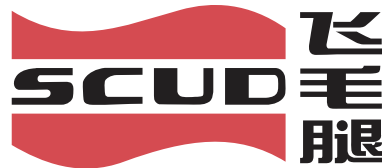

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 Wednesday, 14 May 2014 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 22/F 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.

7 April 2014

* For identification purpose only

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DEFINITIONS

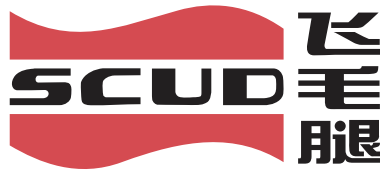
In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 3:00 p.m. on Wednesday, 14 May 2014 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. 13 in the AGM notice;
“Latest Practicable Date”	1 April 2014, 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. 14 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

7 April 2014

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 6 May 2013, 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 6 May 2013. 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

RE-ELECTION OF DIRECTORS

It is proposed that at the AGM, Mr. Fang Jin, Mr. Guo Quan Zeng and Mr. Wang Jian Zhang will retire by rotation in accordance with Article 87(1).

Mr. Fang Jin, Mr. Guo Quan Zeng and Mr. Wang Jian Zhang, 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. Fang Jin, Mr. Guo Quan Zeng and Ms. Huang Yan and appointment letters of each of Dr. Loke Yu, Mr. Wang Jing Zhong and Mr. Wang Jian Zhang, 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 3:00 p.m. on Wednesday, 14 May 2014 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 22/F 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 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 Wednesday, 14 May 2014, 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 from Monday, 12 May 2014 to Wednesday, 14 May 2014, 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 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Friday, 9 May 2014.

LETTER FROM THE BOARD

Shareholders whose name appears on the Company's register of members on Friday, 23 May 2014, will be eligible to the proposed final dividend. The register of members of the Company will be closed from Tuesday, 20 May 2014 to Friday, 23 May 2014, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for the proposed final dividend (subject to the approval by shareholders at the forthcoming AGM), all transfer forms accompanied by the relevant Share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at the above mentioned address for registration before 4:30 p.m. on Monday, 19 May 2014. The proposed final dividend (the payment of which is subject to the Shareholders' approval at the AGM) is to be payable on or about Monday, 16 June 2014 to Shareholders whose name appear on the register of members of the Company on Friday, 23 May 2014. The Shares will trade ex-dividend on Friday, 16 May 2014.

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 2013 (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>
2014		
January	0.540	0.465
February	0.570	0.490
March	0.970	0.500
April (up to the Latest Practicable Date)	0.700	0.620
2013		
April	0.385	0.345
May	0.450	0.360
June	0.420	0.340
July	0.400	0.370
August	0.400	0.375
September	0.475	0.380
October	0.610	0.415
November	0.560	0.470
December	0.570	0.480

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

DETAILS OF DIRECTORS SUBJECT TO 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. Fang Jin – Executive Director

Fang Jin, aged 55, is an executive Director and the Chairman of the Group, and is a senior economist. Mr. Fang is a member of each of the Remuneration Committee and Nomination Committee of the Company. He is also a co-founder of the Group which was founded in December 2006. Mr. Fang is mainly responsible for the Group's development planning, operational and corporate investment decision-making and brand strategy. Mr. Fang has been leading the Board for collective decision-making for years and has set a very clear direction for SCUD product management and branding. He commenced his career at the age of 18, and has accumulated over twenty years of experience in the mobile phone accessories industry and related operation management. He has very keen discernment and vision on the exploration of branding strategies and the marketability of new products. Prior to the establishment of Scud (Fujian) Electronics Co. Ltd. ("Scud Electronics") in 1997, Mr. Fang was engaged, as a sole proprietor, in the sale of communication products and accessories in the PRC. In December 1996, he established Cai Hong Group (Hong Kong) Co. Ltd. in conjunction with partners including Mr. Lin Chao (and established Scud Electronics in October 1997). Mr. Fang has received several awards including:

2003	National Advanced Individual On Projects of End Users' Satisfaction
2004	Excellent Runners of Technological Private Enterprises in China
2004	Fujian Top Ten Venture Heroes in the Commercial Sector
2005	China Top Ten Excellent Entrepreneurs in Brand Construction
2005	The Mudell's World Executive Awards for Achievement in Business and Economy
2006	Annual Excellent Persons in Fujian Economy
2006	National Excellent Managers of Users' Satisfaction

Mr. Fang is the Vice Chairman of the Joint Industrial and Commercial Association of Mawei District in Fuzhou City Economic and Technological Development Region.

Mr. Fang is the sole director and shareholder of each of Swift Joy Holdings Limited, a substantial shareholder of the Company, and Right Grand Holdings Limited, a shareholder of the Company. As at 31 December 2013, Mr. Fang was interested in an aggregate of 504,240,000 shares, representing approximately 48.86% of the issued share capital of the Company within the meaning of Part XV of the SFO.

Mr. Fang has an existing service contract with the Company for a term ending on the earlier of the date of the annual general meeting to be held in 2014 and the third anniversary of the date of the service contract and may be terminated by either party giving at least three month's prior notice in writing. Pursuant to such service contract, Mr. Fang will not be entitled to any director's fees for his services to be provided to the Company but the Board may consider discretionary bonus payments based on performance. Mr. Fang Jin does not receive any other emoluments other than contributions to retirement benefits scheme.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

Save as disclosed above, Mr. Fang does not hold any other position with the Company or other members of the Group. Mr. Fang 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. Fang 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. Fang 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. Fang's proposed re-election.

(2) Mr. Guo Quan Zeng – *Executive Director*

Guo Quan Zeng, aged 53, is an executive Director and Chief Executive Officer of the Group, and is an engineer. He is responsible for the management of the Group's daily operations. He joined the Group in July 1997. He had been the managers of the research and development department, sales department, planning department, production department and quality control departments of Scud Electronics, and had been director, vice general manager and vice president of Scud Electronics. He has abundant experience in junior level management in business development, brand promotion, product research and development and quality control. Prior to joining the Group, Mr. Guo was a lieutenant commander engineer of the PRC navy mainly responsible for establishing and maintaining wireless telecommunication systems. Mr. Guo has over thirty years of experience in the research and development and quality management in electronic products. Mr. Guo graduated from the Navy Senior Electronic Engineering School with a bachelor's degree in radio telecommunication engineering in 1983.

Mr. Guo is the sole director and shareholder of Cheer View Holdings Limited, which is a substantial shareholder of the Company. As at the Latest Practicable Date, Mr. Guo was interested in 18,000,000 Shares, representing approximately 1.74% of the issued share capital of the Company, within the meaning of Part XV of the SFO.

Mr. Guo has an existing service contract with the Company for a term ending on the earlier of the date of the annual general meeting to be held in 2014 and the third anniversary of the date of the service contract and may be terminated by either party giving at least three month's prior notice in writing. Pursuant to such service contract, Mr. Guo will not be entitled to any director's fees for his services to be provided to the Company but the Board may consider discretionary bonus payments based on performance. As the Chief Executive Officer of the Group, Mr. Guo is also entitled to an annual salary of RMB510,000. Mr. Guo's emoluments are determined by reference to his experience and duties.

Save as disclosed above, Mr. Guo does not hold any other position with the Company or other members of the Group. Mr. Guo 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. Guo does not have any relationship with any other Directors, senior management, substantial shareholders, controlling

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

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. Guo 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. Guo's proposed re-election.

(3) **Mr. Wang Jian Zhang – Independent Non-Executive Director**

Wang Jian Zhang, aged 68, is an independent non-executive Director, a member of the Audit Committee of the Company and a senior engineer. Mr. Wang Jian Zhang graduated from Xian Military Institute of Telecommunication Engineering. Mr. Wang Jian Zhang has more than twenty five years of experience in electronic technology and management. Prior to joining the Group, Mr. Wang Jian Zhang had served as deputy director of the Promotion Division of Comprehensive Planning Department under Ministry of Electronics Industry, director of the Comprehensive Planning and the Investment Division under Ministry of Mechanical and Electrical Industry, director-general of the Comprehensive Planning Department under Ministry of Electronics, and director general of the Comprehensive Planning Department under the Ministry of Information Industry. Mr. Wang Jian Zhang joined the Company as an independent non-executive Director on 3 December 2006. As at 31 December 2013, Mr. Wang Jian Zhang did not have any equity interest in the Company within the meaning of Part XV of the SFO.

The Company has entered into a service contract with Mr. Wang Jian Zhang on 6 May 2013 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 Jian Zhang 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 2015, which is expected to be held no later than 31 May 2015. 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 Jian Zhang 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.

Save as disclosed above, Mr. Wang Jian Zhang does not hold any other position with the Company or other members of the Group. Mr. Wang Jian Zhang 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 Jian 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 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 information which needs to be brought to the attention of the Shareholders in respect of Mr. Wang Jian Zhang's proposed re-election.

APPENDIX II PARTICULARS OF DIRECTORS SUBJECT TO RE-ELECTION

SERVICE CONTRACT OF DIRECTORS

It is proposed that the Company shall renew the service contracts with Mr. Fang Jin, Mr. Guo Quan Zeng and Ms. Huang Yan, and 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 of Mr. Fang Jin, Mr. Guo Quan Zeng and Ms. Huang Yan under the respective proposed new service contract is for a term commencing from the date of the AGM and ending on the earlier of the date of the annual general meeting to be held in 2017, the third anniversary of the date of the respective service contracts, or otherwise terminated pursuant to the terms of the respective service contract.

Pursuant to Mr. Fang Jing's proposed service contract, he is entitled to an annual directors' fees of HK\$1,500,000, plus statutory contributions to retirement benefits schemes and performance-based discretionary bonus payments as assessed by the Board.

Pursuant to Mr. Guo Quan Zeng's and Ms. Huang Yan's respective proposed service contracts, they are each entitled to an annual directors' fee of HK\$240,000 and statutory contributions to retirement benefits schemes for their services as a director but the Board may also consider performance-based discretionary bonus payments.

Pursuant to their renewed appointment letters, 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 2015, which is expected to be held no later than 31 May 2015. Under the respective appointment letters, 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\$220,000, RMB70,000 and RMB70,000 per year, respectively. All service contracts 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 contracts 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 3:00 p.m. on Wednesday, 14 May 2014 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 2013 and the Directors’ Report and Independent Auditor’s Report of the Company.
2. To declare a final dividend for the year ended 31 December 2013.
3. To re-elect Mr. Fang Jin as a director of the Company.
4. To re-elect Mr. Guo Quan Zeng as a director of the Company.
5. To re-elect Mr. Wang Jian Zhang as a director of the Company.
6. To authorise the board of directors to approve and confirm the terms of appointment (including remuneration) for Mr. Fang Jin, 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 of directors to approve and confirm the terms of appointment (including remuneration) for Mr. Guo Quan Zeng, further details of which are set out in the Circular.
8. To authorise the board of directors to approve and confirm the terms of appointment (including remuneration) for Ms. Huang Yan, further details of which are set out in the Circular.
9. 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 Circular.
10. 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.

* For identification purpose only

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11. 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.
12. To re-appoint Moore Stephens Certified Public Accountants as auditor 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:-

ORDINARY RESOLUTION

13. **“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

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- (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 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).”

14. **“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

NOTICE OF ANNUAL GENERAL MEETING

- (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.”
15. “**THAT** conditional upon the passing of ordinary resolutions nos. 13 and 14 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. 14 shall be added to the aggregate nominal 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. 13.”

By Order of the Board
Fang Jin
Chairman

Hong Kong, 7 April 2014

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 authorized 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.

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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 22/F 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 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.
7. Shareholders whose name appear on the Company's register of member on Wednesday, 14 May 2014, will be eligible for attending and voting at the Company's annual general meeting ("AGM"). The Company's register of members will be closed from Monday, 12 May 2014 to Wednesday, 14 May 2014, 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 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Friday, 9 May 2014.