



LI HENG CHEMICAL FIBRE TECHNOLOGIES LIMITED
(Incorporated in Bermuda)

**VOLUNTARY UNCONDITIONAL GENERAL OFFER FOR
LI HENG CHEMICAL FIBRE TECHNOLOGIES LIMITED**

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Unless otherwise defined, capitalised terms in this Announcement shall bear the same meanings as set out in the offer announcement made by Provenance Capital Pte. Ltd., for and on behalf of Precious Joy Management Limited, in relation to the Offer.

Further to the Company's announcement made on 23 December 2015 in relation to the Offer, the Board wishes to announce that it has, on the recommendation of a committee comprising the independent directors of the Company, appointed Xandar Capital Pte Ltd (the "IFA") as the independent financial adviser to advise the directors of the Company who are considered independent for the purposes of the Offer (the "Independent Directors").

A circular containing, *inter alia*, the advice of the IFA and the recommendation of the Independent Directors on the Offer (the "Circular") will be sent to Shareholders in due course.

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 Circular to be issued in due course.

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
4 January 2016