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This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

The Offer is not related to any of the publicly listed entities in which the privately held Li & Fung (1937) Limited has interests, including Li & Fung Limited (Stock Code: 00494), Trinity Limited (Stock Code: 00891) and Convenience Retail Asia Limited (Stock Code: 00831).



PERFECT LEAD INVESTMENTS LIMITED HANG TEN GROUP HOLDINGS LIMITED

(a wholly-owned subsidiary of Li & Fung (Retailing) Limited)
(incorporated in the British Virgin Islands with limited liability)

(incorporated in Bermuda with limited liability)
(Stock Code: 00448)

JOINT ANNOUNCEMENT

**VOLUNTARY CONDITIONAL CASH OFFER BY
CITIGROUP GLOBAL MARKETS ASIA LIMITED
ON BEHALF OF
PERFECT LEAD INVESTMENTS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES IN
HANG TEN GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY PERFECT LEAD INVESTMENTS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

OFFER BECOMING UNCONDITIONAL AS TO ACCEPTANCES

**Financial adviser to Perfect Lead Investments Limited
and Li & Fung (Retailing) Limited**



CITIGROUP GLOBAL MARKETS ASIA LIMITED

The Offer has become unconditional as to acceptances on 26 January 2012.

The transactions contemplated under the Irrevocable Undertaking and the Offer have been approved by the shareholders of YGM as required by and in accordance with the Listing Rules and other applicable laws and regulations at the extraordinary general meeting of YGM held on 19 January 2012. Apart from such Condition and the Condition as to acceptances, the other Conditions of the Offer have not been fulfilled or waived by the Offeror as at 26 January 2012. The Offeror and the Company will issue an announcement when the Offer has become unconditional in all respects.

Pursuant to Rule 15.3 of the Takeovers Code, where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. The Offeror hereby announces that the Offer will remain open for acceptance until further notice.

When the Offer becomes or is declared unconditional in all respects, at least 14 days' notice in writing will be given before the Offer is closed to those Shareholders who have not yet accepted the Offer before the Offer is closed.

Save as set out above, all other terms of the Offer as set out in the Composite Document and the Form of Acceptance remain unchanged. ***Shareholders are advised to refer to the Composite Document and the Form of Acceptance for details of the acceptance procedures if they wish to accept the Offer.***

Further announcement on the results of the Offer will be made on 2 February 2012 in accordance with Rule 19.1 of the Takeovers Code.

INTRODUCTION

Reference is made to (i) the announcement dated 19 December 2011 jointly issued by the Offeror and the Company in relation to the Offer; (ii) the announcement dated 6 January 2012 jointly issued by the Offeror and the Company in relation to the delay in despatch of the Composite Document; (iii) the Composite Document dated 12 January 2012 jointly issued by the Offeror and the Company in relation to the Offer; and (iv) the announcement dated 12 January 2012 jointly issued by the Offeror and the Company in relation to the despatch of the Composite Document. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Composite Document.

CONDITION AS TO ACCEPTANCES

As at 4:30 p.m. on 26 January 2012, the Offeror has received valid acceptances of the Offer in respect of 723,926,940 Shares (representing approximately 73.70% of the issued share capital and the voting rights in the Company as at the date of this announcement), which include acceptances in respect of Shares subject to the Irrevocable Undertaking.

Accordingly, Condition (a) as set out on page 8 of the Composite Document has been satisfied and the Offer has become unconditional as to acceptances.

Before the Offer Period commenced on 19 December 2011, the Offeror and parties acting in concert with it did not hold, control or direct any Shares or rights over Shares save for 81 Shares held by Citi and the entities controlling, controlled by or under the same control as Citi (except those entities in the capacity of an exempt principal trader and exempt fund manager), which are presumed to be acting in concert with the Offeror. Save for the acceptances of the Offer described above, which include acceptances in respect of Shares subject to the Irrevocable Undertaking, the Offeror and parties acting in concert with it have not acquired or agreed to acquire any Shares or rights over Shares during the Offer Period. Neither the Offeror nor any party acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period.

OTHER CONDITIONS

An extraordinary general meeting of YGM has been held on 19 January 2012 at which the transactions contemplated under the Irrevocable Undertaking and the Offer have been approved by the shareholders of YGM as required by and in accordance with the Listing Rules and other applicable laws and regulations. Accordingly, Condition (c) as set out on page 9 of the Composite Document has been satisfied.

Apart from the Conditions (a) and (c) as mentioned above, the other Conditions of the Offer have not been fulfilled or waived by the Offeror as at 26 January 2012. The Offeror and the Company will issue an announcement when the Offer has become unconditional in all respects.

OFFER REMAINS OPEN FOR ACCEPTANCE

Pursuant to Rule 15.3 of the Takeovers Code, where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it should remain open for acceptance for not less than 14 days thereafter. The Offeror hereby announces that the Offer will remain open for acceptance until further notice.

When the Offer becomes or is declared unconditional in all respects, at least 14 days' notice in writing will be given before the Offer is closed to those Shareholders who have not yet accepted the Offer before the Offer is closed.

Save as set out above, all other terms of the Offer as set out in the Composite Document and the Form of Acceptance remain unchanged. *Shareholders are advised to refer to the Composite Document and the Form of Acceptance for details of the acceptance procedures if they wish to accept the Offer.*

Further announcement on the results of the Offer will be made on 2 February 2012 in accordance with Rule 19.1 of the Takeovers Code.

COMPULSORY ACQUISITION OR MAINTAINING THE LISTING STATUS OF THE COMPANY

As mentioned in the Composite Document, if the Offeror obtains the prescribed percentage of approval from holders of Shares approving the Offer as required by Section 102(1) of the Companies Act and is permitted to do so under Rule 2.11 of the Takeovers Code, the Offeror intends to consider availing itself of the powers of compulsory acquisition under Section 102(1) of the Companies Act.

If the level of acceptances of the Offer reaches the prescribed level under Section 102(1) of the Companies Act and Rule 2.11 of the Takeovers Code permits a compulsory acquisition, and if the Offeror proceeds with the exercise of such compulsory acquisition rights and the privatisation of the Company, the Company will apply for the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules and a suspension of dealings in the Shares from the close of the Offer up to the withdrawal of listing of Shares from the Stock Exchange.

In the event that the Offeror does not effect the compulsory acquisition of the remaining Shares, whether by reason of not having acquired the prescribed percentage as required under the Companies Act or otherwise, the Offeror may take such steps as are necessary to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company maintains an adequate public float so as to comply with the applicable requirements of the Listing Rules.

According to the Listing Rules, if, upon the close of the Offer, less than 25% of the issued Shares are held by the public, or if the Stock Exchange believes that a false market exists or may exist in the trading of the Shares or there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares. In this connection, it should be noted that upon the close of the Offer, there may be insufficient public float for the Shares and therefore trading in the Shares may be suspended until a sufficient level of public float is attained, and each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after closing of the Offer.

Unless otherwise expressly stated, all time and date references contained in this announcement refer to Hong Kong times and dates.

By order of the board of PERFECT LEAD INVESTMENTS LIMITED Lau Butt Farn <i>Director</i>	By order of the Board of HANG TEN GROUP HOLDINGS LIMITED Chan Wing Sun <i>Chairman</i>
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Hong Kong, 26 January 2012

As at the date of this announcement, the Board comprises Chan Wing Sun, Kao Yu Chu and Wang Li Wen as executive Directors; and Cheung Yat Hung Alton, Kwong Chi Keung and So Hon Cheung Stephen as independent non-executive Directors.

As at the date of this announcement, the directors of the Offeror are Fung Kwok King, Victor, Fung Kwok Lun, William, Lau Butt Farn and Choi Yuk Shing, Danny.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror and parties acting in concert with it) 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.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Group and the Selling Shareholders), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group and the Selling Shareholders) 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.