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*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.*



*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)**

**DISCLOSEABLE TRANSACTION  
CORNERSTONE INVESTMENT IN COGOBUY GROUP  
AND RESUMPTION OF TRADING**

**INTRODUCTION**

The Board is pleased to announce that on 2 July 2014, the Company and Hong Kong Huicong (a wholly-owned subsidiary of the Company) entered into the Cornerstone Investment Agreement with Cogobuy Group, UBS AG, Hong Kong Branch and UBS Securities Hong Kong Limited, pursuant to which Hong Kong Huicong has agreed to subscribe for shares of Cogobuy Group up to an aggregate value of US\$20,000,000 (equivalent to approximately HK\$155,034,000).

**IMPLICATIONS UNDER THE GEM LISTING RULES**

As the relevant applicable percentage ratios (as defined under the GEM Listing Rules) for the Cornerstone Investment exceed 5% but are less than 25%, the Cornerstone Investment Agreement and the transactions contemplated thereunder constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under the GEM Listing Rules.

**RESUMPTION OF TRADING**

Trading in the Shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 3 July 2014 at the request of the Company pending publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares of the Company with effect from 9:00 a.m. on 4 July 2014.

\* For identification purposes only

## **INTRODUCTION**

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## **THE CORNERSTONE INVESTMENT AGREEMENT**

### **Date:**

2 July 2014

### **Parties:**

- (a) The Company, as guarantor of investor;
- (b) Hong Kong Huicong, as investor;
- (c) Cogobuy Group, as issuer;
- (d) UBS AG, Hong Kong Branch, as the Global Coordinator; and
- (e) UBS Securities Hong Kong Limited, as the Sole Sponsor.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiry, each of Cogobuy Group, UBS AG, Hong Kong Branch and UBS Securities Hong Kong Limited and their respective ultimate beneficial owners are third parties independent of and not connected with the Company or its connected persons (as defined under the GEM Listing Rules).

### **The Cornerstone Investment**

Subject to the terms and conditions of the Cornerstone Investment Agreement, Hong Kong Huicong has agreed to subscribe for shares of Cogobuy Group for up to an aggregate value of US\$20,000,000 (equivalent to approximately HK\$155,034,000). Hong Kong Huicong will be allocated shares of Cogobuy Group at the IPO Price and rounded down to the nearest board lot of 1,000 shares. The shares to be issued by Cogobuy Group to Hong Kong Huicong will, when issued and delivered, be fully paid, and free from all options, licences, charges, mortgages, pledges, claims, equities, encumbrances and other third party rights, and shall rank pari passu in all respects with the other shares of Cogobuy Group then in issue and to be listed on the Stock Exchange. Cogobuy Group is seeking a listing on the Main Board of the Stock Exchange by way of global offering of its shares. Please also refer to the public documents to be announced by Cogobuy Group on the Stock Exchange.

The Company anticipates that, upon completion of the global offering of Cogobuy Group, shares of Cogobuy Group to be subscribed under the Cornerstone Investment shall represent less than 3.55% of all shares of Cogobuy Group then in issue.

The investment amount was agreed between the parties after arm's length negotiations with reference to the prospect of Cogobuy Group. The investment amount will be financed by internal resources of the Group. The investment amount shall be settled by cash on the delivery date (being the date of listing of shares of Cogobuy Group, or such later time as the Global Coordinator and Cogobuy Group may notify Hong Kong Huicong).

Cogobuy Group has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, among other things, the shares to be issued to Hong Kong Huicong pursuant to the Cornerstone Investment Agreement.

The Company has provided a guarantee for the due and punctual performance and observance by Hong Kong Huicong of its obligations under the Cornerstone Investment Agreement subject to and upon the terms and conditions of the Cornerstone Investment Agreement.

### **Restriction on Disposal**

Pursuant to the Cornerstone Investment Agreement, unless it has obtained prior written consent of each of Cogobuy Group and the Global Coordinator, Hong Kong Huicong will not, at any time during the period of six months following the listing date of Cogobuy Group (the "**Lock-up Period**"): (i) dispose of any of such shares of Cogobuy Group or any interest in any company or entity (directly or indirectly) holding any of such shares of Cogobuy Group; (ii) enter into any transactions directly or indirectly with the same economic effect as any aforesaid transactions; (iii) publicly announce any intention to enter into any aforesaid transactions; or (iv) agree or contract to do any of the aforesaid transactions. After expiry of the Lock-up Period, Hong Kong Huicong shall be free to dispose of any such shares of Cogobuy Group, provided that Hong Kong Huicong shall first inform Cogobuy Group in writing and consult Cogobuy Group and the Global Coordinator prior to the disposal and it will not enter into any such transaction with a person who engages directly or indirectly in a business that competes or potentially competes with the business of Cogobuy Group or with any other entity that is a holding company, subsidiary or associate (as defined in the Rules Governing the Listing of Securities on the Stock Exchange) of such person without the prior written consent of each of Cogobuy Group and the Global Coordinator and each of Hong Kong Huicong and the Company shall use its best/reasonable endeavour to ensure that any such disposal will not create a disorderly or false market and is otherwise in compliance with the Companies Ordinance (Cap. 622) and the Securities and Futures Ordinance and all applicable laws.

### **Conditions Precedent**

The Cornerstone Investment shall be conditional upon the following conditions having been satisfied (or waived by all parties to the Cornerstone Investment Agreement):

- (1) the underwriting agreements in respect of the global offering of shares of Cogobuy Group having been entered into, become effective and having become unconditional (in accordance with their respective original terms, as subsequently varied by agreement of the parties thereto or waived, to the extent it may be waived, by the relevant parties) by no later than the time and date as specified in these underwriting or purchase agreements;
- (2) neither of the aforesaid underwriting or purchase agreements having been terminated;

- (3) the IPO Price having been agreed upon between Cogobuy Group and the Global Coordinator (for themselves and on behalf of the underwriters under the above underwriting agreements);
- (4) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, shares of Cogobuy Group in issue and to be issued pursuant to the global offering and that such approval having not been revoked prior to the commencement of dealings in shares of Cogobuy Group on the Stock Exchange;
- (5) no laws shall have been enacted or promulgated by any governmental authority which prohibit the consummation of the transactions contemplated under the global offering or the Cornerstone Investment Agreement and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of the transactions contemplated under the global offering or the Cornerstone Investment Agreement; and
- (6) the respective representations, warranties and confirmations of Hong Kong Huicong, the Company and Cogobuy Group as set out in the Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the closing date as defined in the Cornerstone Investment Agreement) accurate and true in all material respects and not misleading and that there is no material breach of the Cornerstone Investment Agreement on the part of Hong Kong Huicong and Cogobuy Group.

In the event that (i) the conditions above have not been fulfilled on or before 31 December 2014 (or such other date as may be agreed), or (ii) the global offering is not completed as contemplated under the Cornerstone Investment Agreement, the Cornerstone Investment shall cease (without prejudice to accrued rights or liabilities).

## **INFORMATION OF THE GROUP**

The Company has been listed on GEM since 17 December 2003. The Group is a domestic business-to-business (B2B) e-commerce operator in the PRC. The Group aims to provide business information 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 has three business segments, namely: (i) on-line services, (ii) trade catalogues and yellow page directories, and (iii) seminars and other services.

## **INFORMATION OF COGOBUY GROUP**

Cogobuy Group is a leading e-commerce company dedicated to serving the electronics manufacturing industry in China, it operates the largest transaction-based e-commerce platform for integrated circuit and other electronic components in China as measured by GMV in 2013. Through its e-commerce platform, including a direct sales platform, an online marketplace and a dedicated team of technical consultants and professional sales representatives, Cogobuy Group provides customers with comprehensive online and offline services across pre-sale, sale and post-sale stages.

Set out below are audited financial information of Cogobuy Group for the financial years ended 31 December 2012 and 2013, and the three months ended 31 March 2014:

	As at 31 December 2012 <i>RMB'000</i>	As at 31 December 2013 <i>RMB'000</i>	As at 31 March 2014 <i>RMB'000</i>
Total assets	611,618	1,708,036	1,768,139
Net assets	48,549	329,266	370,222
	For the year ended 31 December 2012 <i>RMB'000</i>	For the year ended 31 December 2013 <i>RMB'000</i>	For the three months ended 31 March 2014 <i>RMB'000</i>
Net profit (before taxation and extraordinary items)	38,199	107,059	53,575
Net profit (after taxation and extraordinary items)	29,619	86,565	28,989

*Note:* extraordinary items includes listing expenses and stock-based compensation expenses.

Further financial information of Cogobuy Group is contained in the Post Hearing Information Pack of Cogobuy Group published on the Stock Exchange.

## **INFORMATION OF THE GLOBAL COORDINATOR AND THE SOLE SPONSOR**

UBS AG, Hong Kong Branch is a registered institution licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance.

UBS Securities Hong Kong Limited is a corporation licensed by the Securities and Futures Commission to carry out Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the Securities and Futures Ordinance.

## **REASONS FOR AND BENEFITS OF THE CORNERSTONE INVESTMENT**

Cogobuy Group operates the transaction-based e-commerce platform for integrated circuit and other electronic components in China. The Directors believe that in addition to investment return that may be brought, the Cornerstone Investment can promote a potential synergy effect in business-to-business (B2B) of electronic components verticals between the two companies.

The Directors are of the view that the terms of the Cornerstone Investment Agreement are fair and reasonable, on normal commercial terms and are beneficial to the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

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## **DEFINITIONS**

“associate(s)”	has the meanings ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Cogobuy Group”	Cogobuy Group, a company incorporated in the Cayman Islands with limited liability and the shares of which are proposed to be listed on the Main Board of the Stock Exchange
“Company”	HC International, Inc., a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“Cornerstone Investment”	the subscription of shares of Cogobuy Group contemplated under the Cornerstone Investment Agreement
“Cornerstone Investment Agreement”	the Cornerstone Investment Agreement dated 2 July 2014 entered into amongst the Company, Hong Kong Huicong, Cogobuy Group, UBS AG, Hong Kong Branch and UBS Securities Hong Kong Limited
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Global Coordinator”	UBS AG, Hong Kong Branch, a corporation licensed to carry out Type 1, Type 4, Type 6, Type 7 and Type 9 activities under the Securities and Futures Ordinance



“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Huicong”	Hong Kong Huicong International Group Limited, a company incorporated under the laws of the British Virgin Islands with limited liability. It is a wholly-owned subsidiary of the Company
“IPO Price”	the final price per share of Cogobuy Group, exclusive of the Stock Exchange trading fee, the transaction levy imposed by the Securities and Futures Commission and the brokerage fee, at which shares are issued by Cogobuy Group under the global offering, expressed in HK\$
“PRC” or “China”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.1 each of the Company
“Shareholder(s)”	holder(s) of the Share(s) of the Company
“Sole Sponsor”	UBS Securities Hong Kong Limited, a corporation licensed to carry out Type 1, Type 6 and Type 7 activities under the Securities and Futures Ordinance
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America

*The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese or another language included in this announcement is for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.*

By order of the Board  
**HC International, Inc.**  
**Guo Jiang**  
*Chief Executive Officer and Executive Director*

Beijing, the PRC, 3 July 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 enquires, 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>.*