

IMPORTANT

The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold all your shares in HC International, Inc., you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

This circular, for which the directors (“**Directors**”) of HC International, Inc. (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors of the Company having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this circular 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 circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.



HC INTERNATIONAL, INC.

慧聰國際資訊有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8292)

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The notice convening the extraordinary general meeting of the Company to be held at Tower B, Jieneng Building, 42 North Street, Xizhimen, Haidian District, Beijing 100082, the PRC on 10 November 2006 at 4:00 p.m. is set out herein.

A form of proxy for the extraordinary general meeting is enclosed herewith. Whether or not you propose to attend the extraordinary general meeting, you are requested to complete the form of proxy and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting if you so wish.

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

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

CONTENTS

	<i>Pages</i>
DEFINITIONS	1
LETTER FROM THE CHAIRMAN	2
APPENDIX – PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION	4
NOTICE OF EXTRAORDINARY GENERAL MEETING	8

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“Board”	the board of Directors of the Company
“Company”	HC International, Inc., a company incorporated in the Cayman Islands with limited liability
“Directors”	directors of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Tower B, Jieneng Building, 42 North Street, Xizhimen, Haidian District, Beijing 100082, the PRC on 10 November 2006 at 4:00 p.m. or any adjournment thereof
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Share(s)”	share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE CHAIRMAN



HC INTERNATIONAL, INC.

慧聰國際資訊有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8292)

Executive Directors:

Guo Fansheng (*Chief executive officer*)

Wu Ying

Lai Sau Kam, Connie

Guo Jiang

Non-executive Directors:

Li Jianguang

John Craig Pepples

Independent Non-executive Directors:

Zhang Ke

Xiang Bing

Guo Wei

Registered Office:

4th Floor

One Capital Place

P.O. Box 847

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head Office and Principal Place
of Business:*

Tower B

Jieneng Building

42 North Street, Xizhimen

Haidian District

Beijing 100082

The People's Republic of China

19 October 2006

To the Shareholders

Dear Sir or Madam,

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

INTRODUCTION

At the EGM, the Board will propose to amend the articles of association of the Company to, among others, ensure compliance with the Code on Corporate Governance Practices of the GEM Listing Rules.

The purpose of this Circular is to provide you with further details on the proposed amendments to the articles of association of the Company, which are set out in the Appendix of this Circular, and to seek your approval at the EGM in connection with such matters.

* For identification only

LETTER FROM THE CHAIRMAN

EXTRAORDINARY GENERAL MEETING

A notice of EGM and a form of proxy for the EGM are enclosed herewith. Whether you intend to attend the EGM or not, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for the EGM. Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM in person if you so wish.

RECOMMENDATION

The Directors are of the opinion that the proposal referred to in this Circular is in the best interests of the Company and the Shareholders, and recommend all Shareholders to vote in favour of the special resolution set out in the notice of EGM at the forthcoming EGM.

Yours faithfully,
On behalf of the Board of Directors of
HC International, Inc.
Guo Fansheng
Chief Executive Officer and Executive Director

1. Article 2 of the articles of association of the Company be amended as follows:
 - (a) by inserting the words “and “Directors” shall mean any one of them and include any alternate” at the end of the definition of “Board” or “Directors”;
 - (b) by inserting the word “authorised” between the words “the” and “share capital” in the definition of “Capital”;
 - (c) by deleting the words “stock exchange” and replacing therewith the words “Designated Stock Exchange” in the definition of “Clearing house”;
 - (d) by deleting the words “stock exchange” and replacing therewith the words “Designated Stock Exchange” in the definition of “Competent regulatory authority”;
 - (e) by deleting the words “Section 2 of the Companies Ordinance of Hong Kong as in force at the time of adoption of the Articles” and replacing therewith the words “the rules of the Designated Stock Exchange as amended from time to time” in the definition of “Subsidiary and Holding Company”; and
 - (f) by inserting the words “legible and” after the words “representing words or figures in a” in sub-paragraph (2)(e).

2. Article 66 of the articles of association of the Company be amended as follows:
 - (a) by inserting the words “voting by way of poll is required by the rules of the Designated Stock Exchange or” after the words “a show of hands unless” in the third sentence; and
 - (b) by deleting the full-stop at the end of sub-paragraph (d), replacing therewith a semicolon and the word “or” and inserting the following new sub-paragraph (e):

“(e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”

3. Article 68 of the articles of association of the Company be amended as follows:
 - (a) by deleting the second sentence in its entirety and substituting therefor the following:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

4. Article 84 of the articles of association of the Company be amended as follows:
- (a) by inserting the words “, if more than one person is so authorised,” after the words “or at any meeting of any class of Members provided that” in sub-paragraph (2).
5. Article 86 of the articles of association of the Company be amended as follows:
- (a) by deleting sub-paragraph (2) thereof in its entirety and substituting therefor the following:

“(2) Subject to the Statutes and the provisions of these Articles, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director.”;
 - (b) by deleting sub-paragraph (3) thereof in its entirety and substituting therefor the following:

“(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.”;
 - (c) by deleting the words “Subject to any provision to the contrary in these Articles” from the beginning of sub-paragraph (5) and, by deleting the word “special” and substituting therewith the word “ordinary” in sub-paragraph (5).
6. Article 87 of the articles of association of the Company be amended as follows:
- (a) by deleting sub-paragraph (1) in its entirety and substituting therewith the following:

“(1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.”; and

- (b) by inserting the words “and shall continue to act as Director throughout the meeting at which he retires” at the end of the first sentence of sub-paragraph (2).
7. Article 90 of the articles of association of the Company be amended as follows:
- (a) by inserting the words “rotation, resignation and” after the words “shall be subject to the same provisions as to” in the third sentence.
8. Article 103 of the articles of association of the Company be amended as follows:
- (a) by deleting the quotation mark at the end of sub-paragraph (2); and
- (b) by inserting the following as new sub-paragraph (3):
- “(3) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate (s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board during the meeting (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”
9. Article 162 of the articles of association of the Company be amended as follows:
- (a) by inserting the following as new sub-paragraph (c):
- “(c) if served by advertisement in newspapers, shall be deemed to have been served on the day on which the Notice or document is first published in newspapers;”
- (b) by re-numbering sub-paragraph (c) as new sub-paragraph (d); and
- (c) by re-numbering sub-paragraph (d) as new sub-paragraph (e) and by inserting the words “only or in both English language and Chinese language” after the words “in the English language or the Chinese language”.

10. Article 163 of the articles of association of the Company be amended as follows:
- (a) by deleting the words “by post to or left at the registered address of any Member in pursuance of” in sub-paragraph (1) and substituting therewith the words “to any Member in such manner as provided in”; and
 - (b) by deleting sub-paragraph (2) thereof in its entirety and substituting therefor the following:
 - “(2) Any Notice or document may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member in such manner as provided in these Articles in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.”

NOTICE OF EXTRAORDINARY GENERAL MEETING



HC INTERNATIONAL, INC.

慧聰國際資訊有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 8292)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting of the shareholders of HC International, Inc. (the “Company”) will be held at Tower B, Jieneng Building, 42 North Street, Xizhimen, Haidian District, Beijing 100082, the PRC on 10 November 2006 at 4:00 p.m. (the “EGM”) for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution as special resolution of the Company:

SPECIAL RESOLUTION

“THAT the articles of association of the Company be and are hereby amended in the following manner:

1. Article 2 be amended as follows:
 - (a) by inserting the words “and “Directors” shall mean any one of them and include any alternate” at the end of the definition of “Board” or “Directors”;
 - (b) by inserting the word “authorised” between the words “the” and “share capital” in the definition of “Capital”;
 - (c) by deleting the words “stock exchange” and replacing therewith the words “Designated Stock Exchange” in the definition of “Clearing house”;
 - (d) by deleting the words “stock exchange” and replacing therewith the words “Designated Stock Exchange” in the definition of “Competent regulatory authority”;
 - (e) by deleting the words “Section 2 of the Companies Ordinance of Hong Kong as in force at the time of adoption of the Articles” and replacing therewith the words “the rules of the Designated Stock Exchange as amended from time to time” in the definition of “Subsidiary and Holding Company”; and

* For identification only

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (f) by inserting the words “legible and” after the words “representing words or figures in a” in sub-paragraph (2)(e).
2. Article 66 be amended as follows:
- (a) by inserting the words “voting by way of poll is required by the rules of the Designated Stock Exchange or” after the words “a show of hands unless” in the third sentence; and
- (b) by deleting the full-stop at the end of sub-paragraph (d), replacing therewith a semicolon and the word “or” and inserting the following new sub-paragraph (e):
- “(e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.”
3. Article 68 be amended as follows:
- (a) by deleting the second sentence in its entirety and substituting therefor the following:
- “The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”
4. Article 84 be amended as follows:
- (a) by inserting the words “, if more than one person is so authorised,” after the words “or at any meeting of any class of Members provided that” in sub-paragraph (2).
5. Article 86 be amended as follows:
- (a) by deleting sub-paragraph (2) thereof in its entirety and substituting therefor the following:
- “(2) Subject to the Statutes and the provisions of these Articles, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a causal vacancy or as an additional Director.”;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) by deleting sub-paragraph (3) thereof in its entirety and substituting therefor the following:
 - “(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or, as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting.”;
 - (c) by deleting the words “Subject to any provision to the contrary in these Articles” from the beginning of sub-paragraph (5) and, by deleting the word “special” and substituting therewith the word “ordinary” in sub-paragraph (5).
6. Article 87 be amended as follows:
- (a) by deleting sub-paragraph (1) in its entirety and substituting therewith the following:
 - “(1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.”; and
 - (b) by inserting the words “and shall continue to act as Director throughout the meeting at which he retires” at the end of the first sentence of sub-paragraph (2).
7. Article 90 be amended as follows:
- (a) by inserting the words “rotation, resignation and” after the words “shall be subject to the same provisions as to” in the third sentence.

NOTICE OF EXTRAORDINARY GENERAL MEETING

8. Article 103 be amended as follows:
 - (a) by deleting the quotation mark at the end of sub-paragraph (2); and
 - (b) by inserting the following as new sub-paragraph (3):

“(3) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director (other than the chairman of the meeting) or his associate(s) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director shall be final and conclusive except in a case where the nature or extent of the interest of the Director and/or his associate(s) concerned as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board during the meeting (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman as known to such chairman has not been fairly disclosed to the Board.”
9. Article 162 be amended as follows:
 - (a) by inserting the following as new sub-paragraph (c):

“(c) if served by advertisement in newspapers, shall be deemed to have been served on the day on which the Notice or document is first published in newspapers;”
 - (b) by re-numbering sub-paragraph (c) as new sub-paragraph (d); and
 - (c) by re-numbering sub-paragraph (d) as new sub-paragraph (e) and by inserting the words “only or in both English language and Chinese language” after the words “in the English language or the Chinese language”.
10. Article 163 be amended as follows:
 - (a) by deleting the words “by post to or left at the registered address of any Member in pursuance of” in sub-paragraph (1) and substituting therewith the words “to any Member in such manner as provided in”; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

(b) by deleting sub-paragraph (2) thereof in its entirety and substituting therefor the following:

“(2) Any Notice or document may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member in such manner as provided in these Articles in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.””

By Order of the Board

HC International, Inc.

Guo Fansheng

Chief Executive Officer and Executive Director

Beijing, PRC, 19 October 2006

Registered Office:

4th Floor, One Capital Place

P.O. Box 847 George Town

Grand Cayman, Cayman Islands

British West Indies

*Head Office and Principal Place
of Business:*

Tower B, Jieneng Building

42 North Street, Xizhimen

Haidian District

Beijing 100082

The People's Republic of China

Notes:

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, on a poll, vote instead of such member. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar, Computershare Hong Kong Investor Services Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude any member from attending and voting in person at the meeting or any adjournment thereof should he so wishes.
3. The share register of the Company will be closed from 8 November 2006 to 10 November 2006 (both dates inclusive). Shareholders on the share register as at 8 November 2006 will be entitled to attend and vote at the meeting.