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(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01399)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board wishes to inform the Shareholders and potential investors that based on the information currently available to the Board, the Group is expected to record a significant increase in the profit attributable to equity holders of the Company for the year ended 31 December 2014 as compared with the profit attributable to equity holders of the Company of approximately RMB38,294,000 for the year ended 31 December 2013.

The Group is still in the process of finalizing the Group's final results for the year ended 31 December 2014. The information contained in this announcement is only based on preliminary assessment by the Company of its unaudited consolidated management accounts for the year ended 31 December 2014 and is not based on any figures or information audited or reviewed by the Company's independent auditor, and may be subject to amendments. Shareholders and potential investors are advised to refer to details in the annual results announcement of the Company for the year ended 31 December 2014 which is expected to be published in March 2015.

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

This announcement is made by the board of directors (the "Board") of SCUD Group Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

^{*} For identification purpose only

The Board wishes to inform the shareholders (the "**Shareholders**") of the Company and potential investors that based on the information currently available to the Board, the Group is expected to record a profit attributable to equity holders of the Company of approximately RMB122,000,000 to RMB132,000,000 for the year ended 31 December 2014, representing a significant increase in profit as compared with the profit attributable to equity holders of the Company of approximately RMB38,294,000 for the year ended 31 December 2013.

The significant growth in sales volume of Chinese branded mobile phones in 2014 resulted in a corresponding significant growth in the Group's ODM business in 2014. Further, the Group's ownbrand business which had been loss making in both year 2012 and 2013 had turned profitable in 2014. In light of the above, the Company expects that the profit of the Group will be significantly higher as referred to above.

The Group is still in the process of finalizing the Group's final results for the year ended 31 December 2014. The information contained in this announcement is only based on preliminary assessment by the Company of its unaudited consolidated management accounts for the year ended 31 December 2014 and is not based on any figures or information audited or reviewed by the Company's independent auditor, and may be subject to amendments. Shareholders and potential investors are advised to refer to details in the annual results announcement of the Company for the year ended 31 December 2014 which is expected to be published in March 2015.

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

By order of the Board
SCUD GROUP LIMITED
Fang Jin
Chairman

Hong Kong, 10 February 2015

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