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HC INTERNATIONAL, INC.

慧聪网有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8292)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
ENTERING INTO CONSTRUCTION CONTRACTS
FOR CONSTRUCTION OF RESEARCH AND DEVELOPMENT
OFFICE BUILDING AND TRAINING CENTRES**

CONSTRUCTION CONTRACT ONE

The Board is pleased to announce that Beijing HC International entered into the Construction Contract One with Beijing Changjian on 9 November 2009 in relation to construction works of two training centres at a contract sum of RMB10 million (equivalent to approximately HK\$11,364,000).

CONSTRUCTION CONTRACT TWO

The Board is also pleased to announce that Beijing HC International entered into the Construction Contract Two with Hebei Construction on 9 November 2009 in relation to construction works of a research and development office building at a contract sum of RMB9.5 million (equivalent to approximately HK\$10,795,000).

As the Construction Contract One and the Construction Contract Two were entered into at the same time, the construction projects are related and the research and development office building and the training centres will be located on the same construction site, the two transactions are required to be aggregated as if they were one transaction under Rule 19.22 of the GEM Listing Rules.

The entering into of the Construction Contracts constitutes a discloseable transaction for the Company under Chapter 19 the GEM Listing Rules.

* *For identification purposes only*

1. CONSTRUCTION CONTRACT ONE

Date

9 November 2009

Parties

- (1) Beijing HC International. Beijing HC International is a non-wholly owned subsidiary of the Company, of which the Company holds 82% interest. Beijing HC International is principally engaged in the provision of business information in the PRC.
- (2) 北京昌建建築工程公司 (Beijing Changjian). Beijing Changjian is a company incorporated in the PRC whose principal business activity is carrying out construction and engineering works in the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Beijing Changjian and its ultimate beneficial owner are the Independent Third Parties as at the date of this announcement.

Subject matter of the Construction Contract One

Beijing HC International agrees to engage Beijing Changjian in the construction works of two multi-storey training centres, each of 6 floors, in the headquarters of the Group located at Shahe Zhen Qi Li Qu Nan Cun, Changping District, Beijing* (北京市昌平區沙河鎮七里渠南村530號慧聰網總部基地). The construction works are expected to complete on or about 31 March 2010.

The contract sum for the construction works shall be RMB10,000,000 (equivalent to approximately HK\$11,364,000). The contract sum shall be payable in cash in the following manners:

- (a) within 7 days after the signing of the Construction Contract One, a sum of RMB3,150,000 (equivalent to approximately HK\$3,580,000) (being the first part payment of the contract sum) shall be paid to Beijing Changjian;
- (b) upon the completion of each storey of the training centres and subject to the examination and acceptance by Beijing HC International and any other relevant parties or regulatory bodies, a further sum of RMB700,000 (equivalent to approximately HK\$795,000) shall be payable upon completion of each storey and an aggregate of RMB4,200,000 (equivalent to approximately HK\$4,770,000) shall be paid to Beijing Changjian; and
- (c) the balance of the contract sum of RMB2,650,000 (equivalent to approximately HK\$3,011,370) shall be payable to Beijing Changjian after the issue of completion approval documents by the relevant government authorities of the PRC. Out of the balance of the contract sum, a sum of RMB500,000 (equivalent to approximately HK\$568,200), representing 5% of the contract sum, shall be retained by Beijing HC International as quality assurance fund. The said assurance fund shall be released to Beijing Changjian one year after the completion of the construction works, after deducting any losses suffered by Beijing HC International as a result of any work defects (if any).

If the amount of the construction work increases as a result of change of construction plan, the contract sum may be subject to adjustment. Beijing HC International and the supervising engineer involved shall agree on the adjustment amount first should this happen.

The Directors expect that the contract sum under the Construction Contract One will be satisfied by the internal resources of the Group.

Obligations of Beijing Changjian

Pursuant to the Construction Contract One, Beijing Changjian shall obtain all necessary approvals for the construction works, ensure the completion of the construction works in accordance with the Construction Contract One and comply with all applicable laws and regulations in relation to labour safety or any other aspects. Beijing Changjian will also be responsible to clean up the sites upon the completion of the construction works.

Financial effects

The entering into of the Construction Contract One has no immediate financial impact on the Group's earnings, net assets and liabilities. The Board believes that the Construction Contract One will facilitate the growth of the Group's business.

2. CONSTRUCTION CONTRACT TWO

Date

9 November 2009

Parties

- (1) Beijing HC International.
- (2) 河北建工集團有限責任公司 (Hebei Construction). Hebei Construction is a company incorporated in the PRC whose principal business activity is carrying out construction and engineering works in the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Hebei Construction and its ultimate beneficial owner are the Independent Third Parties as at the date of this announcement.

Subject matter of the Construction Contract Two

Beijing HC International agrees to engage Hebei Construction in the construction works of a 6-storey (with a basement) research and development office building in the same location as the training centres. The construction works are expected to complete on or about 31 March 2010.

The contract sum for the construction works will be RMB9,500,000 (equivalent to approximately HK\$10,800,000) and will be borne by the Group solely. The contract sum shall be payable in cash in the following manner:

- (a) within 7 days after the signing of the Construction Contract Two, a sum of RMB1,000,000 (equivalent to approximately HK\$1,136,000) (being the first part payment of the contract sum) shall be payable to Hebei Construction;
- (b) upon the completion of the basement of the research and development office building, a sum of RMB1,000,000 (equivalent to approximately HK\$1,136,000) shall be payable to Hebei Construction;
- (c) upon the completion of the second storey of the research and development office building, a sum of RMB1,000,000 (equivalent to approximately HK\$1,136,000) shall be payable to Hebei Construction;
- (d) upon the completion of the fourth storey of the research and development office building, a sum of RMB1,000,000 (equivalent to approximately HK\$1,136,000) shall be payable to Hebei Construction;
- (e) upon the completion of the sixth storey of the research and development office building, a sum of RMB1,000,000 (equivalent to approximately HK\$1,136,000) shall be payable to Hebei Construction; and
- (f) the balance of the contract sum of RMB1,500,000 (equivalent to approximately HK\$1,705,000) (after deducting purchasing cost of steel of RMB3,000,000) shall be payable to Hebei Construction after the issue of completion approval documents by the relevant government authorities of the PRC. Out of the balance of the contract sum, a sum of RMB475,000 (equivalent to approximately HK\$539,770), representing 5% of the contract sum, shall be retained by Beijing HC International as quality assurance fund. The said assurance fund shall be released to Hebei Construction one year after the completion of the construction works, after deducting losses suffered by Beijing HC International as a result of any work defects (if any).

If the amount of the construction work increases as a result of change of construction plan, the contract sum may be subject to adjustment. Beijing HC International and the supervising engineer involved shall agree on the adjustment amount first should this happen.

Beijing HC International shall deduct from the contract sum an amount equal to any purchasing cost of steel for the purpose of the construction works incurred by Beijing HC International throughout the construction period, and in any event not exceeding RMB3,000,000 (equivalent to approximately HK\$3,410,000). Any such cost exceeding RMB3,000,000 shall be borne by Hebei Construction.

The Directors expect that the consideration under the Construction Contract Two will be satisfied by the internal resources of the Group.

Obligations of Hebei Construction

Pursuant to the Construction Contract Two, Hebei Construction shall obtain all necessary approvals for the construction works, ensure the completion of the construction works in accordance with the Construction Contract Two and comply with all applicable laws and regulations in relation to the labour safety or any other aspects. Hebei Construction will also be responsible to clean up the sites upon the completion of the construction works.

Financial effects

The entering into of the Construction Contract Two has no immediate financial impact on the Group's earnings, net assets and liabilities. The Board believes that the Construction Contract Two will facilitate the growth of the Group's business.

3. REASONS FOR ENTERING INTO THE CONSTRUCTION CONTRACTS

The Directors believe that the construction of the research and development office building and training centres are consistent with the businesses and commercial objectives of the Group in expanding the operational scale of the Group and that by entering into the Construction Contracts, it would improve the staff working conditions and thereby facilitate staff morale and their work efficiency.

The terms of the Construction Contracts are determined after arm's length negotiations between the parties therein and are in the ordinary and normal course of business. The Directors (including the independent non-executive Directors) believe that the terms of the Construction Contracts are fair and reasonable and in the interests of the Shareholders as a whole.

4. GEM LISTING RULES' IMPLICATIONS

As the Construction Contract One and the Construction Contract Two were entered into at the same time, the construction projects are related and the research and development office building and the training centres will be located on the same construction site, the two transactions are required to be aggregated as if they were one transaction under Rule 19.22 of the GEM Listing Rules.

The entering into of the Construction Contracts constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

5. GENERAL

The principal business activities of the Company is investment holding and its subsidiaries are engaged in advertising activities and provision of business information in the PRC.

DEFINITIONS

“Beijing Changjian”	北京昌建建築工程公司 (Beijing Changjian Construction Engineering Company Limited*), a company established in the PRC with limited liability, a party to the Construction Contract One and an Independent Third Party
“Beijing HC International”	Beijing Huicong International Information Co., Ltd. (北京慧聰國際資訊有限公司), a sino-foreign co-operative joint venture company established in the PRC and is a non-wholly owned subsidiary of the Company
“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 the GEM
“Construction Contracts”	Construction Contract One and Construction Contract Two
“Construction Contract One”	建設工程施工合同 (Construction Works Implementation Contract) dated 9 November 2009 entered into between Beijing HC International and Beijing Changjia
“Construction Contract Two”	建設工程施工合同 (Construction Works Implementation Contract) dated 9 November 2009 entered into between Beijing HC International and Hebei Construction
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hebei Construction”	河北建工集團有限責任公司 (Hebei Construction Engineering Group Ltd.*), a company established in the PRC with limited liability, a party to the Construction Contract Two and an Independent Third Party
“HK\$”	Hong Kong Dollars, the lawful currency of the Special Administrative Region of Hong Kong

“Independent Third Party(ies)”	party or parties that is or are not connected with the Company and/or connected with the directors, chief executive, promoters, management shareholders or substantial shareholders of the Company or any of its subsidiaries or their respective associates
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

For the purpose of this announcement, the exchange of HK\$1.00 = RMB0.88.

By Order of the board of directors of the Company,
HC International, Inc.
Guo Jiang
Chief Executive Officer and Executive Director

Beijing, the PRC, 9 November 2009

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

Mr. Guo Fansheng (*Executive Director*)
Mr. Guo Jiang (*Executive Director and Chief Executive Officer*)
Mr. Li Jianguang (*Non-executive Director*)
Mr. Zhang Ke (*Independent non-executive Director*)
Mr. Xiang Bing (*Independent non-executive Director*)
Mr. Guo Wei (*Independent non-executive Director*)

This announcement, for which the directors of the Company (the “Directors”) collectively and individually accept full responsibility, include 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 enquiries, confirm that, to the best of their knowledge and belief (i) the information in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting.