



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

**REPLY TO SGX QUERY REGARDING THE UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014**

CNA Group Ltd (the “**Company**”) refers to the queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 13 November 2014 regarding the Company’s unaudited third quarter financial statements for the period ended 30 September 2014, and wishes to respond to the queries as follows:

Question 1: Please explain the reason(s) for the increase in Trade and other Receivables (current) by approximately 12.0% from S\$36,360,000 as at 30 September 2013 to S\$40,727,000 as at 30 September 2014 despite a decrease in revenue of 41.4% during the same period. Please also disclose whether the Company foresees any issue with the collectability of these debts.

Response: The increase in the Company’s Trade and other Receivables (current) from S\$36,360,000 as at 30 September 2013 to S\$40,727,000 as at 30 September 2014 was primarily due to the reclassification, as at the end of the financial year ended 31 December 2013, of the net long-term Trade Receivables (after writing-off uncollectible amounts) arising from the Dubai Arbitration case award.

The Company is of the view that these debts are collectible.

Question 2: Please explain the reason(s) for the increase in Service Concession Receivable by approximately 14.3% from S\$27,420,000 as at 31 December 2013 to S\$31,343,000 as at 30 September 2014.

Response: The increase in the Service Concession Receivables by approximately 14.3% was primarily due to the costs capitalized for the construction of the Dongying wastewater plant, which has been recorded in accordance with the Statutory Board Financial Reporting Standard 112.

By Order of the Board

Lun Chee Leong
Company Secretary
17 November 2014