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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 THIRD QUARTER OF 2017

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 third quarter ended 30 September 2017.

In the third quarter of 2017, the Group continued to assist buyers and sellers in completing B2B trade close-loop, to develop pay-for-performance marketing products and mobile terminals marketing products, and to pay attention to high frequency and autonomous active trades.

For the nine months ended 30 September 2017, the total amount of the completed transactions in respect of the Group’s B2B trade platform was approximately RMB1.151 billion, of which approximately RMB685 million was achieved in the third quarter of 2017.

In the third quarter of 2017, the Group’s completed Gross Merchandise Volume (“**GMV**”) amounted to approximately RMB27.9 billion, representing an increment of 168% as compared to the GMV of the third quarter of 2016 which amounted to RMB10.4 billion. For the nine months ended 30 September 2017, the Group’s accumulated GMV of the first three quarters had achieved RMB71.1 billion, representing an increment of 178% as compared to the GMV of the first three quarters of 2016 which amounted to RMB25.6 billion.

The Group provides internet finance products and services through its joint-ventured company engaging in micro-lending business, and two of its wholly-owned subsidiaries which engage in finance leasing business and commercial factoring business respectively. The balance of the lending amount through its internet finance cluster as at 30 September 2017 was approximately RMB1.87 billion.

Following a rapid growth of the internet finance cluster last year, the Group continued to support the small and medium enterprises (SMEs) by facilitating supply chain finance via micro-loan products, finance leasing services and commercial factoring products, and to provide effective online payment function and ensure fund security via an online payment tool – “HUIFUBAO”. Internet finance, acting as the “lubricant” of transactions, together with other clusters are expected to create synergy which will facilitate the development of the Group’s B2B ecosystem.

From the end of 2016 to 30 September 2017, the quantity of the Group’s Stock Keeping Unit (“SKU”) increased from 620 million to 647 million, representing a 4.35% increase.

Caution Statement

The above operation summary for the third quarter ended 30 September 2017 is based on the Group’s internal records and management accounts which are not reviewed or audited by auditors. Investors are cautioned not to rely on such operation summary for the third quarter ended 30 September 2017. Investors must 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 the 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
Chairman

Beijing, the People’s Republic of China, 2 November 2017

As at the date of this announcement, the board of directors of the Company comprises:

Mr. Guo Jiang (*Executive Director and Chairman*)
Mr. Liu Jun (*Executive Director and Chief Executive Officer*)
Mr. Lee Wee Ong (*Executive Director and Chief Financial Officer*)
Mr. Guo Fansheng (*Non-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*)

* *For identification purposes only*