



(Incorporated in the Republic of Singapore) Company Registration Number : 197100152R

To: All Shareholders

The Board of Directors of United Overseas Insurance Limited wishes to make the following announcement:

1. UNAUDITED RESULTS FOR THE THREE MONTHS/FIRST QUARTER ENDED 31 MARCH 2008

| | _ | Group | | |
|-----|---|-------------|-------------|--------|
| | | 1st Qtr | 1st Qtr | Incr/ |
| | | <u>2008</u> | <u>2007</u> | (Decr) |
| | | \$'000 | \$'000 | % |
| (a) | Gross premiums written | 28,092 | 25,507 | 10.1 |
| | Net earned premiums | 4,302 | 3,776 | 13.9 |
| | Less/(Add) : | 4,302 | 3,770 | 13.9 |
| | Net claims incurred | 1,451 | 803 | 80.7 |
| | Net commissions | (2,081) | (2,023) | 2.9 |
| | Management expenses : | (2,001) | (2,023) | 2.9 |
| | Staff cost | 1,129 | 1,040 | 8.6 |
| | Rental expenses | 163 | 163 | - |
| | Management fees | 25 | 33 | (24.2) |
| | Depreciation | 54 | 50 | 8.0 |
| | Foreign exchange gain | (2) | (1) | 100.0 |
| | Other operating expenses | 331 | 145 | 128.3 |
| | Underwriting profit | 3,232 | 3,566 | (9.4) |
| | Gross dividends from investments | 400 | 454 | (11.9) |
| | Interest income | 1,080 | 1,056 | 2.3 |
| | Miscellaneous income | 3 | 3 | - |
| | Net (losses)/gains on investments at | · · | · · | |
| | fair value through profit or loss | (2,771) | 3,420 | NM |
| | Net gains on available-for-sale investments | 741 | 72 | NM |
| | Less/(Add): | | | |
| | Management expenses not charged to | | | |
| | insurance revenue account: | | | |
| | Management fees | 127 | 127 | - |
| | Other operating expenses | 62 | 108 | (42.6) |
| | Exchange differences | (27) | (66) | (59.1) |
| | Profit before tax | 2,523 | 8,402 | (70.0) |
| | Less: | | | |
| | Tax expense | 409 | 1,485 | (72.5) |
| | Net profit | 2,114 | 6,917 | (69.4) |
| | Note : NM = Not Meaningful | | | |
| (b) | Annualised earnings per share (cents) - basic & diluted | 13.8 | 67.9 | |





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2. UNAUDITED BALANCE SHEET

| | | <u>Group</u> | | <u>Company</u> | | |
|-----|---|--------------|-----------|----------------|-----------|--|
| | | 31-Mar-08 | 31-Dec-07 | 31-Mar-08 | 31-Dec-07 | |
| | | \$'000 | \$'000 | \$'000 | \$'000 | |
| (a) | Share capital - Issued & fully paid | 91,733 | 91,733 | 91,733 | 91,733 | |
| ` , | Reserves | 102,915 | 106,436 | 101,221 | 104,509 | |
| | | 194,648 | 198,169 | 192,954 | 196,242 | |
| | Deferred tax liabilities | 4,554 | 5,733 | 4,554 | 5,733 | |
| | Gross technical balances | | | | | |
| | Reserve for unexpired risks | 44,075 | 33,876 | 43,391 | 33,231 | |
| | Provision for outstanding claims | 108,159 | 108,447 | 104,387 | 104,613 | |
| | G | 152,234 | 142,323 | 147,778 | 137,844 | |
| | Current liabilities | • | , | ŕ | · | |
| | Insurance creditors | 22,124 | 12,112 | 21,936 | 11,917 | |
| | Non-trade creditors & accrued liabilities | 4,106 | 2,943 | 3,992 | 2,858 | |
| | Deferred acquisition cost-reinsurers' | 1,100 | _,,,,, | ,,,,, | _,,,,, | |
| | share | 6,028 | 4,690 | 5,920 | 4,586 | |
| | Amount owing to related companies | | | | | |
| | - non-trade | - | 134 | - | 134 | |
| | Tax payables | 8,297 | 8,305 | 8,272 | 8,284 | |
| | | 40,555 | 28,184 | 40,120 | 27,779 | |
| | Total equity and liabilities | 391,991 | 374,409 | 385,406 | 367,598 | |
| | | | | | | |
| | Fixed assets | 428 | 462 | 428 | 462 | |
| | Investment in subsidiary | - | - | 4,940 | 4,940 | |
| | Available-for-sale investments | 97,464 | 83,315 | 97,464 | 83,315 | |
| | Non-current debtors | 9 | 14 | 9 | 14 | |
| | Statutory deposit | 500 | 500 | 500 | 500 | |
| | Unsecured term loan | 26 | 26 | 26 | 26 | |
| | Reinsurers' share of technical balances | | | | | |
| | Reserve for unexpired risks | 26,169 | 18,026 | 25,650 | 17,530 | |
| | Provision for outstanding claims | 63,210 | 63,708 | 60,839 | 61,346 | |
| | - | 89,379 | 81,734 | 86,489 | 78,876 | |
| | Current assets | | | | | |
| | Insurance debtors | 21,524 | 8,939 | 21,332 | 8,686 | |
| | Deferred acquisition cost - gross | 4,612 | 4,035 | 4,441 | 3,893 | |
| | Non-trade debtors and accrued interest | | | | | |
| | receivable | 1,174 | 1,365 | 1,148 | 1,350 | |
| | Amount owing by related companies | - | 6 | 78 | 66 | |
| | Investments at fair value through | | | | | |
| | profit or loss | 75,257 | 86,600 | 75,257 | 86,600 | |
| | Cash and cash equivalents | 101,618 | 107,413 | 93,294 | 98,870 | |
| | · | 204,185 | 208,358 | 195,550 | 199,465 | |
| | Total assets | 391,991 | 374,409 | 385,406 | 367,598 | |
| | | | | | | |
| (b) | Net asset value per share (S\$) | 3.18 | 3.24 | 3.16 | 3.21 | |





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3. UNAUDITED GROUP STATEMENT OF CHANGES IN EQUITY

| | | | Available- for-sale | Foreign currency | | |
|---|----------------|----------------|------------------------|------------------|----------------|--------------|
| | Share | General | investment | translation | Retained | |
| | <u>capital</u> | <u>reserve</u> | <u>reserve</u> | <u>reserve</u> | <u>profits</u> | <u>Total</u> |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 January 2008 | 91,733 | 18,880 | 25,340 | (673) | 62,889 | 198,169 |
| Net valuation loss taken to equity | - | - | (5,377) | _ | - | (5,377) |
| Foreign currency translation differences | - | - | - | (258) | - | (258) |
| Net losses not recognised in profit and loss accounts | - | - | (5,377) | (258) | - | (5,635) |
| Net profit | _ | _ | _ | _ | 2,114 | 2,114 |
| Total recognised (losses)/gains for the quarter ended 31 March 2008 | - | - | (5,377) | (258) | 2,114 | (3,521) |
| Balance at 31 March 2008 | 91,733 | 18,880 | 19,963 | (931) | 65,003 | 194,648 |
| | | | | | | |
| Balance at 1 January 2007 | 40,770 | 17,880 | 26,123 | (227) | 78,536 | 163,082 |
| Net valuation gain taken to equity | - | - | 2,400 | - | - | 2,400 |
| Foreign currency translation differences | | - | - | (103) | - | (103) |
| Net gains/(losses) not recognised in profit and loss accounts | - | - | 2,400 | (103) | - | 2,297 |
| Net profit | - | - | - | - | 6,917 | 6,917 |
| Total recognised gains/(losses) for the quarter ended 31 March 2007 | - | - | 2,400 | (103) | 6,917 | 9,214 |
| Balance at 31 March 2007 | 40,770 | 17,880 | 28,523 | (330) | 85,453 | 172,296 |
| | | | | | | |





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4. UNAUDITED COMPANY STATEMENT OF CHANGES IN EQUITY

| | | | Available- for-sale | | |
|---|-----------------------------------|------------------------------|---------------------------------|-------------------------|------------------------|
| | Share <u>capital</u> \$'000 | General reserve \$'000 | investment reserve \$'000 | Retained profits \$'000 | <u>Total</u> \$'000 |
| Balance at 1 January 2008 | 91,733 | 18,880 | 25,340 | 60,289 | 196,242 |
| Net valuation loss taken to equity | | - | (5,377) | - | (5,377) |
| Net losses not recognised in profit and loss account | - | - | (5,377) | - | (5,377) |
| Net profit | | - | - | 2,089 | 2,089 |
| Total recognised (losses)/gains for the quarter ended 31 March 2008 | - | - | (5,377) | 2,089 | (3,288) |
| Balance at 31 March 2008 | 91,733 | 18,880 | 19,963 | 62,378 | 192,954 |
| | | | | | |
| Balance at 1 January 2007 | 40,770 | 17,880 | 26,123 | 76,344 | 161,117 |
| | | | | | |
| Net valuation gain taken to equity | | - | 2,400 | - | 2,400 |
| Net valuation gain taken to equity Net gains not recognised in profit and loss account | <u>-</u> | - | 2,400 2,400 | <u>-</u> | 2,400 2,400 |
| Net gains not recognised in profit and | - - - | - | | - 6,862 | |
| Net gains not recognised in profit and loss account | - - - | - - - | 2,400 | - 6,862 6,862 | 2,400 |





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5. UNAUDITED CASH FLOW STATEMENT

| Test Oracida Test | | Gro | Group | |
|--|---|----------|----------|--|
| Cash flows from operating activities \$000 \$000 Profit before tax 2,523 8,402 Adjustments for: Foreign currency difference on reserve for unexpired risks (net of deferred acquisition cost) (4) (3) Foreign currency difference on provision for outstanding claims (net of deferred acquisition for outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net deferred acquisition cost) 2,821 2,146 Movement in net deferred acquisition cost) 2,821 2,416 Net gains on available-for-sale investments 4,640 < | | 1st Qtr | 1st Qtr | |
| Cash flows from operating activities \$000 \$000 Profit before tax 2,523 8,402 Adjustments for: Foreign currency difference on reserve for unexpired risks (net of deferred acquisition cost) (4) (3) Foreign currency difference on provision for outstanding claims (net of deferred acquisition for outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net deferred acquisition cost) 2,821 2,146 Movement in net deferred acquisition cost) 2,821 2,416 Net gains on available-for-sale investments 4,640 < | | 2008 | 2007 | |
| Cash flows from operating activities 2,523 8,402 Profit before tax Adjustments for: Foreign currency difference on reserve for unexpired risks (net of deferred acquisition cost) (4) (3) Foreign currency difference on provision for outstanding claims Movement in net reserve for unexpired risks (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims 265 (477) Depreciation 54 50 Net gains on available-for-sale investments (741) (72) Net losses/(gains) on investments at fair value 1,771 (3,420) Gross dividends from investments 4000 (454) Interest income 1,080 (10,80) (10,80) Exchange differences 300 68 Operating profit before working capital change 6,454 5,180 Changes in working capital: 11,175 10,100 Trade and other receivables 11,175 10,100 Amount owing by related companies (12,389) (12,281) Tax paid (41) (41) Net cash flow from operating activities 1,3 | | | | |
| Profit before tax | Cash flows from operating activities | • | · | |
| Adjustments for: Foreign currency difference on reserve for unexpired risks (net of deferred acquisition cost) (4) (3) (5) (4) (4) (5) (5) (4) (5) (5) (4) (5) (6) (6) (6) (6) (6) (6) (6) (6) (6) (6 | • | 2,523 | 8,402 | |
| Foreign currency difference on reserve for unexpired risks (net of deferred acquisition cost) (4) (3) (4) (5) (4) (4) (5) (4) (4) (5) (4) (4) (5) (4) (4) (5) (4) (4) (5) (4) (4) (5) (4) (4) (5) (4) (4) (5) (4) (4) (5) (5) (4) (4) (4) (5) (5) (4) (4) (4) (5) (5) (6) (4) (4) (4) (5) (6) (6) (6) (6) (6) (6) (6) (6) (6) (6 | Adjustments for: | , | , | |
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| Foreign currency difference on provision for outstanding claims Movement in net reserve for unexpired risks (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims 265 (477) Depreciation 54 50 (741) (72) Net gains on available-for-sale investments (741) (72) Net losses/(gains) on investments at fair value (400) (454) (1,080) (1,08 | · · · · · · · · · · · · · · · · · · · | (4) | (0) | |
| Movement in net reserve for unexpired risks (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims 265 (477) Depreciation 54 50 Net gains on available-for-sale investments (741) (72) Net losses/(gains) on investments at fair value through profit or loss 2,771 (3,420) Gross dividends from investments (400) (454) Interest income (1,080) (1,056) Exchange differences 300 68 Operating profit before working capital change 6,454 5,180 Changes in working capital: (12,389) (12,281) Trade and other receivables (12,389) (12,281) Trade and other payables 11,175 10,100 Amount owing by related companies 6 30 Amount owing to related companies (134) (116) Cash generated from operating activities 4,695 2,909 Cash flows from investing activities 4,695 2,909 Cash flows from investments at fair value through profit or loss <td< td=""><td>· · · · · · · · · · · · · · · · · · ·</td><td></td><td></td></td<> | · · · · · · · · · · · · · · · · · · · | | | |
| (net of movement in net deferred acquisition cost) 2,821 2,146 Movement in net outstanding claims 265 (477) Depreciation 54 50 Net gains on available-for-sale investments (741) (72) Net losses/(gains) on investments at fair value 2,771 (3,420) Gross dividends from investments (400) (454) Interest income (1,080) (1,056) Exchange differences 300 68 Operating profit before working capital change 6,454 5,180 Changes in working capital: 17rade and other receivables (12,389) (12,281) Trade and other payables 11,175 10,100 Amount owing by related companies 6 30 Amount owing to related companies (134) (116) Cash generated from operating activities 4,695 2,909 Cash flows from investing activities Proceeds from sale of investments at fair value through profit or loss 13,826 7,884 Proceeds from sale of available-for-sale investments 9,136 523 | | (55) | (4) | |
| Movement in net outstanding claims 265 (477) Depreciation 54 50 Net gains on available-for-sale investments (741) (72) Net losses/(gains) on investments at fair value (741) (72) through profit or loss 2,771 (3,420) Gross dividends from investments (400) (454) Interest income (1,080) (1,056) Exchange differences 300 68 Operating profit before working capital change 6,454 5,180 Changes in working capital: 172,281) 11,175 10,100 Amount owing profit payables (12,389) (12,281) 11,175 10,100 Amount owing by related companies 6 30 40 40 461 416 Cash generated from operations 5,112 2,913 2,913 2,913 4417 (4) 461 461 461 461 461 461 461 461 461 461 461 461 461 461 461 461 4 | · | 0.004 | 0.440 | |
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| Net losses/(gains) on investments at fair value through profit or loss 2,771 (3,420) Gross dividends from investments (400) (454) Interest income (1,080) (1,056) Exchange differences 300 68 Operating profit before working capital change 6,454 5,180 Changes in working capital: Trade and other receivables (12,389) (12,281) Trade and other payables 11,175 10,100 Amount owing by related companies 6 30 Amount owing to related companies 6 30 Amount owing to related companies (134) (116) Cash generated from operations 5,112 2,913 Tax paid (417) (4) Net cash flow from operating activities 4,695 2,909 Cash flows from investing activities 13,826 7,884 Proceeds from sale of available-for-sale investments 9,136 523 Purchase of investments as fair value through profit or loss (5,188) (18,253) Purchase of available-for-sale investments (29,145) < | · | ~ - | | |
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| Exchange differences 300 68 Operating profit before working capital change 6,454 5,180 Changes in working capital: Trade and other receivables (12,389) (12,281) Trade and other payables 11,175 10,100 Amount owing by related companies 6 30 Amount owing to related companies (134) (116) Cash generated from operations 5,112 2,913 Tax paid (417) (4) Net cash flow from operating activities 4,695 2,909 Cash flows from investing activities 5,112 2,913 Proceeds from sale of investments at fair value through profit or loss 13,826 7,884 Proceeds from sale of available-for-sale investments 9,136 523 Purchase of investments as fair value through profit or loss (5,188) (18,253) Purchase of variable-for-sale investments (29,145) (323) Purchase of fixed assets (29) - Gross dividends from investments 1,080 1,086 Interest income 1,080 1,086 | | • • | , , | |
| Operating profit before working capital change 6,454 5,180 Changes in working capital: Trade and other receivables (12,389) (12,281) Trade and other payables 11,175 10,100 Amount owing by related companies 6 30 Amount owing to related companies (134) (116) Cash generated from operations 5,112 2,913 Tax paid (417) (4) Net cash flow from operating activities 4,695 2,909 Cash flows from investing activities 5,112 2,913 Proceeds from sale of investments at fair value through profit or loss 13,826 7,884 Proceeds from sale of available-for-sale investments 9,136 523 Purchase of investments as fair value through profit or loss (5,188) (18,253) Purchase of ixed assets (29,145) (323) Purchase of fixed assets (29,145) (323) Purchase of fixed assets (20) - Gross dividends from investments 1,080 1,056 Net cash used in investing activities (9,911) (8,65 | | • • • | , , | |
| Changes in working capital: (12,389) (12,281) Trade and other receivables 11,175 10,100 Amount owing by related companies 6 30 Amount owing to related companies (134) (116) Cash generated from operations 5,112 2,913 Tax paid (417) (4) Net cash flow from operating activities 3,695 2,909 Cash flows from investing activities 5,112 2,913 Proceeds from sale of investments at fair value through profit or loss 13,826 7,884 Proceeds from sale of available-for-sale investments 9,136 523 Purchase of investments as fair value through profit or loss (5,188) (18,253) Purchase of available-for-sale investments (29,145) (323) Purchase of fixed assets (20) - Gross dividends from investments 400 454 Interest income 1,080 1,056 Net cash used in investing activities (9,911) (8,659) Translation difference on foreign subsidiary company (258) (103) | • | | | |
| Trade and other receivables (12,389) (12,281) Trade and other payables 11,175 10,100 Amount owing by related companies 6 30 Amount owing to related companies (134) (116) Cash generated from operations 5,112 2,913 Tax paid (417) (4) Net cash flow from operating activities | | 6,454 | 5,180 | |
| Trade and other payables 11,175 10,100 Amount owing by related companies 6 30 Amount owing to related companies (134) (116) Cash generated from operations 5,112 2,913 Tax paid (417) (4) Net cash flow from operating activities 4,695 2,909 Cash flows from investing activities 5,112 2,913 Proceeds from sale of investments at fair value through profit or loss 13,826 7,884 Proceeds from sale of available-for-sale investments 9,136 523 Purchase of investments as fair value through profit or loss (5,188) (18,253) Purchase of available-for-sale investments (29,145) (323) Purchase of fixed assets (20) - Gross dividends from investments 400 454 Interest income 1,080 1,056 Net cash used in investing activities (9,911) (8,659) Translation difference on foreign subsidiary company (258) (103) Net decrease in cash and cash equivalents (5,474) (5,853) <t< td=""><td></td><td>(40.000)</td><td>(40.004)</td></t<> | | (40.000) | (40.004) | |
| Amount owing by related companies 6 30 Amount owing to related companies (134) (116) Cash generated from operations 5,112 2,913 Tax paid (417) (4) Net cash flow from operating activities 4,695 2,909 Cash flows from investing activities 7,884 Proceeds from sale of investments at fair value through profit or loss 13,826 7,884 Proceeds from sale of available-for-sale investments 9,136 523 Purchase of investments as fair value through profit or loss (5,188) (18,253) Purchase of available-for-sale investments (29,145) (323) Purchase of fixed assets (29),145 (323) Purchase of fixed assets (20) - Gross dividends from investments 400 454 Interest income 1,080 1,056 Net cash used in investing activities (9,911) (8,659) Translation difference on foreign subsidiary company (258) (103) Net decrease in cash and cash equivalents (5,474) (5,853) Cash an | | | , , | |
| Amount owing to related companies (134) (116) Cash generated from operations 5,112 2,913 Tax paid (417) (4) Net cash flow from operating activities 4,695 2,909 Cash flows from investing activities *** *** Proceeds from sale of investments at fair value through profit or loss 13,826 7,884 Proceeds from sale of available-for-sale investments 9,136 523 Purchase of investments as fair value through profit or loss (5,188) (18,253) Purchase of available-for-sale investments (29,145) (323) Purchase of fixed assets (20) - Gross dividends from investments 400 454 Interest income 1,080 1,056 Net cash used in investing activities (9,911) (8,659) Translation difference on foreign subsidiary company (258) (103) Net decrease in cash and cash equivalents (5,474) (5,853) Cash and cash equivalents at beginning of period 107,413 73,582 Effects of exchange rate changes on cash and cash equivalents | | | | |
| Cash generated from operations 5,112 2,913 Tax paid (417) (4) Net cash flow from operating activities 4,695 2,909 Cash flows from investing activities 7 84 Proceeds from sale of investments at fair value through profit or loss 13,826 7,884 Proceeds from sale of available-for-sale investments 9,136 523 Purchase of investments as fair value through profit or loss (5,188) (18,253) Purchase of available-for-sale investments (29,145) (323) Purchase of fixed assets (20) - Gross dividends from investments 400 454 Interest income 1,080 1,056 Net cash used in investing activities (9,911) (8,659) Translation difference on foreign subsidiary company (258) (103) Net decrease in cash and cash equivalents (5,474) (5,853) Cash and cash equivalents at beginning of period 107,413 73,582 Effects of exchange rate changes on cash and cash equivalents (321) (109) | · · · · · · · · · · · · · · · · · · · | _ | | |
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| Net cash flow from operating activities4,6952,909Cash flows from investing activities7,884Proceeds from sale of investments at fair value through profit or loss13,8267,884Proceeds from sale of available-for-sale investments9,136523Purchase of investments as fair value through profit or loss(5,188)(18,253)Purchase of available-for-sale investments(29,145)(323)Purchase of fixed assets(20)-Gross dividends from investments400454Interest income1,0801,056Net cash used in investing activities(9,911)(8,659)Translation difference on foreign subsidiary company(258)(103)Net decrease in cash and cash equivalents(5,474)(5,853)Cash and cash equivalents at beginning of period107,41373,582Effects of exchange rate changes on cash and cash equivalents(321)(109) | | • | | |
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| profit or loss Proceeds from sale of available-for-sale investments Purchase of investments as fair value through profit or loss Purchase of available-for-sale investments Purchase of available-for-sale investments Purchase of fixed assets (29,145) Gross dividends from investments Interest income Net cash used in investing activities Translation difference on foreign subsidiary company Net decrease in cash and cash equivalents Cash and cash equivalents at beginning of period Effects of exchange rate changes on cash and cash equivalents (323) (323) (324) (324) (325) (327) (327) (328) (329) (329) (321) (329) (321) (321) (321) | Cash flows from investing activities | | | |
| Proceeds from sale of available-for-sale investments Purchase of investments as fair value through profit or loss Purchase of available-for-sale investments Purchase of available-for-sale investments Purchase of fixed assets (29,145) Purchase of fixed assets (20) Gross dividends from investments Interest income 1,080 Net cash used in investing activities (9,911) Translation difference on foreign subsidiary company Net decrease in cash and cash equivalents (5,474) Cash and cash equivalents at beginning of period Effects of exchange rate changes on cash and cash equivalents (321) Effects of exchange rate changes on cash and cash equivalents (103) | Proceeds from sale of investments at fair value through | | | |
| Purchase of investments as fair value through profit or loss Purchase of available-for-sale investments Purchase of fixed assets Purchase of fixed assets Gross dividends from investments Interest income Net cash used in investing activities Translation difference on foreign subsidiary company Net decrease in cash and cash equivalents Cash and cash equivalents at beginning of period Effects of exchange rate changes on cash and cash equivalents (5,188) (29,145) (29,145) (20) - 400 454 1,080 1,056 (9,911) (8,659) (103) (5,853) (5,474) (5,853) (109) | profit or loss | 13,826 | 7,884 | |
| Purchase of available-for-sale investments Purchase of fixed assets Cross dividends from investments Interest income Net cash used in investing activities Translation difference on foreign subsidiary company Net decrease in cash and cash equivalents Cash and cash equivalents at beginning of period Effects of exchange rate changes on cash and cash equivalents (29,145) (20) - 400 454 1,080 1,056 (9,911) (8,659) (103) (5,853) (5,874) (5,853) (107,413 73,582 (109) | Proceeds from sale of available-for-sale investments | 9,136 | 523 | |
| Purchase of fixed assets Gross dividends from investments Interest income Net cash used in investing activities Translation difference on foreign subsidiary company Net decrease in cash and cash equivalents Cash and cash equivalents at beginning of period Effects of exchange rate changes on cash and cash equivalents (20) 454 400 454 (9,911) (8,659) (103) (5,873) (103) (107,413 (5,853) (107,413 (109) | Purchase of investments as fair value through profit or loss | (5,188) | (18,253) | |
| Gross dividends from investments Interest income Net cash used in investing activities Translation difference on foreign subsidiary company Net decrease in cash and cash equivalents Cash and cash equivalents at beginning of period Effects of exchange rate changes on cash and cash equivalents 400 454 1,080 1,056 (9,911) (8,659) (103) (5,474) (5,853) 73,582 (109) | | (29,145) | (323) | |
| Interest income1,0801,056Net cash used in investing activities(9,911)(8,659)Translation difference on foreign subsidiary company(258)(103)Net decrease in cash and cash equivalents(5,474)(5,853)Cash and cash equivalents at beginning of period107,41373,582Effects of exchange rate changes on cash and cash equivalents(321)(109) | Purchase of fixed assets | | - | |
| Net cash used in investing activities(9,911)(8,659)Translation difference on foreign subsidiary company(258)(103)Net decrease in cash and cash equivalents(5,474)(5,853)Cash and cash equivalents at beginning of period107,41373,582Effects of exchange rate changes on cash and cash equivalents(321)(109) | Gross dividends from investments | | | |
| Translation difference on foreign subsidiary company(258)(103)Net decrease in cash and cash equivalents(5,474)(5,853)Cash and cash equivalents at beginning of period107,41373,582Effects of exchange rate changes on cash and cash equivalents(321)(109) | | 1,080 | 1,056 | |
| Net decrease in cash and cash equivalents(5,474)(5,853)Cash and cash equivalents at beginning of period107,41373,582Effects of exchange rate changes on cash and cash equivalents(321)(109) | Net cash used in investing activities | (9,911) | (8,659) | |
| Cash and cash equivalents at beginning of period 107,413 73,582 Effects of exchange rate changes on cash and cash equivalents (321) (109) | Translation difference on foreign subsidiary company | (258) | (103) | |
| Effects of exchange rate changes on cash and cash equivalents (321) (109) | Net decrease in cash and cash equivalents | (5,474) | (5,853) | |
| | Cash and cash equivalents at beginning of period | 107,413 | 73,582 | |
| Cash and cash equivalents at end of period 101,618 67,620 | Effects of exchange rate changes on cash and cash equivalents | (321) | (109) | |
| | Cash and cash equivalents at end of period | 101,618 | 67,620 | |





(Incorporated in the Republic of Singapore) Company Registration Number: 197100152R

6. SEGMENT INFORMATION

The Group is principally engaged in the business of underwriting general insurance business. No segment information by geographical location has been presented as the Group's overseas operations in Hong Kong are relatively insignificant.

7. REVIEW OF PERFORMANCE

Highlights and Performance Indicators for the Group

| (\$'000) | 1 st Quarter 2008 | 1 st Quarter 2007 | 1Q08/ 1Q07 % |
|--------------------------------|---------------------------------|---------------------------------|--------------------|
| Gross premiums written | 28,092 | 25,507 | +10.1 |
| Underwriting profit | 3,232 | 3,566 | -9.4 |
| Non-underwriting income/(loss) | (709) | 4,836 | NM |
| Profit before tax | 2,523 | 8,402 | -70.0 |

Note: NM = Not Meaningful

1st Quarter 2008 ("1Q08") versus 1st Quarter 2007 ("1Q07")

Gross premiums grew by 10.1% to \$28.09 million. Despite intense competition and higher operating expenses, growth was attained mainly through new businesses secured by leveraging on the parent bank's increased regional activities, which provided the bulk of the increase in premium income. This increase was sufficient to offset the loss in renewal of domestic business resulting from rate reduction.

Underwriting profit decreased by 9.4% to \$3.2 million due mainly to higher net claims incurred and premium reserve strain. Financial markets continued to be in turmoil in the 1st Quarter 2008. Non-underwriting activities suffered a loss of \$0.71 million as compared to a profit of \$4.8 million in the corresponding quarter last year due to unrealised losses from investments held for trading. Consequently, overall profit before tax decreased by 70% to \$2.5 million.





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8. PROSPECTS FOR THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS

Intense competition and higher operating costs will continue to prevail within the industry. In the absence of any adjustment in premium rates, the recent extension in Workmen's Compensation benefits is expected to further increase the industry's underwriting losses in this class of business.

In striving for growth in the face of more intense competition, Management will work on new initiatives to leverage on the parent bank's expansion in the regional markets in particular, and will selectively step up its acceptance of offshore business in general.

On the investment front, financial markets will likely continue to be affected by the US sub-prime mortgage and collateralised debt obligation problem. Until the problem is resolved, stock markets are expected to remain volatile.

9. ACCOUNTING POLICY

The financial statements, expressed in Singapore dollars are prepared in accordance with Singapore Financial Reporting Standards (FRS). The accounting policies and computation methods adopted in the financial statements for the guarter ended 31 March 2008 are the same as those adopted in the preceding year.

10. DIVIDEND

No dividend has been declared for the guarter ended 31 March 2008.

11. CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited group financial results for the three months/first quarter ended 31 March 2008 to be false or misleading.

BY ORDER OF THE BOARD

MRS VIVIEN CHAN SECRETARY

Dated this 5th May 2008