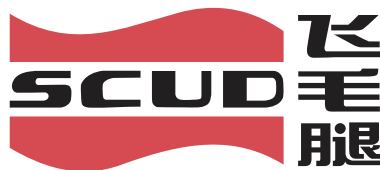


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 APRIL 2018 AND UPDATE ON PROGRESS OF FULFILLMENT OF RESUMPTION CONDITIONS

OPERATIONAL UPDATE FOR APRIL 2018

Set out below is an update on the business operations of SCUD Group Limited (the “**Company**” and, together with its subsidiaries, the “**Group**”) for April 2018. The information set out below is based on the unaudited management accounts of the major subsidiaries of the Company for the four months ended 30 April 2018.

The total sales revenue (value added tax not included) of the Group for the four months ended 30 April 2018 was about RMB1.9 billion.

The ODM business accounted for about RMB1.8 billion, representing about 93% of the total sales revenue of the Group for the four months ended 30 April 2018. The Own-brand business and others accounted for the remainder.

As of 30 April 2018, the bank balance of the Group amounted to about RMB947 million, of which about RMB833 million had been pledged in the ordinary course of its business and about RMB114 million was free cash. The amount of account receivables of the Group settled during the four months ended 30 April 2018 was about RMB2.0 billion and the amount of payables of the Group settled during the four months ended 30 April 2018 was about RMB1.9 billion. Bank borrowings as at 30 April 2018 was about RMB303 million.

* For identification purpose only

STATUS OF AUDIT

The annual reports of the Company for the year ended 31 December 2014, 31 December 2015 and 31 December 2016 and the interim reports of the Company for the six months ended 30 June 2015 and 30 June 2016 were despatched to the shareholders of the Company on 7 May 2018.

The Company and the Company's auditors are finalising the audited annual results of the Group for the year ended 31 December 2017 and the unaudited interim results (as reviewed by the auditors) of the Group for the six months ended 30 June 2017, and currently expect that such results will be finalised and ready for publication by mid-June 2018.

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 2017 and the Company's unaudited financial statements for the six months ended 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 all the resumption conditions referred to in the Company's announcement dated 13 July 2015. The Company will make an announcement about status update on fulfilment of resumption conditions when appropriate.

By Order of the Board
SCUD GROUP LIMITED
Fang Jin
Chairman

Hong Kong, 1 June 2018

As at the date of this announcement, the board of directors of the Company 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.