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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)

**UPDATE ON A MAJOR AND CONNECTED TRANSACTION:
ACQUISITION OF 30% EQUITY INTEREST
IN CHONGQING MICRO-CREDIT
AND
ISSUE OF NEW SHARES UNDER A SPECIFIC MANDATE**

Reference is made to the announcements of HC International, Inc. (the “**Company**”) dated 19 May 2017, 14 July 2017 and 25 October 2017 respectively and the circular of the Company dated 27 June 2017 (the “**Circular**”) regarding acquisition of the remaining equity interest in Chongqing Micro-Credit and Digital China’s subscription of the New Shares under a specific mandate. Unless otherwise expressly stated herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

ACQUISITION OF 30% EQUITY INTEREST IN CHONGQING MICRO-CREDIT

On 2 November 2017, 重慶市人民政府金融工作辦公室 (Chongqing Municipal People’s Government Financial Affairs Office*) has approved the transfer of 30% equity interest in Chongqing Micro-Credit (the “**Equity Transfer**”) from the Vendor to the Purchaser. On 15 November 2017, the Purchaser had settled the consideration for the Equity Transfer of RMB541,818,660 (“**First Consideration**”). The amount of the First Consideration was ratified in a supplemental agreement entered into between the Purchaser and the Vendor on 10 November 2017 where reference to the First Consideration in the first Equity Transfer Agreement dated 25 October 2017, being HK\$613,500,000 in RMB equivalent at an exchange rate of 0.88316, should be RMB541,818,660 instead of RMB541,866,000. The parties will proceed with the registration with the relevant administration for industry and commerce in the PRC in respect of the Equity Transfer.

* For identification purposes only

ISSUE OF NEW SHARES UNDER A SPECIFIC MANDATE

The Company has been informed by Digital China that it plans to pay the subscription money to the Company to subscribe for 87,642,857 New Shares at an issue price of HK\$7.0 per Share (“**First Subscription**”) on or before 17 November 2017 pursuant to the terms and conditions of the Formal SPA. After receiving the subscription money for the First Subscription, the Company will allot and issue a total of 87,642,857 New Shares to Talent Gain Developments Limited, a designated nominee and wholly-owned subsidiary of Digital China.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and upon completion of the First Subscription is set out below:

	Immediately before completion of the First Subscription		Immediately upon completion of the First Subscription	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
<i>Directors and their associate(s)</i>				
Guo Jiang and his spouse	128,858,771	12.92%	128,858,771	11.87%
Guo Fansheng (<i>Note 1</i>)	57,749,015	5.79%	57,749,015	5.32%
Liu Jun	44,870,000	4.50%	44,870,000	4.14%
Li Jianguang (<i>Note 2</i>)	32,000,384	3.21%	32,000,384	2.95%
Lee Wee Ong	18,350,672	1.84%	18,350,672	1.69%
<i>Substantial Shareholders</i>				
Digital China and its associates (<i>Note 3</i>)	166,029,107	16.64%	253,671,964	23.37%
Public shareholding	549,822,904	55.10%	549,822,904	50.66%
Total	<u>997,680,853</u>	<u>100%</u>	<u>1,085,323,710</u>	<u>100%</u>

Notes:

1. Such interest in the Company comprises (a) 35,000,000 Shares held by Mr. Guo Fansheng; and (b) 22,749,015 Shares held by a trustee of a trust of which Mr. Guo Fansheng is a beneficiary.
2. Holding through Callister Trading Limited, a company wholly owned by Mr. Li Jianguang.
3. Holding through Talent Gain Developments Limited and Unique Golden Limited. Unique Golden Limited is wholly and beneficially owned by Talent Gain Developments Limited, which in turn is wholly and beneficially owned by Digital China (BVI) Limited and indirectly wholly and beneficially owned by Digital China.

By order of the board of Directors
HC INTERNATIONAL, INC.
Guo Jiang
Chairman

Beijing, the People's Republic of China, 15 November 2017

As at the date of this announcement, the Board 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*)