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 ANNOUNCEMENT

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 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 (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform its shareholders and potential investors that based on its preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the "**Period**") and information currently available, it is expected that the Group will record a net loss in the range of approximately HK$91 million to approximately HK$99 million for the Period as compared to a net loss of approximately HK$2.98 million for the corresponding period in 2019.

The expected net loss for the Period was mainly attributable to (i) the footwear and healthcare businesses, which constitute the main source of revenue for the Group, being affected by the continuous decline in the number of visitors to Hong Kong induced by the outbreak of coronavirus disease and the consumers being more prudent during the global economic downturn. It is expected that the overall sales revenue of the Group for the Period decreased by approximately 59% as compared to the corresponding period in 2019; (ii) the additional provision for inventory of footwear products and impairment of right-of-use assets; and (iii) in accordance with the applicable accounting standards, the Group will write down its material goodwill and intangible assets arising from the merger ("**goodwill and intangible assets write down**") according to the estimated valuation analysis on the financial services business segment of the Group carried out by an independent third-party organization. The goodwill and intangible assets write down is an one-off and non-cash item, and has no effect on the cashflow of the Group.

The information contained in this announcement is only based on the preliminary review by the management of the Company, and is not based on any figures or information audited or reviewed by the Company's auditor or the audit committee of the Company. Those information are subject to finalization, and if there are any obvious discrepancies between the finalized information and the estimates contained in this announcement, the latest information will be provided by the Company in due course. Shareholders and potential investors of the Company should read the Company's unaudited consolidated interim results announcement for the Period carefully, which is expected to be published by the end of August 2020.

Shareholders and potential investors of the Company 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, 18 August 2020

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Yang Jun and Mr. Lai Wenjing; five non-executive Directors, namely, Mr. Lin Zheming, Mr. Law Fei Shing, Mr. Lin Jun, Mr. Chu Chun Ho, Dominic and Mr. Chen Anhua; and four independent non-executive Directors, namely, Mr. Xie Rongxing, Mr. Lum Pak Sum, Prof. Yan Haifeng and Ms. Tan Yuying.