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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: 2280)

VOLUNTARY ANNOUNCEMENT

COOPERATION WITH HANWHA COMPANY

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

On 27 July 2018, Zhongmoyun (Tianjin) Construction Science and Technology Co., Ltd.* (中模雲(天津)建築科技有限公司) (“**Zhongmo International**”), a subsidiary of the Company, entered into an exclusive distribution agreement (the “**Exclusive Agreement**”) with Hanwha Advanced Materials (Beijing) Co., Ltd.* (韓華高新材料(北京)有限公司) (“**Hanwha Company**”), pursuant to which Zhongmo International has been authorised as the exclusive distributor for the glass-fibre construction composite formwork products of Hanwha Company in Mainland China. The term of the Exclusive Agreement is 3 years from the date of its execution.

The cooperation with Hanwha Company was entered into in the ordinary and usual course of business of the Group, which did not constitute a disclosable 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

With a strategic vision to become a leading Internet group in the industry, the Group aims to empower traditional industries with the Internet and data.

Zhongmo International is one of the operating entities of the Group in respect of transaction services segment. It covers areas including intelligent attached lifting scaffolding, aluminum alloy formwork system, glass fiber formwork system, building intelligent equipment, etc. Relying on the Internet SaaS system, Internet of Things technology and industrial park,

Zhongmo International provides design, installation, maintenance and renovation, supply chain finance as well as sublease and rental business in relation to materials. It is committed to building up a leading integrated service platform and material bank in the construction framework industry. At present, Zhongmo International managed assets over RMB500 million.

Hanwha Company is a subsidiary of Hanwha Group of Korea established in China, which is principally engaged in production of plastic auto parts, packing materials, plastic products for construction, plastic decorative materials, compound materials and products with special functions, etc. Hanwha Group is recognized in the Fortune Global 500 List by Fortune magazine, and its business covers chemicals and materials, machinery and military industry, photovoltaic energy, finance, service and leisure, and construction.

The glass-fiber formwork produced by Hanwha Company can be reused for more than 100 times. In light of this feature and coupled with the conditions of the PRC's construction industry, Zhongmo International developed a set of formwork system based on the formwork of Hanwha as panel. With reinforcing and supporting systems, the reusable times of a single formwork will be greatly increased for a single project. The glass-fiber formwork has significant cost advantages over wooden formwork, whether in terms of costs of a single use of the formwork or the costs of a single project. The non-standardised portion of the formwork can be used together with wooden formwork, thereby greatly enhancing the efficiency of assembling, disassembling and reusing. As such, the market potential is huge.

Through the cooperation with Hanwha Company, it is expected that the assets managed by the material bank of Zhongmo International will be increased by RMB300 million to RMB500 million in the next three years. Based on the concept of "replacing wood with plastic" towards green efficiency initiatives, it is conducive to the promotion of integrated service structure of Zhongmo International's material bank. By using the Internet and data to accelerate the transformation and upgrading of the construction formwork industry, the Group will also be benefitted.

By order of the Board

HC Group Inc.

Liu Jun

Chairman and Chief Executive Officer

Beijing, the People's Republic of China, 27 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*)