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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 release of the Announcement, Egana continues to explore with its creditors and the liquidators and temporary administrators of respective subsidiaries the potential restructurings of the Egana Group. As a result of negotiations held by the liquidator of EGEH, an agreement for the sale and transfer of the Salamander group has been signed which is still subject to condition precedent for completion as set out in the body of this announcement. Furthermore in consequence of discussions held by the appointed liquidators of respective companies, agreements for the sale and transfer of the businesses of Junghans Uhren GmbH as well as Guthmann & Wittenauer Schmuck GmbH have been entered into as detailed in the body of this announcement.

Discussions held by the competent liquidators with potential investors for the businesses of Porzellan-Manufaktur Ludwigsburg GmbH and for the trademark Goldpfeil are in progress. A draft termsheet is in discussion with a potential purchaser of Egana's timepiece and jewellery business. However, save for the aforesaid, Egana is not aware of any other final agreement having been entered into in respect of any such possible sales as at the date of this announcement.

DKdigital GmbH, a non wholly-owned subsidiary of EGEH, has filed for insolvency proceedings with the competent local court which has appointed a Düsseldorf based lawyer as temporary administrator.

A payment claim was raised by HSH Nordbank AG, Germany, against EGD, in the amount of approximately EUR 395,000 based on guarantee for payments owed by EGEH under the lease agreement for European headquarter building in Offenbach am Main, Germany. The lease agreement was terminated prematurely by the liquidator of EGEH to the end of January 2009. Payment under the guarantee has not been made by EGD as at the date of this announcement.

As part of the ongoing restructuring of the Egana Group, a resolution was passed by EGD to effect the voluntary liquidation of its wholly-owned subsidiary Abel & Zimmermann GmbH & Co. KG, Pforzheim, Germany, due to the unprofitable and poor economical situation.

The Bridging Loan is in default. If the Share Charge is exercised, this may trigger a general offer obligation under the provisions of Note 7 to Rule 26.1 of the Takeovers Code. This matter is still being studied by relevant parties and further announcement(s) will be made by relevant parties in accordance with the Takeovers Code.

### **General**

At the request of Egana, trading in 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 securities of Egana.**

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

### **Status of restructuring**

Reference is made to the announcement of EganaGoldpfeil (Holdings) Limited (“Egana”), and its subsidiaries, (together the “Egana Group”) dated 30 December 2008 (the “Announcement”) regarding, among other things, the status of restructuring. Following the release of the Announcement, Egana continues to explore with its creditors and the liquidators and temporary administrators of respective subsidiaries the potential restructurings of the Egana Group. As a result of negotiations held by the liquidator of EganaGoldpfeil Europe (Holdings) GmbH (“EGEH”), an agreement for the sale and transfer of the Salamander group has been signed which is still subject to condition precedent that the acquisition is not prohibited by the Federal Cartel Offices in Germany and Austria. In consequence of discussions held by the liquidator of Junghans Uhren GmbH an agreement on sale and transfer of its business including the Junghans trademark was entered into with an investor with economical effect from 1 February 2009. Furthermore, the appointed liquidator for Guthmann & Wittenauer Schmuck GmbH has signed an agreement with an investor for the acquisition and takeover of material assets and contractual arrangements necessary for the continuation of its business. The acquisition became economically effective on 9 January 2009.

Discussions held by the competent liquidators with potential investors for the businesses of Porzellan-Manufaktur Ludwigsburg GmbH and for the trademark Goldpfeil, which is owned by EganaGoldpfeil Accessoires GmbH, are in progress. A draft termsheet is in discussion with a potential purchaser of Egana’s timepiece and jewellery business. However, save for the aforesaid, Egana is not aware of any other final agreement having been entered into in respect of any such possible sales as at the date of this announcement.

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.

DKdigital GmbH, a non wholly-owned subsidiary of EGEH, has filed for insolvency proceedings with the competent local court which has appointed a Düsseldorf based lawyer as temporary administrator.

A payment claim was raised by HSH Nordbank AG, Germany, against EganaGoldpfeil Deutschland GmbH (“EGD”), in the amount of approximately EUR 395,000 based on guarantee for payments owed by EGEH under the lease agreement for European headquarter building in Offenbach am Main, Germany. The lease agreement was terminated prematurely by the liquidator of EGEH to the end of January 2009. Payment under the guarantee has not been made by EGD as at the date of this announcement.

On 9 January 2009, EGEH and EGD have relocated their offices from Kaiserstrasse in Offenbach am Main to the warehouse operated by European Technology & Logistic Center GmbH in Dietzenbach, Germany. EGD is and has been the lessee of the warehouse including acceptable office space at the address Waldstrasse 41, Dietzenbach.

As part of the ongoing restructuring of the Egana Group, a resolution was passed by EGD to effect the voluntary liquidation of its wholly-owned subsidiary Abel & Zimmermann GmbH & Co. KG, Pforzheim, Germany, which is constrained to close down its business as a manufacturer and seller of high-end jewellery due to the unprofitable and poor economical situation.

It was disclosed in the Announcement that the HK\$300 million bridging loan (the “Bridging Loan”) borrowed from a wholly-owned subsidiary of Lifestyle International Holdings Limited was secured, among other things, a charge (the “Share Charge”) over 434,345,736 shares of Egana held by Joint Asset International Limited. The Bridging Loan is in default. If the Share Charge is exercised, this may trigger a general offer obligation under the provisions of Note 7 to Rule 26.1 of the Takeovers Code. This matter is still being studied by relevant parties and further announcement(s) will be made by relevant parties in accordance with the Takeovers Code.

## **General**

At the request of Egana, trading in 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 securities of Egana.**

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

Hong Kong, 2 February 2009

*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.*