

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



HC INTERNATIONAL, INC.

慧聪网有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8292)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS

Effective from 1 December 2008 and until 28 February 2009, in accordance with the Delivery Arrangement (as defined below), Sales JV Co will deliver products and services to HC PRC under 21 Customer Contracts concerning HC PRC with a maximum unperformed contract value of RMB2,123,791.34. The relevant transactions constitute continuing connected transactions of the Group and are subject to the announcement and reporting requirements under the GEM Listing Rules.

References are made to the announcement (the “Announcement”) and the circular of the Company dated 21 October 2008 and 7 November 2008 respectively in relation to, among other things, the formation of joint venture companies by the Group with D&B International, D&B PRC and HDBC. Terms defined in the Announcement shall have the same meanings when used herein.

As mentioned in the Announcement, pursuant to the terms of the Co-operation and Framework Agreement, effective from 1 December 2008 (which is the day on which the Joint Venture Companies commence operation), Sales JV Co shall bear the economic risk connected to the relevant Customer Contracts, including the responsibility to fulfill all the obligations vis-à-vis the relevant customers by delivering the products and services under the relevant Customer Contracts. If a customer under a Customer Contract insists to continue its contractual relationship with HC PRC, then Sales JV Co will deliver the products and services to HC PRC so as to put HC PRC in the position to fulfill the obligations vis-à-vis the relevant customers under the relevant Customer Contracts (the “Delivery Arrangement”).

As at 28 November 2008, being the last Business Day before 1 December 2008, there were altogether 21 Customer Contracts concerning HC PRC (the “Remaining HC PRC Customer Contracts”) which, for administrative reasons, have not been transferred to Sales JV Co with a maximum unperformed contract value of RMB2,123,791.34. The Remaining HC PRC

* For identification purposes only

Customer Contracts will expire latest by 28 February 2009 and will not be renewed. According to the Delivery Arrangement, Sales JV Co will deliver the products and services as required in the Remaining HC PRC Customer Contracts to HC PRC and HC PRC will pay Sales JV Co in cash a consideration equivalent to the contract value under the relevant Remaining HC PRC Customer Contracts of the products and services delivered. The transaction amount under the Delivery Arrangement in relation to the Remaining HC PRC Customer Contracts is capped at RMB2,123,791.34.

Saved as disclosed in the paragraphs under the sub-heading “Guarantee” in the Announcement, no guarantee and/or other security is given or required as part of or in connection with the Delivery Arrangement.

The Delivery Arrangement serves as a transitional arrangement for the customers under the Customer Contracts to be transferred to Sales JV Co and facilitates the commencement of operation of the Joint Venture Companies. All the Directors (including all the independent non-executive Directors) considered that the Delivery Arrangement is fair and reasonable, is on normal commercial terms in the usual and ordinary course of business of the Group and in the interests of the Company and the Shareholders taken as a whole.

GENERAL INFORMATION

The Group is one of the leading e-commerce communities 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 four main types of communication channels: (i) industry portals, trade catalogues and yellow page directories, (ii) search engine services, (iii) print periodicals and (iv) market research and analysis.

Sales JV Co is a joint venture company established in the PRC by the Joint Venture Parties pursuant to the Co-operation and Framework Agreement. Sales JV Co is owned as to 40%, 31.75% and 28.25% by HC PRC, D&B PRC and HDBC respectively. The main business activities of Sales JV Co are the sale and marketing of MR Services.

D&B PRC is a substantial shareholder of Fulfillment JV Co (which is a non-wholly owned subsidiary of the Company). Sales JV Co is an associate of D&B PRC and thus a connected person of the Group. The deliveries of products and services by Sales JV Co to HC PRC pursuant to the Delivery Arrangement constitute continuing connected transactions of the Group. As the applicable ratios (except profits ratio) are less than 2.5%, the continuing connected transactions are only subject to the announcement and reporting requirements under the GEM Listing Rules.

By Order of the Board
HC International, Inc.

Guo Jiang
Chief Executive Officer and Executive Director

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

Mr. Guo Fansheng (*Executive Director*)
Mr. Guo Jiang (*Executive Director and Chief Executive Officer*)
Mr. Li Jianguang (*Non-executive Director*)
Mr. Zhang Ke (*Independent non-executive Director*)
Mr. Xiang Bing (*Independent non-executive Director*)
Mr. Guo Wei (*Independent non-executive Director*)

Beijing, the PRC, 28 November 2008

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: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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.