



ANWELL TECHNOLOGIES LIMITED (Under Judicial Management)
(the “**Company**”)
(Company Registration No. 200308707W)
(Incorporated in Singapore)

STATEMENT OF PROPOSALS AND FIRST CREDITORS’ MEETING

Pursuant to Section 227M of the Companies Act, Cap. 50, the First Meeting of Creditors (the “**Creditors’ Meeting**”) is scheduled to be held at 3.00 pm on 5 September 2016 at 8 Wilkie Road #03-08 Wilkie Edge Singapore 228095.

The purpose of this meeting is to consider the Judicial Managers’ Statement of Proposals (“**SOP**”) for the Company in accordance with Section 227N of the Companies Act, Cap. 50.

The Notice of the Creditors’ Meeting which was advertised and gazetted was sent together with the SOP to the known creditors of the Company on 18 August 2016. A copy of the SOP is attached herewith.

Pursuant to Section 227M(2) of the Companies Act, Cap. 50, members of the Company may write to the office of the Judicial Managers c/o 8 Wilkie Road #03-08 Wilkie Edge Singapore 228095 to request for a copy of the SOP to be sent to them free of charge.

The Judicial Managers will provide further updates on material developments as and when appropriate.

Submitted by the Judicial Managers
For and On Behalf of the Company

Chee Yoh Chuang

Abuthahir Abdul Gafoor

RSM Corporate Advisory Pte Ltd

18 August 2016

ANWELL TECHNOLOGIES LIMITED
(UNDER JUDICIAL MANAGEMENT)
Reg. No. 200308707W

STATEMENT OF PROPOSALS

Pursuant to Section 227M of the Companies Act, Cap. 50

The affairs, business and property of the Company are being managed by the Judicial Managers appointed by the High Court of Singapore. The Judicial Managers contract and act only as agents of the Company and disclaim all personal liability of any nature whatsoever for all matters arising out of, in connection with and in respect of the judicial management of the Company herein.

1.0 INTRODUCTION

- 1.1 Anwell Technologies Limited (hereinafter referred to as "**the Company**") was placed under Judicial Management ("**JM**") by a Court Order on 22 February 2016 and Messrs Chee Yoh Chuang and Abuthahir Abdul Gafoor were jointly and severally appointed as Judicial Managers ("**JMs**") of the Company.
- 1.2 The JMs were appointed pursuant to the JM Order to achieve one or more of the following purposes set out in Section 227B(1)(b) of the Companies Act, Cap 50 (the "**Act**"). :
- (i) the survival of the Company or the whole or part of its undertaking as a going concern;
 - (ii) the approval under Section 210 of the Companies Act of a compromise or arrangement between the Company and any such persons as are mentioned in that section; and/or
 - (iii) a more advantageous realisation of the Company's assets than would be effected on a winding up.
- 1.3 This Statement of Proposals is issued by the JMs of the Company pursuant to Section 227M(1)(a) of the Act. The records of the Company are maintained by the Company. Whilst every effort has been made to ensure the correctness of this document, the JMs disclaim any personal liability on their part.
- 1.4 This Statement of Proposals is sent to the Registrar of Companies and all known creditors of the Company for the purposes of a meeting to be convened on **5 September 2016** under Section 227M of the Act. Pursuant to Section 227N of the Act, the creditors shall decide whether to approve the proposals herein at this meeting. In order for the proposals to be approved, they must be approved by a majority in number and value of the creditors of the Company whose claims have been accepted by the JMs and who are present and voting at the meeting, either in person or by proxy.

2.0 BACKGROUND

- 2.1 The Company was incorporated in Singapore on 5 September 2003. The business address of the Company is at Room 1420, Thriving Industrial Centre, 26-38 Sha Tsui Road, Tsuen Wan, NT, Hong Kong and the registered office of the Company is at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095. The Company was listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 4 November 2004. The amount of capital paid-up or credited as paid up is S\$182,894,536.18.
- 2.2 The Company is an investment holding company, and was an integrated manufacturing solutions provider for the optical media, solar cell and OLED manufacturing industries. The Company and its subsidiaries ("**the Group**") have their operations headquartered in Hong Kong. The Group's principal activities include manufacturing and sales of solar panels and media products. It was also a EPC contractor providing integrated solutions for large-scale solar power projects.
- 2.3 A summary of the issued and paid up share capital of the Company as at 31 March 2013 as extracted from Annual Report of 2012 is set out as follows:

Share Capital

Issued and fully paid : SGD 182,894,536.18
Number of shares : 311,647,250
Class of shares : Ordinary Share

Distribution of Shareholdings

Range of Shareholdings	No. of Shareholder	%	No. of Shares	%
1-999	441	18.57%	113,711	0.04%
1,000-10,000	1,152	48.51%	4,925,407	1.58%
10,001-1,000,000	767	32.29%	37,338,974	11.98%
1,000,001 and above	15	0.63%	269,269,158	86.40%
	2,375	100.00%	311,647,250	100.00%

Shareholdings held by the Public

Based on the information available to the Company as at 15 March 2013, approximately 47.4% of the issued ordinary shares of the Company is held by the public.

Top five shareholders of the Company:

No	Name	Number of Shares	%
1	Tech Power Resources Co., Ltd	140,717,266	45.15%
2	HSBC (Singapore) Nominees Pte Ltd	33,092,960	10.62%
3	DBS Vickers Securities (Singapore) Pte Ltd	29,557,018	9.48%
4	Shining Mission Ltd.	15,000,000	4.81%
5	Raffles Nominees (Pte) Ltd	13,979,650	4.49%
		<u>232,346,894</u>	<u>74.55%</u>

Mr Fan Kai Leung who was the Executive Chairman and CEO of the Company, has a deemed interest of 163,517,266 shares in the Company partly held by Tech Power Resources Co., Ltd by virtue of his interest of 60.3% in Tech Power Resources Co., Ltd.

- 2.4 On 13 August 2013, the Public Security Bureau of Dongguan, Guangdong province, People's Republic of China, froze all the bank accounts and seized the operating assets of various wholly-owned subsidiaries of the Company in Dongguan ("**Seized Assets**"). Mr Fan Kai Leung, Mr Wu Wai Kin and Mr Liu Huisen ("**Executives**") were detained to assist in the investigation. The JMs noted that the investigation is related to the capital injection by Dongguan Anwell Digital Machinery Co., Ltd. ("**DG Anwell**") into Dongguan Sungen Solar Co., Limited ("**DG Sungen**"). DG Anwell and DG Sungen are both subsidiaries of the Company. The capital injection was for the purpose of building the Group's thin film solar panel production plant in Dongguan. The Dongguan Municipal People's Procuratorate alleged that DG Anwell falsified its contributions relating to the RMB 320 million capital injection into an OLED display panel project by way of (i) fictitious and misrepresentations of raw material purchases and investments in machinery and equipment and related infrastructure; (ii) replication of research and development and other costs; and (iii) inclusion of cost arising from project unrelated to the OLED display panel project. To this day, the Seized Assets continue to be seized by the Public Security Bureau of Dongguan and the Executives remain in detention. Mr Wu Hon Man is currently placed as the Interim Executive Director of the Company.

A listing of the current Board of Directors of the Company is as follows:

No.	Name	Position Held	Appointed on
1	Fan Kai Leung	Executive Chairman and CEO	5 Sep 2003
2	Wu Wai Kin	Executive Director and CFO	17 Dec 2003
3	Liu Huisen	Executive Director and COO	7 May 2004
7	Ling Yew Kong	Executive Director and Chairman	7 Dec 2015
4	Wu Hon Man	Interim Executive Director	10 Sep 2013
5	Tan Cheng Han	Independent Director	17 Sep 2004
6	Bao Naikeng	Independent Director	1 Mar 2006
8	Chan Kun Shuin	Independent Director	17 Sep 2004
9	Ng Ann Ling	Independent Director	24 Apr 2008

- 2.5 Due to the asset seizures on 13 August 2013, the SGX-ST suspended the Company from trading of its shares from 14 August 2013 onwards. The trading of the shares of the Company remains in suspension today.

3.0 FINANCIAL POSITION

- 3.1 Based on the Statement of Affairs ("SOA") submitted by the Interim Executive Director of the Company, Mr. Wu Hon Man, on 28 April 2016, the Company had the following assets and liabilities as at 22 February 2016:

	<u>Book Value ("BV")</u>	<u>Estimated Realisable Value ("ERV")</u>	<u>Note</u>
	<u>S\$</u>	<u>S\$</u>	
Assets			
Sundry debtors	59,978,847.50	-	3.2.1
Cash in hand	9.13	9.13	
Cash at bank	51,294.35	51,294.35	3.2.2
Other Assets	110,854,029.00	-	3.2.3
Total Assets	170,884,179.98	51,303.48	
Liabilities			
Unsecured Creditors	(52,836.93)	(52,836.93)	3.3.1
Contingent Liabilities	(256,120,000.00)	(256,120,000.00)	3.3.1
Total Liabilities	(256,172,836.93)	(256,172,836.93)	
Estimated deficit before costs of administration		(256,121,533.45)	

3.2 ASSETS

3.2.1 Sundry Debtors

Based on the last audited Financial Statements for FY 2012, Sundry Debtors relate to amounts due from the Company's subsidiaries. As the subsidiaries have ceased operations and their key assets have either been realised or seized by creditors, the director has deemed the ERV to be zero. The possibility of any recovery from the amounts due from the subsidiaries appears slim. Paragraph 3.2.3 will further discuss the steps the JMs have taken regarding the subsidiaries since their appointment.

3.2.2 Cash at Bank

The Company has cash at bank of approximately S\$51,294 , comprising the following:

No.	Bank	Currency	Amount	SGD Equi.
1	DBS Bank (Hong Kong) Limited (" DBS HK ")	HKD	28,630.16	5,173.47
2	DBS Bank (Hong Kong) Limited	USD	1,318.45	1,851.63
3	DBS Bank (Hong Kong) Limited	SGD	1,333.97	1,333.97
4	DBS Bank (Hong Kong) Limited	HKD	21,083.80	3,809.84
5	United Overseas Bank Ltd (" UOB ")	SGD	2,833.84	2,833.84
6	HL Bank Singapore (" HLB ")	USD	25,694.16	36,084.88
7	Philip Securities Pte Ltd (" Philip ")	SGD	206.71	206.71
				<u>51,294.35</u>

The JMs have written to the banks to close the bank accounts maintained by the Company and to take over the bank balances. The JMs have taken over sums of S\$2,636.01 and US\$25,640.63 from UOB and HL Bank net of bank charges, respectively. As for DBS HK, the bank took the position that it is only subject to the jurisdiction of the Hong Kong Courts; hence they are not affected by the JM Order dated 22 Feb 2016. Philip has refused the closure of the account as treasury shares of the Company are still deposited with them. The JMs will continue to explore other options to recover the amounts from DBS HK and Phillip.

3.2.3 Other Assets

Based on the SOA and information extracted from the FY 2012 audited accounts, the Company had a total of 35 subsidiaries valued at approximately S\$110 million.

The JMs sent their representative to the Hong Kong office to gather financial information on the Company's subsidiaries ("**the Subsidiaries**"). Management accounts for FY 2012 in soft copies were provided for some of the subsidiaries. It was noted that most of the financial information relating to the China subsidiaries was seized by the police in China. Some documents belonging to the Subsidiaries were misplaced when shifting offices.

The JMs also visited Dongguan on two occasions, in May and June 2016. He visited the factory of DG Anwell and met up with the officials from Dongguan Trust Co., Ltd. ("**DG Trust**") and the representatives of ICBC Bank and China Merchant Bank. It was noted that:

- The factory was sealed under the Dongguan Police order;
- The land occupied by the factory of DG Anwell is leased from the Dongguan government and will expire in a few years; and
- The banks had set off the funds held by them against the outstanding loans.

In July 2011, DG Anwell and the Dongguan government entered into an investment agreement to inject capital into DG Sungeen to build a thin film solar factory in Dongguan. The capital injection by the Dongguan government was made through their

investment vehicles, DG Trust and Dongguan Kai Tai Industrial Investment Co., Ltd (jointly known as “**DG SPVs**”). During the discussions with DG Trust, it was noted that the factory of DG Sungen was similarly sealed by the police and the land occupied by the factory remains partially paid. As for the piece of land at Shuilianshan (水濂山), it has been repossessed by the government due to non-payment and lack of progress. The JMs also understand that the two other factories owned by the Company’s subsidiaries, Henan Kerry Digital Co. Limited and Henan Sungen Solar Fab Co. Limited, were seized by banks and had been auctioned off / to be auctioned off to settle the outstanding debts owing to the respective financial institution.

The JMs have explored all available avenues and resources to ascertain the financial position of the Subsidiaries. With limited information, the preliminary assessments on the Subsidiaries are that they are insolvent due to the deterioration in the conditions of the Seized Assets which are now obsolete after three years. This view was shared by DG Trust.

3.3 LIABILITIES

- 3.3.1 Based on the SOA filed, the liabilities of the Company as at 22 February 2016 comprised the following:

Unsecured Creditors

No.	Creditors Name	S\$
1	Singapore Exchange Securities Trading Limited	18,971.25
2	The Central Depository (Pte) Ltd	373.86
3	FMG Corporate Services Pte Ltd	11,498.18
4	Shareinvestor Pte Ltd	20,663.84
5	Chancery Law Corporation	190.25
6	Tricor Singapore Pte Ltd	1,139.55
		<u>52,836.93</u>

Contingent Liabilities

As mentioned in paragraphs 2.4 and 3.2.3 above, Corporate Guarantees of RMB1.2 billion (approximately SGD256 million) were issued in favour of DG SPVs by the Company for funds injected into its subsidiaries.

4.0 RECEIPTS & PAYMENTS FROM 22 February 2016 TO 31 July 2016

- 4.1 A summary of the receipts and payments for the period from 22 February 2016 to 31 July 2016 is set out as follows:

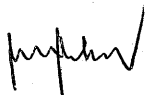
Description	Amount SGD	Amount USD
<u>Receipts</u>		
Cash/Bank balance taken over	2,636.01	25,640.63
<u>Payments</u>		
Bank Charges	(131.67)	(259.00)
Balance as at 31 July 2016	<u>2,504.34</u>	<u>25,381.63</u>

5.0 THE PROPOSALS

- 5.1 In view of the circumstances and challenges highlighted on paragraphs 2.4 and 3.2.3 above, the potential remaining value of the Company would only be the SGX listing status. Hence, the JM's proposals are as follows:
- Negotiations with the DG SPVs to waive/resolve the corporate guarantees furnished by the Company;
 - Scheme of Arrangement to resolve the Company's liabilities, if necessary; and
 - Identifying potential investor(s) to inject business/assets into the Company to preserve its listing status if possible.
- 5.2 The JMs are currently in talks with a few potential investors who may be interested in injecting their business/assets into the Company. The JMs have obtained an extension of the JM Order till 20 February 2017.

The JMs will continue to update the creditors/members of the Company.

Dated this 18th day of August 2016


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Chee Yoh Chuang
Judicial Manager