

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE

1. INTRODUCTION

The board of directors (the “**Board**”) of Anwell Technologies Limited (the “**Company**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue of up to 50,927,875 new ordinary shares (the “**Rights Shares**”) in the capital of the Company, at an issue price of S\$0.360 for each Rights Share (the “**Issue Price**”), on the basis of one (1) Rights Share for every five (5) existing ordinary shares in the capital of the Company (the “**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the directors of the Company (the “**Directors**”) for the purpose of determining Shareholders’ entitlements under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded (the “**Rights Issue**”).

The Company has appointed Collins Stewart Pte. Limited (the “**Manager**”) as the manager for the Rights Issue.

2. PROPOSED PRINCIPAL TERMS OF THE RIGHTS ISSUE

The Rights Issue is proposed to be made on a renounceable non-underwritten basis to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (“**CDP**”), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (“**Entitled Shareholders**”).

Fractional entitlements to the Rights Shares, if any, will be disregarded and will, together with the provisional allotments of Rights Shares which are not taken up for any reason, be aggregated and allotted to satisfy excess applications for the Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of excess Rights Shares, preference will be given to the Shareholders for the rounding of odd lots, and substantial Shareholders and Directors will rank last in priority.

Based on the issued and paid-up share capital of the Company of 254,639,375 Shares as at the date of this announcement, the issue of up to 50,927,875 Rights Shares pursuant to the Rights Issue is approximately 20.0% of the Company’s issued share capital.

The Issue Price represents a discount of approximately 37.9% to the closing price of S\$0.580 per Share on the SGX-ST on 25 February 2010, being the last market day on which the Shares were traded on the SGX-ST immediately preceding this announcement.

The Issue Price for the Rights Shares will be payable in full upon acceptance and/or application. The Rights Shares, when issued and fully paid-up, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record

date for which falls before the date of issue of the Rights Shares. For this purpose, “record date” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or CDP in order to participate in such dividends, rights, allotments or other distributions.

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Rights Shares will **NOT** be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, with addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”). The Offer Information Statement to be issued in relation to and for the purposes of the Rights Issue and the accompanying documents will not be mailed outside Singapore.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares, which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. The net proceeds arising therefrom will be dealt with in accordance with the terms set out in the offer information statement to be issued by the Company in connection with the Rights Issue (“**OIS**”).

Entitled Shareholders will be entitled to participate in the Rights Issue and receive a copy of the OIS together with the appropriate application forms and accompanying documents at their respective Singapore addresses.

Entitled Shareholders will be at liberty to accept, decline or otherwise renounce or trade their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Manager, may deem fit. The final terms and conditions of the Rights Issue will be contained in the OIS to be dispatched by the Company to Entitled Shareholders in due course.

3. PURPOSE OF THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Rights Issue will strengthen the Group’s financial position to allow it to pursue growth opportunities. The Company intends to utilise the net proceeds from the Rights Issue for general working capital purposes.

Assuming that the Rights Issue is fully subscribed, the estimated net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$0.2 million, is expected to be approximately S\$18.1 million.

Pending the deployment of the net proceeds from the Rights Issue for the purposes mentioned above, the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purposes on a short term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group.

The Company will make periodic announcements on the use of proceeds as and when the funds from the Rights Issue are materially disbursed and provide a status report on the use of the Rights Issue proceeds in the annual report(s) of the Company, until such time the proceeds from the Rights Issue have been fully utilized.

4. DIRECTORS' OPINION

Taking into account the Group's internal resources, operating cash flow and banking facilities, the Directors are of the reasonable opinion that, barring any unforeseen circumstances, the Group has sufficient working capital to meet its present requirements. The Directors are of the view that the Rights Issue would help to strengthen the Group's financial position.

5. APPROVALS

The Rights Issue is subject to, *inter alia*, the following:-

- (a) the receipt of the approval in-principle of the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the SGX-ST; and
- (b) the lodgement by the Company of the OIS with the Monetary Authority of Singapore.

An application will be made to the SGX-ST for permission to deal in and for the listing and quotation of the Rights Shares on the Official List of the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

As the Company has obtained a general share issue mandate at its annual general meeting held on 27 April 2009 to issue and allot Shares and convertible securities of the Company on such terms and conditions and with such rights or restrictions as the Directors may deem fit (provided always that the aggregate number of Shares and convertible securities to be issued pursuant to the general share issue mandate shall not exceed one hundred per cent (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares), no further Shareholders' approval is required for the Rights Issue and the issue of Rights Shares arising therefrom.

6. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

The Company will make further announcements in relation to the Rights Issue as and when appropriate.

BY ORDER OF THE BOARD

Fan Kai Leung
Executive Chairman and CEO
26 February 2010