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

DESPATCH OF OFFER DOCUMENT

1. INTRODUCTION

Provenance Capital Pte. Ltd. ("**Provenance Capital**") refers to the offer announcement dated 22 December 2015 by Provenance Capital, for and on behalf of Precious Joy Management Limited ("**Offeror**"), in relation to 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 already owned or controlled by the Offeror and the parties acting in concert with it ("**Offer Shares**").

Unless otherwise defined, capitalised terms used in this Announcement shall have the same meanings as defined in the Offer Document (as defined herein).

2. DESPATCH OF OFFER DOCUMENT

Provenance Capital wishes to announce, for and on behalf of the Offeror, that the offer document dated 11 January 2016 ("**Offer Document**") which contains, *inter alia*, details of the Offer, together with the accompanying Form of Acceptance and Authorisation for Offer Shares ("**FAA**") and/or the Form of Acceptance and Transfer for Offer Shares ("**FAT**") have been despatched today to the shareholders of the Company ("**Shareholders**").

Electronic copies of the Offer Document and FAA are available on the website of the Singapore Exchange Securities Trading Limited at www.sgx.com.

3. REQUEST FOR OFFER DOCUMENT AND ACCEPTANCE FORMS

(a) Request by Depositors

Shareholders who have Shares standing to their credit of their Securities Accounts ("**Depositors**") with The Central Depository (Pte) Limited ("**CDP**") who do not receive the Offer Document and FAA within a week from the date hereof should contact CDP immediately at the address and telephone number set out below:

The Central Depository (Pte) Limited
9 North Buona Vista Drive #01-19/20
The Metropolis Singapore 138588
Tel: +65 6535 7511

Copies of the Offer Document and FAA may be obtained by Depositors from CDP during normal business hours and up to the Closing Date (as defined at paragraph 4 below), upon production of satisfactory evidence that their securities accounts with CDP are or will be credited with Offer Shares.

(b) Request by Scrip Shareholders

Shareholders whose names appear in the register of members of the Company ("**Scrip Shareholders**") should contact Boardroom Corporate & Advisory Services Pte Ltd immediately at the address and telephone number set out below:

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

Copies of the Offer Document and FAT may be obtained by Scrip Shareholders from Boardroom Corporate & Advisory Services Pte Ltd during normal business hours and up to the Closing Date (as defined at paragraph 4 below), upon production of satisfactory evidence of title to the Offer Shares.

4. CLOSING DATE

The Offer will close at 5.30 p.m. (Singapore time) on 15 February 2016 (subject to Rule 22.6 of the Code) or such later date(s) as may be announced from time to time by or on behalf of the Offeror ("**Closing Date**").

Full details of the procedures for acceptance of the Offer are set out in Appendix 5 to the Offer Document and in the accompanying FAA and/or FAT (as applicable).

5. OVERSEAS SHAREHOLDERS

5.1 The availability of the Offer to the Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or, as the case may be, in the records of the CDP ("**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves of, and observe any applicable legal requirements in the relevant overseas jurisdiction. For the avoidance of doubt, the Offer will be made to all Shareholders holding the Offer Shares including those to whom the Offer Document and the relevant acceptance forms may not be sent. Further details in relation to the Overseas Shareholders are contained in the Offer Document.

5.2 This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any overseas jurisdiction in contravention of any applicable law. The Offer, if made, will be made solely by the Offer Document and the acceptance forms accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

5.3 The release, publication or distribution of this Announcement in certain overseas jurisdictions may be restricted by law ("**Restricted Jurisdictions**") and therefore persons in any such jurisdictions into which this Offer Announcement is released, published or distributed should inform themselves about and observe such restrictions.

5.4 The Offeror and Provenance Capital reserve the right not to send the Offer Document to such Restricted Jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of the Offer Document from the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623. Alternatively, an affected Overseas Shareholder may, subject to compliance with applicable laws, write to the Company's share registrar at the above-stated address to request the Offer Document to be sent to an address in Singapore by ordinary post at his own risk, no later than five (5) business days prior to the close of the Offer.

5.5 It is the responsibility of any Overseas Shareholder who wishes to (a) request for the Offer Document, the FAA and/or the FAT and/or any related documents, or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including Provenance Capital) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror and/or any person acting on its behalf (including Provenance Capital) may be required to pay. In (i) requesting for the Offer Document, the FAA and/or the FAT and any related documents and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror and Provenance Capital that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

5.6 The Offeror and Provenance Capital each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST and if necessary, by paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including an Overseas Shareholder) to receive or see such announcement or advertisement.

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 sole 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 sole 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 January 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.