

ANWELL TECHNOLOGIES LIMITED (REG NO. 200308707W)

Updates on Investigation and Related Matters

*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 and 18 June 2014 (the "**Announcements**").*

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

1. The Company had announced on 16 June 2014 that a trade creditor of the Group ("**Creditor**") has obtained a court order for the seizure of assets against the Company's subsidiary Henan Kerry Digital Co., Ltd ("**Henan Kerry**") for outstanding trade payables of approximately RMB94 million owing to the Creditor. The said seizure is to prevent Henan Kerry from disposing the seized assets and to secure the Creditor's legal rights for the recoverability of the debt owed by Henan Kerry, although Henan Kerry is still able to continue the use such assets for its daily business operations
2. The Interim Management has since been negotiating with the Creditor for the rescheduling of the payment of the aforesaid amount due and payable.
3. However, no settlement as to the repayment has been reached and the Creditor has recently obtained a court order for the seized assets to be sold via a public auction for the Creditor to recover the outstanding amounts owed to it.
4. The net book value of pledged assets (which comprises primarily manufacturing equipment) of RMB229.4 million represents approximately 60% of total net book value of Henan Kerry's manufacturing equipment of RMB407.3 million as at 30 June 2013.
5. However, the Interim Management Team is presently unable to ascertain whether the remaining assets of Henan Kerry will be sufficient for any level of

manufacturing and/or for its daily business operations. The Interim Management Team will make further assessment in this regard and update shareholders in due course.

6. The financial information of Henan Kerry for FY2011 (audited), FY2012 (audited) and HY2013 (unaudited) is as follows:-

	Sales (Media Products Division)	Sales (Group)		% of sales from Media Products Division contributed to the Group's total sales		Sales (Henan Kerry)	
	HKD(mil)	HKD(mil)				HKD(mil)	% contributed to the Group's Media Products Division
FY2011	778.07	1,440.81		54.00%		556.35	71.50%
FY2012	790.22	1,336.44		59.13%		601.23	76.08%
HY2013	298.37	437.36		68.22%		245.67	82.34%

7. In the event that the pledged assets are sold off at the auction and if the Group is unable to enter into any arrangement with the purchaser for the Group to continue to utilise such assets for the business operations of Henan Kerry, the operations and financial performance of the Group Companies will be materially and adversely affected.
8. The Company will keep shareholders informed of the outcome of the auction and the other aforesaid matters as soon as there is any further update and progress in respect thereof.

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 June 2014