

# 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”) has announced:

### **Unaudited Financial Results of GEH Group for the First Quarter Ended 31 March 2012**

For the quarter ended 31 March 2012, Group profit attributable to shareholders was S\$262.5 million. Details of the financial results are attached.

### **Dividend**

No interim dividend has been declared in the first quarter of 2012 (first quarter 2011: 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 2012 to be false or misleading in any material aspect.

By Order of the Board

Jennifer Wong Pakshong  
Group Company Secretary  
Singapore, 3 May 2012

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

**FINANCIAL RESULTS FOR THE FIRST QUARTER 2012**

**1. GROUP PROFIT AND LOSS STATEMENTS**

in Singapore Dollars (millions)	1st Quarter 2012	1st Quarter 2011	% + / (-)	4th Quarter 2011	% + / (-)
<b>Gross Premiums</b>	<b>1,470.0</b>	1,461.9	1	1,675.9	(12)
Life assurance profit from:					
Participating Fund	<b>35.7</b>	30.7	16	31.7	13
Non-participating Fund	<b>160.2</b>	92.0	74	(13.9)	nm
Investment-linked Fund	<b>24.7</b>	27.1	(9)	33.0	(25)
<b>Profit from life assurance</b>	<b>220.6</b>	149.8	47	50.8	nm
Profit from general insurance	<b>5.8</b>	5.9	(2)	10.4	(44)
<b>Profit from insurance operations</b>	<b>226.4</b>	155.7	45	61.2	270
Investment income, net	<b>31.1</b>	25.3	23	20.0	56
Gain/(loss) on sale of investments and changes in fair value	<b>40.4</b>	(0.5)	nm	24.9	62
Increase in provision for impairment of assets	-	-	nm	(0.6)	(100)
(Loss)/gain on exchange differences	<b>(2.3)</b>	0.8	nm	(8.4)	nm
<b>Profit from investments in Shareholders' Fund</b>	<b>69.2</b>	25.6	170	35.9	93
<b>Fees and other income</b>	<b>15.3</b>	17.1	(11)	16.0	(4)
<b>Profit before expenses</b>	<b>310.9</b>	198.4	57	113.1	175
less:					
Management and other expenses	<b>16.7</b>	14.9	12	15.9	5
Interest expense	<b>4.6</b>	4.6	0	4.6	0
Depreciation	<b>0.5</b>	0.3	67	0.6	(17)
<b>Expenses</b>	<b>21.8</b>	19.8	10	21.1	3
<b>Profit after expenses</b>	<b>289.1</b>	178.6	62	92.0	214
Share of profit/(loss) after income tax of joint ventures	<b>1.1</b>	0.7	57	(4.4)	nm
<b>Profit before income tax</b>	<b>290.2</b>	179.3	62	87.6	231
Income tax	<b>(25.4)</b>	(18.1)	nm	(18.4)	nm
<b>Profit after income tax</b>	<b>264.8</b>	161.2	64	69.2	283
<b>Attributable to:</b>					
<b>Shareholders</b>	<b>262.5</b>	158.7	65	68.9	281
<b>Non-controlling interests</b>	<b>2.3</b>	2.5	(8)	0.3	nm
	<b>264.8</b>	161.2	64	69.2	283
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	<b>0.55</b>	0.34	62	0.14	293
Return on Equity (Average Shareholders' Fund) (%) (not annualised)	<b>6.4%</b>	3.9%	2.5 pp	1.6%	4.8 pp

nm – not meaningful / exceeding 300%

## 2. GROUP STATEMENT OF COMPREHENSIVE INCOME

in Singapore Dollars (millions)	1st Quarter 2012	1st Quarter 2011	% + / (-)	4th Quarter 2011	% + / (-)
<b>Profit after income tax for the period</b>	<b>264.8</b>	161.2	64	69.2	283
<b>Other comprehensive income:</b>					
Exchange differences arising on translation of overseas entities	(0.9)	(4.4)	nm	3.0	nm
Share of other comprehensive income of associates and joint ventures	(2.4)	(0.9)	nm	3.3	nm
Available-for-sale financial assets:					
Changes in fair value	136.1	(12.5)	nm	22.3	nm
Reclassification of realised (gain)/loss on disposal to Profit and Loss Statement	(5.8)	2.0	nm	(11.1)	nm
Tax on changes in fair value	(22.0)	2.0	nm	(2.2)	nm
<b>Other comprehensive income for the period, after tax</b>	<b>105.0</b>	(13.8)	nm	15.3	nm
<b>Total comprehensive income for the period</b>	<b>369.8</b>	147.4	151	84.5	nm
<b>Total comprehensive income attributable to:</b>					
Shareholders	367.1	145.2	153	83.9	nm
Non-controlling interests	2.7	2.2	23	0.6	nm
	<b>369.8</b>	147.4	151	84.5	nm

nm – not meaningful / exceeding 300%

### 3. BALANCE SHEET – GROUP

in Singapore Dollars (millions)	Group		%
	31 Mar 12	31 Dec 11	+ / (-)
<b>Share capital</b>	<b>152.7</b>	152.7	(0)
<b>Reserves</b>			
Currency translation reserve	<b>(46.0)</b>	(42.6)	nm
Fair value reserve	<b>258.0</b>	150.0	72
Accumulated profit	<b>3,914.7</b>	3,652.2	7
<b>SHAREHOLDERS' FUND</b>	<b>4,279.4</b>	3,912.3	9
<b>NON-CONTROLLING INTERESTS</b>	<b>30.4</b>	30.2	1
<b>TOTAL EQUITY</b>	<b>4,309.8</b>	3,942.5	9
<b>LIABILITIES</b>			
Insurance payables	<b>2,569.2</b>	2,517.5	2
Other creditors and interfund balances	<b>2,266.5</b>	2,364.9	(4)
Unexpired risk reserve	<b>120.8</b>	111.8	8
Derivative financial liabilities	<b>24.9</b>	62.1	(60)
Income tax	<b>478.1</b>	417.9	14
Provision for agents' retirement benefits	<b>237.2</b>	231.3	3
Amount due to joint venture	<b>0.1</b>	0.1	-
Deferred tax	<b>1,037.3</b>	945.9	10
Debts issued	<b>399.1</b>	399.1	-
General insurance fund	<b>190.5</b>	188.7	1
Life assurance fund	<b>45,458.4</b>	44,420.8	2
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57,091.9</b>	55,602.6	3
<b>ASSETS</b>			
Cash and cash equivalents	<b>5,057.6</b>	7,248.9	(30)
Other debtors and interfund balances	<b>1,910.0</b>	1,517.7	26
Insurance receivables	<b>2,564.7</b>	2,558.1	0
Loans	<b>1,142.3</b>	1,202.5	(5)
Derivative financial assets	<b>545.6</b>	438.0	25
Investments	<b>43,388.0</b>	40,152.9	8
Assets held for sale	<b>3.0</b>	4.4	(32)
Associates and joint ventures	<b>321.2</b>	320.2	0
Goodwill	<b>26.1</b>	26.1	-
Investment properties	<b>1,412.3</b>	1,411.8	0
Property, plant and equipment	<b>721.1</b>	722.0	(0)
<b>TOTAL ASSETS</b>	<b>57,091.9</b>	55,602.6	3
Net Asset Value per share (in Singapore Dollars)	<b>9.04</b>	8.27	9

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 12	31 Dec 11	% + / (-)
<b>Share capital</b>	<b>152.7</b>	152.7	(0)
<b>Reserves</b>			
Merger reserve	<b>419.2</b>	419.2	-
Accumulated profit	<b>829.9</b>	826.5	0
<b>TOTAL EQUITY</b>	<b>1,401.8</b>	1,398.4	0
<b>LIABILITIES</b>			
Other creditors and interfund balances	<b>6.6</b>	6.1	8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,408.4</b>	1,404.5	0
<b>ASSETS</b>			
Cash and cash equivalents	<b>8.9</b>	9.0	(1)
Income tax	<b>0.9</b>	0.8	13
Amounts due from subsidiaries	<b>721.2</b>	717.3	1
Subsidiaries	<b>677.3</b>	677.3	-
Property, plant and equipment	<b>0.1</b>	0.1	-
<b>TOTAL ASSETS</b>	<b>1,408.4</b>	1,404.5	0
Net Asset Value per share (in Singapore Dollars)	<b>2.96</b>	2.95	0

#### 5. SELECTED INCOME AND MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Shareholders' and General Insurance Funds		
	1st Quarter 2012	1st Quarter 2011	4th Quarter 2011
<u>Expenses</u>			
1 Directors' remuneration			
Directors of the Company	<b>0.6</b>	1.0	(0.2)
Directors of subsidiaries	-	-	2.3
2 Staff costs and related expenses (including executive directors and key management personnel compensation)	<b>21.8</b>	20.0	19.8
3 Rental expense	<b>1.9</b>	1.5	1.9
4 Depreciation	<b>0.8</b>	0.5	0.8

in Singapore Dollars (millions)	Life Assurance Fund		
	1st Quarter 2012	1st Quarter 2011	4th Quarter 2011
<u>Income</u>			
1 Investment income, net (excluding mark-to-market changes)	<b>410.7</b>	397.0	386.5
<u>Expenses</u>			
1 Directors' remuneration			
Directors of the Company	<b>0.2</b>	0.2	2.4
Directors of subsidiaries	-	-	1.3
2 Staff costs and related expenses (including executive directors and key management personnel compensation)	<b>37.5</b>	33.1	42.1
3 Rental expense	<b>3.4</b>	3.3	3.5
4 Depreciation	<b>10.9</b>	10.9	12.4

**6.1. GROUP STATEMENT OF CHANGES IN EQUITY for the period ended 31 March 2012**

in Singapore Dollars (millions)	Attributable to Shareholders of the Company				Total	Non-Controlling Interests	Total Equity
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Accumulated Profit <sup>(1)</sup>			
Balance at 1 January 2012	152.7	(42.6)	150.0	3,652.2	3,912.3	30.2	3,942.5
Profit for the period	-	-	-	262.5	262.5	2.3	264.8
<b>Other comprehensive income</b>							
Exchange differences arising on translation of overseas entities	-	(1.0)	-	-	(1.0)	0.1	(0.9)
Share of other comprehensive income of associates and joint ventures	-	(2.4)	-	-	(2.4)	-	(2.4)
<b>Available-for-sale financial assets:</b>							
Changes in fair value	-	-	135.7	-	135.7	0.4	136.1
Reclassification of realised gain on disposal to Profit and Loss Statement	-	-	(5.8)	-	(5.8)	-	(5.8)
Tax on changes in fair value	-	-	(21.9)	-	(21.9)	(0.1)	(22.0)
Other comprehensive income for the period, after tax	-	(3.4)	108.0	-	104.6	0.4	105.0
Total comprehensive income for the period	-	(3.4)	108.0	262.5	367.1	2.7	369.8
<b>Contributions by and distributions to shareholders</b>							
Dividends paid to non-controlling interests	-	-	-	-	-	(2.5)	(2.5)
Total contributions by and distributions to shareholders	-	-	-	-	-	(2.5)	(2.5)
Total transactions with shareholders in their capacity as shareholders	-	-	-	-	-	(2.5)	(2.5)
Balance at 31 March 2012	152.7	(46.0)	258.0	3,914.7	4,279.4	30.4	4,309.8

## 6.2. GROUP STATEMENT OF CHANGES IN EQUITY for the period ended 31 March 2011

in Singapore Dollars (millions)	Attributable to Shareholders of the Company				Total	Non-Controlling Interests	Total Equity
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Accumulated Profit <sup>(1)</sup>			
Balance at 1 January 2011	247.4	(32.3)	225.3	3,583.6	4,024.0	35.0	4,059.0
Profit for the period	-	-	-	158.7	158.7	2.5	161.2
<u>Other comprehensive income</u>							
Exchange differences arising on translation of overseas entities	-	(4.4)	-	-	(4.4)	-	(4.4)
Share of other comprehensive income of associates and joint ventures	-	(0.9)	-	-	(0.9)	-	(0.9)
Available-for-sale financial assets:							
Changes in fair value	-	-	(12.1)	-	(12.1)	(0.4)	(12.5)
Reclassification of realised loss on disposal to Profit and Loss Statement	-	-	2.0	-	2.0	-	2.0
Tax on changes in fair value	-	-	1.9	-	1.9	0.1	2.0
Other comprehensive income for the period, after tax	-	(5.3)	(8.2)	-	(13.5)	(0.3)	(13.8)
Total comprehensive income for the period	-	(5.3)	(8.2)	158.7	145.2	2.2	147.4
<u>Contributions by and distributions to shareholders</u>							
Dividends paid to non-controlling interests	-	-	-	-	-	(3.8)	(3.8)
Total contributions by and distributions to shareholders	-	-	-	-	-	(3.8)	(3.8)
Total transactions with shareholders in their capacity as shareholders	-	-	-	-	-	(3.8)	(3.8)
Balance at 31 March 2011	247.4	(37.6)	217.1	3,742.3	4,169.2	33.4	4,202.6

(1) Included in Accumulated Profit are non-distributable reserves of \$1,033.3 million (31 March 2011: \$972.8 million), which arise 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 periods ended 31 March 2012 and 2011

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total Equity
<b>Balance at 1 January 2012</b>	<b>152.7</b>	<b>419.2</b>	<b>826.5</b>	<b>1,398.4</b>
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>3.4</b>	<b>3.4</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>3.4</b>	<b>3.4</b>
<b>Balance at 31 March 2012</b>	<b>152.7</b>	<b>419.2</b>	<b>829.9</b>	<b>1,401.8</b>
Balance at 1 January 2011	247.4	419.2	843.5	1,510.1
Profit for the period	-	-	4.5	4.5
Total comprehensive income for the period	-	-	4.5	4.5
Balance at 31 March 2011	247.4	419.2	848.0	1,514.6

## 8. CONSOLIDATED STATEMENT OF CASH FLOWS

in Singapore Dollars (millions)	1st Quarter 2012	1st Quarter 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	290.2	179.3
Life assurance (loss)/profit before income tax	(153.4)	251.2
General insurance profit before income tax	7.5	7.4
Adjustments for non-cash items:		
Surplus transferred from life assurance fund but not yet withdrawn	(220.6)	(149.8)
Profit transferred from general insurance fund but not yet withdrawn	(5.8)	(5.9)
Share of (profit)/loss of associates and joint ventures	(8.0)	3.1
Gain on sale of investments and changes in fair value	(515.6)	(204.6)
Increase/(decrease) in provision for impairment of assets	0.9	(11.9)
Increase in provision for agents' retirement benefits	8.7	7.8
Gain on disposal of property, plant and equipment, assets held for sale and investment properties	(0.3)	-
Depreciation	11.7	11.4
Unrealised loss on exchange differences	109.6	4.0
Change in life assurance contract liabilities	759.9	485.5
Change in general insurance contract liabilities	1.1	0.6
Change in unexpired risk reserve	17.3	8.7
Amortisation of capitalised transaction fees	0.1	-
Dividend income	(107.1)	(94.8)
Interest income	(360.2)	(351.7)
Interest expense	4.6	4.6
Interest expense on policy benefits	24.1	21.8
Share-based payments	0.5	1.3
	<b>(134.8)</b>	168.0
Changes in working capital:		
Insurance receivables	(15.2)	0.7
Other debtors and interfund balances	(342.4)	(180.7)
Insurance payables	51.7	28.4
Other creditors and interfund balances	(94.3)	388.9
Cash (used in)/generated from operations	<b>(535.0)</b>	405.3
Income tax paid	(36.5)	(51.8)
Interest paid on policy benefits	(24.1)	(21.8)
Agents' retirement benefits paid	(3.3)	(2.4)
<b>Net cash flows (used in)/ from operating activities</b>	<b>(598.9)</b>	329.3
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	3,398.7	3,304.5
Purchase of investments	(5,403.8)	(2,232.4)
Proceeds from sale of property, plant and equipment, assets held for sale and investment properties	2.0	-
Purchase of property, plant and equipment and investment properties	(10.7)	(7.9)
Net cash inflow from acquisition of a business	-	8.7
Interest income received	310.9	344.7
Interest expense paid	(9.2)	-
Dividends received	94.3	87.7
<b>Net cash flows (used in)/from investing activities</b>	<b>(1,617.8)</b>	1,505.3
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to non-controlling interests	(2.5)	(3.8)
Proceeds from debts issued	-	399.0
<b>Net cash flows (used in)/from financing activities</b>	<b>(2.5)</b>	395.2
<b>Net effect of currency translation reserve adjustment</b>	<b>27.9</b>	<b>(37.5)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,191.3)</b>	2,192.3
<b>Cash and cash equivalents at the beginning of the period</b>	<b>7,248.9</b>	2,830.4
<b>Cash and cash equivalents at the end of the period</b>	<b>5,057.6</b>	5,022.7



## 9. REVIEW OF RESULTS

The Group Financial Statements for the first quarter of 2012 (Q1-12) were 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 Q1-12 was \$262.5 million, a rise of 65% compared with \$158.7 million in Q1-11. Net profit was supported by growth in underwriting profit, reflecting the successful shift in product mix over past quarters. The Group's performance also benefited from an increase in investment income as well as mark-to-market gains from the recovery of global financial markets.

### 9.2 GROSS PREMIUMS

Q1-12 gross premiums increased by 1% to \$1,470.0 million (Q1-11: \$1,461.9 million).

### 9.3 NEW SALES

9.3.1 The Group reported total weighted new sales of \$176.8 million (Q1-11: \$174.6 million), with a significant shift from single to regular premium products. The Singapore business benefited from the strong, sustained demand for regular premium products from the bancassurance channel, in particular the premier banking customer segment. Malaysia continued to register healthy sales of investment-linked products.

in SGD (millions)	Q1-12	Q1-11	+ / (-)	Q4-11	+ / (-)
<b>SINGAPORE</b>					
Single Premium	<b>276.3</b>	371.8	-26%	276.3	0%
New Regular Premium	<b>85.0</b>	70.9	20%	98.3	-14%
Total Weighted New Sales	<b>112.6</b>	108.1	4%	125.9	-11%
<b>MALAYSIA</b>					
Single Premium	<b>31.1</b>	28.2	10%	43.5	-29%
New Regular Premium	<b>53.5</b>	52.0	3%	91.2	-41%
Total Weighted New Sales	<b>56.6</b>	54.8	3%	95.6	-41%
<b>EMERGING MARKETS</b>					
Single Premium	<b>23.5</b>	34.7	-32%	18.3	28%
New Regular Premium	<b>5.2</b>	8.2	-37%	5.6	-7%
Total Weighted New Sales	<b>7.6</b>	11.7	-35%	7.3	4%
<b>TOTAL</b>					
Single Premium	<b>330.9</b>	434.7	-24%	338.1	-2%
New Regular Premium	<b>143.7</b>	131.1	10%	195.1	-26%
Total Weighted New Sales	<b>176.8</b>	174.6	1%	228.8	-23%

Note: a) Total Weighted New Sales = (Single Premium x 10%) + New Regular Premium  
b) Prior year figures have been restated based on last year-end exchange rates.  
c) Emerging Markets include premiums from Brunei, 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 Q1-12, NBEV grew by 14% to \$83.8 million (Q1-11: \$73.6 million), resulting from the improvement in product mix towards regular premium and protection-based products from the tied agency and financial advisory channels. NBEV in Singapore rose by 29% to \$50.8 million, contributed by higher sales of protection plans. In Malaysia, NBEV was supported by the continued momentum in the sales of investment-linked products.

in SGD (millions)	Q1-12	Q1-11	+/(-)	Q4-11	+/(-)
Singapore	<b>50.8</b>	39.5	29%	79.4	-36%
Malaysia	<b>31.3</b>	31.6	-1%	38.5	-19%
Emerging Markets	<b>1.7</b>	2.5	-32%	2.1	-19%
<b>Total</b>	<b>83.8</b>	73.6	14%	120.0	-30%

Note: a) Emerging Markets include embedded value of Brunei, Indonesia, Vietnam and China. China results reflect the Group's share of 50% in the joint venture.  
b) Prior year figures have been restated based on last year-end exchange rates.

### 9.4 **PROFIT FROM INSURANCE OPERATIONS**

Q1-12 profit from insurance operations rose by 45% to \$226.4 million (Q1-11: \$155.7 million). Underwriting profit continued to grow, reflecting the Group's strong insurance fundamentals. In addition, profit from insurance operations also benefited from the recovery of global financial markets. During the quarter, favourable credit and equity markets resulted in mark-to-market gains in asset valuations, leading to a significant increase in investment profit, which is a component of profit from insurance operations.

### 9.5 **PROFIT FROM INVESTMENTS IN SHAREHOLDERS' FUND**

Q1-12 profit from investments in Shareholders' Fund rose 170% to \$69.2 million (Q1-11: \$25.6 million). The increase was largely caused by mark-to-market gains in held-for-trading investments in Q1-12, in line with the improved investment climate.

### 9.6 **FEES AND OTHER INCOME**

Fees and other income decreased by 11% to \$15.3 million in Q1-12 (Q1-11: \$17.1 million), largely caused by a decline in assets under management by Lion Global Investors Limited, the Group's asset management arm.

### 9.7 **MANAGEMENT AND OTHER EXPENSES**

In Q1-12, management and other expenses increased by 12% to \$16.7 million (Q1-11: \$14.9 million), reflecting higher staff costs.

### 9.8 **SHARE OF PROFIT OF JOINT VENTURE**

The share of profit of the joint venture in China was \$1.1 million in Q1-12 (Q1-11: \$0.7 million). The share of profit increased mainly as a result of gains from disposal of equities by the joint venture.

### 9.9 **BALANCE SHEET**

#### 9.9.1 Fair Value Reserve

As at 31 March 2012, fair value reserve increased to \$258.0 million from \$150.0 million as at 31 December 2011 as a result of mark-to-market gains.

#### 9.9.2 Derivative Financial Liabilities and Assets

Derivative financial liabilities decreased to \$24.9 million as at 31 March 2012 (31 December 2011: \$62.1 million) while derivative financial assets increased to \$545.6 million (31 December 2011: \$438.0 million). The net change in derivative financial liabilities and assets was largely caused by mark-to-market gains from currency swaps as a result of the appreciation of the Singapore Dollar against the United States Dollar.

- 9.9.3 **Income Tax and Deferred Tax**  
As at 31 March 2012, provision for income tax increased by 14% to \$478.1 million (31 December 2011: \$417.9 million), in line with the increase in profits. Deferred tax increased by 10% to \$1,037.3 million (31 December 2011: \$945.9 million) as a result of unrealised mark-to-market gains.
- 9.9.4 **Cash and cash equivalents**  
Cash and cash equivalents decreased by 30% to \$5,057.6 million as at 31 March 2012 (31 December 2011: \$7,248.9 million), mainly resulting from the deployment of cash for investments.
- 9.9.5 **Other Debtors and Interfund Balances**  
Other debtors and interfund balances increased by 26% to \$1,910.0 million as at 31 March 2012 (31 December 2011: \$1,517.7 million), mainly arising from unsettled investment trades.
- 9.9.6 **Investments**  
Investments increased by 8% to \$43,388.0 million as at 31 March 2012 (31 December 2011: \$40,152.9 million), as a result of investments made and mark-to-market gains.
- 9.9.7 **Asset allocation of life funds, excluding Investment-Linked Funds, was as follows:**

	SINGAPORE		MALAYSIA	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Fixed income & debt securities	51%	50%	71%	65%
Equities	24%	22%	24%	23%
Real estate & others	12%	11%	3%	3%
Cash & money market instruments	13%	17%	2%	9%
Market Value of Assets (in SGD billions)	25.9	25.8	20.9	20.3

## 9.10 CONSOLIDATED STATEMENT OF CASH FLOWS

Net cash flow used in operating activities was \$598.9 million in Q1-12. This was mainly the result of an outflow of cash used in the settlement of investment trades.

## 9.11 REGULATORY CAPITAL

The Group remains strongly capitalised. The Capital Adequacy Ratios of the Group's insurance subsidiaries in both Singapore and Malaysia exceeded 200%, well above the minimum regulatory ratios of 120% and 130% in Singapore and Malaysia respectively.

## 10. SHARE CAPITAL

The Company's issued and paid up share capital as at 31 March 2012 was unchanged at \$152.7 million, compared with 31 December 2011. Total number of shares issued as at 31 March 2012 also remained unchanged at 473,319,069, compared with 31 December 2011.

## 11. ACCOUNTING POLICIES

The Group adopted the accounting policies and methods of computation for the financial statements for Q1-12, consistent with the audited financial statements for the year ended 31 December 2011.

The adoption of the other revised and new FRS and INT FRS which came into effect on 1 January 2012 does not have any material financial impact on the Group's results for Q1-12.

## 12. UNAUDITED RESULTS

The consolidated Group's financial results for the first quarter ended 31 March 2012 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**

The Group's performance may be affected by interest rate, credit and swap spread movements as well as volatility in the financial markets arising from the ongoing global economic uncertainties.

**14. OTHER MATTERS**

Pursuant to Rule 920(1) of the Listing Manual, GEH has not obtained a general mandate from shareholders for Interested Person Transactions.

Issued: 3 May 2012