

**S. CULTURE INTERNATIONAL HOLDINGS LTD:
THIS IS A 'BREAD-AND-BUTTER' COMPANY**

It is very apparent that the appetite of investors for the scrip of **Initial Public Offerings (IPOs)**, coming to the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), at this time, at any rate, is easily satisfied if the IPO is to raise relatively modest sums of money.

Case in point: The IPO of S. Culture International Holdings Ltd () (Code: 1255, Main Board, The Stock Exchange of Hongkong Ltd).

This shoe retailer of the HKSAR, the Macau Special Administrative Region (MSAR) of the PRC and Taiwan issued its Global Offering Prospectus on June 28, 2013, Offering a total of 50 million, one-cent Shares at the maximum price of \$HK2.13 per share.

It achieved the price of \$HK2.13 per share.

The Company netted about \$HK90 million when, on July 10, 2013, it was announced, inter alia, that the 5 million, Public Offer Shares were over-subscribed some 25.40 times for a total of 127,024,000 Shares and that the International Placing Shares had been '*slightly over-subscribed*'.

The Company announced that it intends to use the \$HK90 million for the following purposes:

- About \$HK12.80 million to open new retail shops in the PRC;
- About \$HK19.30 million to open new retail shops in the HKSAR and Taiwan;
- About \$HK23.00 million to retire some debts to existing shareholders;
- About \$HK10.50 million to renovate some retail shops in the HKSAR and Taiwan;
- About \$HK6.60 million to upgrade the Company's Information Technology systems;
- About \$HK6.60 million to upgrade logistical facilities in the HKSAR and Taiwan;
- About \$HK6.60 million to be used for marketing and promotions; and,
- About \$HK4.60 million to be used as Addition Working Capital.

The Sole Sponsor and Sole Bookrunner and Sole Lead Manager, RHB OSK Securities Hongkong Ltd (), had managed to corner Mr Thomas Lau Luen Hung (), the Chief Executive Officer of Lifestyle International Holdings Ltd () (Code: 1212, Main Board, The Stock Exchange of Hongkong Ltd) to commit to purchase \$HK40-million worth the shares of S. Culture International via his private company, domiciled in the British Virgin Islands, namely, Prosper Wise Holdings Ltd.

That means that Prosper Wise Holdings Ltd, which is wholly and beneficially owned by Mr Thomas Lau Luen Hung, obtained 18,778,000 Shares in this IPO, representing about 37.56 percent of the Global Offering and about 9.30 percent of the total Issued and Fully Paid-Up Share Capital of the S. Culture International.

The Business of S. Culture International

S. Culture International, as already stated, is in the business of retailing shoes and, now, it intends to spread its net into the PRC, proper, being separate and distinct from the HKSAR and/or the MSAR of the PRC.

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