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HC GROUP INC.

慧聪集團有限公司

(formerly known as HC International, Inc.)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 02280)

GRANT OF OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of HC Group Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on 19 July 2018 (the “**Date of Grant**”), an aggregate of 36,000,000 share options (the “**Options**”) to subscribe for the ordinary shares of HK\$0.10 each in the share capital of the Company (the “**Share(s)**”) were granted to a total of 21 persons (the “**Grantees**”), who are the core management staff and officers of the Group, under the Company’s share option scheme adopted on 22 May 2015 (the “**Share Option Scheme**”), subject to the acceptance of the Grantees.

Details of the Options granted are set out below:

Date of Grant

19 July 2018

Number of the Options

36,000,000

Exercise price of Options granted

Each Option shall entitle the holder of the Option to subscribe for one Share upon exercise of such Option at an exercise price of HK\$4.60 per Share, which represents the highest of (1) HK\$0.10, the nominal value of a Share; (2) the closing price of HK\$4.50 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant; and (3) the average closing price of HK\$4.60 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the Date of Grant.

Validity period of the Options

10 years, from the Date of Grant up to 18 July 2028, both dates inclusive, subject to the following vesting schedules and conditions.

Vesting periods and vesting conditions of the Options

The Options granted shall be vested and exercisable subject to the following vesting periods and conditions:

	Date when the Options become exercisable	Percentage of Shares comprised in the Option which is vested and exercisable (subject to fulfillment of vesting conditions set out in the next column) <i>(Note)</i>	Condition 1	Condition 2	Condition 3
First tranche of Options	First anniversary date of the Date of Grant (the “ First Anniversary Date ”)	33.3%	The revenue of the Company for the year 2018 reaches RMB10 billion or above.	The Grantee has achieved the performance targets for the year 2018 set out by the department or business unit where he/she belongs.	The Grantee shall remain as an employee of the Group as at the First Anniversary Date
Second tranche of Options	Second anniversary date of the Date of Grant (the “ Second Anniversary Date ”)	33.3%	The revenue of the Company for the year 2019 reaches RMB20 billion or above.	The Grantee has achieved the performance targets for the year 2019 set out by the department or business unit where he/she belongs.	The Grantee shall remain as an employee of the Group as at the Second Anniversary Date
Third tranche of Options	Third anniversary date of the Date of Grant (the “ Third Anniversary Date ”)	33.4%	The revenue of the Company for the year 2020 reaches RMB30 billion or above.	The Grantee has achieved the performance targets for the year 2020 set out by the department or business unit where he/she belongs.	The Grantee shall remain as an employee of the Group as at the Third Anniversary Date

Note:

1. If a Grantee fulfills Condition 1 and Condition 3 set out above in the respective vesting period, the Grantee will be entitled to exercise 40% of the respective tranche of Options;
2. If a Grantee fulfills Condition 2 and Condition 3 set out above in the respective vesting period, the Grantee will be entitled to exercise 40% of the respective tranche of Options;
3. If a Grantee fulfills Condition 3, the Grantee will be entitled to exercise 20% of the respective tranche of Options;
4. All the Options will be automatically cancelled if the Grantee fails to fulfil Condition 3 regardless of whether Condition 1 and/or Condition 2 are achieved.

5. In addition to the above vesting conditions, if performance targets set out in Condition 1 or Condition 2 above cannot be fully achieved, the number of Options corresponding to fulfilment of Condition 1 and/or Condition 2 as referred to in notes 1 and 2 above which can be exercisable in the respective vesting period will be further adjusted in the following manner:

Percentage of performance targets achieved	Percentage of the Options becoming exercisable
100%	100%
70%-99%	Proportionate to the percentage of performance targets actually achieved
Less than 70%	Nil

Of the 36,000,000 Options, 6,200,000 Options were granted to the following Grantees:

Name	Capacity	Number of Share Options
Mr. Liu Xiaodong	Executive Director and president	4,000,000
Mr. Lee Wee Ong	Executive Director and chief financial officer	2,200,000

Save as disclosed above, none of the Options were granted to any Director, chief executive or substantial shareholder of the Company or their respective associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”)).

The grant of Options to each of the above Directors has been approved by the independent non-executive Directors in compliance with Rule 17.04(1) of the Listing Rules.

The grant of Options to any Grantee would not result in the Shares issued and to be issued upon exercise of all Options granted to such person (including exercised and outstanding) in the 12-month period up to and including the Date of Grant representing in aggregate over 1% of the Shares in issue.

By order of the Board
HC Group Inc.
Liu Jun
Chairman and Chief Executive Officer

Beijing, the People’s Republic of China, 19 July 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*)