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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: 8292)

ADOPTION OF EMPLOYEES' SHARE SCHEME

The Board has adopted the Scheme on 21 December 2012, pursuant to which the Board may at its absolute discretion grant Loan amounting to two times of the Employee's Self Funded Amount to Selected Employees solely for the purpose of purchase of the Purchase Shares.

Pursuant to the Scheme, on 21 December 2012, the Board has granted Loan in an aggregate amount of approximately HK\$41,648,080 to 36 Selected Employees for the purchase of the Purchase Shares.

THE EMPLOYEES' SHARE SCHEME

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A summary of the principal terms of the Scheme is set out below:

Summary of the Scheme

Purposes and Objectives

The Scheme is designed to allow core management of the Group to hold reasonable portion of the Shares to strike a balance of their long-term and short-term goals. It is intended that by enhancing the Group's core management's sense of ownership, the Scheme could achieve a sharing of benefits and risks among the Shareholders, the Company and such core management in support of the corporate strategy and rapid development of the Group.

* For identification purposes only

Scope of Participants

Participants for the Scheme shall be core management of the Group who, in the opinion of the Board, contribute directly to the overall business performance and sustainable development of the Group.

Directors and connected persons of the Company are excluded from participating in the Scheme.

Operation

Pursuant to the Scheme, each Selected Employee would, taking into account his/her personal financial status, propose his/her Employee's Self Funded Amount (which shall be not less than HK\$369,658 and not more than HK\$1,232,192) and apply to the Company for the Loan. Subject to review and approval by the Board at its absolute discretion, the Board may grant to such Selected Employees Loan amounting two times of his/her Employee's Self Funded Amount subject to terms of individual loan agreement to be entered into.

The Loan shall be used by the Selected Employees for the sole purpose of purchasing the Purchase Shares through the Agent pursuant to the terms of share purchase agreement to be entered into among the Company, individual Selected Employee and the Agent. The Purchase Shares shall be held in escrow by the Agent until repayment in full of the Loan granted to such Selected Employee pursuant to the terms of share escrow agreement to be entered into among the Company, individual Selected Employee and the Agent.

Interest

The Loan shall be subject to interest at a rate of 5% per annum, which shall be payable annually by the Selected Employees on every anniversary date of the grant of the corresponding Loan.

Term of the Loan

Three years, commencing from the date of advancement of the corresponding Loan.

Security for the Loan

Pursuant to the Scheme, each Selected Employee shall enter into a share escrow agreement with the Company and the Agent, under which the Purchase Shares shall be held in escrow by the Agent until repayment in full of the Loan granted to such Selected Employee.

Prior to the release of such Purchase Shares, among other things, the Selected Employees shall not offer for sale, pledge, transfer, assign or in any other manner dispose of or deal in the Purchase Shares or any interest therein, but shall be entitled to cash dividends and to exercise all rights of voting pertaining to such Purchase Shares.

GRANT OF LOAN UNDER THE SCHEME

Pursuant to the Scheme, on 21 December 2012, the Board has granted Loan in an aggregate amount of approximately HK\$41,648,080 to 36 Selected Employees for the purchase of the Purchase Shares. All such Selected Employees are Independent Third Parties.

The Purchase Money in relation to such grant is approximately HK\$62,472,120 (including Loan of approximately HK\$41,648,080 to be lent by the Company, and Employees' Self Funded Amount of approximately HK\$20,824,040 to be funded by the Employees). Assuming the market price of HK\$2.85 per Share (being the closing price quoted on the Stock Exchange on 20 December 2012), the number of Purchase Shares would be 21,920,042 for illustration purpose only. The Shares will be purchased from the open market or off market with reference to the market price at the relevant time.

DEFINITIONS

Unless otherwise defined, the following expressions in this announcement have the following meanings:

“Agent”	agent for purchasing and keeping in custody of the Purchase Shares, who and its ultimate beneficial owners shall be an Independent Third Party
“Board”	the board of Directors
“Company”	HC International, Inc. (慧聰網有限公司*), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“connected person(s)”	having the meaning as ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Employee(s)”	employee(s) of the Company
“Employee's Self Funded Amount”	the monetary amount to be initially contributed by Selected Employees (excluding the Loan to him/her under the Scheme to be repaid) for purchase of the Purchase Shares pursuant to the Scheme
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) which are third parties independent of the Company and its connected persons
“Loan”	the loan to be granted by the Company pursuant to the Scheme to Selected Employees for the sole purpose of purchasing the Purchase Shares. Loan to individual Selected Employee shall be two times of his/her corresponding Employee’s Self Funded Amount
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchase Money”	being, in aggregate, the Employee’s Self Funded Amount and the corresponding Loan granted to individual Selected Employee
“Purchase Share(s)”	the maximum number of Shares to the nearest board lot which can be purchased with the Purchase Money
“Scheme”	the employees’ share scheme adopted by the Board on 21 December 2012, as amended from time to time
“Selected Employee(s)”	any Employee(s) selected by the Board for participant in the Scheme
“Share(s)”	ordinary shares of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
HC International, Inc.
Guo Jiang
Chief Executive Officer and Executive Director

Beijing, the PRC, 21 December 2012

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*)

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this announcement 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 announcement misleading.

This announcement will remain on the pages of “Latest Company Announcements” on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and the Company’s website at <http://www.hcgroup.com>.