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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: 2280)

**REFRESHMENT OF THE EXISTING LIMIT ON
THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

The notice convening the extraordinary 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, 24 May 2019, at 5:00 p.m. (the “EGM”) is set out on pages 7 to 8 of this circular.

Whether or not you intend to attend the EGM, 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 EGM 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 EGM or any adjournment thereof (as the case may be) thereof if you so wish.

25 April 2019

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DEFINITIONS

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

“Board”	the board of directors of the Company
“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
“Director(s)”	director(s) of the Company
“EGM”	an extraordinary 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, 24 May 2019, at 5:00 p.m. or any adjournment thereof
“EGM Notice”	the notice convening the EGM set out on pages 7 to 8 of this circular
“Existing Scheme Limit”	the maximum number of Shares which may be issued upon exercise of all options granted/to be granted under the Share Option Scheme, being 10% of the issued share capital of the Company as at the date of approval of the adoption of the Share Option Scheme
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participants”	any person who satisfies the eligibility requirements in the Share Option Scheme namely: (a) any full-time or part-time employee of any member of the Group; or (b) any consultant or adviser of any member of the Group; or (c) any director (including executive, non-executive or independent non-executive directors) of any member of the Group, to be determined absolutely by the Board

DEFINITIONS

“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
“Share(s)”	share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Share Option(s)”	share option(s) granted under the Share Option Scheme
“Share Option Scheme(s)”	the share option scheme adopted by the Company on 22 May 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Terminated Share Option Scheme”	the share option scheme adopted by the Company by way of shareholders’ resolution on 30 November 2003 and terminated on 10 October 2014
“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: 2280)

Executive Directors:

Liu Jun (Chairman)

Zhang Yonghong (Chief Executive Officer)

Liu Xiaodong (President)

Non-executive Directors:

Guo Fansheng

Li Jianguang

Wong Chi Keung

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:*

7th Floor

Tower A1

Junhao Central Park Plaza

No. 10 Chaoyang Park South Road

Chaoyang District

Beijing 100026

The People's Republic of China

25 April 2019

To the Shareholders

Dear Sir or Madam,

**REFRESHMENT OF THE EXISTING LIMIT ON
THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed refreshment of the Existing Scheme Limit on the grant of options under the Share Option Scheme and to give you the notice of the EGM.

LETTER FROM THE BOARD

REFRESHMENT OF THE EXISTING SCHEME LIMIT ON THE GRANT OF OPTIONS UNDER THE SHARE OPTION SCHEME

Pursuant to the passing of resolution by the then Shareholders in the extraordinary general meeting of the Company on 22 May 2015, the Share Option Scheme was adopted. The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants and advisers of the Group and to promote the success of the business of the Group.

Pursuant to Chapter 17 of the Listing Rules, the total number of securities which may be issued upon exercise of all options to be granted under a share option scheme and any other schemes of a listed issuer must not in aggregate exceed 10% of the relevant class of securities of the listed issuer (or the subsidiary) in issue as at the date of approval of the share option scheme. Options lapsed in accordance with the share option scheme will not be counted for the purpose of calculating the 10% limit. The listed issuer may seek approval by its shareholders in general meeting for “refreshing” the 10% limit under the share option scheme. However, the total number of securities which may be issued upon exercise of all options to be granted under all of the schemes of the listed issuer (or the subsidiary) under the limit as “refreshed” must not exceed 10% of the relevant class of securities in issue as at the date of approval of the refreshed limit. Options previously granted under the schemes (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) will not be counted for the purpose of calculating the limit as “refreshed”. The Listing Rules also provide that the limit on the number of securities which may be issued upon exercise of all outstanding options granted and yet to be exercised under the share option scheme and any other schemes must not exceed 30% of the relevant class of securities of the listed issuer (or the subsidiary) in issue from time to time.

The Existing Scheme Limit is 66,774,661 Shares, representing 10% of the Shares in issue as at 22 May 2015, the date on which resolution for approving the refreshment of the Existing Scheme Limit under the Share Option Scheme of the Company was passed at the extraordinary general meeting of the Company and approximately 5.96% of the Shares in issue as at the Latest Practicable Date.

Up to the Latest Practicable Date, the total number of options carrying right to subscribe for 65,930,000 Shares have been granted pursuant to the authority given under the resolution for approving the adoption of the Share Option Scheme, and save that 4,500,000 options had been lapsed in accordance with the terms of the Share Option Scheme, no such options have lapsed, exercised or cancelled.

As such, as at the Latest Practicable Date, 61,430,000 options granted under the Share Option Scheme and the Existing Scheme Limit remained outstanding. Unless the Existing Scheme Limit was “refreshed”, only 844,661 (representing approximately 0.08% of the Existing Scheme Limit) Shares might be issued pursuant to the grant of further options under the Share Option Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, there were 6,068,000 options granted but not yet exercised under the Terminated Share Option Scheme. Such outstanding options under the Terminated Share Option Scheme shall continue to be valid and exercisable in accordance with the Terminated Share Option Scheme.

The Directors consider that the Company should refresh the Existing Scheme Limit so that the Company could have more flexibility to provide incentives to the Participants by way of granting share options to them. If the refreshment of the Existing Scheme Limit is approved at the EGM, based on the 1,120,852,210 Shares in issue as at the Latest Practicable Date and assuming that the issued share capital of the Company remains unchanged on the date of the EGM, the Company will be allowed under the “refreshed limit” to grant options carrying the rights to subscribe for up to a total of 112,085,221 Shares, representing 10% of the issued share capital of the Company as at the EGM.

Apart from the Share Option Scheme, the Company has no other share option scheme currently in force. Apart from the 6,068,000 options granted under the Terminated Share Option Scheme and the 61,430,000 options granted under the Share Option Scheme, the Company has no outstanding options to subscribe for Shares.

None of the grantees has been granted with options which exceed the limit of 1% of the issued share capital of the Company in the 12 months period up to and including the respective dates of grant as set out in note to rule 17.03(4) of the Listing Rules and the Company is in compliance with rule 17.03(4) of the Listing Rules in this regard.

As at the Latest Practicable Date, the total number of Shares which may fall to be issued upon the exercise of all outstanding options under the Terminated Share Option Scheme and the Share Option Scheme is 67,498,000, representing approximately 6.02 % of the Shares in issue as at Latest Practicable Date. If the refreshment of the Existing Scheme Limit is approved at the EGM, the existing outstanding options of the Company and the options to be granted under the “refreshed limit” will not exceed 30% of the issued share capital of the Company.

The Directors consider that the refreshment of the Existing Scheme Limit is in the interests of the Group and the Shareholders as a whole because it enables the Company to reward and motivate its employees and other Participants under the Share Option Scheme.

The refreshment of the Existing Scheme Limit is conditional upon:

- (i) the passing of an ordinary resolution at the EGM to approve the said refreshment; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Share Option Scheme up to 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the EGM.

LETTER FROM THE BOARD

Application will be made to the Listing Committee of the Stock Exchange for granting the listing of, and permission to deal in any new Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the options that may be granted under the refreshed limit of the Share Option Scheme up to 10% of the issued share capital of the Company as at the date of passing of the relevant ordinary resolution at the EGM.

EXTRAORDINARY GENERAL MEETING

The notice convening the EGM 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, 24 May 2019, 5:00 p.m. is set out on pages 7 to 8 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 EGM, 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 EGM 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 EGM or any adjournment thereof (as the case may be) if you so wish.

STATEMENT OF RESPONSIBILITY

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the proposed refreshment of the Existing Scheme Limit is 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 EGM Notice at the EGM.

Yours faithfully,
By order of the Board
Liu Jun
Chairman



HC GROUP INC.

慧聪集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 2280)

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**Meeting**”) 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, 24 May 2019, 5:00 p.m. for the following purposes:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, such number of shares of the Company which may fall to be allotted and issued pursuant to the exercise of the options which may be granted under the share option scheme adopted by the Company on 22 May 2015 (the “**Share Option Scheme**”), representing 10% of the issued share capital of the Company as at the date on which this resolution is passed, pursuant to clause 10.01(c) of the Share Option Scheme:

- (a) approval be and is hereby granted for refreshing the 10% mandate under the Share Option Scheme (the “**Refreshed Scheme Mandate**”) provided that the total number of shares of the Company which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (or its subsidiaries) under the limit as refreshed hereby shall not exceed 10% of the total number of issued shares of the Company as at the date on which this resolution is passed (options previously granted under the Share Option Scheme and any other share option schemes of the Company (or its subsidiaries) (including options outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company (or its subsidiaries)) shall not be counted for the purpose of calculating the Refreshed Scheme Mandate); and
- (b) the directors of the Company (the “**Directors**”) or a duly authorised committee thereof be and they are hereby authorised: (i) at their absolute discretion, to grant options to subscribe for shares of the Company within the Refreshed Scheme Mandate in accordance with the

NOTICE OF THE EGM

rules of the Share Option Scheme, and (ii) to allot, issue and deal with shares of the Company pursuant to the exercise of options granted under the Share Option Scheme within the Refreshed Scheme Mandate.”

By Order of the board of the Directors

HC GROUP INC.

Liu Jun

Chairman

Beijing, PRC, 25 April 2019

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.
7. The transfer books and Register of Members of the Company will be closed from 21 May 2019 to 24 May 2019, 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 20 May 2019.
8. A form of proxy for use at the Meeting is enclosed.