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**CHINA HENGSHI FOUNDATION COMPANY LIMITED**

**中國恒石基業有限公司**

*(Incorporated under the laws of Cayman Islands with limited liability)*

**(Stock code: 1197)**

### **CHANGE OF DIRECTOR'S INFORMATION**

This announcement is published by China Hengshi Foundation Company Limited (the “**Company**”) pursuant to Rule 13.51B(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of the Company is informed by Mr. Pan Fei (“**Mr. Pan**”), an independent non-executive director of the Company, that Mr. Pan has received an Advance Notice of Administrative Penalties and Prohibition to Access the Market, in relation to the suspected illegal acts of information disclosure of Jiangsu Yabaite Technology Co., Ltd. (“**Yabaite**”), issued by China Securities Regulatory Commission (“**CSRC**”). CSRC intends to issue warnings and impose fines on the members of board of directors, members of the supervisory committee and senior management of Yabaite. Mr. Pan was an independent director of Yabaite during the period from August 2015 to April 2016. CSRC also intends to issue a warning and impose a fine of RMB 50, 000 on Mr. Pan in relation to the suspected illegal acts of information disclosure of Yabaite.

According to Mr. Pan, he has submitted a statement and plea to CSRC. CSRC shall review the facts, reasons and evidence put forward by the appellant and issue a formal decision of administrative penalty according to the aforementioned facts, reasons and evidence if the case stands. If there is any major change in the CSRC’s decision of administrative penalty, the Company will publish an updated announcement when appropriate.

Yabaite is not connected to the Company and its subsidiaries. The administrative penalties that may be imposed on Mr. Pan are not related to the Company.

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

Hong Kong, 30 June 2017

*As at the date of this announcement, the directors of the Company 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. PAN Fei, Mr. CHEN Zhijie