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HC INTERNATIONAL, INC.

慧聪网有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 08292)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
ESTABLISHMENT OF A JOINT VENTURE COMPANY**

The Board is pleased to announce that on 9 April 2009, Beijing Huixiang Network Technology, a subsidiary of the Company, entered into the Joint Venture Agreement with Mr. Bu pursuant to which the Joint Venture Parties agreed to, *inter alia*, form the Joint Venture Company, which will be owned as to 60% by Beijing Huixiang Network Technology and as to 40% by Mr. Bu for the purpose of engaging in business-to-business e-commerce involving foreign trade and related business in the PRC.

To the best of the Directors' knowledge, information and belief of the Directors having made all reasonable enquiries, Mr. Bu is an Independent Third Party. Mr Bu possesses knowledge, expertise, management experience and clientele in the area of internet technology and related business.

Pursuant to the Joint Venture Agreement, the total investment amount of the Joint Venture Company shall be RMB8,700,000, of which RMB8,500,000 will be contributed by Beijing Huixiang Network Technology in cash and RMB200,000 will be contributed by Mr. Bu in cash, which will be injected by the Joint Venture Parties to the Joint Venture Company at several stages prior to the establishment of the Joint Venture Company until 31 December 2009. The first payment to be made by Beijing Huixiang Network Technology prior to the signing of the Joint Venture Agreement will be RMB500,000, of which RMB200,000 is expected to be reimbursed by Mr. Bu immediately after the signing of the Joint Venture Agreement. Mr. Bu will also procure the members of the Management Team to enter into service agreements with the Joint Venture Company. Mr. Bu leading the Management Team will be responsible for, including but not limited to, the daily management of the Joint Venture Company, research and development of new products, market development and customer services.

* For identification purposes only

It is also agreed between the Joint Venture Parties that if the performance of the Joint Venture Company has achieved certain targets as set out in the Joint Venture Agreement, Beijing Huixiang Network Technology will transfer their equity interest in the Joint Venture Company to the entitled members of the Management Team in accordance with the terms of the Joint Venture Agreement. Should the potential transfers of equity interest by Beijing Huixiang Network Technology to the entitled members of the Management Team materialise, the Company will comply with the announcement, reporting and/or shareholders' approval requirements under the GEM Listing Rules in connection with the relevant transactions as and when the circumstances require.

The Board considers that the terms and conditions of the Joint Venture Agreement are fair and reasonable so far as the Company and the Shareholders are concerned. As the applicable percentage ratios for the establishment of the Joint Venture Company exceed 5% but are less than 25%, the entering into of the Joint Venture Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules.

THE JOINT VENTURE AGREEMENT

On 9 April 2009, Beijing Huixiang Network Technology, a subsidiary of the Company, entered into the Joint Venture Agreement with Mr. Bu pursuant to which the Joint Venture Parties agreed to, *inter alia*, form the Joint Venture Company, which will be owned as to 60% by Beijing Huixiang Network Technology and as to 40% by Mr. Bu for the purpose of engaging in business-to-business e-commerce involving foreign trade and related business in the PRC. The principal terms of the Joint Venture Agreement are set out below :

Date

9 April 2009

Parties involved

1. Beijing Huixiang Network Technology
2. Mr. Bu

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, Mr. Bu is an Independent Third Party as at the date of this announcement.

Business Scope

Pursuant to the Joint Venture Agreement, it is agreed between the Joint Venture Parties that the Joint Venture Company will be engaging in business-to-business e-commerce involving foreign trade and related business in the PRC.

Registered capital and other contribution

Pursuant to the Joint Venture Agreement, the total investment of registered capital of the Joint Venture Company shall be RMB8,700,000, of which Beijing Huixiang Network Technology will contribute RMB8,500,000 and Mr. Bu will contribute RMB200,000. Beijing Huixiang Network Technology and Mr. Bu will hold 60% and 40% equity interest in the Joint Venture Company respectively.

Pursuant to the Joint Venture Agreement, the registered capital of the Joint Venture Company shall be payable by cash installments in the following manner by the Joint Venture Parties:

Date	Party	Amount
Prior to the signing of the Joint Venture Agreement	Beijing Huixiang Network Technology	RMB500,000 (including RMB200,000 paid in the name of Mr. Bu)
After the signing of the Joint Venture Agreement	Mr. Bu	RMB200,000 (reimbursement to Beijing Huixiang Network Technology)
On or before 30 April 2009	Beijing Huixiang Network Technology	RMB2,500,000
On or before 30 June 2009	Beijing Huixiang Network Technology	RMB3,000,000
On or before 31 December 2009 (Subject to the Joint Venture Company's operation plan for 2010 having been approved by Beijing Huixiang Network Technology)	Beijing Huixiang Network Technology	RMB2,700,000
		<hr/> RMB8,700,000

Mr. Bu will also procure the members of the Management Team to enter into service agreements with the Joint Venture Company. Mr. Bu leading the Management Team will be responsible for, including but not limited to, the daily management of the Joint Venture Company, research and development of new products, market development and customer services.

If it is necessary for the operation and development of the Joint Venture Company, the Joint Venture Parties will be entitled to pre-emptive rights to acquire additional equity interest in the Joint Venture Company by way of contribution of further funding to the Joint Venture Company in the proportion to their respective equity interests. In the event any of the Joint Venture Parties does not contribute further funding to the Joint Venture Company in proportion to its/his respective equity interest, such party will be regarded as relinquishing its/his respective rights and its/his shareholding in the Joint Venture Company will be diluted based on their actual proportion of the additional contribution. During the period of the operation of the Joint Venture Company, each of the Joint Venture Parties may, subject to having given notice to and the consent of the other party, transfer its/his equity interest to a third party provided that the Joint Venture Parties shall be entitled to pre-emptive rights of such transfer.

Board Composition

The board of directors of the Joint Venture Company will comprise three directors. Beijing Huixiang Network Technology and Mr. Bu shall have the rights to nominate two members and one member to the board of the Joint Venture Company respectively.

Profit sharing

The Joint Venture Parties will be entitled to share the profits of the Joint Venture Company in proportion to their respective equity interests in the Joint Venture Company. The total amount of the distributable profit shall not exceed 20% of the profit after taxation.

Transfer of equity interests

It is also agreed between the Joint Venture Parties that if the performance of the Joint Venture Company has achieved targets as set out in the Joint Venture Agreement, Beijing Huixiang Network Technology will transfer its equity interest in the Joint Venture Company to the entitled members of the Management Team upon the terms as follows :

1. If, on or before 31 December 2010, the business of the Joint Venture Company is breakeven and has made an average monthly income of not less than US\$350,000 (based on an exchange rate of US\$1 to RMB6.85) for three months consecutively, and upon the confirmation of Beijing Huixiang Network Technology based on the accounting policies adopted by the Company, the members of the Management Team shall be entitled no later than 30 April 2011 to request Beijing Huixiang Network Technology to transfer its 10% equity interest in the Joint Venture Company to them at a consideration of RMB2 million.
2. If, on or before 31 December 2012, the Joint Venture Company has made an average monthly income of not less than US\$1 million (i.e. not less than RMB6.85 million based on an exchange rate of US\$1 to RMB6.85) and a monthly profit not less than RMB800,000 for three months consecutively, and upon the confirmation of Beijing Huixiang Network Technology based on the accounting policies adopted by the Company, the members of the Management Team shall be entitled no later than 30 April 2013 to request Beijing Huixiang Network Technology to transfer its 10% equity interest in the Joint Venture Company to them at a consideration of RMB5 million.

Should the potential transfers of equity interest by Beijing Huixiang Network Technology to the entitled members of the Management Team materialise, the Company will comply with the announcement, reporting and/or shareholders approval requirements under the GEM Listing Rules in connection with the relevant transactions as and when the circumstances require.

Other terms

The Joint Venture Company shall have a term of 20 years from the date of issuance of the business licence for the Joint Venture Company. The Joint Venture Company shall not cease to operate within two years from the date of its establishment. If the Joint Venture Company ceases to operate after two years from its establishment, the Joint Venture Company will be liquidated and its remaining assets will be distributed to its shareholders in accordance with the proportion of equity interest held by the respective shareholders.

INFORMATION OF THE GROUP

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 machine services, (iii) print periodicals and (iv) market research and analysis.

INFORMATION ON BEIJING HUIXIANG NETWORK TECHNOLOGY

Beijing Huixiang Network Technology is a subsidiary of the Company, who holds 82% equity interest thereof. Beijing Huixiang Network Technology's principal activity is provision of business information in the PRC.

INFORMATION OF MR. BU

Mr. Bu has over 9 years' experience in information business and internet industry. He possesses broad international vision and is excellent in strategic planning and resource organization skill. Mr. Bu is also well experienced in corporate governance and investment. He has focused his career in market research and promotion of electronic business. To the best of the Directors' knowledge, information and belief of the Directors having made all reasonable enquiries, Mr. Bu is an Independent Third Party.

REASONS FOR AND BENEFIT OF THE ESTABLISHMENT OF THE JOINT VENTURE COMPANY

The Group considers that the formation of the Joint Venture Company will enrich the varieties of products of the Group and provide to client a combined business-to-business solution from domestic trade to foreign trade. In the light of the reform to the foreign trade markets undergoing in the PRC, which has been redirecting the mode of income from membership fees to transactional fees, the Group considers that the formation of the Joint Venture Company will create the best opportunity for the Group to embark on the foreign trade markets.

The Directors consider that the terms of the Joint Venture Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

GENERAL

As the applicable percentage ratios for the establishment of the Joint Venture Company exceed 5% but are less than 25%, the entering into of the Joint Venture Agreement constitutes a discloseable transaction for the Company under the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Beijing Huixiang Network Technology”	北京慧翔網絡技術有限公司, a limited liability company incorporated under the laws of the PRC and is a subsidiary of the Company holding 82% equity interest thereof
“Board”	the board of Directors
“Company”	HC International, Inc., a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM
“Director(s)”	the 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 the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	party or parties that is or are not connected with the Company and/or connected with the directors, chief executive, promoters, management shareholders or substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Joint Venture Agreement”	the joint venture agreement dated 9 April 2009 entered into between Beijing Huixiang Network Technology and Mr. Bu in relation to establishment of the Joint Venture Company
“Joint Venture Company”	北京花開富貴信息技術有限公司, a joint venture company to be established in the PRC with limited liability pursuant to the Joint Venture Agreement, which will be owned as to 60% by Beijing Huixiang Network Technology and as 40% by Mr. Bu

“Joint Venture Parties”	Beijing Huixiang Network Technology and Mr. Bu
“Management Team”	the management team of the Joint Venture Company led by Mr. Bu, which comprises 7 members
“Mr. Bu”	卜凱軍先生, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, is an Independent Third Party
“RMB”	Renminbi, the lawful currency of the PRC
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.1 par value each of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States Dollars, the lawful currency of the United States of America

By Order of the board of directors of the Company,
HC International, Inc.
Guo Jiang
Chief Executive Officer and Executive Director

Beijing, the PRC, 9 April 2009

As at the date of this announcement, the board of directors of the Company 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*)

This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, include 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 (i) the information 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.

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