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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)**

## **PROFIT WARNING**

This announcement is made by HC Group Inc. (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on a preliminary assessment of the unaudited consolidated management accounts of the Group and information currently available, it is expected that the Company will record a loss attributable to equity holders of the Company in a range from approximately RMB700,000,000 to RMB800,000,000 for the year ended 31 December 2020 while a loss attributable to equity holders of the Company of approximately RMB376,490,000 was recorded for the corresponding period in 2019.

Based on information currently available, the Board is of the view that the loss attributable to equity holders of the Company is mainly due to, among other things: (i) the Company proposed to recognise impairment for the goodwill and intangible assets of the business units that could not attain the expected results, (ii) the share of loss of associates increased, (iii) due to change of business plan, the Group decided to discontinue operating certain loss making business which resulted in certain one off disposal losses and (iv) in light of the adverse impact of the COVID-19 and the economic environment, the Company proposed to make further provision for impairment for the financial assets. In response to the challenges caused by COVID-19 and other difficulties, the Group has implemented contingency measures to promote continuous development of the Group.

As the Company is still in the process of preparing the financial results for the year ended 31 December 2020, the information contained in this announcement is only based on a preliminary assessment of the unaudited management accounts of the Group and information currently available. It is not based on any data or information being audited or reviewed by the auditors or audit committee of the Company.

Further information and other details of the Group's financial results for the year ended 31 December 2020 will be disclosed in the forthcoming annual results announcement of the Company, which is expected to be published in late March 2021.

**Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**HC Group Inc.**  
**Liu Jun**  
*Chairman*

Hong Kong, 5 March 2021

*As at the date of this announcement, the Board comprises:*

Mr. Liu Jun (*Executive Director and Chairman*)  
Mr. Zhang Yonghong (*Executive Director and Chief Executive Officer*)  
Mr. Liu Xiaodong (*Executive Director and President*)  
Mr. Guo Fansheng (*Non-executive Director*)  
Mr. Sun Yang (*Non-executive Director*)  
Mr. Lin Dewei (*Non-executive Director*)  
Mr. Zhang Ke (*Independent non-executive Director*)  
Mr. Zhang Tim Tianwei (*Independent non-executive Director*)  
Ms. Qi Yan (*Independent non-executive Director*)