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Unless otherwise defined herein, terms used in this announcement shall have the same meanings as those defined in the prospectus dated 28 June 2007 (the "Prospectus") issued by the Company.



New World Department Store China Limited

新世界百貨中國有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 825)

STABILIZING ACTIONS AND END OF STABILIZING PERIOD

The Company announces that the stabilization period in connection with the Global Offering ended on 3 August 2007.

The stabilizing actions undertaken during the stabilization period were:

- (1) over-allocations of an aggregate of 60,945,000 Shares in the International Placing;
- (2) the borrowing of an aggregate of 60,945,000 Shares from NWD solely to cover over-allocations in the International Placing;
- (3) the purchase of a total of 1,176,000 Shares in the price range of HK\$5.78 to HK\$5.80 per Share on the market, representing approximately 0.29% of the total number of Shares in the Global Offering before any exercise of the Over-allotment Option; and
- (4) the exercise of the Over-allotment Option in full by the Joint Global Coordinators on behalf of the International Placing Underwriters on 2 August 2007 in respect of an aggregate of 60,945,000 Shares.

The Company makes this announcement pursuant to section 9(2) of the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) and announces that the stabilization period in connection with the Global Offering ended on 3 August 2007.

The stabilizing actions that have been taken by Deutsche Bank, as stabilizing manager, during the stabilization period were:

- (1) over-allocations of an aggregate of 60,945,000 Shares in the International Placing;

- (2) the borrowing of an aggregate of 60,945,000 Shares from NWD pursuant to the Stock Borrowing Agreement dated 5 July 2007 solely to cover over-allocations in the International Placing. Such Shares will be returned and redelivered to NWD in accordance with the terms in the Stock Borrowing Agreement;
- (3) the purchase of a total of 1,176,000 Shares in the price range of HK\$5.78 to HK\$5.80 per Share on the market, representing approximately 0.29% of the total number of Shares in the Global Offering before any exercise of the Over-allotment Option; and
- (4) the exercise of the Over-allotment Option in full by the Joint Global Coordinators on behalf of the International Placing Underwriters on 2 August 2007 in respect of an aggregate of 60,945,000 Shares.

The last purchase made in the course of the stabilization period on the market was on 18 July 2007 at the price of HK\$5.80 per Share.

The Over-allotment Option was exercised in full by the Joint Global Coordinators on behalf of the International Placing Underwriters on 2 August 2007 in respect of an aggregate of 60,945,000 Shares (the “Over-allotment Shares”), representing 15% of the initial size of the Global Offering, at the Offer Price of HK\$5.80 per Share (exclusive of brokerage fee of 1%, SFC transaction levy of 0.004% and Stock Exchange trading fee of 0.005%). The Over-allotment Shares will be used to facilitate the return in full to NWD of 60,945,000 borrowed Shares which were used solely to cover over-allocations in the International Placing. Details of the exercise of the Over-allotment Option are more particularly described in the Company’s announcement dated 2 August 2007.

By order of the Board
New World Department Store China Limited
Mr. Wong Kwok-kan Kenneth
Company Secretary

Hong Kong, 3 August 2007

As at the date of this announcement, the non-executive Directors are Dr. Cheng Kar-shun, Henry (Chairman) and Mr. Au Tak-cheong; the executive Directors are Mr. Cheung Fai-yet, Philip, Mr. Lin Tsai-tan, David, Mr. Wong Kwok-kan, Kenneth, Mr. Cheng Chi-kong, Adrian and Ms. Ngan Man-ying, Lynda; and the independent non-executive Directors are Mr. Cheong Ying-chew, Henry, Mr. Chan Yiu-tong, Ivan, Mr. Tong Hang-chan, Peter and Mr. Yu Chun-fai, Henry.

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