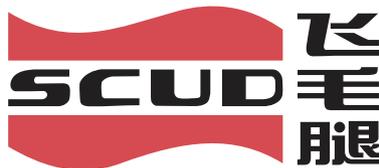


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance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

PROFIT WARNING

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the Group expects to record a considerable decline in its consolidated net profit for the financial year ended 31 December 2009 as compared to the consolidated net profit for the financial year ended 31 December 2008.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors of SCUD Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to inform the shareholders of the Company and potential investors that the Group expects to record a considerable decline in consolidated net profit for the financial year ended 31 December 2009 as compared to the consolidated net profit for the financial year ended 31 December 2008.

Despite maintaining a relatively strong position in the high-end market business segments backed by the Company’s well-established brand recognition and product quality, as well as the stronger performance of the Group’s sales in the second half of 2009 as compared to that of the first half of 2009, the Company encountered a weakening demand on OEM products and brand products for the full financial year of 2009 as compared to that of 2008. The decline in sales was due to intensified competition in the mid to low-end market business segments, while the lower profit margin was caused by the reduction of average sales price.

* *for identification purpose only*

The expected decline in consolidated net profits of the Group for 2009 is also attributable to the increase, when compared to 2008, in amortization costs and the impairment provision on goodwill related to Chaolitong Technology Company Limited (acquired in June 2008).

The Board wishes to point out that the Group's businesses and operations made positive contributions to the Group for the financial year ended 31 December 2009 and the impairment loss is non-cash in nature and is not expected to have a material adverse effect on the Group's cash flows.

As the Company is in the process of finalizing its final results for the financial year ended 31 December 2009, the information in this announcement is based on a preliminary assessment by the Company's management according to the management accounts of the Group. Further details of the Group's performance will be disclosed when the Group's final results for the financial year ended 31 December 2009 are announced.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
SCUD GROUP LIMITED
Fang Jin
Chairman

Hong Kong, 28 January 2010

As at the date of this announcement, the Board comprises Messrs. Fang Jin, Guo Quan Zeng, Li Hui Qiu and Ms. Huang Yan being the executive Directors, Dr. Loke Yu, Wang Jing Zhong and Wang Jian Zhang being the independent non-executive Directors.