
SÃO CARLOS EMPREENDIMENTOS E PARTICIPAÇÕES S.A.

Corporate Taxpayer's ID (CNPJ/MF): 29.780.061/0001-09

Company Registry (NIRE): Nº 35.300.171.004

Publicly-Held Company

MATERIAL FACT

São Carlos Empreendimentos e Participações S.A. ("São Carlos") (B3: SCAR3) hereby informs its shareholders and the market in general, in compliance with article 157, paragraph 4 of Law 6,404/76 and CVM Rule 358/02, as amended, that **253 Participações Ltda.**, a wholly owned subsidiary, signed today a Private Irrevocable Instrument to Sell a plot of land totaling 19,551 sq.m., adjoining Centro Empresarial Tietê, for R\$42,000,000.00 (forty-two million reais). The amount of R\$14,000,000.00 (fourteen million reais) was received to this date, and the remaining will be received until May 6, 2019 adjusted by the IPC-A/IBGE index.

Centro Empresarial Tietê is composed of a class-A office building, a plot of land with 19,551 sq.m., sold in this date, and another plot of land with 15,025 sq.m.

In addition, a purchase option for the 15,025 sq.m. plot of land was signed, to be exercised until February 19, 2019 at a price ranging from R\$29,500,000.00 (twenty-nine million and five hundred thousand reais) and R\$31,000,000.00 (thirty-one million reais), depending on the payment condition to be chosen by the buyer.

São Paulo, December 19, 2018

São Carlos Empreendimentos e Participações S.A.

Fabio Itikawa

Investor Relations Officer