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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: 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, 21 May 2021, at 4:00 p.m. (the “AGM”) is set out on pages 17 to 22 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.

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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 2020 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 21 May 2021 at 4:00 p.m. or any adjournment thereof
“AGM Notice”	the notice convening the AGM set out on pages 17 to 22 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”	13 April 2021, 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

20 April 2021

*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 19 June 2020. 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 19 June 2020. 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. Zhang Yonghong, Mr. Liu Xiaodong and Ms. Qi Yan, will retire from office as Directors by rotation and being eligible to offer himself for re-election at the AGM.

In accordance with Article 86 of the Articles of Association, Mr. Lin Dewei, will be subject to, and 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 according to Rule 3.13 of the Listing Rules. Furthermore, the Board, with the assistance and recommendation from the Nomination Committee, has reviewed 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 particulars of the above-mentioned Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

### 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 21 May 2021 at 4:00 p.m. is set out on pages 17 to 22 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.

## 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 of the Company. 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 2020 (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:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2020</b>		
April	1.44	1.18
May	1.80	1.20
June	1.45	1.13
July	1.50	1.15
August	1.21	1.01
September	1.59	1.07
October	1.23	0.97
November	1.08	0.94
December	1.27	1.03
<b>2021</b>		
January	1.30	0.99
February	2.02	1.00
March	1.34	0.98
April (up to the Latest Practicable Date)	1.06	1.02

## 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. 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 If the Repurchase	
				As at the Latest Practicable Date	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 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)	Beneficial Owner and Interest in controlled corporation	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%
Zhu Lemin	Ordinary	104,562,000 (long position) (note 4)	Interest in controlled corporation	7.98%	8.87%
Liu Jun	Ordinary	79,850,700 (long position) (note 5)	Beneficial Owner	6.10%	6.77%

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)
Liu Xiaodong	Ordinary	67,976,279 (long position) (note 6)	Beneficial Owner and Interest in controlled corporation	5.19%	5.77%

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 and 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) 29,630,700 underlying Shares derived from the Options held by Mr. Liu Jun.
6. Such interests in the Company comprise: (i) 3,702,485 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 (ii) 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. ZHANG Yonghong (張永紅) (“Mr. Zhang”), an executive director**

*Qualification and Experience*

Aged 53, is an executive Director and the chief executive officer of the Company. Mr. Zhang was appointed as an executive Director with effect from 4 January 2019.

Mr. Zhang served as the deputy general manager at the business department of Lenovo Group Limited (聯想集團有限公司) (Stock code: 992), a company listed on the main board of The Stock Exchange of Hong Kong Limited, 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 had 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 had been the 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) (Stock code: 000938), a company listed on the Shenzhen Stock Exchange, from April 2016 to June 2017.

From November 2017 to August 2018, Mr. Zhang was also the director and a chairman of the board of directors of 500.com Limited (500彩票網), a company listed on the New York Stock Exchange (stock code: WBAI). Mr. Zhang has been the chairman of the board of directors and general manager of Beijing Panpass Information Technology Co., Ltd\* (北京兆信信息技術股份有限公司, a subsidiary of the Company, of which its shares are quoted on the National Equities Exchange and Quotations System (the New Third Board\*), stock code: 430073, “PanPass Information”), since September and December 2018, respectively.

Mr. Zhang graduated and 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.

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 appointed as an executive Director on 4 January 2019. Mr. Zhang has entered into a service contract for a term of three years commencing on 4 January 2019, which may be terminated by either the Company or Mr. Zhang by giving three months’ written notice or otherwise in accordance with the terms of the director’s service contract entered into between Mr. Zhang and the Company.

Pursuant to Article 87 of the Articles of Association of the Company, Mr. Zhang 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. Zhang 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. Zhang is interested in 13,933,500 Shares, comprising (i) 100,000 Shares; (ii) 4,000,000 underlying Shares derived from the awarded shares granted to Mr. Zhang under the employees' share awarded scheme adopted on 17 November 2011 and (ii) 9,833,500 underlying Shares derived from the Options held by Mr. Zhang. Save as disclosed above, Mr. Zhang does not have any other 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 RMB1,000,000 per annum which is determined with reference to his duties, responsibility and experience, and to prevailing market conditions. In addition, as an executive Director, Mr. Zhang is also entitled to discretionary year-end 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. The amount of discretionary bonus payable to Mr. Zhang is subject to the absolute discretion of the Board. Mr. Zhang is also entitled to share options of the Company, cash rewards, share awards and benefits in kind under other award schemes as adopted by the Company from time to time. The emoluments of the Directors are determined based on the operating results of the Group, individual performance and/or 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 information which is required to be disclosed under Rules 13.51(2) of the Listing Rules.

**Mr. LIU Xiaodong (劉小東) ("Mr. Liu"), an executive director**

*Qualification and Experience*

Aged 48, 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 has also been a director of several subsidiaries of the Group. In July 2015, the Group has completed the full acquisition of zol.com.cn. Mr. Liu joined

zol.com.cn in 2000 and served as a general manager of zol.com.cn in 2004. Mr. Liu also served as the vice president of CNET (China) in 2008. He served as a vice president of CBSI (China), a general manager of technology cluster and the consumer cluster of CBSI (China) from 2008 to 2014. Since 2015, he served as a chief executive officer of zol.com.cn. Mr. Liu has over 20 years of experience in media operation and management in the TMT field. Mr. Liu graduated and 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 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. Liu was appointed as an executive Director on 1 June 2018. Mr. Liu has entered into a service contract for a term of three years commencing on 1 June 2018, which may be terminated by either the Company or Mr. Liu by giving three months' written notice or otherwise in accordance with the terms of the director's service contract entered into between Mr. Liu and the Company. Pursuant to Article 87 of the Articles of Association of the Company. Mr. Liu 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. Liu 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. Liu is interested in 67,976,279 Shares, comprising (i) 3,702,485 underlying Shares from the Options held by Mr. Liu; (ii) 2,000,000 underlying Shares derived from the awarded shares granted to Mr. Liu 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). Save as disclosed above, Mr. Liu does not have any other 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. Liu, he is entitled to receive a remuneration of RMB600,000 per annum which is determined with reference to his duties, responsibility and experience, and to prevailing market conditions. In addition, as an executive Director, Mr. Liu is also entitled to discretionary year-end 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. The amount of discretionary bonus payable to Mr. Liu is subject to the absolute discretion of the Board. Mr. Liu is also entitled to share options of the Company, cash rewards, share awards and benefits in kind under other award schemes as adopted by the Company from time to time. The emoluments of the Directors are determined based on the operating results of the Group, individual performance and/or prevailing market conditions.

Save as disclosed above, Mr. Liu 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 information which is required to be disclosed under Rules 13.51(2) of the Listing Rules

**Ms. Qi Yan (祁燕) ("Ms. Qi"), an independent non-executive director**

***Qualification and Experience***

Aged 71, is an independent non-executive director and a member of the audit committee and the remuneration committee of the Company. Ms. Qi was appointed as an independent non-executive Director on 30 November 2017.

Ms. Qi is currently the senior consultant (senior vice president grade) of Xiaomi Corporation, a company listed on Main Board of the Stock Exchange (Stock Code:1810). She served in 愛國者數碼科技有限公司 (Aigo Digital Technology Co., Ltd\*) 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 愛國者電子科技有限公司 (Aigo Electronics Technology Co. Ltd\*) 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 中國社會科學院 (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 is currently a representative of the 16th National People's Congress of Haidian District, Beijing City.

Ms. Qi 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***

Ms. Qi was appointed as an independent non-executive Director on 30 November 2017. Ms. Qi has entered into a service contract with the Company for an initial term of one year commencing from 30 November 2017, which may be terminated by either party giving one month's prior written notice. Ms. Qi will be subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the requirements of the Articles of Association of the Company.



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

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

*Interests in Shares*

Ms. Qi does not have any other 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 Ms. Qi, she is entitled to receive a remuneration of RMB220,000 per annum which is determined with reference to his duties, responsibility and experience, and to prevailing market conditions.

Save as disclosed above, Ms. Qi 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 information which is required to be disclosed under Rules 13.51(2) of the Listing Rules.

**Mr. Lin Dewei (林德緯) (“Mr. Lin”), a non-executive Director**

*Qualification and Experience*

Aged 60, is a non-executive Director. Mr. Lin was appointed as a non-executive Director with effect from 1 July 2020.

Mr. Lin has approximately 25 years of experience in the legal field and worked as a part-time lawyer at various law firms in the People’s Republic of China (the “PRC”) between 1995 and 2001. In 2001, Mr. Lin practiced as a lawyer at Guangdong Everwin Law Office and became a partner of the firm in 2004. Since 2013, Mr. Lin has been practicing as a lawyer at Guangdong Yogo Law Firm. Mr. Lin was appointed as a non-executive director of China Lesso Group Holdings Limited (a company listed on Stock Exchange, stock code:02128) on 27 February 2010, and was redesignated as an executive director of that company on 11 July 2018.

Mr. Lin obtained a bachelor’s degree in science from South China University of Technology (formerly known as South China Institute of Technology) in July 1982 and received a certificate of lawyer qualification in the PRC in January 1990.

Save as disclosed above, Mr. Lin 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. Lin did not enter into any service contract with the Company. The Board agreed that the initial term of Mr. Lin's appointment as the non-executive Director was one year commencing from 1 July 2020, subject to rotation and re-election at the general meetings of the Company pursuant to the articles of association of the Company.

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

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

*Interests in Shares*

As at the Latest Practicable Date, Mr. Lin is not interested nor deemed to be interested in any shares, underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

*Amount of Emoluments*

Mr. Lin is not entitled to any remuneration, benefits or bonus from the Company for holding his office as a non-executive Director.

Save as disclosed above, Mr. Lin 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 information which is required to be disclosed under Rules 13.51(2) of the Listing Rules.

## NOTICE OF THE AGM



**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 International, 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, 21 May 2021, 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 2020.
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. Lin Dewei 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 (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

## NOTICE OF THE AGM

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 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 Repurchases 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, 20 April 2021

*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 as set out in this notice is enclosed.
8. The transfer books and Register of Members of the Company will be closed from 18 May 2021 to 21 May 2021, 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 17 May 2021.
9. Details of Mr. Zhang Yonghong, Mr. Liu Xiaodong, Mr. Lin Dewei and Ms. Qi Yan, 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.