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Unless otherwise defined in this announcement, terms defined in the prospectus of SCUD Group Limited (the “Company”) dated 11 December 2006 (the “Prospectus”) have the same meanings when used in this announcement.



SCUD GROUP LIMITED

飛毛腿集團有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1399)

EXERCISE OF THE OVER-ALLOTMENT OPTION

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

CAZENOVE

Cazenove Asia Limited

The Company announces that the Over-allotment Option granted by the Company referred to in the Prospectus was exercised in full by Cazenove on behalf of the International Underwriters on 8 January 2007 in respect of 39,000,000 additional Shares, representing 15% of the Offer Shares initially offered under the International Offering. The Over-allotment Shares will be issued by the Company at HK\$2.02 per Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee), being the Offer Price per Share under the International Offering. In order to cover over-allocations in the International Placing, Cazenove had borrowed 39,000,000 Shares from Swift Joy and Right Grand pursuant to the Stock Borrowing Agreement. The Over-allotment Shares will be returned and redelivered to Swift Joy and Right Grand pursuant to the Stock Borrowing Agreement and within three business days following the full exercise of the Over-allotment Option and the issuance of the Over-allotment Shares.

The Company announces that the Over-allotment Option granted by the Company referred to in the Prospectus was exercised in full by Cazenove on behalf of the International Underwriters on 8 January 2007 in respect of 39,000,000 additional Shares (the “**Over-allotment Shares**”), representing 15% of the Offer Shares initially offered under the International Offering. The Over-allotment Shares will be issued by the Company at HK\$2.02 per Share (exclusive of brokerage, SFC transaction levy and Stock Exchange trading fee), being the Offer Price per Share under the International Offering. As disclosed in the Prospectus, the Over-allotment Option is exercisable at any time until Saturday, 13 January 2007, which is the 30th day from the last date for lodging applications under the Hong Kong Public Offering.

In order to cover over-allocations in the International Placing, Cazenove had borrowed 39,000,000 Shares from Swift Joy and Right Grand pursuant to the stock borrowing agreement entered into between Swift Joy, Right Grand and Cazenove pursuant to the stock borrowing arrangement described in the section “Structure of the International Offering” in the Prospectus (the “Stock Borrowing Agreement”). The Over-allotment Shares will be returned and redelivered to Swift Joy and Right Grand pursuant to the Stock Borrowing Agreement and within three business days following the full exercise of the Over-allotment Option and the issuance of the Over-allotment Shares.

The shareholding structure of the Company immediately before and after the issue of the Over-allotment Shares is as follows:

Shareholders	Before the issue of the Over-allotment Shares		After the issue of the Over-allotment Shares	
	Number of Shares	Approximate percentage of issued share capital	Number of Shares	Approximate percentage of issued share capital
Swift Joy	402,000,000	46.75	402,000,000	44.72
Right Grand	180,000,000	20.93	180,000,000	20.02
Cheer View	18,000,000	2.09	18,000,000	2.00
Public Shareholders	<u>260,000,000</u>	<u>30.23</u>	<u>299,000,000</u>	<u>33.26</u>
Total	<u>860,000,000</u>	<u>100%</u>	<u>899,000,000</u>	<u>100%</u>

The Over-allotment Shares represent approximately 4.53% of the existing issued share capital of the Company and approximately 4.34% of the issued share capital of the Company as enlarged by the issue of the Over-allotment Shares. Listing of, and permission to deal in, the Over-allotment Shares have already been granted by the Listing Committee of the Stock Exchange.

The Company will receive additional net proceeds of approximately HK\$76 million from the issue of the Over-allotment Shares. Such proceeds will be used for repayments of bank loans and for general working capital purposes, as described in the section headed “Future Plans and Use of Proceeds” in the Prospectus.

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. Alvin Ho**, Mr. Heng Kwoo 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, 8 January 2007

* *For identification purpose only*

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