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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)

UPDATE ON CONTINUED SUSPENSION IN TRADING OF SHARES CONDITIONS FOR RESUMPTION OF TRADING

This announcement is made at the request of the Stock Exchange of Hong Kong Limited.

As previously announced by the Company, there is a delay in publication of the Company's audited financial statements for the year ended 31 December 2014 whilst an investigation is carried out by the Company into the observations (the "**Observations**") by Moore Stephens, who resigned as the independent auditor of the Company with effect from 2 April 2015, about certain inconsistencies during their performance of the audit of the Company for the year ended 31 December 2014. Details of the Observations are set out in the Company's announcement dated 24 April 2015. As announced by the Company in its announcements dated 29 May 2015 and 29 June 2015, the Company has engaged Grant Thornton Advisory Services Limited, an independent third party investigator, to investigate the Observations and the investigation is still ongoing.

CONDITIONS FOR RESUMPTION OF TRADING OF SHARES

The Stock Exchange has notified the Company that the following conditions would apply before the grant of any request by the Company for the resumption of trading of the shares in the Company:

- (i) completion of the investigation of the Observations by Grant Thornton Advisory Services Limited, an independent third party investigator engaged for this purpose, disclosure of the findings of such investigation, the Company having addressed the issues identified in the investigation and if necessary, further investigation with appropriate scope;
- (ii) demonstration to the satisfaction of the Stock Exchange that the Company has put in place adequate financial reporting procedures and internal control systems to meet its obligations under the Listing Rules;

* For identification purpose only

- (iii) publication of all outstanding financial results required by the Listing Rules and the Company having addressed any audit qualifications; and
- (iv) informing the market of all material information.

The Company is also required to comply with the Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption.

The Stock Exchange stated that it may modify any of the above conditions and/or impose further conditions if the situation changes.

The Company is currently working with its advisors to take the necessary steps to fulfill the above resumption conditions with the aim of resuming trading in the shares of the Company as soon as practicable. The Company will continue to keep shareholders and investors informed from time to time of the progress on these steps.

CONTINUED SUSPENSION OF TRADING

Trading in the Company's shares on the Stock Exchange will continue to be suspended pending the fulfilment of the conditions referred to above.

By Order of the Board
SCUD GROUP LIMITED
Fang Jin
Chairman

Hong Kong, 13 July 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.