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

FINAL CLOSING DATE

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. FINAL CLOSING DATE

Pursuant to Rule 22.6 of the Code, as the Offer is unconditional in all respects (including as to acceptances), unless the Offeror has stated in this Offer Document that the Offer will not be extended beyond the first closing date, being 15 February 2016, the Offer must remain open for acceptance for not less than 14 days after the date on which it would otherwise have closed, in order to give those Shareholders who have not accepted the Offer the opportunity to do so.

As the Offeror has not stated in the Offer Document that the Offer will not be extended beyond the first closing date, pursuant to Rule 22.6 of the Code, the Offer will remain open for a period of not less than 14 days after the date on which the Offer would otherwise have closed.

Accordingly, notice is hereby given that the Offer shall close at 5.30 p.m. (Singapore time) on 29 February 2016 ("Final Closing Date"). The Offeror has no intention of extending the Offer beyond 5.30 p.m. (Singapore time) on the Final Closing Date.

Acceptances received after 5.30 p.m. (Singapore time) on the Final Closing Date will be rejected.

Investors are advised to take into account the settlement period for any market purchases of the Shares and their ability to tender Shares in acceptance of the Offer by the Final Closing Date.

3. SUSPENSION IN TRADING OF SHARES AND DELISTING

As stated in the announcement by the Offeror on 20 January 2016, the total number of Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it and valid acceptances to the Offer has exceeded 90.0% of the issued Shares. Based on the aforesaid announcement, the Company has on 20 January 2016 announced that the percentage of Shares held by the public is less than the requisite 10.0% of the total number of issued Shares (excluding treasury shares). 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 at the close of the Offer.

In the event that the trading of the Shares on the SGX-ST is suspended, the Offeror does not intend to undertake or support any action for any such trading suspension by the SGX-ST to be lifted as it is the intention of the Offeror to privatise the Company and to delist the Company from the SGX-ST.

On 4 February 2016, the Company has announced, *inter alia,* that:

(A) it understands from the Offeror that the SGX-ST had by its letter dated 4 February 2016 informed that:

  (a) the SGX-ST has no objection to the application for waiver of Rule 1307 of the Listing Manual subject to the following:

    (I) the Company announcing the waiver granted, the reasons for seeking the waiver and the conditions required under Rule 1307; and

    (II) the submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company; and

  (b) the SGX-ST has no objection to the submission that Rule 1309 of the Listing Manual is not applicable to the Company.

Further information in relation to the waiver of Rule 1307 of the Listing Manual and the non-applicability of Rule 1309 of the Listing Manual may be found in the Company's announcement on 4 February 2016; and

(B) it may be submitting a formal delisting application to seek the delisting of the Shares, and the delisting will still be subject to the approval by the SGX-ST.

4. 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 12 February 2016, the Offeror has received valid acceptances amounting to 55,446,969 Shares, representing approximately 16.308% of the total number of issued Shares.

(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.

(c) **Shares acquired or agreed to be acquired after the Offer Announcement Date and up to 5.00 p.m. (Singapore time) on 12 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 12 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, 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).

5. RESULTANT SHAREHOLDINGS

Accordingly, as at 5.00 p.m. (Singapore time) on 12 February 2016, 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 333,344,289 Shares, representing approximately **98.042%** of the total number of issued Shares.

6. 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.

As the total number of Shares held together by the Offeror and parties acting in concert with it represents more than 95.0% of the total number of issued Shares, the Offeror and parties acting in concert with it will have the right to, and intend 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.

7. 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

12 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 at (65) 62271580 or at projectliheng@provenancecapital.com.