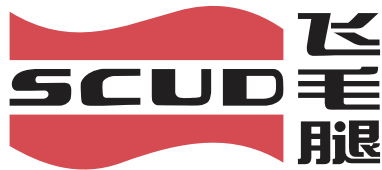

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in SCUD Group Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



SCUD GROUP LIMITED
飛毛腿集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01399)

**(1) RENEWAL OF GENERAL MANDATE
TO ISSUE SHARES AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of SCUD Group Limited to be held at 2:30 p.m. on Tuesday, 30 June 2020 at Head Office, Scud Industrial Park, Fuzhou Pilot Free Trade Zone, No. 98 Jiangbin East Avenue, Mawei District, Fuzhou, Fujian Province, PRC is set out on pages 17 to 21 of this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the branch share registrar of SCUD Group Limited in Hong Kong, Tricor Investor Services Limited, located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the annual general meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting, or any adjournment thereof, should you so wish.

29 May 2020

* For identification purpose only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	3
APPENDIX I – EXPLANATORY STATEMENT	8
APPENDIX II – PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION	11
NOTICE OF ANNUAL GENERAL MEETING	17

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

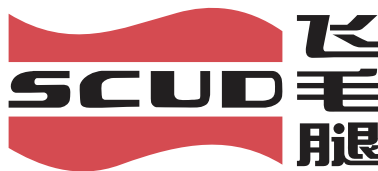
“AGM”	means the annual general meeting of the Company to be held at 2:30 p.m. on Tuesday, 30 June 2020 at Head Office, Scud Industrial Park, Fuzhou Pilot Free Trade Zone, No. 98 Jiangbin East Avenue, Mawei District, Fuzhou, Fujian Province, PRC;
“AGM Notice”	means the notice convening the AGM set out on pages 17 to 21 of this circular;
“Articles”	means the articles of association of the Company adopted pursuant to written resolutions of the Shareholders passed on 3 December 2006;
“associate”	has the same meaning as defined in the Listing Rules;
“Board”	means the board of Directors;
“close associate”	has the same meaning as defined in the Listing Rules;
“Companies Law”	means the Companies Law of the Cayman Islands, as amended, supplemented or otherwise modified from time to time;
“Company”	means SCUD Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange;
“controlling shareholder”	has the same meaning as defined in the Listing Rules;
“core connected person”	has the same meaning as defined in the Listing Rules;
“Directors”	means the directors of the Company;
“Group”	means the Company and its subsidiaries;
“HK\$”	means Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	means a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to allot and issue Shares set out as resolution no. 11 in the AGM notice;

DEFINITIONS

“Latest Practicable Date”	means 25 May 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum of Association”	means the memorandum of association of the Company, adopted on 20 July 2006 and as amended, supplemented or otherwise modified from time to time;
“PRC”	means the People’s Republic of China;
“Repurchase Mandate”	means a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares set out as resolution no. 12 in the AGM Notice;
“Scud Electronics”	means Scud (Fujian) Electronics Co., Ltd., a limited liability company incorporated in the PRC and an indirectly wholly-owned subsidiary of the Company;
“SFO”	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	means ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;
“Shareholder(s)”	means holder(s) of the Share(s);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	means the Code on Takeovers and Mergers issued by the Securities and Futures Commission and as amended from time to time; and
“%”	means per cent.

Note: All times and dates referred to in this circular refer to Hong Kong local times and dates.

LETTER FROM THE BOARD



SCUD GROUP LIMITED

飛毛腿集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01399)

Executive Directors:

Mr. Feng Ming Zhu (*Chairman*)

Ms. Lian Xiu Qin (*Chief Executive Officer*)

Non-executive Directors:

Dr. Ho Chung Tai Raymond

Mr. Hou Li

Independent Non-executive Directors:

Mr. Heng Ja Wei Victor

Mr. Lam Yau Yiu

Dr. Wong Chi Wing

Mr. Cheung Wai Kwok Gary

Registered office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Place of business in Hong Kong:

Room 1017, 10/F Leighton Centre

77 Leighton Road

Causeway Bay

Hong Kong

29 May 2020

To the Shareholders

Dear Sir or Madam,

**(1) RENEWAL OF GENERAL MANDATE
TO ISSUE SHARES AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS; AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to: (i) provide you with details of the proposed Issue Mandate and the proposed Repurchase Mandate, (ii) set out an explanatory statement regarding the Repurchase Mandate, (iii) provide particulars of the Directors to be re-elected and (iv) give you notice of the AGM.

* For identification purpose only

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 17 June 2019, ordinary resolutions were passed giving the general mandates to the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate number of Shares in issue as at 17 June 2019. The purpose of the general mandates was to enable the Directors to issue additional Shares should the need arise. Ordinary resolutions will be proposed at the AGM for approval of, amongst others, the Issue Mandate and the Repurchase Mandate in order to give to the Directors new general mandates:

- (i) to allot, issue and otherwise deal with new Shares with an aggregate number of Shares not exceeding 20% of the aggregate number of Shares in issue as at the date of passing the proposed resolution at the AGM; and
- (ii) to repurchase Shares with an aggregate number of Shares not exceeding 10% of the aggregate number of Shares in issue as at the date of passing the proposed resolution at the AGM.

In addition, a separate ordinary resolution will also be proposed at the AGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate (if granted to the Directors at the AGM). The Directors have no present intention to exercise the general mandates to issue Shares and to repurchase Shares of the Company.

As at the Latest Practicable Date, the Listing Rules provide that, unless the Stock Exchange agrees otherwise, in the event the Issue Mandate is exercised and Shares are placed for cash consideration under the Issue Mandate, the issue price of the Shares may not be at a price which represents a discount of 20% or more to the benchmarked price of the Shares, such benchmarked price being the higher of:

- (i) the closing price of the Shares as quoted on the Stock Exchange on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the Issue Mandate; and
- (ii) the average closing price of the Shares as quoted on the Stock Exchange in the 5 trading days immediately prior to the earlier of:
 - (a) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of Shares under the Issue Mandate;
 - (b) the date of the placing agreement or other agreement involving the proposed issue of Shares under the Issue Mandate; and
 - (c) the date on which the placing or subscription price is fixed.

In terms of price at which Shares may be issued at time of exercise of the Issue Mandate, the Company will comply with the then prevailing requirements under the Listing Rules.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

It is proposed that at the AGM, Ms. Lian Xiu Qin, Mr. Heng Ja Wei Victor and Mr. Lam Yau Yiu will retire by rotation in accordance with Article 87(1). The above Directors, all being eligible, will offer themselves for re-election.

As disclosed in the announcement of the Company dated 19 May 2020, Mr. Cheung Wai Kwok Gary was appointed by the Board as an independent non-executive Director and the chairman of the nomination committee and a member of the audit committee, remuneration committee and corporate governance committee of the Board with effect from 19 May 2020. According to Article 86(3), any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. Cheung Wai Kwok Gary shall retire from office as an independent non-executive Director at the AGM and he, being eligible, offers himself for re-election at the AGM.

The Board has considered the annual written confirmation of independence from each of the retiring independent non-executive Directors based on the independence criteria set out in Rule 3.13 of the Listing Rules. The Board is not aware of any circumstance which may influence the retiring independent non-executive Directors in exercising their independent judgment. On this basis, the Board considers the retiring independent non-executive Directors to be independent. The retiring independent non-executive Directors comprise experienced and high calibre individuals, with appropriate professional qualifications and expertise in public and commercial sectors, and represent diverse career experience in both international and local enterprises. The Board believes that the re-election of the retiring independent non-executive Directors will provide the Company with a good balance and diversity of perspectives, skills and experience appropriate to the requirements of its business.

The particulars of these Directors which are required to be disclosed by the Listing Rules are set out in Appendix II to this circular.

TERMS OF DIRECTORS' APPOINTMENT

Details of the service contract of Ms. Lian Xiu Qin and the appointment letters of each of Mr. Heng Ja Wei Victor, Mr. Lam Yau Yiu and Mr. Cheung Wai Kwok Gary, all of which are proposed to be renewed, are set out in Appendix II of this circular.

ANNUAL GENERAL MEETING

A notice convening the AGM to be held at 2:30 p.m. on Tuesday, 30 June 2020 at Head Office, Scud Industrial Park, Fuzhou Pilot Free Trade Zone, No. 98 Jiangbin East Avenue, Mawei District, Fuzhou, Fujian Province, PRC is set out on pages 17 to 21 of this circular for the purpose of considering and, if thought fit, passing the resolutions set out therein.

You will find enclosed a form of proxy for use at the AGM. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but

LETTER FROM THE BOARD

in any event not less than 48 hours before the time appointed for holding the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM, or any adjournment thereof, should you so wish.

Pursuant to the Listing Rules, voting by poll is mandatory at all general meetings except for resolutions relating purely to procedural or administrative matters. The chairman of the AGM will request for voting by poll on all of the proposed resolutions. The results of the poll will be published on the websites of the Company and the Stock Exchange on the day of the AGM.

CLOSURE OF REGISTER OF MEMBERS

Shareholders whose name appear on the Company's register of members on Tuesday, 30 June 2020 will be eligible for attending and voting at the AGM. The Company's register of members and books of transfer will be closed from Friday, 26 June 2020 to Tuesday, 30 June 2020, both days inclusive, during which no transfer of Shares will be registered. In order to be eligible for attending and voting at the AGM, all transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Wednesday, 24 June 2020.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid Share held.

After the conclusion of the AGM, the poll results will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.scudgroup.com.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the granting of the Issue Mandate and the Repurchase Mandate and the re-election of the retiring Directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of all resolutions as set out in the AGM Notice.

LETTER FROM THE BOARD

Your attention is also drawn to the additional information set out in Appendix I and Appendix II to this circular.

By Order of the Board
SCUD GROUP LIMITED
Feng Ming Zhu
Chairman

This appendix includes an explanatory statement required by the Stock Exchange to be presented to Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

1. STOCK EXCHANGE RULES FOR REPURCHASES OF SHARES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

2. FUNDING OF REPURCHASES

Any repurchase will be made out of funds which are legally available for the purpose in accordance with the Memorandum of Association and Articles of the Company and the laws of the Cayman Islands. Such repurchases may only be effected out of profits of the Company or out of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital. Any premium payable on a repurchase over the par value of the Shares to be repurchased must be provided for out of profits of the Company or out of the Company's share premium account or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital.

As compared with the financial position of the Company as at 31 December 2019 (being the date to which the latest audited financial statements of the Company have been made up), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event the proposed repurchases were to be carried out in full during the proposed repurchase period.

The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or the gearing position which in the opinion of the Directors are from time to time appropriate for the Company.

3. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,090,001,246 Shares.

Subject to the passing of the relevant ordinary resolutions to approve the general mandates to issue and repurchase Shares and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Company would be allowed under the repurchase proposal to repurchase a maximum of 109,000,124 Shares.

4. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earning per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Memorandum of Association and Articles of the Company.

6. EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Fang Jin, a controlling shareholder of the Company, together with his close associates, was interested in 552,338,000 Shares, representing approximately 50.67% of the issued share capital of the Company.

In the event the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Repurchase Mandate and on the assumption that no further Shares are issued or repurchased from the Latest Practicable Date to the date of the AGM, the shareholding interest of Mr. Fang Jin, together with his close associates, would increase to approximately 56.30% of the issued share capital of the Company. In the event of such increase, Mr. Fang Jin, together with his close associates, would, in the absence of a waiver from the Securities and Futures Commission, be obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors do not intend to exercise the power to repurchase Shares to an extent which would render the aforesaid Shareholder or any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Board will endeavour to ensure that the exercise of the Repurchase Mandate will not result in less than 25% of the Shares being held by the public.

7. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of their respective close associates has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchases of Shares.

8. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months and ending on the Latest Practicable Date.

9. SHARE PRICE

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months and up till the Latest Practicable Date were as follows:

	Highest price per Share <i>HK\$</i>	Lowest price per Share <i>HK\$</i>
2019		
May	0.380	0.305
June	0.330	0.270
July	0.455	0.300
August	0.380	0.305
September	0.420	0.315
October	0.395	0.330
November	0.370	0.315
December	0.350	0.285
2020		
January	0.380	0.280
February	0.370	0.285
March	0.305	0.201
April	0.280	0.241
May (up to the Latest Practicable Date)	0.260	0.230

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

DETAILS OF DIRECTORS SUBJECT TO RE-ELECTION AT THE AGM

The particulars of the Directors who are subject to re-election at the AGM and which are required to be disclosed by the Listing Rules are set out below:

(1) Ms. Lian Xiu Qin – Executive Director

Lian Xiu Qin, aged 48, is an executive Director and the Chief Executive Officer of the Group. She is primarily responsible for the management of the Group's daily operations. She joined the Group in March 1998 and she has been the Deputy General Manager and the Division Head of the first business division of Scud Electronics since January 2016 and July 2016 respectively, responsible for managing the Group's business with its major customers. Previously, she held other key positions such as the Production Head and Engineering Manager of Scud Electronics. Ms. Lian has over 20 years' experience in engineering and manufacturing technologies. She was awarded the honorary title "Second-term Outstanding Highly Skilled Talent of Fuzhou" by the Human Resources and Social Security Bureau of Fuzhou in May 2013. The polymer battery metal shell structure registered by the State Intellectual Property Office of the PRC as a patent in the name of Scud Electronics was invented by Ms. Lian and two other staff of the Group. Publications by Ms. Lian on "Lithium Battery Production Technologies" and "Electronic Products Assembly Process" are used as teaching materials at the Fujian Scud Senior Technician Training School.

Ms. Lian is a qualified senior technician specialising in the production of battery cells. She graduated from the Shenyang University of Technology in July 1995 specialising in Applied Electronics Technology and an undergraduate qualification in Business English at the Fujian Normal University in June 2009. Ms. Lian has completed professional training on "Quantitative Methods in Process Improvement" (ISO13053-1&2: 2011) published by the International Organisation for Standardisation and on cost control management. Ms. Lian is currently studying a part-time Master's degree in Business Administration at the Seton Hall University of the United States of America in the PRC.

Ms. Lian has an existing service contract with the Company for a term commencing on 17 June 2019 and ending on the earlier of 16 June 2021 and the date of the annual general meeting to be held by the Company in 2021 and may be terminated by either party giving at least three month's prior notice in writing. Pursuant to such service contract, Ms. Lian is entitled to annual director's fees of HK\$240,000 for her services to the Company, plus statutory contributions to retirement benefits schemes and performance-based discretionary bonus payments as assessed by the Board. As the Chief Executive Officer of the Group, Ms. Lian is also entitled to an annual salary of RMB700,000, which is determined by reference to her experience and duties.

Save as disclosed above, Ms. Lian does not hold any other position with the Company or other members of the Group. Save as disclosed above, Ms. Lian does not hold and has not, in the past three years, held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas. Other than the relationship arising from her directorship with the

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Company and save as disclosed herein, Ms. Lian does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, there is no information relating to Ms. Lian's proposed re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There is also no other information which needs to be brought to the attention of the Shareholders in respect of Ms. Lian's proposed re-election as a Director.

(2) Mr. Heng Ja Wei Victor – *Independent non-executive Director*

Heng Ja Wei Victor, aged 43, is an independent non-executive Director, the Chairman of the Audit Committee and Remuneration Committee and a member of the Nomination Committee and Corporate Governance Committee. Mr. Heng joined the Group on 1 September 2016. Mr. Heng is a partner of Morison Heng, Certified Public Accountants. Mr. Heng holds a Bachelor of Engineering degree in Electronic Engineering from the University of Warwick in the United Kingdom and a Master of Science degree in Computer Science from the Imperial College of Science, Technology and Medicine of the University of London. He is a member of, and holds a Certified Public Accountant (Practising) certificate issued by The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants. Mr. Heng has served as an independent non-executive director of CIMC-TianDa Holdings Company Limited (stock code: 445) since March 2009, Best Food Holding Company Limited (stock code: 1488) since May 2011, Lee & Man Chemical Company Limited (stock code: 746) since June 2010 and Matrix Holdings Limited (stock code: 1005) since December 2012 and as the company secretary of China Life Insurance Company Limited (stock code: 2628) since April 2013, the securities of which are listed on the Stock Exchange.

The Company has entered into an appointment letter with Mr. Heng for a term commencing on 17 June 2019 and ending on the earlier of 16 June 2020 and the date of the annual general meeting to be held by the Company in 2020 and may be terminated by either party by giving at least three months' prior notice in writing. Pursuant to such appointment letter, Mr. Heng is entitled to an annual salary of HK\$360,000, which is determined by reference to the prevailing market rate and his time, effort and expertise devoted to the Company's affairs. Both the Company and Mr. Heng consider such remuneration to be reasonable.

Save as disclosed above, Mr. Heng does not hold any other position with the Company or other members of the Group. Save as disclosed above, Mr. Heng does not and has not, in the past three years, held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas. Other than the relationship arising from his directorship with the Company and save as disclosed herein, Mr. Heng does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Save as disclosed above, there is no information relating to Mr. Heng's proposed re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There is also no other information which needs to be brought to the attention of the Shareholders in respect of Mr. Heng's proposed re-election as a Director.

(3) Mr. Lam Yau Yiu – *Independent non-executive Director*

Lam Yau Yiu, alias Lam Yau Yiu Laurence, aged 56, is an independent non-executive Director, the Chairman of the Corporate Governance Committee and a member of the Audit Committee, Remuneration Committee and Nomination Committee. He joined the Group on 27 September 2018. Mr. Lam is a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He has about 31 years' experience in auditing, accounting and corporate management. Mr. Lam has served as the company secretary of V1 Group Limited (stock code: 82) since February 2019, the securities of which are listed on the Stock Exchange. Mr. Lam was the financial controller and the company secretary of Zhong An Real Estate Limited (stock code: 672) from October 2008 to December 2016, and the qualified accountant and the company secretary of Creative Energy Solutions Holdings Limited (now known as Kirin Group Holdings Limited, stock code: 8109) from December 2005 to June 2006, the securities of which are listed on the Stock Exchange.

Mr. Lam holds a Master's degree in Business Administration and a Master of Science in Information Systems Management from the Hong Kong University of Science and Technology and a Bachelor of Accounting from the City University of Hong Kong. He was the consultant to Chase Solar Limited from January 2018 to December 2018 and he was the chief financial officer and company secretary of Million Cities Development Limited from January 2017 to July 2017.

The Company has entered into an appointment letter with Mr. Lam for a term commencing on 17 June 2019 and ending on the earlier of 16 June 2020 and the date of the annual general meeting to be held by the Company in 2020 and may be terminated by either party by giving at least three months' prior notice in writing. Pursuant to such appointment letter, Mr. Lam is entitled to an annual salary of HK\$360,000 which is determined by reference to the prevailing market rate and his time, effort and expertise devoted to the Company's affairs. Both the Company and Mr. Lam consider such remuneration to be reasonable.

Save as disclosed above, Mr. Lam does not hold any other position with the Company or other members of the Group. Save as disclosed above, Mr. Lam does not hold and has not, in the past three years, held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas. Other than the relationship arising from his directorship with the Company and save as disclosed herein, Mr. Lam does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Save as disclosed above, there is no information relating to Mr. Lam's proposed re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There is also no other information which needs to be brought to the attention of the Shareholders in respect of Mr. Lam's proposed re-election as a Director.

(4) Mr. Cheung Wai Kwok Gary – *Independent non-executive Director*

Cheung Wai Kwok Gary, aged 66, has over 38 years of experience in the financial services industry. He was an executive director of Sun Hung Kai & Co. Limited, the chief executive of the Hong Kong Securities Institute, the chief executive officer of Tung Shing Securities (Brokers) Limited (currently known as Sinopac Securities (Asia) Limited), the chief executive officer of Investport (H.K.) Limited, the responsible officer of YF Securities Company Limited, YF Futures Company Limited and YF Asset Management Limited, and the chief executive officer of Blackwell Global Investments (HK) Limited. He also served as a committee member of the banking and finance training board of the Vocational Training Council of Hong Kong from April 2017 to March 2019. He has been the chief executive officer and the responsible officer of Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO of CSL Securities Limited since April 2018 and June 2018 respectively. Mr. Cheung is the responsible officer of Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO and was the responsible officer of Type 2 (dealing in futures contracts), Type 3 (leveraged foreign exchange trading), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO of various other companies.

Mr. Cheung was elected as the chairman of the board of directors of the Hong Kong Securities Association Limited in November 2017 and became its permanent honorary president in September 2019, prior to which he was the vice chairman of its board of directors from 2011 to 2015. He was a member of the Steering Committee of the Asian Financial Forum 2018 and has been the chief supervisor of East Asia Securities Qianhai Securities Limited since October 2017, a director of the board of the Financial Dispute Resolution Centre since March 2018, a panel member of the Anti- Money Laundering and Counter-Terrorist Financing Review Tribunal of Hong Kong since April 2018 and a senior fellow of the Hong Kong Securities and Investment Institute since September 2014.

Mr. Cheung has served as an independent non-executive director of Sang Hing Holdings (International) Limited (stock code: 1472) since January 2020 and was the executive director and the managing director of South China Financial Holdings Limited (stock code: 619) from June 2009 to June 2011, the securities of which are listed on the Stock Exchange. He received a Bachelor's degree of Arts in Business Administration and a Bachelor's degree of Arts (Honours) in Economics from York University in Canada in June 1978 and June 1979 respectively.

Mr. Cheung was the director of the following companies which were incorporated in Hong Kong and were dissolved during the period when he was one of their directors, details of which are set as follows:

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Company name	Nature of business	Reason for dissolution	Nature of proceeding involved	Date of commencement of proceeding	Amounts involved	Date of dissolution
Group Ascent Holdings Limited	Property holding	Dormant	Deregistration	16 July 2015	N/A	19 February 2016
Glorylink Consultants Limited	Property holding	Dormant	Struck off by the Companies Registry	N/A	N/A	26 February 1999

Mr. Cheung confirms that the above companies were solvent at the time of their respective dissolution and he is not aware of any actual or potential claim which had been or may be made against him as a result of the dissolution of the above companies.

The Company has entered into an appointment letter with Mr. Cheung for a term commencing on 19 May 2020 and ending on the earlier of 18 May 2021 and the date of the annual general meeting to be held by the Company in 2021 and may be terminated by either party by giving at least three months' prior notice in writing. Pursuant to such appointment letter, Mr. Cheung is entitled to an annual salary of HK\$360,000 which is determined by reference to the prevailing market rate and his time, effort and expertise devoted to the Company's affairs. Both the Company and Mr. Cheung consider such remuneration to be reasonable.

Save as disclosed above, Mr. Cheung does not hold any other position with the Company or other members of the Group. Save as disclosed above, Mr. Cheung does not hold and has not, in the past three years, held any directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas. Other than the relationship arising from his directorship with the Company and save as disclosed herein, Mr. Cheung does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company and does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

Save as disclosed above, there is no information relating to Mr. Cheung's proposed re-election as a Director to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There is also no other information which needs to be brought to the attention of the Shareholders in respect of Mr. Cheung's proposed re-election as a Director.

SERVICE CONTRACT AND APPOINTMENT LETTERS OF DIRECTORS

It is proposed that the Company shall renew the service contract with Ms. Lian Xiu Qin, an executive Director, and the appointment letter with its independent non-executive Directors, namely Mr. Heng Ja Wei Victor, Mr. Lam Yau Yiu and Mr. Cheung Wai Kwok Gary. The existing service contract and appointment letters with these Directors will expire on the date of the AGM.

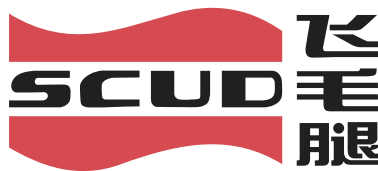
APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

The appointment of Ms. Lian Xiu Qin under the proposed new service contract is for a term commencing on the date of the AGM and ending on the earlier of the date of the annual general meeting to be held by the Company in 2022 and the day immediately preceding the second anniversary of the date of the service contract, or otherwise terminated pursuant to the terms of the service contract. Pursuant to the proposed service contract, Ms. Lian Xiu Qin is entitled to annual director's fees of HK\$240,000, plus statutory contributions to retirement benefits schemes and performance-based discretionary bonus payments as assessed by the Board. As the Chief Executive Officer of the Group, Ms. Lian Xiu Qin is also entitled to an annual salary of RMB700,000, which is determined by reference to her experience and duties.

Pursuant to their respective proposed new appointment letters, the appointment of each of Mr. Heng Ja Wei Victor, Mr. Lam Yau Yiu and Mr. Cheung Wai Kwok Gary is for a term commencing on the date of the AGM and ending on the earlier of the date of the annual general meeting to be held by the Company in 2021 and the day immediately preceding the first anniversary of the date of the respective appointment letters, or otherwise terminated pursuant to the terms of the respective appointment letters. Under the respective proposed appointment letters, Mr. Heng Ja Wei Victor, Mr. Lam Yau Yiu and Mr. Cheung Wai Kwok Gary are each entitled to annual director's fees of HK\$360,000.

All service contract and appointment letters to be entered into with the said Directors may be terminated by either party giving at least three months' prior notice in writing. The terms of each of the service contract and the appointment letters were determined by reference to the prevailing market rate and each of the Directors' time, effort and expertise expected to be devoted to the Company. The Company and each of the executive Directors consider such terms of service as reasonable.

NOTICE OF ANNUAL GENERAL MEETING



SCUD GROUP LIMITED

飛毛腿集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01399)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of SCUD Group Limited (the “**Company**”) will be held at 2:30 p.m. on Tuesday, 30 June 2020 at Head Office, Scud Industrial Park, Fuzhou Pilot Free Trade Zone, No. 98 Jiangbin East Avenue, Mawei District, Fuzhou, Fujian Province, PRC for the following purposes:–

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Directors**”) and the auditors of the Company for the year ended 31 December 2019.
2. To re-elect Ms. Lian Xiu Qin as an executive Director.
3. To re-elect Mr. Heng Ja Wei Victor as an independent non-executive Director.
4. To re-elect Mr. Lam Yau Yiu as an independent non-executive Director.
5. To re-elect Mr. Cheung Wai Kwok Gary as an independent non-executive Director.
6. To authorise the board of Directors (the “**Board**”) to approve and confirm the terms of appointment (including remuneration) for Ms. Lian Xiu Qin, further details of which are set out in the Company’s circular to which this notice forms part (the “**Circular**”).
7. To authorise the Board to approve and confirm the terms of appointment (including remuneration) for Mr. Heng Ja Wei Victor, further details of which are set out in the Circular.
8. To authorise the Board to approve and confirm the terms of appointment (including remuneration) for Mr. Lam Yau Yiu, further details of which are set out in the Circular.
9. To authorise the Board to approve and confirm the terms of appointment (including remuneration) for Mr. Cheung Wai Kwok Gary, further details of which are set out in the Circular.
10. To re-appoint BDO Limited as auditor and authorise the Board to fix their remuneration.

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass, with or without amendments, the following resolutions which will be proposed, as ordinary resolutions of the Company:-

ORDINARY RESOLUTIONS

11. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (B) the mandate in paragraph (A) shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers during or after the end of the Relevant Period;
- (C) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraphs (A) and (B) of this resolution above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any options granted under the share option scheme adopted by the Company or an issue of shares upon the exercise of subscription rights attached to the warrants which might be issued by the Company or an issue of shares in lieu of the whole or part of a dividend on shares or any scrip dividend scheme or similar arrangement in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate number of the shares of the Company in issue on the day of passing this resolution; and
- (D) for the purposes of this resolution:

“Relevant Period” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum of association and articles of association of the Company or any applicable law of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

12. “**THAT:**

- (A) subject to paragraph (C) of this resolution below, a general mandate for the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, and that the exercise by the Directors of all powers of the Company to repurchase such shares are subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (B) the approval in paragraph (A) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (C) the aggregate number of shares of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (A) of this resolution above during the Relevant Period shall not exceed 10% of the aggregate number of shares of the Company in issue as at the time of passing this resolution; and
- (D) for the purposes of this resolution:

“**Relevant Period**” means the period from the time of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; or
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the memorandum of association and articles of association of the Company or any applicable law of the Cayman Islands to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

13. “**THAT** conditional upon the passing of ordinary resolutions nos. 11 and 12 in the notice convening the annual general meeting of the Company, the aggregate number of shares of the Company which are repurchased by the Company pursuant to and in accordance with the said ordinary resolution no. 12 shall be added to the aggregate number of shares of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the said ordinary resolution no. 11.”

By Order of the Board
SCUD GROUP LIMITED
Feng Ming Zhu
Chairman

Hong Kong, 29 May 2020

Executive Directors

Mr. Feng Ming Zhu

Ms. Lian Xiu Qin

Non-executive Directors

Dr. Ho Chung Tai Raymond

Mr. Hou Li

Independent non-executive Directors

Mr. Heng Ja Wei Victor

Mr. Lam Yau Yiu

Dr. Wong Chi Wing

Mr. Cheung Wai Kwok Gary

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A form of proxy for the meeting is enclosed.
2. Any member of the Company entitled to attend and vote at the meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
4. The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority shall be delivered to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting at which the person named in the instrument proposes to vote.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any share, any one of such joint holders may vote either in person or by proxy in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders be present at any meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
7. Shareholders whose name appear on the Company's register of members on Tuesday, 30 June 2020 will be eligible for attending and voting at the Company's annual general meeting. The Company's register of members and books of transfer will be closed from Friday, 26 June 2020 to Tuesday, 30 June 2020, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be eligible for attending and voting at the annual general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Wednesday, 24 June 2020.
8. The meeting is expected to last for no more than a half day. Shareholders who attend the meeting shall bear their own travelling and accommodation expenses.