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HC INTERNATIONAL, INC.

慧聰國際資訊有限公司*

(incorporated in the Cayman Islands with limited liability)

**LISTING ON THE GROWTH ENTERPRISE MARKET
OF THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF PLACING OF SHARES**

Number of Placing Shares	:	100,000,000 Shares (subject to Over-allotment Option)
Placing Price	:	HK\$1.09 per Placing Share
Nominal value	:	HK\$0.10 each
Stock code	:	8292

Sponsor



FIRST SHANGHAI CAPITAL LIMITED

Bookrunner and Lead Manager

FIRST SHANGHAI SECURITIES LIMITED

Co-Lead Manager

SBI E2-Capital Securities Limited

Co-Managers

Asian Capital (Corporate Finance) Limited
Core Pacific-Yamaichi International (H.K.) Limited
Goldbond Capital (Asia) Limited
Sun Hung Kai International Limited

Barits Securities (Hong Kong) Limited
CSC Securities (HK) Limited
Oriental Patron Asia Limited
VC CEF Capital Limited

- The Placing Price has been fixed at HK\$1.09 per Placing Share (excluding brokerage fee of 1%, Stock Exchange trading fee of 0.005%, SFC transaction levy of 0.005% and investor compensation levy of 0.002%).
- The subscription for a total number of 958,430,000 Placing Shares have been received by First Shanghai Securities, equivalent to approximately 9.6 times of the total number of 100,000,000 Placing Shares initially offered under the Placing. Due to the over-subscription, First Shanghai Securities, the bookrunner and lead manager of the Placing, has over-allocated 15,000,000 Shares, representing 15% of the Shares initially available under the Placing. As a result, an aggregate of 115,000,000 Placing Shares have been conditionally allocated to 204 professional, institutional and/or other investors under the Placing. The settlement of such over-allocations was facilitated by the stock borrowing agreement entered into between Mr. Guo and First Shanghai Securities.
- The Company has granted to First Shanghai Securities the Over-allotment Option, exercisable at any time within 30 days from 8 December, 2003, being the date of the Prospectus, to require the Company to issue at the Placing Price up to an aggregate of 15,000,000 additional new Shares, representing 15% of the Shares initially available under the Placing, for the sole purpose of covering over-allocations in the Placing.
- First Shanghai Securities may return the borrowed Shares to Mr. Guo by exercising the Over-allotment Option and/or purchasing Shares in the secondary market. As at the date hereof, the Over-allotment Option has not been exercised. In the event that the Over-allotment Option is exercised, an announcement will be made on the GEM website. Any secondary market purchases of Shares will be made at prices not higher than the Placing Price and in compliance with all applicable laws, rules and regulations.
- All placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or initial management shareholders of the Company, its subsidiaries or any of their respective associates. Oriental Patron Asia Limited (“OPAL”), one of the Underwriters, has allocated 40,000 Placing Shares (representing approximately 0.03% of the Placing Shares allocated under the Placing and approximately 0.01% of the issued share capital of the Company immediately upon completion of the Placing assuming no exercise of any Over-allotment Option) to Oriental Patron Capital Growth Fund, a discretionary fund managed by OPAL. Save as the aforesaid, none of the Placing Shares have been placed to any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.
- Immediately after completion of the Placing and the Capitalisation Issue but before any exercise of the Over-allotment Option and any options granted or to be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, the public float of the Company will be approximately 28.8% of the enlarged issued share capital of the Company.
- **There is a high concentration of the Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**
- Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on 17 December, 2003.

Unless otherwise defined herein, the terms used in this announcement shall have the same meanings as in the prospectus dated 8 December, 2003 (the “Prospectus”) issued by HC International, Inc. (the “Company”).

PLACING PRICE

The Company, First Shanghai Capital and First Shanghai Securities (on behalf of the Underwriters) have entered into the Price Determination Agreement on 10 December, 2003 pursuant to which the Placing Price was fixed at HK\$1.09 per Placing Share (excluding brokerage fee of 1%, Stock Exchange trading fee of 0.005%, SFC transaction levy of 0.005% and investor compensation levy of 0.002%).

LEVEL OF INTEREST

The subscription for a total number of 958,430,000 Placing Shares have been received by First Shanghai Securities, equivalent to approximately 9.6 times of the total number of 100,000,000 Placing Shares initially offered under the Placing. Due to the over-subscription, First Shanghai Securities, the bookrunner and lead manager of the Placing, has over-allocated 15,000,000 Shares, representing 15% of the Shares initially available under the Placing. As a result, an aggregate of 115,000,000 Placing Shares have been conditionally allocated to 204 professional, institutional and/or other investors under the Placing. The settlement of such over-allocations was facilitated by the stock borrowing agreement entered into between Mr. Guo and First Shanghai Securities.

The Company has granted to First Shanghai Securities the Over-allotment Option, exercisable at any time within 30 days from 8 December, 2003, being the date of the Prospectus, to require the Company to issue at the Placing Price up to an aggregate of 15,000,000 additional new Shares, representing 15% of the Shares initially available under the Placing, for the sole purpose of covering over-allocations in the Placing.

First Shanghai Securities may return the borrowed Shares to Mr. Guo by exercising the Over-allotment Option and/or purchasing Shares in the secondary market. As at the date hereof, the Over-allotment Option has not been exercised. In the event that the Over-allotment Option is exercised, an announcement will be made on the GEM website. Any secondary market purchases of Shares will be made at prices not higher than the Placing Price and in compliance with all applicable laws, rules and regulations.

All placees are independent of and not connected with any of the Directors, chief executive, substantial shareholders or initial management shareholders of the Company, its subsidiaries or any of their respective associates. Oriental Patron Asia Limited, one of the Underwriters, has allocated 40,000 Placing Shares (representing approximately 0.03% of the Placing Shares allocated under the Placing and approximately 0.01% of the issued share capital of the Company immediately upon completion of the Placing assuming no exercise of any Over-allotment Option) to Oriental Patron Capital Growth Fund, a discretionary fund managed by itself. Save as the aforesaid, none of the Placing Shares have been placed to any person or group of persons as stated in Rule 10.12(4) of the GEM Listing Rules or any nominees of the foregoing.

RESULTS OF ALLOCATION

Pursuant to the Placing, an aggregate of 115,000,000 Placing Shares have been conditionally allocated to a total of 204 professional, institutional and/or other individual investors. The following table sets out the concentration of the Placing Shares:

	Aggregate number of the Placing Shares held	Approximate percentage of the Placing Shares	Approximate percentage of shareholding after immediately completion of the Placing and the Capitalisation Issue (Assuming the Over-allotment Option is not exercised)
Top placee	15,000,000	13.0%	3.8%
Top 5 placees	47,000,000	40.9%	11.8%
Top 10 placees	69,042,000	60.0%	17.3%
Top 25 placees	101,794,000	88.5%	25.4%

The 115,000,000 Placing Shares will be held by a total of 204 placees as follows:

Number of Placing Shares	Number of placees
2,000 to 20,000	92
20,001 to 50,000	28
50,001 to 100,000	33
100,001 to 500,000	26
500,001 to 1,000,000	4
1,000,001 to 5,000,000	17
5,000,001 to 10,000,000	2
10,000,001 or above	2
Total	<u>204</u>

There is a high concentration of the Shares held by a small number of Shareholders. Investors should be aware that the concentration of Shareholders may affect the liquidity of the Shares in the secondary market. Consequently, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

MINIMUM PUBLIC FLOAT REQUIREMENT

Pursuant to Rule 11.23(1) of the GEM Listing Rules, the Company is required to maintain a public float of not less than 25% of its issued share capital at the time the Shares commence dealings on GEM and at all times thereafter. Immediately after completion of the Placing and the Capitalisation Issue but before

any exercise of the Over-allotment Option or any options granted under the Pre-IPO Share Option Scheme or to be granted the Share Option Scheme, the public float of the Company will be approximately 28.8% of the enlarged issued share capital of the Company.

DEPOSIT OF SHARE CERTIFICATES INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on GEM as well as the compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second trading business day after the date on which the relevant securities transactions are effected on the Stock Exchange. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The share certificates issued in respect of the Placing Shares will be deposited into CCASS on 15 December, 2003 for credit to the respective CCASS participants' stock accounts designated by the Underwriters, the placees or their agents (as the case may be). If any events set forth under the paragraph headed "Grounds for termination" in the section headed "Underwriting" of the Prospectus occur at any time prior to 6:00 a.m. on 17 December, 2003, being the date on which dealings in the Shares first commence on the Stock Exchange, the Lead Manager (for and on behalf of the Underwriters) is entitled to terminate the obligations of the Underwriters under the Underwriting Agreement by notice in writing to the Company. In such a case, an announcement will be issued and published on the GEM website (in English and Chinese) not later than the morning of 18 December, 2003.

COMMENCEMENT OF DEALINGS

Dealings in the Shares on GEM are expected to commence at 9:30 a.m. on 17 December, 2003.

By order of the Board
HC International, Inc.
Guo Fansheng

Executive Director and Chief Executive Officer

Hong Kong, 12 December, 2003

This announcement, for which the directors of the Company (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.

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.

* For identification purposes only