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# EGANA GOLDPFEIL

(HOLDINGS) LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

(Stock code: 48)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of EganaGoldpfeil (Holdings) Limited (“Egana”) will be held at Gloucester Room II, 3/F, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on 29 July 2008 at 11:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of Egana:

### ORDINARY RESOLUTIONS

1. **THAT:**

- (a) the English law governed debt restructuring agreement dated 26 May 2008 between, inter alia, Egana (for itself and on behalf of certain debtors referred to therein), Lifestyle International Holdings Limited (as Investor), CITIC Ka Wah Bank Limited (as Asian Coordinator, Paying Agent and Security Agent), Dresdner Bank AG (as European Coordinator) and banks and other financial institutions listed therein (as Participating Creditors) (the **Debt Restructuring Agreement**) setting out the terms of the corporate and financial restructuring of Egana, its associates and subsidiaries (the **Restructuring**);
- (b) the English law governed guarantee between, inter alia, Egana (as a Guarantor) and CITIC Ka Wah Bank Limited (as Security Agent and Trustee for Participating Creditors), providing for an independent guarantee by Egana for the payment by the Issuer of all amounts owing under or pursuant to the Participating Creditors’ Convertible Bond Documents (as defined in paragraph (f) below) (the **Participating Creditor’s Convertible Bonds Guarantee**);
- (c) the English law governed guarantee between, inter alia, Egana (as a Guarantor) and CITIC Ka Wah Bank Limited (as Security Agent and Trustee for Participating Creditors), providing for an independent guarantee by Egana for the payment of specific amounts owed under the Debt Restructuring Agreement and the Existing Loan Documents (each as defined in the Debt Restructuring Agreement) (the **Participating Creditor’s Restructured Debt Guarantee**);
- (d) the English law governed subscription agreement between, inter alia, Horizon Asset Holdings Ltd, Egana, the Participating Creditors, and CITIC Ka Wah Bank Limited, providing the terms of the issue and subscription of HK\$80,000,000 of convertible bonds with a conversion price of HK\$0.05 per share (the **Participating Creditors Convertible Bonds**) to be issued by Horizon Asset Holdings Ltd (a subsidiary of Egana) to the Participating Creditors as subscribers in consideration of the reduction of the Participating Creditors Debt (as defined

therein) on a pro-rata basis by such amount (and scheduling the terms and conditions of the Participating Creditors' Convertible Bonds) (the **Participating Creditor Convertible Bond Subscription Agreement**);

- (e) the English Law governed trust deed between, inter alia, Egana, Horizon Asset Holdings Ltd (as Issuer) and CITIC Ka Wah Bank Limited (as Trustee), governing the relationship between the Issuer and the Trustee who holds the Participating Creditor Convertible Bonds for the benefit of the bondholders (the **Participating Creditor Convertible Bond Trust Deed**);
- (f) the English law governed paying agency agreement between, inter alia, Horizon Asset Holdings Ltd, Egana and CITIC Ka Wah Bank limited (as principal agent, registrar and trustee) appointing CITIC Ka Wah Bank Limited as registrar and agent and establishing the terms of its role vis-a-vis the payment of monies in relation to Participating Creditor Convertible Bonds (the **Participating Creditor Convertible Bond Agency Agreement**) (together with the Participating Creditors' Convertible Bonds Subscription Agreement and Participating Creditors' Convertible Bonds Trust Deed, the **Participating Creditor Convertible Bond Documents**);
- (g) the Hong Kong law governed subscription agreement between, inter alia, Egana, Treasure Focus Ltd (a subsidiary of Lifestyle International Holdings Ltd) (as subscriber for the Lifestyle Convertible Bonds), Horizon Asset Holdings Ltd (as Issuer) and Win Promise Limited (a subsidiary of Lifestyle International Holdings Limited) (as subscriber for the subscription shares) providing for the terms on which the respective subscribers will subscribe for 4,342,642,652 shares in Egana each with a par value of HK\$0.01 per share (the **Subscription Shares**), and for the HK\$988,867,867 of convertible bonds to be issued by Horizon Asset Holdings Ltd (the **Lifestyle Convertible Bonds**) each with a conversion price of HK\$0.05 per share (the **Lifestyle Subscription Agreement**);
- (h) the English law governed trust deed between Egana and Horizon Asset Holdings Ltd (as bond issuer) (the **Lifestyle Convertible Bond Instrument**);
- (i) the English law governed guarantee between, inter alia, Egana (as a Guarantor) and Treasure Focus Limited (as subscriber for the Lifestyle Convertible Bonds), providing for an independent guarantee by Egana for the payment by the Issuer (as defined therein) of all amounts owing under or pursuant to the Lifestyle Convertible Bonds (each as defined in the Debt Restructuring Agreement) (the **Lifestyle Convertible Bond Guarantee**);
- (j) a director's certificate in a form satisfactory to Cayman Island counsel and as required pursuant to Schedule 5 of the Debt Restructuring Agreement;
- (k) the English law governed Delinquent Debts Agreement between Egana, CITIC Ka Wah Bank Limited and Dresdner Bank AG (together as **Coordinators**) and CITIC Ka Wah Bank Limited (as **Paying Agent**) pursuant to which the delinquent debt creditors will share any recoveries and the related costs and expenses of any claims in relation to the Delinquent Debts with the Participating Creditors (the **Delinquent Debts Agreement**);

- (l) the restructuring opinion (“Sanierungsgutachten”) according to IDW FAR 1/1991 confirming the Egana Group’s ability to achieve the Restructuring Plan to be prepared by the independent financial advisor to Egana in form and substance acceptable to the Coordinators acting on the instructions of the Participating Creditors (the **Restructuring Opinion**);
- (m) the plan setting out the analyses conducted and measures approved, planned and/or implemented by and under the responsibility of the management of the Egana Group in connection with the current restructuring process to enable the Egana Group (or a substantial part of it) to continue on a going-concern basis for at least two years as amended from time to time during the Restructuring Period (the **Restructuring Plan**);
- (n) the letters setting out the terms of payment for the Asian Coordinator, the European Coordinator, the Paying Agent and the Security Agent as referred in the Debt Restructuring Agreement (together the **Fee Letters**); and
- (o) any other document designated as a “Restructuring Document” by the Coordinators and Egana, and any document incidental to, or which Egana deems necessary or beneficial, in connection with the documents listed in this paragraph 1, or in any way connected with the Restructuring,

(with all such documents referred to in paragraph 1 above being the **Restructuring Documents**) be and are each hereby generally and unconditionally approved, and the transactions contemplated under the Restructuring Documents and under the Restructuring, and the performance of such transactions by Egana or any director thereof, be and are generally and unconditionally approved, and the execution of any or all of such Restructuring Documents by Egana on behalf of itself, or (as appropriate) on behalf of the Debtors or the New Guarantors (pursuant to and in accordance with the Powers of Attorney granted to it by those companies), be generally and unconditionally approved and, to the extent that the execution of some or all of the Restructuring Documents by Egana has already taken place as at the date hereof, such execution is hereby generally and unconditionally ratified, confirmed and approved in all respects as fully as if such action had been approved by the Shareholders prior to it having occurred.

- 2. **THAT** any one of the directors of Egana (**Directors**) be and is hereby authorised to exercise the authorities, powers and discretion on behalf of the board of Directors to sign, execute, perfect and deliver and/or receive all such documents or any other document relating in any way to the Restructuring and do all such deeds, acts, matters and things and take such steps as he or she may in his or her absolute discretion consider necessary, appropriate, desirable, or expedient for the purposes of or in connection with the implementation of the Restructuring or the Restructuring Documents and all transactions and other matters contemplated thereunder or ancillary or incidental thereto, to waive compliance from and/or to agree to any amendment or supplement to any of the provisions of the Restructuring Documents, and to effect or implement any other matters referred to in this resolution;
- 3. **THAT** any and all actions of Egana or of any Director or officer or any attorney, taken in conjunction with the actions contemplated by the Restructuring or the Restructuring Documents prior to the date hereof be and are hereby ratified, confirmed, approved and adopted in all respects as fully or if such actions had been presented for approval, and approved by, the shareholders of Egana prior to such action being taken.

4. **THAT**, subject to the passing of ordinary resolution number 1, 2 and 3 above:
  - (a) the authorised share capital of Egana be increased from HK\$20,000,000 divided into 2,000,000,000 ordinary shares of HK\$0.01 each to HK\$500,000,000 divided into 50,000,000,000 ordinary shares of HK\$0.01 each by the creation of an additional 48,000,000,000 new shares of HK\$0.01 each (**Increase in Authorised Share Capital**); and
  - (b) any Director of Egana be and is hereby authorised for and on behalf of Egana to execute all such documents, instruments and agreements and to do all such acts or things deemed by him or her to be necessary to effect, incidental to, or in any way connection with, the Increase in Authorised Share Capital;
5. **THAT**, subject to the passing of ordinary resolution number 1, 2, 3 and 4 above, the issuance and allotment of the Subscription Shares to the Equity Subscriber in accordance with the terms of the Subscription Agreement be and are hereby approved;
6. **THAT**, subject to the passing of ordinary resolution number 1, 2, 3 and 4:
  - (a) the issuance of the Participating Creditors' Convertible Bonds by Horizon Asset Holdings Ltd and (upon the exercise of the conversion rights attached thereto) the issue and allotment of the relevant Conversion Shares to the Participating Creditors, in each case in accordance with the terms of the Participating Creditors' CB Subscription Agreement, be and are hereby approved; and
  - (b) the issue of the Lifestyle Convertible Bonds by Horizon Asset Holdings Ltd and (upon the exercise of the conversion rights attached thereto) the issue and allotment of the relevant Conversion Shares to the Bond Subscriber, in each case in accordance with the terms of the Subscription Agreement, be and are hereby approved;
7. **THAT**, subject to the passing or ordinary resolution 1 to 6 above:
  - (a) the repayment of the Bridging Loan by the Company to Billion Empire Limited in accordance with the terms and conditions thereof, and in accordance with the terms and conditions of the Debt Restructuring Agreement be and is hereby approved; and
  - (b) the release of any security granted in favour of Billion Empire Limited in consideration for, or in any way relating to, the provision of the Bridging Loan be and is hereby approved;
8. **THAT** :
  - (a) subject to and conditional upon the passing of ordinary resolution no.1, 2 and 3, the Whitewash Waiver granted or to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers in respect of the obligation on the part of Lifestyle and its Concert Parties to make a mandatory general offer to all of the shareholders of Egana for all of the Egana Shares not already owned by Lifestyle or its Concert Parties, or agreed to be acquired by Lifestyle or its Concert Parties pursuant to the subscription of the Subscription Shares and the allotment and issue of the Conversion Shares upon the exercise of conversion rights attaching to the Lifestyle Convertible Bonds, under Rule 26 of the Hong Kong Code on Takeovers and Mergers as a result of the allotment and issue of the Subscription Shares and Conversion Shares be and is hereby approved; and

9. **THAT :**

- (a) subject to and conditional upon the passing of ordinary resolution no. 1, 2 and 3, the Special Deal Repayment and the application to the Executive for the Special Deal Consent pursuant to Note 5 of Rule 25 of the Hong Kong Code on Takeovers and Mergers in respect of the Special Deal Repayment be and are hereby approved; and
- (b) any Director of Egana be and is hereby authorised in his or her absolute discretion to exercise the authorities, powers and discretion on behalf of the Directors to deal with all matters and sign any ancillary documentation in relation to and in connection with the Special Deal Consent.

On behalf of the Board  
**EganaGoldpfeil (Holdings) Limited**  
**Michael Richard POIX**  
*Chief Executive Officer*

Hong Kong, 30 June 2008

*Principal place of business in Hong Kong:*

Block C, 11th Floor  
Hong Kong Industrial Centre  
489-491 Castle Peak Road  
Cheung Sha Wan  
Kowloon, Hong Kong

*Notes:*

- (1) A member entitled to attend and vote at the above meeting may appoint a proxy to attend and, on a poll vote on his behalf and such proxy need not be a member of Egana. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A form of proxy for use at the meeting is enclosed.
- (2) In order to be valid, the form of proxy, together with any power of attorney or authority under which it is signed or a certified copy of that power of attorney or authority, must be deposited at Egana's principal place of business in Hong Kong at Block C, 11th Floor, Hong Kong Industrial Centre, 489-491 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
- (3) Completion and return of the form of proxy will not preclude a shareholder of Egana from attending and voting in person at the meeting convened or any adjournment thereof and in such event, the authority of the proxy shall be deemed to be revoked.
- (4) Vote on the ordinary resolutions to be proposed at the meeting will be taken by way of poll.

*As at the date of this announcement, the board of directors comprises Messrs. Peter Ka Yue Lee, Michael Richard Poix, Juergen Ludwig Holzschuh and Wolfgang Heinz Pfeifer as executive directors, and Professor Udo Glittenberg and Dr. Goetz Reiner Westermeyer as independent non-executive directors.*