

SINGAPORE REINSURANCE CORPORATION LIMITED
Incorporated in the Republic of Singapore
Company Registration No. 197300016C

PROPOSED BONUS ISSUE

The Board of Directors (“**Directors**”) of Singapore Reinsurance Corporation Limited (the “**Company**”) is pleased to announce that the Company is proposing a bonus issue of up to 55,020,000 new ordinary shares fully paid in the capital of the Company (“**Bonus Shares**”) at an issue price of S\$0.20 each on the basis of one Bonus Share for every ten existing ordinary shares held in the Company (the “**Bonus Issue**”). Fractional entitlements will not be allotted to shareholders but will be aggregated and disposed of in such manner as the Directors in their absolute discretion deem fit for the benefit of the Company.

The Bonus Shares will be issued to shareholders whose names appear in the Register of Members or who have shares entered against their names in the Depository Register as at the date of the closure of the Share Transfer Books and Register of Members of the Company. Notice will be given at a later date on the date of closure of the Share Transfer Books and the Register of Members of the Company in order to determine shareholders’ entitlements to the Bonus Shares.

The Bonus Shares, when allotted and issued, will rank *pari passu* in all respects with the existing shares, except that the Bonus Shares will not be entitled to any dividends in respect of the financial year ended 31 December 2007.

RATIONALE

The Bonus Issue is intended to strengthen the Company’s capital base by increasing the Company’s share capital from its current amount of S\$112 million to more than S\$123 million so as to send a positive message to shareholders and the industry. The Bonus Issue will also improve market liquidity of the Company’s shares and thereby broaden the Company’s shareholder base.

APPROVALS

The Bonus Issue is conditional upon, *inter alia*,

- (i) approval by shareholders of the Company at the forthcoming Annual General Meeting in respect of the general share issue mandate pursuant to Rule 806 of the Singapore Exchange Securities Trading Limited Listing Manual (the “**SGX Listing Manual**”) and Section 161 of the Companies Act (Chapter 50); and
- (ii) approval by Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the Bonus Shares in the Official List of SGX-ST.

CAPITALISATION

The Bonus Issue will be made by way of the capitalisation of the sum of S\$11,004,000 standing to the credit of the Company’s accumulated profits, which amounted to S\$73,550,000 as at 31 December 2007.

FINANCIAL EFFECTS OF THE BONUS ISSUE

For illustrative purposes only, the financial effects of the proposed Bonus Issue on the issued share capital of the Company, net asset value (“NAV”) per share, gearing of the Company and its subsidiaries (the “Group”), and on the earnings per share of the Company (“EPS”) (assuming that the Bonus Issue had been completed on 1 January 2007 and assuming that 10,000,000 treasury shares had been cancelled as at 31 December 2007), based on the consolidated financial statements of the Group for the financial year ended 31 December 2007, are set out below:-

1. Share Capital

	No. of Shares '000	S\$ '000
Share capital as at 31 December 2007	560,200	112,296
Shares bought and cancelled out of Profits	(10,000)	-
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	550,200	112,296
Capitalisation of Bonus Shares	55,020	11,004
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Enlarged issued share capital after the Bonus Issue	605,220	123,300

2. NAV per share (Group)

	Before Bonus Issue and Shares Cancelled	Before Bonus Issue and After Shares Cancelled	After Bonus Issue and Shares Cancelled
NAV (S\$'000)	201,148	198,098	198,098
Number of issued shares ¹	560,200	550,200	605,220
NAV per share (cents)	35.91	36.00	32.73

3. EPS (Company)

	Before Bonus Issue	After Bonus Issue
Profit attributable to shareholders (S\$'000)	26,743	26,743
Number of issued shares ¹	560,200	605,220
EPS (cents)	4.77	4.42

4. Gearing

As at 31 December 2007, the Group does not have any borrowings and the Bonus Issue will have no financial effects on the Gearing of the Group.

¹ Refers to the weighted average number of shares in issue during the financial year.

The expression “Gearing” means the ratio of the Total Borrowings to Shareholders’ Funds. The expression “Total Borrowings” means the aggregate amount of liability arising from bank overdrafts, short-term loans, long-term loans and finance lease obligations. The expression “Shareholders’ Funds” means the aggregate of the issued and paid-up share capital and reserves of the Group.

DIVIDENDS

Barring any unforeseen circumstances, the Directors, after assessment of the internal working capital and cash flow requirements of the Group, are of the opinion that the Company expects to be able to maintain the quantum of dividend payment for the financial year ending 31 December 2008 on the enlarged issued share capital of the Company (after taking into account the Bonus Shares).

By Order of the Board
SINGAPORE REINSURANCE CORPORATION LTD

Gerard Seah Jim Hong
Company Secretary

29 February 2008