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China Hengshi Foundation Company Limited

中國恒石基業有限公司

(incorporated under the laws of the Cayman Islands with limited liability)

(Stock Code : 1197)

POLL RESULTS OF ANNUAL GENERAL MEETING HELD ON 11 MAY 2018 AND PAYMENT OF FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2017

Reference is made to the circular (the “**Circular**”) of China Hengshi Foundation Company Limited (the “**Company**”) dated 11 April 2018. Terms used herein shall have the same meanings as defined in the Circular, unless the context requires otherwise.

The board of directors (the “**Directors**”) of the Company (the “**Board**”) is pleased to announce that at the annual general meeting (the “**AGM**”) of the Company held on Friday, 11 May 2018, all the proposed resolutions as set out in the notice of the AGM were duly passed by way of poll. The poll results are as follows:

RESOLUTIONS		No. of Votes (%) ^{Note}		Total Number of Vote Cast
		For	Against	
1.	To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors and auditor of the Company for the year ended 31 December 2017.	687,794,000 (100%)	0 (0%)	687,794,000
2.	To declare a final dividend for the year ended 31 December 2017.	687,924,000 (100%)	0 (0%)	687,924,000
3.(a)(i)	To re-elect Mr. XIE Guoping as an independent non-executive Director.	687,826,000 (99.99%)	98,000 (0.01%)	687,924,000
3.(a)(ii)	To re-elect Mr. LOU Hetong as an independent non-executive Director.	687,826,000 (99.99%)	98,000 (0.01%)	687,924,000

3.(a)(iii)	To re-elect Mr. ZHAO Jun as an independent non-executive Director.	687,826,000 (99.99%)	98,000 (0.01%)	687,924,000
3.(b)	To authorise the Board to fix the remuneration of the Directors.	687,860,000 (100%)	0 (0%)	687,860,000
4.	To re-appoint Deloitte Touche Tohmatsu as auditor of the Company for 2018 and to authorise the Board to fix their remuneration for the year ending 31 December 2018.	687,924,000 (100%)	0 (0%)	687,924,000
5.(A)	To give a general mandate to the Directors to allot, issue and deal with additional shares not exceeding 20% of the total number of the issued shares of the Company (the “ Issue Mandate ”).	685,806,000 (99.7%)	2,054,000 (0.30%)	687,860,000
5.(B)	To give a general mandate to the Directors to repurchase shares not exceeding 10% of the total number of issued shares of the Company.	687,860,000 (100%)	0	687,860,000
5.(C)	To extend the Issue Mandate by the number of shares repurchased by the Company.	685,806,000 (99.69%)	2,118,000 (0.31%)	687,924,000
6.(i)	To approve, confirm and ratify the 2018 Continuing Connected Transactions, including the aggregate of proposed annual caps for the year ending 31 December 2018 being RMB102,321,000, and the transactions contemplated thereunder and the implementation thereof.	227,306,000 (100%)	0 (0%)	227,306,000
6.(ii)	To approve, confirm and ratify the 2019-2020 Continuing Connected Transactions, including the aggregate of proposed annual caps for the two years ending 31 December 2019 and 2020 being RMB123,495,000 and RMB148,475,000, respectively, and the transactions contemplated thereunder and the implementation thereof.	227,306,000 (100%)	0 (0%)	227,306,000

6.(iii)	To authorize any one Director (or any two Directors or one director and the secretary of the Company, in the case of execution of documents under seal) for and on behalf of the Company to execute all such other documents, instruments and agreements and to do all such acts or things deemed by him/her to be incidental to, necessary to, ancillary to or in connection with the matters contemplated in the 2018 Continuing Connected Transactions and the 2019-2020 Continuing Connected Transactions and the transactions contemplated thereunder and the implementation thereof including the affixing of seal thereon.	227,306,000 (100%)	0 (0%)	227,306,000
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Note: All percentages are rounded up to two decimal places.

As at the date of the AGM, the total number of issued shares of the Company was 1,000,000,000 Shares, which was the total number of shares entitling the holders to attend and vote for or against the resolutions proposed at the AGM. There was no restriction on any shareholder of the Company (the “**Shareholders**”) casting votes on any of the proposed resolutions at the AGM. There was no Shares entitling the Shareholders to attend and abstain from voting in favour at the AGM as set out in Rule 13.40 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). There were no Shares entitling the Shareholders to attend and vote only against the proposed resolutions at the AGM. No party has stated its intention in the Circular that it would vote against any proposed resolution at the AGM.

As referred to in the Circular, each of Mr. Zhang Yuqiang, Mr. Zhang Jiankan, Huachen Investment Limited and Huakai Investment Limited and their respective associates were required to abstain and did abstain from voting on the relevant resolutions proposed at the AGM for approving the 2018 Continuing Connected Transactions and the 2019-2020 Continuing Connected Transactions. As at the date of the AGM, each of Huachen Investment Limited and Huakai Investment Limited holds a total of 329,602,500 Shares and 131,015,500 Shares, respectively. Mr. Zhang Yuqiang directly held 95.95% issued share capital of Huachen Investment Limited and was deemed to be interested in the 329,602,500 Shares held by Huachen Investment Limited. Mr. Zhang Jiankan directly held all issued share capital of Huakai Investment Limited and was deemed to be interested in the 131,015,500 Shares held by Huakai Investment Limited. None of their associates has any interests in the Shares. Accordingly, the total number of Shares entitling the Independent Shareholders to attend and vote for or against the relevant resolutions proposed at the AGM for approving the 2018 Continuing Connected Transactions and the 2019-2020 Continuing Connected Transactions was 539,382,000 Shares. Save as disclosed above, none of any other Shareholders was required to abstain from voting on any resolutions proposed at the AGM under the Listing Rules.

The Company’s auditor, Deloitte Touche Tohmatsu, acted as the scrutineer for the vote-taking at the AGM.

As more than 50% of votes were cast in favour of each of the resolutions, all of the above resolutions were duly passed as ordinary resolutions.

Further information on the payment of final dividend

The proposed final dividend of RMB0.0864 per Share for the year ended 31 December 2017 has been approved by the Shareholders at the AGM. The dividend is expected to be paid on 28 May 2018 to those Shareholders whose names appear on the register of members of the Company on 21 May 2018.

The final dividend payable to the Shareholders shall be converted to and paid in Hong Kong dollars at the exchange rate of RMB to Hong Kong dollars as announced by the People's Bank of China on the date of AGM, i.e. HK\$1.00 to RMB0.80925. Based on the above exchange rate, the amount of final dividend payable in Hong Kong dollars will be approximately HK\$0.10677 per Share.

By order of the Board
China Hengshi Foundation Company Limited
ZHANG Yuqiang
Chairman

Zhejiang, PRC, 11 May 2018

As at the date of this announcement, the Directors are:

*Non-executive Directors: Mr. ZHANG Yuqiang (Chairman), Mr. ZHANG Jiankan,
Mr. TANG Hsin-hua, Mr. WANG Yuan*

Executive Directors: Mr. ZHOU Tingcai, Ms. HUANG Junjun

*Independent
non-executive Directors: Mr. XIE Guoping, Mr. LOU Hetong, Mr. ZHAO Jun*