or warrants, as the case may be, are actually received and sold (separately from Shares) by Humble Humanity for cash (if applicable, prior to the lapse of such options, warrants or rights) and (y) that Humble Humanity purchases with such sales proceeds (net of any reasonable expenses

incurred, and less the amount to cover any stamp duty, documentary, issue, transfer and registration taxes, fees, expenses and duties payable in connection with the purchase and holding of additional shares or future exchanges thereof), Shares at then market price from our Company, in the market or otherwise at an arm's length transaction; *provided*, that, if the condition provided in (x) above cannot be fulfilled, any and all such options, warrants or rights shall lapse and no change in the Exchange Price or the Exchange Property shall be made; *provided, further*, that, if the condition in (x) above is met but the condition provided in (y) above cannot be fulfilled, the sales proceeds shall form part of the Exchange Property.

In such circumstances, the Exchange Price shall be adjusted in accordance with the following formula:

$$\text{NEP} = \text{OEP} \times [\text{N} \div (\text{N} + \text{AS})]$$

where:

NEP and OEP have the meanings ascribed to thereto in paragraph (b) above.

N = the number of Shares held as Exchange Property at the time of calculation, excluding any additional Shares purchased by Humble Humanity using proceeds from the sale of options, rights or warrants.

AS = the number of additional Shares purchased by Humble Humanity using proceeds from the relevant dividend or from the sale of options, warrants, rights, evidences of indebtedness of our Company, shares of capital stock or securities of our Company (other than Shares) or assets received from our Company.

Any adjustment pursuant to this paragraph (c) shall become effective immediately upon the purchase of any additional Shares by Humble Humanity.

- (d) *Distributions of indebtedness, etc.* If our Company shall distribute to the holders of Shares evidences of its indebtedness, shares of capital stock or securities of our Company (other than Shares), assets or rights or warrants to subscribe for or purchase Shares of capital stock or securities (excluding those rights and warrants referred to in paragraph (c) above and any rights and warrants granted, issued or offered to and accepted by existing employees of our Company in accordance with mandatory provisions of German law), then an adjustment to the Exchange Price shall be made (only on the conditions and to the extent (x) that Humble Humanity is entitled to, and actually receives, such indebtedness, shares, securities, assets, rights or warrants and such indebtedness, shares, securities, assets, rights or warrants, as the case may be, are actually received and sold (separately from Shares) by Humble Humanity for cash (if applicable, prior to the lapse of such rights or warrants) and (y) that Humble Humanity purchases with such sales proceeds (net of any reasonable expenses incurred and less the amount to cover any stamp duty, documentary, issue, transfer and

registration taxes, fees, expenses and duties payable by Humble Humanity in connection with the purchase and holding of additional shares or future exchanges thereof), Shares at then market price from our Company in the market or otherwise at an arm's length transaction; *provided*, that, if the condition provided in (x) above cannot be fulfilled, (I) in the cases of the rights or warrants, any and all such rights or warrants shall lapse and no change in the Exchange Price or the Exchange Property shall be made and (II) in the cases of the evidence of indebtedness, shares, securities or assets, any and all such evidence of indebtedness, shares, securities or assets shall not form part of the Exchange Property; *provided, further* that, if the condition in (x) above is met but the condition provided in (y) above cannot be fulfilled, the sales proceeds shall form part of the Exchange Property.

In such circumstances, the Exchange Price shall be adjusted in accordance with the following formula:

$$\text{NEP} = \text{OEP} \times \left[\frac{\text{N}}{\text{N} + \text{AS}} \right]$$

where:

NEP and OEP have the meanings ascribed thereto in paragraph (b) above.

N = the number of Shares held as Exchange Property at the time of calculation, excluding any additional Shares purchased by Humble Humanity using proceeds from the sale of such indebtedness, shares, securities, assets, rights or warrants.

AS = the number of additional Shares purchased by Humble Humanity using proceeds from the relevant dividend or from the sale of options, warrants, rights, evidences of indebtedness of our Company, shares of capital stock or securities of our Company (other than Shares) or assets received from our Company.

In such circumstances, the Exchange Price shall be adjusted in accordance with the following formula:

Any adjustment pursuant to this paragraph (d)(ii) shall become effective immediately upon the purchase of any additional Shares by Humble Humanity.

- (e) *Actions with analogous effect.* The Exchange Price shall be further subject to adjustment if our Company takes any action or any other event or circumstance occurs in each case not contemplated by paragraphs (a) to (d) above (both inclusive) but which has or would have, in the determination of Humble Humanity, the same effect as or an analogous effect to any of the actions, events or circumstances set out in such

paragraphs, such that any adjustment to the Exchange Price should be made. In making any determination pursuant to this paragraph (e) Humble Humanity shall consult a leading independent securities company or bank in Seoul and shall take fully into account the advice received from such company or bank.

- (f) *Current Market Price Per Share.* For the purposes of this paragraph (vii), the “**Current Market Price Per Share**” on any date shall be deemed to be the average closing price of the Shares or other securities on the Stock Exchange (the “**closing price**”) for one Share or such security for the five consecutive dealing days ending on the dealing day immediately preceding such date; *provided*, that in the event that trading in the Shares becomes or is suspended on any of the five consecutive dealing days, the closing price means the last reported trade price of the Shares immediately prior to such suspension; and *provided further* that if there has been no trading in the Shares on the day of such suspension, or if there is no closing price reported for the Shares for any other reason, the closing price per Share on such dealing day shall be deemed to be the same as that on the immediately preceding dealing day, for the purpose of calculating adjustments to the Exchange Price or, for other purposes, ending on such date; *provided*, that if trading in the Shares or other securities shall be suspended for more than two days or there shall be no dealing in the Shares for more than two days during the five day period, the current market price on a particular date shall be determined as the average closing price for three consecutive dealing days prior to such date on which there was trading in the Shares or other securities.
- (g) *Shares deemed outstanding.* If, at the time of computing an adjustment (the “**later adjustment**”) of the Exchange Price pursuant to paragraphs (c) and, if applicable, (e) above, the Exchange Price already incorporates an adjustment made (or taken or to be taken into account) to reflect an issue of Shares or of securities convertible into or exchangeable for Shares or of options, rights or warrants to subscribe for or purchase Shares or securities, to the extent that the number of such Shares taken into account for the purposes of calculating such adjustment exceeds the number of such Shares in issue at the time relevant for ascertaining the number of outstanding Shares for the purposes of computing the later adjustment, such greater number of Shares shall be deemed to be outstanding for the purposes of making such computation.
- (h) *Minimum adjustments.* No adjustment in the Exchange Price shall be made where such adjustment (rounded down, if applicable) would be less than €1 (or after listing of the Shares on the Stock Exchange, HK\$10); *provided, however*, that any adjustment which by reason of this paragraph (h) is not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (i) *Notices.* In the event of an adjustment in the Exchange Price, a notice to the Exchangeable Bondholders will be published in accordance with the terms and conditions of the Exchangeable Bonds.

(viii) Deposit of additional Shares

In case Humble Humanity does not have sufficient number of Shares to be delivered to the Exchangeable Bondholder exercising the Exchange Right, Humble Humanity will, or cause SSCP and Mr Oh (acting as the guarantors under the Exchangeable Bonds Subscription Agreements) to, immediately deposit such number of additional Shares as would or may be required to be delivered to the Exchangeable Bondholder exercising the Exchange Right; provided, that in case there is insufficient number of Shares to be delivered to the Exchangeable Bondholder exercising the Exchange Right at any time for any reason, Humble Humanity shall proceed with paragraph (ix) below.

(ix) Cash settlement

In the event that an Exchangeable Bondholder cannot lawfully exchange his/its Exchangeable Bond for Exchange Shares and/or other securities comprised in the Exchange Property or there is insufficient number of Shares to be delivered to the Exchangeable Bondholder exercising the Exchange Right at any time for any reason, Humble Humanity undertakes (so long as it is lawful to do so), or cause SSCP and Mr Oh (acting as the guarantors under the Exchangeable Bonds Subscription Agreements) to undertake, to pay to the Exchangeable Bondholder such amount in accordance with the terms and conditions of the Exchangeable Bonds equal to the closing price of the Shares (which such Exchangeable Bondholder would have been entitled on exchange) on the Stock Exchange on the Exchange Date (for Exchangeable Bonds Subscription Agreements (B), (C) and (D), converted into KRW on such date at the Market Exchange Rate of HK\$ and KRW on such date).

B FURTHER INFORMATION ABOUT OUR BUSINESS**1 Summary of material contracts**

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus that are or may be material:

- (1) a sale and purchase agreement dated 31 August 2008 entered into between Schramm Coatings GmbH as the seller and Cashew Co., Ltd. as the purchaser, pursuant to which Schramm Coatings GmbH sold 50% of the issued and outstanding capital stock of Schramm Cashew Ltd. to Cashew Co., Ltd at a cash consideration of ¥100,000,000 (one hundred million Japanese Yen);
- (2) a stock purchase agreement dated 1 July 2008 entered into between Schramm Coatings GmbH as the purchaser and SBHK as the seller, pursuant to which Schramm Coatings GmbH acquired from SBHK 400,000 shares of the common stock of Schramm Korea at a cash consideration of US\$1,000,000;
- (3) a spin-off and assumption agreement dated 27 August 2008 entered into between Schramm Coatings GmbH and Schramm Operatives Germany GmbH, pursuant to which Schramm Coatings GmbH transferred to Schramm Operatives Germany GmbH the entire operations,

assets and liabilities of Schramm Coatings GmbH, with the exception of certain employment contracts, its legal title to certain real estates, its interests in Schramm Operatives Germany GmbH, any inter-company agreements including the profit and loss transfer agreement and certain memberships of Schramm Coatings GmbH, by way of a spin-off from Schramm Coatings GmbH, at a consideration of issuance of a new share of €5,000 in Schramm Operative Germany GmbH to Schramm Coatings GmbH;

- (4) a control and profit transfer agreement dated 15 July 2008 entered into between Schramm Coatings GmbH and Schramm Operatives Germany GmbH, pursuant to which inter alia, (i) Schramm Operatives Germany GmbH subordinated its control to Schramm Coatings GmbH and Schramm Coatings GmbH was granted the right to issue binding instructions to Schramm Operatives Germany GmbH regarding the control of Schramm Operatives Germany GmbH and (ii) Schramm Operatives Germany GmbH undertook to transfer to Schramm Coatings GmbH its entire profit determined according to the provisions under commercial law pursuant to Section 301 of the German Stock Corporation Act;
- (5) an equity purchase agreement dated 1 August 2009 entered into between Schramm Hong Kong as the purchaser and SBHK as the seller, pursuant to which Schramm Hong Kong acquired from SBHK the entire equity interest in Schramm Tianjin at a consideration of €7,612,500;
- (6) an equity purchase agreement dated 1 August 2009 entered into between Schramm Hong Kong as the purchaser and SBHK as the seller, pursuant to which Schramm Hong Kong acquired from SBHK 99.96% of the equity interest in Schramm Thailand at a consideration of HK\$1.00;
- (7) an equity purchase agreement dated 28 November 2008 entered into between Ultra Million as the purchaser and SBHK as the seller, pursuant to which Ultra Million acquired from SBHK the entire equity interest in Schramm Huizhou at a cash consideration of US\$8,700,000 less any dividend, distribution or other payment declared or paid by Schramm Huizhou to SBHK on or after 31 July 2008;
- (8) an equity purchase agreement dated 28 November 2008 entered into between Uranus as the purchaser, and SBHK and SSCP as the sellers, pursuant to which Uranus acquired from SBHK and SSCP the entire equity interest in Schramm Shanghai at a cash consideration of US\$7,300,000 in aggregate less any dividend, distribution or other payment declared or paid by Schramm Shanghai to SBHK and SSCP on or after 31 July 2008;
- (9) a share purchase agreement dated 30 November 2008 entered into between Schramm Hong Kong as the purchaser and SBHK as the seller, pursuant to which Schramm Hong Kong acquired from SBHK the entire issued share capital of each of Ultra Million and Uranus at a cash consideration of US\$15,000,000 and US\$12,000,000, less any dividends, distributions or other payment declared or paid by each of Ultra Million (or Schramm Huizhou) and Uranus (or Schramm Shanghai) on or after 31 July 2008, respectively;

- (10) a deed of non-competition dated 4 December 2009 executed by SSCP, Humble Humanity, SBHK and Mr Oh in favour of our Company, pursuant to which each of SSCP, Humble Humanity, SBHK and Mr Oh has undertaken to our Company that it or he does not and shall not, and shall procure that its or his associates (except any members of the Group) do not and shall not, directly or indirectly, carry on, participate or be interested or engaged in any business or acquire or hold interests in any business, which is or may be in competition with the business of our Group;
- (11) a deed of indemnity dated 4 December 2009 executed by Mr Oh and SSCP in favour of our Company, pursuant to which Mr Oh and SSCP have agreed to give certain indemnities in relation to tax and other matters in favour of our Company; and
- (12) the Hong Kong Underwriting Agreement.

2 Intellectual property rights

As of the Latest Practicable Date, our Company had registered or had applied for the registration of the following intellectual property rights.

A Trademarks

(a) Trademarks applied for by our Company for which registration has been granted

As of the Latest Practicable Date, we had applied for and had been granted the registration of a number of trademarks, details of which are as follows:

	Trademark	Name of Registrant	Place of Registration	Class (Note 1)	Registration Number	Effective Period
1	SENOSOL	Weilburger Coatings GmbH	Argentina	2	2171843	26/07/2007 - 26/07/2017
	SENOSOL	Schramm Coatings	Germany	2	1040734	18/11/1982 - 31/08/2019
	SENOSOL	Weilburger Coatings GmbH	Great Britain	2	2151112	17/11/1997 - 17/11/2017
2	SENOSOL	Weilburger Coatings GmbH	India	2	1469266	12/07/2006 - 12/07/2016
3	SENOSOL	Weilburger Coatings GmbH	Indonesia	2	IDM000152302	30/06/2006 - 30/06/2016
4	SENOSOL	Schramm Coatings	Japan	2	IR 890038	17/05/2006 - 17/05/2016
	SENOSOL	Weilburger Coatings GmbH	Malaysia	2	06008763	24/05/2006 - 24/05/2016

APPENDIX VIII
STATUTORY AND GENERAL INFORMATION

	Trademark	Name of Registrant	Place of Registration	Class (Note 1)	Registration Number	Effective Period
5	SENOSOL	Schramm Coatings	South Korea	2	IR 890038	17/05/2006 - 17/05/2016
6	SENOSOFT	Weilburger Coatings GmbH	Argentina	2	2767456	Declared on 31/10/2007; in the process of being registered
7	SENOSOFT	Schramm Coatings	Denmark	1, 2	VR 04.314/1989	28/07/1989 - 28/07/2009
	SENOSOFT	Weilburger Coatings GmbH	Great Britain	1,2	1259685/1259	05/08/1987 - 05/02/2017
8	SENOSOFT	Weilburger Coatings GmbH	India	2	1641357	Declared on 14/01/2008; in the process of being registered
9	SENOSOFT	Weilburger Coatings GmbH	Indonesia	2	449049	19/07/1990 - 19/07/2010
10	SENOSOFT	Schramm Coatings	Japan	2	2017257	31/10/2008 - 26/01/2018
11	SENOSOFT	Schramm Coatings	Canada	2	TMA409,637	09/06/2008 - 19/03/2023
12	SENOSOFT	Weilburger Coatings GmbH	Malaysia	2	89/01447	09/03/1989 - 09/03/2016
13	SENOSOFT	Weilburger Coatings GmbH	Mexico	2	0846135	30/03/2007 - 30/03/2017
14	SENOSOFT	Schramm Coatings	Sweden	2	217295	08/06/1990 - 08/06/2010
15	SENOSOFT	Schramm Coatings	Singapore	2	T8902416B	15/09/2008 - 21/04/2016
16	SENOSOFT	Schramm Coatings	South Korea	2, 3	176389	10/07/2008 - 08/08/2019
17	SENOCOIL	Schramm Coatings	Benelux	1, 2, 19	432968	03/06/2008 - 08/04/2017
18	SENOCOIL	Schramm Coatings	Denmark	1,2	VR 01.753/1989	28/04/1989 - 28/04/2019

APPENDIX VIII
STATUTORY AND GENERAL INFORMATION

	Trademark	Name of Registrant	Place of Registration	Class (Note 1)	Registration Number	Effective Period
	SENOCOIL	Schramm Coatings	Germany	2	1049180	01/06/1983 - 30/11/2012
19	SENOCOIL	Schramm Coatings	Great Britain	2	1432255	18/10/1991 - 18/07/2017
20	SENOCOIL	Weilburger Coatings GmbH	India	2	1467623	06/07/2006 - 06/07/2016
	SENOCOIL	Weilburger Coatings GmbH	Indonesia	2	IDM000164217	05/10/2006 - 05/10/2016
21	SENOCOIL	Schramm Coatings	Japan	3	2017256	31/10/2008 - 26/01/2018
22	SENOCOIL	Weilburger Coatings GmbH	Canada	1	TMA376182	23/11/1990 - 23/11/2020
23	SENOCOIL	Schramm Coatings	Korea PRC	2	890998	12/11/2006 - 03/05/2016
24	SENOCOIL	Weilburger Coatings GmbH	Malaysia	2	89/01448	09/03/1989 - 09/03/2016
25	SENOCOIL	Schramm Coatings	Taiwan	2	1268008	18/09/2008 - 01/07/2017
	SENET	Schramm Coatings	Germany	1, 2, 6	30571002.8/02	21/07/2006 - 30/11/2015
	SENOPUR	Schramm Coatings	Germany	2	1051481	26/07/1983 - 30/11/2012
26	SCHRAMM Logo (figurative trademark to be inserted)	Schramm Coatings	Australia Japan PRC Russia Singapore South Korea USA Vietnam	1, 2, 3, 17, 19	IR 986535	27/10/2008 - 27/10/2018
27	SCHRAMM (as a word mark)	Schramm Coatings	Germany	1, 2, 17	973317	11/08/1977 - 31/08/2017


Note 1: Pursuant to an agreement dated 5 November 2007 between, Schramm Coatings and/or our Company and Weilburger Coatings GmbH, trademarks listed in (a) above with Weilburger Coatings GmbH as the registrant shall be assigned to Schramm Coatings.







Note 2: In addition to the trademarks listed in (a) above, Schramm Coatings has entered into contractual agreement with Weilburger Coatings GmbH for the use of trademarks listed below:

Trademark	Name of Registrant	Place of Registration	Class (Note 1)	Registration Number	Effective Period
SENOSOL	Weilburger Coatings GmbH	Thailand	2	631389	06/07/2006 - 05/07/2016
SENOSOFT	Weilburger Coatings GmbH	Thailand	2	TM120292	29/12/1989 - 30/03/2019

(b) Trademarks under application

As of the Latest Practicable Date, we had also applied for the registration of a number of trademarks, details of which are as follows:

	Trademark	Name of the Registrant	Place of Registration	Class (Note 1)	Application Number	Date of Application
1	SENOSOL	Schramm Coatings	Mexico	2	874517	17/02/2009
2	SENOSOFT	Schramm Coatings	PRC	2	G518284	11/12/2000
3	SCHRAMM Logo (Figurative trademark)	Schramm Coatings	Argentina European Union Hong Kong India Indonesia Canada Malaysia Mexico Taiwan Thailand	1, 2, 3, 17, 19	006983779	02/06/2008
4	SCHRAMM Logo (Figurative trademark)	Schramm Coatings	Brazil	1, 2, 3, 17, 19	830114017 830114025 830114033 830114050 830114041	24/11/2008
5	SENOGUARD	Schramm Coatings	Germany	1, 2	302009036953.4/2	24/06/2009
6	SCHRAMM SSCP 	Schramm Shanghai	PRC	2	7266105	19/03/2009

	Trademark	Name of the Registrant	Place of Registration	Class (Note 1)	Application Number	Date of Application
7	  (Note 2)	Schramm SSCP (Hong Kong) Limited	Hong Kong	35	301420938	04/09/2009
8	SCHRAMM	Schramm SSCP (Hong Kong) Limited	Hong Kong	35	301424691	10/09/2009
9	SCHRAMM SSCP	Schramm SSCP (Hong Kong) Limited	Hong Kong	35	301424709	10/09/2009
10	SCHRAMM SSCP HONG KONG	Schramm SSCP (Hong Kong) Limited	Hong Kong	35	301424718	10/09/2009
11	SSCP	Schramm SSCP (Hong Kong) Limited	Hong Kong	35	301424727	10/09/2009
12	SCHRAMM SSCP  SCHRAMM SSCP  (Note 2)	Schramm SSCP (Hong Kong) Limited	Hong Kong	35	301420947	04/09/2009
13	Schramm Holding AG  Schramm Holding AG  (Note 2)	Schramm SSCP (Hong Kong) Limited	Hong Kong	35	301420956	04/09/2009

Note 1: Class 1: Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry.

Class 2: Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colorants; mordants; raw natural resins; metals in foil and powder form for painters, decorators, printers and artists.

Class 3: Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.

Class 17: Rubber, gutta-percha, gum, asbestos, mica and goods made from these materials and not included in other classes; plastics in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, not of metal.

Class 19: Building materials (non-metallic); non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal.

Class 35: Business Management Assistance, Advisory services for Business Management.

Note 2: These marks are registered in both black and white and colour.

B Domain Names

As at the Latest Practicable Date, our Company had registered the following domain names which will be renewed automatically every year unless otherwise terminated by us:

	Domain name	Expiry date	Registrant
1	schramm-coatings.de	22.05.2010	Schramm Coatings
2	schramm-coatings.com	11.05.2010	Schramm Coatings
3	schramm-coatings.eu	26.06.2010	Schramm Coatings
4	schramm-coatings.in	08.06.2010	Schramm Coatings
5	schramm-coatings.cn	12.07.2010	Schramm Coatings
6	schramm-coatings.asia	10.06.2010	Schramm Coatings
7	schramm-coatings.jp	01.05.2010	Schramm Coatings
8	schramm-coatings.hk	03.02.2010	Schramm Coatings
9	schramm-coatings.sg	21.10.2009	Schramm Coatings
10	schramm-coatings.ru	21.10.2009	Schramm Coatings
11	schramm-sscp.hk	03.02.2010	Schramm Coatings
12	schramm-lacke.de	28.06.2010	Schramm Coatings
13	schrammcoatings.com	22.11.2012	Schramm Spain
14	schramm-holding.de	24.09.2009	Our Company
15	schramm-holding.com	24.09.2009	Our Company
16	schramm-holding.eu	16.10.2010	Our Company
17	schramm-holding.in	16.10.2009	Our Company
18	schramm-holding.cn	16.10.2009	Our Company
19	schramm-holding.asia	21.10.2009	Our Company
20	schramm-holding.jp	01.10.2010	Our Company
21	schramm-holding.hk	03.03.2010	Our Company
22	schramm-holding.sg	16.10.2009	Our Company
23	schramm-holding.ru	21.10.2009	Our Company

Other than the reasons disclosed in the paragraph headed “Business — Intellectual Property” and the relevant registration of the intellectual property rights information already disclosed in this section, the Company confirms, to its best knowledge, no other intellectual property would require.

C FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS, MANAGEMENT, STAFF AND EXPERTS

1 Disclosure of Interests

Immediately following completion of the Global Offering, the interests of our Directors, our Supervisors and chief executive of our Company in the equity or debt securities of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our 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 our Company and the Stock Exchange once the Shares are listed will be as follows:

Name of Director/ Supervisor	Nature of interest	Number and class of securities ⁽¹⁾	Approximate percentage of interest in our Company immediately after the Global Offering
Kim Sung Yoon ⁽²⁾	Interest in controlled corporation	300,000 Shares (L)	1.51%
Oh Jung Hyun ⁽³⁾	Interest in controlled corporation	4,296,419 Shares (L)	21.58%

Notes:

- (1) The letter "L" denotes the person's long position in such Shares.
- (2) These Shares are held by Myriad Fine Investment Limited, which is a wholly-owned subsidiary of Mr Kim Sung Yoon, our Director.
- (3) Mr Oh, a Supervisor, is 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, a company owned by Mr. Oh, which upon exercise of the Exchange Rights in full, are exchangeable into approximately 4,296,419 Shares, based on (i) the assumption that the Offer Price is determined at HK\$37.00, being the mid-point of the indicative offer price range of HK\$29.00 to HK\$45.00, and (ii) the currency exchange rates as at the Latest Practicable Date for calculation of the Exchange Price pursuant to the terms and conditions of the Exchangeable Bonds. The number and percentage are for illustration purposes only. The actual number of Shares and STM's percentage interest in our Company depends on the applicable currency exchange rates as at the Price Determination Date and the Offer Price as finally determined.

2 Substantial shareholders

So far as our Directors are aware, immediately following completion of the Global Offering, the following persons will have an interest or short position in Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will

be, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any of our subsidiaries:

Name of Shareholders	Nature of interest	Number and class of securities ⁽¹⁾	Approximate percentage of interest in our Company immediately after the Global Offering
SSCP Co., Ltd.	Beneficial interest ⁽²⁾	7,900,000 Shares (L)	39.69%
		3,034,132 Shares (S)	15.24%
	Interest in controlled corporation ⁽³⁾	4,385,000 Shares (L)	22.03%
		4,385,000 Shares (S)	22.03%
The Humble Humanity Ltd.	Beneficial interest ⁽⁵⁾	1,750,000 Shares (L)	8.79%
		4,385,000 Shares (L)	22.03%
Samsung Bestview (Hong Kong) Co., Ltd.	Beneficial interest	4,385,000 Shares (S)	22.03%
		1,750,000 Shares (L)	8.79%
STM Corporation Co., Ltd.	Beneficial interest ⁽⁶⁾	4,296,419 Shares (L)	21.58%

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) The above shareholding interests of our Shareholders are for illustration purposes only as the actual number of Shares to be held by the Exchangeable Bondholders depends on the applicable currency exchange rates as at the Price Determination Date and the Offer Price as finally determined. SSCP and its controlled corporations are deemed to be interested in a total of 14,035,000 Shares, representing approximately 70.51% of interest in our Company. Pursuant to the Exchangeable Bonds Subscription Agreements, in case Humble Humanity does not have sufficient number of Shares to be delivered to the Exchangeable Bondholders exercising the Exchange Right, Humble Humanity will, or will cause SSCP to, immediately deposit such number of additional Shares as may be required to be delivered to such Exchangeable Bondholders. Pursuant to the terms and conditions of the Exchangeable Bonds, SSCP will be required to deliver an aggregate of 3,034,132 Shares for the shortfall of the Exchange Shares in the event that the Exchange Rights are exercised in full, based on (i) the assumption that the Offer Price is determined at HK\$37.00, being the mid-point of the indicative offer price range of HK\$29.00 to HK\$45.00, and (ii) the currency exchange rates as at the Latest Practicable Date for calculation of the Exchange Price pursuant to the terms and conditions of the Exchangeable Bonds.
- (3) These shares are held by Humble Humanity, being the issuer of the Exchangeable Bonds, which is indirectly controlled by SSCP.

- (4) *These shares are held by SBHK, a wholly-owned subsidiary of SSCP.*
- (5) *Humble Humanity, as the issuer of the Exchangeable Bonds, is 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), based on (i) the assumption that the Offer Price is determined at HK\$37.00, being the mid-point of the indicative offer price range of HK\$29.00 to HK\$45.00, and (ii) the currency exchange rates as at the Latest Practicable Date for calculation of the Exchange Price pursuant to the terms and conditions of the Exchangeable Bonds.*
- (6) *STM is one of the Exchangeable Bondholders, which is 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 4,296,419 Shares, based on (i) the assumption that the Offer Price is determined at HK\$37.00, being the mid-point of the indicative offer price range of HK\$29.00 to HK\$45.00, and (ii) the currency exchange rates as at the Latest Practicable Date for calculation of the Exchange Price pursuant to the terms and conditions of the Exchangeable Bonds. The actual number of Shares and STM's percentage interest in our Company depends on the applicable currency exchange rates as at the Price Determination Date and the Offer Price as finally determined.*

3 Particulars of service contracts

Our Management Board

Each of Mr Brenner, Mr Chae and Mr Kim has entered into a service contract with our Company effective from 1 July 2009 to 31 August 2013, 1 July 2009 to 31 December 2010 and 1 July 2009 to 31 August 2013, respectively, unless terminated earlier. At the end of the respective contractual terms, the contracts may be extended by mutual agreement between our Company and each of our respective Director. The initial annual salaries payable to Mr Brenner, Mr Chae and Mr Kim were €702,000, €300,000 and €165,000, respectively, with fixed annual increases of the higher of 4% or the rate of inflation for the previous year. In addition, each of our Directors are entitled to various performance-related bonuses and other benefits such as annual and sick leave, expenses and other allowances, and pensions, health and other insurance contributions.

Each Director is under strict confidentiality obligations in respect of our Company's operational, technical and business secrets and relationships with business partners, for the duration of employment and thereafter, provided that if, after the expiry of employment, such continuing duty proves to be an unreasonable hindrance to his professional advancement, he is entitled to be released from such obligation.

Compensation package of Mr Brenner

Mr Brenner has an annual salary, which initially amounts to €702,000.00 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 our Company. In circumstances where a part of the business or our Company, or the entire business or our 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.

In the event of Mr. Brenner being prevented from carrying out his duties through illness or any other reasons beyond his control, he shall receive, for a period of 12 months or until the end of his service contract (whichever is less), a supplement to the payments from his health insurance, which together with such health insurance payments, amount to a sum equivalent to his net remuneration. Mr Brenner shall receive monthly allowances for health and nursing insurance corresponding to half of the documented contributions made by Mr Brenner. As compensation for the legal requirement according to which members of the management board shall not be included in the pensions and unemployment insurance, Mr Brenner shall be entitled to a yearly amount corresponding to the employers' statutory contributions to pensions and unemployment insurance. Our Company will pay an insurance contribution amounting to €2,148.00 as well as the yearly amount of flat-rate income tax to a direct insurance for a retirement provision. Mr Brenner is entitled to insurance contributions, allowances and expenses.

The service contract with Mr Brenner provides that our Company may become obligated to pay to Mr Brenner a severance payment of €5 million (the "Severance Payment"), gross (which means including taxes), in the event that his employment is terminated by our 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 our 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 our Company or it ends as a result of a consensual agreement initiated by new majority shareholders in our Company, then he is entitled to the Severance Payment. The Severance Payment becomes due at the time of legal termination of the service contract.

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

4 Remuneration of Directors and members of our Supervisory Board

(a) Directors

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and discretionary bonuses) which were paid to our Directors by our Company or any of our subsidiaries for each of the financial years ended 31 December 2008 and the six months ended 30 June 2009, were approximately €273,000, €466,000, €440,000 and €306,000, respectively.

It is estimated that remuneration equivalent to approximately €966,000 in aggregate will be paid and granted to our Directors by us in respect of the financial year ending 31 December 2009 under arrangements in force at the date of this prospectus.

(c) *Members of our Supervisory Board*

The aggregate amount of remuneration (including fees, salaries, contributions to pension schemes, housing allowances and other allowances and discretionary bonuses) which were paid to our Supervisors by our Company or any of our subsidiaries for each of the three financial years ended 31 December 2008 and the six months ended 30 June 2009, were approximately nil, nil and €4,000, €5,000, respectively.

It is estimated that remuneration equivalent to approximately €9,500 in aggregate will be paid and granted to our Supervisors by us in respect of the financial year ending 31 December 2009 under arrangements in force at the date of this prospectus.

5 Fees or commissions received

Save as disclosed in this prospectus, none of our Directors nor any of the persons whose names are listed in the section headed “Other Information — Consents” in this section of the prospectus had received any commissions, discounts, agency fee, brokerages or other special terms in connection with the issue or sale of any capital of our Company or any of our subsidiaries from our Company within the two years preceding the date of this prospectus.

6 Related party transactions

During the two years preceding the date of this prospectus, we were engaged in related party transactions as described in note 33 of Section II of the accountant’s report set out in Appendix IA to this prospectus.

7 Interest in our largest suppliers or customers

Save in respect of SSCP, our Controlling Shareholder, none of our Directors and members of our Supervisory Board nor their associates, nor any Shareholder (which to the knowledge of our Director owns more than 5% of our Company’s share capital) has any interest in our five largest suppliers or our five largest customers.

D DISCLAIMERS

Save as disclosed in this prospectus:

- (a) none of our Directors or chief executive of our Company has any interests and short positions in the Shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of

the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to us and the Stock Exchange, in each case once our Shares are listed;

- (b) none of our Directors nor any of the parties listed in the paragraph headed “E Other Information — 7 Consents” in this section has any direct or indirect interest in the promotion of our Company or any of our subsidiaries, or in any assets which have, within the two years immediately preceding the issue of this prospectus, been acquired or disposed of by or leased to our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries;
- (c) none of our Directors nor any of the parties listed in the paragraph headed “E Other Information — 7 Consents” in this section is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business;
- (d) save for the Underwriting Agreements, none of the parties listed in the paragraph headed “E Other Information — 7 Consents” in this section: (i) is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribed for our securities;
- (e) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought from any other stock exchange;
- (f) save for the Exchangeable Bonds issued by Humble Humanity, we have no outstanding convertible debt securities;
- (g) within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages or other special items have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;
- (h) within the two years preceding the date of this prospectus, no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in or debentures of our Company; and
- (i) no amount or securities or benefit has been paid or allotted or given within the two years preceding the date of this prospectus to any of our promoters nor is any such securities or amount or benefit intended to be paid or allotted or given.

E OTHER INFORMATION**1 Tax and other indemnity**

Mr Oh and SSCP, our Controlling Shareholder (together known as the “**Indemnifiers**”), have entered in a deed of indemnity, pursuant to which the Indemnifiers will jointly and severally indemnify each of the members of our Group against (a) taxation falling on any member of our Group resulting from or by reference to any income, profits or gains earned, accrued or received (or deemed to be so earned, accrued or received) on or before the Listing Date; (b) any costs, expenses and operating and business losses arising from the properties leased by our Group from landlords who are not able to produce evidence of valid ownership certificates, or land owned by our Group in respect of which we do not possess the necessary land use rights certificates and/or building ownerships certificates and/or construction permits; (c) any penalties arising from our Group’s failure to obtain the necessary permits and approvals for (i) occupational disease prevention project in accordance with laws of the PRC by our production facilities in Huizhou and Tianjin (including the relocation costs and expenses, losses from business interruption); and (ii) import of hazardous substance in Thailand by our Group pursuant to laws of Thailand.

The Indemnifiers will, however, not be liable under the deed of indemnity for taxation where, among others, (a) provision has been made for such taxation in the audited accounts of our Group for the Track Record Period; (b) falling on any of the members of our Group in respect of any accounting period commencing on or after 1 July 2009 otherwise than in the course of normal day to day trading on or before the Listing Date; and (c) the taxation arises or is incurred as a result of a retrospective change in law or regulation or the interpretation thereof or practice by the relevant tax authority coming into force after the date on which the Global Offering becomes unconditional or to the extent that the taxation arises or is increased by an increase in rates of taxation as a result of a change in law or regulation or interpretation thereof or practice by the relevant tax authority after the date on which the Global Offering becomes unconditional with retrospective effect.

2 Litigation

As at the date of this prospectus, save as disclosed in the section headed “Business — Legal Proceedings” in this prospectus, we are not involved in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against our Company and our subsidiaries.

3 Application for the admission of our Shares into CCASS

The Sponsor has made an application on behalf of our Company to the Listing Committee for listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

4 Preliminary expenses

The estimated preliminary expenses incurred or proposed to be incurred by our Company are approximately €45,000 and are payable by our Company.

5 Promoter

Our Company has no promoter for the purpose of the Hong Kong Listing Rules.

6 Qualifications of experts

The qualifications of the experts (as defined under the Hong Kong Listing Rules and the Companies Ordinance) who have given their opinions or advice in this prospectus are as follows:

Name	Qualifications
Guotai Junan Capital Limited	A licensed corporation under the SFO to conduct Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified public accountants
Hills & Co.	Legal advisers to our Company as to PRC laws
Norton Rose LLP	Legal advisers to our Company as to German laws
Cushman & Wakefield Valuation Advisory Services (HK) Limited	Property valuers
Lee International IP & Law Group	Legal advisers to our Company as to Korean laws
CIMA Consultores Economistas y Abogados, S.L.	Legal advisers to our Company as to Spanish laws
International Legal Counsellors Thailand Ltd.	Legal advisers to our Company as to Thai laws
Ramrais & Partners	Legal advisers to our Company as to Malaysian laws

7 Consents

Each of Guotai Junan Capital Limited, PricewaterhouseCoopers, Hills & Co., Norton Rose LLP, Cushman & Wakefield Valuation Advisory Services (HK) Limited, Lee International IP & Law Group, CIMA Consultores Economistas y Abogados, S.L., International Legal Counsellors Thailand Ltd. and Ramrais & Partners has given and has not withdrawn its respective written consents to the issue of this prospectus with the inclusion of its reports and/or letters and/or valuation certificates and/or legal opinion and/or the references to its names included herein in the form and context in which they are respectively included. None of the experts named above has any shareholding in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

8 Share register

The share register of our Company will be maintained in Germany by our Company and a branch register of members will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. Unless our Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, the branch share registers in Hong Kong and may not be lodged in Germany.

9 Miscellaneous

Save as disclosed in this prospectus:

- (a) within the two years preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash; and
 - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;
- (b) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued or agreed to issue any founder shares, management shares or deferred shares;
- (d) since 30 June 2009, there has been no material adverse change in the financial or trading position or prospects of our Company;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived;

- (f) the Global Offering does not involve the exercise of any right of pre-emption or the transfer of subscription rights;
- (g) as at the date of this prospectus, there is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong;
- (h) there has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this prospectus;
- (i) the English text of this prospectus shall prevail over the Chinese text; and
- (j) none of our Company or any of our subsidiaries is presently listed on any stock exchange or traded on any trading system.

10 Binding effect

This prospectus shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

11 Compliance Adviser

Our Company will appoint SBI E2-Capital (HK) Limited as our compliance adviser upon listing in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

We expect to enter into a compliance adviser's agreement with our compliance adviser, the material terms of which we expect to be as follows:

- (a) we will appoint the compliance adviser as our compliance adviser for the purpose of Rule 3A.19 of the Hong Kong Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Hong Kong Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier;
- (b) the compliance adviser shall provide us with services, including guidance and advice as to compliance with the requirements under the Hong Kong Listing Rules and other applicable laws, regulations and codes, and to act as one of our principal channels of communication with the Stock Exchange;
- (c) we will agree to indemnify the compliance adviser for certain actions against and losses incurred by the compliance adviser arising out of or in connection with the performance by the compliance adviser of its duties under the agreement, or any material breach or alleged breach by us of the provisions of the agreement; and

- (d) we may terminate the appointment of any compliance adviser if the compliance adviser's work is of an unacceptable standard as permitted by Rule 3A.26 of the Hong Kong Listing Rules. The compliance adviser may resign or terminate its appointment by service of three months' notice to us.

12 Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).