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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)

**VOLUNTARY ANNOUNCEMENT
UNAUDITED QUARTERLY OPERATION SUMMARY
FOR THE FIRST QUARTER OF 2016**

This announcement is made by HC International, Inc. (the “Company”, together with its subsidiaries, the “Group”) on a voluntary basis.

This announcement sets out unaudited operation summary of the Company for the first quarter ended 31 March 2016.

In the first quarter of 2016, the Group continued the reformation of the business structure of 2015 and the establishment of its own B2B ecosystem, so as to proceed with the building of the B2B2.0 transaction platform while promoting the added value of B2B1.0 service, and provide the internet financing products and services and launch the trial operation of the O2O business exhibition centre. In the first quarter of 2016, the Group’s completed gross merchandise volume (“GMV”) amounted to approximately RMB5.86 billion while the annual GMV amount for 2015 was approximately RMB5.6 billion. As of 31 March 2016, the Group’s Stock Keeping Unit (SKU) had further increased by 12.6% to 546 million from 485 million as of the end of 2015. As of 31 March 2016, the balance of loans granted by the Group’s joint venture, a company engaged in micro-credit, to the customers amounted to approximately RMB1.7 billion, representing an increase of 30.8% as compared to RMB1.3 billion as at 31 December 2015 and cumulatively, the loan granted was approximately RMB7.6 billion in total.

* For identification purpose only

As China's economy is experiencing structural reforms with a slowdown in growth, traditional SMEs and large enterprises with oversupplied capacities had been facing serious challenges. While some of these firms had entered the business stage of declining, even bankruptcy, these economic reforms had resulted a negative impact on the Group's fee-paying users. Facing the situation, we had been engaging in extra efforts and resources allocation to B2B 2.0 segments, such as trade matching activities, O2O projects and the internet finance. We had been proactive in adjusting the structure of our fee-paying users and ready to transform the macro threaten to an industry opportunity.

The above operation summary for the first quarter ended 31 March 2016 is based on the Group's internal information and management accounts which are not reviewed or audited by auditors. Investors are cautioned not to unduly rely on such operation summary for the first quarter ended 31 March 2016. Investors are advised to exercise caution in dealing in the shares of the Company.

No statement in this announcement is intended to be a profit forecast or to imply that the earnings of the Group as at the publication date of this announcement or in future will necessarily match or exceed the historical or published earnings of the Group. Each forward-looking statement so provided speaks only as of the date of the particular statement. The Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

By order of the Board
HC INTERNATIONAL, INC.
Guo Jiang

Chief Executive Officer and Executive Director

Beijing, the People's Republic of China, 19 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)