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S. CULTURE INTERNATIONAL HOLDINGS LIMITED **港大零售國際控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1255)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance.

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the Group's unaudited Management Accounts for the five months ended 31 May 2015 and information currently available to the Board, the Group expects to record a net loss for the six months ending 30 June 2015 as compared to a net profit for the same period in 2014.

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

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

The Board wishes to inform the shareholders of the Company and potential investors that the Group expects to record a net loss for the six months ending 30 June 2015 as compared to a net profit for the same period in 2014, based on a preliminary review on the unaudited consolidated management accounts of the Group for the five months ended 31 May 2015 (the "**Management Accounts**") and the expectation of performance for June 2015.

The Board believes that the unaudited consolidated net loss for the six months ending 30 June 2015 is mainly attributable to the prolongation of the sluggish consumer market in Hong Kong, arising from the negative consumption sentiments of the general consumers and tourists under the persistent uncomfortable shopping atmosphere. These trigger the consequence of weak foot traffic and declining number of target Mainland customers visiting Hong Kong. In

this regard, our retail segment in Hong Kong was affected and thus the Group as a whole had recorded a same store sales decline of approximately 7.6% for the five months ended 31 May 2015.

As at 30 June 2015, the total number of retail outlets of the Group was 128, representing a net increase of 13 and 6 respectively compared to the total number of retail outlets of the Group as at 30 June 2014 and 31 December 2014 respectively. However, some of our newly added retail outlets during 2014 and in the first half of 2015 were yet to break-even because of the negative enduring effect of the unfavorable atmosphere of the retail market since the second half of 2014 and also contributed to the net loss for the six months ending 30 June 2015.

In light of the weak retail market and margin erosions in the Hong Kong footwear market, the Group will assess and rationalise its retail network in Hong Kong while pacing and strengthening our business presence in the Mainland China to tap the market potential there. The Group is mindful of the escalating cost of operations, including but not limited to the rental costs, concession fees and salaries and allowance. The Group will continue to monitor the impact of the above-mentioned factors and pursue the appropriate stringent cost containment measures, including but not limited to stalling the salary increment in 2015 and closing low performing retail outlets to improve store efficiency.

The information and operational statistics contained in this announcement are only based on the preliminary assessment made by the Board with reference to the Management Accounts and information currently available and the same has not been reviewed by or discussed with the auditors of the Company. Actual financial results of the Group for the six months ending 30 June 2015 may be different from what is disclosed in this announcement.

Shareholders and potential investors are advised to read carefully the interim results announcement of the Company for the six months ending 30 June 2015 which is expected to publish before end of August 2015.

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

By Order of the Board
S. Culture International Holdings Limited
Chow Wing Hang, John
Company Secretary

Hong Kong, 30 June 2015

As at the date of this announcement, our Executive Directors are Mr. Chu Siu Ming, Mr. Chu Chun Ho, Dominic and Mr. Chu Chun Wah, Haeta, the non-executive Directors are Mr. Chong Hot Hoi, Mr. Chong Hok Hei, Charles and Mr. Yu Fuk Lun, and the independent non-executive Directors are Mr. Wan Kam To, Mr. Yau Tat Wang, Dennis and Mr. Lam Man Tin.