

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 (the "Announcements").

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

The Group's Operations at Henan Kerry

1. The Company announced in July 2014 that part of the assets of the Company's subsidiary, Henan Kerry, had been seized and sold via auction by the creditors of the Group.
2. Further thereto, the Company would like to update shareholders that the optical disc operations of Henan Kerry have since ceased all together as at the date of this announcement. Orders previously placed with Henan Kerry have all been duly fulfilled and delivered. However, Henan Kerry has not received any new orders from its customers.
3. Ever since the suspension of the Dongguan operations and the freezing of the bank accounts of the Group by the Dongguan local government, the business operations and cash flow of the Group have been adversely and severely affected. The Group is unable to fulfil its payment obligations to the PRC banks and creditors. The latter have also seized the Group's assets in the PRC. In view of the current dire situation, customers of the Henan Kerry are concerned that any raw materials supplied to Henan Kerry pursuant to any new order placed with us may also be seized and force sold by creditors. [There is at the

same time a growing doubt and lack of confidence amongst the Group's customers in respect of our abilities to fulfil new orders and also amongst the Group's suppliers in respect of our financial situation].

4. Arising from the cessation of operations, Henan Kerry has also retrenched a large part of its workforce.
5. Currently, the Group is still carrying on its solar business in Australia and Thailand. The Group is following up closely with its activities and dealings with customers and suppliers in these regions. However, it is envisaged that the operations there may soon be affected as well in view of the low levels of working capital and negative cash flow position.
6. The interim management team will continue its efforts in exploring all possible options and avenues to address these various issues. The Group currently has approximately HKD\$1 billion in its frozen bank accounts in the PRC. The primary and immediate objective of the interim management is to seek the release of part of these cash to fund the Group's operations and arrest the decline of *amongst others* its businesses and the confidence of the Group's customers and suppliers.

Updates on Investigations

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

7. As announced on 23 July 2014, 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.
8. The Company understands that the Public Security Bureau has up to the end of March this year (subject to any possible extension of time) to submit the results

of their investigations for consideration by the Dongguan Municipal People's Procuratorate and for the latter to ascertain and decide if it will press charges against the Executives.

Charges against Dongguan Anwell and Executives of Dongguan Anwell

9. 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 alleged fraud by the Public Security Bureau of Dongguan.
10. However as at the date of this announcement, the Dongguan Municipal People's Procuratorate has yet to commence any legal proceedings against Dongguan Anwell and the Dongguan Executives. As mentioned in the announcement on 23 July 2014, the Group will vigorously defend all allegations and charges made in any such legal proceedings.

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
13 February 2015