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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **HC International, Inc.** (the "Company"), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

This circular, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.



**REFRESHMENT OF SCHEME MANDATE LIMIT  
UNDER THE SHARE OPTION SCHEME**

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The notice convening the extraordinary general meeting of the Company to be held at Tower B, Jingyi Technical Building, No. 9 Dazhongsi East Road, Haidian District, Beijing, the People's Republic of China (100098) on Friday, 13th May 2011, at 5:00 p.m. (the "EGM") is set out on pages 8 to 9 of this circular.

Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy and return the same to the Company's Hong Kong branch share registrar and transfer office, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) if you so wish.

This circular will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting.

## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET

### CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (THE “GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

*In this circular, the following expressions shall have the following meanings unless the context requires otherwise:*

“Articles of Association”	the articles of association of the Company, adopted on 30th November 2003 and as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“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 GEM
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company proposed to be convened and held for the Shareholders to consider, and if thought fit, approve the refreshment of the Scheme Mandate Limit
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	19th April 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Options”	options to subscribe for Shares granted and to be granted under the Share Option Scheme
“Pre-IPO Options”	options to subscribe for Shares granted under the Pre-IPO Share Option Scheme
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme of the Company adopted on 30th November 2003, the principal terms of which are set out in the prospectus of the Company dated 8th December 2003

## DEFINITIONS

“Scheme Mandate Limit”	the maximum number of Shares in respect of which Options may be granted pursuant to the Share Option Scheme as may from time to time be adopted by the Company as permitted under the GEM Listing Rules, being 10% of the issued share capital of the Company as at the date of adoption of the Share Option Scheme and thereafter, if refreshed, as at the date of approval of the refreshment of such limit
“Share(s)”	share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the post-IPO share option scheme of the Company adopted on 30th November 2003, the principal terms of which are set out in the prospectus of the Company dated 8th December 2003
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



**HC INTERNATIONAL, INC.**

**慧聪网有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8292)**

*Executive Directors:*

Guo Fansheng (Chairman)

Guo Jiang (Chief Executive Officer)

Guo Bingbing

*Non-executive Director:*

Li Jianguang

*Independent Non-executive Directors:*

Zhang Ke

Xiang Bing

Guo Wei

*Registered Office:*

4th Floor

One Capital Place

P.O. Box 847

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head Office and Principal*

*Place of Business:*

Tower B

Jingyi Technical Building

No. 9 Dazhongsi East Road

Haidian District

Beijing

The People's Republic of China

26th April 2011

*To the Shareholders*

Dear Sir or Madam,

**REFRESHMENT OF SCHEME MANDATE LIMIT  
UNDER THE SHARE OPTION SCHEME**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding the resolution to be proposed at the EGM relating to the proposed refreshment of the Scheme Mandate Limit.

\* For identification purposes only

## LETTER FROM THE BOARD

### REFRESHMENT OF SCHEME MANDATE LIMIT

Both the Pre-IPO Share Option Scheme and the Share Option Scheme were adopted by the Company on 30th November 2003 pursuant to written resolutions passed by the Shareholders.

Upon listing of the Shares on GEM on 17th December 2003, no further option was granted under the Pre-IPO Share Option Scheme. As at the Latest Practicable Date, Pre-IPO Options to subscribe for a total of 46,984,080 Shares were granted pursuant to the Pre-IPO Share Option Scheme (representing approximately 11.75% of the issued capital of the Company as at the date on which dealings of the Shares on GEM first commenced), among which 37,836,960 Pre-IPO Options were exercised and 9,147,120 Pre-IPO Options remained outstanding. All Pre-IPO Options will lapse on 17th December 2013.

Under the GEM Listing Rules and the Share Option Scheme:

- (i) the maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if such grant would result in the above limit being exceeded;
- (ii) the maximum number of Shares in respect of which Options may be granted under the Share Option Scheme, when aggregated with any other share option schemes, shall not exceed 10% of the Shares in issue as at the date of approval of the scheme, and the maximum number of Shares in respect of which options may be granted to any one participant may not exceed 1% of the Shares in issue from time to time in a 12-month period; and
- (iii) the Scheme Mandate Limit may be refreshed by the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue as at the date of approval of such refreshed Scheme Mandate Limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the Share Option Scheme and any other share option schemes of the Company) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

The existing Scheme Mandate Limit was refreshed at the extraordinary general meeting of the Company held on 20th June 2008, pursuant to which the Directors were authorised to grant options to subscribe for up to 49,283,696 Shares, which represented 10% of the total issued share capital of the Company as at the date of that extraordinary general meeting. Since the date of that extraordinary general meeting and up to the Latest Practicable Date, an aggregate of 51,400,000 Options to subscribe for a total of 51,400,000 Shares (including the 2,780,000 lapsed Options) have been granted by the Company

## LETTER FROM THE BOARD

under the existing Scheme Mandate Limit, among which an aggregate of 1,000,000 Options were exercised, an aggregate of 2,780,000 Options were lapsed and no Option was cancelled. Accordingly, as at the Latest Practicable Date, only up to 663,696 Options may be further granted under the Share Option Scheme unless the Scheme Mandate Limit is refreshed.

As at the Latest Practicable Date, the total number of Shares which might be issued upon exercise of all outstanding Options granted under the Share Option Scheme was 67,121,000 Shares, representing approximately 13.72% of the existing issued share capital of the Company and the total number of Shares which might be issued upon exercise of all outstanding share options granted under the Pre-IPO Share Option Scheme and the Share Option Scheme was 76,268,120 Shares, representing approximately 15.59% of the existing issued share capital of the Company.

As at the Latest Practicable Date, the existing Scheme Mandate Limit had almost been utilized unless the Scheme Mandate Limit is refreshed. The Board proposes to seek the Shareholders' approval at the EGM to refresh the Scheme Mandate Limit.

The refreshment of the Scheme Mandate Limit would provide the Company with flexibility to provide incentives or rewards to participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. The refreshment would also enable the Company to grant Options to the certain employees to reward and motivate them to strive for the future developments and expansion of the Group. The Board considers that the refreshment of the Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole.

Assuming that no Shares are repurchased or issued from the Latest Practicable Date up to the date of the EGM, based on the 489,178,960 Shares in issue as at the Latest Practicable Date and the date of the EGM, the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 48,917,896 Shares under the "refreshed" Scheme Mandate Limit, representing 10% of the Shares in issue as at the date of passing the relevant resolution at the EGM. Options previously granted under the Pre-IPO Share Option Scheme and the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

### Conditions

The proposed refreshment of the Scheme Mandate Limit will be conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders to approve the refreshment of the Scheme Mandate Limit at the EGM; and
- (b) the Stock Exchange granting the listing of, and the permission to deal in the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.



## LETTER FROM THE BOARD

The Company confirmed that the total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period has not exceeded 1% of the issued share capital of the Company in compliance with Rule 23.03(4) of the GEM Listing Rules.

An ordinary resolution will be proposed at the EGM to approve the refreshment of the Scheme Mandate Limit. None of the Shareholders are required to abstain from voting on the relevant resolution at the EGM pursuant to Rule 23.03 of the GEM Listing Rules.

### **Application for Listing**

Application will be made to the Stock Exchange for the listing of, and permission to deal in, any new Shares to be issued and allotted upon exercise of the options that may be granted under the refreshed Scheme Mandate Limit, representing up to 10% of the total number of Shares in issue as at the date of the EGM.

### **EGM**

The notice convening the EGM is set out on pages 8 to 9 of this circular. The EGM will be convened and held at Tower B, Jingyi Technical Building, No. 9 Dazhongsi East Road, Haidian District, Beijing, the People's Republic of China (100098) at 5:00 p.m. on Friday, 13th May 2011 for the purpose of considering and, if thought fit, passing the ordinary resolution to approve the refreshment of Scheme Mandate Limit.

None of the Shareholders are required to abstain from voting at the EGM on the resolution in relation to the refreshment of the Scheme Mandate Limit under the Share Option Scheme as set out in the notice of the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) if you so wish.

### **VOTING BY WAY OF POLL**

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Accordingly, the resolution put to the vote at the EGM will be taken by way of poll.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Board is of the opinion that the proposed refreshment of the Scheme Mandate Limit is in the best interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution in relation to the refreshment of the Scheme Mandate Limit at the EGM.

Yours faithfully,  
By order of the Board  
**Guo Jiang**  
*Chief Executive Officer and Executive Director*

## NOTICE OF EXTRAORDINARY GENERAL MEETING



**HC INTERNATIONAL, INC.**

**慧聪网有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8292)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of the members of HC International, Inc. (the "Company") will be held at Tower B, Jingyi Technical Building, No. 9 Dazhongsu East Road, Haidian District, Beijing, the People's Republic of China (100098) on Friday, 13th May 2011 at 5:00 p.m. (the "Meeting") for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution as an ordinary resolution of the Company:

### ORDINARY RESOLUTION

"THAT subject to and conditional upon The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.10 each in the capital of the Company (the "Shares") to be issued upon exercise of the options to be granted pursuant to the authority hereby given, the board of directors of the Company be and is hereby authorised to grant options under the share option scheme of the Company adopted on 30th November 2003 pursuant to which Shares representing up to 10% of the number of Shares in issue as at the date of passing of this resolution may be issued upon the exercise of such options (the "Refreshed Scheme Mandate Limit") and that the board of directors be authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Refreshed Scheme Mandate Limit."

By Order of the Board  
**HC INTERNATIONAL, INC.**  
**Guo Jiang**

*Chief Executive Officer and Executive Director*

Beijing, PRC, 26th April 2011

*Notes:*

1. Any member of the Company entitled to attend and vote at the Meeting shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.

\* *For identification purposes only*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Company's Hong Kong branch share registrar and transfer office, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.
4. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the Meeting or any adjournment thereof in cases where the Meeting was originally held within 12 months from such date.
5. Where there are joint holders of any share, any one of such joint holders may vote at the Meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.
6. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the Meeting or any adjournment thereof (as the case may be) if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.
7. Reference is made to the notice of annual general meeting of the Company dated 31st March 2011, and the announcement of the Company dated 6th April 2011, where it was announced that the transfer books and Register of Members of the Company will be closed from 11th May 2011 to 13th May 2011, both days inclusive, when no share transfer will be effected.