

# **TOOLUX SANDING SA**

**Consolidated annual report  
Prepared as at and for the Year Ended  
31 December 2009**

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## **1 General information**

TOOLUX SANDING SA (the Parent company) and its subsidiaries (the Group) represent a Chinese group whose main activity is manufacturing and processing of Hand tools, hardware tools.

The registered office is located at 69, boulevard de la Petrusse, L-2320, since May 15<sup>th</sup>, 2009.

The company was incorporated on October 2<sup>nd</sup>, 2008 as a Société Anonyme with a fully paid share capital of EUR 350 000.

On October 13<sup>th</sup>, 2008, the directors increased, by a contribution in kind, the capital of the Company by EUR 1 000 000 to bring it from EUR 350 000 to EUR 1 350 000 by the issuance of 1 000 000 new shares with a nominal value of EUR 1 each.

The contribution in kind was represented by 100 % of the share capital of Giant Dragon Holdings Ltd (Samoa), a company incorporated in Samoa on 17th January 2007 with registered number 30466 and located at Level 2, Nia Mall, Vaea Street, Apia, Samoa. The contribution in kind value is based on Giant Dragon Holdings Ltd net asset value as at June 30, 2008.

On December 23<sup>rd</sup>, 2008, in connection with the admission of the Company on Alternext Market of Euronext Paris, the board of directors realized an increase of the issued share capital paid up in cash to bring it from EUR 1 350 000 to EUR 1 753 667 (1 753 667 shares of EUR 1 each). The total amount of the contribution is five million eighty-two thousand one hundred and sixty seven euros fifty three cents (EUR 5 082 167,53) represented by four hundred and three thousand six hundred and sixty seven euros (EUR 403 667) for the capital and four million six hundred and seventy-eight thousand five hundred euros fifty three cents (EUR 4 678 500,53) for the share premium.

On December 2<sup>nd</sup>, 2008, the company acquired from Giant Dragon Holdings Ltd acquired, for a consideration of USD 2 998 000, 100 % of the share capital of Shaoxing Sanding Tools Ltd, a Chinese company with registered office at Industrial Park, Ganlin Town, Shengzhou City, Zhejiang Province, China.

The main activities of Shaoxing Sanding Tools and its subsidiary, Zhejiang Sanding Tools are the manufacturing and selling of plastic and metal tools.

## **2 Research and development**

The companies of the Group carry out no independent research. The companies cooperate on the utilisation of the potential of its technical equipment and specialised staff.

## **3 Environmental protection**

Given the nature of its production, the companies strive to protect the health of its employees and protect the environment. The condition of the premises of the companies of the Group is monitored on an ongoing basis with respect to potential environmental findings.

## **4 Labour relations**

The companies of the Group comply with all legal standards in China. All our employees are regularly trained about work safety. The companies of the Group support the further education of its employees.

## **5 Organizational component abroad**

The parent company does not have organizational component abroad.

## **6 Assessment of the year 2009**

The sales of the Group had mainly been realized by the Chinese subsidiaries, Zhejiang Sanding Tool Co., Ltd and Shaoxing sanding Tool Co., Ltd.

As of December 31<sup>st</sup>, 2009, the principal figures of the consolidated income statement are:

Sales of main operation :	EUR	9.147.342
Gross profit :	EUR	2.282.568
Operating income :	EUR	147.537
Profit before tax :	EUR	1.351.021
Net income :	EUR	3.910.759

## 7 Supposed development

During 2010 financial year, despite the economic crisis, the Group plan to increase its revenues with the development of new markets.

## 8 The companies of the Group

The companies of TOOLUX SANDING SA are :

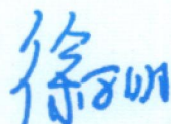
Country of incorporation	Name	Address
Luxembourg	Toolux Sanding SA	69, Bvd de la Petrusse, L 2320 Luxembourg
PRC	Shaoxing Sanding Tools	Shengzhou City, Zhejiang, China
PRC	Zhejiang Sanding Tools	Shengzhou City, Zhejiang, China
PRC	Shengzhou Sanheng Tools	Shengzhou City, Zhejiang, China
PRC	Shengzhou Sanding Business Travelling Services	Shengzhou City, Zhejiang, China
Samoa	Giant Dragon	Level 2, Nia Mall, Vaea Street, Apia, Samoa

## 9 Events after balance sheet date

The Group had no significant post balance events.

## Approval of consolidated annual report

These Consolidated annual report were approved by the board of directors and authorised for issue on September 16<sup>th</sup>, 2010.



Signature of CEO