

**EGANAGOLDPFEIL (HOLDINGS) LTD:
THE COMPANY IS SUED FOR THE BEST PART OF \$HK300 MILLION**

Billion Empire Ltd (), a wholly owned subsidiary of publicly listed Lifestyle International Holdings Ltd () (Code: 1212, Main Board, The Stock Exchange of Hongkong Ltd), has issued a Writ in the High Court of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), claiming \$HK296,614,982.98 from publicly listed EganaGoldpfeil (Holdings) Ltd () (Code: 48, Main Board, The Stock Exchange of Hongkong Ltd).

The 12-Page Statement of Claim, attached to HKSAR High Court, Writ of Summons, Number 2132, alleges that, on September 23, 2007, Billion Empire Ltd agreed to lend \$HK300 million to EganaGoldpfeil, pursuant to certain terms and conditions.

The Statement of Claim, then, explains, in some length, those terms and conditions, some of which were modified, by mutual consent, in Supplemental Agreements, which included, inter alia, the final maturity date of the credit facilities.

Paragraph 15 of the Statement of Claim alleges that the Defendant breached the terms and conditions of the Credit Agreement, thus causing the Plaintiff to suffer loss and damage in the amount of \$HK296,614,982.98.

Since the Plaintiff has been unable to obtain any joy from the Defendant, the matter has been placed in the hands of the solicitors of the Plaintiff in order to try to obtain redress.

On September 30, 2008, EganaGoldpfeil (Holdings) Ltd told its shareholders, among other things:

'Insolvency

'As announced on 22 July 2008 and subsequently, Egana and its subsidiaries have faced continued liquidity difficulties. In particular, Egana has tried various means to remedy the excess indebtedness and/or illiquidity of its German subsidiaries, but unfortunately it has not been possible to achieve a resolution of the relevant subsidiaries' difficulties to date.

'Due to the lack of any alternative solution and in the circumstances in which Egana finds itself as set out in the body of this announcement below, EGEH [EganaGoldpfeil Europe (Holdings) GmbH], the Egana Group's German incorporated European holding company and a subsidiary of Egana, has filed for insolvency proceedings with the competent German court which has appointed a Frankfurt based lawyer as temporary administrator. Subsequent to the filing for insolvency proceedings for EGEH, four other German subsidiaries of the Egana Group, namely Guthmann+Wittenauer Schmuck GmbH, Junghans Uhren GmbH, EganaGoldpfeil Accessoires GmbH and Porzellan-Manufaktur Ludwigsburg GmbH, have filed for insolvency proceedings with the competent local courts. Temporary administrators, all being Frankfurt or Stuttgart based lawyers, have been appointed to these four companies.

'It is possible that the temporary administrators and the directors of the Insolvency

Companies may decide that some loss-making German subsidiaries should be placed in formal insolvency proceedings to enhance the ability to achieve a satisfactory outcome for the rest of the Egana Group, although no ... [CLICK TO ORDER FULL ARTICLE](#)

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