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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)

VOLUNTARY ANNOUNCEMENT

COOPERATION WITH CHINA UNICOM (SHANGHAI BRANCH) AND DEPARTMENT OF INDUSTRIAL ENGINEERING OF TSINGHUA UNIVERSITY

This announcement is made by HC Group Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

In order to build the data application capability and expand the data resources of the Group, Tianjin Huijiayuantian Advertisement Media Company Limited* (天津慧嘉元天廣告傳媒有限公司) (“**Huijia**”), a wholly-owned subsidiary of the Group, had entered into a cooperation agreement with the Department of Industrial Engineering of Tsinghua University (“**Tsinghua IE Department**”) and China United Network Communications Group Co., Ltd. (Shanghai Branch)* (中國聯合網絡通信有限公司上海市分公司) (“**Shanghai Unicom**”), respectively.

SHANGHAI UNICOM

Recently, the Group had entered into a cooperation agreement of big data business with Shanghai Unicom (the “**Unicom Cooperation Agreement**”) in relation to the cooperation in areas including big data applications of China Unicom, user label research and credit investigation, etc. in accordance with the state laws and regulations, and the relevant rules stipulated by authorities regulating the telecommunication industry. Pursuant to the Unicom Cooperation Agreement, Shanghai Unicom agreed to open up the telephone agent and SMS platform functions, and work out a reasonable plan after data screening to commence the Huijia marketing plan, specifically involving the acquisition of customers for auto products, financial products and real estate products, and other kinds of customer agreed by the parties.

* *For identification purposes only*

Shanghai Unicom is a major branch of China United Network Communications Group Co., Ltd. in Shanghai and it has all-round business operation capabilities, including mobile and fixed communications services. Shanghai Unicom is fully committed to the tasks of development planning, engineering construction, business operation, customer service, and network operation and maintenance for China Unicom's telecommunication network in Shanghai.

TSINGHUA UNIVERSITY

In December 2017, the Group signed a cooperation agreement (the “**Tsinghua Cooperation Agreement**”) with the Tsinghua IE Department on the basis of the operator's big data research project, pursuant to which, the Tsinghua IE Department served as a close cooperative partner of the Group in the field of big data business and user mining and algorithm research for brand customers. As for the cooperation with Shanghai Unicom, Huijia will coordinate with the Tsinghua IE Department to establish a data model by conducting in-depth analysis and research on the big data of China Unicom, establish user portraits and perform three-dimensional data display on characters by analyzing their behaviours through data models. It will gradually formulate a description of “net behaviours and habits” for industry users and become the basis of data marketing by focusing on big data application and research, user behaviour maps, machine learning, and user mining through an integrated application mode of production, learning, and research. By helping the brand customers of the Group to carry out marketing strategy formulation, strategic building, promotion planning guidance, and accurate users touch and digging sales clues, it will continuously enhance the brand marketing effectiveness for the customers.

The industrial engineering discipline of Tsinghua University has been developed since 1990s. Since its establishment, the Department of Industrial Engineering has been adhering to the guiding principle of high starting point, high standard, open education policy, educational model innovation, and academic excellence pursuit and has achieved fruitful results in terms of talent cultivation, academic research and social services, enjoying good reputation both at home and abroad. The Department of Industrial Engineering makes use of know-how from engineering, management, and social sciences to capitalize on the advantages of cross-disciplines and explore innovative solutions. It aims to cultivate high-quality talents bearing missions, pursuing excellence and mastering both engineering technology and management science knowledge, and solves systematic problems in relation to efficiency, quality, cost and security.

Unicom Cooperation Agreement and the Tsinghua Cooperation Agreement were entered into in the ordinary and usual course of business of the Group, which did not constitute a discloseable or connected transaction under Chapter 14 or Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Company will make further announcements in accordance with the Listing Rules as and when necessary or appropriate.

REASONS FOR AND BENEFITS OF THE COOPERATION

The Group completed the acquisition of the entire equity interests in Huijia in February 2017. As an important operating entity of the Group's data services segment and a leading cross-sector integrated marketing platform, Huijia provides customized and precise integrated marketing services for its customers by capitalizing the online advertising and market data analysis, while creating a data service system to tap into new areas of big data marketing and new media marketing, in order to continuously facilitate the integration of technology with business community, provide technical and social solutions for branded customers, put big data in actual use, and customize a large number of technical products for customers through mobile terminal.

Shanghai Unicom is an important cooperative partner of the Group in the field of big data. As a platform-based communication enterprise that integrates data sources, technologies, platforms, and networks, Shanghai Unicom possesses superior network and data resource capabilities. The research of big data application conducted by the Department of Industrial Engineering of Tsinghua University is conducive to the Group's construction of the data model. Building the data application capabilities and expanding data cooperation resources of Huijia are important measures of the Group's data service segment. Leveraging on the cooperation among Huijia, Shanghai Unicom and Tsinghua University in big data resources and data applications, the Group will be able to further expand in the field of data marketing, which lays the foundation for the expansion of the Group's precise data marketing business.

By Order of the Board
HC GROUP INC.
Liu Jun

Chairman and Chief Executive Officer

Beijing, the People's Republic of China, 29 June 2018

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

Mr. Liu Jun (*Executive Director, Chairman and Chief Executive Officer*)

Mr. Lee Wee Ong (*Executive Director and Chief Financial Officer*)

Mr. Liu Xiaodong (*Executive Director and President*)

Mr. Guo Fansheng (*Non-executive Director*)

Mr. Li Jianguang (*Non-executive Director*)

Mr. Wong Chi Keung (*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*)