

ANWELL TECHNOLOGIES LIMITED (REG NO. 200308707W)

Updates on the Group's Affairs and the Investigation

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as in the Company's announcements dated 13 August 2013, 23 August 2013, 10 September 2013, 9 October 2013, 19 November 2013, 14 January 2014, 28 February 2014, 5 March 2014, 4 April 2014, 14 May 2014, 16 June 2014, 18 June 2014, 26 June 2014, 27 June 2014, 11 July 2014, 23 July 2014 and 11 October 2014 and 13 February 2015 (the "Announcements").

Further to the Company's Announcements, the Board would like to update shareholders of the Company as follows:-

(A) Updates on the Group's Affairs and the Investigation

Update on the Group's Affairs

The Group's Operation of Henan Kerry

1. There are no operations at Henan Kerry as at the date of this announcement. As previously announced, the assets at Henan Kerry were seized and sold via auction by the creditors of the Group.

Legal Proceedings against Anwell Precision Technology (HK) Limited by its Supplier

2. The Company has been informed by its Hong Kong lawyers that pending confirmation from the supplier, the Company is scheduled to undergo mediation with the supplier to resolve the legal suit amicably. The Company will update shareholders in this regard when there are further developments on the case.

Letter of Demand issued by Shanghai Commercial Bank for Defaulted Loans

3. All loans granted by Shanghai Commercial Bank to Anwell Precision Technology (HK) Limited and Umedisc (HK) Limited have since been fully repaid. No legal proceedings have been instituted against Anwell Precision Technology (HK) Limited and Umedisc (HK) Limited for the default of the loans repayment.

Updates on Investigations

New Investigations against Fan Kai Leung, Wu Wai Kin and Kwong Chi Kit Victor

4. As previously announced, no legal proceedings would be filed against Fan Kai Leung (Executive Chairman and Chief Executive Officer), Wu Wai Kin (Executive Director and Chief Financial Officer) and Kwong Chi Kit, Victor (Group Financial Controller) (collectively the “**Executives**”) as per the decision of the Dongguan Municipal People's Procuratorate. However, they have been detained again to assist the Public Security Bureau of Dongguan in further investigations.
5. The Company understands from its PRC lawyers that the Dongguan Municipal People's Procuratorate has requested for additional information from the Public Security Bureau on or around end of July 2015 and the Public Security Bureau has up to 30 days to respond to its request. Thereafter, the Dongguan Municipal People's Procuratorate has another 45 days to decide if it will press charges against the Executives. The Company has also been informed by its PRC lawyers that this is the last time the Dongguan Municipal People's Procuratorate may return the case to the Public Security Bureau to request for further information.

Fraud Charges against Dongguan Anwell and Executives of Dongguan Anwell

6. As announced on 23 July 2014, each of Dongguan Anwell, Liu Hui Sen (Executive Director and Chief Operating Officer of the Company and Legal

Representative and General Manager of Dongguan Anwell), Sun Man Long (Assistant General Manager, Dongguan Anwell) and Xing Fu Fang (Finance Manager, Dongguan Anwell) (collectively the “**Dongguan Executives**”) has been charged for fraud by the Dongguan Municipal People’s Procuratorate.

7. However as at the date of this announcement, the Dongguan Municipal People’s Procuratorate has yet to commence any legal proceedings against the Dongguan Anwell and the Dongguan Executives.

(B) Legal Proceedings against Umedisc (HK) Limited

8. On 5 August 2015, the Company’s wholly-owned subsidiary, Umedisc (HK) Limited has been served with a statement of claim dated 29 June 2015 filed by Shanghai Pudong Development Bank, Zhengzhou branch (“**Shanghai Bank**”) in Zhengzhou City Intermediate People’s Court of Henan Province for outstanding payments due and owing. Based on the facts set out in the statement of claim, Henan Kerry Digital Co. Ltd. has assigned debts due and owing from Umedisc (HK) Limited to Shanghai Bank pursuant to a factoring arrangement between Henan Kerry Digital Co. Ltd. and Shanghai Bank. The Shanghai Bank has now claimed against Umedisc (HK) Limited for the sum of approximately US\$5.2 million together with interest and costs.
9. The Company is currently seeking legal advice from its Hong Kong and PRC lawyers this regard.

(C) Letters Issued to the Company by Accounting and Corporate Regulatory Authority (“ACRA”) and Inland Revenue Authority of Singapore (“IRAS”)

10. ACRA has on 11 August 2015 issued a letter to the Company and its Singapore resident directors notifying and reminding them to hold annual general meeting (“**AGM**”) for the financial year ended 2013 (“**FY2013**”), to lodge the relevant annual returns and to lay financial statements for FY2013 at the Company’s AGM.

11. Separately, the Company has also received a letter dated 5 August 2015 from IRAS in relation to a summons issued for failure to file the return of income for year of assessment 2014. The Company will have to file the necessary return and pay the composition fee of S\$300 by 31 August 2015.
12. As previously announced, the Company has not been able to prepare the audit for FY2013 full year results and therefore not able to hold the FY2013 AGM nor file the relevant annual returns due to the suspension of the Dongguan operations and the lack of access to the books and records of the Dongguan entities. Further, due to the uncertainty of the Investigation and the outcome thereof, the Company is also unable to determine the exact nature and amount of the accounting adjustments to be made under the relevant accounting standards.
13. The Company's Singapore lawyers are currently assisting the Company in responding to the respective authorities in this regard.

The Company will keep shareholders informed of any material progress and development in respect of the above matters in due course.

Trading in the shares of the Company on the SGX-ST has been suspended from 9 a.m. on 14 August 2013 and will remain suspended until further notice.

BY ORDER OF THE BOARD

Chan Kun Shuin

Lead Independent Director
Audit Committee Chairman
26 August 2015