LI HENG CHEMICAL FIBRE TECHNOLOGIES LIMITED
(Incorporated in Bermuda)

VOLUNTARY UNCONDITIONAL GENERAL OFFER FOR
LI HENG CHEMICAL FIBRE TECHNOLOGIES LIMITED

CLOSE OF THE OFFER

1. INTRODUCTION

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

(a) the offer document dated 11 January 2016 ("**Offer Document**") in relation to the voluntary unconditional general offer (the "**Offer**") by Provenance Capital Pte. Ltd. ("**Provenance Capital**"), for and on behalf of the Precious Joy Management Limited (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;

(b) the announcement dated 20 January 2016 by the Company in relation to the public float of the Company falling below 10% (the "**Loss of Public Float Announcement**");

(c) the announcement dated 12 February 2016 by Provenance Capital, for and on behalf of the Offeror, which stated, *inter alia*, that the closing date of the Offer will be extended to 5.30 p.m. (Singapore time) on 29 February 2016; and

(d) the announcement dated 29 February 2016 by Provenance Capital, for and on behalf of the Offeror, in relation to the close of the Offer (the "**Close of Offer Announcement**").

2. CLOSE OF THE OFFER

As stated in the Close of Offer Announcement, the Offer has closed as of 5:30 p.m. (Singapore time) on 29 February 2016, being the final closing date. **Accordingly, the Offer is no longer open for acceptances and any acceptances received thereafter will be rejected.**

A copy of the Close of Offer Announcement is available on the website of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") at www.sgx.com.

3. LEVEL OF ACCEPTANCES OF THE OFFER

As stated in the Close of Offer Announcement, as at 5.30 p.m. (Singapore time) on 29 February 2016, the total number of (A) Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting in concert with it; and (B) valid acceptances to the Offer, amount to an aggregate of 334,957,089 Shares, representing approximately 98.517% of the total number of issued Shares.

4. SUSPENSION IN TRADING OF SHARES AND DELISTING

As announced by the Company in the Loss of Public Float Announcement, pursuant to Rule 1303(1) of the Listing Manual of the SGX-ST, 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. Accordingly, trading of the Shares on the SGX-ST will be suspended in accordance with Rule 1303(1) of the Listing Manual after the close of the Offer at 5.30 p.m. on 29 February 2016.

As stated in the Offer Document, in the event that the trading of the Shares on the SGX-ST is suspended, the Offeror does not intend to undertake or support any action for any such trading suspension by the SGX-ST to be lifted as it is the intention of the Offeror to privatise the Company and to delist the Company from the SGX-ST.

5. COMPULSORY ACQUISITION

Under Section 103 of the Bermuda Companies Act, holders of not less than 95.0% of the shares in a target Bermuda company (herein referred to as "**Purchasers**") may give notice ("**S103 Acquisition Notice**") to the remaining shareholders of their intention to acquire the remaining shareholders' shares on the terms set out in the S103 Acquisition Notice. When such S103 Acquisition Notice is given, the Purchasers shall be entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the S103 Acquisition Notice unless a remaining shareholder applies to the Court to have the Court appraise the value of such shares.

As the total number of Shares held together by the Offeror and parties acting in concert with it represents more than 95.0% of the total number of issued Shares, the Offeror and parties acting in concert with it will have the right to, and intend to, give the S103 Acquisition Notice to the remaining shareholders of the Company of their intention to acquire the Shares of the remaining shareholders on the terms of the S103 Acquisition Notice pursuant to Section 103 of the Bermuda Companies Act.

The Offeror has, in the Close of Offer Announcement, stated that it will, in due course, despatch to the remaining shareholders of the Company the relevant documentation in relation to the Offeror's exercise of its right of compulsory acquisition under Section 103 of the Bermuda Companies Act.

Nothing in the above paragraph shall be construed as a S103 Acquisition Notice or an exercise by the Offeror and/or parties acting in concert with it of their rights under Section 103 of the Bermuda Companies Act. Shareholders who are in doubt of their position under the Bermuda Companies Act are advised to seek their own independent legal advice.

6. 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
29 February 2016