

**PCD STORES (GROUP) LTD:
ALL THINGS CONSIDERED,
THIS IS A MINNOW IN A GIGANTIC LAKE**

A questions that, immediately, springs to mind on studying the Global Offering Prospectus of PCD Stores (Group) Ltd () (Code: 331, Main Board, The Stock Exchange of Hongkong Ltd) are the reasons behind:

- a. The underlying determinations of the Controlling Shareholders – Messrs Alfred Chan Kai Tai () and Edward Tan Kan Kiat () – on the flotation of the Company, to cash out 213,823,529 shares in the Issued and Fully Paid-Up Share Capital; and,
- b. The determinations of the Management of 3i Group plc, 3i Asia Pacific Technology L.P. and 3i Asia Pacific 2004-06 L.P., on the flotation of the Company, to cash out 286,176,471 shares in the Issued and Fully Paid-Up Share Capital?

In aggregate, the above-mentioned share sales of the Selling Shareholders, as they are labelled, at most, will enrich the vendors by \$HK1 billion, with the Controlling Shareholders, grossing about \$HK427,647,058, while 3i Group plc, 3i Asia Pacific Technology L.P. and 3i Asia Pacific 2004-06 L.P. will gross about \$HK572,352,642.

The Controlling Shareholders, who are brothers and who, respectively, are the Executive Chairman and Executive Director of PCD Stores (Group) Ltd, are selling part of their shareholdings in the Company via Bluestone Global Holdings Ltd, which, through Ports International Enterprises Ltd (), is owned in equal proportions by the Brothers Chan and Tan.

After offloading some of their shareholdings, the Brothers Chan and Tan will still own a 39.27-percent interest in this Company while 3i Group plc, 3i Asia Pacific Technology L.P. and 3i Asia Pacific 2004-06 L.P. will be out of the Company, completely.

The investing public, if all goes according to plan, will own 37.50 percent of the Issued and Fully Paid-Up Share Capital.

TARGET () can guesstimate a number of very valid reasons for 3i Group plc, 3i Asia Pacific Technology L.P. and 3i Asia Pacific 2004-06 L.P. would opt to offload its entire interest in PCD Stores (Group) Ltd, but unless the Brothers Chan and Tan are a little short of some cash, it makes little sense that they would consider, selling a material interest in this Company.

Of course, there are the possibilities that:

- a. The Brothers Chan and Tan have no confidence in the future development of the Company that they control;
- b. The Brothers Chan and Tan need to prepare themselves for further cash-raising activities in this, or another, company;
- c. The Brothers Chan and Tan, knowing fully well that their shares in the Company cannot be sold,

during the one-year, lock-up period from the Listing Date – December 15, 2009 – as stated at Page 192 of the Global Offering Prospectus, may feel the need for some cash, today, in order to speculate on other corporate entities or adventures; and,

- d. The Brothers Chan and Tan want to purchase a new Boeing 787 Dreamliner in order to be on a par with Mr Joseph Lau Luen Hung () who has, already, placed an order for his new, private jet aeroplane.

This medium is willing to rule out the first possibility, but not the others.

Time will tell.

The Flotation

PCD Stores (Group) Ltd pitched its Global Offering Prospectus on December 3, 2009, when it made an Offering of 1.50 billion, \$US0.005 Shares at an Offer Price of between \$HK1.65 per Share and \$HK2.00 per Share.

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