

CNA GROUP LTD.
(UNDER JUDICIAL MANAGEMENT)
(the “**Company**”)
(Company Registration No. 199000449K)
(Incorporated in Singapore)

DIVESTMENT OF 60% EQUITY OF SUBSIDIARY IN INDIA

The Judicial Managers wish to announce that the Company had, on 19 January 2016, entered into a sale and purchase agreement (the “**SPA**”) with Venkata Subbarao Gumpalli (the “**Buyer**”) for the divestment of its equity interest in CNA Engineering Pvt Ltd (“**CNA India**”), which represents 60% of the entire issued share capital of CNA India. The divestment is on an “as is where is” basis.

CNA India is a private company registered in Bangalore, India, and provides engineering support for certain Singapore projects carried on by the Company previously (and which have been divested, as announced on 29 October 2015).

The Buyer is part of the management of CNA India and holds an equity interest of 33% of the entire issued share capital of CNA India. The consideration for the sale is US\$12,500, and was determined on a willing-buyer willing-seller basis, taking into account the following key factors considered by the Judicial Managers:

1. Pursuant to the SPA, the Buyer has undertaken to procure CNA India to release and discharge the Company from all debts and/or liabilities (including outstanding inter-company loans or advances) due, payable or owed by the Company to CNA India as at the date of the SPA with an aggregate value of S\$20,000.
2. The Buyer has also undertaken to procure CNA India to release and discharge the Company from all corporate guarantees and/or other security arrangements (if any) granted by or entered into by the Company for the benefit of CNA India.

Based on the above, the Judicial Managers, in consultation with the majority creditors of the Company, decided that it is in the best interests of the creditors of the Company to sell the shares of CNA India to the Buyer.

None of the Directors of the Company have any interest, direct or indirect, in the SPA, other than through their respective directorships and/or shareholding interests (if any) in the Company.

The Judicial Managers will provide updates on material developments, if any, as and when appropriate.

Submitted by the Judicial Managers
For and On Behalf of the Company

Tam Chee Chong
Andrew Grimmett
Deloitte & Touche LLP
2 February 2016