

Third Quarter Financial Statements Announcement For The Period Ended 30 September 2011

**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 2011**

	<b>GROUP</b>					
	9 months 2011	9 months 2010	Incr/ (decr)	3rd Qtr 2011	3rd Qtr 2010	Incr/ (decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	<b>81,742</b>	<b>79,401</b>	<b>2.9</b>	<b>28,086</b>	<b>27,573</b>	<b>1.9</b>
<b>Income statements:</b>						
<b>Reinsurance operations:</b>						
Gross premiums	76,926	74,706	3.0	26,843	26,477	1.4
Reinsurance premiums	<b>(43,800)</b>	<b>(42,324)</b>	<b>3.5</b>	<b>(15,671)</b>	<b>(14,944)</b>	<b>4.9</b>
<b>Net written premiums</b>	<b>33,126</b>	<b>32,382</b>	<b>2.3</b>	<b>11,172</b>	<b>11,533</b>	<b>(3.1)</b>
Gross transfer from/(to) provision for unexpired risks	330	(2,400)	(113.8)	(115)	(1,452)	(92.1)
Reinsurance transfer (to)/from provision for unexpired risks	<b>(649)</b>	<b>1,254</b>	<b>(151.8)</b>	<b>246</b>	<b>733</b>	<b>(66.4)</b>
<b>Net earned premiums</b>	<b>32,807</b>	<b>31,236</b>	<b>5.0</b>	<b>11,303</b>	<b>10,814</b>	<b>4.5</b>
Gross claims incurred	<b>(44,203)</b>	<b>(38,230)</b>	<b>15.6</b>	<b>(23,506)</b>	<b>(16,187)</b>	<b>45.2</b>
Reinsurers' share of claims incurred	<b>25,156</b>	<b>22,490</b>	<b>11.9</b>	<b>14,421</b>	<b>9,536</b>	<b>51.2</b>
<b>Net claims incurred</b>	<b>(19,047)</b>	<b>(15,740)</b>	<b>21.0</b>	<b>(9,085)</b>	<b>(6,651)</b>	<b>36.6</b>
Commission expense	<b>(23,840)</b>	<b>(24,848)</b>	<b>(4.1)</b>	<b>(7,954)</b>	<b>(6,836)</b>	<b>16.4</b>
Commission income	<b>13,627</b>	<b>14,669</b>	<b>(7.1)</b>	<b>4,993</b>	<b>4,867</b>	<b>2.6</b>
<b>Net commission expense</b>	<b>(10,213)</b>	<b>(10,179)</b>	<b>0.3</b>	<b>(2,961)</b>	<b>(1,969)</b>	<b>50.4</b>
<b>Management expenses</b>	<b>(5,514)</b>	<b>(4,411)</b>	<b>25.0</b>	<b>(2,513)</b>	<b>(2,097)</b>	<b>19.8</b>
<b>Underwriting results</b>	<b>(1,967)</b>	<b>906</b>	<b>nm</b>	<b>(3,256)</b>	<b>97</b>	<b>nm</b>
<b>Net investment income</b>	<b>5,972</b>	<b>8,141</b>	<b>(26.6)</b>	<b>1,749</b>	<b>2,826</b>	<b>(38.1)</b>
<b>Net income from reinsurance operations (I)</b>	<b>4,005</b>	<b>9,047</b>	<b>(55.7)</b>	<b>(1,507)</b>	<b>2,923</b>	<b>(151.6)</b>
<b>Non-reinsurance operations:</b>						
Net investment income	5,073	2,749	84.5	1,109	920	20.5
Other operating income	4,938	4,785	3.2	1,288	1,113	15.7
Management expenses	<b>(4,455)</b>	<b>(4,150)</b>	<b>7.3</b>	<b>(1,388)</b>	<b>(1,324)</b>	<b>4.8</b>
<b>Net income from non-reinsurance operations (II)</b>	<b>5,556</b>	<b>3,384</b>	<b>64.2</b>	<b>1,009</b>	<b>709</b>	<b>42.3</b>
<b>Profit/(Loss) before income tax (I + II)</b>	<b>9,561</b>	<b>12,431</b>	<b>(23.1)</b>	<b>(498)</b>	<b>3,632</b>	<b>(113.7)</b>
Income tax (expense)/credit	<b>(1,281)</b>	<b>(1,554)</b>	<b>(17.6)</b>	<b>77</b>	<b>(578)</b>	<b>(113.3)</b>
<b>Profit/(Loss) for the period</b>	<b>8,280</b>	<b>10,877</b>	<b>(23.9)</b>	<b>(421)</b>	<b>3,054</b>	<b>(113.8)</b>
<b>Profit/(Loss) attributable to:</b>						
Equity holders of the Company	8,152	10,724	(24.0)	(425)	3,053	(113.9)
Minority interests	128	153	(16.3)	4	1	nm
<b>Profit/(Loss) for the period</b>	<b>8,280</b>	<b>10,877</b>	<b>(23.9)</b>	<b>(421)</b>	<b>3,054</b>	<b>(113.8)</b>
<b>Statement of comprehensive income:</b>						
<b>Profit/(Loss) for the period</b>	<b>8,280</b>	<b>10,877</b>	<b>(23.9)</b>	<b>(421)</b>	<b>3,054</b>	<b>(113.8)</b>
<b>Other comprehensive income/(expense):</b>						
Revaluation of property, plant and equipment	17	86	(80.2)	23	(29)	179.3
Available-for-Sale financial assets:						
Reclassification of gain on sale of investments to income statement	<b>(3,398)</b>	<b>(2,495)</b>	<b>36.2</b>	<b>(400)</b>	<b>(1,030)</b>	<b>(61.2)</b>
Reclassification of impairment write-down on investments to income statement	969	13	nm	794	-	nm
Change in fair value of investments	<b>(2,976)</b>	<b>9,811</b>	<b>(130.3)</b>	<b>(4,959)</b>	<b>5,817</b>	<b>(185.3)</b>
Income tax relating to components of other comprehensive income	1,146	(877)	nm	791	(679)	nm
<b>Other comprehensive income/(expense) for the period, net of income tax</b>	<b>(4,242)</b>	<b>6,538</b>	<b>(164.9)</b>	<b>(3,751)</b>	<b>4,079</b>	<b>(192.0)</b>
<b>Total comprehensive income/(expense) for the period</b>	<b>4,038</b>	<b>17,415</b>	<b>(76.8)</b>	<b>(4,172)</b>	<b>7,133</b>	<b>(158.5)</b>
<b>Total comprehensive income/(expense) attributable to:</b>						
Equity holders of the Company	3,926	17,244	(77.2)	(4,168)	7,118	(158.6)
Minority interests	112	171	(34.5)	(4)	15	(126.7)
<b>Total comprehensive income/(expense) for the period</b>	<b>4,038</b>	<b>17,415</b>	<b>(76.8)</b>	<b>(4,172)</b>	<b>7,133</b>	<b>(158.5)</b>
<b>Profit/(Loss) before income tax has been arrived at after crediting/(charging):</b>						
Income relating to subsidiaries non-reinsurance operations*	5,038	5,035	0.1	1,309	1,136	15.2
Operating expenses relating to subsidiaries non-reinsurance operations*	<b>(3,994)</b>	<b>(3,689)</b>	<b>8.3</b>	<b>(1,228)</b>	<b>(1,178)</b>	<b>4.2</b>
Exchange loss	<b>(1,228)</b>	<b>(63)</b>	<b>nm</b>	<b>(613)</b>	<b>(184)</b>	<b>nm</b>
Gain on sale of investments	<b>3,398</b>	<b>2,495</b>	<b>36.2</b>	<b>400</b>	<b>1,030</b>	<b>(61.2)</b>
Impairment write-down on investments	<b>(969)</b>	<b>(13)</b>	<b>nm</b>	<b>(794)</b>	<b>-</b>	<b>nm</b>

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	
	30.9.2011	31.12.2010	30.9.2011	31.12.2010
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>				
Property, plant and equipment	20,740	20,864	20,667	20,809
Investment properties	11,802	11,855	11,802	11,855
Intangible asset	11	46	-	-
Reinsurers' share of insurance contract provisions for				
- outstanding claims	146,896	140,992	146,896	140,992
- unexpired risks	18,871	19,520	18,871	19,520
Interests in subsidiaries	-	-	1,211	1,211
Financial assets	288,500	291,159	287,116	289,741
Club membership	20	20	-	-
Insurance receivables	36,857	35,286	36,857	35,286
Other receivables	4,538	4,064	2,837	3,102
Cash and cash equivalents	40,869	43,496	37,760	40,716
<b>Total assets</b>	<b>569,104</b>	<b>567,302</b>	<b>564,017</b>	<b>563,232</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	123,300	123,300	123,300	123,300
Reserves	15,254	19,480	15,135	19,310
Accumulated profits	63,461	64,388	61,834	63,389
	202,015	207,168	200,269	205,999
<b>Minority interests</b>	<b>594</b>	<b>532</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>202,609</b>	<b>207,700</b>	<b>200,269</b>	<b>205,999</b>
<b>Liabilities</b>				
Insurance contract provisions for				
- outstanding claims	283,382	271,423	283,382	271,423
- unexpired risks	35,132	35,462	35,132	35,462
Insurance payables	38,063	42,937	38,063	42,937
Other payables	6,186	4,873	3,663	2,755
Current tax payable	2,008	2,024	1,781	1,778
Deferred taxation	1,724	2,883	1,727	2,878
<b>Total liabilities</b>	<b>366,495</b>	<b>359,602</b>	<b>363,748</b>	<b>357,233</b>
<b>Total equity and liabilities</b>	<b>569,104</b>	<b>567,302</b>	<b>564,017</b>	<b>563,232</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 30.9.2011		As at 31.12.2010	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.9.2011		As at 31.12.2010	
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	9 months
	2011	2010
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit before income tax	9,561	12,431
Adjustments for:		
Insurance contract provisions for net unexpired risks	319	1,146
Insurance contract provisions for net outstanding claims	6,055	3,146
Impairment losses on investments	969	13
Change in fair value of investment properties	53	16
Gain on sale of investments	(3,398)	(2,495)
Depreciation and amortisation of property, plant and equipment and intangible asset	257	285
Interest income	(6,736)	(6,509)
Dividend income	(2,138)	(1,795)
Others	(4)	(2)
	<u>4,938</u>	<u>6,236</u>
Changes in working capital:		
Insurance receivables	(1,571)	(6,871)
Other receivables	(28)	(326)
Insurance payables	(4,874)	1,754
Other payables	1,263	809
Cash flows (used in)/from operations	(272)	1,602
Income tax paid	(1,310)	(634)
<b>Cash flows (used in)/from operating activities</b>	<u>(1,582)</u>	<u>968</u>
<b>Investing activities</b>		
Interest received	6,254	6,389
Dividends received	2,138	1,795
Purchase of investments	(50,907)	(79,975)
Proceeds from sale of investments	50,627	62,666
Purchase of property, plant and equipment	(90)	(45)
Proceeds from sale of investment properties, property, plant and equipment	12	-
<b>Cash flows from/(used in) investing activities</b>	<u>8,034</u>	<u>(9,170)</u>
<b>Financing activities</b>		
Dividends paid	(9,079)	(8,474)
Decrease in deposits pledged	6	558
<b>Cash flows used in financing activities</b>	<u>(9,073)</u>	<u>(7,916)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(2,621)</u>	<u>(16,118)</u>
<b>Cash and cash equivalents at beginning of the year (exclude pledged assets)</b>	<u>42,595</u>	<u>60,765</u>
<b>Cash and cash equivalents at end of the period</b>	<u>39,974</u>	<u>44,647</u>
<b>Pledged cash equivalents</b>	<u>895</u>	<u>902</u>
<b>Cash and cash equivalents at end of the period including pledged deposits</b>	<u>40,869</u>	<u>45,549</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>							
<b>At 1 January 2011</b>							
Total comprehensive income for the period:	123,300	13,382	6,098	64,388	207,168	532	207,700
Net profit	-	-	-	8,152	8,152	128	8,280
<b>Other comprehensive income/(expense):</b>							
Revaluation of property, plant and equipment	-	-	17	-	17	-	17
Net change in fair value of available-for-sale financial assets	-	(2,972)	-	-	(2,972)	(4)	(2,976)
Net change in fair value of available-for-sale financial assets transferred to income statement	-	(2,417)	-	-	(2,417)	(12)	(2,429)
Income tax on other comprehensive income	-	1,141	5	-	1,146	-	1,146
Total other comprehensive income/(expense), net of income tax	-	(4,248)	22	-	(4,226)	(16)	(4,242)
Total comprehensive income/(expense) for the period	-	(4,248)	22	8,152	3,926	112	4,038
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Final dividend paid of 0.8 cent per share tax exempt in respect of period 2010	-	-	-	(4,842)	(4,842)	-	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt in respect of period 2011	-	-	-	(4,237)	(4,237)	-	(4,237)
Dividend paid to minority interests	-	-	-	-	-	(50)	(50)
Total contributions by and distributions to owners	-	-	-	(9,079)	(9,079)	(50)	(9,129)
<b>At 30 September 2011</b>	<b>123,300</b>	<b>9,134</b>	<b>6,120</b>	<b>63,461</b>	<b>202,015</b>	<b>594</b>	<b>202,609</b>
<b>At 1 January 2010</b>							
Total comprehensive income for the period:	123,300	9,094	4,438	57,864	194,696	533	195,229
Net profit	-	-	-	10,724	10,724	153	10,877
<b>Other comprehensive income/(expense):</b>							
Revaluation of property, plant and equipment	-	-	86	-	86	-	86
Net change in fair value of available-for-sale financial assets	-	9,793	-	-	9,793	19	9,812
Net change in fair value of available-for-sale financial assets transferred to income statement	-	(2,482)	-	-	(2,482)	(1)	(2,483)
Income tax on other comprehensive income	-	(876)	(1)	-	(877)	-	(877)
Total other comprehensive income, net of income tax	-	6,435	85	-	6,520	18	6,538
Total comprehensive income for the period	-	6,435	85	10,724	17,244	171	17,415
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Final dividend paid of 0.7 cent per share tax exempt in respect of period 2009	-	-	-	(4,237)	(4,237)	-	(4,237)
Interim dividend paid of 0.7 cent per share tax exempt in respect of period 2010	-	-	-	(4,237)	(4,237)	-	(4,237)
Total contributions by and distributions to owners	-	-	-	(8,474)	(8,474)	-	(8,474)
<b>At 30 September 2010</b>	<b>123,300</b>	<b>15,529</b>	<b>4,523</b>	<b>60,114</b>	<b>203,466</b>	<b>704</b>	<b>204,170</b>
	<b>Share Capital S\$'000</b>	<b>Fair Value Reserves S\$'000</b>	<b>Revaluation Reserves S\$'000</b>	<b>Accumulated Profits S\$'000</b>	<b>Total S\$'000</b>		
<b>COMPANY</b>							
<b>At 1 January 2011</b>							
Total comprehensive income for the period:	123,300	13,212	6,098	63,389	205,999		
Net profit	-	-	-	7,524	7,524		
<b>Other comprehensive income/(expense):</b>							
Revaluation of property, plant and equipment	-	-	17	-	17		
Net change in fair value of available-for-sale financial assets	-	(2,947)	-	-	(2,947)		
Net change in fair value of available-for-sale financial assets transferred to income statement	-	(2,391)	-	-	(2,391)		
Income tax on other comprehensive income	-	1,141	5	-	1,146		
Total other comprehensive income/(expense), net of income tax	-	(4,197)	22	-	(4,175)		
Total comprehensive income/(expense) for the period	-	(4,197)	22	7,524	3,349		
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Final dividend paid of 0.8 cent per share tax exempt in respect of period 2010	-	-	-	(4,842)	(4,842)		
Interim dividend paid of 0.7 cent per share tax exempt in respect of period 2011	-	-	-	(4,237)	(4,237)		
Total contributions by and distributions to owners	-	-	-	(9,079)	(9,079)		
<b>At 30 September 2011</b>	<b>123,300</b>	<b>9,015</b>	<b>6,120</b>	<b>61,834</b>	<b>200,269</b>		
<b>At 1 January 2010</b>							
Total comprehensive income for the period:	123,300	8,866	4,438	55,529	192,133		
Net profit	-	-	-	9,849	9,849		
<b>Other comprehensive income/(expense):</b>							
Revaluation of property, plant and equipment	-	-	86	-	86		
Net change in fair value of available-for-sale financial assets	-	9,870	-	-	9,870		
Net change in fair value of available-for-sale financial assets transferred to income statement	-	(2,476)	-	-	(2,476)		
Income tax on other comprehensive income	-	(896)	(1)	-	(897)		
Total other comprehensive income, net of income tax	-	6,498	85	-	6,583		
Total comprehensive income for the period	-	6,498	85	9,849	16,432		
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Final dividend paid of 0.7 cent per share tax exempt in respect of period 2009	-	-	-	(4,237)	(4,237)		
Interim dividend paid of 0.7 cent per share tax exempt in respect of period 2010	-	-	-	(4,237)	(4,237)		
Total contributions by and distributions to owners	-	-	-	(8,474)	(8,474)		
<b>At 30 September 2010</b>	<b>123,300</b>	<b>15,364</b>	<b>4,523</b>	<b>56,904</b>	<b>200,091</b>		

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 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 2010.

The adoption of the other revised and new FRS which came into effect on 1 January 2011 does not have any material financial 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			
	9 months 2011	9 months 2010	3rd Qtr 2011	3rd Qtr 2010
Basic and diluted earnings/(loss) per share (cents)	1.35	1.77	(0.07)	0.50
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	
	30.9.2011	31.12.2010	30.9.2011	31.12.2010
Net asset value per share (cents)	33.38	34.23	33.09	34.04

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 2011 vs 3rd quarter 2010

In 3rd quarter 2011, the Group's revenue rose 1.9% to S\$28.1 million attributed mainly to new risks written. In light of the exceptional severe flood situation in Thailand, precautionary case reserves were set aside to cater for flood losses and the net claims incurred increased by 36.6% to S\$9.1 million. Net commission expense increased 50.4% or S\$992,000, due to lower accrual of profit commission in the preceding year. Consequently, there was an underwriting deficit of S\$3.3 million equivalent to -29.1% of net written premium, compared to the S\$97,000 profit or 0.8% of net written premium in the corresponding quarter in preceding year. Net investment income declined by 23.7% to S\$2.9 million, from the S\$3.7 million in the same quarter last year, attributed mainly to impairment write-down on equity investments. Overall, the Group recorded loss before income tax of S\$498,000 in 3rd quarter of 2011, as against the S\$3.6 million profit before income tax in the same quarter last year.

Comparison of 9 months 2011 vs 9 months 2010

For the period ended 30 September 2011, the Group's revenue of S\$81.7 million was 2.9% higher than preceding year, attributed mainly to higher premiums declared in existing accounts, new business and timing difference in booking. If the timing difference in booking for large accounts was eliminated, the Group's revenue would increase 3.3% to S\$80.9 million. After taking into consideration potential reinsurance recoveries, the net claims incurred rose 21% to S\$19 million, due largely to case reserves set aside for catastrophe-related losses in regional markets and represented an incurred loss ratio (of net written premium) of 57.5%, compared to 48.6% in the corresponding period a year ago. Reinsurance management expenses rose 25% to S\$5.5 million due to unrealised exchange loss on revaluation of foreign-denominated transactions and higher general provision for bad and doubtful debts. If the unrealised exchange loss and general provision for bad and doubtful debts were excluded, reinsurance management expenses would increase 5.5% or S\$232,000 and the management expense ratio (of net written premium) would be 13.5%, compared to 13.1% in the same period last year. Bearing in mind the foregoing, an underwriting deficit of S\$2 million was recorded in the 9 months ended 30 September 2011, compared to the S\$906,000 surplus in the corresponding period last year.

The net investment income increased 1.4% to S\$11 million due to higher profit on sale of equity investments and dividend income, but partly offset by impairment write-down on equity investments. Overall, the Group's net profit before income tax declined 23.1% to S\$9.6 million, compared to the S\$12.4 million reported in the same period last year, attributed mainly to the underwriting deficit.

Whilst preliminary provision for incurred but not reported claims has been set aside for the flood losses in Thailand, in the absence of notification of losses from the ceding companies, it is difficult to quantify the extent of our liability at this point in time. Except for this, 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. Nevertheless, the Group expects to remain profitable 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 operating environment continues to be extremely challenging. Following the chain of huge insurance losses involving New Zealand, Australia and Japan in the first half of 2011, Thailand is now facing its worst floods in 50 years. The situation remains fluid in Thailand and the extent of insured loss is not as yet quantifiable at this point. However, given the severity of the disaster, significant impact on the underwriting profitability of the Corporation is to be expected over the next twelve months. The increasing frequency and magnitude of natural disasters, possibly attributable to climate change as well as seismic risk, would likely become a regular feature affecting the bottom-line of the Company's business. Although excess capacity is still plaguing the markets worldwide, reinsurers who have exposures to the spate of natural and man-made calamities in Asia are expected to adopt a more cautious underwriting stance. This might affect the availability of retrocession capacity and raise the cost of protections.

On the investment front, the outlook remains uncertain given the many imponderables in the global economy.

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? 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 2011.

13. **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group did not obtain general mandate from shareholders for IPTs.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. 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 - September 2011			January - September 2010		
	Reinsurance	Non-Reinsurance	Total	Reinsurance	Non-Reinsurance	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross premiums written	76,926		76,926	74,706		74,706
Net earned premiums	32,807		32,807	31,236		31,236
Net claims incurred	(19,047)		(19,047)	(15,740)		(15,740)
Net commission expense	(10,213)		(10,213)	(10,179)		(10,179)
Management expenses	(5,514)		(5,514)	(4,411)		(4,411)
Underwriting results	(1,967)		(1,967)	906		906
Net investment income	5,972		5,972	8,141		8,141
Net income from reinsurance operations (I)	4,005		4,005	9,047		9,047
Net investment income		5,073	5,073		2,749	2,749
Other operating income		4,938	4,938		4,785	4,785
Management expenses		(4,455)	(4,455)		(4,150)	(4,150)
Net income from non-reinsurance operations (II)		5,556	5,556		3,384	3,384
Profit before income tax (I) + (II)	4,005	5,556	9,561	9,047	3,384	12,431
Segment total assets	441,392	127,712	569,104	429,536	127,745	557,281
Segment total liabilities	360,270	6,225	366,495	346,927	6,184	353,111

(b) Major customer

For the period ended 30 September 2011, 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 - September 2011	January - September 2010	January - September 2011	January - September 2010
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	48,089	47,953	29,549	26,604
Malaysia	11,112	9,099	-	-
China	10,099	8,499	3,004	2,815
Others	12,442	13,850	-	-
Total	81,742	79,401	32,553	29,419

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

15. 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 income for reinsurance business declined by 55.7% to S\$4 million, compared to the S\$9 million in the corresponding period last year, attributed mainly to lower investment income generated from the reinsurance business, higher net claims incurred and management expenses.

16. A breakdown of the sales as follows:-

Not Applicable.

17. 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	na	na
Preference	na	na
Total:	na	na

na - not applicable

#### 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 2011 to be false or misleading.

#### BY ORDER OF THE BOARD

Gerard Seah Jim Hong  
Company Secretary  
11 November 2011

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