

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

DIVESTMENT OF SUBSIDIARY IN VIETNAM

The Judicial Managers wish to announce that the Company has, on 2 November 2015, entered into a sale and purchase agreement (the “**SPA**”) with the management of CNA-HTE Vietnam Co., Ltd (the “**Buyers**”) (comprising Ms Vo Huyen Nga and Asophir Systems Pte. Ltd., a company incorporated in Singapore) for the sale and transfer of the entire issued share capital of CNA-HTE Vietnam Co., Ltd (the “**Target**”), the Company’s wholly-owned subsidiary, to the Buyers, on an “as is where is” basis.

The Target is a wholly-owned foreign company incorporated in Vietnam which carries on the business of mechanical, electrical and plumbing services, design and fabrication of signage, and the design and construction of landscaping works.

The consideration for the sale is S\$200,000, 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 Buyers have undertaken to, *inter alia*, procure the repayment of intercompany loans extended by the Company to the Target with an aggregate value of S\$1,000,000.
2. The Buyers have also undertaken to procure the release of the Company from existing corporate guarantees given by the Company for the benefit of the Target which amounts to approximately S\$7.2 million.
3. As the existing management of the Target, the Buyers are able to retain the loyalty of the existing employees of the Target and ensure a smooth transition after assuming control of the Target.

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 the Target to the Buyers.

Save for Michael Ong Liang Huat, the Group President and CEO and an Executive Director of the Company prior to the Company being placed under judicial management, who is a shareholder and director of Asophir Systems Pte. Ltd., none of the Directors of the Company has 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 further updates on material developments as and when appropriate.

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

Tam Chee Chong
Andrew Grimmett
Deloitte & Touche LLP

5 November 2015