



**SINGAPORE REINSURANCE CORPORATION LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No: 197300016C)

**MINUTES OF 46<sup>th</sup> ANNUAL GENERAL MEETING**

<b>PLACE</b>	:	Anson III Level 2, M Hotel Singapore 81 Anson Road, Singapore 079908
<b>DATE</b>	:	17 April 2019
<b>TIME</b>	:	12.00 P.M.
<b>PRESENT</b>	:	Please see Attendance List attached hereto
<b>NOTICE OF MEETING</b>	:	The Notice convening this meeting was taken as read.
<b>CHAIRMAN</b>	:	Mr Ramaswamy Athappan was elected to chair the meeting.

**QUORUM**

As a quorum was present, Mr Ramaswamy Athappan, the Chairman (the “**Chairman**”) of the Board of Directors (the “**Board**”) of the Company, in assisting to conduct the meeting, declared the meeting open.

**ORDINARY BUSINESS:**

**1. ADOPTION OF REPORTS AND ACCOUNTS**

Resolution 1 of the Agenda was to receive and adopt the Directors’ Statement and Audited Accounts for the year ended 31st December 2018 (“**FY2018**”).

The Chairman, in addressing the Meeting, noted that as the Directors’ Statement and Audited Accounts for FY2018, the Chairman’s Statement to Shareholders and the Independent Auditors’ Report had been in the Shareholders’ hands for the prescribed period, he would take them as read.

The following resolution was formally proposed by the Chairman:

“THAT the Directors’ Statement and Audited Accounts for the year ended 31st December 2018 be and are hereby received and adopted.”

The Chairman asked Shareholders if they had any questions. Several Shareholders raised certain questions and answers in response thereto are recorded in Annex A as attached hereto.

As there were no further questions raised by the Shareholders, the following resolution was then passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT the Directors’ Statement and Audited Accounts for the year ended 31st December 2018 be and are hereby received and adopted.”

**2. DECLARATION OF FINAL DIVIDEND**

Resolution 2 on the Agenda was to declare a final dividend for FY2018. It was noted that the Board of Directors had recommended a final dividend of 0.8 cent per share tax exempt for FY2018 and if approved, would be payable on 27<sup>th</sup> May 2019 to Shareholders of the Company registered as at 5.00 p.m. on 30<sup>th</sup> April 2019.

As there were no questions raised by the Shareholders, the following resolution was then passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT a final dividend of 0.8 cents per share tax exempt for the year ended 31st December 2018 be and is hereby approved and declared.”

**3. DIRECTORS’ FEES**

Resolution 3 on the Agenda was to approve the payment of Directors’ fees for FY2018. It was noted that the Board of Directors had recommended the payment of a total sum of S\$605,000 to be paid as Directors’ fees for FY2018.

As there were no questions raised by the Shareholders, the following resolution was then passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT the payment of Six Hundred and Five Thousand Dollars (S\$605,000) as Directors’ fees for the year ended 31st December 2018 be and is hereby approved.”

**4. RE-ELECTION OF RAMASWAMY ATHAPPAN AS A DIRECTOR**

Resolution 4 on the Agenda was to re-elect Mr Ramaswamy Athappan, who was retiring by rotation pursuant to Regulation 96 of the Company’s Constitution.

As Resolution 4 related to the retirement and re-appointment of the Ramaswamy Athappan as director of the Company, Mr Ramaswamy Athappan handed the chair over to Mr David Chan Mun Wai.

In accordance with Regulation 96 of the Company’s Constitution, Mr Ramaswamy Athappan, as a Director, retired by rotation and being eligible, offered himself for re-election.

As there were no questions raised by the Shareholders, the following resolution was then passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT Mr Ramaswamy Athappan who retires by rotation pursuant to Regulation 96 of the Company’s Constitution be and is hereby re-elected as a Director of the Company.”

The chair was then handed back to Mr Ramaswamy Athappan

**5. RE-ELECTION OF MR ONG ENG YAW AS A DIRECTOR**

Resolution 5 on the Agenda was to re-elect Mr Ong Eng Yaw, who was retiring by rotation pursuant to Regulation 96 of the Company’s Constitution.

In accordance with Regulation 96 of the Company’s Constitution, Mr Ong Eng Yaw, as a Director, retired by rotation and being eligible, offered himself for re-election.

As there were no questions raised by the Shareholders, the following resolution was then passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT Mr Ong Eng Yaw who retires by rotation pursuant to Regulation 96 of the Company’s Constitution be and is hereby re-elected as a Director of the Company.”

**6. RETIREMENT OF MR HWANG SOO JIN**

Item 5 on the Agenda was to note the retirement of Mr Hwang Soo Jin.

It was noted that Mr Hwang, a Director of the Company, would be retiring and would not be seeking re-election at this AGM. As such, at the conclusion of this AGM, Mr Hwang would cease to be a Director of the Company. A vote of thanks was recorded for Mr Hwang for his guidance during his term of office.

The Chairman gave a heartfelt speech thanking Mr Hwang for his past services and contributions to the Board and the Company. He commended Mr Hwang’s wisdom, advice, counsel and unwavering leadership over 46 years of service. The Board and Shareholders expressed their gratitude and appreciation for Mr Hwang’s services and wished him health, happiness and contentment in his future endeavours.

**7. RE-APPOINTMENT OF AUDITORS**

Resolution 6 on the Agenda was to re-appoint KMPG LLP as auditors for the ensuing year and to authorise the Directors to fix the auditors’ remuneration.

As there were no questions raised by the Shareholders, the following resolution was then passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT Messrs KPMG LLP be and is hereby re-appointed as auditors of the Company for the ensuing year at a fee to be determined by the Directors.”

**SPECIAL BUSINESS:**

**8. AUTHORITY TO DIRECTORS TO ALLOT AND ISSUE NEW SHARES**

Resolution 7 on the Agenda was to seek the Shareholders’ approval pursuant to Section 161 of the Companies Act, Chapter 50, for the Directors to be granted the power to issue shares in the Company or to make or grant offers, agreements or options that might or would require shares to be issued, the details of which were set out in the text of Resolution 7 in Item 7 of the Notice of Annual General Meeting.

It was noted that such approval, if obtained, would remain in force until the conclusion of the next Annual General Meeting or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

As there were no questions raised by the Shareholders, the following resolution was then passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

“THAT pursuant to Section 161 of the Act and the listing rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), authority be and is hereby given to the directors of the Company to (a) issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); (b) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, “Instruments”) including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; (c) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues, at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and (d) (notwithstanding that the authority conferred by this resolution may have ceased to be in force) to issue shares in pursuance of any Instruments made or granted by the directors while this resolution was in force, provided that:

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings), of which the aggregate number of shares to be issued other than on a *pro-rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 20% of the issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings);
- (ii) for the purpose of determining the aggregate number of shares that may be issued (subject to such manner of calculation as may be prescribed by SGX-ST) under (i) above, the percentage of issued share capital shall be based on the

issued shares in the capital of the Company (excluding treasury shares and subsidiary holdings) at the time this resolution is passed, after adjusting for (1) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards that are outstanding or subsisting when this resolution is passed; and (2) any subsequent bonus-issue, consolidation or sub-division of shares;

- (iii) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the listing rules of the SGX-ST for the time being in force (unless such compliance is waived by the SGX-ST) and the Company's Constitution; and
- (iv) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

## **9. SHARE BUY-BACK MANDATE**

Resolution 8 on the Agenda was to seek the Shareholders' approval for the Directors to exercise all the powers of the Company to purchase or acquire issued shares in the capital of the Company in accordance with the terms of which were set out in the text of Resolution 8 in Item 7 of the Notice of Annual General Meeting.

It was noted that such approval, if obtained, would remain in force until the date on which the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier.

The Chairman noted that:

- (i) Fairfax Financial Holdings Limited, Fairfax Asia Limited, Newline Corporate Name Limited, Newline Holdings UK Limited and the Chairman and parties acting in concert are to abstain from voting on this resolution; and
- (ii) they had declined to accept any appointment as proxy for any Shareholder to vote on this Resolution 8 unless the Shareholder concerned had given instructions in his Proxy Form as to the manner in which his vote was to be cast.

Accordingly, the Company would disregard any votes cast on this Resolution 8 by Fairfax Financial Holdings Limited, Fairfax Asia Limited, Newline Corporate Name Limited, Newline Holdings UK Limited and the Chairman and any parties acting in concert.

As there were no questions raised by the Shareholders, the following resolution was then passed by way of poll (detailed results of which are set out in the Appendix hereto):

Resolved:

"THAT:

- (a) for for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the "**Act**"), the exercise by the directors of the Company of all the powers

of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company (“**Shares**”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchase(s) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-Back Mandate**”);

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest of:
  - (i) the date on which the next Annual General Meeting of the Company is held or required by law to be held;
  - (ii) the date on which the authority contained in the Share Buy-Back Mandate is revoked or varied by the Company in general meeting; and
  - (iii) the date on which the share purchases pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated.
- (c) in this resolution:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five Market Days on which the Shares were transacted on the SGX-ST immediately preceding the date of the making of the market purchase by the Company, or as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with any rules that may be prescribed by the SGX-ST, for any corporate action that occurs after the relevant five-day period;

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the off-market purchase;

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

“**Maximum Percentage**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this resolution (excluding treasury shares and subsidiary holdings as at that date);

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) which shall not be more than, in the case of a market purchase of the Share and an off-market purchase of the Share, 5% above the Average Closing Price of the Shares; and

- (d) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they and/or he may consider expedient or necessary or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.”

**10. TERMINATION**

There being no other business to transact, the Chairman of the meeting declared the Annual General Meeting of the Company closed and thanked everyone for their attendance.

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**Mr Ramaswamy Athappan**  
**Chairman**

**APPENDIX  
POLL RESULTS**

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		No. of Shares	As a percentage of total number of votes for and against the resolution (%)	No. of Shares	As a percentage of total number of votes for and against the resolution (%)
<b><u>Ordinary Resolution 1</u></b>  To receive and adopt the Directors' statement and audited accounts	345,854,391	345,825,109	99.99	29,282	0.01
<b><u>Ordinary Resolution 2</u></b>  To declare a final dividend	345,928,044	345,927,968	100.00	76	0.00
<b><u>Ordinary Resolution 3</u></b>  To approve Directors' fees	345,675,788	345,253,988	99.88	421,800	0.12
<b><u>Ordinary Resolution 4</u></b>  To re-elect director: Mr Ramaswamy Athappan	345,954,406	338,428,166	97.82	7,526,240	2.18
<b><u>Ordinary Resolution 5</u></b>  To re-elect director: Mr Ong Eng Yaw	345,576,788	336,000,566	97.23	9,576,222	2.77
<b><u>Ordinary Resolution 6</u></b>  To re-appoint the auditors and authorise the Directors to fix their remuneration	345,497,278	340,498,966	98.55	4,998,312	1.45



<b><u>Ordinary Resolution 7</u></b>  To approve the issue of shares pursuant to Section 161 of the Companies Act, Chapter 50	344,846,494	286,247,077	83.01	58,599,417	16.99
<b><u>Ordinary Resolution 8</u></b>  To approve the renewal of the Share Buy-Back Mandate	176,624,622	174,616,692	98.86	2,007,930	1.14



**SINGAPORE REINSURANCE CORPORATION LIMITED**

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(Company Registration No: 197300016C)

**Annex A**

**QUESTIONS RAISED AT 46<sup>TH</sup> ANNUAL GENERAL MEETING HELD ON  
17 APRIL 2019 AND THE RESPONSES MADE IN RELATION THERETO**

*Unless otherwise defined, capitalised terms used in this Annex A shall bear the same meaning as each of their respective definitions in the Minutes of 46<sup>th</sup> Annual General Meeting.*

**1. RESOLUTION 1 – ADOPTION OF REPORTS AND ACCOUNTS**

- 1.1 Shareholder A thanked the Board for the profitable year and proposed declaration of final dividends for FY2018. He requested the Board elaborate on the underwriting loss which was partly attributed to natural peril losses in Asian markets. Ms Theresa Wee Sui Ling (the “**Chief Executive**”) explained that the Company had a fair amount of exposure outside of Singapore, *inter alia*, Malaysia, China, Hong Kong, Thailand, India and Japan and some of these markets were natural peril exposed. She mentioned that the reported losses individually did not trigger the retrocession protections, but cumulatively the losses affected the Company’s bottom line.
- 1.2 The Chairman further explained that the (re)insurance market conditions remained highly competitive. He gave an example of a insurance tender involving a statutory body with S\$1.1 billion insured value. He noted that the tender bids ranged from S\$23,000 to S\$400,000 per annum. There was a recent claim of S\$600,000 and the Chairman indicated that it would take almost 30 years to recover the loss if the annual premium was S\$23,000. He explained that notwithstanding the competitive market conditions the Company could not decline all business but would have to ride out the market cycle.
- 1.3 Shareholder B queried if the Company had any exposure to Hyflux such as coverage for contingent liabilities or standby guarantees in relation thereto. The Chairman said that the Company had a small direct exposure of S\$184,000 in Hyflux’s equities. He noted that some companies with whom the Company did business with might have been impacted but they were currently not aware of the details, if any.
- 1.4 Shareholder B queried to what extent Monetary Authority of Singapore (the “**MAS**”) conducted checks on the Company. The Chairman mentioned that quarterly reports were submitted to the MAS, and the MAS held regular discussions with the Company’s Management. The MAS also meets the Board and carries out ad hoc on-site inspections.
- 1.5 Shareholder C (via a proxy) requested that the Board explain the rationale for its investment allocations, and asked whether its asset allocation would be maintained in light of the current financial market conditions and whether there was a limit to the investments in equities. The Chairman explained that the asset allocation of insurance companies was tightly regulated. Each investment had its own risk rating, with higher risk charges being required for higher risks. The Company’s investment portfolio was currently approximately 12% in equity, 20% in properties (which were mostly based in

Singapore), 20% in cash and 48% in fixed income. He added that internal investment guidelines had been set by the Board and the Company's portfolio mix is unlikely to be drastically altered in the foreseeable future unless there were new factors to be taken into consideration.

- 1.6 Mr Hwang Soo Jin ("**Mr Hwang**") added that reinsurance business by its nature was high risk business, and therefore high risk investments should be avoided. Instead, a steady stream of investment income was preferable. He emphasised that the Board had the shareholders' interest at heart and continued to prioritise the ability to pay out dividends to shareholders. He noted that the dividend pay-out rate for the Company was approximately 80%, which was higher than many Singapore companies where dividend pay-out rates rarely exceeded 50%. The high pay-out rate was attributable to the Board's careful management of the Company's funds. He added that the Company's investible funds comprised shareholders' funds and insurance funds. He explained that the insurance funds had to remain liquid to allow the Company to pay insurance claims. Overall, the Board had to strike a delicate balance in preserving the interests of the shareholders and (re)insurance claimants whilst meeting the MAS regulations.
- 1.7 Shareholder D noted that the Company had reported an underwriting loss in reinsurance business two financial years' ago and the latest financial year and asked the Board's opinion of the future of reinsurance business, and the rates of the primary insurance market. The Chairman replied that the reinsurance industry was not a sunset industry, and commerce relied on the insurance industry to function. He noted that reinsurance business would continue to exist for the foreseeable future. He opined that the under-cutting of premium rates by some players to secure market share would not continue indefinitely. He noted that major market players like Lloyd's of London had experienced significant underwriting losses and member syndicates were being directed to review their underwriting strategies and/or forced to close. He mentioned that Fairfax Financial Holdings at their recent annual general meeting indicated that North America insurance rates rose 20%, and it was plausible that Asia was poised to catch up.
- 1.8 Shareholder E enquired on the major customers representing a substantial portion of the Company's total gross written premium and the Board's method of managing risk in relation to customer concentration. The Chairman replied that the Company was relying on and would continue to rely on its three major customers in the future. He noted that Mr David Chan Mun Wai (the "**Deputy Chairman**") has been a director of the Company since 1998 and was the managing director of the United Overseas Insurance Limited. Barring unforeseen circumstances, as part of succession planning, Mr Chan would eventually become chairman of the Company. Also, Fairfax Financial Holdings was a shareholder of the Company, which gave the Board the basis to believe that they would continue to build on the business relationship with the Company.
- 1.9 Shareholder E enquired on the Board's view of doing business with Malaysia and China. The Chairman noted that China was a growing market which would eventually overtake the American market. The Chinese market was also fiercely competitive and contributed approximately 20% of the Company's premium income. He noted that the Company was cautious in its business dealings in China due to exposure to natural disasters and other factors, but the Company could neither ignore nor exit the Chinese market. The Chairman noted that the Malaysian market had strict insurance regulations and was more disciplined. He noted that the Company would continue its business in Malaysia so long as the pricing remained reasonable.

- 1.10 Shareholder F noted that a substantial amount of the Company's premiums came from Fire insurance, and with global warming on the rise, there had been and would continue to be an increase in wildfires and similar disasters. He requested the Board explain what Fire insurance covered, and how the Company's profits would be affected. The Chairman explained that Fire insurance was referring to insurance for properties such as offices, shopping centres and factories against the perils of fire, lightning, malicious damage, accidental damage, earthquake damage, etc. Damages to properties were fairly predictable and the approximate risk could be calculated. Barring unforeseen circumstances, Fire business can generate profits.
- 1.11 Shareholder F noted that the Company generated a fair amount of premium income from outside Singapore and enquired on the Company's currency hedging. The Chairman explained that the general approach of the insurance industry was to collect premiums in the currency in which it had to pay claims. The Company would retain foreign currencies to pay out claims in the same currencies, and would convert excess holdings in foreign currencies at appropriate times.
- 1.12 Shareholder G queried if there were other reinsurers the Company could merge with or acquire instead of growing the Company organically. The Chairman cautioned that, in a market cycle where underwriting margins were shrinking, it might not be opportune time to acquire or merge with other companies. However, if there are profitable opportunities to merge with or acquire other businesses, then the Board would consider it.
- 1.13 Shareholder G noted that the Company had a negative operating cashflow for FY2018, and the high insurance receivables of S\$30 million. He enquired as to the status of such insurance receivables. The Chairman replied that the Company's cashflow was a function which indicated if claims were being paid. He noted that some claims were paid immediately while some claims were settled at later dates. He added that the Company had approximately S\$435 million in investible funds, of which approximately S\$263 million or 60% were shareholders' funds, and the remaining amount was to be used to settle claims and act as a risk reserve. When claims were settled at an accelerated pace, that would be reflected as a negative cashflow in the Company's financials. Alternatively, a large number of claims could also result in a negative cashflow. He explained that the Board monitored the cashflow and insurance receivables. Ms Carlene Lim Lay Hoon (the "FC") added that the Company's gross premium had increased by almost S\$25 million which in turn contributed to higher insurance receivables. She noted that the Company had collected almost S\$16.5 million in insurance receivables in the first quarter of 2019.
- 1.14 Shareholder G asked the Board on the compliance costs in light of the Chairman's commentary in the Annual Report. The Chairman noted that compliance costs were an unavoidable part of the Company's business, and additional regulations were being introduced to safeguard policyholders' and shareholders' interests, thereby resulting in higher compliance costs. The FC added that the Company had to comply with the new Singapore Financial Reporting Standard (International) 17. She explained that the new accounting standard would have significant cost impact and the Company was in the process of obtaining quotations on implementation costs. Mr Hwang added that the new reporting standard would have to be adopted due to the government's desire to keep abreast of the changes in the international market. The new requirements resulted in the Company having to engage external consultants at additional costs, as well as to expend time and costs in analysing and modifying the Company's internal systems. Mr Hwang further noted that this burden was experienced by the majority of (re)insurance companies globally.

- 1.15 Shareholder G expressed concern regarding the underwriting margins. He noted that the Company had learned from prior experience and had better risk management practices. However, for FY2018, the Company reported an underwriting loss. He queried if there were any lessons to be learnt which would allow the Company to be profitable, even at the cost of retaining a smaller market share or lower turnover.
- 1.16 The Chairman explained that Company would not deliberately enter into business if it was loss-making. He noted that the nature of insurance business is to take on risk. The Board and Management of the Company continued to direct their attentions to improve the assessment and pricing of risks. He noted that the Company had survived 46 years whereas a number of other companies had not. He attributed this to the Company's Board not pressuring the management to increase the Company's topline but to continue to strive for underwriting profitability. Mr Hwang added that it was not possible to predict the level of profitability due to the nature of the business. He added that losses were reported globally in FY2018, and many reinsurers had incurred losses from their underwriting. The Chairman noted that natural disasters were beyond the control of the Company. He noted that the adequacy of premiums may also change in the future due to the difficulty in making such predictions.
- 1.17 Shareholder G noted that property revaluation surplus had contributed to the Company's investment returns and queried if the Board was considering investing in additional properties within the limits of existing regulations. The Chairman noted that there were no plans to do so as the Company was not a property investment company. Mr Hwang explained that a large part of the Company's funds were not shareholders' funds and were insurance funds. The insurance funds had to remain liquid and could not be invested to a large extent in fixed assets such as properties. The Company's investments in property were for the purpose of diversifying its portfolio. Although they had appreciated in value, he noted that investing in property would not always be profitable, especially with the cooling measures implemented by the Singapore government and additional commercial properties being constructed. He expressed concern that American companies had begun shifting their business back to America and this could indicate a trend of foreign companies withdrawing from the Singapore market, resulting in a reduction in demand for office space.
- 1.18 Shareholder G enquired if there were buyers who were looking to acquire the Company, in lieu of the Company's book value being relatively attractive as compared to the Company's market value. The Chairman replied that, to his knowledge, potential buyers had not approached the Company to seek to acquire shares.
- 1.19 The Chairman then invited Mr Sivam Subramaniam ("**Mr Sivam**"), the Managing Director of Asia Insurance Review, a subsidiary of the Company, to share his insight on the general insurance market. Mr Sivam noted that the Company was in the business of risk, and had to undertake risks in a responsible and rational manner. He noted that some factors were outside the Company's control and there would always be an element of unpredictability, and an underwriting loss in itself did not necessarily indicate failure on the part of the Company.
- 1.20 Shareholder H (via a proxy), noted that there had been an increase in premium revenue generated from other geographical areas and requested for further elaboration. The Chief Executive explained that the Company carried out businesses overseas, with territories such as India, South Korea and other Asian countries contributing to the Company's revenue.

- 1.21 Shareholder H queried if the Company was planning on relying on fire insurance as its main source of revenue, or if greater priority would be placed on other types of insurances in the future. The Chairman replied that it would depend on the market and the rate of return, and the Company would look for alternatives if the rate of returns were inadequate.
- 1.22 Shareholder I noted that Mr Hwang was retiring from the Board but would remain in an advisory role. He queried if there were further succession plans, as the Company's business was reliant on past experience. The Chairman replied that the Board had always prepared for future successions, with the past generations of Chairmen preparing their successors well in advance. The Chairman noted that Mr Chan's role as Deputy Chairman was planned and he was earmarked to take over as chairman in the future.