

MEDIA RELEASE

China Water Holdings' Order Book Soars To RMB348 Million As It Secures 12 New Projects Led By China's Booming Wastewater Sector

- **Move to Build, Operate and Transfer projects in line with the recent development of the wastewater treatment market in PRC**
- **New projects are at different stages of construction and expected to contribute to FY2008 performance**
- **CNA anticipates China Water Holdings to continue building on strong momentum in its drive to become among the leading wastewater treatment providers in the PRC**

SINGAPORE – 5 May 2008 – SGX Main board-listed **CNA Group Ltd.** (“CNA” or “the Group”), an award-winning enabler of intelligent buildings and facilities, announced today that the order book of its 49.9%-owned associate China Water Holdings Pte Ltd (“CWH”) has soared to RMB348 million as at 31 March 2008, surpassing its FY2007 revenue.

Despite increased competition in the industry, CWH secured 12 new wastewater treatment projects in the last eight months.

Driven by continued growth in China's wastewater treatment sector, CWH is shifting focus from Engineering, Procurement and Construction (“EPC”) projects to Build, Operate and Transfer (“BOT”) projects in line with the PRC's emphasis to speed up construction of waste water treatment plants in order to provide larger treatment capacity for more municipalities.

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BOT projects are a form of project finance where CWH finances, constructs, operates and maintains each wastewater treatment plant and earns a steady stream of treatment fee over a predetermined time period after which the plant is transferred to the municipal government.

According to Mr Michael Ong, President and Chief Executive Officer of CNA, “Our investment in CWH continues to pay off with CWH securing more BOT projects. At present, BOT projects account for RMB221 million out of the enlarged order book of RMB348 million. The recent success in winning these significant high-profile BOT projects will serve to further consolidate CWH’s leadership position in the PRC.”

The newly secured projects many of which are expected to contribute to CWH’s FY2008 performance are a testimony to CWH’s track record and expertise as a leading wastewater treatment solutions provider in Shaanxi, Shandong, Zhejiang, Hebei and Jiangsu provinces.

One of the more notable projects secured in December 2007 is the Xi’an City Yanliang wastewater treatment (“WWT”) plant in Shaanxi, valued at RMB39.8 million. This WWT plant uses the oxidation ditch process and has treatment capacity of 25,000m³ of wastewater per day. It is located at the Xi’an Yanliang National Aviation Hi-Tech Industrial Base, a leading sophisticated aviation research and development, manufacturing, spare parts processing and services hub. This project is expected to be completed by January 2009.

Another project secured in October 2007 is the Huzhou City Linghu County WWT Plant in Zhejiang, valued at RMB27.7 million. It uses the Anaerobic/Anoxic Oxidation technique and has a treatment capacity of 20,000m³ of wastewater per day. The WWT plant is located in Huzhou City, an industrial city which is projected to have strong economic development and population growth.

In FY2007, CWH’s revenue jumped 74% to RMB270 million, from RMB155 million in FY2006. Net profit surged to RMB75 million from RMB51 million a year ago mainly due to stronger contribution from execution of projects on hand.

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Commenting on CWH's growth potential, Mr Michael Ong said, "The burgeoning wastewater treatment industry is growing in tandem with the rapid growth, industrialisation and urbanisation of the PRC as well as with the PRC government's increasing focus on the need to protect the environment. CWH will continue to take advantage of such a policy, seeking out new project opportunities and building on the strong momentum in its drive to become among the leading wastewater treatment providers in the PRC."

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About CNA Group Ltd.

CNA Group Ltd. ("CNA") is an award-winning specialist in the provision, design, implementation and maintenance of advanced integrated control and automation systems and IT solutions that enable intelligent buildings and facilities.

In late May 2006, CNA added a new dimension to its business strategy when it acquired a stake in Beijing Herocan Environmental Engineering Tech Co. Ltd ("Herocan") a leading one-stop provider of water and waste treatment solutions in China. The move which allowed the Group to springboard into the fast-growing water and environmental sector in China is in line with CNA's efforts to expand into or invest in businesses with strong growth potential.

CNA's associate level stake in Herocan is held through China Water Holdings Pte. Ltd. CNA's strength is in combining its domain knowledge and expertise with its proprietary SIRIUS™ system technology to build high-level and fully integrated Intelligent Building Management Systems ("IBMS") and Intelligent Facility Management Systems ("IFMS") that are able to integrate, monitor and control a diverse range of mechanical, electrical, security and climate control systems within a building or facility.

Headquartered in Singapore, CNA has a direct presence in China and the Middle East, serving an impressive list of customers in Singapore, Malaysia, Myanmar, Philippines, Thailand, India, China, Dubai, Qatar and Oman.

For more information, please visit: www.cna.com.sg

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