

Full Year Financial Statements Announcement For The Year Ended 31 December 2009

**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 2009**

	<b>GROUP</b>					
	2009	2008	Incr/ (decr)	4th Qtr	4th Qtr	Incr/ (decr)
	SS'000	SS'000	%	2009 SS'000	2008 SS'000	%
<b>Revenue</b>	<b>93,988</b>	<b>89,298</b>	<b>5.3</b>	<b>26,432</b>	<b>25,906</b>	<b>2.0</b>
<b>Income statements :</b>						
<b>Reinsurance operations :</b>						
Gross premiums	88,121	83,190	5.9	24,542	24,216	1.3
Reinsurance premiums	(50,826)	(43,266)	17.5	(16,361)	(13,303)	23.0
Net written premiums	37,295	39,924	(6.6)	8,181	10,913	(25.0)
Gross transfer from/(to) provision for unexpired risks	(684)	(2,681)	(74.5)	641	(1,106)	158.0
Reinsurance transfer from provision for unexpired risks	1,875	2,051	(8.6)	535	744	(28.1)
Net earned premiums	38,486	39,294	(2.1)	9,357	10,551	(11.3)
Gross claims incurred	(44,300)	(44,304)	nm	(13,719)	(18,555)	(26.1)
Reinsurers' share of claims incurred	25,356	20,537	23.5	8,299	9,965	(16.7)
Net claims incurred	(18,944)	(23,767)	(20.3)	(5,420)	(8,590)	(36.9)
Commission expense	(27,725)	(28,651)	(3.2)	(6,941)	(6,744)	2.9
Commission income	16,056	16,833	(4.6)	5,245	5,827	(10.0)
Net commission expense	(11,669)	(11,818)	(1.3)	(1,696)	(917)	85.0
Management expenses	(6,175)	(5,372)	14.9	(1,940)	(1,010)	92.1
Underwriting results	1,698	(1,663)	202.1	301	34	nm
Net investment income/(expense)	7,028	(6,893)	202.0	2,044	(6,442)	131.7
Net Income/(loss) from reinsurance operations (I)	8,726	(8,556)	202.0	2,345	(6,408)	136.6
<b>Non-reinsurance operations :</b>						
Net investment income/(expense)	3,387	3,998	(15.3)	740	(463)	259.8
Other operating income	5,986	6,285	(4.8)	1,925	1,751	9.9
Management expenses	(5,135)	(6,039)	(15.0)	(1,597)	(1,659)	(3.7)
Net Income/(loss) from non-reinsurance operations (II)	4,238	4,244	(0.1)	1,068	(371)	387.9
Profit/(Loss) before income tax (I + II)	12,964	(4,312)	400.6	3,413	(6,779)	150.3
Income tax (expense)/credit	(1,571)	1,524	203.1	(672)	1,855	136.2
Profit/(Loss) for the year	11,393	(2,788)	nm	2,741	(4,924)	155.7
<b>Profit/(Loss) attributable to:</b>						
Equity holders of the Company	11,219	(2,918)	484.5	2,675	(4,932)	154.2
Minority interests	174	130	33.8	66	8	nm
Profit/(Loss) for the year	11,393	(2,788)	nm	2,741	(4,924)	155.7

<b>Statement of comprehensive income:</b>						
Profit/(Loss) for the year	11,393	(2,788)	nm	2,741	(4,924)	155.7
<b>Other comprehensive income/(expense):</b>						
Surplus on revaluation of property, plant and equipment	94	387	(75.7)	55	182	(69.8)
Net change in fair value of available-for-sale financial assets	22,485	(33,242)	167.6	4,138	(13,115)	131.6
Net change in fair value of available-for-sale financial assets transferred to income statement	(632)	13,449	(104.7)	(270)	9,644	(102.8)
Income tax relating to components of other comprehensive income	(3,386)	3,224	205.0	(533)	509	204.7
Other comprehensive income/(expense) for the year, net of income tax	18,561	(16,182)	214.7	3,390	(2,780)	221.9
Total comprehensive income/(expense) for the year	29,954	(18,970)	257.9	6,131	(7,704)	179.6
<b>Total comprehensive income/(expense) attributable to:</b>						
Equity holders of the Company	29,750	(19,067)	256.0	6,055	(7,732)	178.3
Minority interests	204	97	110.3	76	28	171.4
Total comprehensive income/(expense) for the year	29,954	(18,970)	257.9	6,131	(7,704)	179.6

<b>Profit/(Loss) before income tax has been arrived at after crediting/(charging):</b>						
Income relating to subsidiaries non-reinsurance operations*	6,070	7,232	(16.1)	1,950	2,462	(20.8)
Operating expenses relating to subsidiaries non-reinsurance operations*	(4,497)	(5,350)	(15.9)	(1,455)	(1,514)	(3.9)
Foreign exchange (loss)/gain	(680)	(812)	(16.3)	(467)	(208)	124.5
Profit on sale of investments	2,446	4,354	(43.8)	269	57	371.9
Change in fair value of investment properties	(91)	162	(156.2)	(91)	162	(156.2)
Impairment write-down on investments—	(1,818)	(17,796)	(89.8)	-	(9,671)	(100.0)

nm not meaningful

\* 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	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>				
Property, plant and equipment	19,377	19,519	19,272	19,364
Investment properties	10,123	10,545	10,123	10,545
Intangible asset	91	-	-	-
Deferred taxation	-	2,454	-	2,474
Reinsurers' share of insurance contract provisions for				
- outstanding claims	127,371	119,060	127,371	114,334
- unexpired risks	17,304	15,429	17,304	15,429
Interests in subsidiaries	-	-	6,449	6,436
Financial assets	256,496	227,056	248,659	218,454
Club membership	20	25	-	-
Insurance receivables	33,818	31,795	33,818	31,651
Other receivables	3,514	3,745	6,436	2,528
Cash and cash equivalents	62,225	61,356	55,630	55,189
<b>Total assets</b>	<b>530,339</b>	<b>490,984</b>	<b>525,062</b>	<b>476,404</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	123,300	123,300	123,300	123,300
Reserves	13,532	(4,999)	13,304	(5,029)
Accumulated profits	57,864	52,697	55,529	49,518
	194,696	170,998	192,133	167,789
<b>Minority interests</b>	<b>533</b>	<b>567</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>195,229</b>	<b>171,565</b>	<b>192,133</b>	<b>167,789</b>
<b>Liabilities</b>				
Insurance contract provisions for				
- outstanding claims	255,151	245,499	255,151	237,985
- unexpired risks	31,614	30,930	31,614	30,930
Insurance payables	40,692	37,655	40,692	37,435
Other payables	4,915	4,689	3,112	1,761
Current tax payable	770	646	425	504
Deferred taxation	1,968	-	1,935	-
<b>Total liabilities</b>	<b>335,110</b>	<b>319,419</b>	<b>332,929</b>	<b>308,615</b>
<b>Total equity and liabilities</b>	<b>530,339</b>	<b>490,984</b>	<b>525,062</b>	<b>476,404</b>

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 31.12.2009		As at 31.12.2008	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.12.2009		As at 31.12.2008	
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.

	<b>GROUP</b>	
	2009 S\$'000	2008 S\$'000
<b>Operating activities</b>		
Profit/(Loss) before income tax	12,964	(4,312)
Adjustments for:		
Insurance contract provisions for net unexpired risks	(1,191)	630
Insurance contract provisions for net outstanding claims	1,341	1,950
Impairment losses on investments and club membership	1,823	17,801
Change in fair value of investment properties	91	(162)
Gain on sale of investments	(2,446)	(4,354)
Depreciation and amortisation of property, plant and equipment and intangible asset	437	358
Interest income	(8,073)	(8,844)
Dividend income	(2,075)	(2,038)
Loss on sale of property, plant and equipment and investment properties	36	-
Others	(3)	2
	<u>2,904</u>	<u>1,031</u>
Changes in working capital:		
Insurance receivables	(2,023)	(5,224)
Other receivables	53	(63)
Insurance payables	3,037	5,887
Other payables	1	(446)
Cash generated from operations	<u>3,972</u>	<u>1,185</u>
Income tax paid	(412)	(4,439)
<b>Cash flows from operating activities</b>	<u>3,560</u>	<u>(3,254)</u>
<b>Investing activities</b>		
Interest received	8,029	8,638
Dividends received	2,075	2,038
Purchase of investments	(46,652)	(54,648)
Proceeds from sale of investments	39,917	38,381
Purchase of property, plant and equipment and intangible asset	(292)	(110)
Proceeds from sale of investment properties, property, plant and equipment	297	-
Net cash outflow on acquisition of minority interests in subsidiary	(13)	-
<b>Cash flows from investing activities</b>	<u>3,361</u>	<u>(5,701)</u>
<b>Financing activities</b>		
Dividends paid	(6,052)	(8,033)
Share Buyback and cancelled shares	-	(3,050)
Decrease / (Increase) in deposits pledged	101	(53)
<b>Cash flows from financing activities</b>	<u>(5,951)</u>	<u>(11,136)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>970</u>	<u>(20,091)</u>
<b>Cash and cash equivalents at beginning of the year</b>	<u>59,795</u>	<u>79,886</u>
<b>Cash and cash equivalents at end of the year</b>	<u>60,765</u>	<u>59,795</u>
<b>Pledged cash equivalents</b>	<u>1,496</u>	<u>1,561</u>
<b>Cash and cash equivalents at end of the year including pledged deposits</b>	<u>62,261</u>	<u>61,356</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
<b>GROUP</b>							
At 1 January 2009	123,300	(9,340)	4,341	52,697	170,998	567	171,565
<b>Total comprehensive income/(expense) for the year :</b>							
Net profit	-	-	-	11,219	11,219	174	11,393
<b>Other comprehensive income/(expense) :</b>							
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 the income statement	-	(628)	-	-	(628)	(4)	(632)
Income tax on other comprehensive income	-	(3,389)	3	-	(3,386)	-	(3,386)
<b>Total other comprehensive income, net of income tax</b>	-	<b>18,434</b>	<b>97</b>	-	<b>18,531</b>	<b>30</b>	<b>18,561</b>
<b>Total comprehensive income for the year</b>	-	<b>18,434</b>	<b>97</b>	<b>11,219</b>	<b>29,750</b>	<b>204</b>	<b>29,954</b>
<b>Transactions with owners, recorded directly in equity :</b>							
<b>Contributions by and distributions to owners :</b>							
Final dividend paid of 0.4 cent per share tax exempt (one-tier) in respect of year 2008	-	-	-	(2,421)	(2,421)	-	(2,421)
Interim dividend paid of 0.6 cent per share tax exempt (one-tier) in respect of year 2009	-	-	-	(3,631)	(3,631)	-	(3,631)
Acquisition of minority interests in subsidiary	-	-	-	-	-	(13)	(13)
Dividend paid to minority interests	-	-	-	-	-	(225)	(225)
<b>Total contributions by and distributions to owners</b>	-	-	-	<b>(6,052)</b>	<b>(6,052)</b>	<b>(238)</b>	<b>(6,290)</b>
At 31 December 2009	123,300	9,094	4,438	57,864	194,696	533	195,229
At 1 January 2008	112,296	7,252	3,898	77,702	201,148	695	201,843
<b>Total comprehensive income/(expense) for the year :</b>							
Net profit/(loss)	-	-	-	(2,918)	(2,918)	130	(2,788)
<b>Other comprehensive income/(expense) :</b>							
Revaluation of Property, plant and equipment	-	-	387	-	387	-	387
Net change in fair value of available-for-sale financial assets	-	(33,202)	-	-	(33,202)	(40)	(33,242)
Net change in fair value of available-for-sale financial assets transferred to the income statement	-	13,442	-	-	13,442	7	13,449
Income tax on other comprehensive income	-	3,168	56	-	3,224	-	3,224
<b>Total other comprehensive income/(expense), net of income tax</b>	-	<b>(16,592)</b>	<b>443</b>	-	<b>(16,149)</b>	<b>(33)</b>	<b>(16,182)</b>
<b>Total comprehensive income/(expense) for the year</b>	-	<b>(16,592)</b>	<b>443</b>	<b>(2,918)</b>	<b>(19,067)</b>	<b>97</b>	<b>(18,970)</b>
<b>Transactions with owners, recorded directly in equity :</b>							
<b>Contributions by and distributions to owners :</b>							
Issue of bonus issues	11,004	-	-	(11,004)	-	-	-
Share buyback and cancelled shares	-	-	-	(3,050)	(3,050)	-	(3,050)
Final dividend paid of 0.8 cent tax exempt (one-tier) in respect of year 2007	-	-	-	(4,402)	(4,402)	-	(4,402)
Interim dividend paid of 0.6 cent per share tax exempt (one-tier) in respect of year 2008	-	-	-	(3,631)	(3,631)	-	(3,631)
Dividend paid to minority interests	-	-	-	-	-	(225)	(225)
<b>Total contributions by and distributions to owners</b>	-	-	-	<b>(11,083)</b>	<b>(11,083)</b>	<b>(225)</b>	<b>(11,308)</b>
At 31 December 2008	123,300	(9,340)	4,341	52,697	170,998	567	171,565

1(d)(f) 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)

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
<b>COMPANY</b>					
At 1 January 2009	123,300	(9,370)	4,341	49,518	167,789
<b>Total comprehensive income/(expense) for the year :</b>					
Net profit	-	-	-	12,063	12,063
<b>Other comprehensive income/(expense) :</b>					
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 the income statement	-	(606)	-	-	(606)
Income tax on other comprehensive income	-	(3,383)	3	-	(3,380)
<b>Total other comprehensive income/(expense), net of income tax</b>	<b>-</b>	<b>18,236</b>	<b>97</b>	<b>-</b>	<b>18,333</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>18,236</b>	<b>97</b>	<b>12,063</b>	<b>30,396</b>
<b>Transactions with owners, recorded directly in equity :</b>					
<b>Contributions by and distributions to owners :</b>					
Final dividend paid of 0.4 cent per share tax exempt (one-tier) in respect of year 2008	-	-	-	(2,421)	(2,421)
Interim dividend paid of 0.6 cent per share tax exempt (one-tier) in respect of year 2009	-	-	-	(3,631)	(3,631)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,052)</b>	<b>(6,052)</b>
At 31 December 2009	123,300	8,866	4,438	55,529	192,133
At 1 January 2008	112,296	7,181	3,898	73,550	196,925
<b>Total comprehensive income/(expense) for the year :</b>					
Net loss	-	-	-	(1,945)	(1,945)
<b>Other comprehensive income/(expense) :</b>					
Revaluation of Property, plant and equipment	-	-	387	-	387
Net change in fair value of available-for-sale financial assets	-	(33,117)	-	-	(33,117)
Net change in fair value of available-for-sale financial assets transferred to the income statement	-	13,382	-	-	13,382
Income tax on other comprehensive income	-	3,184	56	-	3,240
<b>Total other comprehensive income/(expense), net of income tax</b>	<b>-</b>	<b>(16,551)</b>	<b>443</b>	<b>-</b>	<b>(16,108)</b>
<b>Total comprehensive income/(expense) for the year</b>	<b>-</b>	<b>(16,551)</b>	<b>443</b>	<b>(1,945)</b>	<b>(18,053)</b>
<b>Transactions with owners, recorded directly in equity :</b>					
<b>Contributions by and distributions to owners :</b>					
Issue of bonus issues	11,004	-	-	(11,004)	-
Share buyback and cancelled shares	-	-	-	(3,050)	(3,050)
Final dividend paid of 0.8 cent tax exempt (one-tier) in respect of year 2007	-	-	-	(4,402)	(4,402)
Interim dividend paid of 0.6 cent per share tax exempt (one-tier) in respect of year 2008	-	-	-	(3,631)	(3,631)
<b>Total contributions by and distributions to owners</b>	<b>11,004</b>	<b>-</b>	<b>-</b>	<b>(22,087)</b>	<b>(11,083)</b>
At 31 December 2008	123,300	(9,370)	4,341	49,518	167,789

- 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 accounting policies and methods of computation in the preparation of the financial statements for the year ended 31 December 2009 are the same as those adopted in the preceding year. In 2009, the Group has adopted the revised FRS 1 Presentation of Financial Statements, amendments to FRS 107 Financial Instruments: Disclosures and FRS 108 Operating segments, which are effective for annual periods beginning on or after 1 January 2009. The adoption of the revised and new FRS only impacts the presentation of the financial statements and does not have any impact on the Group's results.

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			
	2009	2008	4th Qtr 2009	4th Qtr 2008
Basic and Diluted earnings/(loss) per share (cents)	1.85	(0.48)	0.44	(0.81)
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	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Net asset value per share (cents)	32.17	28.25	31.75	27.72

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 2009 vs 4th quarter 2008

In 4th quarter 2009, the Group's revenue of S\$26.4 million was 2% higher than the corresponding quarter a year earlier. A higher underwriting profit of S\$301,000 was recorded for the quarter, compared to S\$34,000 in the same period last year, largely due to lower net claims incurred. On the investment front, in line with the recovery of the financial and stock markets, S\$2.8 million investment income was achieved, a turnaround from the investment loss of S\$6.9 million in the same quarter in previous year which had been dragged down by impairment write-down on investments. Overall, the Group reported a profit before income tax of S\$3.4 million in 4th quarter 2009, in contrast to the S\$6.8 million loss reported in the corresponding quarter of 2008.

Comparison of 12 months 2009 vs 12 months 2008

For the year ended 31 December 2009, the Group's revenue rose 5.3% to almost S\$94 million. The net claims incurred declined by 20.3% year-on-year to S\$18.9 million, and represented an incurred loss ratio (on net written premium) of 50.8%, buoyed by a relatively benign year in terms of natural and man-made catastrophe loss activity. An underwriting surplus of S\$1.7 million was achieved, compared to the S\$1.7 million deficit in preceding year which had included loss reserves set aside for the snowstorm, Sichuan earthquake and flood losses which impacted China.

Net investment gain amounted to S\$10.4 million, compared to the investment loss of S\$2.9 million a year ago, mainly due to sharply lower impairment write-down on investments. With positive contribution from all subsidiaries, the Group achieved net profit before income tax of S\$13 million, a reversal from the S\$4.3 million net loss position reported a year earlier.

Benefiting from the continued prudential management of the Group's investments and the recovery in equity prices worldwide, an investment revaluation surplus of S\$18.6 million was reported in the Statement of Comprehensive Income, in contrast with the revaluation deficit of S\$16.2 million in preceding year. The revaluation changes are presented within equity in the fair value reserve in accordance with the Group's accounting policy and therefore affect 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.

In a highly competitive market environment with global excess capacity continuing to exert pressure on insurance rates, the underwriting profitability in the markets in which the Group is active is expected to narrow. Although the global economic indicators appear to point to a recovery from the recession, the pace is likely to be slow and with many uncertainties. Volatility will continue to be the order of the day for the financial markets of the world. This would influence investor sentiment and affect the Group's investment value.

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

Name of Dividend	2009	
	Interim	Final (Proposed)
Dividend Type	Cash	Cash
Gross Dividend Amount per share (in cents)	0.60	0.70
Tax Rate	Tax Exempt(one-tier)	Tax Exempt(one-tier)

(b) Corresponding period of the immediately preceding financial year

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

Name of Dividend	2008	
	Interim	Final (Proposed)
Dividend Type	Cash	Cash
Gross Dividend Amount per share (in cents)	0.60	0.40
Tax Rate	Tax Exempt(one-tier)	Tax Exempt(one-tier)

(c) The date the dividend is payable

The proposed final dividend will be paid on 12 May 2010.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members will be closed on 3 May 2010 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 30 April 2010 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 30 April 2010 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	2009			2008		
	Reinsurance	Non-Reinsurance	Total	Reinsurance	Non-Reinsurance	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross premiums written	88,121		88,121	83,190		83,190
Net earned premiums	38,486		38,486	39,294		39,294
Net claims incurred	(18,944)		(18,944)	(23,767)		(23,767)
Net commission expense	(11,669)		(11,669)	(11,818)		(11,818)
Management expenses	(6,175)		(6,175)	(5,372)		(5,372)
Underwriting results	1,698		1,698	(1,663)		(1,663)
Net investment income/(expenses)	7,028		7,028	(6,893)		(6,893)
Net income/(loss) from reinsurance operations (I)	8,726		8,726	(8,556)		(8,556)
Net investment income		3,387	3,387		3,998	3,998
Other operating income		5,986	5,986		6,285	6,285
Management expenses		(5,135)	(5,135)		(6,039)	(6,039)
Net income from non-reinsurance operations (II)		4,238	4,238		4,244	4,244
Profit/(Loss) before income tax (I) + (II)	8,726	4,238	12,964	(8,556)	4,244	(4,312)
Segment total assets	418,266	112,073	530,339	389,624	101,360	490,984
Segment total liabilities	330,552	4,558	335,110	315,061	4,358	319,419

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 customers 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 customers based on country of domicile and the non-current assets are as follows:

	Revenue		Non-current assets	
	2009	2008	2009	2008
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	59,475	58,877	26,727	26,696
China	12,169	10,632	2,864	3,368
Others	22,344	19,789	-	-
Total	93,988	89,298	29,591	30,064

The Group's non-current assets presented above consist of property, plant and equipment and investment properties 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 tax for reinsurance business amounted to S\$8.7 million, compared to the S\$8.6 million net loss a year earlier, mainly due to the positive investment income following the turnaround in global financial market conditions.

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

	GROUP		
	2009	2008	Incr/ (decr) %
	S\$'000	S\$'000	%
(a) Revenue			
6 months ended 30 June	42,568	42,590	(0.1)
6 months ended 31 December	51,420	46,708	10.1
Total for the year	93,988	89,298	5.3
(b) Net profit/(loss) after tax before deducting minority interest			
6 months ended 30 June	4,776	4,792	(0.3)
6 months ended 31 December	6,617	(7,580)	187.3
Total for the year	11,393	(2,788)	nm

nm not meaningful

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	6,052	8,033
Preference	-	-
Total:	6,052	8,033

**BY ORDER OF THE BOARD**

Gerard Seah Jim Hong  
Company Secretary  
26 February 2010

**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

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 2009, 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 notes, as set out on pages FS1 to FS60.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards. This responsibility includes:

- (a) 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;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

### *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 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 and fair presentation of the financial statements 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:

- (a) 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 2009 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; and
- (b) 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**  
26 February 2010