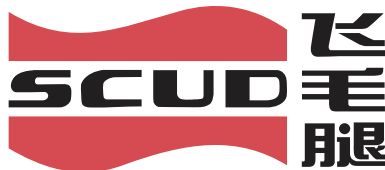


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SCUD GROUP LIMITED
飛毛腿集團有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock Code:01399)

OPERATIONAL UPDATE FOR MAY 2015
AND
DELAY IN PUBLICATION OF FINANCIAL RESULTS
FOR THE SIX MONTHS ENDING 30 JUNE 2015

This announcement is an update of matters referred to the announcements published by SCUD Group Limited (the “Company”) dated 24 April 2015 and 29 May 2015. The Company and its subsidiaries are hereafter referred to as the “Group”.

OPERATIONAL UPDATE FOR MAY 2015

Set out below is an update on the Group’s business operations for May 2015. The information set out below is based on the unaudited management accounts of the major subsidiaries of the Company for the first five months ended 31 May 2015.

The total sales revenue (value added tax not included) of the Group for the first five months ended 31 May 2015 was about RMB1.5 billion.

The ODM business accounted for about RMB1.2 billion, representing about 82%, of such total sales revenue of the Group for the first five months ended 31 May 2015. The Own-brand business and others accounted for the remainder.

As of 31 May 2015, the bank balance of the Group amounted to about RMB882 million, of which about RMB487 million had been pledged in the ordinary course of its business and about RMB395 million was free cash. The amount of account receivables of the Group settled during the five months ended 31 May 2015 was about RMB1.7 billion and amount of payables of the Group settled during the five months ended 31 May 2015 was about RMB1.6 billion. Bank borrowings as at 31 May 2015 were about RMB384 million.

* *For identification purpose only*

The Group has other assets and liabilities and this update on its business and cash position should not be taken as an indicator of the financial performance of the Group. It is provided with the intent of giving shareholders and potential investors some operational data pending the publication of the Company's audited financial statements for the year ended 31 December 2014 and the Company's unaudited financial statements for the six months ending 30 June 2015.

ONGOING WORK BY INDEPENDENT THIRD PARTY INVESTIGATOR

The work by Grant Thornton Advisory Services Limited, appointed as the independent third party investigator to investigate the matters raised in Moore Stephens' resignation letter dated 2 April 2015 ("Matters"), is ongoing. There is no indication at this time of time by which the investigation into the Matters will complete.

STATUS OF APPOINTMENT OF REPLACEMENT AUDITOR

As stated in the Company's announcement dated 29 May 2015, no update in this regard is expected until after the investigation by Grant Thornton Advisory Services Limited is complete. The Company believes that the results of investigation into the Matters will facilitate the process of engagement by the Company of potential replacement auditors.

DELAY IN PUBLICATION OF FINANCIAL RESULTS FOR THE SIX MONTHS ENDING 30 JUNE 2015

Given that the publication of the audited results for the year ended 31 December 2014 remain outstanding and that the work by Grant Thornton Advisory Services Limited, appointed as the independent third party investigator to investigate the Matters, is still ongoing, the Company would not be in a position to publish its unaudited financial results for the six months ending 30 June 2015 till about or after the publication of audited financial results for the year ended 31 December 2014.

CONTINUED SUSPENSION OF TRADING

Trading in the Company's shares on the Stock Exchange will continue to be suspended pending publication of the Company's audited financial statements for the year ended 31 December 2014.

By Order of the Board
SCUD GROUP LIMITED
Fang Jin
Chairman

Hong Kong, 29 June 2015

As at the date of this announcement, the Board comprises Mr. Fang Jin, Mr. Guo Quan Zeng, Mr. Zhang Li and Ms. Huang Yan being the executive Directors, and Dr. Loke Yu, Mr. Wang Jing Zhong and Mr. Wang Jian Zhang being the independent non-executive Directors.