

Third Quarter Financial Statements Announcement For The Period Ended 30 September 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.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2009

	GROUP					
	9 months 2009	9 months 2008	Incr/ (decr)	3rd Qtr 2009	3rd Qtr 2008	Incr/ (decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	67,556	63,392	6.6	24,988	20,802	20.1
Income statement :						
Reinsurance operations :						
Gross premiums	63,579	58,974	7.8	23,744	19,509	21.7
Reinsurance premiums	(34,465)	(29,963)	15.0	(13,752)	(10,187)	35.0
Net written premiums	29,114	29,011	0.4	9,992	9,322	7.2
Gross transfer from/(to) provision for unexpired risks	(1,325)	(1,575)	(15.9)	(1,993)	401	nm
Reinsurance transfer (to)/from provision for unexpired risks	1,340	1,307	2.5	1,709	49	nm
Net earned premiums	29,129	28,743	1.3	9,708	9,772	(0.7)
Gross claims incurred	(30,581)	(25,749)	18.8	(15,917)	(12,749)	24.8
Reinsurers' share of claims incurred	17,057	10,572	61.3	10,102	5,765	75.2
Net claims Incurred	(13,524)	(15,177)	(10.9)	(5,815)	(6,984)	(16.7)
Commission expense	(20,784)	(21,907)	(5.1)	(6,907)	(5,538)	24.7
Commission income	10,811	11,006	(1.8)	4,419	2,949	49.8
Net commission expense	(9,973)	(10,901)	(8.5)	(2,488)	(2,589)	(3.9)
Management expenses	(4,235)	(4,362)	(2.9)	(1,349)	(1,090)	23.8
Underwriting results	1,397	(1,697)	182.3	56	(891)	106.3
Net investment income/(expense)	4,984	(451)	nm	2,968	(1,206)	346.1
Net income/(loss) from reinsurance operations (I)	6,381	(2,148)	397.1	3,024	(2,097)	244.2
Non-reinsurance operations :						
Net investment income/(expense)	2,647	4,461	(40.7)	1,075	(1,188)	190.5
Other operating income	4,061	4,534	(10.4)	1,268	1,340	(5.4)
Management expenses	(3,538)	(4,380)	(19.2)	(1,073)	(1,312)	(18.2)
Net income/(expense) from non-reinsurance operations (II)	3,170	4,615	(31.3)	1,270	(1,160)	209.5
Profit/(Loss) before income tax (I + II)	9,551	2,467	287.2	4,294	(3,257)	231.8
Income tax expense	(899)	(331)	171.6	(418)	601	169.6
Profit/(Loss) for the period	8,652	2,136	305.1	3,876	(2,656)	245.9
Profit/(Loss) attributable to:						
Equity holders of the Company	8,544	2,014	324.2	3,853	(2,682)	243.7
Minority interests	108	122	(11.5)	23	26	(11.5)
Profit/(Loss) for the period	8,652	2,136	305.1	3,876	(2,656)	245.9
Statement of comprehensive income:						
Profit/(Loss) for the period	8,652	2,136	305.1	3,876	(2,656)	245.9
Other comprehensive income/(expenses):						
Surplus on revaluation of property, plant and equipment	39	205	(81.0)	40	131	(69.5)
Net change in fair value of available-for-sale financial assets	17,985	(16,322)	210.2	6,948	(4,993)	239.2
Income tax relating to components of other comprehensive income	(2,853)	2,715	205.1	(968)	1,148	(184.3)
Other comprehensive income/(expenses) for the period, net of tax	15,171	(13,402)	213.2	6,020	(3,714)	262.1
Total comprehensive income/(expenses) for the period	23,823	(11,266)	311.5	9,896	(6,370)	255.4
Total comprehensive income/(expenses) attributable to:						
Equity holders of the Company	23,695	(11,335)	309.0	9,877	(6,377)	254.9
Minority interests	128	69	85.5	19	7	171.4
Total comprehensive income/(expenses) for the period	23,823	(11,266)	311.5	9,896	(6,370)	255.4
Profit for the period has been arrived at after crediting/(charging):						
Income relating to subsidiaries non-reinsurance operations*	4,120	4,770	(13.6)	1,299	1,364	(4.8)
Operating expenses relating to subsidiaries non-reinsurance operations*	(3,042)	(3,836)	(20.7)	(906)	(1,154)	(21.5)
Foreign exchange (loss)/gain	(213)	(604)	(64.7)	(62)	8	nm
Profit on sale of investments	2,177	4,297	(49.3)	1,668	152	nm
Impairment write-down on investments	(1,818)	(8,125)	(77.6)	-	(5,115)	(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	
	30.9.2009	31.12.2008	30.9.2009	31.12.2008
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	19,405	19,519	19,283	19,364
Intangible assets	81	-	-	-
Investment properties	10,163	10,545	10,163	10,545
Deferred taxation	-	2,454	-	2,474
Reinsurers' share of insurance contract provisions for				
- outstanding claims	123,972	119,060	119,273	114,334
- unexpired risks	16,769	15,429	16,769	15,429
Interests in subsidiaries	-	-	6,449	6,436
Financial assets	249,279	227,056	240,511	218,454
Club membership	25	25	-	-
Insurance receivables	32,362	31,795	32,277	31,651
Other receivables	3,681	3,745	2,299	2,528
Cash and cash equivalents	57,789	61,356	50,390	55,189
Total assets	513,526	490,984	497,414	476,404
Equity attributable to equity holders of the Company				
Share capital	123,300	123,300	123,300	123,300
Reserves	10,152	(4,999)	9,988	(5,029)
Accumulated profits	55,189	52,697	51,133	49,518
	188,641	170,998	184,421	167,789
Minority interests	682	567	-	-
Total equity	189,323	171,565	184,421	167,789
Liabilities				
Insurance contract provisions for				
- outstanding claims	249,763	245,499	242,299	237,985
- unexpired risks	32,255	30,930	32,255	30,930
Insurance payables	35,130	37,655	34,942	37,435
Other payables	5,514	4,689	2,222	1,761
Current tax payable	1,174	646	928	504
Deferred taxation	367	-	347	-
Total liabilities	324,203	319,419	312,993	308,615
Total equity and liabilities	513,526	490,984	497,414	476,404

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 30.9.2009		As at 31.12.2008	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.9.2009		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.

	GROUP	
	9 months 2009 S\$'000	9 months 2008 S\$'000
Operating activities		
Profit before income tax	9,551	2,467
Adjustments for:		
Insurance contract provisions for net unexpired risks	(15)	268
Insurance contract provisions for net outstanding claims	(648)	(645)
Impairment losses on investments	1,818	8,125
Change in fair value of investment properties	51	-
Gain on sale of investments	(2,177)	(4,297)
Depreciation of property, plant and equipment	295	268
Interest income	(5,943)	(6,650)
Dividend income	(1,471)	(1,551)
Loss on sale of property, plant and equipment and investment properties	36	-
Others	26	(74)
	<u>1,523</u>	<u>(2,089)</u>
Changes in working capital:		
Insurance receivables	1,930	(2,734)
Other receivables	(2,388)	(439)
Insurance payables	(2,525)	4,445
Other payables	825	893
Cash generated from operations	(635)	76
Income tax paid	(403)	(3,757)
Cash flows from operating activities	<u>(1,038)</u>	<u>(3,681)</u>
Investing activities		
Interest received	5,890	6,292
Dividends received	1,471	1,551
Purchase of investments	(35,165)	(53,341)
Proceeds from sale of investments	31,295	29,214
Purchase of property, plant and equipment	(252)	-
Proceeds from sale of investment properties, and property, plant and equipment	297	(91)
Net cash outflow on partial purchase of subsidiary	(13)	-
Cash flows from investing activities	<u>3,523</u>	<u>(16,375)</u>
Financing activities		
Dividends paid	(6,052)	(8,033)
Share Buyback and cancelled shares	-	(3,050)
Decrease in deposits pledged	65	11
Cash flows from financing activities	<u>(5,987)</u>	<u>(11,072)</u>
Net decrease in cash and cash equivalents	<u>(3,502)</u>	<u>(31,128)</u>
Cash and cash equivalents at beginning of the year	<u>59,795</u>	<u>79,886</u>
Cash and cash equivalents at end of the period	<u>56,293</u>	<u>48,758</u>
Pledged cash equivalents	<u>1,496</u>	<u>1,497</u>
Cash and cash equivalents at end of the period including pledged deposits	<u>57,789</u>	<u>50,255</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 2009	123,300	(9,340)	4,341	52,697	170,998	567	171,565
Total comprehensive income for the period	-	15,107	44	8,544	23,695	128	23,823
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)
Share buyback from minority interests	-	-	-	-	-	(13)	(13)
At 30 September 2009	123,300	5,767	4,385	55,189	188,641	682	189,323
At 1 January 2008	112,296	7,252	3,898	77,702	201,148	695	201,843
Total comprehensive income/(expense) for the period	-	(13,529)	180	2,014	(11,335)	69	(11,266)
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)
At 30 September 2008	123,300	(6,277)	4,078	57,629	178,730	764	179,494
	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000		
COMPANY							
At 1 January 2009	123,300	(9,370)	4,341	49,518	167,789		
Total comprehensive income for the period	-	14,973	44	7,667	22,684		
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)		
At 30 September 2009	123,300	5,603	4,385	51,133	184,421		
At 1 January 2008	112,296	7,181	3,898	73,550	196,925		
Total comprehensive income/(expense) for the period	-	(13,260)	180	1,298	(11,782)		
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)		
At 30 September 2008	123,300	(6,079)	4,078	52,761	174,060		

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 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 not been audited or reviewed by the Group's auditors.

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

Not Applicable.

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 2008. The new or revised Financial Reporting Standards (FRS) which became effective on 1 January 2009 and are applicable for the current reporting period have no material effect on the financial statements.

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			
	9 months 2009	9 months 2008	3rd Qtr 2009	3rd Qtr 2008
Basic and Diluted earnings per share (cents)	1.41	0.33	0.64	(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 issued share capital of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediate preceding financial year.

	GROUP		COMPANY	
	30.9.2009	31.12.2008	30.9.2009	31.12.2008
Net asset value per share (cents)	31.17	28.25	30.47	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 3rd quarter 2009 vs 3rd quarter 2008

In 3rd quarter 2009, the Group's revenue amounted to S\$25 million, 20.1% higher than that in the corresponding quarter a year earlier, mainly due to new risks written and higher premium reported by some cedants. In light of the Group's fairly modest exposure in the Philippines and Indonesia, which were impacted by a spate of super typhoons and major earthquakes, respectively in recent months, an underwriting profit of S\$56,000 was recorded for the quarter compared to S\$91,000 loss a year earlier. The underwriting loss in 3rd quarter last year was in large part attributed to loss reserves set aside for the snowstorm, Sichuan earthquake and flood losses which affected China. On the investment front, S\$4 million investment income was achieved on the back of rising equity prices, compared to the investment loss of S\$2.4 million in the same quarter in preceding year which was mainly due to impairment write-down on investments. Overall, the Group reported a higher profit before income tax of S\$4.3 million in 3rd quarter 2009, an increase from the S\$3.3 million loss reported in the corresponding quarter previous year.

Comparison of 9 months 2009 vs 9 months 2008

For the period ended 30 September 2009, the Group's revenue increased by 6.6% to S\$67.6 million. The net claims incurred of S\$13.5 million, 10.9% lower year-on-year, represented an incurred loss ratio (on net written premium) of 46.5% as compared to 52.3% a year ago. An underwriting surplus of S\$1.4 million was achieved, compared to S\$1.7 million loss in preceding year, mainly due to the lower net claims incurred as the corresponding period last year had included loss reserves set aside to cater for the snowstorm, Sichuan earthquake and flood losses which affected China.

Investment income rose 90.3% to S\$7.6 million in the period under review 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\$9.6 million, 287.2% higher than the S\$2.5 million net profit before income tax in the same period last year.

Benefiting from the recovery in equity prices globally, an investment revaluation surplus of S\$15.2 million was reported in the Statement of Comprehensive Income, in contrast with the revaluation deficit of S\$13.4 million a year ago.

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 prevailing global excess insurance and reinsurance capacities continue to exert pressure on insurance rates. This would adversely impact underwriting profitability of the markets. Further, with rising threat of another bout of H1N1 influenza outbreak in the winter months which could spiral into a pandemic, some impact on insurance business cannot be ruled out. Although the global economy has shown signs of a recovery, the macro economic outlook remains highly uncertain and will likely continue to affect investor sentiment.

11. DIVIDEND

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

There is no dividend declared for the period ended 30 September 2009.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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.**

Not applicable.

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.**

Not applicable.

15. **A breakdown of the Group's revenue and profit after tax for first half year and second half year.**

Not applicable.

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

Total Annual Dividend

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	-	-
Preference	-	-
Total:	-	-

Confirmation by Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge and belief, nothing has come to the attention of the Board of Directors which may render the unaudited group financial results for the period ended 30 September 2009 to be false or misleading.

BY ORDER OF THE BOARD

Gerard Seah Jim Hong
Company Secretary
6 November 2009

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