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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: 02280)

FULFILMENT OF THE PERFORMANCE TARGET OF ZHEJIANG ZHONGFU FOR THE YEAR ENDED 31 DECEMBER 2016

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Reference is made to the announcements of HC International, Inc. (the “**Company**”) dated 18th December 2015 (the “**Announcement**”) and 8th January 2016 in relation to the share transaction in relation to Zhongfu Holdings Limited involving issue of Convertible Bonds and continuing connected transaction in relation to the Structured Contracts. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement, unless the context herein otherwise requires.

On 18th December 2015, the Sellers, the Company and the Seller Guarantors entered into the Sale and Purchase Agreement, pursuant to which the Sellers have conditionally agreed to sell, and the Company has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of the Target Company, for an aggregate consideration of HK\$170,807,500 (subject to downward adjustments) to be settled at Completion by way of (i) cash; and (ii) issuance and allotment of the Convertible Bonds (subject to downward adjustments).

HK\$100,712,500 of the Consideration (being the aggregate principal amount of the allotment and issue of the Convertible Bonds) is subject to downward adjustments on the basis of a yearly target amount of RMB10,000,000, RMB13,000,000 and RMB16,900,000 of the audited consolidated distributable profit (after-tax) of Zhejiang Zhongfu for the year ended 31st December 2016, 2017 and 2018 respectively.

* For identification purpose only

According to the audited consolidated financial statement of Zhejiang Zhongfu for the year ended 31 December 2016 dated 28 March 2017, the audited consolidated distributable profit (after-tax) of Zhejiang Zhongfu for the year ended 31 December 2016 exceeds RMB10,000,000. Accordingly, the relevant Performance Target for the First Performance Undertaking Year has been met, and the Sellers shall convert the Convertible Bonds in the principal amount of HK\$40,427,500 into Conversion Shares at the conversion price of HK\$10.00 per share. Accordingly, a total of 4,042,750 Conversion Shares will be allotted and issued to the Sellers.

By Order of the board of the Directors
HC INTERNATIONAL, INC.

Guo Jiang

Chief Executive Officer and Executive Director

Beijing, PRC, 28 March 2017

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. Liu Jun (*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*)

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