

Twelve Months/Fourth Quarter Financial Statements Announcement For The Year Ended 31 December 2015

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.

AUDITED CONSOLIDATED INCOME STATEMENT FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2015

	GROUP					
	12 months 2015 S\$'000	12 months 2014 S\$'000	Incr/ (decr) %	4th Qtr 2015 S\$'000	4th Qtr 2014 S\$'000	Incr/ (decr) %
Revenue	135,415	153,627	(11.9)	34,829	43,183	(19.3)
Income statements:						
Reinsurance operations:						
Gross written premiums	128,326	146,949	(12.7)	32,098	40,652	(21.0)
Reinsurance premiums	(74,859)	(90,154)	(17.0)	(18,728)	(27,493)	(31.9)
Net written premiums	53,467	56,795	(5.9)	13,370	13,159	1.6
Gross transfer (to)/from provision for unexpired risks	6,329	(6,871)	nm	859	(1,729)	nm
Reinsurance transfer to/(from) provision for unexpired risks	(5,077)	4,595	nm	(975)	1,977	nm
Net earned premiums	54,719	54,519	0.4	13,254	13,407	(1.1)
Gross claims incurred	(59,217)	(73,550)	(19.5)	(17,788)	(31,614)	(43.7)
Reinsurers' share of claims incurred	27,309	41,069	(33.5)	9,447	21,827	(56.7)
Net claims incurred	(31,908)	(32,481)	(1.8)	(8,341)	(9,787)	(14.8)
Commission expense	(39,425)	(42,079)	(6.3)	(9,485)	(11,383)	(16.7)
Commission income	24,336	26,922	(9.6)	6,922	8,651	(20.0)
Net commission expense	(15,089)	(15,157)	(0.4)	(2,563)	(2,732)	(6.2)
Management expenses	(6,772)	(4,949)	36.8	(1,839)	(961)	91.4
Underwriting results	950	1,932	(50.8)	511	(73)	nm
Net investment income	6,951	13,152	(47.1)	(620)	3,013	nm
Net income from reinsurance operations (I)	7,901	15,084	(47.6)	(109)	2,940	nm
Non-reinsurance operations:						
Net investment income	3,257	4,457	(26.9)	917	1,612	(43.1)
Other operating income	7,095	6,683	6.2	2,737	2,534	8.0
Management expenses	(6,116)	(5,612)	9.0	(1,763)	(1,623)	8.6
Net income from non-reinsurance operations (II)	4,236	5,528	(23.4)	1,891	2,523	(25.0)

	GROUP					
	12 months 2015 S\$'000	12 months 2014 S\$'000	Incr/ (decr) %	4th Qtr 2015 S\$'000	4th Qtr 2014 S\$'000	Incr/ (decr) %
Income statements - continued						
Profit before income tax (I + II)	12,137	20,612	(41.1)	1,782	5,463	(67.4)
Income tax expense	(490)	(2,381)	(79.4)	1,023	(822)	nm
Profit for the year	11,647	18,231	(36.1)	2,805	4,641	(39.6)
Profit attributable to:						
Equity holders of the Company	11,511	18,039	(36.2)	2,706	4,513	(40.0)
Non-controlling interests	136	192	(29.2)	99	128	(22.7)
Profit for the year	11,647	18,231	(36.1)	2,805	4,641	(39.6)
Statements of comprehensive income:						
Profit for the year	11,647	18,231	(36.1)	2,805	4,641	(39.6)
Other comprehensive income, after tax:						
Items that will not be reclassified to profit or loss:						
Revaluation of property, plant and equipment	350	2,957	(88.2)	94	2,851	(96.7)
Tax on items that will not be reclassified to profit or loss	(24)	(15)	60.0	(7)	(13)	(46.2)
	326	2,942	(88.9)	87	2,838	(96.9)
Items that are or may be reclassified subsequently to profit or loss:						
Available-for-sale financial assets:						
Reclassification of gain on sale of investments to profit or loss (realised)	(2,318)	(3,603)	(35.7)	(89)	(703)	(87.3)
Reclassification of impairment write-down on investments to profit or loss	2,780	741	nm	2,571	741	nm
Change in fair value of investments (unrealised)	(7,351)	2,730	nm	242	(247)	nm
Tax on items that are or may be reclassified subsequently to profit or loss	1,092	54	nm	(416)	64	nm
	(5,797)	(78)	nm	2,308	(145)	nm
Other comprehensive income for the year, net of income tax	(5,471)	2,864	nm	2,395	2,693	(11.1)
Total comprehensive income for the year	6,176	21,095	(70.7)	5,200	7,334	(29.1)
Total comprehensive income attributable to:						
Equity holders of the Company	6,052	20,903	(71.0)	5,099	7,206	(29.2)
Non-controlling interests	124	192	(35.4)	101	128	(21.1)
Total comprehensive income for the year	6,176	21,095	(70.7)	5,200	7,334	(29.1)
Profit for the year has been arrived at after crediting/(charging):						
Income relating to subsidiaries non-reinsurance operations*	7,122	6,702	6.3	2,738	2,544	7.6
Operating expenses relating to subsidiaries non-reinsurance operations*	(5,622)	(5,182)	8.5	(1,662)	(1,510)	10.1
Exchange (loss)/gain	(1,130)	955	nm	(238)	775	nm
Allowances for doubtful debts and bad debts written back/(off)	354	1,504	(76.5)	(81)	378	nm
Over/(Under) provision of tax	523	(503)	nm	523	(504)	nm
Gain on sale of investments	2,318	3,603	(35.7)	89	703	(87.3)
Change in fair value of investment properties	496	1,896	(73.8)	290	717	(59.6)
Impairment write-down on investments	(2,780)	(741)	nm	(2,571)	(741)	nm
Impairment provision write-back on investment properties	-	951	(100.0)	-	-	nm

nm not meaningful

na not applicable

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

Note: certain items in the comparatives figures have been reclassified to conform with the current'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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Assets				
Property, plant and equipment	35,897	35,526	35,825	35,457
Investment properties	23,189	24,787	23,189	24,787
Intangible assets	-	-	-	-
Interests in subsidiaries	-	-	1,123	1,123
Reinsurers' share of insurance contract provisions for				
- outstanding claims	193,916	214,572	193,916	214,572
- unexpired risks	26,869	31,946	26,869	31,946
Financial assets	262,339	275,911	261,844	275,977
Club membership	15	20	-	-
Insurance receivables	58,428	72,531	58,428	72,531
Other receivables	3,911	3,390	3,225	3,114
Cash and cash equivalents	75,821	71,644	73,028	67,850
Total assets	680,385	730,327	677,447	727,357
Equity attributable to equity holders of the Company				
Share capital	123,300	123,300	123,300	123,300
Reserves	23,580	29,039	23,648	29,039
Accumulated profits	85,038	84,421	84,337	83,648
	231,918	236,760	231,285	235,987
Non-controlling interests	264	320	-	-
Total equity	232,182	237,080	231,285	235,987
Liabilities				
Insurance contract provisions for				
- outstanding claims	346,551	375,024	346,551	375,024
- unexpired risks	47,086	53,415	47,086	53,415
Deferred taxation	1,264	2,322	1,264	2,322
Insurance payables	47,901	56,139	47,901	56,139
Other payables	4,314	3,882	2,419	2,178
Current tax payable	1,087	2,465	941	2,292
Total liabilities	448,203	493,247	446,162	491,370
Total equity and liabilities	680,385	730,327	677,447	727,357

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 31.12.2015		As at 31.12.2014	
S\$'000			
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.12.2015		As at 31.12.2014	
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			
	12 months 2015 S\$'000	12 months 2014 S\$'000	4th Qtr 2015 S\$'000	4th Qtr 2014 S\$'000
Operating activities				
Profit before income tax	12,137	20,612	1,782	5,463
Adjustments for:				
Insurance contract provisions for net unexpired risks	(1,252)	2,276	116	(248)
Insurance contract provisions for net outstanding claims	(7,817)	(61)	(2,277)	1,009
Impairment write-down on investments	2,780	741	2,571	741
Impairment write-down on club membership	5	(2)	5	(2)
Impairment provision write-back on investment properties	-	(951)	-	(951)
Change in fair value of investment properties	(496)	(1,896)	(290)	(717)
Gain on sale of investments	(2,318)	(3,603)	(89)	(703)
Depreciation of property, plant and equipment	384	319	117	78
Interest income	(8,356)	(8,405)	(2,120)	(2,091)
Dividend income	(2,425)	(2,493)	(384)	(382)
Gain on sale of property, plant and equipment	(6)	-	(1)	-
Gain on sale of investment properties	(76)	-	-	-
Property, plant and equipment written-off	-	2	-	2
	(7,440)	6,539	(570)	2,199
Changes in working capital:				
Insurance receivables	14,104	(1,573)	2,642	(1,237)
Other receivables	(572)	651	5	781
Insurance payables	(8,238)	(9,672)	(234)	(2,470)
Other payables	252	(363)	(1,445)	(1,707)
Cash flows used in operations	(1,894)	(4,418)	398	(2,434)
Income tax paid	(1,858)	(1,966)	(214)	(247)
Net cash (used in)/from operating activities	(3,752)	(6,384)	184	(2,681)
Investing activities				
Interest received	8,367	8,637	1,690	1,716
Dividends received	2,425	2,493	384	382
Purchase of investments	(41,385)	(62,709)	(4,713)	(14,086)
Proceeds from sale of investments	47,645	61,720	8,336	13,576
Purchase of property, plant and equipment	(410)	(261)	(158)	(179)
Disposal of property, plant and equipment	11	-	(13)	-
Purchase of investment properties	-	(1,817)	-	1
Disposal of investment properties	2,170	-	-	-
Net cash from investing activities	18,823	8,063	5,526	1,410
Financing activities				
Dividends paid	(10,894)	(9,078)	-	-
Decrease in deposits pledged	117	600	11	570
Net cash (used in)/from financing activities	(10,777)	(8,478)	11	570
Net increase/(decrease) in cash and cash equivalents	4,294	(6,799)	5,721	(701)
Cash and cash equivalents at beginning of the year (exclude pledged deposits)	71,405	78,204	69,978	72,106
Cash and cash equivalents at end of the year	75,699	71,405	75,699	71,405
Pledged deposits	122	239	122	239
Cash and cash equivalents at end of the year including pledged deposits	75,821	71,644	75,821	71,644

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
GROUP							
At 1 January 2015	123,300	7,776	21,263	84,421	236,760	320	237,080
Total comprehensive income for the year							
Net profit	-	-	-	11,511	11,511	136	11,647
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	350	-	350	-	350
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(2,317)	-	-	(2,317)	(1)	(2,318)
Reclassification of impairment write-down on investments to profit or loss	-	2,780	-	-	2,780	-	2,780
Change in fair value of investments (unrealised)	-	(7,340)	-	-	(7,340)	(11)	(7,351)
Income tax relating to components of other comprehensive income	-	1,092	(24)	-	1,068	-	1,068
Total other comprehensive income, net of income tax	-	(5,785)	326	-	(5,459)	(12)	(5,471)
Total comprehensive income for the year	-	(5,785)	326	11,511	6,052	124	6,176
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,842)	(4,842)	-	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(4,236)	(4,236)	-	(4,236)
Special dividend paid of 0.3 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(1,816)	(1,816)	-	(1,816)
Dividend paid to non-controlling interests	-	-	-	-	-	(180)	(180)
Total contributions by and distributions to owners	-	-	-	(10,894)	(10,894)	(180)	(11,074)
At 31 December 2015	123,300	1,991	21,589	85,038	231,918	264	232,182
At 1 January 2014	123,300	7,854	18,321	75,460	224,935	328	225,263
Total comprehensive income for the year							
Net profit	-	-	-	18,039	18,039	192	18,231
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	2,957	-	2,957	-	2,957
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(3,603)	-	-	(3,603)	-	(3,603)
Reclassification of impairment write-down on investments to profit or loss	-	741	-	-	741	-	741
Change in fair value of investments (unrealised)	-	2,730	-	-	2,730	-	2,730
Income tax relating to components of other comprehensive income	-	54	(15)	-	39	-	39
Total other comprehensive income, net of income tax	-	(78)	2,942	-	2,864	-	2,864
Total comprehensive income for the year	-	(78)	2,942	18,039	20,903	192	21,095
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,842)	(4,842)	-	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,236)	(4,236)	-	(4,236)
Acquisition of minority interests	-	-	-	-	-	(5)	(5)
Dividend paid to non-controlling interests	-	-	-	-	-	(195)	(195)
Total contributions by and distributions to owners	-	-	-	(9,078)	(9,078)	(200)	(9,278)
At 31 December 2014	123,300	7,776	21,263	84,421	236,760	320	237,080

	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
At 1 October 2015	123,300	(315)	21,502	82,332	226,819	343	227,162
Total comprehensive income for the quarter							
Net profit	-	-	-	2,706	2,706	99	2,805
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	94	-	94	-	94
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(89)	-	-	(89)	-	(89)
Reclassification of impairment write-down on investments to profit or loss	-	2,571	-	-	2,571	-	2,571
Change in fair value of investments (unrealised)	-	240	-	-	240	2	242
Income tax relating to components of other comprehensive income	-	(416)	(7)	-	(423)	-	(423)
Total other comprehensive income, net of income tax	-	2,306	87	-	2,393	2	2,395
Total comprehensive income for the quarter	-	2,306	87	2,706	5,099	101	5,200
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Dividend paid to non-controlling interests	-	-	-	-	-	(180)	(180)
Total contributions by and distributions to owners	-	-	-	-	-	(180)	(180)
At 31 December 2015	123,300	1,991	21,589	85,038	231,918	264	232,182
At 1 October 2014	123,300	7,921	18,425	79,908	229,554	387	229,941
Total comprehensive income for the quarter							
Net profit	-	-	-	4,513	4,513	128	4,641
Other comprehensive income:							
Revaluation of property, plant and equipment	-	-	2,851	-	2,851	-	2,851
Available-for-sale financial assets:							
Reclassification of gain on sale of investments to profit or loss (realised)	-	(703)	-	-	(703)	-	(703)
Reclassification of impairment write-down on investments to profit or loss	-	741	-	-	741	-	741
Change in fair value of investments (unrealised)	-	(247)	-	-	(247)	-	(247)
Income tax relating to components of other comprehensive income	-	64	(13)	-	51	-	51
Total other comprehensive income, net of income tax	-	(145)	2,838	-	2,693	-	2,693
Total comprehensive income for the quarter	-	(145)	2,838	4,513	7,206	128	7,334
Transactions with owners, recorded directly in equity:							
Contributions by and distributions to owners:							
Dividend paid to non-controlling interests	-	-	-	-	-	(195)	(195)
Total contributions by and distributions to owners	-	-	-	-	-	(195)	(195)
At 31 December 2014	123,300	7,776	21,263	84,421	236,760	320	237,080

COMPANY	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 January 2015	123,300	7,776	21,263	83,648	235,987
Total comprehensive income for the year					
Net profit	-	-	-	11,583	11,583
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	350	-	350
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(2,314)	-	-	(2,314)
Reclassification of impairment write-down on investments to profit or loss	-	2,780	-	-	2,780
Change in fair value of investments (unrealised)	-	(7,275)	-	-	(7,275)
Income tax relating to components of other comprehensive income	-	1,092	(24)	-	1,068
Total other comprehensive income, net of income tax	-	(5,717)	326	-	(5,391)
Total comprehensive income for the year	-	(5,717)	326	11,583	6,192
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,842)	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(4,236)	(4,236)
Special dividend paid of 0.3 cent per share tax exempt (one-tier) in respect of year 2015	-	-	-	(1,816)	(1,816)
Total contributions by and distributions to owners	-	-	-	(10,894)	(10,894)
At 31 December 2015	123,300	2,059	21,589	84,337	231,285
At 1 January 2014	123,300	7,854	18,321	74,781	224,256
Total comprehensive income for the year					
Net profit	-	-	-	17,945	17,945
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	2,957	-	2,957
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(3,489)	-	-	(3,489)
Reclassification of impairment write-down on investments to profit or loss	-	741	-	-	741
Change in fair value of investments (unrealised)	-	2,616	-	-	2,616
Income tax relating to components of other comprehensive income	-	54	(15)	-	39
Total other comprehensive income, net of income tax	-	(78)	2,942	-	2,864
Total comprehensive income for the year	-	(78)	2,942	17,945	20,809
Transactions with owners, recorded directly in equity:					
Contributions by and distributions to owners:					
Final dividend paid of 0.8 cent per share tax exempt (one-tier) in respect of year 2013	-	-	-	(4,842)	(4,842)
Interim dividend paid of 0.7 cent per share tax exempt (one-tier) in respect of year 2014	-	-	-	(4,236)	(4,236)
Total contributions by and distributions to owners	-	-	-	(9,078)	(9,078)
At 31 December 2014	123,300	7,776	21,263	83,648	235,987

	Share Capital S\$'000	Fair Value Reserves S\$'000	Revaluation Reserves S\$'000	Accumulated Profits S\$'000	Total S\$'000
At 1 October 2015	123,300	(238)	21,502	81,266	225,830
Total comprehensive income for the quarter					
Net profit	-	-	-	3,071	3,071
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	94	-	94
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(89)	-	-	(89)
Reclassification of impairment write-down on investments to profit or loss	-	2,571	-	-	2,571
Change in fair value of investments (unrealised)	-	231	-	-	231
Income tax relating to components of other comprehensive income	-	(416)	(7)	-	(423)
Total other comprehensive income, net of income tax	-	2,297	87	-	2,384
Total comprehensive income for the quarter	-	2,297	87	3,071	5,455
At 31 December 2015	123,300	2,059	21,589	84,337	231,285
At 1 October 2014	123,300	7,921	18,425	78,804	228,450
Total comprehensive income for the quarter					
Net profit	-	-	-	4,844	4,844
Other comprehensive income:					
Revaluation of property, plant and equipment	-	-	2,851	-	2,851
Available-for-sale financial assets:					
Reclassification of gain on sale of investments to profit or loss (realised)	-	(692)	-	-	(692)
Reclassification of impairment write-down on investments to profit or loss	-	741	-	-	741
Change in fair value of investments (unrealised)	-	(258)	-	-	(258)
Income tax relating to components of other comprehensive income	-	64	(13)	-	51
Total other comprehensive income, net of income tax	-	(145)	2,838	-	2,693
Total comprehensive income for the quarter	-	(145)	2,838	4,844	7,537
At 31 December 2014	123,300	7,776	21,263	83,648	235,987

- 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 no outstanding convertibles as at 31 December 2015 and 31 December 2014.

- 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 31 December 2015 and 31 December 2014 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 full year 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. The auditors's report does not contain any qualification or emphasis of matter.

- 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 as those in the audited annual financial statements as at 31 December 2014.

- 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	
	12 months 2015	12 months 2014
Basic and fully diluted earnings per share (cents)	1.90	2.98
Number of ordinary shares issued ('000)	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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Net asset value per share (cents)	38.32	39.12	38.22	38.99

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 2015 vs 4th quarter 2014

In 4th Qtr 2015, the Group's revenue declined by 19.3% to S\$34.829 million attributable to intense market competition and timing difference in the booking of certain accounts. Net claims incurred however fell by 14.8% to S\$8.341 million due to improved claims experience. Net commission expense also decreased by 6.2% to S\$2.563 million due to lower written premium and better recovery from retrocessionaires. Reinsurance management expense rose substantially by 91.4% to S\$1.839 million attributable largely to lower write-back in bad and doubtful debts provision and higher exchange loss on revaluation of foreign currency denominated assets. On balance, an underwriting surplus of S\$511,000 was recorded for the quarter. Net investment income slid 93.6% to S\$297,000 resulting from higher impairment write-down of equity investments, reduced surplus from the change in fair value of investment properties as well as lower profit from sale of investments. Overall the Group's profit before income tax of S\$1.782 million was 67.4% lower than the S\$5.463 million recorded in the corresponding quarter in previous year.

Comparison of 12 months 2015 vs 12 months 2014

For the year ended 31st December 2015, the Group's revenue decreased by 11.9 % to S\$135.415 million due to lower premium reported by cedants and timing difference in the booking of certain accounts. Net claims incurred improved marginally by 1.8% to S\$31.908 million, equivalent to an incurred loss ratio of 59.7%. Reinsurance management expenses on the other hand rose 36.8% to S\$6.772 million due largely to lower write-back in provision for bad and doubtful debts and partially higher staff costs. It should however be pointed out that 2014 benefitted from a higher write-back in provision for bad and doubtful debts of S\$1.504 million, the result of calibrating the methodology of computing debt provision. On balance, the underwriting bottom-line surplus fell 50.8% to S\$950,000 for the year under review. Net investment income also declined by 42% or S\$7.401 million to S\$10.208 million attributable largely to higher impairment write-down on equities, reduced profit from sale of investments and marginal appreciation of the fair value of investment properties. Overall, the Group's net profit before income tax fell 41.1% to S\$12.137 million in a highly challenging reinsurance market and a volatile investment environment compared to the S\$20.612 million net profit before income tax achieved a year earlier. The Company's total comprehensive income declined correspondingly by 70.7% to S\$6.176 million due largely to unrealized mark-to-market losses in equity investments at end December 2015.

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 operating environment will continue to be highly challenging with intense competition fueled by excessive capacity at both primary and reinsurance markets. This will have negative impact on premium growth which will in turn affect profitability of the business in a global environment already plagued with numerous uncertainties associated with geopolitical economic and climate changes. Likewise the many uncertainties will adversely affect investment returns in an environment of continued high volatility.

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	<u>Interim Ordinary</u>	<u>Special Dividend</u>	<u>Final (Proposed)</u>
Dividend type	Cash	Cash	Cash
Gross dividend amount per share (in cents)	0.70	0.30	0.60
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)	Tax exempt (one-tier)

(b) Corresponding period of the immediately preceding financial year

Any dividend declared?

Yes

Name of dividend	<u>Interim Ordinary</u>	<u>Final (Proposed)</u>
Dividend type	Cash	Cash
Gross dividend amount per share (in cents)	0.70	0.80
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 23 May 2016, if approved by shareholders at the forthcoming annual general meeting.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 5 May 2016 for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, M&C Services Private Limited, 112 Robinson Road, #05-01, Singapore 068902, up to 5.00 p.m. on 4 May 2016 will be registered before entitlements to the proposed dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares in the capital of the Company as at 5.00 p.m. on 4 May 2016 will be entitled to the dividend.

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

Not applicable.

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

(a) Operating segments

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

GROUP	January - December 2015			January - December 2014		
	Reinsurance	Non-Reinsurance	Total	Reinsurance	Non-Reinsurance	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Gross premiums written	128,326	-	128,326	146,949	-	146,949
Net earned premiums	54,719	-	54,719	54,519	-	54,519
Net claims incurred	(31,908)	-	(31,908)	(32,481)	-	(32,481)
Net commission expense	(15,089)	-	(15,089)	(15,157)	-	(15,157)
Management expenses	(6,772)	-	(6,772)	(4,949)	-	(4,949)
Underwriting results	950	-	950	1,932	-	1,932
Net investment income	6,951	-	6,951	13,152	-	13,152
Net income/(loss) from reinsurance operations (I)	7,901	-	7,901	15,084	-	15,084
Net investment income	-	3,257	3,257	-	4,457	4,457
Other operating income	-	7,095	7,095	-	6,683	6,683
Management expenses	-	(6,116)	(6,116)	-	(5,612)	(5,612)
Net income from non-reinsurance operations (II)	-	4,236	4,236	-	5,528	5,528
Profit before income tax (I) + (II)			12,137			20,612
Income tax expense			(490)			(2,381)
Profit for the year			11,647			18,231
Segment total assets	566,826	113,559	680,385	609,189	121,138	730,327
Segment total liabilities	443,126	5,077	448,203	488,068	5,179	493,247

(b) Major customer

For the year ended 31 December 2015, 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 customers based on country of domicile and the non-current assets based on geographical location of the assets are as follows:

	Revenue			Non-current assets	
	January - December 2015	January - December 2014		January - December 2015	January - December 2014
	S\$'000	S\$'000		S\$'000	S\$'000
Singapore	70,292	79,210		51,833	51,326
Malaysia	18,258	29,987		-	-
Greater China	26,341	23,565		7,253	6,893
Others	20,524	20,865		-	2,094
Total	135,415	153,627		59,086	60,313

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

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.

The reinsurance business reported a lower income of S\$7.9 million compared to the S\$15.1 million income last year, attributed mainly to lower investment income and higher management expense.

16. A breakdown of the sales as follows:-

		GROUP		
		2015 S\$'000	2014 S\$'000	Incr/ (decr) %
(a) Revenue				
	6 months ended 30 June	69,065	74,421	(7.2)
	6 months ended 31 December	66,350	79,206	(16.2)
	Total for the year	135,415	153,627	(11.9)
(b) Net profit after tax before deducting non-controlling interests				
	6 months ended 30 June	7,668	9,853	(22.2)
	6 months ended 31 December	3,979	8,378	(52.5)
	Total for the year	11,647	18,231	(36.1)

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	10,894	9,078
Preference	-	-
Total:	10,894	9,078

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no such person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

BY ORDER OF THE BOARD

Tan Swee Gek
Company Secretary
26 February 2016

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



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Independent auditors' report

Members of Singapore Reinsurance Corporation Limited

Report on the financial statements

We have audited the accompanying financial statements of Singapore Reinsurance Corporation Limited ("the Company") and its subsidiaries ("the Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2015, the statement of profit or loss and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group, and the statement of profit or loss and statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS# to FS#.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 ("the Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position, the statement of profit or loss 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 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and the results and changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 February 2016

The page numbers are as stated in the Independent Auditors' Report dated 26 February 2016 included in Singapore Reinsurance Corporation Limited's Annual Report for the financial year ended 31 December 2015.