
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 and proxy form 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**

Capitalised terms used in this cover page shall bear the same meanings as those defined in the section headed “Definitions” in this circular.

The notice convening the AGM is set out on pages 16 to 21 of this circular. A proxy form for use at the AGM is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hcgroup.com).

Whether or not you intend to attend the AGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon 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 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 proxy form will not preclude you from attending and voting at the AGM or any adjournment thereof (as the case may be) if you so wish. In such event, the proxy form shall be deemed to be revoked.

22 April 2024

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company for the year ended 31 December 2023 to be held on 31 May 2024 or any adjournment thereof
“AGM Notice”	the notice convening the AGM
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Board”	the board of Directors
“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
“DC Holdings”	Digital China Holdings Limited, a substantial shareholder of the Company as defined under the Listing Rules. Its shares are listed on the Stock Exchange (stock code: 00861)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“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 or securities 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”	19 April 2024, being the latest practicable date for ascertaining certain information contained in this circular
“Nomination Committee”	the nomination committee of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	share option(s) granted under the Share Option Scheme
“Panpass”	Beijing PanPass Information Technology Co., Ltd., an indirect subsidiary of the Company whose shares are traded on the National Equities Exchange and Quotations (NEEQ stock code: 430073)
“PRC”	the People’s Republic of China
“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 set out in resolution number 4(B) of the AGM Notice with respect to the Repurchase Mandate
“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

DEFINITIONS

“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“ZOL”	the website zol.com.cn operated by the Group with respect to its technology-driven new retail business segment
“%”	per cent

Certain Chinese names of institutions, natural persons or other entities have been translated into English and included in this circular as unofficial translations for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail. Except the above, the English version of this circular, the AGM Notice and the proxy form shall prevail over its Chinese translation in the event of inconsistency.

LETTER FROM THE BOARD



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 and Chief Executive Officer*)

Zhang Yonghong

Liu Xiaodong (*President*)

Non-executive Directors:

Guo Fansheng

Lin Dewei

Xing Jingfeng

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:*

Room B-1, 4th Floor

Building 2

Hangxing Science Park

No. 11, Hepingli East Street

Dongcheng District

Beijing 100013

PRC

22 April 2024

To the Shareholders

Dear Sir or Madam,

**RENEWAL OF GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS**

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with information of the proposals regarding the renewal of general mandates to issue shares and to repurchase shares, and the re-election of Directors, and to give you the AGM Notice.

GENERAL MANDATE TO ISSUE SHARES

The Company's existing mandate to issue Shares was approved at the annual general meeting held on 2 June 2023. 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 a general and unconditional mandate to allot, issue and deal with shares or securities of up to 20% of the issued share capital of the Company on the date of passing 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).

More information about the Issue Mandate and the aforesaid extension is set out in resolutions number 4(A) and 4(C), respectively, in the AGM Notice.

As at the Latest Practicable Date, 1,309,931,119 Shares were in issue. On the basis that the resolution to approve the Issue Mandate is passed at the AGM and there being no change in the number of issued Shares prior to the date of the AGM, the Directors would be authorised to allot, issue and deal with a maximum of 261,986,223 new Shares under the Issue Mandate.

GENERAL MANDATE TO REPURCHASE SHARES

The Company's existing mandate to repurchase Shares was approved at the annual general meeting held on 2 June 2023. 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 a general and unconditional mandate to repurchase Shares of up to 10% of the issued share capital of the Company on the date of passing the proposed resolution. More information about the Repurchase Mandate is set out in resolution number 4(B) in the AGM Notice.

LETTER FROM THE BOARD

On the basis that Repurchase Resolution is passed at the AGM and there being no change in the number of issued Shares 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.

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

Mr. Xing Jingfeng was appointed as a Director with effect from 26 March 2024. In accordance with Article 86(3) of the Articles of Association, Mr. Xing shall hold office until the AGM and he, being eligible, has offered himself for re-election at the AGM.

In accordance with Article 87 of the Articles of Association, Mr. Zhang Yonghong, Mr. Liu Xiaodong and Ms. Qi Yan will retire from office as Director by rotation. Each of them, being eligible, has offered himself/herself for re-election at the AGM.

Individuals proposed for re-election are selected with reference to the requirements of the Articles of Association and the rotation cycle of Directors' re-election. The re-election of Directors (including the suitability, merits and individual qualities of the Directors proposed to be re-elected) were considered and assessed by the Nomination Committee with due consideration of the Company's need and circumstances including its strategy and objectives, the Company's Directors Nomination Policy, the Board Diversity Policy and the overall composition and balance of the Board (including the Board's structure, size, composition, and its diversity from various aspects such as age, gender, background, length of services of the Board members). The Nomination Committee then made recommendations to the Board. The retiring Directors have abstained from the discussion and voting on matters relating to his/her re-election in meetings of the Board and/or relevant Board committee.

The Nomination Committee and the Board have separately reviewed and assessed (i) the suitability of each of the retiring Directors based on a range of criteria, including but not limited to his/her ability, experience and qualification, his/her reputation, integrity, commitment in respect of available time and relevant interest, the historical attendance at meetings and in the Group's affairs, and benefits he/she could bring to the Board, and the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules; (ii) the principles and code provisions under B.2 of Part 2 of the Corporate Governance Code contained in Appendix C1 to the Listing Rules; and (iii) the independence of Ms. Qi Yan (an independent non-executive Director proposed for re-election).

LETTER FROM THE BOARD

Among other factors, the Nomination Committee had regard to: (1) the crucial roles and responsibilities of Mr. Zhang Yonghong (an executive Director) and Mr. Liu Xiaodong (an executive Director) in the Group. In particular, Mr. Zhang, being the chairman of the board of directors and the general manager of Panpass, is a key to the continual development and the proposed listing of Panpass; and Mr. Liu is the president of the Company. Both of them are instrumental to the stability, growth and business expansion of the Group. The Nomination Committee also noted their devotion and commitment to the Board; (2) Mr. Xing Jingfeng (a non-executive Director) is experienced in financial and management with respect to listed companies, and his presence as a member of the Board could provide a diversity of background and perspective to the Board; and (3) Ms. Qi Yan has in-depth experience in business management, in particular, in the field of technology and IT business. Her presence could also assist the Board to enjoy the perspective of both genders and different background. Ms. Qi has confirmed to the Company her independence with regards to factors referred to in Rule 3.13 of the Listing Rules. She has also confirmed that she does not (in the past or present) have any financial or other interests in the business of the Group or any connection with any core connected person of the Company other than her roles in the Company, and that there are no other factors that may affect her independence. Having considered her confirmation, and her past performance and participation in the Group's affairs, the Nomination Committee was satisfied with her independence.

The Nomination Committee has recommended to the Board for the re-election of these retiring Directors. Having considered the recommendation from the Nomination Committee, the Board concurs with the view of the Nomination Committee, and believes that each of the retiring Directors proposed for re-election could continue to provide contributions and generate diversity to the Group, and their presence on the Board is valuable to the Group. The Board considers it is in the interests of the Company and its Shareholders as a whole to re-elect each of these retiring Directors at the AGM.

ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 16 to 21 of this circular.

Vote of Shareholders of the resolutions proposed at the AGM will be taken by poll (except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands) in accordance with Rule 13.39(4) of the Listing Rules.

Whether or not you intend to attend the AGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon 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, Hong Kong as soon as possible but in any

LETTER FROM THE BOARD

event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the proxy form 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. In such event, the proxy form shall be deemed to be revoked.

RECOMMENDATION

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

Yours faithfully,

By order of the Board

Liu Jun

Chairman and Chief Executive Officer

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.

SHARE CAPITAL

As at the Latest Practicable Date, 1,309,931,119 Shares were in issue. On the basis that the Repurchase Resolution is passed and there being no change in the number of issued Shares between the Latest Practicable Date and the date of the AGM, the Company will be allowed to repurchase a maximum of 130,993,111 Shares under the Repurchase Mandate.

REASONS FOR REPURCHASES

The Directors believe that it is in the interests of the Company and the Shareholders as a whole to have general authority from the Shareholders to enable the Directors to repurchase Shares. 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 Board believes that such repurchase(s) will benefit the Company and the Shareholders as a whole.

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 2023 (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 proposed purchase period. However, the Company does not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing levels which in the opinion of the Board 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 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>
2023		
April	0.380	0.340
May	0.400	0.300
June	0.350	0.249
July	0.295	0.223
August	0.290	0.229
September	0.295	0.231
October	0.315	0.240
November	0.300	0.230
December	0.270	0.217
2024		
January	0.249	0.182
February	0.250	0.189
March	0.300	0.206
April (up to the Latest Practicable Date)	0.250	0.142

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.

So far as the Company is aware of, Talent Gain Developments Limited ("TGDL") was the single largest shareholder of the Company as of the Latest Practicable Date, who was (by itself or through its controlled corporation) interested in 253,671,964 Shares, representing approximately 19.37% of the total issued Shares. Based on information available to the Company, TGDL was indirectly controlled by DC Holdings. Assuming there being no change in the number of issued Shares and the shareholding, if 130,993,111 Shares are to be repurchased from other third parties

upon full exercise of the Repurchase Mandate, TGD L's shareholding interests will increase to approximately 21.52% of the total issued Shares. On this basis, the Directors are not aware of a (or a group of) Shareholder(s) becoming obligated to make a mandatory offer under the Takeovers Codes if the Repurchase Mandate is fully exercised.

The Directors do not intend to repurchase the Shares on the Stock Exchange if the repurchase would result in the number of the Shares which are in the hands of the public falling below the minimum prescribed percentage for the Company as required by the Stock Exchange.

SHARE REPURCHASES MADE BY THE COMPANY IN PAST SIX MONTHS

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

OTHER INFORMATION

None of the Directors or, to the best of the knowledge of the Directors having made all reasonable enquiries, their respective close associates has a present intention, in the event that the Repurchase Mandate is approved, to sell any Shares to the Company. No core connected person of the Company has notified the Company that it has a present intention to sell any Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved.

The Directors will exercise the power of the Company to make purchase (if any) pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

Neither this explanatory statement nor the proposed share repurchase under the Repurchase Mandate has any unusual features.

APPENDIX II BIOGRAPHIES OF DIRECTORS PROPOSED FOR RE-ELECTION

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:

EXECUTIVE DIRECTORS

Mr. ZHANG Yonghong (張永紅) (“Mr. Zhang”), age 56

Mr. Zhang is an executive Director. Mr. Zhang was appointed as an executive Director with effect from 4 January 2019. Mr. Zhang is the chairman of the board of directors, and the general manager of Panpass. He joined the Group in August 2018, and was the Group’s co-president and Company’s chief executive officer.

Mr. Zhang served as a deputy general manager at the business department of Lenovo Group Limited (聯想集團有限公司), a company listed on the Stock Exchange, from April 1993 to June 1996. From October 1998 to November 2009, he was the vice president at China Hewlett-Packard Co., Ltd. (中國惠普有限公司). Between November 2009 to October 2015, Mr. Zhang worked as the general manager of the PRC operations department at Acer Group (宏碁集團). Between December 2015 to August 2018, Mr. Zhang was a deputy president of operations and executive deputy president of Tsinghua Unigroup Limited (紫光集團有限公司). Mr. Zhang served as a director of Unisplendour Corporation Limited (紫光股份有限公司), a company listed on the Shenzhen Stock Exchange, from April 2016 to June 2017. From November 2017 to August 2018, Mr. Zhang was a director and the chairman of the board of directors of 500.com Limited (listed on the New York Stock Exchange at the relevant time).

Mr. Zhang obtained a bachelor degree from the Department of Precision Instrument of Tsinghua University in July 1990, and obtained a master degree of science in engineering from the University of Science and Technology of China in 1993.

Mr. Zhang has entered into a service contract for a term of three years commencing on 4 January 2022, which may be terminated by either the Company or Mr. Zhang by giving three months’ written notice or otherwise in accordance with the terms thereof. Under the service contract, he is entitled to basis emolument of RMB1,000,000 per annum. Mr. Zhang is also eligible to discretionary bonus provided that the total amount of discretionary bonus to be paid to all executive Directors does not exceed 5% of the annual net income (after tax) of the Company. He is also entitled to benefits, pensions and is eligible to grant or awards under share scheme or other award scheme which the Company or its subsidiary may adopt from time to time. His total emoluments for the year ended 31 December 2023 was approximately RMB896,000.

APPENDIX II BIOGRAPHIES OF DIRECTORS PROPOSED FOR RE-ELECTION

As at the Latest Practicable Date, save as being a beneficial owner of 13,600,000 Shares, comprising (i) 4,100,000 Shares and (ii) 9,500,000 underlying Shares derived from the Options, Mr. Zhang did not have any other interest in the securities of the Company within the meaning of Part XV of the SFO.

Mr. LIU Xiaodong (劉小東) (“Mr. Liu”), age 51

Mr. Liu, is an executive Director and the president of the Company. Mr. Liu was appointed as an executive Director with effect from 1 June 2018.

Mr. Liu joined the Group in July 2015 when the Group complete the acquisition of ZOL. He joined ZOL in 2000, and was promoted as ZOL’s general manager in 2004, and subsequently its chief executive officer in 2015. Mr. Liu served as the vice president of CNET (China) in 2008. He served in CBSI (China) from 2008 to 2014, and acted as a vice president, a general manager of technology cluster and the consumer cluster. Mr. Liu has over 20 years of experience in media operation and management in the TMT field.

Mr. Liu obtained a bachelor degree from International Modern Design Art College Of Inner Mongolia Normal University in July 1997, and obtained a master degree of business administration from China Europe International Business School in 2011.

Mr. Liu has entered into a service contract for a term of three years commencing on 1 June 2021, which may be terminated by either the Company or Mr. Liu by giving three months’ written notice or otherwise in accordance with the terms thereof. Under the service contract, he is entitled to basis emolument of RMB600,000 per annum, Mr. Liu is also eligible to discretionary bonus provided that the total amount of discretionary bonus to be paid to all executive Directors does not exceed 5% of the annual net income (after tax) of the Company. He is also entitled to benefits, pensions and is eligible to grant or awards under share scheme or other award scheme which the Company or its subsidiary may adopt from time to time. His total emoluments for the year ended 31 December 2023 was approximately RMB719,000.

As at the Latest Practicable Date, save as being a beneficial owner of 5,168,085 Shares comprising (i) 2,000,000 Shares; (ii) 3,168,085 underlying Shares from the Options and being interested in 62,273,794 Shares held by Wisdom Limited (a company wholly and beneficially owned by Mr. Liu), Mr. Liu did not have any other interest in the securities of the Company within the meaning of Part XV of the SFO.

APPENDIX II BIOGRAPHIES OF DIRECTORS PROPOSED FOR RE-ELECTION

NON-EXECUTIVE DIRECTOR

Mr. XING Jingfeng (邢景峰) (“Mr. Xing”), age 45

Mr. Xing is a non-executive Director and a member of the remuneration committee of the Company. He was appointed as a Director with effect from 26 March 2024.

Mr. Xing is an assistant president of DC Holdings. Mr. Xing joined the financial department of DC Holdings in February 1999, and he has been mainly responsible for financial or audit work of DC Holdings. He currently assumes senior management positions in several subsidiaries or investee companies of DC Holdings, including (among others) a director of Digital China Software Limited since July 2015, and a director of Digital China Information Service Group Company Ltd (whose shares are listed on the Shenzhen Stock Exchange) since January 2022. He holds less than 0.01% of the issued shares of DC Holdings as of the Latest Practicable Date.

Mr. Xing graduated from the China Central Radio and TV University (now The Open University of China), the People’s Republic of China, in July 2007, majoring in accounting. He was awarded a bachelor’s degree in management in June 2009 upon completion of the accounting specialisation course jointly organised by the Beijing Technology and Business University and the China Central Radio and TV University in the People’s Republic of China.

Pursuant to the Articles of Association, the initial term of Mr. Xing will be up to the conclusion of the AGM, subject to re-election. If re-elected at the AGM, it is expected that the Company and Mr. Xing will enter into a letter of appointment for a term of one year, which term is to be renewed automatically unless terminated by either party giving not less than one month written notice to another, or otherwise in accordance with the terms of such letter of appointment. He is not entitled to any remuneration from the Company for his office in the Company.

As of the Latest Practicable Date, Mr. Xing did not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. QI Yan (祁燕) (“Ms. Qi”), age 74

Ms. Qi is an independent non-executive Director and a member of the audit committee and the remuneration committee of the Company. Ms. Qi joined the Group when she was appointed as a Director on 30 November 2017.

APPENDIX II BIOGRAPHIES OF DIRECTORS PROPOSED FOR RE-ELECTION

Ms. Qi is currently the chief representative of Xiaomi Corporation, a company listed on the Stock Exchange. She served in Aigo Digital Technology Co., Ltd (愛國者數碼科技有限公司) as a vice president from September 2004 to September 2011, and was subsequently promoted to the vice chairman and the chief executive officer from September 2011 to March 2012. She also served in Aigo Electronics Technology Co. Ltd (愛國者電子科技有限公司) as the chief executive officer from March 2012 to December 2012. She has over 20 years' experience in business management.

Ms. Qi was awarded the certificate of Postgraduate Master's degree in applied sociology from the Graduate School of Chinese Academy of Social Sciences in June 1998. Ms. Qi joined the China National Democratic Construction Association ("CNDCA") in 1987 and served the Central Committee of CNDCA and the Beijing Municipal Committee of CNDCA.

Ms. Qi has entered into a service contract with the Company for an initial term of one year commencing from 30 November 2017, which term is renewed automatically unless terminated by either party giving one month's prior written notice to another, or otherwise in accordance with the terms thereof. Under the service contract entered, she is entitled to receive a remuneration of RMB220,000 per annum. She is entitled to benefits, pensions and is eligible to grant or awards under share scheme or other award scheme which the Company or its subsidiary may adopt from time to time. Her total emoluments for the year ended 31 December 2023 was approximately RMB220,000.

As of the Latest Practicable Date, Ms. Qi did not have any interest in the securities of the Company within the meaning of Part XV of the SFO.

OTHER INFORMATION

All Directors proposed for re-election at the AGM are subject to retirement, rotation, re-election and/or removal as specified by the Listing Rules and the Articles of Association.

The emoluments of the Directors proposed for re-election are determined based on the Company's remuneration policy, taking into account individual roles and responsibilities, individual performance and qualities, and prevailing market conditions and trend. For determining the emolument of executive Directors proposed for re-election, the operating results of the Company were also factored in.

Each of the Directors proposed for re-election has confirmed that save as disclosed in this circular, he/she does not have other relationship with any Director, senior management, substantial/controlling shareholder of the Company (as defined under the Listing Rules), and that he/she is not aware of any other matter that needs to be brought to the attention of Shareholders pursuant to the Listing Rules, or any information which is required to be disclosed under Rules 13.51(2) of the Listing Rules with respect to his/her re-election.



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 Unit 302, 3rd Floor, Beiyuan, Yuanyang Xingfan Plaza, Building 1, No. 28 Beiyuan Road, Chaoyang District, Beijing 10017, the People’s Republic of China on 31 May 2024, at 4:00 p.m. to consider and, if thought fit, approve the following resolutions:

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 2023.
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. Zhang Yonghong be re-elected as an executive director of the Company;
(B) Mr. Liu Xiaodong be re-elected as an executive director of the Company;
(C) Mr. Xing Jingfeng be re-elected as a non-executive director of the Company;
(D) Ms. Qi Yan be re-elected as an independent non-executive director of the Company; and
(E) To authorise the board of directors of the Company to fix the remuneration of the directors of the Company.

NOTICE OF THE AGM

4. (A) “**THAT:**

- (i) subject to paragraph (iii) of this resolution below, the exercise by the directors of the Company (the “**Directors**”) 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;
- (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 or securities convertible into 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 paragraphs (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 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 as at the date 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 securities for cash consideration at a price lower than the Benchmarked Price (as defined below) (unless otherwise allowed under the rules and requirements of, or by, The Stock Exchange of Hong Kong Limited); 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 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

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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).”

(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 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 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 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

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(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.”

(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 the 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 the 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 and Chief Executive Officer

Beijing, PRC, 22 April 2024

Notes:

1. A proxy form for use at the Meeting is published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.hcgroup.com). 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/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her 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/her 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 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 not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case maybe).
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.

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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, will 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. In such event, the instrument appointing a proxy shall be deemed to be revoked.
7. An explanatory statement containing the information required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited regarding ordinary resolution number 4(B) is set out in Appendix I to the circular of the Company published on the same date. Biographies of directors of the Company proposed for re-election at the Meeting are set out in Appendix II to such circular.
8. For determining the entitlement to attend and vote at the Meeting, the transfer book and Register of Members of the Company will be closed from 28 May 2024 (Tuesday) to 31 May 2024 (Friday) (being the record date) (both days inclusive), during which period no share transfers will be registered. In order to be eligible to attend and vote at the Meeting, all transfer documents accompanied by the relevant share certificates must be lodged with 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 for registration no later than 4:30 p.m. on 27 May 2024 (Monday).
9. References to time and dates in this notice are to Hong Kong time and dates.
10. The Company may be required to change the meeting arrangements at short notice due to the public health or other considerations. Shareholders should regularly assess for themselves potential risks associated with, and whether they should attend, the physical meeting. While the Company proposes and endeavours to implement measures to safeguard the health of the attendees, no obligation or liability whatsoever will be assumed by the Company in connection with the successful implementation or otherwise of any or all of those measures.