LI HENG CHEMICAL FIBRE TECHNOLOGIES LIMITED
(Incorporated in Bermuda)

VOLUNTARY UNCONDITIONAL GENERAL OFFER FOR
LI HENG CHEMICAL FIBRE TECHNOLOGIES LIMITED

DESPATCH OF OFFEREE CIRCULAR

1. INTRODUCTION

The Board of Directors of the Company (the "**Board**") refers to the announcement dated 11 January 2016 (the "**Offer Document Despatch Announcement**") by Provenance Capital Pte. Ltd. ("**Provenance Capital**"), for and on behalf of Precious Joy Management Limited (the "**Offeror**"), on the despatch of the offer document dated 11 January 2016 ("**Offer Document**") in relation to the voluntary unconditional general offer (the "**Offer**") by Provenance Capital, for and on behalf of the Offeror, to acquire all the issued and paid-up ordinary shares ("**Shares**") in the capital of the Company, other than those already owned or controlled by the Offeror and the parties acting in concert with it.

Further to the Offer Document Despatch Announcement, the Board wishes to announce that the Company has today despatched to shareholders of the Company ("**Shareholders**") a circular dated 25 January 2016 in relation to the Offer (the "**Offeree Circular**").

2. OFFEREE CIRCULAR

The Offeree Circular contains, *inter alia*, the advice of Xandar Capital Pte. Ltd. (the "**IFA**"), the independent financial adviser to the Directors of the Company who are considered independent for the purposes of making a recommendation to Shareholders in respect of the Offer (the "**Independent Directors**"), and the recommendations of the Independent Directors on the Offer.

Shareholders who do not receive the Offeree Circular within two business days from the date of this Announcement may obtain a copy from the office of the share transfer agent of the Company at the following address, during normal business hours on any day (other than a public holiday, Saturday or Sunday) up to the closing date of the Offer:

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
Singapore Land Tower #32-01
Singapore 048623
Tel: +65 6536 5355

A copy of the Offeree Circular is available on the website of the Singapore Exchange Securities Trading Limited at http://www.sgx.com.

3. CLOSING DATE

Shareholders should note that, as stated in the Offer Document, the Offer will close at **5.30 p.m. (Singapore time) on 15 February 2016** or such later date(s) as may be announced from time to time, by or on behalf of the Offeror.

4. CAUTION IN TRADING

Shareholders are advised to refrain from taking any action in respect of their Shares which may be prejudicial to their interests, and to exercise caution when dealing in the Shares, until they or their advisers have considered the information, the advice of the IFA and the recommendations of the Directors in the Offeree Circular.

5. RESPONSIBILITY STATEMENT

The Directors of the Company (including those who have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and the opinions expressed in this Announcement (other than those relating to the Offeror) are fair and accurate, and that there are no material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the Directors of the Company has been to ensure that through reasonable enquiries such information has been accurately extracted from such sources, or as the case may be, reflected or reproduced in this Announcement. The Directors of the Company jointly and severally accept full responsibility accordingly.

By Order of the Board
Li Heng Chemical Fibre Technologies Limited

Tan Siok Sing
Lead Independent Director
25 January 2016