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*This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities. Potential investors should read the prospectus dated 11 December 2006 (the "Prospectus") issued by SCUD Group Limited (飛毛腿集團有限公司) (the "Company") for detailed information about the placing and public offer described below before deciding whether or not to invest in the shares thereby being offered.*

*The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and Hong Kong Securities Clearing Company Limited ("HKSCC") take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim 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 defined herein, terms in this announcement shall have the same meanings as those defined in the Prospectus. In connection with the International Offering, Cazenove Asia Limited or any person acting for it, may, but is not obliged to, over-allocate Shares and/or effect transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the market for a limited period after the issue date of the Prospectus. However, there is no obligation on Cazenove Asia Limited to do this. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including the Securities and Futures (Price Stabilisation) Rules made under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), and, if commenced, may be discontinued at any time and is required to be brought to an end after a limited period. The details of such stabilisation and how it will be regulated under the Securities and Futures Ordinance are contained in the Prospectus. The number of Shares being offered in the International Offering may be increased by up to and not more than an aggregate of 39,000,000 additional Shares through the exercise of the Over-allotment Option to be granted by the Company to and exercisable by Cazenove Asia Limited to cover over-allocations in the International Placing by requiring the Company to issue up to an additional 39,000,000 Shares within 30 days from the last day for lodging applications under the Hong Kong Public Offering. In the event that the Over-allotment Option is exercised, a corresponding press announcement will be made.*



## SCUD GROUP LIMITED

飛毛腿集團有限公司\*

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

### INTERNATIONAL OFFERING

Number of Offer Shares	:	260,000,000 Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	:	26,000,000 Shares (subject to adjustment)
Number of International Placing Shares	:	234,000,000 Shares (subject to adjustment and the Over-allotment Option)
Offer Price	:	Not more than HK\$2.02 per Offer Share (payable in full on application together with a brokerage of 1%, an SFC transaction levy of 0.004% and a Stock Exchange trading fee of 0.005%, and subject to refund) and expected to be not less than HK\$1.37 per Offer Share
Nominal value	:	HK\$0.10 per Share
Stock code	:	1399

*Global Co-ordinator, Sole Bookrunner, Sponsor and Lead Manager*

**CAZENOVE**

Cazenove Asia Limited

\* For identification purpose only

The Company is initially offering 26,000,000 Hong Kong Offer Shares for subscription, representing 10% of the total number of Shares initially being offered in the International Offering, by way of a Hong Kong Public Offering in Hong Kong. Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as described in the Prospectus and the new Shares to be issued upon the exercise of options which have been granted or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme and the conversion of the Bonds. Dealings in the Shares on the Stock Exchange are expected to commence at 9:30 a.m. on Thursday, 21 December 2006. Applications for the Hong Kong Offer Shares will only be considered on the basis of the Prospectus and the prescribed **WHITE** and **YELLOW** Application Forms in accordance with the relevant provisions of the Prospectus. It should be noted that multiple applications or suspected multiple applications or any application for more than 13,000,000 Hong Kong Offer Shares, being 50% of the Hong Kong Offer Shares, will be rejected. Only one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC may be made for the benefit of any person. Applicants are required to undertake and confirm that they or the relevant beneficial owner(s) have not applied for, indicated an interest or taken up and will not apply for, indicate an interest in or take up Shares under the International Placing. Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The International Offering is subject to the conditions set out in the section headed “Structure of the International Offering — Conditions” in the Prospectus.

The Offer Price is expected to be determined by agreement between the Company and Cazenove Asia Limited (on behalf of the Underwriters) on or before Thursday, 14 December 2006, and in any event no later than Monday, 18 December 2006.

The Offer Price will be not more than HK\$2.02 per Offer Share and is expected to be not less than HK\$1.37 per Offer Share. Cazenove Asia Limited (on behalf of the Underwriters), and with the consent of the Company, may reduce the number of Offer Shares and/or the indicative Offer Price range below that stated in the Prospectus at any time prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement of the reduction of the number of Offer Shares and/or the indicative Offer Price range will be published by the Company in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese), as soon as practicable following the decision to make such reduction, and in any event no later than the morning of the last day for lodging applications under the Hong Kong Public Offering. If applications for Hong Kong Offer

Shares have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offering, then even if the number of Offer Shares and/or the Offer Price is so reduced, such applications cannot be subsequently withdrawn. If, for any reasons, Cazenove Asia Limited (on behalf of the Underwriters) and the Company are unable to reach an agreement on the Offer Price on or before Monday, 18 December 2006, the International Offering will not become unconditional and will lapse.

The Company intends to grant Cazenove Asia Limited the Over-allotment Option which is exercisable by Cazenove Asia Limited to cover over-allocations in the International Placing by requiring the Company to issue up to an additional 39,000,000 Shares within 30 days from the last day for lodging applications under the Hong Kong Public Offering. In the event that the Over-allotment Option is exercised, a corresponding press announcement will be made.

Application for the Hong Kong Offer Shares must be paid on the basis of the maximum Offer Price of HK\$2.02 per Offer Share, plus brokerage fee of 1%, the SFC transaction levy of 0.004% and the Stock Exchange trading fee of 0.005%. If the International Offering does not become unconditional, all application monies received from applicants under the International Offering will be refunded, and in the event that the Offer Price is less than the price per Share initially paid upon application, the appropriate portion of affected applicants' application monies will be refunded to wholly or partially successful applicants, in each case without interest and on the terms set out in the section headed "Terms and Conditions of the Hong Kong Public Offering — Refund of your money — Additional Information" in the Prospectus. Refund cheques will also be issued, in accordance with such terms and conditions, in respect of wholly or partially unsuccessful applications. Applicants who applied for 1,000,000 Hong Kong Offer Shares or more and who have indicated in their Application Forms that they wish to collect refund cheque(s) (where applicable) and/or Share certificate(s) (where applicable) personally, may collect refund cheque(s) (where applicable) and/or Share certificate(s) (where applicable) from the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong from 9:00 a.m.-1:00 p.m. on Wednesday, 20 December 2006 or any other date notified by the Company by way of a newspaper announcement as the date of despatch of Share certificates and/or refund cheques. Uncollected Share certificates and refund cheques will be despatched by ordinary post at the applicants' own risk to the addresses specified in the relevant Application Forms. Share certificates will only become valid certificates of title provided that the International Offering has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms, which is expected to be at or before 8:00 a.m. on Thursday, 21 December 2006 (Hong Kong time).

Applicants who have applied for 1,000,000 Hong Kong Offer Shares or more by using the **WHITE** Application Forms and have indicated in their Application Forms that they wish to collect refund cheques (where applicable) and Share certificates (where applicable) in person from the Company's Hong Kong Branch Share Registrar may collect refund cheques and Share certificates (where applicable) in person from the

Company's Hong Kong branch share registrar, Tricor Investor Services Limited from 9:00 a.m. to 1:00 p.m. on Wednesday, 20 December 2006 or any other date notified by the Company by way of a newspaper announcement as the date of despatch of Share certificates and/or refund cheques. Identification and authorisation documents (where applicable) acceptable to Tricor Investor Services Limited must be produced at the time of collection.

Applicants who have applied for 1,000,000 Hong Kong Offer Shares or more by using the **YELLOW** Application Forms and have indicated in their Application Forms that they wish to collect refund cheques in person may collect their refund cheques (if any) but may not elect to collect their Share certificates, which will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. The procedure for collection of refund cheques for applicants who apply on **YELLOW** Application Forms for Shares is the same as that for **WHITE** Application Form applicants. Instead of using **YELLOW** Application Forms, applicants may electronically instruct HKSCC to cause HKSCC Nominees to apply for the Hong Kong Offer Shares on their behalf via CCASS. Any Hong Kong Offer Shares allocated to such applicants will be registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock account or their designated CCASS Participant's stock account. Applicants applying as a CCASS Investor Participant should check the results made available by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Wednesday, 20 December 2006 or such other date as shall be determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to their stock account, applicants can check their new account balance via the CCASS Phone System or CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). If applicants applying by giving **electronic application instructions** to HKSCC, HKSCC will also make available to applicants an activity statement showing the number of Hong Kong Offer Shares credited to their stock account and the refund money credited to their designated bank account. Applicants having instructed CCASS Broker/Custodian Participants to apply on their behalf can check with the CCASS Participants the number of Hong Kong Offer Shares allocated and (if having instructed CCASS Participants to give **electronic application instructions** on their behalf) the amount of refund money payable to them.

Applicants who would like the allotted Hong Kong Offer Shares registered in their own names should complete and sign the **WHITE** Application Forms. Applicants who would like to have the allotted Hong Kong Offer Shares registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to their investor participant stock account or the stock account of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the **YELLOW** Application Forms, copies of which, together with the Prospectus, may be obtained during normal business hours from 9:00 a.m. on Monday, 11 December 2006 until 12:00 noon on Thursday, 14 December 2006 at the Depository Counter of HKSCC, at 2nd Floor,

Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong or (ii) arrange to give **electronic application instructions** to HKSCC. Copies of the Prospectus, together with **WHITE** Application Forms, may be obtained during normal business hours in the same period from:

1. Any participant of the Stock Exchange; or
2. **Cazenove Asia Limited**, 50th Floor, One Exchange Square, 8 Connaught Place, Central, Hong Kong; or
3. **DBS Asia Capital Limited**, 22nd Floor, The Center, 99 Queen's Road Central, Hong Kong; or
4. **Taiwan Securities (Hong Kong) Company Limited**, Room 1302-5, 13/F, Tower II, Admiralty Centre, 18 Harcourt Road, Hong Kong; or
5. **China Everbright Securities (HK) Limited**, 36th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong; or
6. **First Shanghai Securities Limited**, 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong; or
7. **Mitsubishi UFJ Securities (HK) Capital, Limited**, 11/F., AIG Tower, 1 Connaught Road, Central, Hong Kong; or
8. **VC Brokerage Limited**, 28/F The Centrium, 60 Wyndham Street, Central, Hong Kong; or
9. any of the following branches of **Bank of China (Hong Kong) Limited**:

**Branches**

**Address**

***Hong Kong Island***

Bank of China Tower Branch	3/F., 1 Garden Road
Connaught Road Central Branch	13-14 Connaught Road Central
Causeway Bay Branch	18 Percival Street, Causeway Bay
Sheung Wan Branch	252 Des Voeux Road Central
Aberdeen Branch	25 Wu Pak Street, Aberdeen
Wan Tsui Road Branch	4 Lin Shing Road, Chai Wan

***Kowloon***

Yau Ma Tei Branch	471 Nathan Road, Yau Ma Tei
Tsim Sha Tsui East Branch	Shop G02-03, Inter-Continental Plaza, 94 Granville Road, Tsim Sha Tsui
Diamond Hill Branch	G107, Plaza Hollywood, Diamond Hill
95 Fu Yan Street Branch	95 Fu Yan Street, Kwun Tong

<b>Branches</b>	<b>Address</b>
<b><i>New Territories</i></b>	
Castle Peak Road (Yuen Long) Branch	162 Castle Peak Road, Yuen Long
Ha Kwai Chung Branch	192-194 Hing Fong Road, Kwai Chung
Lek Yuen Branch	No. 1, Fook Hoi House, Lek Yuen Estate, Shatin
Tai Po Branch	68-70 Po Heung Street, Tai Po Market
Sheung Shui Branch	61 San Fung Avenue, Sheung Shui

Both **WHITE** and **YELLOW** Application Forms completed in all respects (to which cheques or banker's cashier orders should be securely stapled) should be deposited in the special collection boxes provided at any of the branches referred to above at the following times on the following dates:

**Monday, 11 December, 2006 — 9:00 a.m. to 4:30 p.m.**  
**Tuesday, 12 December, 2006 — 9:00 a.m. to 4:30 p.m.**  
**Wednesday, 13 December, 2006 — 9:00 a.m. to 4:30 p.m.**  
**Thursday, 14 December, 2006 — 9:00 a.m. to 12:00 noon**

**Time for inputting electronic application instructions via CCASS terminals or CCASS Phone System/CCASS Internet System**

CCASS Broker/Custodian Participants can input **electronic application instructions** via CCASS at the following times:

**Monday, 11 December, 2006 — 9:00 a.m. to 8:30 p.m.<sup>(1)</sup>**  
**Tuesday, 12 December, 2006 — 8:00 a.m. to 8:30 p.m.<sup>(1)</sup>**  
**Wednesday, 13 December, 2006 — 8:00 a.m. to 8:30 p.m.<sup>(1)</sup>**  
**Thursday, 14 December, 2006 — 8:00 a.m.<sup>(1)</sup> to 12:00 noon**

(1) These times are subject to change as HKSCC may determine from time to time with prior notification to CCASS Broker/Custodian Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Monday, 11 December 2006 until 12:00 noon on Thursday, 14 December 2006 (24 hours daily, except the last application date).

A CCASS Investor Participant may give **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System at <https://ip.ccass.com> (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) or go to HKSCC's Customer Service Centre at 2/F, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong and complete an input request form. Prospectuses are also available for collection at the Customer Services Centre of HKSCC.

A non-CCASS Investor Participant may instruct a broker or custodian who is a CCASS Broker Participant or a CCASS Custodian Participant to give **electronic application instructions** to HKSCC via CCASS terminals to apply for Hong Kong Offer Shares on his behalf.

The application lists will open from 11:45 a.m. to 12:00 noon on Thursday, 14 December, 2006 (or such later date as may apply in case of certain bad weather conditions as described in the section headed “How to apply for the Hong Kong Offer Shares — Effect of bad weather on the opening of the application lists” in the Prospectus).

Subject to the terms and conditions set out in the Prospectus and the Application Forms relating thereto, applications made on **WHITE** or **YELLOW** Application Forms, or by giving **electronic application instruction** to HKSCC, must be received no later than 12:00 noon on Thursday, 14 December 2006 (or if the application lists are not open on that day, then by 12:00 noon on the next business day the lists are open). Please see the section headed “How to apply for the Hong Kong Offer Shares” in the Prospectus for further details.

**For allocation purposes only, the Hong Kong Offer Shares will initially be divided equally into two pools of 13,000,000 Shares each: Pool A and Pool B, both of which are available on an equitable basis to successful applicants. The Hong Kong Offer Shares in Pool A will be allocated on an equitable basis to successful applicants who have applied for Hong Kong Offer Shares with a total subscription amount of HK\$5 million or below (excluding the brokerage, SFC transaction levy and Stock Exchange trading fee payable). The Hong Kong Offer Shares in Pool B will be allocated on an equitable basis to successful applicants who have applied for Hong Kong Offer Shares with a total subscription amount of more than HK\$5 million (excluding the brokerage, SFC transaction levy and Stock Exchange trading fee payable). Applicants should be aware that applications in different pools may receive different allocation ratios. Where one but not both of the pools is undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that pool and be allocated accordingly. Applicants can only receive an allocation of Hong Kong Offer Shares from either Pool A or Pool B but not from both pools. Multiple or suspected multiple applications and any application for more than 13,000,000 Hong Kong Offer Shares will be rejected.**

It is expected that the level of indication of interest in the International Placing, the Offer Price, the result of applications and the basis of allotment under the Hong Kong Public Offering will be published on or before Wednesday, 20 December 2006 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).



As at the date of this announcement, the directors of the Company are Mr. Fang Jin, Mr. Lin Chao, Mr. Guo Quan Zeng, Mr. Li Hui Qiu, Mr. Ho Man\*, Mr. Heng Kwo Seng\*\*, Mr. Wang Jing Zhong\*\* and Mr. Wang Jian Zhang\*\*.

By order of the Board  
**SCUD Group Limited**  
**Fang Jin**  
*Chairman*

\* *Non-executive Director*

\*\* *Independent non-executive Directors*

Hong Kong, 11 December 2006

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