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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)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 16 September 2019.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made by S. Culture International Holdings Limited (the “**Company**”) at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of the Company in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 16 September 2019.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement (the “**SFC Announcement**”) has been published by the Securities and Futures Commission (the “**SFC**”) on 27 September 2019.

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings suggested that as at 16 September 2019, a group of 20 Shareholders held an aggregate of 44,938,000 shares of the Company (the “**Shares**”), representing 21.00% of the issued Shares. Such shareholding, together with an aggregate of 149,993,617 Shares (representing 70.09% of the issued Shares) held

by the controlling shareholder of the Company, represented 91.09% of the issued Shares as at 16 September 2019. Therefore, only 19,068,383 Shares (representing 8.91% of the issued Shares) were held by other Shareholders.

As stated in the SFC Announcement, as at 16 September 2019, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Shang Ying Financial Holding Co., Ltd <i>(Note 1)</i>	149,993,617	70.09
A group of 20 Shareholders	44,938,000	21.00
Other Shareholders	<u>19,068,383</u>	<u>8.91</u>
Total	<u><u>214,000,000</u></u>	<u><u>100.00</u></u>

Note 1: Shang Ying Financial Holding Co., Ltd is a wholly-owned subsidiary of Shang Ying International Holdings Limited, which is in turn wholly-owned by Mr. Yang Jun (the Chairman and an Executive Director of the Company).

As stated in the SFC Announcement:

1. During the period between 2 January 2019 and 27 February 2019, the closing price of the Shares increased by 44% from HK\$2.35 on 31 December 2018 to HK\$3.38 on 27 February 2019 with an average daily trading volume of 128,105 Shares.
2. The closing price of the Shares increased by 285% from HK\$3.38 on 27 February 2019 to HK\$13.00 on 18 April 2019, while the average daily turnover also increased to 709,341 Shares. Since then, the price of the Shares eased gradually and closed at HK\$7.91 on 16 September 2019, with a reduced average daily turnover of 210,507 Shares.
3. Since 28 February 2019, the Company had made, *inter alia*, the following announcements:
 - a. On 28 March 2019, the Company announced the annual results for the year ended 31 December 2018, reporting a loss attributable to the owners of the Company of HK\$1,749,000, representing a decrease of 96% from a loss attributable to owners of the Company of HK\$43,442,000 recorded for the corresponding period in 2017.
 - b. On 8 May 2019, the Company announced the formation of a joint venture company in the PRC to principally engage in hospital management, health management consulting, medical technology and internet technology in the PRC.

- c. On 3 June 2019, the Company proposed to place convertible bonds in an aggregate principal amount of up to HK\$200,000,000 at the conversion price of HK\$15.00 under general mandate. The Company subsequently announced the lapse of the placing agreement on 30 July 2019.
 - d. On 28 August 2019, the Company announced the interim results for the six months ended 30 June 2019, reporting a loss attributable to the owners of the Company of HK\$3,155,000, representing an increase of 655% from loss attributable to the owners of the Company of HK\$418,000 recorded for the corresponding period in 2018.
4. As at 26 September 2019, the price of the Shares closed at HK\$8.00, which was 137% higher than the closing price of HK\$3.38 on 27 February 2019.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to clarify that the above information is extracted from the SFC Announcement and the Board has not independently verified such information. Accordingly, the Board is not in a position to comment on the accuracy of the above information except for (i) the shareholdings of Shang Ying Financial Holding Co., Ltd in the Company based on the latest available disclosure of interests notices filed pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (ii) the information set out in paragraphs (1) to (4) above. Please refer to the SFC Announcement for further details.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that not less than 25% of the Company’s issued Shares are held in public hands as at the date of this announcement and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on the Stock Exchange.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

By Order of the Board
S. CULTURE INTERNATIONAL HOLDINGS LIMITED
Yang Jun
Chairman

Hong Kong, 27 September 2019

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Yang Jun and Mr. Zhu Fangming, four non-executive Directors, namely, Mr. Lin Zheming, Mr. Law Fei Shing, Mr. Lin Jun and Mr. Chu Chun Ho, Dominic and three independent non-executive Directors, namely, Mr. Xie Rongxing, Mr. Chen Huigang and Mr. Lum Pak Sum.