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)

INSIDE INFORMATION
EXPECTED SUBSTANTIAL DECREASE IN LOSS

This announcement is made by S. Culture International Holdings Limited (the "**Company**", together with its subsidiaries collectively referred to as the "**Group**") pursuant to Rule 13.09(2) 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 in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform shareholders and potential investors of the Company that, based on the Board's preliminary review of the unaudited consolidated management accounts of the Group and other information currently available, the Group is expected to report a substantial decrease in loss attributable to owners of the Company for the six months ended 30 June 2018 by over 90%, as compared to the loss attributable to owners of the Company for the corresponding period in 2017. Such expected substantial decrease in loss was primarily due to a one-off gain on disposal of properties and improvement in the overall operating result of the retail business of the Group attributable to its effective strategies in downscaling its investment and loss-making operations in Taiwan and the improved performance of stores in Hong Kong and Macau.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2018. The information contained in this announcement is only based on the Board's preliminary review of the unaudited consolidated management accounts of the Group and other information currently available, which have not been audited or reviewed by the Company's auditor and may be subject to adjustments.

Shareholders and potential investors of the Company should read the Group's interim results announcement for the six months ended 30 June 2018 carefully, which is expected to be published by the end of August 2018.

Shareholders 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
Yang Jun
Chairman

Hong Kong, 7 August 2018

As at the date of this announcement, the Board comprises three executive directors, namely, Mr. Yang Jun, Mr. Lin Zheming and Mr. Zhu Fangming, three non-executive directors, namely, 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.