

## Issuer & Securities

### Issuer/ Manager

GREAT EASTERN HOLDINGS LIMITED

### Security

GREAT EASTERN HLDGS LTD - SG1I55882803 - G07

## Announcement Details

### Announcement Title

Annual General Meeting

### Date & Time of Broadcast

25-Apr-2024 19:43:48

### Status

**REPL::ANNUAL GENERAL MEETING::VOLUNTARY**

### Announcement Reference

SG240403MEETFINN

### Submitted By (Co./ Ind. Name)

Wong Chuen Shya

### Designation

Assistant Company Secretary

### Financial Year End

31/12/2023

## Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the following documents attached in relation to the Twenty-Fifth Annual General Meeting ("AGM"): 1. Notice of AGM; and 2. Proxy form for AGM.
Additional Text	20 April 2024 - Please find attached our responses to substantial and relevant questions received from Great Eastern Holdings Limited's Shareholders in advance of our Twenty-Fifth AGM to be held at 3.00 p.m. on 25 April 2024.
Additional Text	25 April 2024 - Please refer to the attached announcement for a copy of the slides presented during the Twenty-Fifth AGM.
Additional Text	25 April 2024 - Please refer to the announcement on (i) the outcome of the Twenty-Fifth AGM and (ii) the Audit Committee.

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## Event Dates

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### Meeting Date and Time

25/04/2024 15:00:00

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### Response Deadline Date

22/04/2024 15:00:00

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## Event Venue(s)

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### Place

Venue(s)	Venue details
Meeting Venue	1 Pickering Street, #02-02 Great Eastern Centre, Singapore 048659

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## Attachments

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[20240425 GEH AGM Results and AC.FINAL.pdf](#)

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[20240425 GEH AGM Slides.1.pdf](#)

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[20240425 GEH AGM Slides.2.pdf](#)

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[20240425 GEH AGM Slides.3.pdf](#)

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Total size = 2263K MB

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## Related Announcements

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### Related Announcements

[20/04/2024 12:01:35](#)

[03/04/2024 07:00:10](#)

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**GREAT EASTERN HOLDINGS LIMITED**  
Incorporated in the Republic of Singapore  
(Company Registration No.: 199903008M)

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1. **ALL RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING HELD ON 25 APRIL 2024**
  2. **AUDIT COMMITTEE**
- 

1. **ALL RESOLUTIONS PASSED AT THE ANNUAL GENERAL MEETING HELD ON 25 APRIL 2024**

Great Eastern Holdings Limited (“**GEH**” or the “**Company**”) wishes to announce that on a poll vote, all resolutions set out in the Notice of Annual General Meeting (“**AGM**”) dated 3 April 2024 were put to the vote and passed by shareholders at the AGM held on 25 April 2024.

(a) Breakdown of all valid votes cast at the AGM are set out below:

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against		
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)	
<b>Ordinary Business</b>						
1	Adoption of Directors' Statement, 2023 Audited Financial Statements and Auditor's Report	431,436,097	431,061,795	99.91	374,302	0.09
2	Approval of a final one-tier tax exempt dividend of 40 cents per ordinary share in respect of the financial year ended 31 December 2023	434,581,797	434,157,665	99.90	424,132	0.10
3(a)	Re-election of Mr Ng Chee Peng as a Director	434,584,269	428,581,707	98.62	6,002,562	1.38
3(b)(i)	Re-election of Mr Lee Kok Keng Andrew as a Director	434,577,569	429,088,646	98.74	5,488,923	1.26
3(b)(ii)	Re-election of Mr George Lee Lap Wah as a Director	434,468,569	430,438,242	99.07	4,030,327	0.93

Resolution number and details		Total number of shares represented by votes for and against the relevant resolution	For		Against	
			Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
3(b)(iii)	Re-election of Mr Tam Chee Chong as a Director	434,377,269	430,180,445	99.03	4,196,824	0.97
3(b)(iv)	Re-election of Dr Chong Yoke Sin as a Director	434,535,469	430,595,245	99.09	3,940,224	0.91
3(b)(v)	Re-election of Dr Lim Kuo Yi as a Director	434,452,969	430,469,445	99.08	3,983,524	0.92
4	Approval of Directors' fees of S\$2,870,000 in respect of the financial year ended 31 December 2023	434,475,497	432,231,935	99.48	2,243,562	0.52
5	Re-appointment of PricewaterhouseCoopers LLP as Auditor and authorisation for Directors to fix its remuneration	434,415,469	430,805,749	99.17	3,609,720	0.83
<b>Special Business</b>						
6	Authority for Directors to allot and issue shares and make or grant instruments convertible into shares	431,104,469	428,988,665	99.51	2,115,804	0.49
7	Authority for Directors to allot and issue shares pursuant to the Great Eastern Holdings Limited Scrip Dividend Scheme	431,135,797	430,260,295	99.80	875,502	0.20

- (b) Details of parties who are required to abstain from voting on any resolution(s), including the number of shares held and the individual resolution(s) on which they are required to abstain from voting: NIL.
- (c) Name of firm and/or person appointed as scrutineer: T S Tay Public Accounting Corporation.

- (d) To demonstrate good corporate governance practices:
- (i) the Directors who seek re-election voluntarily abstained from voting their respective holdings of shares in respect of their own re-election. Mr Ng Chee Peng, Mr Lee Kok Keng Andrew, Mr George Lee Lap Wah, Mr Tam Chee Chong, Dr Chong Yoke Sin and Dr Lim Kuo Yi who sought re-election as Directors under Resolutions 3(a) and 3(b) respectively, do not have any interest (direct and/or deemed) in the shares of GEH; and
  - (ii) all non-executive Directors voluntarily abstained from voting their respective holdings of shares in respect of the payment of Directors' fees by GEH to the non-executive Directors. None of the Directors (all of whom are non-executive) have any interest (direct and/or deemed) in the shares of GEH, except for Mrs Teoh Lian Ee who has a deemed interest in 5,000 GEH shares which are held by her spouse. Her spouse had voluntarily abstained from voting his holding of GEH shares on Resolution 4 relating to the payment of Directors' fees in respect of financial year 2023.

## 2. AUDIT COMMITTEE

Mr Tam Chee Chong, who was re-elected as Director of the Company at the AGM, will continue to serve as the Chairman of the Audit Committee ("**AC**").

Mr Ng Chee Peng and Dr Chong Yoke Sin, who were re-elected as Directors of the Company at the AGM, will continue to serve as members of the AC.

The composition of the AC is as follows at the conclusion of the AGM:

Mr Tam Chee Chong, Chairman  
Dr Chong Yoke Sin, Member  
Mr Ng Chee Peng, Member  
Mrs Teoh Lian Ee, Member

The Board considers all the AC members to be independent Directors of the Company. All the AC members are independent from management and business relationships with the Company.

By Order of the Board

Jennifer Wong Pakshong  
Company Secretary  
25 April 2024

# GEH Annual General Meeting

25 April 2024



Reach  
for Great

# Overview of Great Eastern Group

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**> 16 million**

Customers

**> SGD 16 billion**

Gross Premium

**> SGD 100 billion**

Total Assets

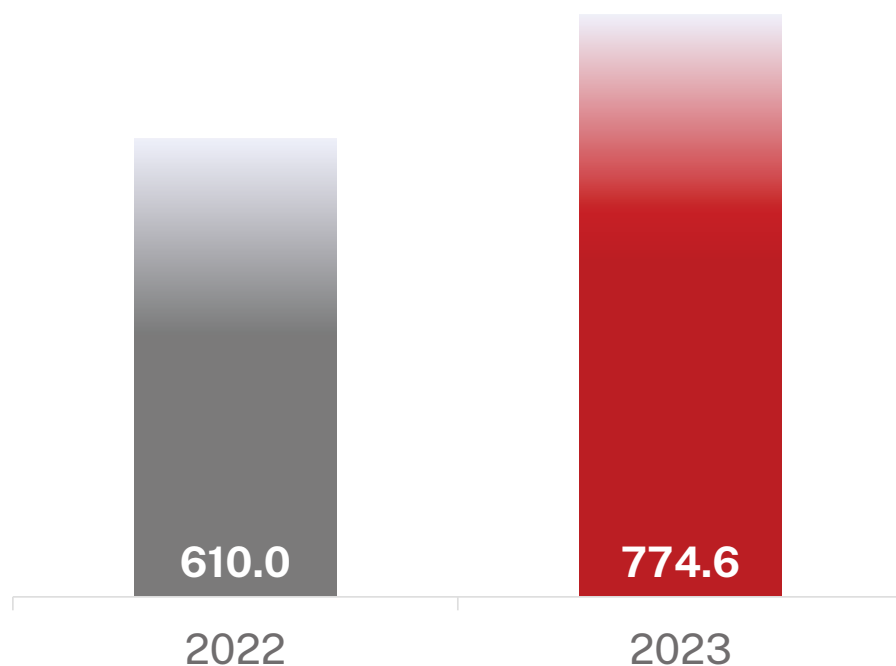
**AA-**

S&P Global Ratings for the last 14 years

## FY2023 Key Financial Metrics

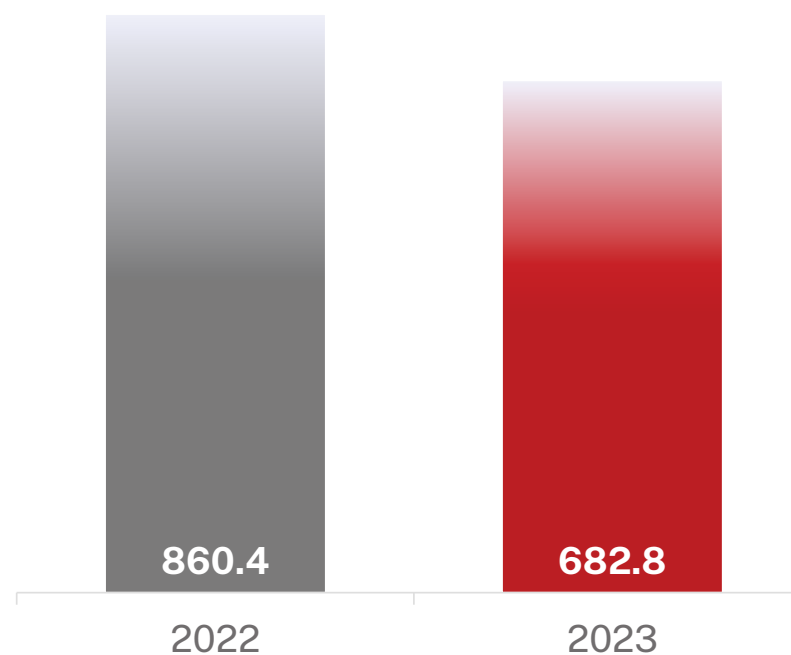
### Profit Attributable to Shareholders

(SGD' millions)



### New Business Embedded Value

(NBEV) (SGD' millions)





**Thank You**



# Embedded values – Factors to consider

**Richard Holloway**  
Managing Director, Head Life Insurance Consulting,  
South East Asia & India, Life

25 April 2024



## Components of Embedded Value / Appraisal Value



Note that the **Embedded Value** reflects the value from business written to date (as at the valuation date).

The NAV reflects the surplus assets in a Company that can be attributable to shareholders, whereas the VIF reflects the value from the projected run off of in-force business.

It does not include the value of future new business. Inclusion of the value of future business would result in an **Appraisal Value**.

## Value of in-force business

A calculated value, or metric. Widely used in the life insurance sector.

Value to shareholders of future profit expected from the run-off the portfolio of business in-force as at the date of assessment.

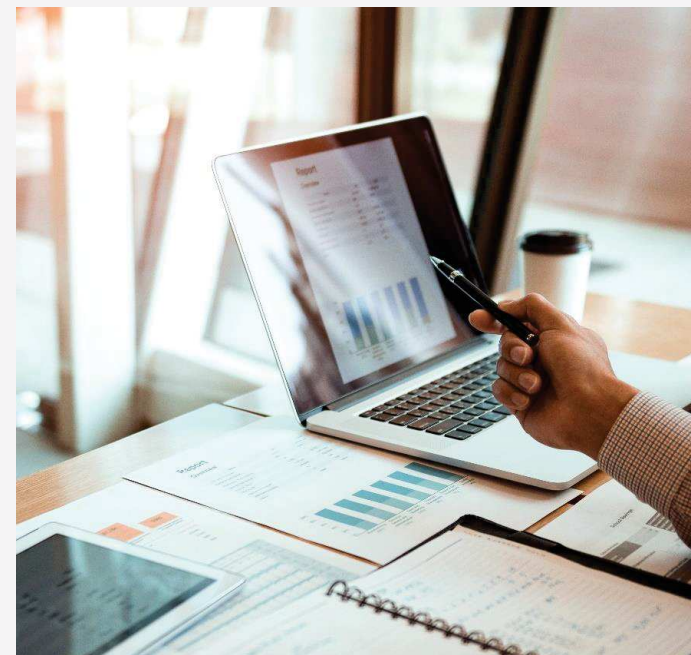
A function of underlying assumptions:

- Economic assumptions
  - Investment return, inflation, taxation etc.
- Demographic assumptions
  - Persistency, mortality, morbidity, maintenance expenses, commissions etc.

Allowance for the cost of holding regulatory capital.

Allowance for future policyholder bonuses/dividends on participating business.

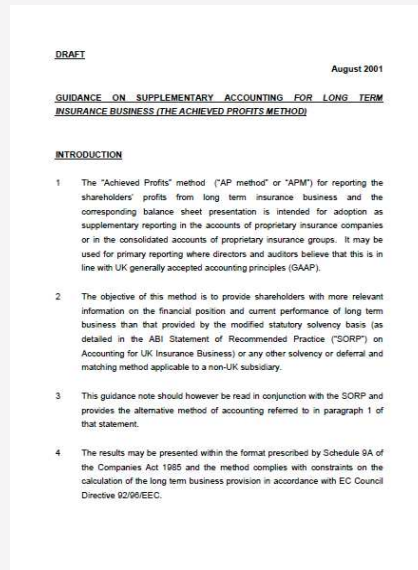
Profits discounted at the assumed risk discount rate.



# Various embedded value reporting bases have emerged

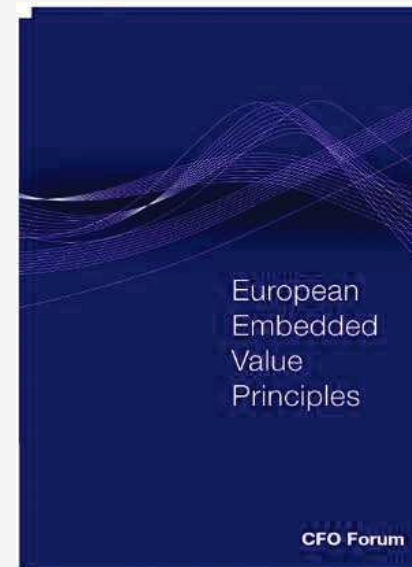
## Examples

Traditional Embedded value most commonly adopted in Asia Pacific.



**Traditional Embedded Value (TEV)**

ABI Guidance 2001  
"Achieved Profits Method"



**European Embedded Value (EEV)**

Introduced in May 2004 by  
the CFO Forum



**Market consistent Embedded Value (MCEV)**

Introduced in June 2008 by  
the CFO Forum(\*)

# Observations on methodology and assumptions



## Embedded value methodologies

- Notwithstanding the various standards which exist, there are a **very wide range of approaches** for producing EVs.
- The degree of prudence within assumptions and allowances for risk can vary considerably from company to company.
- This can make it more **difficult for analysts and the market to compare and understand results**.



## Assumptions

- Some assumptions can be on the optimistic side, for example allowances for **expense overruns** are often excluded in some markets, but on the contrary, the benefit of future **expense efficiencies** is excluded in other markets (India).
- **Lapses** may be “long term” allowances.
- **Allowances for required capital** (often linked to regulatory capital) can often fall short of what is required by internal capital management policies.
- **Allowances for risk**, and in particular operational risk, can also be perceived to fall short of what a full own risk assessment may require.



## Perception

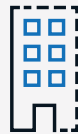
- These points can contribute to a market perception that EV is generally optimistic.
- The life insurance industry and individual companies genuinely think their EVs are realistic, but the market can form the view that they are optimistic.
- An EV considered realistic by the market would be considered prudent by the life industry and individual companies.
- This is not to say who is right and who is wrong. It is just a difference of expectations.

# Other Observations



## Embedded value as a metric

- Nevertheless, EV is an accepted way to judge value, and give comparators vs other companies/ industries.
- Embedded value **excludes** allowance for new business, which would be included in an appraisal value:
  - For smaller companies, embedded value would be a small proportion of appraisal value.
  - For larger mature companies, embedded value would be a larger proportion of appraisal value.



## Listed companies

- For listed companies analysts often compare **Price to Embedded Value (P/EV)**. Price will not reflect EV for a variety of reasons:
  - Insurance is a regulated industry (which can result in EV being 'marked down').
  - Is there enough allowance for a third party's assessment of risk?.
  - Is the stock actively traded? If not, then market can result in giving a discount to EV.



## Disclosures (in some markets)

- Embedded value can be a very useful management tool (**analysis of movement in embedded value** and variance analysis can be very illuminating). Can equally expect positive and negative variances but does the market react the same way for positive and negative variances?
- Also, sensitivity analyses can be helpful, but often information is not granular enough.

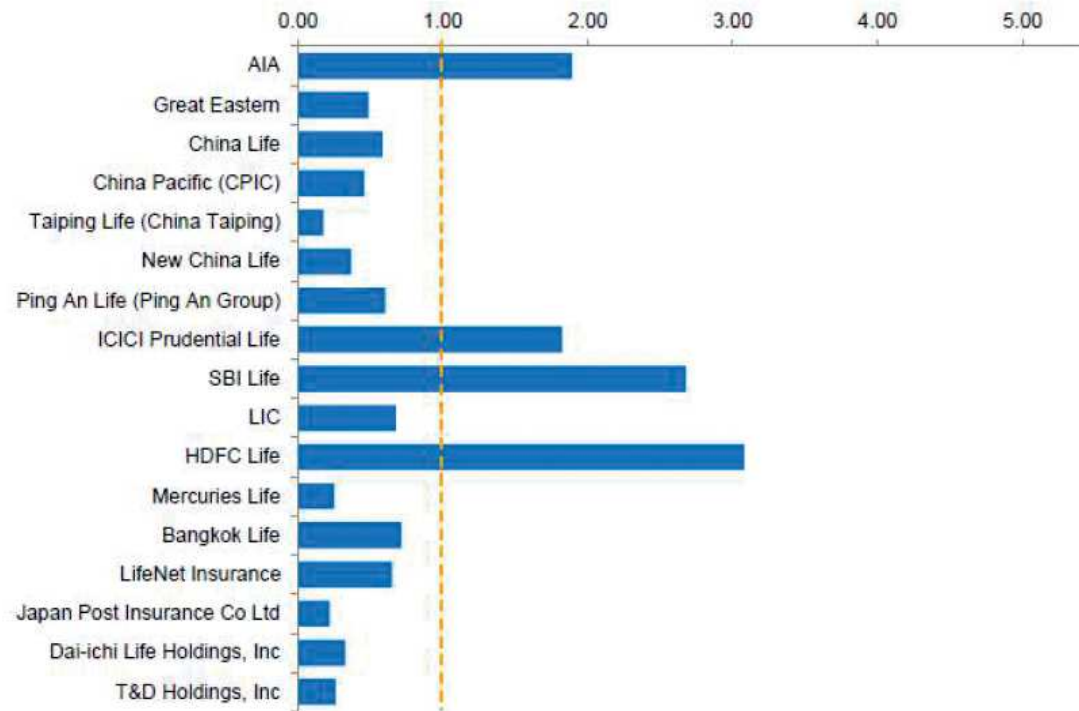
# Asian Companies

Limited amount of disclosure of EV for Asian companies

## Price-to-Embedded Value Milliman Report – 2022

Most insurers are trading below 1.0x of P/EV, except for AIA and several insurers in India.

Source: Milliman 2022 Embedded Value  
Results: Asia





# Price can be more volatile for traded stocks

Prudential & AIA recent P/EV ratio – JP Morgan publication

## P/EV ratio

Price to FY1 group embedded value (from Sept 2021 for Prudential, prior to that this is based on estimated Asia embedded value)

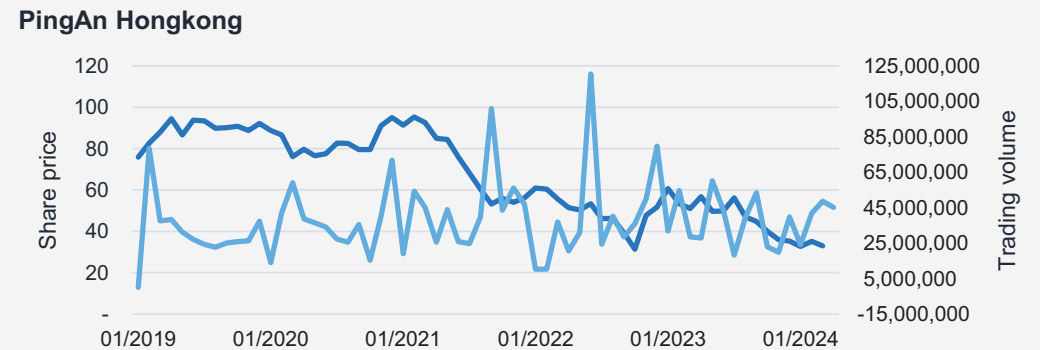
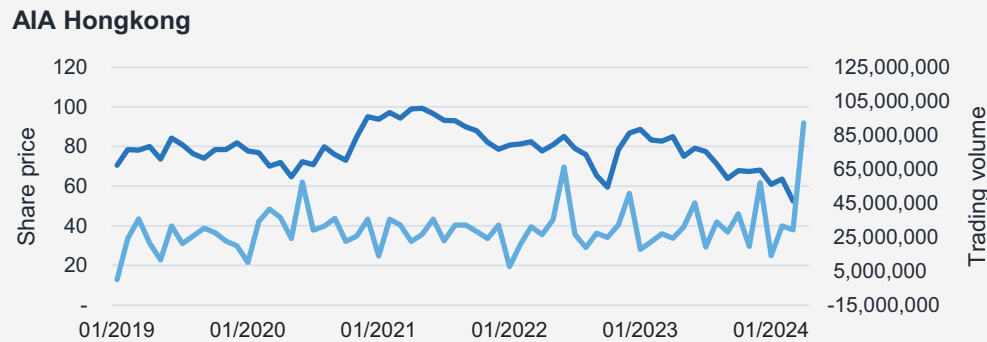
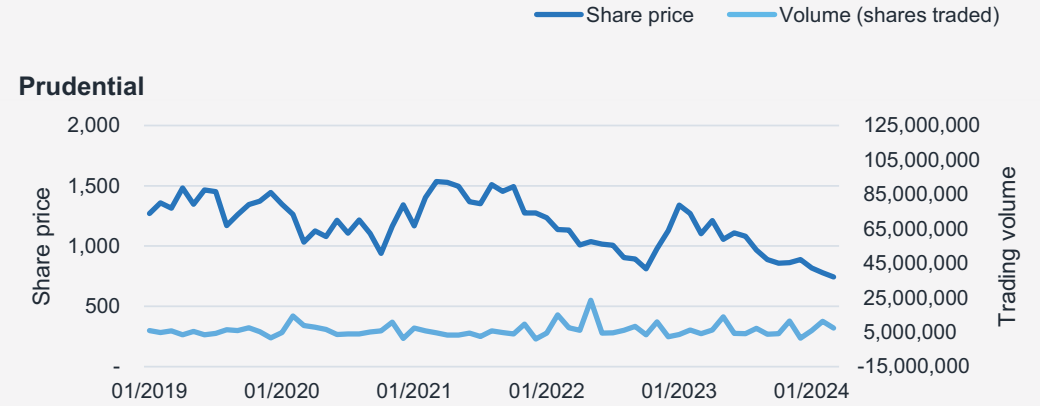
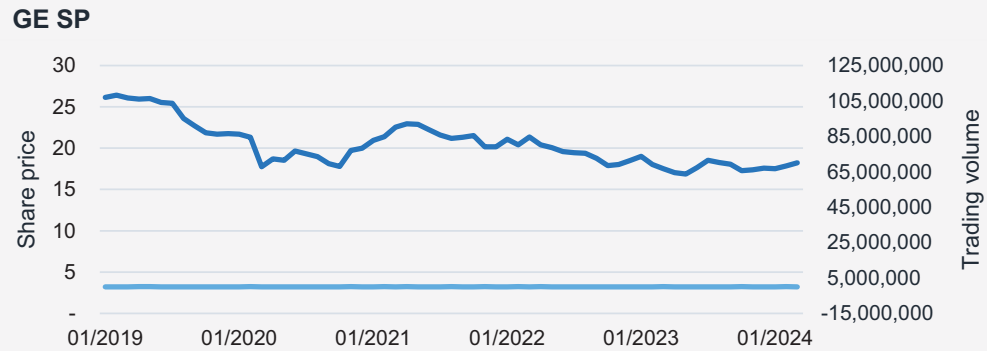


Source: Each company's annual report and J.P. Morgan estimates.

For the more actively traded shares of Prudential and AIA, the stock price can be seen to move in line with external events.

# Asian examples

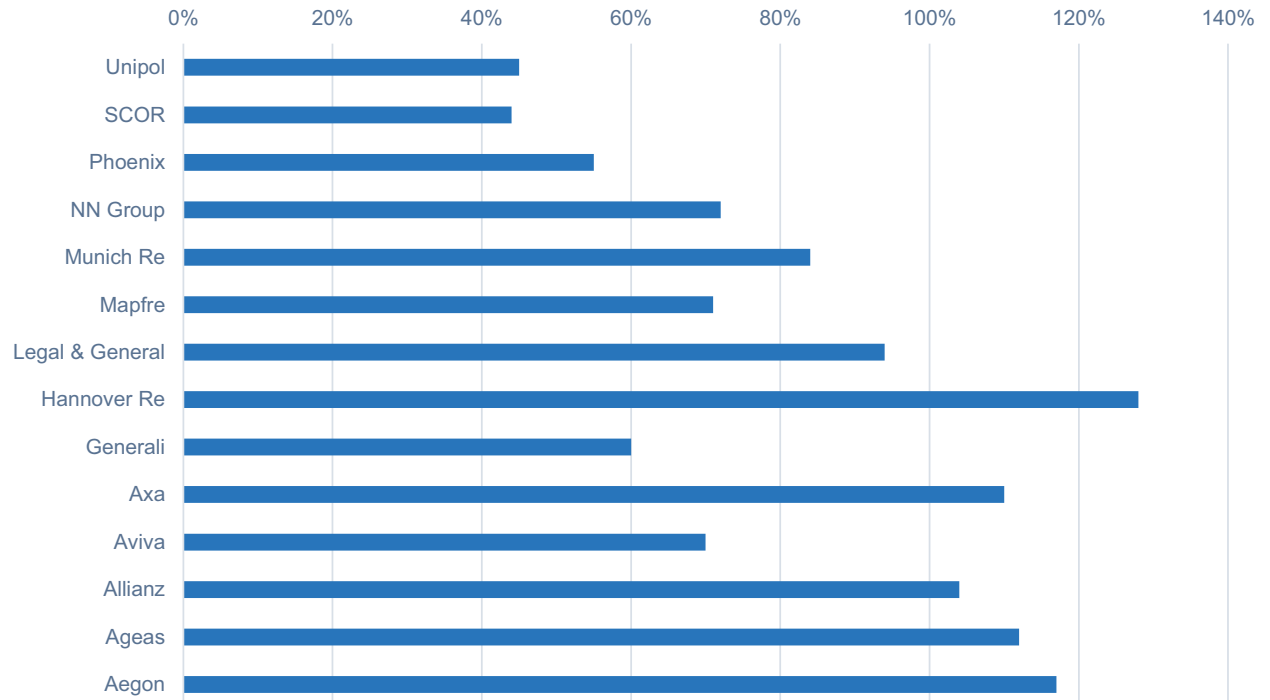
Trading volumes vary



# UK/EU market

We show the ratio of market capitalisation to Group Own Funds for a number of the biggest insurance groups in the UK and EU for year-end 2022 (year-end 2023 data is not available yet). [In Europe Solvency 2 Own Funds is often used to approximate Embedded Value]

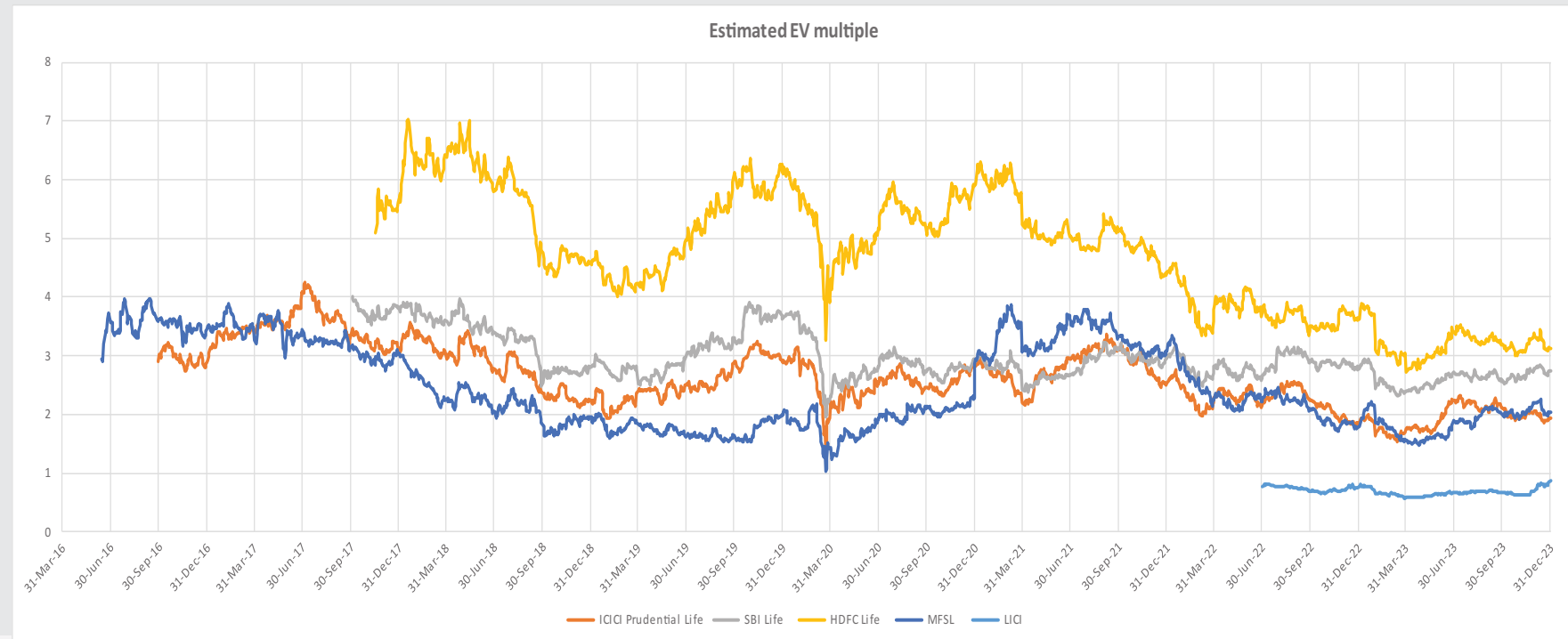
The table shows that for 9 out of 14 of the groups the market capitalisation is less than the Group Own Funds, with some firms showing a market capitalisation that is less than half of their Own Funds. For the other 5 groups the Own Funds exceed the market capitalisation.



# India P/EV multiples

Indian IPOs commenced in 2016; LIC more recent but a very mature company (trading with P/EV <1)

## Estimated EV Multiple



## Conclusions

- GEH is not alone in having with a P/EV of less than one, a trait that is exhibited by more mature life insurance companies, globally.
- EV can be calculated using a variety of methodologies and assumptions which makes comparison of EV across companies somewhat challenging.
- EV has been an accepted metric for life insurance companies for close to 30 years. The emergence of IFRS17 will likely see the emergence of other metrics (AIA/Prudential have started to disclose IFRS17 metrics and other Asian insurers are starting to follow). EV is likely however to remain a core metric for many years and will be a cornerstone for M&A related transactions (where future new business is also considered).
- The life insurance sector in South East Asia remains an attractive sector, with scope to expand into many underpenetrated segments.



# Reliances and Limitations

## Usage and distribution

- We have prepared this Presentation for delivery at the Annual General Meeting of Great Eastern Holdings to be held on 25 April 2024.
- This Presentation is subject to the terms and limitations, including limitation of liability and legal jurisdiction, set out in our Engagement Letter dated 23 April 2024.
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## Reliances

- In preparing this Presentation we have relied upon certain information provided by GEH including information on GEH and competitor share prices. We have also relied upon certain other publicly available information on embedded values and share prices across Asian and the UK/EU.
- We performed no audit or independent verification of any of the information furnished to us or which we have used. To the extent that there are any material errors in the information provided or used, the results of our analysis and our findings will be affected.



# Thank You

Richard Holloway

[richard.holloway@milliman.com](mailto:richard.holloway@milliman.com)

# GEH Annual General Meeting

25 April 2024



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# 1. Price to-Book

Most companies with valuations below book, particularly those in real estate sector

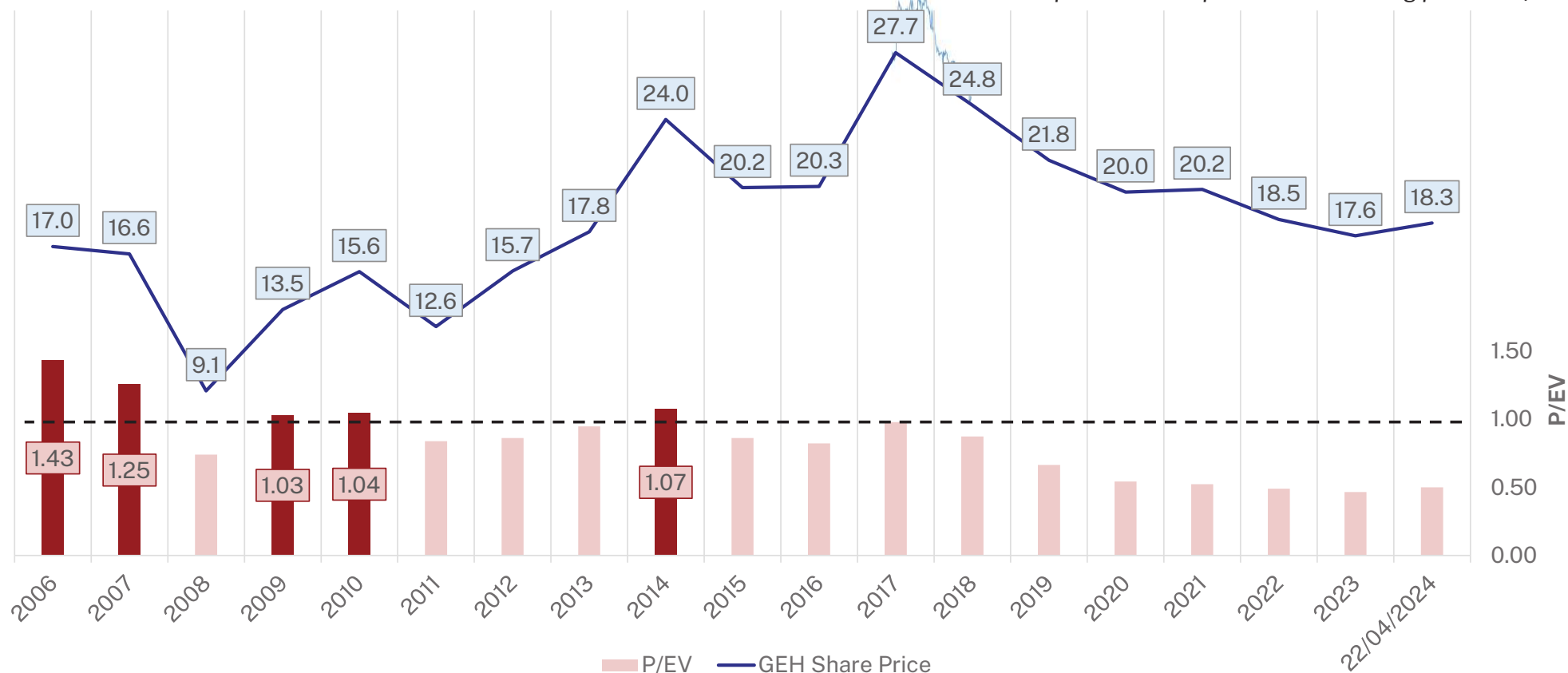
	Name	Market Cap (SGD bn)	Price-to-Book (P/B)
<b>REAL ESTATE</b>	Hong Kong Land	9.7	0.2
	Frasers Property	3.3	0.3
	Singapore Land	2.6	0.3
	Suntec REIT	3.1	0.5
	Paragon REIT	2.3	0.8
<b>OTHERS</b>	Wilmar International	21.0	0.8
	First Resources	2.1	1.2
	Singtel	40.6	1.5
	Genting	10.9	1.3
	Mandarin Oriental	2.7	0.7
	Singapore Tech Engineering	12.4	5.0
	Jardine Cycle & Carriage	9.5	0.9
	Thai Beverage	12.6	1.7
	Olam Group	3.9	0.5
	Haw Par	2.2	0.6
	Raffles Medical	2.0	1.9
	Great Eastern Holdings	8.7	1.1
	UOB-Kay Hian	1.2	0.7

1.0x P/B

Sizeable SGX listed companies based on market capitalisation from various sectors with <50% free-float as at 13 March 2024.

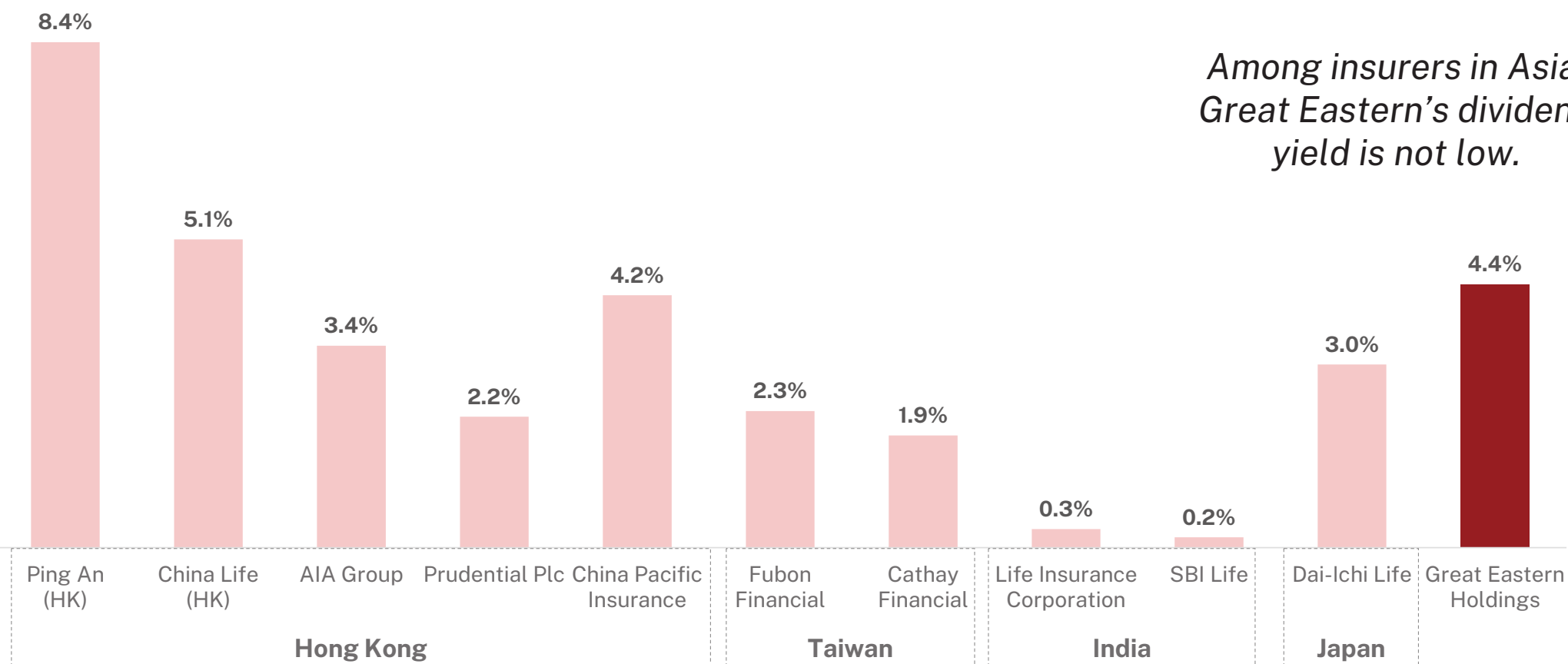
## 2. GEH Share Price (SGD) vs P/EV

\* GEH shares peaked at 19 April 2018 with closing price of S\$ 31.59



**Note:** P/EV ratios calculated using 'market capitalisation/EV' as at the reporting date of EV results.

### 3. Dividend Yield



**Note:** Dividend yield computed using dividend declared in the previous financial year excluding special dividends, except for Great Eastern Holdings where dividend per share is estimated to be S\$ 0.80 per share, against the closing share prices at 22 April 2024.

**Thank You**

