



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

**ANNOUNCEMENT IN RELATION TO RESIGNATION OF AUDITORS OF STANDARD
WATER LTD, CNA GROUP LTD'S ASSOCIATED COMPANY**

CNA Group Ltd (the "**Company**") wishes to announce that it has been informed by Standard Water Ltd ("**SWL**"), a 49.9% associated company of the Company, that its auditors Ernst & Young Hua Ming, ("**E&Y China**"), had resigned and reported alleged "inconsistencies in documentation in a number of areas".

We understand that SWL is in the process of appointing new auditors. The inconsistencies may have an impact on the financial results of SWL for the financial years ended 31 December 2008 ("**FY 2008**") and 31 December 2009 ("**FY 2009**").

We understand at this preliminary stage, based on discussions with SWL Board, that there may be a potential revenue overstatement in the books of SWL of approximately RMB 22 million for the financial results of SWL for FY 2008. The revenue of SWL for FY2008 was RMB 404 million and for FY2009, RMB 450 million.

For FY2008 and FY2009, the Company's share of the profits of SWL was S\$6.6 million and S\$10.3 million respectively.

Although the Company has a representative on the SWL Board, it does not participate in the executive management and operations of SWL. The Company will actively assist the management of SWL in ascertaining the extent of such inconsistencies. The Company will then make the necessary announcements after it has finished its investigations.

By order of the Board of CNA Group Ltd.

Michael Lee Thiam Chye
Chief Financial Officer /
Joint Company Secretary
29 March 2010