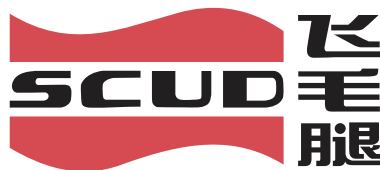


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**SCUD GROUP LIMITED**

**飛毛腿集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01399)**

## **OPERATIONAL UPDATE FOR JULY 2017 AND UPDATE ON PROGRESS OF FULFILLMENT OF RESUMPTION CONDITIONS**

### **OPERATIONAL UPDATE FOR JULY 2017**

Set out below is an update on the business operations of SCUD Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) for July 2017. The information set out below is based on the unaudited management accounts of the major subsidiaries of the Company for the seven months ended 31 July 2017.

The total sales revenue (value added tax not included) of the Group for the seven months ended 31 July 2017 was about RMB3.0 billion.

The ODM business accounted for about RMB2.7 billion, representing about 90% of the total sales revenue of the Group for the seven months ended 31 July 2017. The Own-brand business and others accounted for the remainder.

As of 31 July 2017, the bank balance of the Group amounted to about RMB659 million, of which about RMB610 million had been pledged in the ordinary course of its business and about RMB49 million was free cash. The amount of account receivables of the Group settled during the seven months ended 31 July 2017 was about RMB3.1 billion and the amount of payables of the Group settled during the seven months ended 31 July 2017 was about RMB3.0 billion. Bank borrowings as at 31 July 2017 was about RMB396 million.

\* For identification purpose only

## **STATUS OF AUDIT**

The audit process of the Group is ongoing. There is currently no update to the expected timing on publication of the audited reports for the three years ended 31 December 2016 since the Company's last announcement dated 31 July 2017.

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, 31 December 2015 and 31 December 2016 and the Company's unaudited financial statements for the six months ended 30 June 2015, 30 June 2016 and 30 June 2017.

## **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, 31 August 2017

*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 Directors, and Dr. Loke Yu, Mr. Wang Jing Zhong, Mr. Wang Jian Zhang and Mr. Heng Ja Wei Victor being the independent non-executive Directors.*