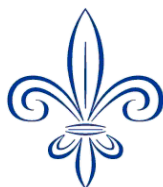


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**PCD Stores (Group) Limited**  
**中國春天百貨集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 00331)**

**DISCLOSEABLE AND CONNECTED TRANSACTIONS  
IN RELATION TO**

**THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF  
EVEN TIME INVESTMENTS LIMITED AND THE ENTIRE REGISTERED  
CAPITAL OF BEIJING CHUN TIAN REAL ESTATE CO., LTD. AND  
TERMINATION OF THE OUTLET MALL OPTION**

**Independent Financial Adviser to  
the Independent Board Committee and  
the Independent Shareholders of the Company**



The Board announces that on 14 November 2011, the Company and the Even Time Vendor entered into the Even Time Acquisition Agreement pursuant to which, conditional upon, inter alia, the Independent Shareholders' approval of the Even Time Acquisition, the Beijing Chun Tian Real Estate Acquisition and the Termination, the Company agreed to acquire, and the Even Time Vendor agreed to sell, the entire issued share capital of Even Time for a total consideration of RMB 73,069,068, being the aggregate funding and investment costs of the Even Time Vendor in Even Time and its subsidiaries as of 30 September 2011. Details of the Even Time Acquisition Agreement are set out in this announcement.

Completion of the Even Time Acquisition is subject to the satisfaction of the conditions precedent set out in the Even Time Acquisition Agreement and is therefore conditional. The relevant conditions precedent of the Even Time Acquisition Agreement are set out below.

As the Even Time Acquisition is subject to the conditions precedent set out in the Even Time Acquisition Agreement being satisfied, and the Even Time Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Board also announces that on 14 November 2011, Beijing Scitech Department Stores, an indirect wholly-owned subsidiary of the Company, and the Beijing Chun Tian Vendor entered into the Beijing Chun Tian Real Estate Acquisition Agreement pursuant to which, conditional upon, inter alia, the Independent Shareholders' approval of the Even Time Acquisition, the Beijing Chun Tian Real Estate Acquisition and the Termination, Beijing Scitech Department Stores agreed to acquire, and the Beijing Chun Tian Vendor agreed to sell, the entire registered capital of Beijing Chun Tian Real Estate for a total consideration of RMB 365,641,139, being the aggregate funding and investment costs of the Beijing Chun Tian Vendor in Beijing Chun Tian Real Estate. Details of the Beijing Chun Tian Real Estate Acquisition Agreement are set out in this announcement.

Completion of the Beijing Chun Tian Real Estate Acquisition is subject to the satisfaction of the conditions precedent set out in the Beijing Chun Tian Real Estate Acquisition Agreement and is therefore conditional. The relevant conditions precedent of the Beijing Chun Tian Real Estate Acquisition Agreement are set out below.

As the Beijing Chun Tian Real Estate Acquisition is subject to the conditions precedent set out in the Beijing Chun Tian Real Estate Acquisition Agreement being satisfied, and the Beijing Chun Tian Real Estate Acquisition may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Reference is made to the section headed "Relationship with Our Ultimate Controlling Shareholders and Connected Transaction" in the Prospectus, where it was disclosed that the Even Time Vendor had granted the Company the Outlet Mall Option, pursuant to which the Company was granted an option by the Even Time Vendor to acquire the entire issued share capital of Even Time.

The Board further announces that given that upon completion of the Even Time Acquisition, the Company will directly or indirectly hold the entire issued share capital of Even Time, and the Even Time Vendor will no longer be interested in any shares of Even Time, on 14 November 2011, the Company and the Even Time Vendor entered into the Termination Deed in relation to the Outlet Mall Option pursuant to which, conditional upon, inter alia, the Independent Shareholders' approval of the Even Time Acquisition, the Beijing Chun Tian Real Estate Acquisition and the Termination, the Company and the Even Time Vendor agreed to terminate the Outlet Mall Option. Details of the Termination Deed are set out in this announcement.

The Acquisitions collectively constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. Furthermore, as the Even Time Vendor and the Beijing Chun Tian Vendor are connected persons of the Company by reason of the Even Time Vendor being jointly and wholly-owned by the Controlling Shareholders and the Beijing Chun Tian Vendor being held as to 24% by Alfred Chan and 76% by Ge Weiyang, who, as disclosed in the Prospectus, granted all of the dividend, voting, financial and economic rights in respect of the equity interest in the Beijing Chun Tian Vendor to the Controlling Shareholders, the Acquisitions constitute connected transactions of the Company. Given that the relevant applicable percentage ratios set out in the Listing Rules for the Acquisitions are more than 5%, the Acquisitions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, apart from Bluestone Global Holdings Limited, a company ultimately controlled by the Controlling Shareholders and Portico Global Limited, a company ultimately controlled by the Controlling Shareholders, no other Shareholder has a material interest in the Acquisition Agreements and thus no other Shareholder will be required to abstain from voting on the resolutions to approve the Acquisitions and the Termination at the EGM.

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Acquisitions. Somerley Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of, amongst other things, the Acquisitions.

A circular containing, among other things, further details of the Acquisitions and the Termination, a letter from the independent financial adviser, a letter from the Independent Board Committee, and a notice to convene the EGM will be dispatched to the Shareholders as soon as practicable.

## **BACKGROUND**

On 14 November 2011, the Company and the Even Time Vendor entered into the Even Time Acquisition Agreement pursuant to which, conditional upon, inter alia, the Independent Shareholders' approval of the Even Time Acquisition, the Beijing Chun Tian Real Estate Acquisition and the Termination, the Company agreed to acquire, and the Even Time Vendor agreed to sell, the entire issued share capital of Even Time for a total consideration of RMB 73,069,068, being the aggregate funding and investment costs of the Even Time Vendor in Even Time and its subsidiaries. Details of the Even Time Acquisition Agreement are set out in the section headed "The Even Time Acquisition Agreement" of this announcement. On 14 November 2011, Beijing Scitech Department Stores and the Beijing Chun Tian Vendor entered into the Beijing Chun Tian Real Estate Acquisition Agreement pursuant to which, conditional upon, inter alia, the Independent Shareholders' approval of the Even Time Acquisition, the Beijing Chun Tian Real Estate Acquisition and the Termination, Beijing Scitech Department Stores agreed to acquire, and the Beijing Chun Tian Vendor agreed to sell, the entire registered capital of Beijing Chun Tian Real Estate for a total consideration of RMB 365,641,139, being the aggregate funding and investment costs of the Beijing Chun Tian Vendor in Beijing Chun Tian Real Estate. Details of the Beijing Chun Tian Real Estate Acquisition Agreement are set out in

the section headed “The Beijing Chun Tian Real Estate Acquisition Agreement” of this announcement.

Given that upon completion of the Even Time Acquisition, the Company will directly or indirectly hold the entire issued share capital of Even Time, and the Even Time Vendor will no longer be interested in any shares of Even Time, on 14 November 2011, the Company and LDP entered into the Termination Deed in relation to the Outlet Mall Option pursuant to which, conditional upon, the completion of the Even Time Acquisition, the Company and the Even Time Vendor agreed to terminate the Outlet Mall Option. Details of the Termination Deed are set out in the section headed “The Termination Deed In Relation To The Outlet Mall Option” of this announcement.

On completion of the Acquisitions, the Company will hold directly or indirectly the entire issued share capital of Even Time and the entire registered capital of Beijing Chun Tian Real Estate, and Even Time and Beijing Chun Tian Real Estate shall become direct or indirect wholly owned subsidiaries of the Company.

## **THE EVEN TIME ACQUISITION AGREEMENT**

### ***Date of the Even Time Acquisition Agreement***

14 November 2011

### ***Parties***

Purchaser: the Company

Seller: LDP Management Limited

### ***Interest to be acquired***

The interest to be acquired by the Company represents the entire issued share capital of Even Time.

### ***Consideration***

The consideration for the Even Time Acquisition shall be RMB 73,069,068, being the aggregate funding and investment costs of the Even Time Vendor in Even Time and its subsidiaries as of 30 September 2011.

The settlement of the consideration shall comprise of (i) the offsetting of liabilities and/or balances owing to Even Time and its subsidiaries by certain companies controlled by the Controlling Shareholders (other than the Group), amounting to RMB 4,386,176; and (ii) cash payment of RMB 68,682,892 to the Even Time Vendor, to be payable within 21 days of completion of the Even Time Acquisition (or such later date as agreed between the parties to the Even Time Acquisition Agreement). The Company currently intends to fund such out of internal resources.

### ***Conditions Precedent***

The Even Time Acquisition is conditional upon, amongst other things, the following conditions precedent having been fulfilled:

- (1) there not having been any material adverse change in the business, operations and financial conditions of Even Time and its subsidiaries since 30 September 2011;
- (2) the obtaining of the necessary approval(s) from the Independent Shareholders in relation to the Even Time Acquisition, the Beijing Chun Tian Real Estate Acquisition and the Termination at the EGM;
- (3) the obtaining of all licences, consents, approvals, notifications, waivers, filings and registrations from or with relevant government authorities (including relevant PRC governmental authorities) necessary for the performance of the Even Time Acquisition Agreement and the completion of the Even Time Acquisition; and
- (4) the compliance with all relevant requirements under the Listing Rules by the Company.

The Company and the Even Time Vendor shall each use its reasonable endeavours to procure that the conditions precedent are satisfied as soon as possible. If any of the conditions precedent are not fulfilled on or before 31 March 2012 (or such later date as the Even Time Vendor and the Company may agree in writing), the rights and obligations of the parties under the Even Time Acquisition Agreement shall lapse automatically and cease to have effect except for any accrued rights or liabilities.

### ***Completion***

Completion shall take place on the third business day following the fulfillment and satisfaction of all conditions precedent contained in the Even Time Acquisition Agreement.

## **THE BEIJING CHUN TIAN REAL ESTATE ACQUISITION AGREEMENT**

### ***Date of the Beijing Chun Tian Real Estate Acquisition Agreement***

14 November 2011

### ***Parties***

Purchaser: Beijing Scitech Department Stores

Seller: PCD Department Stores (Xiamen) Limited

### ***Interest to be acquired***

The interest to be acquired by Beijing Scitech Department Stores represents the entire registered capital of Beijing Chun Tian Real Estate.

### ***Consideration***

The consideration for the Beijing Chun Tian Real Estate Acquisition shall be RMB 365,641,139, being the aggregate funding and investment costs of the Beijing Chun Tian Vendor in Beijing Chun Tian Real Estate as of 30 September 2011.

The settlement of the consideration shall comprise of (i) the assumption of liabilities and/or balances owing to Even Time by Beijing Chun Tian Real Estate, amounting to RMB 267,000,000; and (ii) cash payment of RMB 98,641,139 to the Beijing Chun Tian Vendor, to be payable within 21 business days of completion of the change in equity ownership of Beijing Chun Tian Real Estate with the AIC. Beijing Scitech Department Stores currently intends to fund this out of internal resources.

### ***Conditions Precedent***

The Beijing Chun Tian Real Estate Acquisition is conditional upon, amongst other things, the following conditions precedent having been fulfilled:

- (1) there not having been any material adverse change in the business, operations and financial conditions of Beijing Chun Tian Real Estate since 30 September 2011;
- (2) the obtaining of the necessary approval(s) from the Independent Shareholders in relation to the Even Time Acquisition, the Beijing Chun Tian Real Estate Acquisition and the Termination at the EGM;
- (3) the obtaining of all licences, consents, approvals, notifications, waivers, filings and registrations from or with relevant government authorities (including relevant PRC governmental authorities) necessary for the performance of the Beijing Chun Tian Real Estate Acquisition Agreement and the completion of the Beijing Chun Tian Real Estate Acquisition; and
- (4) the compliance with all relevant requirements under the Listing Rules by the Company.

Beijing Scitech Department Stores and the Beijing Chun Tian Vendor shall each use its reasonable endeavours to procure that the conditions precedent are satisfied as soon as possible. If any of the conditions precedent are not fulfilled on or before 31 March 2012 (or such later date as the Beijing Chun Tian Vendor and Beijing Scitech Department Stores may agree in writing), the rights and obligations of the parties under the Beijing Chun Tian Real Estate Acquisition Agreement shall lapse automatically and cease to have effect except for any accrued rights or liabilities.

### ***Completion***

Completion shall take place on the completion of the registration of the change in equity ownership of Beijing Chun Tian Real Estate with the AIC following the fulfillment and satisfaction of all conditions precedent contained in the Beijing Chun Tian Real Estate Acquisition Agreement .

## **THE TERMINATION DEED IN RELATION TO THE OUTLET MALL OPTION**

Pursuant to an option agreement dated 29 November 2009, the Even Time Vendor granted the Company an option to, at any time after listing of the Shares on the Stock Exchange and so long as the Shares remain listed on the Stock Exchange, acquire its interest in Even Time for a consideration equal to the lower of (i) the investment cost incurred by the Even Time Vendor in Even Time and (ii) the prevailing market value of Even Time as determined by an independent firm of international valuers (the “**Outlet Mall Option**”).

Given that upon completion of the Even Time Acquisition, the Company will directly or indirectly hold the entire issued share capital of Even Time, and the Even Time Vendor will no longer be interested in any shares of Even Time, on 14 November 2011, the Company and the Even Time Vendor entered into the Termination Deed in relation to the Outlet Mall Option pursuant to which, conditional upon, the completion of the Even Time Acquisition, the Company and the Even Time Vendor agreed to terminate the Outlet Mall Option.

In the event that the conditions precedent under the Termination Deed are not satisfied or fulfilled by 31 March 2012 (or such later date as the Company and the Even Time Vendor may agree in writing), the Termination Deed shall be null and void and shall have no further effect. Accordingly, the Outlet Mall Option will continue to be valid with full effect.

## **TERMINATION OF THE GENERAL OUTLET SERVICES AGREEMENT**

PCD Retail Operations Limited and the Even Time Vendor entered into a general outlet services agreement (the “**GOSA**”) on 29 November 2009, pursuant to which PCD Retail Operations Limited agreed to provide the Even Time Vendor, services relating to the sourcing, design, preparation and acquisition of properties suitable for the operation of outlet malls in the PRC in return for a service fee of RMB36 million per year. Given that upon completion of the Even Time Acquisition, the Company will hold the entire issued share capital of Even Time, and the Even Time Vendor will no longer have any interest or be involved in the development of any outlet mall business in the PRC (which will be taken over by the Company), the GOSA shall be terminated following completion of the Even Time Acquisition. Until the completion of the Even Time Acquisition, the GOSA shall continue with full force and effect.

## **TERMINATION OF THE MANAGEMENT AGREEMENT**

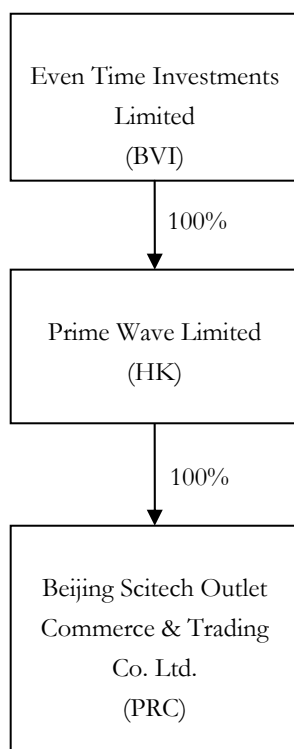
The Company and Even Time entered into a management agreement (the “**Management Agreement**”) on 29 November 2009, pursuant to which the Company agreed to provide Even Time or its subsidiary management consultancy services in return for an annual management fee calculated on the basis of 2% of the gross revenue from concessionaire sales and sales of goods of Beijing Scitech Premium Outlet Mall in each financial year. Given that upon completion of the Even Time Acquisition, the Company will hold the entire issued share capital of Even Time, the Management Agreement shall be terminated following completion of the Even Time Acquisition. Until the completion of the Even Time Acquisition, the Management Agreement shall continue with full force and effect.

## INFORMATION REGARDING EVEN TIME AND BEIJING CHUN TIAN REAL ESTATE

### *The business of Even Time*

Even Time is a company incorporated in the British Virgin Islands on 6 July 2009 and is 100% held by Jenny Tan, daughter of Edward Tan, on trust for and on behalf of the Even Time Vendor, a company held as to 50% by each of the Controlling Shareholders. All funding in relation to Even Time and its subsidiaries has been provided by the Controlling Shareholders. Even Time's only investment is its 100% indirect interest in Beijing Scitech Outlet Commerce through its wholly-owned subsidiary, Prime Wave. Beijing Scitech Outlet Commerce, which was incorporated on 13 February 2009 by the Controlling Shareholders, is the operator of Beijing Scitech Premium Outlet Mall, which commenced trial operations in relation to part of its premises in July 2009 and commenced full operations in February 2010. Beijing Scitech Outlet Commerce entered into a sub-lease agreement with Beijing Chun Tian Real Estate in January 2010, pursuant to which Beijing Chun Tian Real Estate sub-leased the properties on which Beijing Scitech Premium Outlet Mall is located to Beijing Scitech Outlet Commerce for operation of Beijing Scitech Premium Outlet Mall for a term of 10 years from the date of commencement of full operation of the Beijing Scitech Premium Outlet Mall. During the term of the sub-lease agreement, the rental payable by Beijing Scitech Outlet Commerce to Beijing Chun Tian Real Estate shall be calculated as follows: (i) for properties where it operates its own branded shops or counters, one-third of the actual income of Beijing Scitech Outlet Commerce; or (ii) for properties where it leases out the shops or counters to third parties, 4% of the gross sales proceeds of the relevant shops or counters.

The following chart shows the shareholding structure of Even Time and its subsidiaries:



### ***The business of Beijing Chun Tian Real Estate***

Beijing Chun Tian Real Estate is a limited liability company incorporated in the People's Republic of China on 29 August 2007 and is 100% held by the Beijing Chun Tian Vendor, a company held as to 76% by Ge Weiyang, whom, as disclosed in the Prospectus, granted all of the dividend, voting, financial and economic rights in respect of the equity interest in the Beijing Chun Tian Vendor to the Controlling Shareholders, and 24% by Alfred Chan. All funding in relation to Beijing Chun Tian Real Estate has been provided by the Controlling Shareholders. Beijing Chun Tian Real Estate's investments are (i) its interest in the right to use and occupy the land on which Beijing Scitech Premium Outlet Mall is located for RMB 2,216,000 per year for a term of 30 years commencing from 30 September 2007, with an increment of 5% every five years in rent, pursuant to the two cooperation agreements entered into by itself and the village council of Beijing Chaoyang Chuguo Xiangma Chuen Village (the "**Cooperation Agreements**"), (ii) its interest in the properties and assets of Beijing Scitech Premium Outlet Mall, which it developed pursuant to the Cooperation Agreements, and (iii) the right to apply for the acquisition of the land on which Beijing Scitech Premium Outlet Mall is located. In addition, pursuant to a lease agreement, Beijing Chun Tian Real Estate has the right to use the properties and car park located at Beijing Chaoyang Chuguo Xianghe Village for RMB 1.5 million per year for the car park and RMB 1 per square meter per day for the facilities, with an increment of 10% every five years, for the period from 10 July 2009 to 9 July 2028. As disclosed above, Beijing Scitech Outlet Commerce entered into a sub-lease agreement with Beijing Chun Tian Real Estate in January 2010, the details of which are set out above in the paragraph headed "The business of Even Time".

Beijing Chun Tian Real Estate does not have any interest in any company.

## FINANCIAL INFORMATION

### *Even Time*

Based on Even Time's audited consolidated accounts for each of the two financial years ended 31 December 2010 and for the six months ended 30 June 2011, prepared in accordance with HKFRS, the audited profit / (loss) of Even Time are as follows:

	<b>Financial year ended 31 December 2009*</b>	<b>Financial year ended 31 December 2010</b>	<b>From 1 January 2011 to 30 June 2011</b>
	<b>(RMB million)</b>	<b>(RMB million)</b>	<b>(RMB million)</b>
Audited profit/(loss) before taxation	(16.21)	(0.29)	4.76
Audited profit/(loss) after taxation	(15.93)	(0.01)	1.51

The net liabilities value of Even Time, based on its audited accounts prepared in accordance with HKFRS as at 30 June 2011, was approximately RMB14.43 million.

\*Note: Even Time was incorporated on 6 July 2009; however, the financial information represents the full year 2009 financials, on a consolidated basis, for its subsidiaries.

### *Prime Wave*

Based on Prime Wave's audited consolidated accounts for each of the two financial years ended 31 December 2010 and for the six months ended 30 June 2011, prepared in accordance with HKFRS, the audited profit / (loss) of Prime Wave are as follows:

	<b>Financial year ended 31 December 2009</b>	<b>Financial year ended 31 December 2010</b>	<b>From 1 January 2011 to 30 June 2011</b>
	<b>(RMB million)</b>	<b>(RMB million)</b>	<b>(RMB million)</b>
Audited profit/(loss) before taxation	(12.66)	10.87	13.06
Audited profit/(loss) after taxation	(12.38)	11.16	9.81

The net assets value of Prime Wave, based on its audited accounts prepared in accordance with HKFRS as at 30 June 2011, was approximately RMB8.58 million.

***Beijing Scitech Outlet Commerce***

Based on Beijing Scitech Outlet Commerce's audited accounts for each of the two financial years ended 31 December 2010 and for the six months ended 30 June 2011, prepared in accordance with HKFRS, the audited profit / (loss) of Beijing Scitech Outlet Commerce are as follows:

	<b>Financial year ended 31 December 2009</b>	<b>Financial year ended 31 December 2010</b>	<b>From 1 January 2011 to 30 June 2011</b>
	<b>(RMB million)</b>	<b>(RMB million)</b>	<b>(RMB million)</b>
Audited profit/(loss) before taxation	(12.68)	10.36	13.00
Audited profit/(loss) after taxation	(12.40)	10.64	9.75

The net assets value of Beijing Scitech Outlet Commerce, based on its audited accounts prepared in accordance with HKFRS as at 30 June 2011, was approximately RMB74.54 million.

\*Note: Beijing Scitech Outlet Commerce was incorporated on 13 February 2009; hence the figures represent the financials during the period of 13 February 2009 to 31 December 2009.

***Beijing Chun Tian Real Estate***

Based on Beijing Chun Tian Real Estate's audited accounts for each of the two financial years ended 31 December 2010 and for the six months ended 30 June 2011, prepared in accordance with HKFRS, the audited profit / (loss) of Beijing Chun Tian Real Estate are as follows:

	<b>Financial year ended 31 December 2009</b>	<b>Financial year ended 31 December 2010</b>	<b>From 1 January 2011 to 30 June 2011</b>
	<b>(RMB million)</b>	<b>(RMB million)</b>	<b>(RMB million)</b>
Audited profit/(loss) before taxation	(11.24)	4.24	7.21
Audited profit/(loss) after taxation	(12.09)	3.48	7.34

The net assets value of Beijing Chun Tian Real Estate, based on its audited accounts prepared in accordance with HKFRS as at 30 June 2011, was approximately RMB5.25 million.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

As disclosed in the section headed “Relationship with our Ultimate Controlling Shareholders and Connected Transaction – Beijing Scitech Premium Outlet Mall” under the Prospectus, it has been the intention of the Controlling Shareholders and the Company that the Group will enter into outlet mall business in the PRC. However, given that the market for outlet mall business in the PRC was relatively new at that time, and Beijing Scitech Premium Outlet Mall had limited trading history at the time of the Company’s listing in December 2009, the business of Beijing Scitech Premium Outlet Mall was not included in the Group. As the outlet mall business in the PRC has become more mature, and Beijing Scitech Premium Outlet Mall has now been operating for over two years and has been achieving encouraging financial results as evident by an approximately 73% growth of the gross sales proceeds between the first six months ended 30 June 2011 and the corresponding period in 2010, the Directors believe that the acquisition of the business of Beijing Scitech Premium Outlet Mall will complement the Group’s existing department store business as well as its new outlet mall business, given that the Group’s outlet mall in Qingdao commenced operation in September 2011. In addition, as Beijing Chun Tian Real Estate is the holder of the right to use and occupy the land on which Beijing Scitech Premium Outlet Mall is located, the Directors believe that the acquisition of Beijing Chun Tian Real Estate will enable the Group to maintain full control in the operation and business of Beijing Scitech Premium Outlet Mall, as well as any further potential expansion or development of Beijing Scitech Premium Outlet Mall as and when the Company considers commercially desirable. Taking into consideration the amount of rent payable by Beijing Chun Tian Real Estate under the Cooperation Agreements, and the expected amount of rent to be received by Beijing Chun Tian Real Estate from Beijing Scitech Outlet Commerce, the Directors believe that it is in the interest of the Group, whether from a financial or strategic perspective, to acquire the entire interest of both Beijing Chun Tian Real Estate and Even Time, the ultimate 100% equity interest holder of Beijing Scitech Outlet Commerce at the same time.

Given the reasons above, the Directors believe that the terms of the Acquisitions and the Termination are fair and reasonable and in the interest of the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Acquisitions collectively constitute a discloseable transaction on the part of the Company under Chapter 14 of the Listing Rules. Furthermore, as the Even Time Vendor and the Beijing Chun Tian Vendor are connected persons of the Company by reason of the Even Time Vendor being jointly and wholly-owned by the Controlling Shareholders, and the Beijing Chun Tian Vendor being held as to 76% by Ge Weiyang, whom, as disclosed in the Prospectus, granted all of the dividend, voting, financial and economic rights in respect of the equity interest in the Beijing Chun Tian Vendor to the Controlling Shareholders, and 24% by Alfred Chan, the Acquisitions and the Termination constitute connected transactions of the Company. Given that the relevant applicable percentage ratios set out in the Listing Rules for the Acquisitions are more than 5%, the Acquisitions are subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, apart from Bluestone Global Holdings Limited, a company ultimately controlled by the Controlling Shareholders and Portico Global Limited, a company ultimately controlled by the Controlling Shareholders, no other Shareholder has a material interest in the Acquisition Agreements and thus, no other Shareholder will be required to abstain from voting on the resolutions to approve the Acquisitions at the EGM.

## **INFORMATION REGARDING THE PARTIES INVOLVED**

The Group is a department store group in the PRC which principally engages in high-end and luxury products, generally targeted at high-income earners. As of the date of this announcement, the Group also operates or provides management consultancy services to 18 department stores and 2 outlet malls in Beijing and 7 provinces in China.

LDP Management Limited is a company incorporated under the laws of the British Virgin Islands with limited liability and held as to 50% by each of the Controlling Shareholders. It is beneficially entitled to all of the issued share capital of Even Time. Jenny Tan, daughter of Edward Tan is the legal owner of 100% of the issued share capital of Even Time and holds such interest on trust for and on behalf of the Even Time Vendor. The Even Time Vendor primarily engages in the business of investment holding.

PCD Department Stores (Xiamen) Limited is a company incorporated under the laws of the People's Republic of China and is held as to 76% by Ge Weiyang, whom, as disclosed in the Prospectus, granted all of the dividend, voting, financial and economic rights in respect of the equity interest in the Beijing Chun Tian Vendor to the Controlling Shareholders, and 24% by Alfred Chan. It is the holder of the entire registered capital of Beijing Chun Tian Real Estate. The Beijing Chun Tian Vendor primarily engages in the distribution and retail of consumer, household and office items. It also provides store management consulting and other miscellaneous services.

## **GENERAL**

The Independent Board Committee has been formed to advise the Independent Shareholders in respect of, among other things, the Acquisitions and the Termination. Somerley has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of, among other things, the Acquisitions and the Termination.

An EGM will be convened to consider and if thought fit, to approve, among other things, the Acquisitions and the Termination.

A circular containing, amongst other things, details of the Acquisitions and the Termination, a letter from the independent financial adviser, a letter from the Independent Board Committee, and a notice to convene the EGM will be dispatched to the Shareholders as soon as practicable, the expected date of dispatch is expected by the Company to be on or around 5 December 2011.

As the Acquisitions are subject to the conditions precedent set out in the Even Time Acquisition Agreement, the Beijing Chun Tian Real Estate Acquisition Agreement, and the Termination Deed respectively being satisfied and the Acquisitions may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

<b>Acquisitions</b>	the Beijing Chun Tian Real Estate Acquisition and the Even Time Acquisition
<b>Acquisition Agreements</b>	the Beijing Chun Tian Real Estate Acquisition Agreement and the Even Time Acquisition Agreement
<b>AIC</b>	the Administration for Industry and Commerce
<b>associate</b>	has the meaning given to it under the Listing Rules
<b>Beijing Chaoyang Chuguo Xianghe Village</b>	北京市朝陽區崔各莊鄉馬泉營村, a village located in Chaoyang District, Beijing, the PRC
<b>Beijing Chaoyang Chuguo Xiangma Chuen Village</b>	北京市朝陽區崔各莊鄉何各莊村, a village located in Chaoyang District, Beijing, the PRC
<b>Beijing Chun Tian Real Estate</b>	北京春天房地產開發有限公司 (Beijing Chun Tian Real Estate Co., Ltd. *), a company incorporated in the PRC on 29 August 2007 and wholly owned by the Beijing Chun Tian Vendor
<b>Beijing Chun Tian Real Estate Acquisition</b>	the acquisition of the entire registered capital of Beijing Chun Tian Real Estate by the Company from the Beijing Chun Tian Vendor
<b>Beijing Chun Tian Real Estate Acquisition Agreement</b>	the acquisition agreement dated 14 November 2011, entered into between the Company and the Beijing Chun Tian Vendor in respect of the Beijing Chun Tian Real Estate Acquisition

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\* for identification purposes only

<b>Beijing Chun Tian Vendor</b>	a company incorporated in the PRC on 9 December 1998, named “廈門巴黎春天百貨有限公司 (PCD Department Stores (Xiamen) Limited*)”, of which Ge Weiyang is the 76% registered equity holder and Alfred Chan is the 24% registered equity holder
<b>Beijing Scitech Department Store</b>	北京賽特百貨有限公司 (Beijing Scitech Department Stores Co., Ltd.)*(formerly known as 北京中山春天百貨有限公司), a company incorporated in the PRC on April 26, 2007 and an indirect wholly-owned subsidiary of the Company
<b>Beijing Scitech Outlet Commerce</b>	北京賽特奧特萊斯商貿有限公司 (Beijing Scitech Outlet Commerce & Trading Co. Ltd.)*, a company incorporated in the PRC on 13 February 2009 and indirectly held as to 100% by Jenny Tan, daughter of Edward Tan, on trust for and on behalf of the Even Time Vendor, a company held as to 50% by each of the Controlling Shareholders
<b>Beijing Scitech Premium Outlet Mall</b>	an outdoor mall located on No.28 Xiang Jiang North Road, Chaoyang District, Beijing, the PRC, with a total gross floor area of approximately 43,700 square meters
<b>Board</b>	board of Directors
<b>Business Day(s)</b>	a day on which banks in Hong Kong and the PRC are both open for normal banking business (excluding Saturdays and Sundays)
<b>Company</b>	PCD Stores (Group) Limited (中國春天百貨集團有限公司)* a limited company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange
<b>connected person</b>	has the meaning given to it under the Listing Rules

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\* for identification purposes only

<b>Controlling Shareholders</b>	has the meaning given to it under the Listing Rules, being Alfred Chan and Edward Tan, who are also the executive Directors of the Company, each of them a “ <b>Controlling Shareholder</b> ”
<b>Directors</b>	the directors of the Company
<b>EGM</b>	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Acquisitions and the Deed of Termination
<b>Even Time</b>	Even Time Investments Limited, a company incorporated in the British Virgin Islands on 6 July 2009 and held by Jenny Tan (daughter of Edward Tan) on trust for and on behalf of the Even Time Vendor, a company held as to 50% each by Alfred Chan and Edward Tan, the Controlling Shareholders and executive Directors of the Company
<b>Even Time Acquisition</b>	the acquisition of the entire issued share capital of Even Time by the Company from the Even Time Vendor
<b>Even Time Acquisition Agreement</b>	the acquisition agreement dated 14 November 2011, entered into between the Company and the Even Time Vendor in respect of the Even Time Acquisition
<b>Even Time Vendor</b>	a company held as to 50% each by Alfred Chan and Edward Tan, the Controlling Shareholders and executive Directors of the Company named “LDP Management Limited”, and whose registered office is at Palm Grove House, Road Town, Tortola, the British Virgin Islands
<b>Group</b>	the Company and its subsidiaries
<b>Hong Kong</b>	Hong Kong Special Administrative Region of the PRC
<b>Independent Board Committee</b>	independent board committee of the Company comprising all independent non-executive Directors, namely, Randolph Yu, Ainsley Tai and Li Chang Qing

<b>Independent Financial Adviser</b>	Somerley Limited, a corporation licensed to carry out business on Type 1 (dealing in securities), Type 4 (advising on Securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) having CE registration number AAJ067 and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of, among other things, the Acquisitions
<b>Independent Shareholders</b>	Shareholders other than Bluestone Global Holdings Limited and Portico Global Limited, who are not required to abstain from voting at the EGM to approve the Acquisitions and the Termination under the Listing Rules
<b>Listing Rules</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>Outlet Mall Option</b>	an option to purchase all of the Even Time Vendor's interest in Even Time, pursuant to an option agreement dated 29 November 2009
<b>PCD Retail Operations Limited</b>	a company incorporated in the British Virgin Islands on 18 May 2007 with limited liability and a direct wholly-owned subsidiary of the Company
<b>PRC</b>	the People's Republic of China, which for the purposes of this announcement excludes Hong Kong, Macau Special Administration Region of the PRC and Taiwan
<b>Prime Wave</b>	Prime Wave Limited (創濤有限公司), a company incorporated in Hong Kong
<b>Prospectus</b>	the prospectus of the Company dated 3 December 2009
<b>RMB</b>	Renminbi, the lawful currency of the PRC
<b>Share(s)</b>	ordinary share(s) of US\$0.005 each in the share capital of the Company
<b>Shareholder(s)</b>	the shareholders of the Company

<b>Stock Exchange</b>	The Stock Exchange of Hong Kong Limited
<b>Termination</b>	the termination of the Outlet Mall Option
<b>Termination Deed</b>	the termination deed dated 14 November 2011 entered into by the Company and the Even Time Vendor in relation to the Termination

By Order of the Board  
**PCD Stores (Group) Limited**  
**Alfred Chan**  
*Chairman*

Hong Kong, 14 November 2011

*As at the date of this announcement, Edward Tan and Alfred Chan (Chairman) are executive Directors; and Randolph Yu, Ainsley Tai and Li Chang Qing are independent non-executive Directors.*