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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **HC Group Inc.** (the “Company”), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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HC GROUP INC.

慧聪集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 02280)

**RENEWAL OF GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the annual general meeting of the Company to be held at 7th Floor, Tower A1, Junhao Central Park Plaza, No.10 Chaoyang Park South Road, Chaoyang District, Beijing, People’s Republic of China (100026) on Friday, 27 May 2022, at 4:00 p.m. (the “AGM”) is set out on pages 16 to 21 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete the enclosed form of proxy and return the same to the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof (as the case may be) thereof if you so wish and in such event, the form of proxy should be deemed to be revoked.

26 April 2022

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

“AGM”	an annual general meeting of the Company for the year ended 31 December 2021 to be held at 7th Floor, Tower A1, Junhao Central Park Plaza, No.10 Chaoyang Park South Road, Chaoyang District, Beijing, People’s Republic of China (100026) on 27 May 2022 at 4:00 p.m. or any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages 16 to 21 of this circular
“Articles of Association”	the articles of association of the Company, amended and restated as amended from time to time
“associates”	has the same meaning as defined in the Listing Rules
“Board”	the board of directors of the Company
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	HC Group Inc., an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Stock Exchange
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all power of the Company to allot, issue and otherwise deal with Shares of up to 20% of the issued share capital of the Company on the date of the AGM, as set out in resolution number 4(A) in the AGM Notice
“Latest Practicable Date”	20 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	share option(s) granted under the Share Option Scheme
“PRC”	the People’s Republic of China
“Registrar”	the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all powers of the Company to repurchase Shares of up to 10% of the issued share capital of the Company on the date of AGM, as set out in resolution number 4(B) in the AGM Notice
“Repurchase Resolution”	the proposed ordinary resolution in the terms set out in resolution number 4(B) of the AGM Notice
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Share Option Scheme(s)”	the share option scheme(s) adopted by the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong



HC GROUP INC.

慧聪集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 02280)

Executive Directors:

Liu Jun (*Chairman*)

Zhang Yonghong (*Chief Executive Officer*)

Liu Xiaodong (*President*)

Non-executive Directors:

Guo Fansheng

Sun Yang

Lin Dewei

Independent non-executive Directors:

Zhang Ke

Zhang Tim Tianwei

Qi Yan

Registered Office:

4th Floor

One Capital Place

P.O. Box 847

George Town

Grand Cayman

Cayman Islands

Head Office and

Principal Place of Business in the PRC:

7th Floor

Tower A1

Junhao Central Park Plaza

No. 10 Chaoyang Park South Road

Chaoyang District

Beijing 100026

The People's Republic of China

26 April 2022

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES;
RE-ELECTION OF DIRECTORS;
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed general mandates to issue shares and to repurchase shares, and the re-election of Directors in accordance with the Articles of Association and to give you the notice of the AGM.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE SHARES

The Company's existing mandate to issue Shares was approved by its then Shareholders on 21 May 2021. Unless otherwise renewed, the existing mandate to issue Shares will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution will be proposed to grant to the Directors new general and unconditional mandate to allot, issue and otherwise deal with Shares of up to 20% of the issued share capital of the Company as at the date of the passing of the proposed resolution.

In addition, a separate ordinary resolution will be proposed at the AGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate (if so granted to the Directors at the AGM).

The Issue Mandate allows the Company to allot, issue and otherwise deal with Shares only during the period ending on the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held by its Articles of Association or the laws of the Cayman Islands; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company (the "**Relevant Period**").

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,309,931,119 Shares. Subject to the passing of the relevant resolution to approve the Issue Mandate and on the basis that no further Shares are allotted and issued or repurchased prior to the date of the AGM, the Directors would be authorised to allot, issue and otherwise deal with a maximum of 261,986,223 new Shares under the Issue Mandate, representing approximately 20% of the issued share capital of the Company as at the date of the AGM.

GENERAL MANDATE TO REPURCHASE SHARES

The Company's existing mandate to repurchase Shares was approved by its then Shareholders on 21 May 2021. Unless otherwise renewed, the existing mandate to repurchase Shares will lapse at the conclusion of the AGM.

At the AGM, an ordinary resolution will be proposed to grant to the Directors new general and unconditional mandate to repurchase Shares of up to 10% of the issued share capital of the Company as at the date of the passing of the proposed resolution. The Repurchase Mandate allows the Company to make purchases only during the Relevant Period.

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,309,931,119 Shares. Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are allotted and issued or repurchased prior to the date of the AGM, the Company would be allowed to repurchase a maximum of 130,993,111 Shares under the Repurchase Mandate, representing approximately 10% of the issued share capital of the Company as at the date of the AGM.

LETTER FROM THE BOARD

An explanatory statement required to be sent to the Shareholders under the Listing Rules is set out in Appendix I to this circular to provide the requisite information regarding the Repurchase Mandate to the Shareholders.

RE-ELECTION OF DIRECTORS

In accordance with Article 87 of the Articles of Association, Mr. Sun Yang, Mr. Guo Fansheng and Mr. Zhang Ke will retire from office as Director by rotation and being eligible to offer themselves for re-election at the AGM.

In considering re-election of the aforesaid retiring Directors, the nomination committee of the Company (the “**Nomination Committee**”) has reviewed and assessed: (i) the suitability of each of the retiring Directors based on a range of criteria, including but not limited to, reputation, integrity, qualifications, commitment in respect of available time and relevant interest, the Board diversity policy as adopted by the Company, and the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules; (ii) the code provision A.5.2(c) of the Corporate Governance Code contained in Appendix 14 to the Listing Rules; and (iii) the independence of the independent non-executive Director subject to re-election according to Rule 3.13 of the Listing Rules. Furthermore, the Board, with the assistance and recommendation from the Nomination Committee for each of the retiring Directors to be proposed for re-election, has reviewed and discussed the structure, size, composition and diversity of the Board from a number of aspects, including but not limited to age, gender, geographical background, length of service, and the professional experience, skills and expertise each of the retiring Directors can provide, the commitment shown by these retiring Directors through their rate of attendances at meeting, their attendance and contribution made to the Group’s affairs.

Mr. Zhang Ke, a retiring Director proposed to be re-elected was first appointed as an independent non-executive Director on 28 March 2003 and up to the Latest Practicable Date, he has been continuously serving as independent non-executive Director for more than 9 years. Mr. Zhang Ke’s continual service and re-election as independent non-executive Director were approved by the Shareholders on 8 May 2013, 27 May 2016 and 24 May 2019.

The Board has reviewed and assessed the independence of Mr. Zhang Ke pursuant to code provision A.5.2(c) of the Corporate Governance Code contained in Appendix 14 to the Listing Rules and the Board was satisfied that further appointment of Mr. Zhang Ke as an independent non-executive Director is justified due to the following reasons:

- (1) Mr. Zhang Ke serves as an independent non-executive Director since his first appointment without involving in any executive operation of the Company;
- (2) As of the Latest Practicable Date, Mr. Zhang Ke does not hold any interest in the share capital of the Company or in the business activities of the Group;
- (3) Other than being an independent non-executive Director, Mr. Zhang Ke is not connected with any Director, the chief executive or substantial shareholder of the Company, and he does not represent any entity whose interests are not in line with the Shareholders as a whole;

LETTER FROM THE BOARD

- (4) To the best knowledge of the Board, Mr. Zhang Ke has not relied on the remuneration given by the Company nor is he financially dependent on the Company or any connected person of the Company;
- (5) Mr. Zhang Ke has demonstrated and the Board believes that he is able to exercise his professional judgment and draw upon his extensive knowledge, expertise and experience which are for the benefits of the Group as a whole, in particular, the independent Shareholders; and
- (6) Mr. Zhang Ke has confirmed his independence in respect of each of the factors set out in Rule 3.13 of the Listing Rules in assessing the independence of a non-executive director at the time of his first appointment and has also annually provided a written confirmation of independence to the Company.

Based on the above reasons, the Board of the opinion that Mr. Zhang Ke's tenure as an independent non-executive Director for more than 9 years will not affect his independence and Mr. Zhang Ke will be able to carry out his duties as an independent non-executive Director impartially and independently.

Directors proposed to be re-elected have abstained from the discussion and voting regarding his re-election at the relevant meeting of the Board and the Nomination Committee.

The particulars of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular. Separate resolution will be proposed at the AGM for the re-election of each of Mr. Sun Yang, Mr. Guo Fansheng and Ms. Zhang Ke. Based on the above reasons, the Board recommends each of the retiring Directors to be re-elected at the AGM.

ANNUAL GENERAL MEETING

The notice convening the AGM to be held at 7th Floor, Tower A1, Junhao Central Park Plaza, No.10 Chaoyang Park South Road, Chaoyang District, Beijing, People's Republic of China (100026) on 27 May 2022 at 4:00 p.m. is set out on pages 16 to 21 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll.

Whether or not you intend to attend the AGM, you are requested to complete the enclosed form of proxy and return it to the Registrar in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof (as the case may be) if you so wish and in such event, the form of proxy should be deemed to be revoked.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed granting of the Issue Mandate and the Repurchase Mandate, and the re-election of the Directors set out above are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions as set out in the AGM Notice at the AGM.

Yours faithfully,
By order of the Board
Liu Jun
Chairman

This appendix serves as an explanatory statement required to be sent to the Shareholders pursuant to Rule 10.06 of the Listing Rules to provide the requisite information to you to make an informed decision in relation to the Repurchase Resolution proposed under the notice convening the AGM.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,309,931,119 Shares. Subject to the passing of the relevant resolution and on the basis that no further Shares are allotted and issued or repurchased between the Latest Practicable Date and the AGM, the Company will be allowed to repurchase a maximum of 130,993,111 Shares during the Relevant Period.

REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and the Shareholders to have general authority from the Shareholders to enable the Directors to repurchase Shares on the Stock Exchange. Such repurchase may, depending on market conditions and funding arrangements at the relevant time, lead to an enhancement of the net asset value and/or earnings per Share. The Repurchase Mandate will only be exercised when the Directors believe that such repurchase(s) will benefit the Company and the Shareholders.

DIRECTORS, CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

To the best of the knowledge and belief of the Directors having made all reasonable enquiries, none of the Directors or their respective close associates has a present intention, in the event that the Repurchase Mandate is approved and exercised, to sell any securities of the Company to the Company and any of its subsidiaries. No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any securities of the Company to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved and exercised.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company will only apply funds legally available for such purpose, being distributable profit of the Company or proceeds of a fresh issue of Shares made for such purpose in accordance with its memorandum of association, the Articles of Association and the laws of the Cayman Islands. The Company will not purchase Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the financial position of the Company as at 31 December 2021 (being the date of its latest published audited consolidated accounts) in the event that the repurchase of Shares were to be carried out in full at any time during the Relevant Period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Main Board of the Stock Exchange during each of the previous twelve months and up to the Latest Practicable Date were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
April	1.09	0.99
May	1.08	0.97
June	1.09	0.96
July	0.98	0.78
August	0.98	0.78
September	0.94	0.78
October	0.82	0.77
November	0.88	0.75
December	0.80	0.57
2022		
January	0.77	0.64
February	0.77	0.65
March	0.72	0.50
April (up to the Latest Practicable Date)	0.58	0.52

UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, the following persons were interested in 5% or more of the issued share capital of the Company so far as the Company is aware of. In the event that the Repurchase Mandate is exercised in full, the interest of such persons will be increased to approximately the percentage set out in the last column as follows:

Name of Substantial Shareholder	Class of Shares	No. of shares held/ interested	Natures of interests/ Holding capacity	Approximate percentage of shareholding	
				As at the Latest Practicable Date	If the Repurchase Mandate is exercised in full (Note 1)
Talent Gain Developments Limited	Ordinary	253,671,964 (long position) (note 2)	Beneficial owner and Interest in controlled corporation	19.37%	21.52%
Digital China (BVI) Limited	Ordinary	253,671,964 (long position) (note 2)	Interest in controlled corporation	19.37%	21.52%
Digital China Holdings Limited	Ordinary	253,671,964 (long position) (note 2)	Interest in controlled corporation	19.37%	21.52%
Wong Luen Hei	Ordinary	129,705,000 (long position) (note 3)	Interest in controlled corporation and Founder of a discretionary trust who can influence how the trustee exercises his discretion	9.90%	11.00%
Ideal South Limited	Ordinary	80,000,000 (long position) (note 3)	Beneficial owner	6.11%	6.79%
Fortune Value Investment Holdings Limited	Ordinary	104,562,000 (long position) (note 4)	Beneficial owner	7.98%	8.87%

Name of Substantial Shareholder	Class of Shares	No. of shares held/ interested	Natures of interests/ Holding capacity	Approximate percentage of shareholding If the Repurchase	
				As at the Latest Practicable Date	Mandate is exercised in full (Note 1)
Zhu Lemin	Ordinary	104,562,000 (long position) (note 4)	Interest in controlled corporation	7.98%	8.87%
Liu Jun	Ordinary	79,551,400 (long position) (note 5)	Beneficial owner	6.07%	6.75%
Liu Xiaodong	Ordinary	67,441,879 (long position) (note 6)	Beneficial Owner and Interest in controlled corporation	5.15%	5.72%

Notes:

1. Assuming no repurchase of any of the Shares held by stated Shareholders.
2. Such interests in the Company comprise: (1) 230,263,964 Shares held by Talent Gain Developments Limited; and (2) 23,408,000 Shares held by Unique Golden Limited. Unique Golden Limited is wholly and beneficially owned by Talent Gain Developments Limited, which in turn is wholly and beneficially owned by Digital China (BVI) Limited and indirectly wholly and beneficially owned by Digital China Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 861). Therefore, Talent Gain Developments Limited is deemed to be interested in the Shares held by Unique Golden Limited, and each of Digital China (BVI) Limited and Digital China Holdings Limited is deemed to be interested in the Shares held by Talent Gain Developments Limited and Unique Golden Limited.
3. Ideal South Limited is wholly and beneficially owned by Mr. Wong Luen Hei.
4. Fortune Value Investment Holdings Limited is wholly and beneficially owned by Mr. Zhu Lemin.
5. Such interests in the Company comprise: (i) 50,220,000 Shares and (ii) 29,331,400 underlying Shares derived from the Options held by Mr. Liu Jun.
6. Such interests in the Company comprise: (i) 3,168,085 underlying Shares from the Options held by Mr. Liu Xiaodong; (ii) 2,000,000 underlying Shares derived from the awarded shares granted to Mr. Liu Xiaodong under the employees' share awarded scheme adopted on 17 November 2011 and (iii) 62,273,794 Shares held by Wisdom Limited (a company wholly and beneficially owned by Mr. Liu Xiaodong). Mr. Liu Xiaodong is deemed, or taken to have, interested in all the Shares held by Wisdom Limited pursuant to the SFO.

The Directors will not repurchase the Shares on the Stock Exchange if the repurchase would result in the number of the listed securities which are in the hands of the public falling below 25%, being the relevant minimum prescribed percentage for the Company as required by the Stock Exchange.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate.

SHARE REPURCHASES MADE BY THE COMPANY

The Company has not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM:

Mr. Guo Fansheng (郭凡生) (“Mr. Guo”), a non-executive Director

Qualification and Experience

Aged 66, is a non-executive Director and a member of the audit committee of the Company (the “**Audit Committee**”). Mr. Guo was appointed as an executive Director on 21 March 2000, and was re-designated as a non-executive Director on 18 October 2017. Mr. Guo served as the chairman of the Company from 31 March 2008 to 18 October 2017.

Mr. Guo founded the Group in October 1992 and served as the chief executive officer of the Company until 31 March 2008. Mr. Guo is currently the chairman of the Inner Mongolia Chamber of Commerce in Beijing. From 1990 to 1992, Mr. Guo worked as a manager in a State-owned business information company in Beijing, the PRC. From 1987 to 1990, Mr. Guo served as an officer of the Liaison Office and General Office of the Institute of Economic System Reform under the 國家經濟體制改革委員會 (State Commission for Economic Restructuring*), and as the deputy officer of 西部開發研究中心 (the Western China Development Research Centre*). Prior to working at the State Commission for Economic Restructuring, Mr. Guo served from 1982 to 1987 as a senior official in the government of the Inner Mongolia Autonomous Region. Mr. Guo obtained a bachelor degree in industrial economics from Renmin University of China, the PRC in 1982.

Save as disclosed above, Mr. Guo does not hold any directorship in any other listed company in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

Length of Service

Mr. Guo was appointed as an executive Director on 21 March 2000, and was re-designated as a non-executive Director on 18 October 2017. Pursuant to Article 87 of the Articles of Association of the Company. Mr. Guo will retire at the AGM, at which he will, being eligible, offer himself for re-election and thereafter, be subject to rotation and re-election at the AGM.

Relationship with other Directors, senior management, substantial or controlling Shareholders

Mr. Guo does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder.

Interests in Shares

As at the Latest Practicable Date, Mr. Guo is interested in 57,749,015 Shares, comprising 2,088,000 Shares beneficially held by Mr. Guo and 55,661,015 Shares held by a trustee of a discretionary trust of which Mr. Guo is a founder who can influence how the trustee exercise his discretion. Save as disclosed above, as of the Latest Practicable Date

Mr. Guo does not have any other interest in the securities of the Company within the meaning of Part XV of the SFO.

Amount of Emoluments

Mr. Guo has not entered into any service contract and is not entitled to any other emolument for holding his office as a non-executive Director.

Save as disclosed above, Mr. Guo and the Company are not aware of any other matter that needs to be brought to the attention of Shareholders pursuant to the Listing Rules. There is no other information which is required to be disclosed under Rule 13.51(2) of the Listing Rules.

Mr. Sun Yang (“Mr. Sun”), a non-executive Director

Aged 50, is a non-executive Director and a member of the remuneration committee of the Company (the “**Remuneration Committee**”). Mr. Sun was appointed as a non-executive Director with effect from 27 May 2019.

Mr. Sun is currently the senior vice president of Digital China Holdings Limited (神州數碼控股有限公司) (a company listed on the main board of the Stock Exchange with stock code: 00861.HK) (“**Digital China Holdings**”), the chairman of the Supervisory Committee of Digital China Information Service Company Ltd. (a company listed on the Shenzhen Stock Exchange stock code: 000555.SZ) and the chairman of Digital China Software Limited (神州數碼軟件有限公司).

Mr. Sun worked for Bank of China Limited (中國銀行) from July 1995 to November 1999. After that, he had been the assistant general manager and the deputy general manager of the information technology department of China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司, formerly known as 中國東方資產管理公司) from November 1999 to April 2013, the deputy general manager for Orient Bangtong Rongtong Holding Co., Ltd. (東方邦信融通控股股份有限公司, formerly known as Bangxin Huirong Holdings Co., Ltd.* (邦信惠融投資控股股份有限公司)) from April 2013 to July 2017, the chairman of the board of directors of Dongfang Bangxin Financial Technology (Shanghai) Co., Ltd.* (東方邦信金融科技(上海)有限公司) from March 2014 to July 2017, the deputy general manager for the Dongfang Jincheng International Trust Valuation Limited* (東方金誠國際信用評估有限公司) from June 2017 to November 2017.

Mr. Sun graduated with a bachelor’s degree of engineering in applied computing from Harbin University of Science and Technology (哈爾濱理工大學) in July 1995 and with a master’s degree in engineering from Beijing University of Posts and Telecommunications (北京郵電大學) in January 2010.

Save as disclosed above, Mr. Sun does not hold any directorship in any other listed company in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

Length of Service

Mr. Sun was appointed as a non-executive Director on 27 May 2019. Pursuant to Article 87 of the Articles of Association of the Company. Mr. Sun will retire at the AGM, at which he will, being eligible, offer himself for re-election and thereafter, be subject to rotation and re-election at the AGM.

Relationship with other Directors, senior management, substantial or controlling Shareholders

Save as disclosed above, Mr. Sun does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholder.

Interests in Shares

Mr. Sun does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Amount of Emoluments

Mr. Sun has not entered into any service contract and is not entitled to any other emolument for holding his office as a non-executive Director.

Save as disclosed above, Mr. Sun and the Company are not aware of any other matter that needs to be brought to the attention of Shareholders pursuant to the Listing Rules. There is no other information which is required to be disclosed under Rule 13.51(2) of the Listing Rules.

Mr. Zhang Ke (“Mr. Zhang”), an independent non-executive Director*Qualification and Experience*

Aged 68, is an independent non-executive Director. He is the chairman of the Audit Committee and the Remuneration Committee, respectively, and a member of the Nomination Committee. Mr. Zhang was appointed as an independent non-executive Director on 28 March 2003.

Mr. Zhang is a certified public accountant in the PRC and is currently the chairman and founding partner of Shine Wing Certified Public Accountants. He graduated from Renmin University of China in 1982 with a bachelor degree in economics majoring in industry economics. He has many years of experience in the fields of economics, accounting and finance. Mr. Zhang was the vice-president of the Chinese Institute of Certified Public Accountants, and is currently a member of Internal Control Standard Committee of the Ministry of Finance of the PRC and the Chief Supervisor of Beijing Association of Forensic Science. Mr. Zhang has acted as an independent director of 二六三網絡通信股份有限公司 (Erlusian Internet Communication Company Limited, a company listed on the Shenzhen Stock Exchange with the stock code: 002467) until June 2020. Mr. Zhang is currently acting an independent non-executive director of China Coal Energy

Company Limited (中國中煤能源股份有限公司, a company listed on the Main Board of the Stock Exchange with the stock code 01898 and The Shanghai Stock Exchange with the stock code 601898), and an independent director of 中信出版集團股份有限公司 (CITIC Press Group Corporation*, a company listed on the Shenzhen Stock Exchange with the stock code 300788).

Save as disclosed above, Mr. Zhang does not hold any directorship in any other listed company in Hong Kong or overseas in the past three years prior to the Latest Practicable Date.

Length of Service

Mr. Zhang was first appointed as an independent non-executive Director on 28 March 2003. Mr. Zhang has entered into a service contract with the Company for an initial term of one year commencing from 28 March 2003, and would continue thereafter unless and until terminated by either the Company or Mr. Zhang by giving one month's written notice and such appointment is subject at all times to the Articles of Association. Although Mr. Zhang has served the Company as independent non-executive Director for more than nine years, Mr. Zhang meets the independent guidelines set out in Rule 3.13 of the Listing Rules, and the Board is of the view that his independence is not affected by his long service with the Company. The Board considered Mr. Zhang as independent and should be re-elected as an independent non-executive Director at the AGM. Please also refer to the section "Letter of the Board — Re-election of Directors" for further details.

Relationship with other Directors, senior management, substantial or controlling shareholders

Mr. Zhang does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders.

Interests in Shares

Mr. Zhang does not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

Amount of Emoluments

Under the service contract entered into between the Company and Mr. Zhang, he is entitled to receive a remuneration of RMB250,000 per annum which is determined with reference to his duties, responsibility and experience, and to prevailing market conditions.

Save as disclosed above, Mr. Zhang and the Company are not aware of any other matter that needs to be brought to the attention of Shareholders pursuant to the Listing Rules. There is no other information which is required to be disclosed under Rule 13.51(2) of the Listing Rules.



HC GROUP INC.

慧聪集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 02280)

NOTICE IS HEREBY GIVEN THAT the annual general meeting of the members of HC Group Inc. (the “**Company**”) will be held at 7th Floor, Tower A1, Junhao Central Park Plaza, No.10 Chaoyang Park South Road, Chaoyang District, Beijing, People’s Republic of China (100026) on Friday, 27 May 2022, at 4:00 p.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and consider the audited financial statements and the reports of the directors and auditors of the Company and its subsidiaries for the year ended 31 December 2021.
2. To re-appoint PricewaterhouseCoopers as the auditors of the Company and to authorise the board of directors of the Company to fix their remuneration.
3. (A) Mr. Guo Fansheng be re-elected as a non-executive director of the Company;
(B) Mr. Sun Yang be re-elected as a non-executive director of the Company;
(C) Mr. Zhang Ke be re-elected as an independent non-executive director of the Company; and
(D) To authorise the board of directors of the Company to fix the remuneration of the directors of the Company (the “**Directors**”).
4. (A) “**THAT:**
 - (i) subject to paragraph (iii) of this resolution below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares or securities convertible into shares in the capital of the Company and to make or grant offers, agreements and options (including but not limited to warrants, bonds, debentures and other securities convertible into shares of the Company) which might require the exercise of such power be and is hereby generally and unconditionally approved;

NOTICE OF THE AGM

- (ii) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including but not limited to warrants, bonds, debentures and other securities convertible into shares of the Company) which might or would require the exercise of such powers (including but not limited to the power to allot, issue and deal with additional shares in the capital of the Company) during or after the end of the Relevant Period;

- (iii) the number of share capital allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an options or otherwise) by the Directors pursuant to the approval in paragraph (i) and (ii) of this resolution, otherwise than pursuant to: (a) a Rights Issue (as hereinafter defined); or (b) the exercise of any option granted under the share option scheme or similar arrangement of the Company for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to subscribe for shares of the Company; or (c) any scrip dividend or similar arrangement providing for the allotment of shares of the Company in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time, shall not exceed 20% of the issued share capital of the Company in issue at the time of passing this resolution and the said approval shall be limited accordingly; and that this resolution shall be limited by the applicable rules and requirements of The Stock Exchange of Hong Kong Limited as amended from time to time, including the restrictions for using the general mandate to issue (i) securities convertible into new shares of the Company for cash consideration, if the initial conversion price of such convertible securities is lower than the Benchmarked Price (as defined below) of the shares of the Company at the time of the relevant placing; and (ii) warrants, options or similar rights to subscribe for new shares or securities of the Company convertible into new shares of the Company for cash consideration; and

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(iv) for the purpose of this resolution,

“Benchmarked Price” means the higher of:

- (a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate to be approved under this resolution; and
- (b) the average closing price in the 5 trading days immediately prior to the earlier of:
 - (i) the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate to be approved under this resolution;
 - (ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate to be approved under this resolution; and
 - (iii) the date on which the placing or subscription price is fixed.

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the articles of association of the Company to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”

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(B) “THAT:

- (i) subject to paragraph (iii) of this resolution below, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase issued shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the shares of the Company may be listed and which are recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, in accordance with all applicable laws and/or the requirements of the Stock Exchange or of any other stock exchange and the Hong Kong Code on Share Buy-backs as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its shares at a price determined by the Directors;
- (iii) the number of shares of the Company repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (i) of this resolution during the Relevant Period shall not exceed 10% of the issued share capital of the Company as at the date of passing this resolution; and
- (iv) for the purpose of this resolution,

“Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the laws of the Cayman Islands or the articles of association of the Company to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

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- (C) “**THAT** conditional upon the passing of resolutions number 4(A) and 4(B) as set out in the notice convening this meeting of which this resolution forms part, the general mandate granted to the directors of the Company pursuant to resolution number 4(A) as set out in this notice convening this meeting of which this resolution forms part be and is hereby extended by the addition thereto of an amount representing the number of share capital of the Company repurchased by the Company under the authority granted pursuant to resolution number 4(B) as set out in this notice convening this meeting of which this resolution forms part, provided that such amount shall not exceed 10% of the issued share capital of the Company as at the date of passing this resolution.”

By Order of the board of the Directors
HC GROUP INC.
Liu Jun
Chairman

Beijing, PRC, 26 April 2022

Notes:

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.
2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any shares, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.

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7. An explanatory statement containing the information necessary to enable the members to make an informed decision as to whether to vote for or against the ordinary resolution number 4(B) as set out in this notice is enclosed with the circular of the Company despatched on the same date.
8. The transfer books and Register of Members of the Company will be closed from 24 May 2022 (Tuesday) to 27 May 2022 (Friday), both days inclusive. During such period, no share transfers will be effected. In order to qualify for attending the Meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with the office of the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 23 May 2022 (Monday).
9. Details of Mr. Guo Fansheng, Mr. Sun Yang and Mr. Zhang Ke, proposed to be re-elected as directors of the Company at the Meeting are set out in Appendix II to this circular.
10. A form of proxy for use at the Meeting is enclosed.