

Full Year Financial Statements Announcement For The Year Ended 31 December 2010

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

AUDITED CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	GROUP					
	2010 S\$'000	2009 S\$'000	Incr/ (decr) %	4th Qtr 2010 S\$'000	4th Qtr 2009 S\$'000	Incr/ (decr) %
Revenue	109,061	93,988	16.0	29,660	26,432	12.2
Income statements:						
Reinsurance operations:						
Gross premiums	102,464	88,121	16.3	27,758	24,542	13.1
Reinsurance premiums	(60,978)	(50,826)	20.0	(18,654)	(16,361)	14.0
Net written premiums	41,486	37,295	11.2	9,104	8,181	11.3
Gross transfer from/(to) provision for unexpired risks	(3,848)	(684)	462.6	(1,448)	641	(325.9)
Reinsurance transfer from provision for unexpired risks	2,216	1,875	18.2	962	535	79.8
Net earned premiums	39,854	38,486	3.6	8,618	9,357	(7.9)
Gross claims incurred	(54,892)	(44,300)	23.9	(16,662)	(13,719)	21.5
Reinsurers' share of claims incurred	32,827	25,356	29.5	10,337	8,299	24.6
Net claims incurred	(22,065)	(18,944)	16.5	(6,325)	(5,420)	16.7
Commission expense	(32,760)	(27,725)	18.2	(7,912)	(6,941)	14.0
Commission income	21,369	16,056	33.1	6,700	5,245	27.7
Net commission expense	(11,391)	(11,669)	(2.4)	(1,212)	(1,696)	(28.5)
Management expenses	(5,414)	(6,175)	(12.3)	(1,003)	(1,940)	(48.3)
Underwriting results	984	1,698	(42.0)	78	301	(74.1)
Net investment income	10,226	7,028	45.5	2,085	2,044	2.0
Net income from reinsurance operations (I)	11,210	8,726	28.5	2,163	2,345	(7.8)
Non-reinsurance operations:						
Net investment income	5,137	3,387	51.7	2,388	740	222.7
Other operating income	6,713	5,986	12.1	1,928	1,925	0.2
Management expenses	(5,718)	(5,135)	11.4	(1,568)	(1,597)	(1.8)
Net income from non-reinsurance operations (II)	6,132	4,238	44.7	2,748	1,068	157.3
Profit before income tax (I + II)	17,342	12,964	33.8	4,911	3,413	43.9
Income tax expense	(2,127)	(1,571)	35.4	(573)	(672)	(14.7)
Profit for the year	15,215	11,393	33.5	4,338	2,741	58.3
Profit attributable to:						
Equity holders of the Company	14,998	11,219	33.7	4,274	2,675	59.8
Minority interests	217	174	24.7	64	66	(3.0)
Profit for the year	15,215	11,393	33.5	4,338	2,741	58.3
Statement of comprehensive income:						
Profit for the year	15,215	11,393	33.5	4,338	2,741	58.3
Other comprehensive income/(expense):						
Surplus on revaluation of property, plant and equipment	1,677	94	nm	1,591	55	nm
Net change in fair value of available-for-sale financial assets	7,906	22,485	(64.8)	(1,906)	4,138	(146.1)
Net change in fair value of available-for-sale financial assets transferred to income statement	(2,841)	(632)	349.5	(358)	(270)	32.6
Income tax relating to components of other comprehensive income	(775)	(3,386)	(77.1)	102	(533)	(119.1)
Other comprehensive income for the year, net of income tax	5,967	18,561	(67.9)	(571)	3,390	(116.8)
Total comprehensive income for the year	21,182	29,954	(29.3)	3,767	6,131	(38.6)
Total comprehensive income attributable to:						
Equity holders of the Company	20,946	29,750	(29.6)	3,702	6,055	(38.9)
Minority interests	236	204	15.7	65	76	(14.5)
Total comprehensive income for the year	21,182	29,954	(29.3)	3,767	6,131	(38.6)
Profit before income tax has been arrived at after crediting/(charging):						
Income relating to subsidiaries non-reinsurance operations*	7,732	6,070	27.4	2,697	1,950	38.3
Operating expenses relating to subsidiaries non-reinsurance operations	(6,148)	(4,497)	36.7	(2,459)	(1,455)	69.0
Exchange loss	(426)	(680)	(37.4)	(363)	(467)	(22.3)
Gain on sale of investments	2,896	2,446	18.4	401	269	49.1
Change in fair value of investment properties	1,732	(91)	nm	1,732	(91)	nm
Impairment write-down on investments	(56)	(1,818)	(96.9)	(43)	-	na

nm not meaningful

na not applicable

* included subsidiaries' revenue and costs on services rendered such as management, computer advisory and consultancy, publishing, organising of conferences and advertising

Note: certain comparative figures have been reclassified to conform with the current year's presentation

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	20,864	19,377	20,809	19,272
Investment properties	11,855	10,123	11,855	10,123
Intangible asset	46	91	-	-
Reinsurers' share of insurance contract provisions for				
- outstanding claims	140,992	127,371	140,992	127,371
- unexpired risks	19,520	17,304	19,520	17,304
Interests in subsidiaries	-	-	1,211	6,449
Financial assets	291,159	256,496	289,741	248,659
Club membership	20	20	-	-
Insurance receivables	35,286	33,818	35,286	33,818
Other receivables	4,064	3,514	3,102	6,436
Cash and cash equivalents	43,496	62,225	40,716	55,630
Total assets	567,302	530,339	563,232	525,062
Equity attributable to equity holders of the Company				
Share capital	123,300	123,300	123,300	123,300
Reserves	19,480	13,532	19,310	13,304
Accumulated profits	64,388	57,864	63,389	55,529
	207,168	194,696	205,999	192,133
Minority interests	532	533	-	-
Total equity	207,700	195,229	205,999	192,133
Liabilities				
Insurance contract provisions for				
- outstanding claims	271,423	255,151	271,423	255,151
- unexpired risks	35,462	31,614	35,462	31,614
Insurance payables	42,937	40,692	42,937	40,692
Other payables	4,873	4,915	2,755	3,112
Current tax payable	2,024	770	1,778	425
Deferred taxation	2,883	1,968	2,878	1,935
Total liabilities	359,602	335,110	357,233	332,929
Total equity and liabilities	567,302	530,339	563,232	525,062

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.12.2010		As at 31.12.2009	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.12.2010		As at 31.12.2009	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collaterals

Not applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	2010 S\$'000	2009 S\$'000
Operating activities		
Profit before income tax	17,342	12,964
Adjustments for:		
Insurance contract provisions for net unexpired risks	1,632	(1,191)
Insurance contract provisions for net outstanding claims	2,651	1,341
Impairment losses on investments and club membership	56	1,823
Change in fair value of investment properties	(1,732)	91
Gain on sale of investments	(2,896)	(2,446)
Depreciation and amortisation of property, plant and equipment and intangible asset	378	437
Interest income	(8,725)	(8,073)
Dividend income	(2,310)	(2,075)
(Gain)/Loss on sale of investment properties, property, plant and equipment	(3)	36
Others	6	(3)
	<u>6,399</u>	<u>2,904</u>
Changes in working capital:		
Insurance receivables	(1,468)	(2,023)
Other receivables	(454)	53
Insurance payables	2,245	3,037
Other payables	(267)	1
Cash generated from operations	<u>6,455</u>	<u>3,972</u>
Income tax paid	(733)	(412)
Cash flows from operating activities	<u>5,722</u>	<u>3,560</u>
Investing activities		
Interest received	8,884	8,029
Dividends received	2,310	2,075
Purchase of investments	(94,101)	(46,652)
Proceeds from sale of investments	67,083	39,917
Purchase of property, plant and equipment and intangible asset	(167)	(292)
Proceeds from sale of investment properties, property, plant and equipment	26	297
Net cash outflow on acquisition of minority interests in subsidiary	(12)	(13)
Cash flows (used in)/from investing activities	<u>(15,977)</u>	<u>3,361</u>
Financing activities		
Dividends paid	(8,474)	(6,052)
Decrease in deposits pledged	559	101
Cash flows used in financing activities	<u>(7,915)</u>	<u>(5,951)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(18,170)</u>	<u>970</u>
Cash and cash equivalents at beginning of the year (exclude pledged assets)	<u>60,765</u>	<u>59,795</u>
Cash and cash equivalents at end of the year	<u>42,595</u>	<u>60,765</u>
Pledged cash equivalents	<u>901</u>	<u>1,460</u>
Cash and cash equivalents at end of the year including pledged deposits	<u>43,496</u>	<u>62,225</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total attributable to equity holders of the Company S\$'000	Minority Interests S\$'000	Total Equity S\$'000
GROUP							
At 1 January 2010	123,300	9,094	4,438	57,864	194,696	533	195,229
Total comprehensive income for the year:							
Net profit	-	-	-	14,998	14,998	217	15,215
Other comprehensive income/(expense):							
Revaluation of property, plant and equipment	-	-	1,677	-	1,677	-	1,677
Net change in fair value of available-for-sale financial assets	-	7,886	-	-	7,886	20	7,906
Net change in fair value of available-for-sale financial assets transferred to income statement	-	(2,840)	-	-	(2,840)	(1)	(2,841)
Income tax on other comprehensive income	-	(758)	(17)	-	(775)	-	(775)
Total other comprehensive income, net of income tax	-	4,288	1,660	-	5,948	19	5,967
Total comprehensive income for the year	-	4,288	1,660	14,998	20,946	236	21,182
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.7 cent per share tax exempt in respect of year 2009	-	-	-	(4,237)	(4,237)	-	(4,237)
Interim dividend paid of 0.7 cent per share tax exempt in respect of year 2010	-	-	-	(4,237)	(4,237)	-	(4,237)
Acquisition of minority interests	-	-	-	-	-	(12)	(12)
Dividend paid to minority interests	-	-	-	-	-	(225)	(225)
Total contributions by and distributions to owners	-	-	-	(8,474)	(8,474)	(237)	(8,711)
At 31 December 2010	123,300	13,382	6,098	64,388	207,168	532	207,700
At 1 January 2009	123,300	(9,340)	4,341	52,697	170,998	567	171,565
Total comprehensive income for the year:							
Net profit	-	-	-	11,219	11,219	174	11,393
Other comprehensive income/(expense):							
Revaluation of property, plant and equipment	-	-	94	-	94	-	94
Net change in fair value of available-for-sale financial assets	-	22,451	-	-	22,451	34	22,485
Net change in fair value of available-for-sale financial assets transferred to income statement	-	(628)	-	-	(628)	(4)	(632)
Income tax on other comprehensive income	-	(3,389)	3	-	(3,386)	-	(3,386)
Total other comprehensive income, net of income tax	-	18,434	97	-	18,531	30	18,561
Total comprehensive income for the year	-	18,434	97	11,219	29,750	204	29,954
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.4 cent per share tax exempt in respect of year 2008	-	-	-	(2,421)	(2,421)	-	(2,421)
Interim dividend paid of 0.6 cent per share tax exempt in respect of year 2009	-	-	-	(3,631)	(3,631)	-	(3,631)
Acquisition of minority interests	-	-	-	-	-	(13)	(13)
Dividend paid to minority interests	-	-	-	-	-	(225)	(225)
Total contributions by and distributions to owners	-	-	-	(6,052)	(6,052)	(238)	(6,290)
At 31 December 2009	123,300	9,094	4,438	57,864	194,696	533	195,229

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (continued)

COMPANY	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 January 2010	123,300	8,866	4,438	55,529	192,133
Total comprehensive income for the year:					
Net profit	-	-	-	16,334	16,334
Other comprehensive income/(expense):					
Revaluation of property, plant and equipment	-	-	1,677	-	1,677
Net change in fair value of available-for-sale financial assets	-	7,960	-	-	7,960
Net change in fair value of available-for-sale financial assets transferred to income statement	-	(2,836)	-	-	(2,836)
Income tax on other comprehensive income	-	(778)	(17)	-	(795)
Total other comprehensive income, net of income tax	-	4,346	1,660	-	6,006
Total comprehensive income for the year	-	4,346	1,660	16,334	22,340
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.7 cent per share tax exempt in respect of year 2009	-	-	-	(4,237)	(4,237)
Interim dividend paid of 0.7 cent per share tax exempt in respect of year 2010	-	-	-	(4,237)	(4,237)
Total contributions by and distributions to owners	-	-	-	(8,474)	(8,474)
At 31 December 2010	123,300	13,212	6,098	63,389	205,999
At 1 January 2009	123,300	(9,370)	4,341	49,518	167,789
Total comprehensive income for the year:					
Net profit	-	-	-	12,063	12,063
Other comprehensive income/(expense):					
Revaluation of property, plant and equipment	-	-	94	-	94
Net change in fair value of available-for-sale financial assets	-	22,225	-	-	22,225
Net change in fair value of available-for-sale financial assets transferred to income statement	-	(606)	-	-	(606)
Income tax on other comprehensive income	-	(3,383)	3	-	(3,380)
Total other comprehensive income, net of income tax	-	18,236	97	-	18,333
Total comprehensive income for the year	-	18,236	97	12,063	30,396
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.4 cent per share tax exempt in respect of year 2008	-	-	-	(2,421)	(2,421)
Interim dividend paid of 0.6 cent per share tax exempt in respect of year 2009	-	-	-	(3,631)	(3,631)
Total contributions by and distributions to owners	-	-	-	(6,052)	(6,052)
At 31 December 2009	123,300	8,866	4,438	55,529	192,133

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The financial figures have been audited in accordance with Singapore Standards on Auditing.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

A copy of the auditors' report is appended at the end of the Announcement.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited annual financial statements as at 31 December 2009.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP			
	2010	2009	4th Qtr 2010	4th Qtr 2009
Basic and diluted earnings per share (cents)	2.48	1.85	0.79	0.44
Number of ordinary shares issued ('000)	605,220	605,220	605,220	605,220

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and
(b) immediate preceding financial year.

	GROUP		COMPANY	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
Net asset value per share (cents)	34.23	32.17	34.04	31.75

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Comparison of 4th quarter 2010 vs 4th quarter 2009

In 4th quarter 2010, the Group's revenue increased by 12.2% to S\$29.7 million due largely to new business written. Net claims incurred was 16.7% higher at S\$6.3 million due to additional reserves set up for mainly flood-related losses in identified markets in Asia. The underwriting surplus of S\$78,000 was a decline from the S\$301,000 profit in the corresponding quarter in preceding year. Net investment income rose 60.7% to S\$4.5 million, compared to S\$2.8 million in the same quarter last year, attributed mainly to impairment write-back on investment properties. Overall, the Group's profit before income tax of S\$4.9 million in 4th quarter of 2010, was a 43.9% increase from the S\$3.4 million recorded in the same quarter a year earlier.

Comparison of 12 months 2010 vs 12 months 2009

For the year ended 31 December 2010, the Group's revenue rose 16% to S\$109.1 million, attributed largely to new business written and higher premium reported in existing accounts. After taking into consideration potential reinsurance recoveries, the net claims incurred was 16.5% higher at S\$22.1 million, due mainly to additional reserves set up in certain regional markets which experienced exceptional losses and represented an incurred loss ratio (of net written premium) of 53.2%, compared to 50.8% a year earlier. Consequently, a lower underwriting surplus of S\$984,000 was recorded, compared to the S\$1.7 million in 2009.

The net investment gain rose 47.5% to S\$15.4 million due to higher interest and dividend income, profit on sale of equity investments and impairment write-back on investment properties as well as lower impairment write-down on investments. With positive contribution from all subsidiaries, the Group's net profit before income tax increased by 33.8% to S\$17.3 million, compared to the S\$13.0 million reported a year earlier.

An investment revaluation surplus of almost S\$6 million was reported in the Statement of Comprehensive Income and credited to the fair value and revaluation reserves and therefore affects net asset value only.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the balance sheet date and the date of this announcement which is likely to affect substantially the results of the operations of the Company and of the Group for the current financial year.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The reinsurance operating environment remains challenging as global excess capacity continues to exert downward pressure on insurance and reinsurance premium rates. Increasing frequency of climate change related disasters in many parts of the world would translate into insurance claims, and consequently impact underwriting profitability.

The socio-political unrest which has gathered pace in recent weeks in various territories in the Middle East and Africa, and rising concerns about runaway inflation, characterise the many uncertainties that are still present that are likely to impact the global economies and therefore investment climate globally.

11. DIVIDEND - If a decision regarding dividend has been made:-

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Yes

2010

Name of dividend	Interim	Final (Proposed)
	Cash	Cash
Gross dividend amount per share (in cents)	0.70	0.80
Tax rate	Tax exempt	Tax exempt

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

2009

Name of dividend	Interim	Final (Proposed)
	Cash	Cash
Gross dividend amount per share (in cents)	0.60	0.70
Tax rate	Tax exempt	Tax exempt

(c) The date the dividend is payable

The proposed final dividend will be paid on 16 May 2011.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed on 5 May 2011 for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, M&C Services Private Limited, 138 Robinson Road, #17-00 The Corporate Office, Singapore 068906, up to 5.00 p.m. on 4 May 2011 will be registered before entitlements to the proposed dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares in the capital of the Company as at 5.00 p.m. on 4 May 2011 will be entitled to the dividend.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Operating segments

The Group is principally engaged in the business of underwriting general reinsurance business. Based on the internal reports that are regularly reviewed by the Group, the operating segments comprise mainly the reinsurance and non-reinsurance segments. The non-reinsurance segment relates to the Company's investment activities of its non-reinsurance funds and the operations of its subsidiaries.

GROUP	January - December 2010			January - December 2009		
	Reinsurance	Non-Reinsurance	Total	Reinsurance	Non-Reinsurance	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross premiums written	102,464		102,464	88,121		88,121
Net earned premiums	39,854		39,854	38,486		38,486
Net claims incurred	(22,065)		(22,065)	(18,944)		(18,944)
Net commission expense	(11,391)		(11,391)	(11,669)		(11,669)
Management expenses	(5,414)		(5,414)	(6,175)		(6,175)
Underwriting results	984		984	1,698		1,698
Net investment income	10,226		10,226	7,028		7,028
Net income from reinsurance operations (I)	11,210		11,210	8,726		8,726
Net investment income		5,137	5,137		3,387	3,387
Other operating income		6,713	6,713		5,986	5,986
Management expenses		(5,718)	(5,718)		(5,135)	(5,135)
Net income from non-reinsurance operations (II)		6,132	6,132		4,238	4,238
Profit before income tax (I) + (II)	11,210	6,132	17,342	8,726	4,238	12,964
Segment total assets	436,644	130,658	567,302	418,266	112,073	530,339
Segment total liabilities	354,004	5,598	359,602	330,552	4,568	335,110

13. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. (continued)**

(b) Major customer

The Group has two external clients in the reinsurance segment whose contribution to the Group's revenue is in excess of 10%.

(c) Geographical information

The Group's reinsurance operations are predominantly in Singapore. It also carries on business in other Asian countries.

Geographical information of the Group's revenue derived from external clients based on country of domicile and the non-current assets are as follows:

	Revenue		Non-current assets	
	January - December 2010	January - December 2009	January - December 2010	January - December 2009
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	62,740	59,475	29,616	26,727
Malaysia	15,874	7,089	-	-
China	11,276	12,169	3,149	2,864
Others	19,171	15,255	-	-
Total	109,061	93,988	32,765	29,591

The Group's non-current assets presented above consist of property, plant and equipment, investment properties and intangible asset only.

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Net profit before income tax for reinsurance business increased by 28.5% to S\$11.2 million, compared to the S\$8.7 million a year earlier, attributed mainly to higher net investment income arising from higher interest and dividend income, profit on sale of investments and lower impairment write-down on investments.

15. **A breakdown of the sales as follows:-**

	GROUP		
	2010 S\$'000	2009 S\$'000	Incr/ (decr) %
(a) Revenue			
6 months ended 30 June	51,828	42,568	21.8
6 months ended 31 December	57,233	51,420	11.3
Total for the year	109,061	93,988	16.0
(b) Net profit after tax before deducting minority interest			
6 months ended 30 June	7,823	4,776	63.8
6 months ended 31 December	7,392	6,617	11.7
Total for the year	15,215	11,393	33.5

16. **A breakdown of the total annual dividend (In dollar value) for the issuer's latest full year and its previous full year as follows:-**

Total annual dividend paid during the year:

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	8,474	6,052
Preference	-	-
Total:	8,474	6,052

BY ORDER OF THE BOARD

Gerard Seah Jim Hong
Company Secretary
25 February 2011

NOTE: This announcement can be accessed at our Corporate website at <http://www.singre.com.sg>

Independent auditors' report

Members of Singapore Reinsurance Corporation Limited

Report on the financial statements

We have audited the accompanying financial statements of Singapore Reinsurance Corporation Limited (the Company) and its subsidiaries (the Group), which comprise the balance sheets of the Group and the Company as at 31 December 2010, the income statement and statement of comprehensive income, statement of changes in equity and cash flow statement of the Group, and the income statement and statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages # to #.

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 balance sheet, the income statement and statement of comprehensive income and statement of changes in equity 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 2010 and the results, changes in equity and cash flows of the Group and the results and changes in equity of the Company for the year ended on that date.

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
Certified Public Accountants*

Singapore

25 February 2011

The page numbers are as stated in the Independent auditors' report dated 25 February 2011 included in Singapore Reinsurance Corporation Limited's Annual Report for the year ended 31 December 2010.