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# **EGANA GOLDPFEIL**

(HOLDINGS) LIMITED

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

**(stock code: 48)**

## **ANNOUNCEMENT**

### **Status of restructuring**

Following the issue of the Announcement, Egana, together with temporary administrators, have been in discussions with interested parties with respect to possible sales of its subsidiaries/assets, but no agreement has been entered into in respect of any such possible sales as at the date of this announcement. Discussions are limited to sales of subsidiaries/assets of the Egana Group and do not relate to a potential investment in Egana.

On 30 October 2008 16:00 o'clock, CET, the competent German court has opened insolvency proceedings for EGEH and appointed the temporary administrator to be liquidator of EGEH to commence formal insolvency proceedings. The liquidator of EGEH has the power to dispose of any assets, including shares in subsidiaries, of EGEH. It is anticipated that insolvency proceedings to appoint liquidators for Junghans Uhren GmbH and Guthmann+Wittenauer Schmuck GmbH will be opened at the beginning of November 2008 and that proceedings to appoint liquidators over EganaGoldpfeil Accessoires GmbH and Porzellan-Manufaktur Ludwigsburg GmbH may be opened at the end of November 2008.

In accordance with the articles of association of Joop! GmbH, Joop! GmbH is entitled to withdraw its shares from a shareholder who has filed for insolvency. Such right has been exercised by Joop! GmbH but is still subject to approval by the EGEH's creditors committee. Compensation will be paid by Joop! GmbH to EGEH after the withdrawal based on 75% of the fair market value as determined by an expert.

## **Legal proceedings against Egana**

Billion Empire Limited, the lender of the HK\$300 million bridging loan as referred to in the announcement of Egana dated 2 October 2007, served a writ of summons issued by the High Court of the Hong Kong Special Administrative Region against Egana on 28 October 2008 for the repayment of outstanding principal amount of HK\$296,614,982.98 and interest accrued thereon, and other claims relating to the bridging loan facility and the security granted in respect thereof. On 31 October 2008, a statutory demand for the payment of HK\$298,190,750.04 was served on Egana by Billion Empire Limited. If the amount set out in the statutory demand cannot be paid within 21 days of the date of the statutory demand or if Egana do not secure or compound for the said amount to Billion Empire Limited's reasonable satisfaction, Billion Empire Limited may take legal action to wind up Egana. Egana is currently seeking legal advice as to the most appropriate way to respond in the current circumstances.

## **General**

At the request of Egana, trading in the shares of Egana was suspended with effect from 9:30 a.m. on 12 September 2007 and will remain suspended until further notice.

**Shareholders and investors should exercise caution when dealing in the securities of Egana.**

## **Status of restructuring**

This announcement is made pursuant to Rule 3.7 of the Code on Takeovers and Mergers (the "Takeovers Code").

Reference is made to the announcement of EganaGoldpfeil (Holdings) Limited ("Egana"), and its subsidiaries, (together the "Egana Group") dated 30 September 2008 (the "Announcement"). As stated in the Announcement, the debt restructuring agreement (the "DRA") entered into between Lifestyle International Holdings Limited ("Lifestyle"), Egana and the participating creditors (the "Participating Creditors") ceased to have effect on 26 September 2008 because the conditions precedent to the DRA were not satisfied or waived on or before 26 September 2008. No revised agreement in relation to the restructuring of the Egana Group has been reached among Lifestyle, Egana and the Participating Creditors. It was further stated in the Announcement that certain subsidiaries had filed for insolvency proceedings with temporary administrators appointed and a number of approaches and expressions of interest have been received from third parties interested in investing in the Egana Group as a whole or in purchasing certain individual subsidiaries.

Following the issue of the Announcement, Egana, together with temporary administrators, have been in discussions with interested parties with respect to possible sales of its subsidiaries/assets, but no agreement has been entered into in respect of any such possible sales as at the date of this announcement. Discussions are limited to sales of subsidiaries/assets of the Egana Group and do not relate to a potential investment in Egana.

Egana will issue a further announcement on the progress of the possible sales or other transaction as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Takeovers Code.

As stated in the Announcement, five subsidiaries of the Egana Group, namely EganaGoldpfeil Europe (Holdings) GmbH (“EGEH”), Guthmann+Wittenauer Schmuck GmbH, Junghans Uhren GmbH, EganaGoldpfeil Accessoires GmbH and Porzellan-Manufaktur Ludwigsburg GmbH have filed for insolvency proceedings with the competent German courts which have appointed Frankfurt or Stuttgart based lawyers as their temporary administrators. On 30 October 2008 16:00 o’clock, CET, the competent German court has opened insolvency proceedings for EGEH and appointed the temporary administrator to be liquidator of EGEH to commence formal insolvency proceedings. The liquidator of EGEH has the power to dispose of any assets, including shares in subsidiaries, of EGEH. It is anticipated that insolvency proceedings to appoint liquidators for Junghans Uhren GmbH and Guthmann+Wittenauer Schmuck GmbH will be opened at the beginning of November 2008 and that proceedings to appoint liquidators over EganaGoldpfeil Accessoires GmbH and Porzellan-Manufaktur Ludwigsburg GmbH may be opened at the end of November 2008.

The Egana Group, through EGEH, is interested in 50% of Joop! GmbH. In accordance with the articles of association of Joop! GmbH, Joop! GmbH is entitled to withdraw its shares from a shareholder who has filed for insolvency. Such right has been exercised by Joop! GmbH but is still subject to approval by the EGEH’s creditors committee. Compensation will be paid by Joop! GmbH to EGEH after the withdrawal based on 75% of the fair market value as determined by an expert. Egana will issue a further announcement with respect to the impact of the above on the financial position and operations of the Egana Group.

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By order of the Board  
**EganaGoldpfeil (Holdings) Limited**  
**Michael Richard Poix**  
*Chief Executive Officer*

Hong Kong, 31 October 2008

*As at the date of this announcement, the board of directors comprises Messrs. 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.*

*The directors of Egana jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*