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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: 2280)

(Stock Code: 05839)

**(1)THIRD SUPPLEMENTAL PARTNERSHIP AGREEMENT
IN RELATION TO DISCLOSEABLE TRANSACTION AND CONNECTED
TRANSACTION: PROPOSED DISPOSAL OF XIZANG RUIJING;
(2)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; AND
(3)CONNECTED TRANSACTION: PROPOSED OFF-MARKET
SHARE BUY-BACKS**

Reference is made to the announcements of HC International, Inc. (the “**Company**”) dated 6 May 2016, 13 May 2016, 27 May 2016, 30 May 2016, 6 June 2016, 29 June 2016, 30 June 2016, 29 July 2016 and 4 August 2016 (the “**Announcements**”) in relation to, among other things, (i) a very substantial disposal, major transaction and connected transaction; (ii) a discloseable transaction and connected transaction; and (iii) 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 Announcements, unless the context herein otherwise requires.

THIRD SUPPLEMENTAL PARTNERSHIP AGREEMENT TO THE PARTNERSHIP AGREEMENT (AS SUPPLEMENTED BY THE SUPPLEMENTAL PARTNERSHIP AGREEMENT AND SECOND SUPPLEMENTAL PARTNERSHIP AGREEMENT)

Under the Framework Agreement, the parties agree that the Cash Consideration to be received by Xizang Ruijing under the Framework Agreement shall be distributed to the limited partners of Xizang Ruijing as dividend within 30 days upon receipt. Each limited partner shall receive such dividend in accordance with the proportion of the actual capital contribution of each limited partner.

On 23 August 2016 (after trading hours), Beijing Huicong Construction and the Zhixing Ex-Shareholders entered into a third supplemental partnership agreement (the “**Third Supplemental Partnership Agreement**”) pursuant to which the parties agree to amend the timing of distribution of the Cash Consideration to the limited partners of Xizang Ruijing (i.e. the Zhixing Ex-Shareholders) in the following manner:

- (a) In the event that the net profits of Beijing Zhixing Ruijing as set out in its audited results for the year ending 31 December 2016 is not less than RMB104,000,000 (i.e. 80% of the first New Performance Target of RMB130,000,000), Xizang Ruijing shall distribute 30% of the Cash Consideration received by it to the limited partners of Xizang Ruijing (i.e. the Zhixing Ex-Shareholders) as dividend in accordance with the proportion of the actual capital contribution of each limited partner;
- (b) In the event that the net profits of Beijing Zhixing Ruijing as set out in its audited results for the year ending 31 December 2017 is not less than RMB135,200,000 (i.e. 80% of the second New Performance Target of RMB169,000,000), Xizang Ruijing shall distribute 30% of the Cash Consideration received by it to the limited partners of Xizang Ruijing (i.e. the Zhixing Ex-Shareholders) as dividend in accordance with the proportion of the actual capital contribution of each limited partner; and
- (c) In the event that the net profits of Beijing Zhixing Ruijing as set out in its audited results for the year ending 31 December 2018 is not less than RMB175,760,000 (i.e. 80% of the third New Performance Target of RMB219,700,000), Xizang Ruijing shall distribute 40% of the Cash Consideration received by it to the limited partners of Xizang Ruijing (i.e. the Zhixing Ex-Shareholders) as dividend in accordance with the proportion of the actual capital contribution of each limited partner.

In the event that the net profits of Beijing Zhixing Ruijing as set out in its audited results for any New Performance Undertaking Year is less than 80% of the relevant New Performance Target, the relevant portion of the Cash Consideration would not be distributed to the limited partners of Xizang Ruijing but would be applied to compensate to the Purchaser pursuant to the Framework Agreement (as amended). The limited partners of Xizang Ruijing shall be responsible for all the taxes arising from any distribution of the Cash Consideration.

REASONS FOR ENTERING INTO THE THIRD SUPPLEMENTAL PARTNERSHIP AGREEMENT

The Third Supplemental Partnership Agreement was entered into to further agree the distribution of the Cash Consideration.

Save as disclosed herein, all other terms and conditions of the Partnership Agreement (as supplemented by the Supplemental Partnership Agreement and the Second Supplemental Partnership 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 Third Supplemental Partnership 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, 23 August 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)

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*