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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)**

**CLARIFICATION ANNOUNCEMENT**

Reference is made to the announcements of PCD Stores (Group) Limited (the “**Company**”) dated 7 November 2012 (the “**First Announcement**”), 7 December 2012 and 7 January 2013 pursuant to Rule 3.7 of the Codes on Takeovers and Mergers issued by the Securities and Futures Commission (the “**Takeover Code**”). Accordingly, the Offer Period (as defined in the Takeovers Code) commenced when the Company made the First Announcement.

Reference is also made to the announcement of the Company dated 14 January 2013 in relation to a profit warning (the “**Announcement**”). Pursuant to Rule 10 and PN2 of the Takeovers Code, the Announcement should comply with the requirements therein. This clarification announcement is published for the purpose of clarifying the format of the Announcement. Accordingly, the Company sets out below a revised announcement in relation to a profit warning which complies with the requirements set out in Rule 10 and PN2 of the Takeovers Code.

**ANNOUNCEMENT - PROFIT WARNING**

This announcement is made pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

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 the Company (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**”) and and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)..

The board 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.

**This profit warning constitutes a profit forecast under Rule 10 of the Takeovers Code. As such, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to this profit warning which has to be reported on by the Company's financial adviser and its auditor or accountant. However, given the time constraints faced by the Company when issuing this announcement, this profit warning did not meet the standard required by Rule 10 of the Takeovers Code. This profit warning will be separately reported on by the Company's financial adviser and its auditor or accountant as soon as possible.**

**Shareholders and potential investors should note that this profit warning has not been reported on in accordance with the requirements under Rule 10 of the Takeovers Code. Shareholders and potential investors should therefore exercise caution in placing reliance on this profit warning in assessing the merits and demerits of any possible offers. 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, 18 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.*

*The directors of the Company jointly and severally accept full responsibility for 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 other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*

*\*for identification purpose only*