



CNA GROUP LTD.  
(Company Registration No. 199000449K)

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THE PROPOSED TRANSFER OF THE WASTE WATER TREATMENT PLANT BY CNA  
DONGYING WATER CO. LTD.

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In an effort to further progress the business and profitability of CNA Group Ltd. (the “**Company**”, and together with its subsidiaries, collectively the “**Group**”), the Company has been endeavouring to reorganize the Group’s business with the objective of streamlining activities and businesses across the Group. In particular, the Company intends to strategically refocus its resources on its core business.

As part of its reorganization efforts, the Company has entered into discussions with the Dongying Economic Development Zone Management Committee (“**DMC**”) in the People’s Republic of China (“**PRC**”) to transfer the waste water treatment plant (“**Waste Water Treatment Plant**”), which is a non-core asset of the Company, to a third party (“**Proposed Transfer**”). The Company believes that the Proposed Transfer will better enable to Group to refocus its resources on its core business. The Company is of the view that the Proposed Transfer will not affect the nature of its main business and that there will not be any material change in the risk profile of the Company arising from the transaction. The Company believes that the Proposed Transfer is a good opportunity for the Group to adopt a strategic shift in focus towards dividends based investment income in the PRC. Further, the Proposed Transfer is in the best interests of the Company since the Company has been negotiating with the DMC to obtain a higher tariff for its upgraded Waste Water Treatment Plant in the PRC, and to date there has been no conclusion as to whether a higher tariff will be granted. As the net book value of the assets has been impaired down to its estimated market value as at 31 December 2014, the Proposed Transfer is not expected to have a material impact on the financial performance of the Company.

The Company will make further announcements as and when there are material developments in respect of the Proposed Transfer.

By Order of the Board

Lun Chee Leong  
Company Secretary  
10 April 2015