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[For immediate release]



PCD Stores Announces Proposed Listing on Main Board of HKSE

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**Global Offering of 1,500 million Shares
at between HK\$1.65 and HK\$2.00 per Share
to Raise up to HK\$3,000 million**

Investment Highlights

- Highly experienced and competent management team with a successful track record of establishing, integrating and operating department stores
- Premium brand positioning in the Chinese high-end and luxury retail market
- Prime store locations with long-term market growth potential
- Entering into outlet mall business to attract new pool of customers and gradually convert them into regular shoppers at high-end department stores
- Excellent customer service and loyal customer base
- Broad network of operation helps to achieve economies of scale and to attract new brands

(Hong Kong, 2 December 2009) — **PCD Stores (Group) Limited** (“PCD” or the “Group”), a rapidly growing department store group in China with an emphasis on high-end and luxury products, today announced the details of its proposed listing on the Main Board of The Stock Exchange of Hong Kong Limited (“SEHK”).

Of the 1,500 million shares for Global Offering (subject to adjustment and over-allotment option), 90% will be for international placing and 10% will be offered to the public in Hong Kong. There is an over-allotment option of up to 225 million additional shares. The indicative price range is between HK\$1.65 and HK\$2.00 per Share. Assuming the Over-allotment Option is not exercised,

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the total issue size is estimated at between approximately HK\$2,475 million and HK\$3,000 million.

The international book, which was opened on 1 December 2009 (Tuesday), will close on 8 December 2009 (Tuesday). The public offer will begin on 3 December 2009 (Thursday) and end at noon on 8 December 2009 (Tuesday). The final offer price and allotment results will be announced on 14 December 2009 (Monday). Dealing in the shares of PCD is expected to commence on the Main Board of SEHK on 15 December 2009 (Tuesday) under the stock code 331. Shares will be traded in board lots of 2,000 shares.

Credit Suisse (Hong Kong) Limited is the Sole Global Coordinator and Sole Bookrunner. Credit Suisse (Hong Kong) Limited and CLSA Limited are the Joint Lead Managers, while Credit Suisse (Hong Kong) Limited and Evolution Watterson Securities Limited are the Joint Sponsors of the listing.

Mr. Alfred Chan, Chairman of PCD, said, "We are delighted to be making this big step forward. The 'PCD Stores' brand has strong presence in several major cities in China, which we can capitalize on to keep expanding our store network. The proposed listing in Hong Kong will not only allow us to pursue strategic expansion, but also reinforces our brand and image as a high-end and luxury department store operator in China."

The Group has expanded its store network rapidly, it currently operates or provides management consultancy services to sixteen department stores and one outlet mall in Beijing and seven provinces in China, a majority of which is located at prime locations that are easily accessible by car, and have high pedestrian traffic. Among these, the Group owns nine stores and provides management consultancy services to the remaining seven department stores and one outlet mall. The Group's department store operations include "PCD" brand and "Scitech" brand, aiming to lead the luxury department store sector by offering premium branded goods tailored to luxury retail market needs. Through the provision of management consultancy services to the Beijing Scitech Premium Outlet Mall since July 2009, the Group believes it can attract a new pool of customers and gradually convert them into regular shoppers at our high-end department stores.

The Group carries more than 1,600 luxury brands including Armani Collezioni, Cartier, Ermenegildo Zegna, Hugo Boss, Ralph Lauren and Ports 1961, etc. in its network and is dedicated to provide customers with sophisticated upscale shopping experiences. It implements a customer loyalty program encouraging continual spending, as a result of which, the number of members has grown from about 170,941 in December 2006 to approximately 371,000 in June 2009, and sales by customer loyalty program members against total sales also increased significantly from 42.8% in FY2006 to 51.9% in FY2008.

The highly experienced management team of PCD is led by Mr. Alfred Chan and Mr. Edward Tan, who are the Group's controlling shareholders and executive directors. They are also the founders of the international and locally renowned high-end brand PORTS. With direct experience in the China fashion retail sector, the management team has well-established relationships with widely known international and domestic brands in the PRC retail industry and possesses extensive knowledge of operating retail business in various Chinese cities. The Group is able to identify and effectively integrate additional stores to further drive its growth.

Led by a capable management team, PCD achieved solid growth in revenue and profit during the track record period. Primarily as a result of the addition of Scitech Plaza to its store network in 2007, its revenue has increased at a CAGR of 104.8% from FY2006 to FY2008, and the CAGR for net profit was 94.3%.

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Looking forward, PCD intends to continue expanding its store network to become a dominant operator of high-end and luxury department stores and outlet malls in China. "To accomplish our goal, we aim to pursue these overall strategies by continuing expansion through developing new flagship stores in prime locations, driving operational improvements to achieve full potential at existing sites, expanding flagship stores and entering into outlet mall business." **Mr. Chan** concluded.

Offering Structure

Number of Offer Shares	1,500 million Shares (subject to adjustment and the Over-allotment Option)
Number of International Placing Shares	1,350 million Shares (subject to adjustment and the Over-allotment Option) - 500,000,000 Sale Shares (33% of total offer shares) - 850,000,000 new Shares
Number of Hong Kong Offer Shares	150 million Shares (subject to adjustment)
Over-allotment Option	225 million primary Shares, representing 15% of initial number of total offer Shares
Offer Price Range	HK\$1.65 – HK\$2.00 per offer Share
Total Issue Size [#]	HK\$2,475 million - HK\$3,000 million
Market Capitalization	HK\$6,600 million – HK\$8,000 million
Stock Code	331

[#] Before over-allotment option

Use of Net Proceeds

Assuming the Over-allotment Option is not exercised and based on the offer price of HK\$1.825 per offer Share (being the mid-point of the offer price range), the net proceeds are estimated at approximately HK\$1,735 million and will be used for:

	Approximately
• Opening new stores, upgrading existing stores and acquiring premises for existing and new department stores	41%
• Selectively acquiring department store assets through acquiring minority and majority positions in suitable business targets in the department store industry or business, including, in selected circumstances, publicly traded securities	28%
• Fund a portion of the development and construction costs of Xian Phase II	21%
• Provide funding for working capital and other general corporate purposes and improvement of the capital structure	Balance of not more than 10%

Dividend Policy

The Group intends to recommend paying not less than 40% of its annual distributable profit attributable to shareholders as dividend.

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Track Records

	(RMB in millions)						
	For the 6 months ended 30 June			For the year ended 31 December			
	2009	2008	Change	2008	2007	2006	CAGR
Revenue	358.9	353.9	1.4%	717.8	500.9	171.1	104.8%
Net profit	124.1	95.9	29.4%	174.1	135.5	46.1	94.3%
Net profit margin	34.6%	27.1%	7.5%	24.3%	27.1%	26.9%	N/A

Profit forecast for the financial year ending December 2009

The Company forecasts that its consolidated profit attributable to owners for the year ending 31 December, 2009 is estimated to be no less than RMB 205 million before change in fair value of investment property.

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About PCD Stores Holdings Limited

PCD Stores (Group) Limited ("PCD" or "the Group") is a rapidly growing department store group in China with an emphasis on high-end and luxury products. The Group's department store operations include "PCD" brand and "Scitech" brand, which aim to lead the luxury department store sector by offering premium branded goods tailored to luxury retail market needs. The Group offers merchandise from more than 1,600 brands, including Armani Collezioni, Cartier, Ermenegildo Zegna, Hugo Boss, Ralph Lauren and Ports 1961, etc. With its esteemed market position and an expanding network, the business of the Group is rapidly growing, riding on the booming Chinese economy.

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