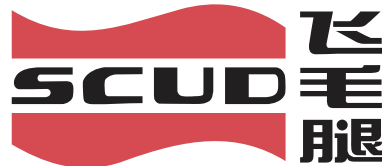

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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)

**RENEWAL OF GENERAL MANDATE
TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of SCUD Group Limited to be held at 3:00 p.m. on Monday, 6 May 2013 at Empire Room I, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong, is set out on pages 14 to 18 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 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, 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.

3 April 2013

* *For identification purpose only*

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DEFINITIONS

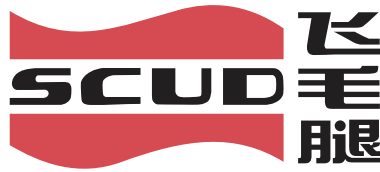
In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 3:00 p.m. on Monday, 6 May 2013 at Empire Room I, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong;
“AGM Notice”	the notice convening the AGM set out on pages 14 to 18 of this circular;
“Articles”	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”	the board of Directors;
“Company”	SCUD Group Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange;
“connected person”	has the same meaning as defined in the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	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. 9 in the AGM notice;
“Latest Practicable Date”	27 March 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;

DEFINITIONS

“Repurchase Mandate”	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. 10 in the AGM Notice;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary shares of HK\$0.10 each in the capital of the Company;
“Shareholder(s)”	holder(s) of (a) Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Code on Takeovers and Mergers issued by the Securities and Futures Commission and as amended from time to time.

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. Fang Jin (*Chairman*)
Mr. Guo Quan Zeng (*Chief Executive Officer*)
Ms. Huang Yan
Mr. Zhang Li

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681 GT
Grand Cayman
KY1-1111
Cayman Islands

Independent Non-executive Directors:

Dr. Loke Yu
Mr. Wang Jing Zhong
Mr. Wang Jian Zhang

Place of business in Hong Kong:

Room 5505, 55/F Central Plaza
18 Harbour Road
Wanchai
Hong Kong

3 April 2013

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATE
TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
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 MANDATE TO ISSUE SHARES AND REPURCHASE SHARES

At the annual general meeting of the Company held on 9 May 2012, ordinary resolutions were passed giving the general mandate to the Directors to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at 9 May 2012. The purpose of the general mandate 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 nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the proposed resolution at the AGM; and
- (ii) to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company 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

The Directors have no present intention to exercise the general mandates to issue Shares and to repurchase Shares of the Company.

RE-ELECTION OF DIRECTORS

It is proposed that at the AGM, Mr. Zhang Li, Dr. Loke Yu and Mr. Wang Jing Zhong will retire by rotation in accordance with Article 87(1).

Mr. Zhang Li, Dr. Loke Yu and Mr. Wang Jing Zhong, all being eligible, will offer themselves for re-election. 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 contracts of each of Mr. Zhang Li (the retiring executive Director whom proposes to continue as an executive Director after the AGM), the executive Director, and appointment letters of each of Dr. Loke Yu, Mr. Wang Jing Zhong (the retiring independent non-executive Directors each of whom proposes to continue as an independent non-executive Director after the AGM) and Mr. Wang Jian Zhang, the three independent non-executive Directors, are set out in Appendix II of this circular.

ANNUAL GENERAL MEETING

A notice convening the AGM to be held at 3:00 p.m. on Monday, 6 May 2013 at Empire Room I, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong is set out on pages 14 to 18 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 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but 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 matter. The chairman of the AGM will request for voting by poll on all 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 above meeting.

CLOSURE OF REGISTER OF MEMBERS

Shareholders whose name appear on the Company's register of member on Monday, 6 May 2013, will be eligible for attending and voting at the Company's AGM. The Company's register of members and books of transfer will be closed on Monday, 6 May 2013, 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

LETTER FROM THE BOARD

Share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, located at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 3 May 2013.

RECOMMENDATION

The Directors consider that the granting of the Issue Mandate, 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.

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
Fang Jin
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 authorized 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 authorized 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 2012 (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 1,032,001,246 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 103,200,124 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 in accordance with 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, the chairman and an executive Director, was interested in 504,240,000 Shares, representing approximately 48.86% 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 associates, would increase to approximately 54.29% of the issued share capital of the Company. In the event of such increase, Mr. Fang Jin, together with his 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 ASSOCIATES AND 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 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 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:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
January	0.425	0.370
February	0.380	0.355
March (up to the Latest Practicable Date)	0.375	0.335
2012		
April	0.570	0.480
May	0.570	0.495
June	0.530	0.485
July	0.510	0.360
August	0.405	0.330
September	0.400	0.365
October	0.475	0.370
November	0.470	0.360
December	0.425	0.345

DETAILS OF PROPOSED DIRECTORS FOR RE-ELECTION AT THE AGM

The particulars of 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) **Mr. Zhang Li** – *Executive Director*

Zhang Li, aged 52, an executive Director, is also the general manager of 飛毛腿(福建)電子有限公司 (Scud (Fujian) Electronics Co., Ltd.*) (“Scud Electronics”), a wholly-owned subsidiary of the Company, and is responsible for the management of the overall operations of Scud Electronics. Scud Electronics is principally engaged in the production of OEM products, including mobile phone batteries, chargers, notebook computer batteries and motive batteries. Mr. Zhang joined the Group in October 2003 and had been the deputy general manager of Scud Electronics. Prior to joining the Group, Mr. Zhang had served as various positions including being a manager in the industrial design department of Fujian Start Network, and as manager of the research and development department, the accessories department and the sales department of Fujian Communications and Broadcasting Industrial Company. He has more than 30 years of experience in the telecommunication industry.

Mr. Zhang graduated from the Mechanical Engineering Faculty of Jiangxi University in 1978. He was granted the qualification of practising as an engineer by Intermediate Level Adjudication Committee of Fujian Province’s Electronics Industry Bureau in Engineering Technology Profession in 1992 and was granted the qualification of practising as a senior engineer by Fujian Province’s Adjudication Board of Technicians in Senior Engineering Profession in 1999.

The Company has entered into a service contract with Mr. Zhang on 9 May 2012 for a term expiring on the date of the annual general meeting to be held by the Company in 2015, which expected to be no later than 31 May 2015. Pursuant to such service contract, Mr. Zhang will not be entitled to any director’s fee for his services to be provided to the Company but the Board may consider discretionary bonus payments based on performance.

Save as disclosed above, Mr. Zhang does not hold any other position with the Company or other members of the Group. Mr. Zhang has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years. Other than the relationship arising from his directorship with the Company and save as disclosed herein, Mr. Zhang does not have any relationship with any other Directors, senior management, substantial shareholders, controlling shareholders (which have the meanings ascribed to them respectively under the Listing Rules) 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. Zhang to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. There is also no further information which needs to be brought to the attention of the Shareholders in respect of Mr. Zhang’s proposed re-election as an executive Director.

(2) Dr. Loke Yu alias Loke Hoi Lam – Independent Non-Executive Director

Dr. Loke Yu alias Loke Hoi Lam, aged 63, is an independent non-executive Director of the Company and Chairman of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company, respectively. Dr. Loke joined the Company as an independent non-executive Director on 14 May 2009. Dr. Loke has over 37 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 the 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 Hong Kong Institute of Chartered Secretaries.

He is currently the company secretary of Minth Group Limited (Stock Code: 425) and serves as an independent non-executive Director of VODone Limited (Stock Code: 82), Matrix Holdings Limited (Stock Code: 1005), Sino Distillery Group Limited (Stock Code: 39), China Fire Safety Enterprise Group Limited (Stock Code: 445), Winfair Investment Company Limited (Stock Code: 287), Zhong An Real Estate Limited (Stock Code: 672), Chiho-Tiande Group Limited (Stock Code: 976) and Tianjin Development Holdings Limited (Stock Code: 882), all being companies listed on the Main Board of the Stock Exchange.

The Company has entered into a service contract with Dr. Loke on 9 May 2012 for a term expiring on the date of the AGM. It is proposed that, subject to Shareholders' approval at the AGM, the Company enters into a service contract with Dr. Loke to renew the terms of his appointment for a term commencing with effect from the date of the AGM and expiring on the date of the annual general meeting to be held by the Company in 2014, which is expected to be held no later than 31 May 2014. Such service contract may be terminated by either party giving at least three months' prior notice in writing. Pursuant to such service 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.

Save as disclosed above, Dr. Loke does not hold any other position with the Company or other members of the Group. Save 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. Other than the relationship arising from his directorship with the Company and save as disclosed herein, Dr. Loke does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company and does not 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 information which needs to be brought to the attention of the Shareholders in respect of Dr. Loke's proposed re-election as an independent non-executive Director.

(3) Mr. Wang Jing Zhong – Independent Non-Executive Director

Wang Jing Zhong, aged 57, is an independent non-executive Director of the Company and a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company, respectively. Mr. Wang Jing Zhong joined the Company as an independent non-executive Director on 3 December 2006. 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 more than 15 years of experience in the management of battery industry. Mr. Wang Jing Zhong had served as the engineer-in-charge of the household products division in the Ministry of Light Industries, as deputy department head of the campus department of the Education Bureau, as the deputy officer-in-charge of the Household Products Office, and as the secretary general of China Battery Industry Association. Mr. Wang Jing Zhong is currently the executive vice-president of China Battery Industry Association.

Mr. Wang Jing Zhong is currently an independent non-executive director of Tianneng Power International Limited (Stock Code: 819), a company listed on the Main Board of the Stock Exchange.

The Company has entered into a service contract with Mr. Wang Jing Zhong on 9 May 2012 for a term expiring on the date of the AGM. It is proposed that, subject to the Shareholders' approval at the AGM, the Company enters into a service contract with Mr. Wang Jing Zhong to renew the terms of his appointment for a term commencing with effect from the date of the AGM and expiring on the date of the annual general meeting to be held by the Company in 2014, which is expected to be held no later than 31 May 2014. Such service contract may be terminated by either party by giving at least three months' prior notice in writing. Pursuant to such service contract, Mr. Wang Jing Zhong 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.

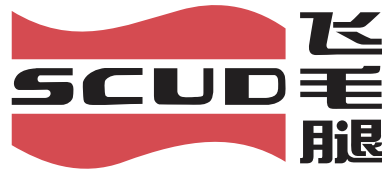
Save as disclosed above, Mr. Wang Jing Zhong does not hold any other position with the Company or other members of the Group. Save as disclosed above, Mr. Wang Jing Zhong does not and has not, in the past three years, held any directorships in any other public companies the securities of which are listed 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. Wang Jing Zhong does not have any relationship with any director, member of senior management or substantial or controlling shareholder 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 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 information which needs to be brought to the attention of the Shareholders in respect of Mr. Wang Jing Zhong's proposed re-election as an independent non-executive Director.

SERVICE CONTRACT OF DIRECTORS

It is proposed that the Company shall renew the appointment letter with each of its independent non-executive Directors, namely Dr. Loke Yu, Mr. Wang Jian Zhang and Mr. Wang Jing Zhong. The existing service contract and appointment letters with these Directors will expire on the date of the AGM. The appointment for each of Dr. Loke Yu, Mr. Wang Jian Zhang and Mr. Wang Jing Zhong is proposed to be for a term commencing with effect from the date of the AGM and expiring on the date of the annual general meeting to be held by the Company in 2014, which is expected to be held no later than 31 May 2014. Each of the independent non-executive Directors, Dr. Loke Yu, Mr. Wang Jian Zhang and Mr. Wang Jing Zhong, is entitled to directors' fees of HK\$200,000, RMB60,000 and RMB60,000 per year, respectively. All 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 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 HERE BY GIVEN that an annual general meeting of SCUD Group Limited (the “Company”) will be held at 3:00 p.m. on Monday, 6 May 2013 at Empire Room I, Empire Hotel, 33 Hennessy Road, Wanchai, Hong Kong for the following purposes:–

1. To receive and consider the audited consolidated financial statements for the year ended 31 December 2012 and the Directors’ Report and Independent Auditors’ Report of the Company.
2. To re-elect Mr. Zhang Li as an executive director of the Company.
3. To re-elect Dr. Loke Yu as an independent non-executive director of the Company.
4. To re-elect Mr. Wang Jing Zhong as an independent non-executive director of the Company.
5. To authorise the board of directors to approve and confirm the terms of appointment (including remuneration) for Dr. Loke Yu, further details of which are set out in the Company’s circular to which this notice forms part (the “Circular”).
6. To authorise the board of directors to approve and confirm the terms of appointment (including remuneration) for Mr. Wang Jian Zhang, further details of which are set out in the Circular.
7. To authorise the board of directors to approve and confirm the terms of appointment (including remuneration) for Mr. Wang Jing Zhong, further details of which are set out in the Circular.
8. To re-appoint Moore Stephens Certified Public Accountants as auditors and authorise the board of directors to fix their remuneration.

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:–

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

ORDINARY RESOLUTION

9. **“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 in the capital 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 authorize 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 nominal amount of share capital 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 the Company, shall not exceed 20% of the aggregate nominal amount of the share capital 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 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.

“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

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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).”

10. **“THAT:**

- (A) subject to paragraph (C) of this resolution below, a general mandate for the exercise by the directors of the Company (the **“Directors”**) during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital 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 nominal amount of share capital 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 nominal amount of the issued share capital of the Company 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 and Articles 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.”

11. **“THAT** conditional upon the passing of ordinary resolutions nos. 9 and 10 in the notice convening the annual general meeting of the Company, the aggregate nominal amount of the share capital of the Company which are repurchased by the Company pursuant to and in accordance with the said ordinary resolution no. 10 shall be added to the aggregate nominal

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amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to and in accordance with the said ordinary resolution no. 9.”

By Order of the Board
Fang Jin
Chairman

Hong Kong, 3 April 2013

Executive Directors

Mr. Fang Jin
Mr. Guo Quan Zeng
Ms. Huang Yan
Mr. Zhang Li

Independent non-executive Directors

Dr. Loke Yu
Mr. Wang Jing Zhong
Mr. Wang Jian Zhang

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 of directors of the Company) 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 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, 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.
6. Where there are joint holders of any Share, any one of such joint holder 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.

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7. Shareholders whose name appear on the Company's register of member on Monday, 6 May 2013, will be eligible for attending and voting at the Company's annual general Meeting ("AGM"). The Company's register of members will be closed on Monday, 6 May 2013, 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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 3 May 2013.