

# **GREAT EASTERN HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No 199903008M)



## **To Our Shareholders**

The Board of Directors of Great Eastern Holdings Limited ("GEH") announced today:

### **Unaudited Financial Results of GEH Group for the First Quarter Ended 31 March 2010**

For the quarter ended 31 March 2010, Group net profit attributable to shareholders was \$179.1 million. Details of the financial results are attached.

### **Dividend**

No interim dividend has been declared for the first quarter ended 31 March 2010 (first quarter 2009: nil).

### **Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual**

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Company and of the Group for the first quarter ended 31 March 2010 to be false or misleading in any material aspect.

By Order of the Board

Jennifer Wong Pakshong  
Group Company Secretary  
Singapore, 4 May 2010

*The Group financial results are also available on the Company's website at [www.lifeisgreat.com.sg](http://www.lifeisgreat.com.sg).*

**FINANCIAL RESULTS FOR THE FIRST QUARTER 2010**

**1. GROUP PROFIT AND LOSS STATEMENTS**

in Singapore Dollars (millions)	1st Quarter 2010	1st Quarter 2009	% + / (-)	4th Quarter 2009	% + / (-)
<b>Gross Premiums</b>	<b>1,343.0</b>	1,175.7	14	1,615.9	(17)
Life assurance profit from:					
Participating Fund	<b>22.9</b>	29.1	(21)	19.9	15
Non-participating Fund	<b>99.0</b>	194.6	(49)	73.8	34
Investment-linked Fund	<b>24.4</b>	41.8	(42)	33.7	(28)
Profit from life assurance	<b>146.3</b>	265.5	(45)	127.4	15
Profit from general insurance	<b>5.6</b>	12.1	(54)	4.1	37
<b>Profit from insurance operations</b>	<b>151.9</b>	277.6	(45)	131.5	16
Investment income, net	<b>28.1</b>	24.8	13	22.3	26
Gain / (loss) on sale of investments and changes in fair value	<b>19.3</b>	(21.5)	nm	6.6	192
Increase in provision for impairment of assets	<b>(2.2)</b>	(2.3)	nm	(9.9)	nm
Gain / (loss) in exchange differences	<b>2.0</b>	5.2	(62)	(0.8)	nm
<b>Profit from investments</b>	<b>47.2</b>	6.2	nm	18.2	159
<b>Fees and other income</b>	<b>16.9</b>	14.6	16	17.4	(3)
<b>Profit before expenses</b>	<b>216.0</b>	298.4	(28)	167.1	29
less:					
Management and other expenses	<b>12.5</b>	17.3	(28)	(6.7)	nm
Depreciation	<b>0.4</b>	0.2	100	0.5	(20)
<b>Expenses</b>	<b>12.9</b>	17.5	(26)	(6.2)	nm
<b>Profit after expenses</b>	<b>203.1</b>	280.9	(28)	173.3	17
Share of loss of associates	<b>(0.3)</b>	(0.1)	nm	(0.3)	nm
Share of loss of joint ventures	<b>(1.6)</b>	(1.2)	nm	(2.4)	nm
	<b>201.2</b>	279.6	(28)	170.6	18
Income tax	<b>(19.4)</b>	(40.8)	nm	(20.8)	nm
<b>Profit after income tax</b>	<b>181.8</b>	238.8	(24)	149.8	21
<b>Attributable to:</b>					
<b>Shareholders</b>	<b>179.1</b>	237.0	(24)	148.4	21
<b>Minority interests</b>	<b>2.7</b>	1.8	50	1.4	93
	<b>181.8</b>	238.8	(24)	149.8	21
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	<b>0.38</b>	0.50	(24)	0.31	23
Return on Equity (Average Shareholders' Fund) (%) (not annualised)	<b>4.8%</b>	7.6%	-2.8 pp	4.2%	0.6 pp

nm – not meaningful / exceeding 300%

## 2. GROUP STATEMENT OF COMPREHENSIVE INCOME

in Singapore Dollars (millions)	1st Quarter 2010	1st Quarter 2009	%	4th Quarter 2009	%
			+ / (-)		+ / (-)
<b>Profit for the period</b>	<b>181.8</b>	238.8	(24)	149.8	21
<b>Other comprehensive income:</b>					
Exchange differences arising on translation of overseas entities	27.7	4.3	nm	(0.3)	nm
Share of currency translation reserves of associates and joint ventures	0.1	3.6	(97)	(0.2)	nm
Available-for-sale financial assets:					
Changes in fair value	50.7	(71.6)	nm	49.9	2
Reclassification adjustments for gains / (losses) included in Profit and Loss Statement	6.1	20.5	(70)	(3.4)	nm
Tax on changes in fair value	(10.3)	4.0	nm	(7.3)	nm
Effect of reduction in tax rate on other comprehensive income	-	(1.2)	-	-	-
<b>Other comprehensive income for the period, net of tax</b>	<b>74.3</b>	(40.4)	nm	38.7	92
<b>Total comprehensive income for the period</b>	<b>256.1</b>	198.4	29	188.5	36
<b>Total comprehensive income attributable to:</b>					
<b>Shareholders</b>	<b>253.1</b>	196.4	29	186.8	35
<b>Minority interests</b>	<b>3.0</b>	2.0	50	1.7	76
	<b>256.1</b>	198.4	29	188.5	36

*nm – not meaningful / exceeding 300%*

### 3. BALANCE SHEET – GROUP

in Singapore Dollars (millions)	Group		% + / (-)
	31 Mar 10	31 Dec 09	
<b>Share capital</b>	<b>247.4</b>	247.4	-
<b>Reserves</b>			
Currency translation reserve	(10.2)	(38.0)	nm
Fair value reserve	113.7	67.5	68
Accumulated profit	<b>3,468.5</b>	3,289.4	5
<b>SHAREHOLDERS' FUND</b>	<b>3,819.4</b>	3,566.3	7
<b>MINORITY INTERESTS</b>	<b>25.5</b>	26.7	(4)
<b>TOTAL EQUITY</b>	<b>3,844.9</b>	3,593.0	7
<b>LIABILITIES</b>			
Insurance payables	<b>2,296.6</b>	2,206.9	4
Other creditors and interfund balances	<b>2,078.3</b>	1,865.8	11
Unexpired risk reserve	<b>90.6</b>	79.5	14
Derivative financial liabilities	<b>47.7</b>	46.6	2
Income tax	<b>324.0</b>	299.1	8
Provision for agents' retirement benefits	<b>207.9</b>	192.0	8
Amount due to joint venture	<b>0.2</b>	-	nm
Deferred tax	<b>835.5</b>	766.3	9
General insurance fund	<b>105.2</b>	95.5	10
Life assurance fund	<b>41,020.6</b>	39,386.5	4
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>50,851.5</b>	48,531.2	5
<b>ASSETS</b>			
Cash and cash equivalents	<b>3,057.0</b>	3,215.9	(5)
Other debtors and interfund balances	<b>2,071.8</b>	1,835.1	13
Insurance receivables	<b>2,537.4</b>	2,454.9	3
Amount due from joint venture	-	5.9	(100)
Loans	<b>1,976.2</b>	1,932.5	2
Derivative financial assets	<b>350.9</b>	322.8	9
Investments	<b>38,641.4</b>	36,558.9	6
Associates and joint ventures	<b>319.8</b>	323.9	(1)
Goodwill	<b>18.7</b>	18.7	-
Investment properties	<b>1,128.9</b>	1,118.9	1
Property, plant and equipment	<b>749.4</b>	743.7	1
<b>TOTAL ASSETS</b>	<b>50,851.5</b>	48,531.2	5
Net Asset Value per share (in Singapore Dollars)	<b>8.07</b>	7.53	7

For analysis of major variances, please refer to section 9.9 on page 9.

nm – not meaningful / exceeding 300%

#### 4. BALANCE SHEET – COMPANY

in Singapore Dollars (millions)	Company		
	31 Mar 10	31 Dec 09	% + / (-)
<b>Share capital</b>	<b>247.4</b>	247.4	-
<b>Reserves</b>			
Merger reserve	<b>419.2</b>	419.2	-
Accumulated profit	<b>661.9</b>	653.6	1
<b>TOTAL EQUITY</b>	<b>1,328.5</b>	1,320.2	1
<b>LIABILITIES</b>			
Other creditors and interfund balances	<b>7.4</b>	5.9	25
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,335.9</b>	1,326.1	1
<b>ASSETS</b>			
Cash and cash equivalents	<b>21.1</b>	11.1	90
Income tax	<b>0.3</b>	0.3	-
Amounts due from subsidiaries	<b>678.7</b>	678.9	(0)
Subsidiaries	<b>635.5</b>	635.5	-
Property, plant and equipment	<b>0.3</b>	0.3	-
<b>TOTAL ASSETS</b>	<b>1,335.9</b>	1,326.1	1
Net Asset Value per share (in Singapore Dollars)	<b>2.81</b>	2.79	1

#### 5. SELECTED MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Shareholders' and General Insurance Funds		
	1st Quarter 2010	1st Quarter 2009	4th Quarter 2009
1 Directors' remuneration			
Directors of the Company	<b>0.3</b>	0.2	0.7
Directors of subsidiaries	-	-	1.9
2 Staff costs and related expenses (including executive directors and key management personnel compensation)	<b>14.8</b>	14.9	13.8
3 Rental expense	<b>1.2</b>	1.3	1.3
4 Depreciation	<b>0.5</b>	0.3	0.6
in Singapore Dollars (millions)	Life Assurance Fund		
	1st Quarter 2010	1st Quarter 2009	4th Quarter 2009
1 Directors' remuneration			
Directors of the Company	<b>0.4</b>	0.4	1.1
Directors of subsidiaries	-	-	1.2
2 Staff costs and related expenses (including executive directors and key management personnel compensation)	<b>30.5</b>	29.4	34.0
3 Rental expense	<b>4.0</b>	4.3	4.0
4 Depreciation	<b>10.7</b>	11.0	11.8

## 6. GROUP STATEMENT OF CHANGES IN EQUITY for the period ended 31 March

in Singapore Dollars (millions)	Attributable to Shareholders of the Company				Total	Minority Interests	Total Equity
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Accumulated Profit <sup>(1)</sup>			
Balance at 1 January 2010	247.4	(38.0)	67.5	3,289.4	3,566.3	26.7	3,593.0
Total comprehensive income for the period	-	27.8	46.2	179.1	253.1	3.0	256.1
Dividends paid to minority interests	-	-	-	-	-	(4.2)	(4.2)
<b>Balance at 31 March 2010</b>	<b>247.4</b>	<b>(10.2)</b>	<b>113.7</b>	<b>3,468.5</b>	<b>3,819.4</b>	<b>25.5</b>	<b>3,844.9</b>
Balance at 1 January 2009	247.4	(25.9)	(82.4)	2,872.1	3,011.2	28.5	3,039.7
Total comprehensive income for the period	-	7.9	(48.5)	237.0	196.4	2.0	198.4
Dividends paid to minority interests	-	-	-	-	-	(5.4)	(5.4)
<b>Balance at 31 March 2009</b>	<b>247.4</b>	<b>(18.0)</b>	<b>(130.9)</b>	<b>3,109.1</b>	<b>3,207.6</b>	<b>25.1</b>	<b>3,232.7</b>

(1) Included in Accumulated Profit are non-distributable reserves of \$872.0 million (31 Mar 2009: \$743.2 million), which arises from regulatory risk charges in Singapore and Malaysia that are held out of the Group Shareholders' Accumulated Profit Account.

## 7. COMPANY STATEMENT OF CHANGES IN EQUITY for the period ended 31 March

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total Equity
Balance at 1 January 2010	247.4	419.2	653.6	1,320.2
Total comprehensive income for the period	-	-	8.3	8.3
<b>Balance at 31 March 2010</b>	<b>247.4</b>	<b>419.2</b>	<b>661.9</b>	<b>1,328.5</b>
Balance at 1 January 2009	247.4	419.2	735.7	1,402.3
Total comprehensive income for the period	-	-	11.1	11.1
<b>Balance at 31 March 2009</b>	<b>247.4</b>	<b>419.2</b>	<b>746.8</b>	<b>1,413.4</b>

## 8. CONSOLIDATED STATEMENT OF CASH FLOWS

in Singapore Dollars (millions)	1st Quarter 2010	1st Quarter 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	201.2	279.6
Life assurance profit before income tax	35.1	1,259.5
General insurance profit before income tax	5.2	12.4
Adjustments for non-cash items:		
Surplus transferred from life assurance fund but not yet withdrawn	(146.3)	(265.5)
Profit transferred from general insurance fund but not yet withdrawn	(5.6)	(12.1)
Share of (profit) / loss of associates and joint ventures	(16.2)	29.9
(Gain) / loss on sale of investments and changes in fair value	(148.6)	316.4
Increase in provision for impairment of assets	7.2	31.6
Increase in provision for agents' retirement benefits	8.8	3.3
Gain on disposal of property, plant and equipment and investment properties	-	(0.1)
Depreciation	11.2	11.3
Unrealised loss / (gain) in exchange differences	27.7	(146.4)
Change in life assurance contract liabilities	745.4	(1,113.9)
Change in general insurance contract liabilities	11.3	(7.1)
Change in unexpired risk reserve	8.8	10.1
Dividend income	(72.9)	(68.3)
Interest income	(350.9)	(332.8)
Interest expense on policy benefits	19.9	18.2
Share-based payments	1.3	1.6
	<b>342.6</b>	<b>27.7</b>
Changes in working capital:		
Insurance receivables	(85.4)	(24.8)
Other debtors and interfund balances	(283.8)	(177.2)
Insurance payables	89.7	36.0
Other creditors and interfund balances	211.2	322.1
Cash generated from operations	<b>274.3</b>	<b>183.8</b>
Income tax paid	(35.9)	(42.5)
Interest paid on policy benefits	(19.9)	(18.2)
Agents' retirement benefits paid	(2.3)	(1.7)
<b>Net cash flows from operating activities</b>	<b>216.2</b>	<b>121.4</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	2,839.5	4,913.0
Purchase of investments	(4,426.4)	(4,952.0)
Proceeds from reduction of interests in associates	28.4	-
Capital injection in associates and joint ventures	-	(46.5)
Repayment of loans by / (to) joint ventures	6.1	(0.1)
Proceeds from sale of property, plant and equipment and investment properties	-	6.4
Purchase of property, plant and equipment and investment properties	(5.7)	(3.8)
Interest income received	338.9	345.7
Dividends received	115.5	62.4
<b>Net cash flows (used in) / from investing activities</b>	<b>(1,103.7)</b>	<b>325.1</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to minority interests	(4.2)	(5.4)
<b>Net cash flows used in financing activities</b>	<b>(4.2)</b>	<b>(5.4)</b>
<b>Net effect of currency translation reserve adjustment</b>	<b>732.8</b>	<b>82.1</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(158.9)</b>	<b>523.2</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,215.9</b>	<b>4,030.4</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,057.0</b>	<b>4,553.6</b>

## 9. REVIEW OF RESULTS

The Group Financial Statements for the first quarter of 2010 (Q1-10) have been prepared in accordance with the Singapore Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS).

### 9.1 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Group profit attributable to shareholders in Q1-10 was \$179.1 million, a hefty 332% increase over the same quarter last year after excluding a one-time profit contribution (after tax) of \$195.5 million in Q1-09. The one-time profit arose from the move to a new risk-based regulatory capital framework in Malaysia and a portfolio matching exercise in Singapore. This higher profit was due to improved underwriting results and strong investment performance from the continued recovery of the global financial markets. Compared with \$148.4 million in Q4-09, profit increased by 21% due to improving market conditions and decreased by 24% from \$237.0 million in Q1-09 (if the one-time profit contribution (after tax) in Q1-09 is included).

### 9.2 GROSS PREMIUMS

Q1-10 gross premiums increased 14% year-on-year to \$1,343.0 million (Q1-09: \$1,175.7 million) mainly due to increased single premium sales. Quarter-on-quarter, gross premiums fell by 17%, in line with the industry seasonal trend where the second half of the year traditionally sees higher sales.

### 9.3 NEW SALES

9.3.1 Q1-10 total weighted new sales rose 20% year-on-year to \$134.9 million (Q1-09: \$112.4 million) for life insurance operations. Singapore contributed the lion's share of sales growth, with an increase of 61%. The new markets also demonstrated healthy growth, albeit from a low base, mainly from China and Indonesia. Sales in Malaysia dropped by 21% due to a change in product mix this year as well as a special one-time product promotion last year.

Sales were however 29% lower than the previous quarter (Q4-09), in line with the industry seasonal trend.

in SGD (million)	Q1-10	Q1-09	+ / (-)	Q4-09	+ / (-)
<b>SINGAPORE</b>					
Single Premium	366.1	288.0	27%	497.7	-26%
New Regular Premium	44.7	21.8	105%	52.9	-16%
Total Weighted New Sales	81.3	50.6	61%	102.7	-21%
<b>MALAYSIA</b>					
Single Premium	20.5	14.6	40%	67.6	-70%
New Regular Premium	44.2	57.3	-23%	76.0	-42%
Total Weighted New Sales	46.2	58.8	-21%	82.8	-44%
<b>OTHER ASIA</b>					
Single Premium	33.4	4.8	nm	7.9	nm
New Regular Premium	4.0	2.5	60%	2.6	54%
Total Weighted New Sales	7.4	3.0	147%	3.4	118%
<b>TOTAL</b>					
Single Premium	420.0	307.4	37%	573.2	-27%
New Regular Premium	92.9	81.6	14%	131.5	-29%
Total Weighted New Sales	134.9	112.4	20%	188.8	-29%

- Note:
- Total Weighted New Sales = (Single Premium x 10%) + New Regular Premium
  - Figures have been restated to align the definition of new sales across all entities within the Group. Before restatement, the total weighted new sales for Q1-09 was \$129.9 million.
  - Premiums from Malaysia and Other Asia are converted using 2010 quarter-end and 2009 year-end exchange rates respectively.
  - Other Asia includes premium from Indonesia, Vietnam and China. China results reflect the Group's share of 50% in the joint venture.



### 9.3.2 New Business Embedded Value (NBEV)

in SGD (million)	Q1-10	Q1-09	+/(-) %	Q4-09	+/(-) %
Singapore	33.6	20.8	62%	43.2	-22%
Malaysia	22.9	21.4	7%	33.9	-32%
Other Asia	1.9	0.5	280%	0.8	138%
<b>Total</b>	<b>58.4</b>	<b>42.7</b>	<b>37%</b>	<b>77.9</b>	<b>-25%</b>

Note: Other Asia includes embedded value of Indonesia, Vietnam and China. China results reflect the Group's share of 50% in the joint venture.

Q1-10 NBEV grew by 37% year-on-year which outpaced the growth in new sales. Compared with the previous quarter, Q1-10 NBEV was 25% lower due to seasonal factors.

## 9.4 PROFIT FROM INSURANCE OPERATIONS

Q1-10 profit from insurance operations was \$151.9 million (Q1-09: \$277.6 million).

in SGD (million)	Q1-10			Q1-09		
	Recurring Profit	One-time Profit	Total Profit	Recurring Profit	One-time Profit	Total Profit
Life assurance profit from:						
Participating Fund	22.9	-	22.9	29.1	-	29.1
Non-participating Fund	99.0	-	99.0	16.5	178.1	194.6
Investment-linked Fund	24.4	-	24.4	18.9	22.9	41.8
Profit from life assurance	146.3	-	146.3	64.5	201.0	265.5
Profit from general insurance	5.6	-	5.6	-	12.1	12.1
<b>Profit from insurance operations</b>	<b>151.9</b>	<b>-</b>	<b>151.9</b>	<b>64.5</b>	<b>213.1</b>	<b>277.6</b>

If the one-time profit contributions in Q1-09 (related to the move to the new risk based capital framework in Malaysia and the portfolio matching exercise in Singapore) were excluded, recurring profit from the Group's insurance operations would have more than doubled from last year.

The increase in profit was mainly due to better investment performance in the Non-Participating Fund. For the same period last year, investment performance was negative due to the weak equity market. Underwriting profit of the Non-Participating Fund also improved as a result of lower claims payouts.

## 9.5 PROFIT FROM INVESTMENTS OF SHAREHOLDERS' FUND

Q1-10 profit from investments in the Shareholders' Fund of \$47.2 million was higher than Q1-09 and Q4-09, mainly due to mark-to-market gains from the Group's investments and higher interest and dividend income in line with improving market conditions.

## 9.6 FEES AND OTHER INCOME

In Q1-10, fees and other income increased 16% year-on-year to \$16.9 million (Q1-09: \$14.6 million) due to the growth in assets under management (AUM) of Lion Global Investors Limited (\$28.0 billion as at 31 March 2010 compared with \$26.0 billion as at 31 March 2009). The increase in AUM was due to the recovery in equity markets.

## 9.7 MANAGEMENT AND OTHER EXPENSES

In Q1-10, management and other expenses decreased by 28% year-on-year to \$12.5 million due to lower operating costs.

In Q4-09, management and other expenses was a negative \$6.7 million due to the reversal of an expense provision that was no longer required.

## 9.8 SHARE OF LOSS OF ASSOCIATES AND JOINT VENTURES

In Q1-10, share of loss of associates and joint ventures increased to \$1.9 million (Q1-09: \$1.3 million) due to increased management and distribution expenses to support expansion of the joint-venture in China.

## 9.9 BALANCE SHEETS

### 9.9.1 Translation Reserves

As at 31 March 2010, translation loss was reduced to \$10.2 million compared with \$38.0 million as at 31 December 2009 mainly due to the strengthening of the Malaysian Ringgit against the Singapore Dollar.

### 9.9.2 Fair Value Reserves

As at 31 March 2010, fair value reserves increased by 68% to \$113.7 million compared with \$67.5 million as at 31 December 2009 mainly due to mark-to-market gains.

### 9.9.3 Other Creditors, Debtors and Interfund Balances

Other creditors and interfund balances increased by 11% to \$2,078.3 million as at 31 March 2010 (31 December 2009: \$1,865.8 million); other debtors and interfund balances increased by 13% to \$2,071.8 million as at 31 March 2010 (31 December 2009: \$1,835.1 million). The increase was attributed mainly to timing differences in investment trades.

### 9.9.4 Income Tax and Deferred Tax

As at 31 March 2010, income tax provision increased by 8% to \$324.0 million, in line with the increase in profits. Deferred tax increased by 9% to \$835.5 million as a result of larger investment gains.

### 9.9.5 Cash and cash equivalents

As at 31 March 2010, cash and cash equivalents decreased by 5% to \$3,057.0 million compared with \$3,215.9 million as at 31 December 2009, in line with the Group's investment strategy.

### 9.9.6 Investments

As at 31 March 2010, valuation of investments increased by 6% to \$38,641.4 million compared with \$36,558.9 million as at 31 December 2009 due primarily to mark-to-market changes. Of the increase, 74% was from the Participating Fund and 9% from the Investment-Linked Fund.

### 9.9.7 Asset allocation of life funds, excluding investment-linked funds, was as follows:

	SINGAPORE		MALAYSIA	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009
Fixed income & debt securities	65%	63%	72%	72%
Equities	21%	23%	19%	19%
Real estate & others	8%	7%	4%	4%
Cash & money market instruments	6%	7%	5%	5%
Market Value Assets (in SGD billion)	24.2	23.6	17.9	16.7

## 9.10 REGULATORY CAPITAL

The insurance subsidiaries of the Group have complied with the capital ratios prescribed by the insurance regulations of the jurisdictions in which they operate. In Singapore and Malaysia, the Capital Adequacy Ratios of the insurance subsidiaries both exceeded 200%, well above the minimum regulatory ratios of 120% and 130% respectively.

**10. SHARE CAPITAL**

The Company's issued and paid up share capital amounted to \$247.4 million as at 31 March 2010, the same as 31 December 2009. Total number of shares issued as at 31 March 2010 was 473,319,069, the same as 31 December 2009.

**11. ACCOUNTING POLICIES**

The Group adopted the accounting policies and methods of computation for the financial statements for Q1-10, consistent with the audited financial statements for the year ended 31 December 2009.

The adoption of the other revised and new FRS and INT FRS which came into effect on 1 January 2010 do not have any material financial impact on the Group's results for Q1-10.

**12. UNAUDITED RESULTS**

The consolidated Group's financial results for the first quarter ended 31 March 2010 have not been audited or reviewed by the Group's auditors.

**13. FACTORS THAT MAY AFFECT GROUP PERFORMANCE IN THE NEXT REPORTING AND/OR 12-MONTH PERIOD**

While the global economy has recovered in recent months, we remain cautiously optimistic. The Group's performance may be affected by interest rate and credit spread movements and volatility in the equity markets as a result of the anticipated withdrawals of stimulus packages by authorities around the world.

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