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)

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS AND INSIDE INFORMATION RELATING TO EXPECTED IMPROVEMENT IN 2018 ANNUAL RESULTS

This announcement is made by S. Culture International Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") pursuant to Rules 13.09 and 13.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**").

The board (the "**Board**") of directors (the "**Directors**") of the Company has noted the recent increases in price and trading volume of the shares of the Company. Having made such enquiry with respect to the Company as may be reasonable in the circumstances, the Board confirms that, save and except for the expected improvement in the results of the Company for the year ended 31 December 2018 (the "**Year**") as detailed below, it is not aware of any reasons for such price and trading volume increases or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the SFO.

EXPECTED IMPROVEMENT IN 2018 ANNUAL RESULTS

The Board wishes to inform the shareholders and potential investors of the Company that based on its preliminary review on the relevant unaudited consolidated management accounts of the Group for the Year and information currently available, it is expected that the Group will record (i) a net profit for the Year as compared to a net loss for the corresponding period in 2017; and (ii) a substantial decrease in loss attributable to owners of the Company for the Year by over 85% as compared to the loss attributable to owners of the Company for the corresponding period in 2017. The expected turnaround from net loss to net profit and the substantial decrease in loss attributable to owners of the Company for the Year was mainly attributable to, *inter alia*, (i) the reduction in loss recorded by the retail business of the Group because of its effective strategies through further closing down those low performing retail outlets and fine-tuning the Group's retail outlet mix; (ii) a gain from disposal of properties; and (iii) the positive profit contribution from the newly acquired business of financial services during the Year.

The Company is still in the process of finalizing the audited consolidated results of the Group for the Year. This announcement is only based on the preliminary assessment by the Company's management of the financial information currently available to it which is subject to finalisation and other potential adjustments, if any, and is not based on any figures or information that has been reviewed or audited by the Company's auditor or the audit committee of the Company. Shareholders of the Company and potential investors are advised to read carefully the annual results announcement of the Company for the Year, which is expected to be published in late March 2019.

This announcement is made by the order of the Company. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 12 March 2019

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.