

SINGAPORE REINSURANCE CORPORATION LIMITED

Incorporated in the Republic of Singapore
Company Registration No. 197300016C

PROFIT GUIDANCE

In the Company's third quarter 2008 ("3Q2008") financial statement announcement, it was highlighted that the achievability of full year profitability depended on the state of the underwriting portfolio as well as the extent of contribution that could be expected from the investment portfolio in a turbulent environment. The Group is expected to incur an underwriting loss for FY2008. In addition, the Group's investment portfolio has been adversely affected by the credit and economic crisis, the impact of which began to be more significantly felt in the financial markets in the fourth quarter of 2008 ("4Q2008"). Following the review of the Group's financial results for the 4Q2008 and the full year ended 31 December 2008 ("FY2008"), the Board of Directors of Singapore Reinsurance Corporation Limited ("the Board") would like to advise that the financial results for 4Q2008 and FY2008 will be significantly affected by impairment write-down relating to the Group's investment portfolio.

The Group's quoted equity investments are classified as "available-for-sale" and are regularly marked to their respective fair values, and all changes are reflected in the balance sheet as fair value reserves. However, when there is a significant or prolonged decline in the fair value of long-term investments, the Financial Reporting Standards require impairment to be recognized in the profit and loss accounts. In view of the severe and protracted economic crisis that is still unfolding, the Board has decided to make additional impairment write-down in the 4Q2008 accounts. Therefore, the Group expects to report operating losses for both 4Q2008 and FY2008, with a consequential decline in the net asset value of the Group.

Further details will be disclosed when the Company announces the Group's audited financial results for 4Q2008 and FY2008 on 27 February 2009.

By Order Of The Board

Gerard Seah Jim Hong
Company Secretary

20 February 2009