LI HENG CHEMICAL FIBRE TECHNOLOGIES LIMITED
(Incorporated in Bermuda)

VOLUNTARY UNCONDITIONAL GENERAL OFFER FOR
LI HENG CHEMICAL FIBRE TECHNOLOGIES LIMITED

DESPATCH OF OFFER DOCUMENT

1. INTRODUCTION

The Board of Directors of the Company (the "**Board**") refers to the voluntary unconditional general offer (the "**Offer**") by Provenance Capital Pte. Ltd., for and on behalf of Precious Joy Management Limited (the "**Offeror**"), to acquire all the issued and paid-up ordinary shares (the "**Shares**") in the capital of the Company (other than those already owned by the Offeror and the parties acting in concert with it), which was announced on 22 December 2015.

2. OFFER DOCUMENT

The Board wishes to inform shareholders of the Company ("**Shareholders**") that Provenance Capital Pte. Ltd. has today announced, for and on behalf of the Offeror, that the formal offer document dated 11 January 2016 containing the terms and conditions of the Offer and enclosing the form of acceptance (the "**Offer Document**") has been despatched to Shareholders on 11 January 2016.

The Offer is subject to the terms and conditions set out in the Offer Document, a copy of which is available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com.

3. OFFEREE CIRCULAR

A circular (the "**Offeree Circular**") containing, *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 the Offer (the "**Independent Directors**"), and the recommendations of the Independent Directors on the Offer, will be sent to Shareholders within 14 days from the date of despatch of the Offer Document, i.e. no later than 25 January 2016.

In the meantime, Shareholders are advised to exercise caution when dealing in their Shares and refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the Independent Directors as well as the advice of the IFA set out in the Offeree Circular to be issued in due course.

The Company will make an announcement to inform Shareholders of the despatch of the Offeree Circular in due course.

4. 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
11 January 2016