

INDEPENDENT AUDITORS' REPORT

Members of the Company

CNA Group Ltd.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of CNA Group Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and of the Company as at 31 December 2013, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 41 to 103.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2 to the financial statements which indicates that the Group has net current liabilities of \$15,044,000 (2012: \$1,040,000) as of 31 December 2013, which indicates the existence of a material uncertainty that the Group may not be able to continue as a going concern.

INDEPENDENT AUDITORS' REPORT

Notwithstanding this, the financial statements have been prepared on a going concern basis, the validity of which depends principally on the following:

- terms of payment to be agreed by a subsidiary company and its jointly controlled operations partner, with a contract employer in Dubai relating to the final contract amount of approximately \$27,198,000 that have been awarded by an Arbitration Tribunal in Dubai in February 2014 (the "Award Proceeds");
- the negotiation with the bank on assignment of a part of the Award Proceeds for repayment of the outstanding loan of approximately \$17,834,000;
- the negotiation with subcontractors and their ultimate acceptance of partial settlement of the subcontractors' liabilities of approximately \$8,596,000; and
- the continuing availability of prevailing bank facilities extended to the Group by its principal bankers.

If the Group and the Company are unable to continue as a going concern, adjustments may have to be made to reflect a situation that assets may need to be realised and liabilities discharged not in the normal course of business. No adjustment has been made to the Group financial statements.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

9 April 2014