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聯洲國際集團有限公司

EGANA GOLDPFEIL

(H O L D I N G S) L I M I T E D

(Incorporated in the Cayman Islands with limited liability)

(stock code: 048)

Announcement

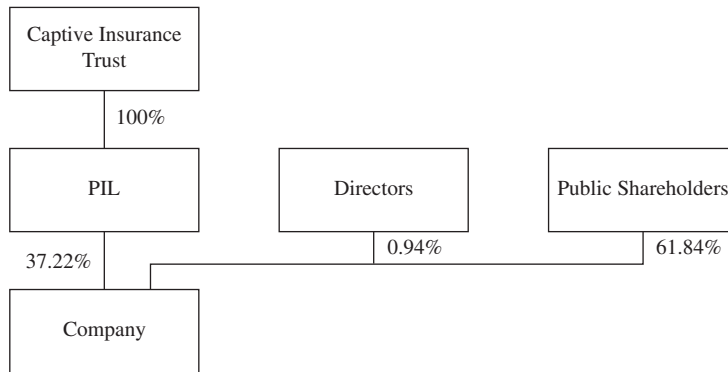
The Board would like to announce that the Company has been notified by PIL, a controlling shareholder of the Company, that (a) it will transfer 428,576,000 Shares to Joint Asset, a newly incorporated company which is wholly-owned by PIL, representing approximately 33.33% of the existing issued share capital of the Company; and (b) on 16 August 2006, PIL and VDCI SA (an indirect wholly-owned subsidiary of Compagnie Financière Richemont SA) entered into a sale and purchase agreement pursuant to which VDCI SA shall acquire 30% of the total issued share capital of Joint Asset. As at the date of this announcement, PIL holds a total of 478,620,553 Shares, representing approximately 37.22% of the existing issued share capital of the Company. Following such Transfer, Joint Asset will become a controlling shareholder of the Company and PIL will remain directly and indirectly interested in 478,620,553 Shares. The Board has also been notified by PIL that PIL will, on completion of the VDCI SA Investment, enter into the Joint Asset Shareholders Agreement with VDCI SA and Joint Asset. Completion of the VDCI SA Investment is scheduled to take place on or before 4 September 2006.

The Company has also been notified by PIL that the SFC has granted a ruling that none of Joint Asset nor VDCI SA will be required to make a mandatory general offer to the shareholders of the Company as a result of the Transfer and the VDCI SA Investment.

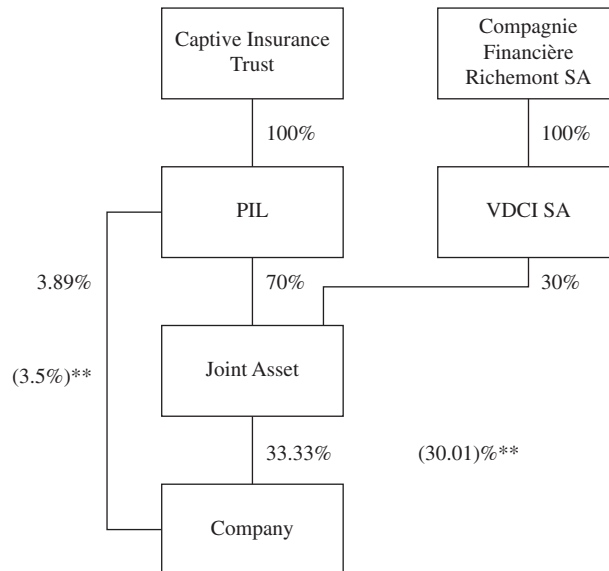
This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board would like to announce that the Company has been notified by PIL, a controlling shareholder of the Company, that (a) it will transfer 428,576,000 Shares to Joint Asset, a newly incorporated company which is wholly-owned by PIL, representing approximately 33.33% of the existing issued share capital of the Company, in exchange for new shares to be issued by Joint Asset to PIL representing 100% of the issued share capital of Joint Asset; and (b) on 16 August 2006, PIL and VDCI SA (an indirect wholly-owned subsidiary of Compagnie Financière Richemont SA) entered into the sale and purchase agreement pursuant to which VDCI SA shall acquire 30% of the total issued share capital of Joint Asset. As at the date of this announcement, PIL holds a total of 478,620,553 Shares, representing approximately 37.22% of the existing issued share capital of the Company. Following such Transfer, Joint Asset will become a controlling shareholder of the Company and PIL will remain directly and indirectly interested in 478,620,553 Shares. The Board has also been notified by PIL that PIL will, on completion of the VDCI SA Investment, enter into the Joint Asset Shareholders Agreement with VDCI SA.

The shareholding structure of the Company before the VDCI SA Investment and the Proposal is as follows:



The shareholding structure of the Company after the VDCI SA Investment but before the Proposal is as follows:



** figures in the bracket represent the shareholding of Joint Asset and the direct shareholding of PIL in the Company assuming that all of the holders of options of Egana Jewellery exercises the options prior to the record date under the Proposal for the purposes of ascertaining their entitlements under the Proposal and all scheme shareholders of Egana Jewellery choose to receive Shares.

Neither the Proposal nor the VDCI SA Investment are conditional on the other.

Completion of the VDCI SA Investment is scheduled to take place on or before 4 September 2006. On completion of the VDCI SA Investment, PIL, Joint Asset and VDCI SA will enter into the Joint Asset Shareholders Agreement governing the relationship between PIL and VDCI SA as shareholders of Joint Asset. The Board has been informed that principal terms of the Joint Asset Shareholders Agreement include (i) the board of Joint Asset shall comprise three directors, two of whom shall be appointed by PIL and one shall be appointed by VDCI SA; (ii) unanimous consent is required for a number of reserved matters including, any disposals of the Shares held by Joint Asset and the exercise of Joint Asset's voting rights in

respect of its Shares in the Company in relation to transactions that are required to be approved by shareholders of the Company under Chapters 14 and 14A of the Listing Rules. If there is a disagreement between PIL and VDCI SA in respect of other non-reserved matters, Joint Asset shall exercise its voting rights attaching to its Shares in the Company in respect of such matter at the direction of PIL and VDCI SA in proportion to their respective shareholding in Joint Asset; (iii) pre-emptive and anti-dilution rights over new share issues by the Company; (iv) the shares held by Joint Asset in the Company will be distributed to PIL and VDCI SA pro rata to their respective shareholding in Joint Asset in the event of the termination of the arrangements in relation to Joint Asset; (v) if PIL disposes its shares in Joint Asset (or the Shares held by it which have been distributed to it on termination of the Joint Asset Shareholders Agreement) to a third party purchaser, PIL can require VDCI SA to sell to that purchaser its shares in Joint Asset or the Shares held by it (as the case may be) or, if requested by VDCI SA, PIL has to procure that the purchaser purchases those shares in Joint Asset held by VDCI SA (or, if appropriate, the Shares held by it which have been distributed to it on termination of the Joint Asset Shareholders Agreement) as well; (vi) PIL and VDCI SA will undertake that (a) they will not acquire Shares or voting rights in the Company or conduct any other action which would trigger a mandatory general obligation under the Takeovers Code on the part of Joint Asset, PIL and/or VDCI SA and/or any of their associates; and (b) they will not do anything which will make VDCI SA a “Connected Person” of the Company.

PIL has been informed by VDCI SA that it does not hold any Shares or shares of Egana Jewellery as at the date of this announcement.

Both PIL and Joint Asset are and will continue to be substantial shareholders of the Company and thus are Connected Persons of the Company.

Following completion of VDCI SA Investment, VDCI SA will not be an associate of Joint Asset as VDCI SA will only be interested in 30% of the shares of Joint Asset. In addition, based on the shareholdings of VDCI SA in Joint Asset, and the shareholding of Joint Asset in the Company, VDCI SA will be able to direct the exercise of voting rights in respect of less than 10% of the total voting rights attaching to all Shares when there is disagreement in respect of the non-reserved matters. VDCI SA will therefore not be a Connected Person of the Company.

The Company has also been notified by PIL that the SFC has granted a ruling that none of Joint Asset nor VDCI SA will be required to make a mandatory general offer to the shareholders of the Company as a result of the Transfer and/or the VDCI SA Investment.

The Group is engaged in the (i) design, assembly, manufacturing and distribution of timepieces, jewellery, leather & lifestyle products; (ii) licensing or assignment of brandnames or trademarks to third parties; (iii) trading of timepiece components, jewellery and consumer electronic products; (iv) distribution of branded timepieces, leather and lifestyle products through franchisees under the franchising arrangement; and (v) holding of investments.

The Board has been advised that the introduction of Joint Asset as a new controlling shareholder as aforesaid and the investment of VDCI SA in Joint Asset will not result in any change to the ultimate control of the Company or to the composition of the Board or have any material adverse impact on the operations of the Company and its subsidiaries.

The Board does not believe that the VDCI SA Investment will result in a change of control of the Company.

DEFINITIONS

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of directors, including independent non-executive directors, of the Company
“Captive Insurance Trust”	a discretionary trust whose prospective beneficiaries include Mr. Seeberger and his family
“Company”	EganaGoldpfeil (Holdings) Limited, a company incorporated in the Cayman Islands whose Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Connected Person”	has the meaning ascribed to it in the Listing Rules
“Egana Jewellery”	Egana Jewellery & Pearls Limited, a company incorporated in the Cayman Islands whose Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“Executive”	the executive director of the Corporate Finance of the Securities and Futures Commission or any delegate of the executive director
“Group”	the Company and its subsidiaries
“Joint Asset”	Joint Asset International Limited, a company incorporated in the British Virgin Islands, and a wholly owned subsidiary of PIL immediately prior to the VDCI SA Investment
“Joint Asset Shareholders Agreement”	The shareholders agreement to be entered into between PIL, Joint Asset and VDCI SA on completion of the VDCI SA Investment governing the relationship between them as shareholders of Joint Asset
“Listing Rules”	Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Seeberger”	Mr. Hans-Joerg Seeberger, an executive director, chairman and chief executive of the Company

“PIL”	Peninsula International Limited, the investment holding company of the Captive Insurance Trust, a discretionary trust whose prospective beneficiaries include Mr. Seeberger and his family
“Proposal”	the proposed privatisation of Egana Jewellery by the Company pursuant to a scheme of arrangement under Cayman Islands laws
“Share(s)”	share(s) of HK\$1.00 each in the issued share capital of the Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Transfer”	the transfer by PIL of 428,576,000 Shares to Joint Asset
“VDCI SA.”	VDCI S.A., a company incorporated in Luxembourg and a wholly owned subsidiary of Compagnie Financière Richemont SA. Compagnie Financière Richemont SA is one of the world’s leading luxury goods groups, with particular strength in jewellery, luxury watches and writing instruments
“VDCI SA Investment”	the acquisition by VDCI SA of 30% interest in Joint Asset

By Order of the Board
EganaGoldpfeil (Holdings) Limited
David Wai Kwong WONG
Company Secretary

Hong Kong, 16 August, 2006

As at the date of this announcement, the board of directors of the Company comprises Messrs. Hans-Joerg SEEBERGER, Peter Ka Yue LEE, Michael Richard POIX, Ho Yin CHIK and David Wai Kwong WONG as executive directors, and Professor Udo GLITTENBERG, Dr. Goetz Reiner WESTERMEYER and Mr. Andy Yick Man NG as independent non-executive directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, 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 facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

Please also refer to the published version of this announcement in The Standard.