

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1399)

## ANNOUNCEMENT PURSUANT TO RULE 13.10 OF THE LISTING RULES

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The board of directors (the "Board") of SCUD Group Limited (the "Company") has noted the increase in the price and trading volume of the shares of the Company on 3 September 2007 and wishes to state that, save for the publication of the Company's interim results announcement dated 30 August 2007, it is not aware of any reasons for such increase.

The Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and that the Board is not aware of any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules which is or may be of a price-sensitive nature.

Made by the order of the Company, the Board of which individually and jointly accept responsibility for the accuracy of this statement.

By Order of the Board
SCUD GROUP LIMITED
Fang Jin
Chairman

Hong Kong, 3 September 2007

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 Kwoo Seng\*\*\*, Mr. Wang Jing Zhong\*\*\* and Mr. Wang Jian Zhang\*\*\*.

- \* For identification purpose only
- \*\* Non-executive Director
- \*\*\* Independent non-executive Directors