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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)**

## **ANNOUNCEMENT ON PRICE SENSITIVE INFORMATION**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

The Company has been notified that on 7 December 2010:

- (a) Mr. Guo Fansheng, an executive Director, has agreed to acquire and IDG, a substantial shareholder of the Company, has agreed to sell 26,060,000 Shares, representing approximately 5.33% of the issued share capital of the Company as at the date of this announcement, at HK\$0.58 per Share; and
- (b) Mr. Guo Jiang, an executive Director and the chief executive officer of the Company, has agreed to acquire and the Jayhawk, substantial shareholders of the Company, have agreed to sell an aggregate of 21,030,000 Shares, representing approximately 4.30% of the issued share capital of the Company as at the date of this announcement, at HK\$0.58 per Share.

After completion of the IDG Share Transfer and the Jayhawk Share Transfer, each of Mr. Patrick J. McGovern, Mr. Zhou Quan and Mr. Kent C. McCarthy will maintain his status as a substantial shareholder of the Company, and each of Mr. Guo Fansheng and Mr. Guo Jiang will become a substantial shareholder of the Company.

This announcement is made pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”).

\* For identification purposes only

The board (the “**Board**”) of directors of HC International, Inc. (the “**Company**”) announces that on 7 December 2010, the Company has been notified:

- (a) by Mr. Guo Fansheng, an executive director (the “**Director**”) of the Company, and IDG Technology Venture Investment III, L.P. (“**IDG**”), a substantial shareholder of the Company, that Mr. Guo Fansheng has agreed to acquire and IDG has agreed to sell 26,060,000 ordinary shares of the Company (the “**Shares**”), representing approximately 5.33% of the issued share capital of the Company as at the date of this announcement, at HK\$0.58 per Share (the “**IDG Share Transfer**”). The IDG Share Transfer is expected to be completed on 14 December 2010.

IDG is controlled by IDG Technology Venture Investments, LLC, which is in turn jointly controlled by Mr. Patrick J. McGovern and Mr. Zhou Quan, each of them a substantial shareholder of the Company as at the date of this announcement.

- (b) by Mr. Guo Jiang, an executive Director and the chief executive officer of the Company, Jayhawk Private Equity Fund, L.P. and Jayhawk Private Equity Co-Invest Fund, L.P. (collectively, the “**Jayhawk**”), that Mr. Guo Jiang has agreed to acquire and each of the Jayhawk has agreed to sell 21,030,000 Shares, representing approximately 4.30% of the issued share capital of the Company as at the date of this announcement, at HK\$0.58 per Share (the “**Jayhawk Share Transfer**”). The Jayhawk Share Transfer is expected to be completed on 22 December 2010.

The entire issued share capital of each of Jayhawk Private Equity Fund, L.P. and Jayhawk Private Equity Co-Invest Fund, L.P. is owned by Mr. Kent C. McCarthy.

After completion of the IDG Share Transfer and the Jayhawk Share Transfer, each of Mr. Patrick J. McGovern, Mr. Zhou Quan and Mr. Kent C. McCarthy will maintain his status as a substantial shareholder of the Company, and each of Mr. Guo Fansheng and Mr. Guo Jiang will become a substantial shareholder of the Company. Set out below is the shareholding of the aforesaid parties (i) as at the date of this announcement and (ii) immediately after completion of the IDG Share Transfer and the Jayhawk Share Transfer:

Name of shareholder	As at the date of this announcement		Immediately after completion of the IDG Share Transfer and the Jayhawk Share Transfer	
	Number of Shares	Approximate %	Number of Shares	Approximate %
McCarthy Kent C.	117,790,000 (Note 1)	24.09%	96,760,000	19.79%
McGovern Patrick J.	104,790,697 (Note 2)	21.43%	78,730,697	16.10%
Guo Jiang	46,157,771 (Note 3)	9.44%	67,187,771	13.74%
Guo Fansheng	39,447,015	8.07%	65,507,015	13.40%
Zhou Quan	79,316,743 (Note 4)	16.22%	53,256,743	10.89%

*Notes:*

1. Such interest in the Company comprises 110,921,628 Shares owned by Jayhawk Private Equity Fund, L.P. and 6,868,372 Shares owned by Jayhawk Private Equity Co-Invest Fund, L.P. as at the date of this announcement. The entire issued share capital of each of the abovementioned companies is owned by Mr. McCarthy Kent C..
2. Such interest in the Company comprises 25,473,954 Shares owned by IDG Technology Venture Investment, Inc., a wholly-owned subsidiary of International Data Group, Inc., whose majority of shares is held by Mr. Patrick J. McGovern, 16,664,743 Shares owned by IDG Technology Venture Investments, L.P., a Delaware limited partnership controlled by IDG Technology Venture Investments, LLC, which is in turn jointly controlled by Mr. Patrick J. McGovern and Mr. Zhou Quan, and 62,652,000 Shares owned by IDG Technology Venture Investment III, L.P., a Delaware limited partnership controlled by IDG Technology Venture Investment III, LLC, which is jointly controlled by Mr. Patrick J. McGovern and Mr. Zhou Quan as at the date of this announcement.
3. Such interest in the Company comprises, as at the date of this announcement:
  - (a) 29,223,771 Shares of which 1,074,625 Shares are held by Ms. Geng Yi, Mr. Guo Jiang's spouse; and
  - (b) 16,934,000 underlying shares derived from the share options granted under the share option scheme of the Company adopted on 30 November 2003, of which 5,934,000 underlying shares derived from the share options granted to Ms. Geng Yi under the said share option scheme.

Mr. Guo Jiang is deemed, or taken to be, interested in the Shares and underlying shares held by Ms. Geng Yi pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

4. Such interest in the Company comprises 16,664,743 Shares owned by IDG Technology Venture Investments, L.P., a limited partnership controlled by IDG Technology Venture Investments, LLC, which is in turn jointly controlled by Mr. Patrick J. McGovern and Mr. Zhou Quan, and 62,652,000 Shares of the Company owned by IDG Technology Venture Investment III, L.P., a Delaware limited partnership controlled by IDG Technology Venture Investment III, LLC, which is in turn jointly controlled by Mr. Patrick J. McGovern and Mr. Zhou Quan, respectively, as at the date of this announcement.

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

Beijing, the PRC, 7 December 2010

*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)*  
*Ms. Guo Bingbing (Executive Director)*  
*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 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: (i) the information contained 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.*

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