

*Unless otherwise defined herein, capitalized terms in this announcement shall have the same meanings as those defined in the prospectus dated Tuesday, 8 December, 2015 (the “**Prospectus**”) issued by China Hengshi Foundation Company Limited (the “**Company**”).*

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This announcement is for information purposes only and does not constitute an offer or an invitation to induce an offer by any person to acquire, purchase or subscribe for securities. Potential investors should read the Prospectus for detailed information about our Group, the Hong Kong Public Offer and the International Offering described below before deciding whether or not to invest in the Shares thereby offered.

This announcement is not for release, publication, distribution, directly or indirectly, in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia). This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in Hong Kong, the United States or any other jurisdiction. The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or any state securities laws of the United States. The securities may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the U.S. Securities Act. There will be no public offer of securities of the Company in the United States.

*In connection with the Global Offering, Morgan Stanley Asia Limited, as Stabilising Manager (the “**Stabilising Manager**”), its affiliates or any person acting for it, on behalf of the Underwriters, may effect transactions with a view to stabilising or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilising Manager, its affiliates or any person acting for it, to conduct any such stabilising action, which, if commenced, will be done at the sole and absolute discretion of the Stabilising Manager, its affiliates or any person acting for it, and may be discontinued at any time. Any such stabilising activity is required to be brought to an end on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offer. Such stabilising action, if commenced, may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws, rules and regulatory requirements, including the Securities and Futures (Price Stabilising) Rules, as amended, made under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).*

Potential investors should be aware that stabilising action cannot be taken to support the price of the Shares for longer than the stabilising period which begins on the Listing Date and is expected to expire on Sunday, 10 January, 2016, being the 30th day after the date of closing of the application lists under the Hong Kong Public Offer. After this date, no further stabilising action may be taken, therefore demand for the Shares and the price of the Shares could fall.



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)

GLOBAL OFFERING

Number of Offer Shares in the Global Offering	: 250,000,000 Shares (subject to the Over-allotment Option)
Number of International Offering Shares	: 225,000,000 Shares (subject to adjustment and the Over-allotment Option)
Number of Hong Kong Offer Shares	: 25,000,000 Shares (subject to adjustment)
Maximum offer price	: HK\$2.60 per Offer Share, plus brokerage of 1%, Stock Exchange trading fee of 0.005% and SFC transaction levy of 0.0027% (payable in full on application in Hong Kong dollars, subject to refund on final pricing)
Nominal value	: US\$0.001 per Share
Stock code	: 1197

Sole Sponsor and Sole Global Coordinator

Morgan Stanley

Joint Bookrunners and Joint Lead Managers

Morgan Stanley



Application has been made by the Company to the Listing Committee of the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including to the additional shares which may be issued upon the exercise of the Over-allotment Option). Assuming that the Global Offering becomes unconditional at or before 8:00 a.m. on Monday, 21 December, 2015, dealings in the Shares on the Main Board are expected to commence at 9:00 a.m. on Monday, 21 December, 2015. In the event that the Over-allotment Option is exercised, an announcement will be made by the Company on the Company's website at www.chinahengshi.com.cn, and the website of the Stock Exchange at www.hkexnews.hk.

The Global Offering comprises the Hong Kong Public Offer of 25,000,000 Shares (subject to adjustment), representing approximately 10% of the Offer Shares initially available under the Global Offering, and the International Offering of an aggregate of 225,000,000 Shares (subject to adjustment and the Over-allotment Option), representing approximately 90% of the Offer Shares initially available under the Global Offering. The allocation of the Offer Shares between the Hong Kong Public Offer and the International Offering will be subject to adjustment as described in the section headed "Structure of the Global Offering" in the Prospectus. In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, which is exercisable by the Sole Global Coordinator (on behalf of the International Underwriters) to require the Company to allot and issue up to 37,500,000 additional new Shares, representing approximately 15% of the number of the Offer Shares initially being offered under the Global Offering at the Offer Price.

Subject to the granting of the approval for listing of, and permission to deal in, the Shares on the Stock Exchange and 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 may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

The Offer Price will not be more than HK\$2.60 per Offer Share and is not expected to be less than HK\$1.80 per Offer Share, unless otherwise announced. Applicants for the Hong Kong Offer Shares are required to pay, on application, the maximum Offer Price of HK\$2.60 per Offer Share together with brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price as finally determined is less than HK\$2.60 per Hong Kong Offer Share.

Applications for the Hong Kong Offer Shares will only be considered on the basis of the terms and conditions set out in the Prospectus, the Application Forms and the designated website (www.hkeipo.hk) for the HK eIPO White Form. Applicants who would like to have the allotted Hong Kong Offer Shares registered in their own names should either (i) complete and sign the **WHITE** Application Forms, or (ii) submit applications online through the designated website of the **HK eIPO WHITE Form** Service Provider at www.hkeipo.hk under the **HK eIPO WHITE Form** service. Applicants who would like to have the allotted Hong Kong Offer Shares registered in the name of HKSCC Nominees and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the **YELLOW** Application Forms, or (ii) give **electronic application instructions** to HKSCC via CCASS.

Copies of the Prospectus, together with the **WHITE** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, 8 December, 2015, until 12:00 noon on Friday, 11 December, 2015 from:

1. any of the following offices of the Hong Kong Underwriters:

Morgan Stanley Asia Limited
Level 46, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Haitong International Securities Company Limited
22/F, Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

First Shanghai Securities Limited
19/F, Wing On House
71 Des Voeux Road Central
Hong Kong

2. any of the branches of the following receiving bank:

- **Bank of Communications Co., Ltd. Hong Kong Branch**

District	Branch Name	Address
Hong Kong Island	Hong Kong Branch	20 Pedder Street, Central
	Taikoo Shing Sub-Branch	Shop 38, G/F., CityPlaza 2, 18 Taikoo Shing Road
Kowloon	Jordan Road Sub-Branch	1/F., Booman Building 37U Jordan Road
	Wong Tai Sin Sub-Branch	Shop N118, 1/F., Temple Mall North, 136 Lung Cheung Road, Wong Tai Sin
New Territories	Yuen Long Sub-Branch	Shop 2B, G/F., Man Yu Building, 2–14 Tai Fung Street, Yuen Long

Copies of the Prospectus, together with the **YELLOW** Application Forms, may be obtained during normal business hours from 9:00 a.m. on Tuesday, 8 December, 2015 until 12:00 noon on Friday, 11 December, 2015 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or your stockbroker, who may have such Application Forms and the Prospectus available.

The **WHITE** or **YELLOW** Application Form completed in accordance with the instructions printed thereon, together with a cheque or banker's cashier order payable to "Bank of Communications (Nominee) Co. Ltd. — China Hengshi Public Offer" attached should be deposited in the special collection boxes provided at any of the branches of the receiving bank referred to above on the following dates and during the following times:

Tuesday, 8 December 2015 — 9:00 a.m. to 5:00 p.m.
Wednesday, 9 December 2015 — 9:00 a.m. to 5:00 p.m.
Thursday, 10 December 2015 — 9:00 a.m. to 5:00 p.m.
Friday, 11 December 2015 — 9:00 a.m. to 12:00 noon

Applicants applying by **HK eIPO WHITE Form** service may submit applications through the **HK eIPO WHITE Form** Service Provider at www.hkeipo.hk from 9:00 a.m. on Tuesday, 8 December, 2015 until 11:30 a.m. on Friday, 11 December, 2015 or such later time as described in the section headed "How to Apply for Hong Kong Offer Shares — Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus (24 hours daily, except on the last application day).

CCASS Participants can input electronic application instructions from 9:00 a.m. on Tuesday, 8 December, 2015 until 12:00 noon on Friday, 11 December, 2015 or such later time as described in the section headed "How to Apply for Hong Kong Offer Shares — Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus.

The application lists will open from 11:45 a.m. to 12:00 noon on Friday, 11 December, 2015, the last application date or such later time as described in the section headed "How to Apply for Hong Kong Offer Shares — Effect of Bad Weather on the Opening of the Application Lists" in the Prospectus.

Please refer to the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in the Prospectus for details of the conditions and procedures of the Hong Kong Public Offer.

The Company expects to publish the announcement on the Offer Price, the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offer and the basis of allocation of the Hong Kong Offer Shares under the Hong Kong Public Offer (i) in the South China Morning Post (in English); (ii) in the Hong Kong Economic Times (in Chinese); (iii) on the website of the Stock Exchange (www.hkexnews.hk) and (iv) on the Company's website (www.chinahengshi.com.cn) on or before Friday, 18 December, 2015. The results of allocations and the Hong Kong Identity Card/passport/Hong Kong Business Registration numbers of successful applicants under the Hong Kong Public Offer will be available through a variety of channels from Friday, 18 December, 2015 as described in the section headed "How to Apply for Hong Kong Offer Shares — Publication of Results" in the Prospectus.

The Company will not issue temporary documents of title. Share certificates will only become valid certificate of title at 8:00 a.m. on Monday, 21 December, 2015 provided that the Global Offering has become unconditional and the right of termination described in the section headed “Underwriting — Hong Kong Public Offer — Grounds for Termination” in the Prospectus has not been exercised. No receipt will be issued for application monies received. Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Monday, 21 December, 2015. The Shares will be traded in board lots of 2,000 Shares each. The stock code of the Shares is 1197.

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

Hong Kong, 8 December, 2015

As at the date of this announcement, the Board comprises Mr. Zhang Yuqiang as Chairman and non-executive Director; Mr. Zhou Tingcai and Ms. Huang Junjun as executive Directors; Mr. Zhang Jiankan, Mr. Tang Hsin-hua and Mr. Wang Yuan as non-executive Directors; and Mr. Fang Xianbai, Mr. Chen Zhijie and Mr. Pan Fei as independent non-executive Directors.