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20 years, young HC!

HC INTERNATIONAL, INC.

慧聪网有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8292)

**APPOINTMENT OF EXECUTIVE DIRECTOR
GRANT OF AWARDED SHARES
AND
CONNECTED TRANSACTION – PROVISION OF LOAN UNDER
EMPLOYEES’ SHARE SCHEME**

APPOINTMENT OF EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. Yang Ning (楊寧) has been appointed as an executive Director of the Company with effect from 17 January 2014.

GRANT OF AWARDED SHARES TO MR. YANG

On 17 January 2014, the Board resolved to grant to Mr. Yang 3,000,000 Awarded Shares under the Employees’ Share Award Scheme.

**CONNECTED TRANSACTION – PROVISION OF LOAN TO MR. YANG UNDER
EMPLOYEES’ SHARE SCHEME**

On 21 December 2012, Loan in the amount of HK\$2,464,384 (being Hong Kong dollars equivalent of RMB2,000,000) was granted by the Company to Mr. Yang, as a selected employee, pursuant to the Employees’ Share Scheme, and the Loan Agreement was entered into between the Company (as lender) and Mr. Yang (as Borrower). The Loan, together with Mr. Yang’s Self Funded Amount of HK\$1,232,192, was applied to purchase 1,289,939 Purchase Shares under the Employees’ Share Scheme.

* For identification purposes only

Upon Mr. Yang becoming an executive Director, Mr. Yang has become a connected person (as defined in the GEM Listing Rules) of the Company. The Loan constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As certain of the percentage ratios in respect of the Loan was higher than 0.1% but below 5%, the Loan is subject to reporting and announcement requirements, but exempted from independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

The board (the “**Board**”) of directors (the “**Directors**”) of HC International, Inc. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that Mr. Yang Ning has been appointed as an executive Director with effect from 17 January 2014.

Mr. Yang Ning (楊寧), aged 35, graduated from Hangzhou Institute of Electronics and Engineering (杭州電子工業學院) (now known as Hangzhou Dianzi University (杭州電子科技大學)) and obtained a bachelor of engineering degree in 1999. He obtained a Master of Business Administration from the China-Europe International Business School (中歐國際工商學院) in 2012. Mr. Yang has over 14 years of operational and management experience in the field of business-to-business e-commerce industry. He worked in Alibaba Group from October 1999 to June 2005 and worked in SGS (Societe Generale de Surveillance) of Switzerland from July 2005 to October 2006. Mr. Yang joined the Group in 2006, and is now a president of the Group and a general manager of an e-commerce subsidiary of the Group.

Mr. Yang did not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three year. Save as disclosed above, as at the date of this announcement, Mr. Yang does not hold any position in the Company or any of its subsidiaries, and does not have any relationship with any Director, senior management, substantial or controlling shareholder of the Company.

As at the date of this announcement, Mr. Yang is beneficially interested in 7,131,939 shares of the Company, representing approximately 1.08% of the entire issued share capital of the Company, in addition to the 3,000,000 Awarded Shares granted to him as further detailed in the section headed “Grant of Awarded Shares to Mr. Yang” below. Save as disclosed in this announcement, Mr. Yang does not have any interests or short positions in any share, underlying share or debenture of the Company or any of its associate corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as at the date of this announcement.

Mr. Yang has entered into a service contract with the Company for an initial term of three year commencing from 17 January 2014, and shall automatically be renewed thereafter until terminated by at least three month's written notice served by either party. Mr. Yang shall retire and be eligible for re-election at the forthcoming annual general meeting of the Company in accordance with the articles of association of the Company. He will receive remuneration of RMB820,000 per annum, which is determined with reference to his duties, responsibility and experience, and to prevailing market conditions. Mr. Yang will also be entitled to discretionary bonus to be determined by the Board based on his performance.

Save as disclosed above, there is no other information to be disclosed pursuant to paragraphs (h) to (v) of Rule 17.50(2) of the Rules Governing the Listing of Securities of the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) nor are there other matters that need to be brought to the attention of the shareholders of the Company relating to Mr. Yang’s appointment.

The Board would like to take this opportunity to welcome Mr. Yang in joining the Board.

GRANT OF AWARDED SHARES TO MR. YANG

On 17 January 2014, the Board resolved to grant to Mr. Yang 3,000,000 ordinary shares (“**Shares**”) of the Company (“**Awarded Shares**”) under the Employees’ Share Award Scheme adopted on 17 November 2011 (the “**Employees’ Share Award Scheme**”, details of which are set out in the announcement of the Company dated 17 November 2011). Such Awarded Shares are subject to vesting periods. 300,000, 1,000,000, 1,000,000 and 700,000 Awarded Shares will be vested to Mr. Yang on 20 March 2015, 20 March 2016, 20 March 2017 and 20 March 2018, respectively, subject to continuation of service of Mr. Yang within the Group and level of satisfaction of the performance target by Mr. Yang for the corresponding year. Such grant of Awarded Shares was recommended by the Remuneration Committee of the Company, and will form part of Mr Yang’s remuneration under his service contract, and is exempted from the reporting, announcement and independent shareholders’ approval requirements under Rule 20.31(6) of the GEM Listing Rules.

CONNECTED TRANSACTION – PROVISION OF LOAN TO MR. YANG UNDER EMPLOYEES’ SHARE SCHEME

Reference is made to the announcement of the Company dated 21 December 2012 (the “**2012 Announcement**”) in relation to, among other things, adoption of employees’ share scheme (the “**Employees’ Share Scheme**”). As disclosed in the 2012 Announcement, the Company adopted the Scheme on 21 December 2012 pursuant to which the Board may at its absolute discretion grant to employees selected by the Board loan amounting to two times of monetary amount contributed by such selected employees (the “**Self Funded Amount**”) solely for the purpose of purchase of Shares. Further details of the Employees’ Share Scheme are set out in the 2012 Announcement.

Loan Arrangement with Mr. Yang

On 21 December 2012, loan in the amount of HK\$2,464,384 (being Hong Kong dollars equivalent of RMB2,000,000) (the “**Loan**”) was granted by the Company to Mr. Yang, as a selected employee, pursuant to the Employees’ Share Scheme, and a loan agreement dated 21 December 2012 (the “**Loan Agreement**”) was entered into between the Company (as lender) and Mr. Yang (as Borrower) in respect of the Loan. The Loan, together with Mr. Yang’s Self Funded Amount of HK\$1,232,192, was applied to purchase 1,289,939 Shares (the “**Purchase Shares**”) under the Employees’ Share Scheme.

Set out below are further details in relation to the terms of the Loan Agreement, which was arrived at in line with the principal terms of the Employees' Share Scheme:

Date:	21 December 2012
Parties:	Lender: the Company Borrower: Mr. Yang Ning
Principal:	HK\$2,464,384 (being Hong Kong dollars equivalents of RMB2,000,000)
Interest:	Interest at a rate of 5% per annum shall be payable annually
Purpose of the Loan:	The Loan shall be used solely for the purpose of purchase of Shares
Term:	3 years from date of advancement (i.e. 21 December 2012)
Early repayment:	The Loan may be repaid by Mr. Yang before its due date upon receiving written consent of the Company. Any part of the Loan repaid may not be borrowed again
Security for the Loan:	In accordance with the Employees' Share Scheme and pursuant to the loan agreement, the Purchase Shares are being held in escrow by agent until repayment in full of the Loan
Events of default:	The Company may by notice in writing to Mr. Yang declare the Loan, all interest thereon and all other monies payable under the Loan Agreement to become due and payable immediately upon occurrence of events of default referred to in the Loan Agreement

Information of the Group

The Group is one of the leading B2B e-commerce operators in the PRC. The Group aims to provide business information through different means to facilitate buyers and sellers in the commercial world to disseminate and/or obtain such information to assist them in locating and matching their counterparties and to make business decisions. Currently, the Group provides business information through three main types of communication channels: (i) industry portals, (ii) search engine services, and (iii) trade catalogues and yellow page directories.

Reasons for and Benefits of Provision of the Loan

The Loan was granted in December 2012 to Mr. Yang, who was then a member of the core management of the Group, pursuant to the Employees' Share Scheme and for the sole purpose of purchase of Shares. The Employees' Share Scheme is designed to allow core management of the Group to hold reasonable portion of the Shares to strike a balance of their long-term and short-term goals, thereby enhancing the Group's core management's sense of ownership.

In light of the above, the Directors (including the independent non-executive Directors but excluding Mr. Yang) consider that the terms of the Loan are fair and reasonable, and in the interest of the Company and independent shareholders of the Company as a whole.

None of the Directors (excluding Mr. Yang, whose appointment become effective after such meeting) are required or have abstained from voting at the meeting of the Board on each resolution in respect of the Loan.

GEM Listing Rules Implications

Upon Mr. Yang becoming an executive Director, Mr. Yang has become a connected person (as defined in the GEM Listing Rules) of the Company. The Loan constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As certain of the percentage ratios in respect of the Loan was higher than 0.1% but below 5%, the Loan is subject to reporting and announcement requirements, but exempted from independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

By order of the Board
HC International, Inc.

Guo Jiang

Chief Executive Officer and Executive Director

Beijing, the PRC, 17 January 2014

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

Mr. Guo Fansheng (*Executive Director and Chairman*)

Mr. Guo Jiang (*Executive Director and Chief Executive Officer*)

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

Mr. Yang Ning (*Executive Director and President*)

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

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

Mr. Zhang Ke (*Independent non-executive Director*)

Mr. Xiang Bing (*Independent non-executive Director*)

Mr. Zhang Tim Tianwei (*Independent non-executive Director*)

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the pages of “Latest Company Announcements” on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and the Company’s website at <http://www.hcgroup.com>.