HC GROUP INC.
慧聰集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 02280)

VOLUNTARY ANNOUNCEMENT EARLY FINAL REDEMPTION OF GUARANTEED AND SECURED NOTES AND CONVERTIBLE BONDS

Reference is made to the announcements of HC Group Inc. (the "**Company**") dated 16 November 2018, 04 December 2018, and 31 August 2020 (the "**Announcements**") in relation to, inter alia, the issue and early partial redemption of HK$350,000,000 2.85% plus HIBOR guaranteed and secured notes and the issue of HK$100,000,000 2.85% plus HIBOR guaranteed and secured convertible bonds. Unless otherwise stated, capitalized terms used herein shall have the same meanings as defined in the Announcements.

The Company announces that as of the date of this announcement, the Company has already effected an early final redemption of all of the outstanding Notes at the principal amount of HK$100,000,000 and all of the outstanding Convertible Bonds at the principal amount of HK$100,000,000 (the "**Early Final Redemption**"). The fund for the Early Final Redemption was satisfied by the existing internal resources of the Group.

After the Early Final Redemption, no Notes or Convertible Bonds remain outstanding. The Directors consider that the Early Final Redemption reduces the Group's debt and interest expenses and improves gearing ratio, thereby improving the corporate capital structure. Therefore, the Directors are of the view that the Early Final Redemption is in the interests of the Group and the Shareholders as a whole. The Directors are also of the view that the Early Final Redemption does not result in any material adverse impact on the operation and financial position of the Group.

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

Hong Kong, 23 October 2020

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)*