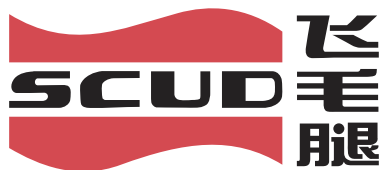


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance 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: 1399)**

### **POLL RESULTS OF THE ANNUAL GENERAL MEETING HELD ON 14 MAY 2009**

The Board is pleased to announce that all of the resolutions set out in the AGM Notice dated 6 April 2009 were duly passed by the Shareholders by way of poll at the AGM held on 14 May 2009.

The Board would also like to announce that with effect from after the AGM, Mr. Heng shall retire from his position as an independent non-executive Director, chairman of the audit committee and a member of each of the remuneration committee and the nomination committee. Mr. Lin shall be redesignated as a non-executive Director, Mr. Wang Jing Zhong and Mr. Wang Jian Zhang be re-elected as independent non-executive Directors and Dr. Loke be appointed as an independent non-executive Director, the chairman of the audit committee and a member of each of the remuneration committee and nomination committee.

### **RESULTS OF THE AGM**

The board ("Board") of directors ("Directors") of the Company is pleased to announce that all of the proposed resolutions set out in the notice ("AGM Notice") of annual general meeting ("AGM") of SCUD Group Limited (the "Company") dated 6 April 2009 were duly passed by the shareholders of the Company ("Shareholders") by way of poll at the AGM held on 14 May 2009.

Details of the poll results in respect of all of the proposed resolutions at the AGM are as follows:

	<b>ORDINARY RESOLUTIONS</b>	<b>No. of votes (%)</b>		<b>Total number of votes</b>
		<b>FOR</b>	<b>AGAINST</b>	
No. 1.	To receive and consider the audited consolidated financial statements for the year ended 31 December 2008 and the Directors' Report and Independent Auditors' Report of the Company.	694,777,246 (99.9997%)	2,000 (0.0003%)	694,779,246
No. 2	To declare a final dividend.	694,777,246 (99.9997%)	2,000 (0.0003%)	694,779,246
No. 3	To re-elect Mr. Wang Jing Zhong as independent non-executive director of the Company.	694,777,246 (99.9997%)	2,000 (0.0003%)	694,779,246
No. 4	To re-elect Mr. Wang Jian Zhang as independent non-executive director of the Company.	694,777,246 (99.9997%)	2,000 (0.0003%)	694,779,246
No. 5	To appoint Dr. Loke Yu as independent non-executive director of the Company.	694,777,246 (99.9997%)	2,000 (0.0003%)	694,779,246
No. 6	To authorise the board of directors to fix remuneration of directors of the Company and to approve, confirm and ratify the terms of appointment for each of Mr. Heng Kwoong Seng, Mr. Ho Man, Mr. Wang Jing Zhong, Mr. Wang Jian Zhang and Dr. Loke Yu.	694,747,246 (99.9997%)	2,000 (0.0003%)	694,749,246
No. 7	To re-appoint auditors and authorise the board of directors of the Company to fix their remuneration.	694,777,246 (99.9997%)	2,000 (0.0003%)	694,779,246
No. 8	To grant a general mandate to the directors of the Company to allot, issue and deal with new shares of the Company not exceeding 20% of its issued share capital.	693,243,246 (99.78%)	1,536,000 (0.22%)	694,779,246

The total number of shares ("Shares") of the Company entitling the Shareholders to attend and vote for or against all of the resolutions at the AGM was 1,032,001,246. There were no Shares entitling the holders to attend and vote only against any of the resolutions at the AGM.

No parties had stated their intention in the Company's circular dated 6 April 2009 to vote against the resolutions or to abstain and therefore none have on such basis done so at the AGM.

Tricor Investor Services Limited, the Company's branch share registrar in Hong Kong, was appointed by the Company and acted as the scrutineer for the vote-taking at the AGM.

## **CHANGES TO THE BOARD**

### **Resignation**

The Board has been informed by Mr. Heng Kwoo Seng (“Mr. Heng”) that he will not offer himself for re-election at the AGM as he intends to retire from his position as an independent non-executive Director, chairman of the audit committee and a member of each of the remuneration committee and the nomination committee after the AGM. Mr. Heng is of retirement age and has been progressively resigning his positions as directors of listed companies in Hong Kong. Mr. Heng has confirmed that he has no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the Shareholders in respect of his resignation.

The Board would like to extend its gratitude to Mr. Heng for his valuable contributions to the Company in the past years.

### **Redesignation**

The Board has been informed by Mr. Lin Chao (“Mr. Lin”) that for reasons due to declining health, Mr. Lin is not able to devote a significant amount of time to the management of the Company. The Board and Mr. Lin have agreed, therefore, that with effect from after the AGM, Mr. Lin shall be redesignated as a non-executive Director. Mr. Lin’s particulars which are required to be disclosed by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) are set out below.

#### **Mr. Lin Chao – *Non-executive Director***

Mr. Lin Chao, aged 43, was an executive Director and the vice-Chairman of the Company and its subsidiaries (the “Group”) prior to his redesignation as a non-executive Director which came into effect after the AGM. He is also a co-founder of the Group and an economist. Mr. Lin is mainly responsible for assisting Mr. Fang Jin to formulate the Group’s development and operations, investments and brand strategies. Mr. Lin had excellent performance in aspects of OEM business development, purchasing cost control and customer relationship. In 1997, in conjunction with Mr. Fang Jin as a partner, he established Cai Hong (and established Scud Electronics in October 1997). Mr. Lin had been a director, vice general manager, general manager and chief executive of Scud Electronics and possessed over 20 years’ experience in business development and inventory control in the electronics industry. Mr. Lin was originally a staff member of a State-owned enterprise, and entered the commercial sector in 1986. He was engaged, as a sole proprietor, in the distribution and retail sale of telecommunication products such as telephones, walkie-talkies and long-distance cordless phones in Fuzhou, the main accessories of which include mobile phone batteries and chargers. He also set up repair workshops to provide after-sale maintenance services. Mr. Lin is a member of the standing council of Fuzhou Foreign Investment Association and a member of the 11th Committee of the Chinese People’s Political Consultative Conference of Fuzhou City.

Mr. Lin has an existing service contract with the Company which will come to an end on 2 December 2009. He is not entitled to any remuneration under such service contract and it can be terminated by either party giving at least three months’ prior notice in writing.

Mr. Lin is the sole director and shareholder of Right Grand Holdings Limited, which is a substantial shareholder of the Company. As at the date of this announcement, Mr. Lin was interested in 180,000,000 Shares, representing approximately 17.44% of the issued share capital of the Company, and 2,800,000 Shares in respect of which options had been granted and remained outstanding under the Company's pre-listing share option scheme, representing approximately 0.27% of the issued share capital of the Company, within the meaning of Part XV of the Securities and Futures Ordinance ("SFO").

Save as disclosed above, Mr. Lin does not hold any other position with the Company or other members of the Group. Mr. Lin 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. Save as disclosed herein, Mr. Lin does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company nor does he have any interest in the Shares within the meaning of Part XV of the SFO.

Until such time as the Board feels appropriate, Mr. Fang Jin will be assuming the duties previously carried out by Mr. Lin as vice-Chairman of the Group. Mr. Guo Quan Zeng will continue in his role as chief executive officer. The Board does not believe that such redesignation of Mr. Lin will have any adverse effect on the operations of the Group.

Save as disclosed above, there is no other information relating to Mr. Lin to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. There is also no other matter which needs to be brought to the attention of the Shareholders in respect of his re-designation after the AGM.

## **Re-election of Directors**

At the AGM, the re-election of Mr. Wang Jing Zhong and Mr. Wang Jian Zhang as independent non-executive Directors were duly approved by the Shareholders and such appointments took effect immediately thereafter. Particulars of Mr. Wang Jing Zhong and Mr. Wang Jian Zhang which are required to be disclosed by the Listing Rules are set out below.

### **Mr. Wang Jing Zhong** – *Independent Non-executive Director*

Mr. Wang Jing Zhong, aged 53, is an independent non-executive Director. He graduated from East China University of Science & Technology with a Bachelor's degree in chemistry. Mr. Wang Jing Zhong is a senior engineer with nearly 12 years of experience in the management of battery industry. He joined China Battery Industry Association in 1995 where he currently serves as their executive vice-president and secretary general.

As with all independent non-executive Directors who propose to continue as Directors after the AGM, the Company has decided to renew their terms of appointment so as to make their appointments coterminous with the date of the 2010 AGM, which is expected to be held no later than 31 May 2010. Mr. Wang Jing Zhong's service contract had, as approved by the Shareholders at the AGM, been renewed on 25 March 2009 for a term ending on the date of the 2010 AGM and may be terminated by either party by giving at least three months' prior notice in writing. Pursuant to such service contract, he is entitled

to an annual salary of RMB60,000 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. Wang Jing Zhong consider such remuneration to be reasonable.

Mr. Wang Jing Zhong does not hold any other position with the Company or other members of the Group. Save for his position as an independent non-executive director of Tianneng Power International Limited, a company listed on the Stock Exchange, he 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. Mr. Wang Jing Zhong does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company nor does he have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information relating to Mr. Wang Jing Zhong to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. There is also no other matter which needs to be brought to the attention of the Shareholders in respect of his re-election as an independent non-executive Director.

**Mr. Wang Jian Zhang – Independent Non-executive Director**

Mr. Wang Jiang Zhang, aged 63, is an independent non-executive Director. He graduated from Xian Military Institute of Telecommunication Engineering (西安軍事電訊工程學院). He has 22 years of experience in electronics technology and management. From 1986 to 1998, he worked as deputy director of the Promotion Division of Comprehensive Planning Department under Ministry of Electronics Industry, director of Comprehensive Planning and the Investment Division under Ministry of Mechanical and Electrical Industry, and director-general of the Comprehensive Planning Department under Ministry of Electronics. Since 1998, he has been with the Comprehensive Planning Department under the Ministry of Information Industry where he last served and retired as director-general in September 2006.

As with all independent non-executive Directors who propose to continue as Directors after the AGM, the Company has decided to renew their terms of appointment so as to make their appointments coterminous with the date of the 2010 AGM, which is expected to be held no later than 31 May 2010. Mr. Wang Jian Zhang's service contract had, as approved by the Shareholders at the AGM, been renewed on 25 March 2009 for a term ending on the date of the 2010 AGM and may be terminated by either party by giving at least three months' prior notice in writing. Pursuant to such service contract, he is entitled to an annual salary of RMB60,000 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. Wang Jian Zhang consider such remuneration to be reasonable.

Mr. Wang Jian Zhang does not hold any other position with the Company or other members of the Group. He 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. Mr. Wang Jian Zhang does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company nor does he have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information relating to Mr. Wang Jian Zhang to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. There is also no other matter which needs to be brought to the attention of the Shareholders in respect of his re-election as an independent non-executive Director.

### **Appointment of new Director**

At the AGM, the appointment of Dr. Loke Yu (“Dr. Loke”) as an independent non-executive Director was duly approved by the Shareholders and such appointment took effect immediately thereafter. The Board is also pleased to announce that with effect from after the AGM, Dr. Loke has been appointed as the chairman of the audit committee and a member of each of the remuneration committee and nomination committee. Dr. Loke’s particulars which are required to be disclosed by the Listing Rules are set out below.

#### **Dr. Loke Yu alias Loke Hoi Lam – *Independent Non-executive Director***

Dr. Loke Yu, aged 59, has over 36 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration Degree from Universiti Teknologi Malaysia and a Doctor of Business Administration Degree from University of South Australia. Dr. Loke is a Fellow of The Institute of Chartered Accountants in England and Wales, Hong Kong Institute of Certified Public Accountants and The Hong Kong Institute of Directors. He is also an Associate Member of The Institute of Chartered Secretaries and Administrators and a Member of Malaysian Institute of Accountants. He is currently the Chairman of MHL Consulting Limited and serves as an independent non-executive director of ZMAY Holdings Limited, VODone Limited, Bio-Dynamic Group Limited, Winfair Investment Company Limited, Matrix Holdings Limited and China Fire Safety Enterprise Group Holdings Limited, all being companies listed on the Stock Exchange. Dr. Loke was also previously an independent non-executive director of CNNC International Limited and Shandong Molong Petroleum Machinery Company Limited within the past three years, both being companies listed on the Stock Exchange.

As approved by the Shareholders at the AGM, the Company entered into a service contract with Dr. Loke for a term commencing with effect from the date of the AGM and expiring on the date of the 2010 AGM, which is expected to be held no later than 31 May 2010. Such contract may be terminated by either party giving at least three months’ prior notice in writing. Pursuant to such contract, Dr. Loke shall be entitled to an annual salary of HK\$200,000 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 Dr. Loke consider such remuneration to be reasonable.

Dr. Loke does not hold any other position with the Company or other members of the Group. Saved as disclosed above, Dr. Loke 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. Dr. Loke also does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company nor does he have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, there is no other information relating to Dr. Loke to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. There is also no other matter which needs to be brought to the attention of the Shareholders in respect of his appointment as an independent non-executive Director.

For and on behalf of the Board  
**SCUD GROUP LIMITED**

**Fang Jin**  
*Chairman*

Hong Kong, 14 May 2009

*As at the date of this announcement, the Board comprises Messrs. Fang Jin, Guo Quan Zeng and Li Hui Qiu being the executive Directors, Messrs. Lin Chao and Ho Man being the non-executive Directors, and Messrs. Loke Yu, Wang Jing Zhong and Wang Jian Zhang being the independent non-executive Directors.*