

*This announcement is for information purpose only and does not and is not intended to constitute an invitation or offer to acquire, purchase or subscribe for securities. This announcement is made pursuant to the requirement under section 9(2) of the Securities and Futures (Stabilizing) Rules.*

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*Unless otherwise defined herein, terms defined in the prospectus dated 4 October 2005 (the "Prospectus") issued by China Paradise Electronics Retail Limited, shall have the same meanings in this announcement.*



## **CHINA PARADISE ELECTRONICS RETAIL LIMITED**

**中國永樂電器銷售有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 503)**

### **ANNOUNCEMENT STABILISING ACTIONS AND END OF STABILISING PERIOD**

- The Company announces that the stabilising period in connection with the Global Offering ended on 6 November 2005.
- The stabilising actions undertaken during the stabilising period included: (i) the borrowing of an aggregate of 68,366,000 Shares from MS Retail, solely to cover over-allocations in the International Offering; and (ii) the exercise in full of the Over-allotment Option referred to in the Prospectus in respect of 68,366,000 additional Shares. The additional Shares were used for the purpose of returning to MS Retail the 68,366,000 Shares borrowed.

The Company announces that the stabilising period in connection with the Global Offering ended on 6 November 2005. During the stabilising period, the stabilising actions undertaken included: (i) the borrowing of an aggregate of 68,366,000 Shares by Morgan Stanley & Co. International Limited from MS Retail pursuant to a securities lending agreement dated 8 October 2005, solely to cover over-allocations in the International Offering; and (ii) the exercise in full by the Joint Global Coordinators on behalf of the International Purchasers on 20 October 2005 of the Over-allotment Option referred to in the Prospectus in respect of 68,366,000 additional Shares at the Offer Price of HK\$2.25. The additional Shares were used for the purpose of returning to MS Retail the 68,366,000 Shares borrowed. Details of the exercise of the Over-allotment Option were more particularly described in the Company's announcement of 20 October 2005.

By Order of the Board  
**Chen Xiao**  
Chairman

Shanghai, 7 November 2005

*As at the date of this announcement, our executive directors are Mr. Chen Xiao, Ms. Shu Wei, Mr. Liu Hui, Mr. Yuan Yashi, Mr. Ma Yawei, Mr. Zhou Meng and Mr. Shen Ping; our non-executive directors are Mr. Liu Haifeng, David, Mr. Jiao Shuge (alias Jiao Zhen) and Mr. Julian Juul Wolhardt; our independent non-executive directors are Dr. Yu Zengbiao, Mr. Chu Cheng Chung and Mr. Wang Bing.*

\* For identification purpose only

*Please also refer to the published version of this announcement in **South China Morning Post**.*