

Nine Months/Third Quarter Financial Statements Announcement For The Period Ended 30 September 2012

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

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

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE NINE MONTHS/THIRD QUARTER ENDED 30 SEPTEMBER 2012

	GROUP					
	9 months	9 months	Incr/	3rd Qtr	3rd Qtr	Incr/
	2012	2011	(decr)	2012	2011	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	98,624	81,742	20.7	38,900	28,086	38.5
<b>Income statements:</b>						
<b>Reinsurance operations:</b>						
Gross written premiums	94,124	76,926	22.4	37,472	26,843	39.6
Reinsurance premiums	(57,642)	(43,800)	31.6	(24,296)	(15,671)	55.0
Net written premiums	36,482	33,126	10.1	13,176	11,172	17.9
Gross transfer (to)/from provision for unexpired risks	(4,848)	330	nm	(3,301)	(115)	nm
Reinsurance transfer from/(to) provision for unexpired risks	3,849	(649)	nm	2,808	246	nm
Net earned premiums	35,483	32,807	8.2	12,683	11,303	12.2
Gross claims incurred	(60,400)	(44,203)	36.6	(11,041)	(23,506)	(53.0)
Reinsurers' share of claims incurred	36,359	25,156	44.5	5,986	14,421	(58.5)
Net claims Incurred	(24,041)	(19,047)	26.2	(5,055)	(9,085)	(44.4)
Commission expense	(27,233)	(23,840)	14.2	(11,841)	(7,954)	48.9
Commission income	17,082	13,627	25.4	7,121	4,993	42.6
Net commission expense	(10,151)	(10,213)	(0.6)	(4,720)	(2,961)	59.4
Management expenses	(6,400)	(5,514)	16.1	(2,816)	(2,513)	12.1
Underwriting results	(5,109)	(1,967)	(159.7)	92	(3,256)	102.8
Net investment income	8,615	5,972	44.3	2,573	1,749	47.1
Net Income/(loss) from reinsurance operations (I)	3,506	4,005	(12.5)	2,665	(1,507)	nm
<b>Non-reinsurance operations:</b>						
Net investment income	4,423	5,073	(12.8)	868	1,109	(21.7)
Other operating income	4,577	4,938	(7.3)	1,446	1,288	12.3
Management expenses	(4,461)	(4,455)	0.1	(1,601)	(1,388)	15.4
Net income from non-reinsurance operations (II)	4,539	5,556	(18.3)	713	1,009	(29.4)
Profit before income tax (I + II)	8,045	9,561	(15.9)	3,378	(498)	nm
Income tax (expense)/credit	(1,149)	(1,281)	(10.3)	(427)	77	nm
Profit/(loss) for the period	6,896	8,280	(16.7)	2,951	(421)	nm
<b>Profit/(Loss) attributable to:</b>						
Equity holders of the Company	6,820	8,152	(16.3)	2,960	(425)	nm
Non-controlling interests	76	128	(40.6)	(9)	4	nm
Profit/(Loss) for the period	6,896	8,280	(16.7)	2,951	(421)	nm

<b>Statement of comprehensive income:</b>						
Profit/(Loss) for the period	6,896	8,280	(16.7)	2,951	(421)	nm
<b>Other comprehensive income:</b>						
Revaluation of property, plant and equipment	55	17	nm	(27)	23	nm
Available-for-sale financial assets:						
Reclassification of gain on sale of investments to income statement	(4,482)	(3,398)	31.9	(713)	(400)	78.3
Reclassification of impairment write-down on investments to income statement	-	969	(100.0)	-	794	(100.0)
Change in fair value of investments	9,565	(2,976)	nm	4,903	(4,959)	nm
Income tax relating to components of other comprehensive income	(1,280)	1,146	nm	(828)	791	nm
<b>Other comprehensive income for the period, net of income tax</b>	<b>3,858</b>	<b>(4,242)</b>	<b>190.9</b>	<b>3,335</b>	<b>(3,751)</b>	<b>188.9</b>
<b>Total comprehensive income for the period</b>	<b>10,754</b>	<b>4,038</b>	<b>166.3</b>	<b>6,286</b>	<b>(4,172)</b>	<b>nm</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	10,675	3,926	171.9	6,288	(4,168)	nm
Non-controlling interests	79	112	(29.5)	(2)	(4)	50.0
<b>Total comprehensive income for the period</b>	<b>10,754</b>	<b>4,038</b>	<b>166.3</b>	<b>6,286</b>	<b>(4,172)</b>	<b>nm</b>
<b>Profit for the period has been arrived at after crediting/(charging):</b>						
Income relating to subsidiaries non-reinsurance operations*	4,772	5,038	(5.3)	1,485	1,309	13.4
Operating expenses relating to subsidiaries non-reinsurance operations*	(4,025)	(3,994)	0.8	(1,463)	(1,228)	19.1
Exchange loss	(465)	(1,228)	(62.1)	(284)	(613)	(53.7)
Allowances for doubtful debts and bad debts written off	(1,709)	(442)	nm	(1,153)	(349)	nm
Gain on sale of investments	4,482	3,398	31.9	713	400	78.3

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 statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	30.9.2012	31.12.2011	30.9.2012	31.12.2011
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>				
Property, plant and equipment	23,698	23,700	23,532	23,629
Investment properties	14,050	14,099	14,050	14,099
Reinsurers' share of insurance contract provisions for				
- outstanding claims	208,297	199,289	208,297	199,289
- unexpired risks	23,807	19,958	23,807	19,958
Interests in subsidiaries	-	-	1,211	1,211
Financial assets	285,155	284,371	283,774	283,004
Club membership	18	18	-	-
Insurance receivables	46,831	33,112	46,831	33,112
Other receivables	4,790	4,426	2,920	3,195
Cash and cash equivalents	67,183	53,376	54,521	50,812
<b>Total assets</b>	<b>663,729</b>	<b>632,349</b>	<b>658,943</b>	<b>628,309</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	123,300	123,300	123,300	123,300
Reserves	19,304	15,449	19,214	15,344
Accumulated profits	59,115	58,347	57,621	57,379
	201,719	197,096	200,135	196,023
<b>Non-controlling interests</b>	691	512	-	-
<b>Total equity</b>	<b>202,310</b>	<b>197,608</b>	<b>200,135</b>	<b>196,023</b>
<b>Liabilities</b>				
Insurance contract provisions for				
- outstanding claims	364,949	351,602	364,949	351,602
- unexpired risks	41,706	36,858	41,706	36,858
Insurance payables	45,681	39,121	45,681	39,121
Other payables	5,229	4,763	2,720	2,577
Current tax payable	1,217	940	1,115	666
Deferred taxation	2,737	1,457	2,737	1,462
<b>Total liabilities</b>	<b>461,419</b>	<b>434,741</b>	<b>458,808</b>	<b>432,286</b>
<b>Total equity and liabilities</b>	<b>663,729</b>	<b>632,349</b>	<b>658,943</b>	<b>628,309</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 30.9.2012		As at 31.12.2011	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.9.2012		As at 31.12.2011	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collaterals

Not applicable.

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

	GROUP			
	9 months 2012	9 months 2011	3rd Qtr 2012	3rd Qtr 2011
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit/(Loss) before income tax	8,045	9,581	3,378	(498)
Adjustments for:				
Insurance contract provisions for net unexpired risks	999	319	493	(131)
Insurance contract provisions for net outstanding claims	4,339	6,055	(651)	3,808
Impairment losses on investments	-	969	-	794
Change in fair value of investment properties	49	53	55	8
Gain on sale of investments	(4,482)	(3,398)	(713)	(400)
Depreciation and amortisation of property, plant and equipment and intangible asset	227	257	73	86
Interest income	(6,978)	(6,736)	(2,321)	(2,301)
Dividend income	(1,690)	(2,138)	(609)	(749)
Others	1	(4)	(2)	-
	<u>510</u>	<u>4,938</u>	<u>(197)</u>	<u>517</u>
Changes in working capital:				
Insurance receivables	(13,719)	(1,571)	(4,198)	(534)
Other receivables	(388)	(28)	(151)	68
Insurance payables	6,460	(4,874)	8,404	(566)
Other payables	466	1,263	674	1,228
Cash flows (used in)/from operations	<u>(6,671)</u>	<u>(272)</u>	<u>4,532</u>	<u>813</u>
Income tax paid	(872)	(1,310)	(240)	(524)
<b>Cash flows (used in)/from operating activities</b>	<u>(7,543)</u>	<u>(1,582)</u>	<u>4,292</u>	<u>289</u>
<b>Investing activities</b>				
Interest received	6,966	6,254	2,390	2,172
Dividends received	1,690	2,138	509	749
Purchase of investments	(31,150)	(50,907)	(7,327)	(19,837)
Proceeds from sale of investments	39,967	50,627	13,916	16,491
Purchase of property, plant and equipment	(71)	(90)	(33)	(25)
Proceeds from sale of property, plant and equipment	-	12	-	-
<b>Cash flows from/(used in) investing activities</b>	<u>17,402</u>	<u>8,034</u>	<u>9,456</u>	<u>(450)</u>
<b>Financing activities</b>				
Dividends paid	(6,062)	(9,079)	(3,026)	(4,237)
Decrease in deposits pledged	55	6	39	(38)
<b>Cash flows used in financing activities</b>	<u>(5,997)</u>	<u>(9,073)</u>	<u>(2,987)</u>	<u>(4,275)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>3,862</u>	<u>(2,621)</u>	<u>10,760</u>	<u>(4,436)</u>
Cash and cash equivalents at beginning of the year/period (exclude pledged assets)	<u>52,459</u>	<u>42,595</u>	<u>45,561</u>	<u>44,410</u>
Cash and cash equivalents at end of the period	<u>56,321</u>	<u>39,974</u>	<u>56,321</u>	<u>39,974</u>
Pledged cash equivalents	<u>862</u>	<u>895</u>	<u>862</u>	<u>895</u>
<b>Cash and cash equivalents at end of the period including pledged deposits</b>	<u>57,183</u>	<u>40,869</u>	<u>57,183</u>	<u>40,869</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	Non- Controlling Interests S\$'000	Total Equity S\$'000
<b>GROUP</b>							
At 1 January 2012	123,300	6,421	9,028	58,347	197,096	612	197,608
<b>Total comprehensive income for the period:</b>							
Net profit	-	-	-	6,820	6,820	76	6,896
<b>Other comprehensive income:</b>							
Revaluation of property, plant and equipment	-	-	55	-	55	-	55
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(4,467)	-	-	(4,467)	(16)	(4,482)
Reclassification of impairment write-down on investments to income statement	-	-	-	-	-	-	-
Change in fair value of investments	-	9,547	-	-	9,547	18	9,565
Income tax relating to components of other comprehensive income	-	(1,282)	2	-	(1,280)	-	(1,280)
<b>Total other comprehensive income, net of income tax</b>	-	<b>3,798</b>	<b>57</b>	-	<b>3,855</b>	<b>3</b>	<b>3,858</b>
Total comprehensive income for the period	-	3,798	57	6,820	10,675	79	10,754
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Final dividend paid of 0.5 cent per share tax exempt in respect of year 2011	-	-	-	(3,026)	(3,026)	-	(3,026)
Interim dividend paid of 0.5 cent per share tax exempt in respect of year 2012	-	-	-	(3,026)	(3,026)	-	(3,026)
Total contributions by and distributions to owners	-	-	-	(6,052)	(6,052)	-	(6,052)
At 30 September 2012	123,300	10,219	9,085	59,115	201,719	691	202,310
At 1 January 2011	123,300	13,382	6,098	64,388	207,168	532	207,700
<b>Total comprehensive income for the period:</b>							
Net profit	-	-	-	8,152	8,152	128	8,280
<b>Other comprehensive income:</b>							
Revaluation of property, plant and equipment	-	-	17	-	17	-	17
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(3,386)	-	-	(3,386)	(12)	(3,398)
Reclassification of impairment write-down on investments to income statement	-	969	-	-	969	-	969
Change in fair value of investments	-	(2,972)	-	-	(2,972)	(4)	(2,976)
Income tax relating to components of other comprehensive income	-	1,141	5	-	1,146	-	1,146
<b>Total other comprehensive income, net of income tax</b>	-	<b>(4,248)</b>	<b>22</b>	-	<b>(4,226)</b>	<b>(16)</b>	<b>(4,242)</b>
Total comprehensive income 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 year 2010	-	-	-	(4,842)	(4,842)	-	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt in respect of year 2011	-	-	-	(4,237)	(4,237)	-	(4,237)
Dividend paid to non-controlling interests	-	-	-	-	-	(50)	(50)
Total contributions by and distributions to owners	-	-	-	(9,079)	(9,079)	(50)	(9,129)
At 30 September 2011	123,300	9,134	6,120	63,461	202,015	594	202,609

	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	Non- Controlling Interests S\$'000	Total Equity S\$'000
<b>At 1 July 2012</b>	<b>123,300</b>	<b>6,869</b>	<b>9,107</b>	<b>59,181</b>	<b>198,457</b>	<b>593</b>	<b>199,050</b>
<b>Total comprehensive income for the period:</b>							
<b>Net profit/(loss)</b>	-	-	-	2,960	2,960	(9)	2,951
<b>Other comprehensive income:</b>							
Revaluation of property, plant and equipment	-	-	(27)	-	(27)	-	(27)
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(713)	-	-	(713)	-	(713)
Change in fair value of investments	-	4,896	-	-	4,896	7	4,903
Income tax relating to components of other comprehensive income	-	(833)	5	-	(828)	-	(828)
Total other comprehensive income, net of income tax	-	3,350	(22)	-	3,328	7	3,335
Total comprehensive income for the period	-	3,350	(22)	2,960	6,288	(2)	6,286
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Interim dividend paid of 0.5 cent per share tax exempt in respect of year 2012	-	-	-	(3,026)	(3,026)	-	(3,026)
Total contributions by and distributions to owners	-	-	-	(3,026)	(3,026)	-	(3,026)
<b>At 30 September 2012</b>	<b>123,300</b>	<b>10,219</b>	<b>9,085</b>	<b>59,115</b>	<b>201,719</b>	<b>591</b>	<b>202,310</b>
<b>At 1 July 2011</b>	<b>123,300</b>	<b>12,899</b>	<b>6,098</b>	<b>68,123</b>	<b>210,420</b>	<b>648</b>	<b>211,068</b>
<b>Total comprehensive income for the period:</b>							
<b>Net profit/(loss)</b>	-	-	-	(425)	(425)	4	(421)
<b>Other comprehensive income:</b>							
Revaluation of property, plant and equipment	-	-	23	-	23	-	23
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to income statement	-	(400)	-	-	(400)	-	(400)
Reclassification of impairment write-down on investments to income statement	-	794	-	-	794	-	794
Change in fair value of investments	-	(4,951)	-	-	(4,951)	(8)	(4,959)
Income tax relating to components of other comprehensive income	-	792	(1)	-	791	-	791
Total other comprehensive income, net of income tax	-	(3,765)	22	-	(3,743)	(8)	(3,751)
Total comprehensive income for the period	-	(3,765)	22	(425)	(4,168)	(4)	(4,172)
<b>Transactions with owners, recorded directly in equity:</b>							
<b>Contributions by and distributions to owners:</b>							
Interim dividend paid of 0.7 cent per share tax exempt in respect of year 2011	-	-	-	(4,237)	(4,237)	-	(4,237)
Dividend paid to non-controlling interests	-	-	-	-	-	(50)	(50)
Total contributions by and distributions to owners	-	-	-	(4,237)	(4,237)	(50)	(4,287)
<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>

	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 2012	123,300	6,316	9,028	57,379	196,023
<b>Total comprehensive income for the period:</b>					
Net profit	-	-	-	6,294	6,294
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment	-	-	55	-	55
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(4,347)	-	-	(4,347)
Change in fair value of investments	-	9,442	-	-	9,442
Income tax relating to components of other comprehensive income	-	(1,282)	2	-	(1,280)
<b>Total other comprehensive income, net of income tax</b>	-	<b>3,813</b>	<b>57</b>	-	<b>3,870</b>
Total comprehensive income for the period	-	3,813	57	6,294	10,164
<b>Transactions with owners, recorded directly in equity:</b>					
<b>Contributions by and distributions to owners:</b>					
Final dividend paid of 0.5 cent per share tax exempt in respect of year 2011	-	-	-	(3,026)	(3,026)
Interim dividend paid of 0.5 cent per share tax exempt in respect of year 2012	-	-	-	(3,026)	(3,026)
Total contributions by and distributions to owners	-	-	-	(6,052)	(6,052)
At 30 September 2012	123,300	10,129	9,085	57,621	200,135
At 1 January 2011	123,300	13,212	6,098	63,389	205,999
<b>Total comprehensive income for the period:</b>					
Net profit	-	-	-	7,524	7,524
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment	-	-	17	-	17
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(3,360)	-	-	(3,360)
Reclassification of impairment write-down on investments to income statement	-	969	-	-	969
Change in fair value of investments	-	(2,947)	-	-	(2,947)
Income tax relating to components of other comprehensive income	-	1,141	5	-	1,146
<b>Total other comprehensive income, net of income tax</b>	-	<b>(4,197)</b>	<b>22</b>	-	<b>(4,175)</b>
Total comprehensive income 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 year 2010	-	-	-	(4,842)	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt in respect of year 2011	-	-	-	(4,237)	(4,237)
Total contributions by and distributions to owners	-	-	-	(9,079)	(9,079)
At 30 September 2011	123,300	9,015	6,120	61,834	200,269

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 July 2012	123,300	6,816	9,107	67,689	196,912
<b>Total comprehensive income for the period:</b>					
Net profit	-	-	-	2,958	2,958
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment	-	-	(27)	-	(27)
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(707)	-	-	(707)
Change in fair value of investments	-	4,801	-	-	4,801
Income tax relating to components of other comprehensive income	-	(781)	5	-	(776)
Total other comprehensive income, net of income tax	-	3,313	(22)	-	3,291
Income tax relating to components of other comprehensive income	-	3,313	(22)	2,958	6,249
<b>Transactions with owners, recorded directly in equity:</b>					
<b>Contributions by and distributions to owners:</b>					
Interim dividend paid of 0.5 cent per share tax exempt in respect of year 2012	-	-	-	(3,026)	(3,026)
Total contributions by and distributions to owners	-	-	-	(3,026)	(3,026)
At 30 September 2012	123,300	10,129	9,086	67,621	200,135
At 1 July 2011	123,300	12,721	6,098	66,444	208,563
<b>Total comprehensive income for the period:</b>					
Net loss	-	-	-	(373)	(373)
<b>Other comprehensive income:</b>					
Revaluation of property, plant and equipment	-	-	23	-	23
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to income statement	-	(401)	-	-	(401)
Reclassification of impairment write-down on investments to income statement	-	794	-	-	794
Change in fair value of investments	-	(4,891)	-	-	(4,891)
Income tax relating to components of other comprehensive income	-	792	(1)	-	791
Total other comprehensive income, net of income tax	-	(3,706)	22	-	(3,684)
Income tax relating to components of other comprehensive income	-	(3,706)	22	(373)	(4,057)
<b>Transactions with owners, recorded directly in equity:</b>					
<b>Contributions by and distributions to owners:</b>					
Interim dividend paid of 0.7 cent per share tax exempt in respect of year 2011	-	-	-	(4,237)	(4,237)
Total contributions by and distributions to owners	-	-	-	(4,237)	(4,237)
At 30 September 2011	123,300	9,015	6,120	61,834	200,269



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.

There was no change in the Company's share capital since the end of the previous reported period. There were no shares held as treasury shares and outstanding convertibles as at 30 September 2012 and 30 September 2011.

1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of shares excluding treasury shares as at 30 September 2012 and 30 September 2011 was 605,219,785.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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 2011, except for those disclosed under item 5 below.

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.

In 2012, the Group applied the Amendments to Financial Reporting Standard (FRS) 12 Income Taxes - Deferred Tax : Recovery of Underlying Assets. There is no financial impact on the financial results of the Group arising from the adoption of the revised standard.

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 2012	9 months 2011	3rd Qtr 2012	3rd Qtr 2011
Basic and diluted earnings/(loss) per share (cents)	1.13	1.35	0.49	(0.07)
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	
	30.9.2012	31.12.2011	30.9.2012	31.12.2011
Net asset value per share (cents)	33.33	32.57	33.07	32.39

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 2012 vs 3rd quarter 2011

In 3rd quarter 2012, the Group's revenue rose 38.5% to S\$38.9 million due mainly to new business written, higher premiums reported by some cedants and timing difference in booking. Net claims incurred declined by 44.4% to S\$5.1 million, helped by the relatively mild weather condition compared to the corresponding quarter a year ago which had included the initial case reserves for the prolonged flooding in Thailand. An underwriting surplus of S\$92,000 equivalent to 0.7% of net written premium was recorded, compared to the S\$3.3 million deficit or -29.1% of net written premium in the 3rd quarter of 2011. If not for the unexpired risks reserve strain, the underwriting surplus would be higher at S\$585,000. Net investment income increased 20.4% to S\$3.4 million, from the S\$2.9 million in the corresponding period in preceding year, attributed mainly to higher profit on sale of equity investments. Overall, the Group's profit before income tax rose to S\$3.4 million in 3rd quarter of 2012 compared to the S\$498,000 loss in the same quarter a year earlier.

Comparison of 9 months 2012 vs 9 months 2011

For the period ended 30 September 2012, the Group's revenue rose 20.7% to S\$98.6 million, attributed largely to new business and higher premiums reported by some cedants, as well as timing difference in booking. If the timing difference in bookings for large accounts were eliminated, the Group's revenue would increase 15.5% to S\$80.9 million. The net claims incurred rose 26.2% to S\$24.0 million, due primarily to the new case reserves set aside for the 2011 Thailand floods within the first two quarters of 2012, equivalent to an incurred loss ratio (of net written premium) of 65.9% relative to the incurred loss ratio of 57.5% in the corresponding period last year. Reinsurance management expenses increased 16.1% to S\$6.4 million due to higher general provision for bad and doubtful debts but partly offset by lower unrealised exchange loss on revaluation of foreign denominated transactions. If the general provision for bad and doubtful debts and unrealised exchange loss were excluded, reinsurance management expenses would be 2.6% higher than the same period last year. In ratio terms, the management expense ratio (of net written premium) of 12.6% was lower than the 13.5% a year earlier. In light of the foregoing, an underwriting deficit of S\$5.1 million was recorded for the first nine months of 2012, compared to the S\$2 million deficit in the corresponding period last year.

The net investment income rose 18.0% to S\$13.0 million due to higher profit on sale of equity investments and higher interest income. Overall, the Group's net profit before income tax was S\$8.0 million, 15.9% lower than the S\$9.6 million reported last year, attributed mainly to the underwriting deficit.

As far as it can be ascertained, the loss estimates for the July to December 2011 floods in Thailand have stabilised. That said, progress in adjusting claims has continued to be slow, consequently causing concern as to the exact extent of the IBNR liability. Except for the foregoing, 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.

Given the many uncertainties, the operating environment will continue to be highly challenging. Despite the spate of catastrophic losses in recent years which have caused some reinsurers to adopt a more prudent underwriting stance, the soft market unfortunately does not appear to improve to any extent, as new entrants are gearing up aggressively to grow their Asian business. This trend will likely be aggravated by the intensifying competition seen at a number of the regional primary markets.

On the investment front, the market conditions remain volatile as the onslaught of negative news on socio-political and economic uncertainties globally continue unabated.

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) The date the dividend is 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 2012.

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.

14. **Negative confirmation pursuant to Rule 705(5).**

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 2012 to be false or misleading.

**BY ORDER OF THE BOARD**

Gerard Seah Jim Hong

Company Secretary

7 November 2012

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