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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 AUGUST 2016 AND UPDATE ON PROGRESS OF FULFILLMENT OF RESUMPTION CONDITIONS**

This announcement is an update of matters referred to in the announcements published by SCUD Group Limited (the “Company”) dated 24 April 2015, 29 May 2015, 29 June 2015, 13 July 2015, 29 July 2015, 31 August 2015, 30 September 2015, 30 October 2015, 30 November 2015, 31 December 2015, 29 January 2016, 29 February 2016, 31 March 2016, 29 April 2016, 31 May 2016, 29 June 2016, 29 July 2016 and 31 August 2016. The Company and its subsidiaries are hereinafter referred to as the “Group”.

### **OPERATIONAL UPDATE FOR AUGUST 2016**

Set out below is an update on the Group’s business operations for August 2016. The information set out below is based on the unaudited management accounts of the major subsidiaries of the Company for the first eight months ended 31 August 2016.

The total sales revenue (value added tax not included) of the Group for the first eight months ended 31 August 2016 was about RMB3.5 billion.

The ODM business accounted for about RMB2.9 billion, representing about 83%, of such total sales revenue of the Group for the first eight months ended 31 August 2016. The Own-brand business and others accounted for the remainder.

\* For identification purpose only

As of 31 August 2016, the bank balance of the Group amounted to about RMB728 million, of which about RMB646 million had been pledged in the ordinary course of its business and about RMB82 million was free cash. The amount of account receivables of the Group settled during the eight months ended 31 August 2016 was about RMB3.7 billion and the amount of payables of the Group settled during the eight months ended 31 August 2016 was about RMB3.3 billion. Bank borrowings as at 31 August 2016 was about RMB340 million.

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 years ended 31 December 2014 and 31 December 2015 and the Company's unaudited financial statements for the six months ended 30 June 2015.

## **STATUS UPDATE ON AUDIT**

BDO Limited which has been appointed as the Group's new auditors have commenced audit fieldwork. The Board is closely following the audit progress with the intention to publish the Group's audited consolidated financial statements as soon as possible. The Board will further update Shareholders to the extent there is any material development in the audit process.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the Company's shares on the Stock Exchange will continue to be suspended pending the fulfilment of the resumption conditions referred to in the Company's announcement dated 13 July 2015. The Company will make an announcement about status update of fulfilment of resumption conditions when appropriate.

By Order of the Board  
**SCUD GROUP LIMITED**  
**Fang Jin**  
Chairman

Hong Kong, 30 September 2016

*As at the date of this announcement, the Board comprises Mr. Fang Jin, Mr. Guo Quan Zeng and Mr. Feng Ming Zhu being the executive Directors, Mr. Zhang Li and Mr. Hou Li being the non-executive Director, and Dr. Loke Yu, Mr. Wang Jing Zhong, Mr. Wang Jian Zhang and Mr. Heng Ja Wei Victor being the independent non-executive Directors.*