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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: 02280)

(Stock Code: 05839)

- (1) SUPPLEMENTAL AGREEMENT IN RELATION TO VERY SUBSTANTIAL DISPOSAL, MAJOR TRANSACTION AND CONNECTED TRANSACTION: PROPOSED DISPOSAL OF THE ENTIRE EQUITY INTEREST IN BEIJING ZHIXING RUIJING FOR CERTAIN SHARES IN SHANGHAI GANGLIAN AND CASH;**
- (2) PROPOSED CONTINUING CONNECTED TRANSACTIONS IN RELATION TO STRUCTURED CONTRACTS;**
- (3) DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION: PROPOSED DISPOSAL OF XIZANG RUIJING; AND**
- (4) CONNECTED TRANSACTION: PROPOSED OFF-MARKET SHARE BUY-BACKS**

Reference is made to the announcement of HC International, Inc. (the “**Company**”) dated 6 May 2016 (the “**Announcement**”) in relation to, among other things, (i) a very substantial disposal, major transaction and connected transaction; (ii) proposed continuing connected transactions; (iii) a discloseable transaction and connected transaction; and (iv) a connected transaction in relation to application of the buy-backs of the shares of the Company. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement, unless the context herein otherwise requires.

SUPPLEMENTAL AGREEMENT TO THE FRAMEWORK AGREEMENT

A. Total Consideration

As set out in the Announcement, the Asset Valuation Report is one of the references for the determination of the Total Consideration. As the Asset Valuation Report would not be available before the EGM and in order to give more information to the Shareholders on the range of the Total Consideration, on 30 May 2016 (after trading hours), the Purchaser, the Company, Beijing Huicong Construction and Xizang Ruijing entered into a supplemental agreement to the Framework Agreement (the “**Supplemental Agreement**”) to set a lower limit of the Total Consideration to be not less than

RMB2,000,000,000 (equivalent to approximately HK\$2,380,952,000) (the “**Lower Limit**”). Accordingly, under the Framework Agreement (as supplemented by the Supplemental Agreement), the Total Consideration for the Disposal shall not be more than RMB2,080,000,000 and shall not be less than RMB2,000,000,000.

The Lower Limit was determined after arm’s length negotiations between the Vendors and the Purchaser with reference to the initial valuation of the Target Assets. As set out in the Framework Agreement, the estimated value of the Target Assets was RMB2,083,000,000 as at 29 February 2016.

B. Purchaser Fund Raising

Pursuant to the Framework Agreement, it was agreed that the Purchaser Fund Raising shall not be a condition precedent of the Disposal and the Acquisition. If the Purchaser Fund Raising is not approved by the CSRC or cannot be wholly or partially implemented, it does not affect the implementation of the Disposal and the Acquisition. As set out in the Announcement, based on the initial estimated amount of the Total Consideration, the number of Consideration Shares will be 38,191,285 such Consideration Shares will represent (i) approximately 19.67% of the issued share capital of the Purchaser as enlarged by the Consideration Issue (assuming that there is no other change to the Purchaser after the date of this announcement and without taking into account the Purchaser Fund Raising) and (ii) approximately 15.20% of the issued share capital of the Purchaser as enlarged by the Consideration Issue and 57,001,918 shares of the Purchaser to be issued at the Issue Price upon completion of the Purchaser Fund Raising.

In order to further meet the CSRC’s principle on major asset restructuring by companies listed on the ChiNext Board of the Shenzhen Stock Exchange and to ensure stabilization of the controlling stake in the Purchaser held by the controlling shareholder and its ultimate controller of the Purchaser, the parties to the Supplemental Agreement also agreed under the Supplemental Agreement to:

- (a) amend the terms relating to the Purchaser Fund Raising such that the Disposal and the Acquisition together with the Purchaser Fund Raising shall become effective simultaneously and be inter-conditional. If any transactions of the Framework Agreement and the Purchaser Fund Raising could not be performed, the other transactions not yet performed shall lapse automatically and the transactions already been performed shall be unwound unconditionally. In such circumstances, in the event that the Framework Agreement could not be completed, the Purchaser Fund Raising would be unwound unconditionally; and
- (b) add the following additional condition to be satisfied in order for the Framework Agreement becoming effective: The subscription agreement relating to the non-public share issue of the Purchaser (the “**Subscription Agreement**”) entered into between the Purchaser and each of the five proposed subscribers of the Purchaser Fund Raising (including Mr. Guo) and its supplemental agreement having become effective upon the fulfillment of all of the following conditions:
 - (1) the shareholders of the Purchaser having passed the resolution approving the Purchaser Fund Raising;

- (2) the CSRC having approved the Purchaser Fund Raising; and
- (3) the Framework Agreement and the Supplemental Agreement having become effective in accordance with its terms.

Save as disclosed herein, all other terms and conditions of the Framework Agreement remain unchanged and in full force and effect in all respects. The Directors (excluding the independent non-executive Directors whose views will be set out in the circular) considers that the terms of the Supplemental Agreement are fair and reasonable, are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

As the Completion is subject to the fulfilment of the conditions, the Transactions may or may not proceed. Shareholders and investors should exercise caution when dealing in the securities of the Company.

By order of the Board of
HC International, Inc.

Guo Jiang

Chief Executive Officer and Executive Director

Beijing, the People's Republic of China, 30 May 2016

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. 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)

For illustration purpose only, certain amount denominated in Renminbi have been translated into Hong Kong dollars at an exchange rate of RMB0.84 = HK\$1.00. Such conversions shall not be construed as representations that amounts in Renminbi were or may have been converted into Hong Kong dollars at such rates or any other exchange rate or at all.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* *For identification purpose only*