HC INTERNATIONAL, INC.

慧聰網有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2280)

CLARIFICATION ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2015

Reference is made to (i) the announcement (the "**Announcement**") of HC International, Inc. (the "**Company**") dated 12 November 2015, in relation to, among other things the placing of new ordinary shares by the Company under general mandate (the "**Placing**"); and (ii) the annual report of the Company for the year ended 31 December 2015 (the "**Annual Report**") published on the websites of The Stock Exchange Hong Kong Limited and of the Company on 21 April 2016. Unless otherwise defined, capitalised terms used in this announcement have the same meanings as defined in the Announcement.

The board ("**Board**") of directors ("**Director(s)**") of the Company would like to provide additional information regarding the Placing to supplement the information set out in the Annual Report.

USE OF PROCEEDS

As disclosed in the Announcement, the net proceeds of the Placing of approximately HK$277,340,000 will be used for potential acquisitions or investments, input of resources into the B2B 2.0 business (which mainly includes transactions and internet finance), as well as working capital and general corporate purposes.

As at the date of the Annual Report, approximately HK$145 million has been used for a shareholder's loan by Hong Kong Huicong International Group Limited ("**Hong Kong Huicong**") (a wholly-owned subsidiary of the Company) to 重慶神州數碼慧聰小額貸款有限公司 (Chongqing Digital China Huicong Micro-Credit Co., Ltd.*) (a company which

* *For identification purposes only*

equity interests is owned as to 40% by Hong Kong Huicong), approximately HK$117 million for capital injection by Hong Kong Huicong into 慧聰融資租賃有限公司 (Huicong Finance Leasing Company Limited*) (a wholly-owned subsidiary of Hong Kong Huicong) and approximately HK$15.34 millon for settlement of part of the cash consideration for the acquisition of the entire issued share capital of ZhongFu Holdings Limited by the Company (for details, please refer to the announcements of the Company dated 3 July 2015, 18 December 2015 and 8 January 2016).

The Directors considered that the net proceeds were applied in accordance with the intended uses disclosed in the Announcement.

The additional information above does not affect other information contained in the Annual Report and the contents of the Annual Report remain unchanged.

By order of the board of Directors
HC INTERNATIONAL, INC.
Guo Jiang
Chief Executive Officer and Executive Director

Beijing, the People's Republic of China, 26 October 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. Liu Jun (Executive Director)
Mr. Li Jianguang (Non-executive Director)
Mr. Wong Chi Keung (Non-executive Director)
Mr. Zhang Ke (Independent Non-executive Director)
Mr. Zhang Tim Tianwei (Independent Non-executive Director)
Mr. Tang Jie (Independent Non-executive Director)

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