VOLUNTARY UNCONDITIONAL GENERAL OFFER

by

PROVENANCE CAPITAL PTE. LTD.
(Company Registration Number: 200309056E)
(Incorporated in Republic of Singapore)

for and on behalf of

PRECIOUS JOY MANAGEMENT LIMITED
(Company Registration Number: 1409526)
(Incorporated in the British Virgin Islands)

to acquire all the issued and paid-up ordinary shares in the capital of

LI HENG CHEMICAL FIBRE TECHNOLOGIES LIMITED
(Company Registration Number: 40635)
(Incorporated in Bermuda)

other than those already owned or controlled by
the Offeror (as defined herein) and the parties acting in concert with it

LEVEL OF ACCEPTANCES

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings ascribed to them in the Offer Document dated 11 January 2016 (as defined below).

1. INTRODUCTION

Provenance Capital Pte. Ltd. ("**Provenance Capital**") refers to the offer document dated 11 January 2016 ("**Offer Document**") issued by Provenance Capital for and on behalf of Precious Joy Management Limited ("**Offeror**") in connection with the voluntary unconditional cash offer ("**Offer**") to acquire all the issued and paid-up ordinary shares ("**Shares**") in the capital of Li Heng Chemical Fibre Technologies Limited ("**Company**"), other than those Shares already owned, controlled or agreed to be acquired, directly or indirectly, by the Offeror and the parties acting in concert with it.

2. LEVEL OF ACCEPTANCES

Provenance Capital wishes to announce, for and on behalf of the Offeror, that:

(a) **Acceptances of the Offer.** As at 5.00 p.m. (Singapore time) on 10 February 2016, the Offeror has received valid acceptances amounting to 48,296,377 Shares, representing approximately 14.205% of the total number of issued Shares of the Company.

(b) **Shares held on or before the Offer Announcement Date**. As at the Offer Announcement Date, the Offeror and parties acting in concert with it collectively owned or controlled an aggregate of 275,401,320 Shares, representing approximately 81.000% of the total number of issued Shares of the Company.

(c) **Shares acquired or agreed to be acquired after the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 10 February 2016 (other than pursuant to valid acceptances of the Offer).** Following the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 10 February 2016, save for the acquisition by the Offeror of an aggregate of 2,496,000 Shares, representing approximately 0.734% of the total number of issued Shares of the Company, the Offeror and parties acting in concert with it have not acquired or agreed to acquire any Shares (other than pursuant to valid acceptances of the Offer).

3. RESULTANT SHAREHOLDINGS

Accordingly, as at 5.00 p.m. (Singapore time) on 10 February, the total number of (A) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it; and (B) valid acceptances to the Offer, amount to an aggregate of 326,193,697 Shares, representing approximately **95.939%** of the total number of issued Shares of the Company.

4. SUSPENSION IN TRADING OF SHARES

Under Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that brings the Shares held by the Offeror and parties acting or deemed to be acting in concert with him to above 90.0% of the Shares (excluding treasury shares), the SGX-ST may suspend the listing of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10.0% of the Shares (excluding treasury shares) are held by at least 500 shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90.0% of the Shares (excluding treasury shares), thus causing the percentage of Shares (excluding treasury shares) held in public hands to fall below 10.0%, the SGX-ST will suspend the trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total Shares held in public hands falls below 10.0%, the Company must as soon as practicable, announce the fact and the SGX-ST may suspend trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10.0%, failing which the Company may be delisted.

In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724(1), Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror does not intend to undertake or support any action for any such trading suspension by the SGX-ST to be lifted. It is the intention of the Offeror to privatise the Company and to delist the Company from the SGX-ST, should the option be available to the Offeror.

The Offeror intends to take steps to delist the Company from the SGX-ST following the close of the Offer.

5. COMPULSORY ACQUISITION

Under Section 103 of the Bermuda Companies Act, holders of not less than 95.0% of the shares in a target Bermuda company (herein referred to as "**Purchasers**") may give notice ("**s103 Acquisition Notice**") to the remaining shareholders of their intention to acquire the remaining shareholders' shares on the terms set out in the s103 Acquisition Notice. When such s103 Acquisition Notice is given, the Purchasers shall be entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the s103 Acquisition Notice unless a remaining shareholder applies to the Court to have the Court appraise the value of such shares.

When the total number of Shares held together by the Offeror and parties acting in concert with it represent 95% or more of the total number of issued Shares of the Company, the Offeror and parties acting in concert with it will have the right to give the s103 Acquisition Notice to the remaining shareholders of the Company of their intention to acquire the Shares of the remaining shareholders on the terms of the s103 Acquisition Notice pursuant to Section 103 of the Bermuda Companies Act.

Nothing in the above paragraph shall be construed as a s103 Acquisition Notice or an exercise by the Offeror and/or parties acting in concert with it of their rights under Section 103 of the Bermuda Companies Act. Shareholders who are in doubt of their position under the Bermuda Companies Act are advised to seek their own independent legal advice.

6. RESPONSIBILITY STATEMENT

The sole director of the Offeror has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading, and the director of the Offeror accepts responsibility accordingly.

Where any information has been extracted from published or otherwise publicly available sources or obtained from the Company, the responsibility of the director of the Offeror has been to ensure through reasonable enquiries, that such information has been accurately and correctly extracted from those sources or, as the case may be, accurately reflected or reproduced in this Announcement in its proper form and context.

Yours faithfully,
PROVENANCE CAPITAL PTE. LTD.

For and on behalf of
PRECIOUS JOY MANAGEMENT LIMITED

11 February 2016

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "potential" "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of the Company and/or the Offeror should not place undue reliance on such forward looking statements, and none of the Company, the Offeror, nor Provenance Capital undertakes any obligation to update or revise any forward-looking statements publicly.

Any enquiries relating to the Offer and this Announcement should be directed, during normal business hours for the period for which the Offer remains open for acceptances, to Provenance Capital Pte. Ltd. at (65) 6227 1580 or at projectliheng@provenancecapital.com.