LI HENG CHEMICAL FIBRE TECHNOLOGIES LIMITED
(Incorporated in Bermuda)

CLARIFICATION ON INCORRECT INFORMATION REGARDING TRADING SUSPENSION OF THE COMPANY'S SHARES

1. INTRODUCTION

The Board of Directors (the "**Directors**") of Li Heng Chemical Fibre Technologies Limited (the "**Company**") refers to:

(a) the Company's announcement dated 20 January 2016 entitled "Voluntary Unconditional General Offer for Li Heng Chemical Fibre Technologies Limited – Public Float Falls Below 10%" (the "**Announcement**"); and

(b) the information in The Straits Times dated 21 January 2016 under "Market highlights" on page C6, relating to the trading status of the Company's shares (the "**ST Article**").

Unless otherwise defined, capitalized terms herein shall bear the same meaning ascribed to them in the Announcement.

It is stated in the ST Article that:

"Li Heng Chemical Fibre's public float has fallen below 10 percent and trading has been suspended."

2. CLARIFICATION

The Directors wish to clarify that this is incorrect. Whilst the Company's public float has fallen below 10 percent as at 20 January 2016, the trading of the Company's shares has not been suspended.

In this regard, the Directors wish to highlight the relevant section of the Announcement that relates to this point as follows:

*"Shareholders of the Company ("**Shareholders**") should also note that pursuant to Rule 1303(1) of the Listing Manual, in a take-over situation, where the offeror succeeds in garnering acceptances exceeding 90% of the issuer's total number of issued shares (excluding treasury shares), thus causing the percentage of an issuer's total number of issued shares (excluding treasury shares) held in public hands to fall below 10%, **the SGX-ST will suspend trading of the listed securities of the issuer only at the close of the take-over offer**." (emphasis added)*

Shareholders and investors are reminded to exercise caution when dealing with the Company's securities. In the event that shareholders and investors are in doubt when dealing in the Company's securities, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

For and on behalf of the Board

Chen Jianlong
Executive Chairman
21 January 2016