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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: 331)

ANNOUNCEMENT - PROFIT WARNING

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

The Board wishes to inform the Shareholders and potential investors that, based on a preliminary review of the unaudited management accounts of the Group for the period from January 2012 to November 2012 and other relevant financial information relating to December 2012, the Group is expected to record a notable decrease in the net profit for the financial year ended 31 December 2012 as compared to that for the financial year ended 31 December 2011.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by PCD Stores (Group) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Board of Directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited management accounts of the Group for the period from January 2012 to November 2012 and other relevant financial information relating to December 2012, the Group is expected to record a notable decrease in the net profit for the financial year ended 31 December 2012 as compared to that for the financial year ended 31 December 2011.

Based on the information currently available, the profit decrease is expected to be primarily attributable to (i) increase in the depreciation and amortization expenses and operating expenses mainly due to the opening of new stores; (ii) decrease in the management consultancy service income and (iii) increase in the employee benefits expenses, which factors were disclosed in the interim results announcement of the Company for the first six months of 2012 and continued to exist in the second half of 2012.

Notwithstanding the above, the Board is encouraged by the prospect of PCD Xian Phase II and PCD Shenyang Outlet Mall, the two major projects of the Group which have commenced full operation in the second half of 2012, and remains optimistic that they will have positive contribution to the business

of the Group in the foreseeable future.

As the Company is still in the process of finalizing the results of the Group for the financial year ended 31 December 2012 and accordingly, the information contained in this announcement is only based on a preliminary assessment by the Group's management of the unaudited management accounts of the Group and the information available for the time being, but not on any data or information which has been audited or reviewed by the auditors of the Company. The annual results of the Group for the financial year ended 31 December 2012 are expected to be announced by the Company in March 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
PCD Stores (Group) Limited
Xiang Qiang
President

Hong Kong, 14 January 2013

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

**For identification only*