
PROPOSED PLACEMENT OF 15,336,000 NEW SHARES TO THE PLACEES (DEFINED BELOW)

1. TERMS OF PLACEMENT

- 1.1 The Board of directors (the “**Board**” or “**Directors**”) of CNA Group Ltd. (the “**Company**”) wishes to announce that the Company has terminated the placement agreement dated 18 June 2014, the terms of which have been announced on 18 June 2014.
- 1.2 The Board further wishes to announce that the Company has on 30 June 2014, entered into a placement agreement dated 30 June 2014 (“**Placement Agreement**”) with the placees (as set out in Table A below) (the “**Placees**”), whereby the Placees have agreed to subscribe for an aggregate of 15,336,000 new ordinary shares in the capital of the Company (“**Placement Shares**”) at the issue price of S\$0.0823 per Placement Share, subject to and upon the terms of the Placement Agreement.
- 1.3 The aggregate consideration for the subscription by the Placees, and the allotment and issue by the Company of the Placement Shares shall be the cash sum of S\$0.0823 per Placement Share, forming an aggregate consideration of S\$1,262,153 (the “**Consideration**”) for all of the Placement Shares. Each of the Placees has paid their respective portion of the Consideration in full upon signing of the Placement Agreement.

Table A

S/No	Name of Placee	Number of Shares	Total Consideration Paid (\$)
1.	Tan Kwee Khoon	6,085,000	500,796
2.	Wang Boon Heng	1,224,000	100,735
3.	Lim Chye Seng	3,644,000	299,901
4.	Leow Yin Chong	729,000	59,997
5.	Lim Yiak Tiam	2,430,000	199,989
6.	Seah Kok Beng Daniel	1,224,000	100,735
	Total	15,336,000	1,262,153

- 1.4 The Company will be making an application to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the Placement Shares on the SGX-ST and will make the necessary announcements once the approval in-principal of the listing and quotation of the Placement Shares have been obtained from the SGX-ST. The Placement Shares will not be issued to transfer a controlling interest of the Company and none of the Placement Shares will be placed to any person or groups of person prohibited by SGX-ST as set out under Rule 812 of the SGX-ST Listing Manual.
- 1.5 The issue price of S\$0.0823 for each Placement Share represents a discount of approximately 10% to the volume weighted average price of S\$0.0914 for trades done on the ordinary shares in the capital (“**Shares**”) of the Company on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for 27 June 2014, (being the last traded day on which the Shares were traded prior to the trading halt on 30 June 2014).
- 1.6 The Placement Shares will be issued pursuant to the general mandate obtained at the annual general meeting of the Company held on 30 April 2014 which authorises the Directors of the Company pursuant to Rule 806 of the Listing Manual of the SGX-ST, to allot and issue new Shares in the capital of the Company in accordance with, and subject to, the provisions of Rule 806 of the Listing Manual. The total number of ordinary shares in the capital of the Company (which excludes treasury shares) as at 30 April 2014 was 367,816,974 (the “**Share Capital**”).

- 1.7 The maximum number of ordinary shares which may be issued pursuant to any placee pursuant to the general mandate on a non-pro-rata basis would be 20% of the total Share Capital (i.e. 73,563,394 Shares), and following the issue and allotment of 15,336,000 shares to the Placees, the Company will be able to issue and allot on a non-pro rata basis a balance of 58,227,394 Shares under the general mandate. The Company has not issued any Shares under the general mandate. When completed, the Placement will increase the issued and paid up share capital of the Company to 383,152,974 Shares.
- 1.8 The Placement Shares will represent (i) approximately 4.17% of the existing issued and paid-up share capital of the Company as at the date of this announcement; and (ii) approximately 4.00% of the enlarged issued and paid-up share capital of the Company after the issue of the Placement Shares.
- 1.9 The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever, are uniform and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued ordinary shares in the capital of the Company save for any dividends, rights, allotments or other distributions, the date in relation to any dividends, rights, allotments or other distributions, as at the close of business (or such other time as may have been notified by the Company) on which shareholders of the Company must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions, for which falls before the date of issue of the Placement Shares.
- 1.10 An arranger fee of S\$63,107 was paid to Treasure Capital Group (the “**Arranger**”) representing 5% of the aggregate gross consideration of S\$1,262,153 and was negotiated on a willing-seller willing-buyer basis. No part of the commission will be shared with any Placee.

2. ABOUT THE PLACEES

Name of Placee	Number of Placement Shares ('000)	Details on how the Placee was identified	Background and rationale for the Placee's subscription of the Placement Shares
Tan Kwee Khoon	6,085,000	Introduced to the Company's CEO, Mr Ong Liang Huat, Michael	Private Investor who has invested in the Placement for investment purposes
Wang Boon Heng	1,224,000	Introduced to the Company's CEO, Mr Ong Liang Huat, Michael	Private Investor who has invested in the Placement for investment purposes
Lim Chye Seng	3,644,000	Introduced to the Company's CEO, Mr Ong Liang Huat, Michael	Private Investor who has invested in the Placement for investment purposes
Leow Yin Chong	729,000	Introduced to the Company's CEO, Mr Ong Liang Huat, Michael	Private Investor who has invested in the Placement for investment purposes
Lim Yiak Tiam	2,430,000	Introduced to the Company's CEO, Mr Ong Liang Huat, Michael	Private Investor who has invested in the Placement for investment purposes
Seah Kok Beng Daniel	1,224,000	Introduced to the Company's CEO, Mr Ong Liang Huat, Michael	Private Investor who has invested in the Placement for investment purposes
Total	15,336,000		

The Placees, along with other potential investors, are investors who have no connection (including business relationships) with the Company, its Directors and substantial shareholders, and are not persons to whom the Company is prohibited from issuing shares to, as provided by Rule 812 of the Listing Manual. The Placees, expressed interest to separately invest in the Company and, after negotiations, the Company agreed to place the Placement Shares to them. As at the date of this announcement, the Placees do not hold any Shares in the Company.

The Placees are not related to each other in any way (other than being co-investors in the Company) and, to the best of the Company's knowledge, there is no agreement, arrangement or

understanding between themselves and any other Placee or shareholder of the Company to acquire Shares to obtain or consolidate effective control of the Company, and the Placees are not parties acting in concert with any other Placee or shareholder of the Company, as defined in The Singapore Code on Take-Overs and Mergers.

3. CONDITIONS PRECEDENT

The Proposed Placement is conditional upon:

- (a) approval for the listing and quotation of the Placement Shares on the SGX-ST being obtained from the SGX-ST and, where such approval is subject to conditions (which are not normally imposed by the SGX-ST for a transaction of a similar nature), such conditions being acceptable to the Company and, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the completion date, they are so fulfilled;
- (b) the approval of the Directors being obtained in respect of the transactions contemplated by the Placement Agreement including but not limited to the issue and allotment of the Placement Shares, and the same not having been withdrawn or revoked and if such consents or approvals are obtained subject to any conditions, such conditions being acceptable to the parties hereto;
- (c) the subscription, issue and allotment, and offering (if any) of the Placement Shares being in compliance with the Securities and Futures Act (Cap 289) in connection with offers of securities and not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore.

If any of the conditions set forth above is not satisfied on or before two (2) months (or such other later date as the parties may agree) (the “**Long-Stop Date**”) after the date of the Placement Agreement,

- (i) the Company shall pay the Consideration received by the Company from the Placee to the Placee without interest within three (3) market days of the Long-Stop Date; and
- (ii) the Placement Agreement shall ipso facto cease and determine thereafter and none of the parties shall have any claim against the other for costs, expenses, damages, losses, compensation or otherwise.

4. PROCEEDS FROM PROPOSED PLACEMENT

- 4.1 The estimated net proceeds from the Proposed Placement, after deducting estimated expenses pertaining to the Proposed Placement, will be S\$1,199,046. The net proceeds arising from this Placement shall be used for general working capital.
- 4.2 Pending deployment of net proceeds from the Proposed Placement, the net proceeds may be placed in deposits with banks and/or financial institutions as the Directors may deem fit in their absolute discretion.
- 4.3 The Company will make periodic announcements on the utilisation of proceeds from the Placement as and when the funds from the Placement are materially disbursed and provide a status report of the use of proceeds from the Placement in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

5. FINANCIAL EFFECTS

For illustration purposes only, the table below sets out the financial effects of the Proposed Placement based on the following bases and assumptions:-

- (i) The audited consolidated financial statements of the Company for the financial year ended 31 December 2013; and

- (ii) The financial impact on the consolidated net tangible assets ("NTA") per Share of the Company is computed based on the assumption that the Proposed Placement was completed on 31 December 2013 and in relation to the Company's consolidated earnings per Share ("EPS"), computed based on the assumption that the Proposed Placement was completed on 1 January 2013

	Before the Proposed Placement	After the Proposed Placement
Share capital		
- Issued and paid up share capital (S\$)	64,096,439	65,358,592
- Number of Shares	367,816,974	383,152,974
NTA (S\$'000)	20,663,000	21,925,153
NTA per Share (S\$ cents)	0.06	0.06
EPS (S\$ cents) ⁽¹⁾	(8.02)	(7.64)
Earnings attributable to equity holders of the Company (S\$'000)	(25,107,130)	(25,107,130)
Weighted average number of shares used to calculate diluted earnings ('000)	313,088,207	328,424,207

Note: (1) EPS is calculated by dividing the Company's consolidated net earnings attributable to equity holders of the Company by the weighted average number of ordinary shares.

The financial effects of the Proposed Placement on the Company and the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Company and the Group after the completion of the Proposed Placement.

6. RULE 812 AND INTERESTED PERSONS

The Placees does not fall within the persons or groups of persons disallowed by the SGX-ST as set out under Rule 812 of the SGX-ST Listing Manual or are interested persons under Chapter 9 of the SGX-ST Listing Manual.

7. CHANGES IN SHAREHOLDING STRUCTURE

The Placement Shares will represent approximately 4.0% of the enlarged issued and paid-up share capital of the Company after the completion of the Placement. Based on the issued share capital of the Company as at the date hereof, the following table sets out the impact on the percentage shareholding of existing Shareholders following completion of the Placement:

Substantial Shareholders	<u>Before the Proposed Placement</u>				<u>After the Proposed Placement</u>			
	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Direct Interest</u>		<u>Deemed Interest</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
<u>Existing Shareholders</u>								
Mitsubishi Electric Asia Pte Ltd	35,000,000	9.52	-	-	35,000,000	9.13	-	-
Mitsubishi Electric Corporation	-	-	35,000,000	9.52	-	-	35,000,000	9.13
Mitsui & Co Ltd	29,405,000	7.99	-	-	29,405,000	7.67	-	-
<u>The Placees</u>								

Tan Kwee Khoon	-	-	-	-	6,085,000	1.59	-	-
Wang Boon Heng	-	-	-	-	1,224,000	0.32	-	-
Lim Chye Seng	-	-	-	-	3,644,000	0.95	-	-
Leow Yin Chong	-	-	-	-	729,000	0.19	-	-
Lim Yiak Tiam	-	-	-	-	2,430,000	0.63	-	-
Seah Kok Beng Daniel	-	-	-	-	1,224,000	0.32	-	-

The Placement Shares will represent approximately 4.0% of the enlarged issued and paid-up share capital of the Company after the completion of the Proposed Placement. Based on the issued share capital of the Company as at the date hereof, the following table sets out the impact on the percentage shareholding of the Directors following completion of the Proposed Placement:

<u>Directors</u>	<u>Before Proposed Placement</u>				<u>After Proposed Placement</u>			
	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Direct Interest</u>		<u>Deemed Interest</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Bernard Chen Tien Lap	2,010,000	0.55	-	-	2,010,000	0.52	-	-
Michael Ong Liang Huat	5,331,138	1.45	-	-	5,331,138	1.39	-	-
Yeung Koon Sang @David Yeung	214,000	0.06	-	-	214,000	0.06	-	-
Siew Chak Hung	4,000,000	1.09	-	-	4,000,000	1.04	-	-
Pang Toh Kang	-	-	30,000	0.01	-	-	30,000	0.01

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the directors or substantial shareholders of the Company have, to the best of their knowledge, any connection with the Placees or its directors or substantial shareholders.

9. RESPONSIBILITY STATEMENT

- 9.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement, and the Company, and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.
- 9.2 Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

Shareholders and potential investors should note that the Proposed Placement is subject to the fulfilment of, *inter alia*, the conditions precedent set out above and accordingly should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board

Michael Lee Thiam Chye
Joint Company Secretary
30 June 2014