

# 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 Third Quarter and Nine Months Ended 30 September 2017**

For the third quarter and nine months ended 30 September 2017, Group profit attributable to shareholders was \$235.5 million and \$732.9 million respectively. Details of the financial results are attached.

### **Unaudited Supplementary Information**

Disclosure of operating and non-operating profit from insurance business is provided as supplementary information to the financial results.

### **Dividend**

No interim dividend has been declared in the third quarter of 2017 (third quarter 2016: 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 third quarter ended 30 September 2017 to be false or misleading in any material aspect.

By Order of the Board

Jennifer Wong Pakshong  
Group Company Secretary  
Singapore, 23 October 2017

**FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2017**

**1. GROUP PROFIT AND LOSS STATEMENTS**

in Singapore Dollars (millions)	9 Months 2017	9 Months 2016	% + / (-)	3rd Quarter 2017	3rd Quarter 2016	% + / (-)	2nd Quarter 2017	% + / (-)
Gross Premiums	<b>8,249.7</b>	6,874.6	20	<b>3,099.8</b>	2,336.0	33	2,458.5	26
Life assurance profit from:								
Participating Fund	<b>110.8</b>	105.4	5	<b>37.4</b>	34.9	7	38.2	(2)
Non-participating Fund	<b>373.1</b>	111.7	234	<b>119.5</b>	83.9	42	159.8	(25)
Investment-linked Fund	<b>133.5</b>	138.2	(3)	<b>44.4</b>	45.2	(2)	42.4	5
Profit from life assurance	<b>617.4</b>	355.3	74	<b>201.3</b>	164.0	23	240.4	(16)
Profit from general insurance	<b>17.2</b>	21.1	(18)	<b>7.3</b>	7.1	3	3.8	92
<b>Profit from insurance business</b>	<b>634.6</b>	376.4	69	<b>208.6</b>	171.1	22	244.2	(15)
Investment income, net	<b>121.0</b>	131.4	(8)	<b>39.2</b>	53.7	(27)	43.2	(9)
Gain on sale of investments and changes in fair value	<b>107.0</b>	20.6	nm	<b>28.2</b>	12.4	127	30.4	(7)
Change in third-party interests in consolidated investment funds	<b>(23.3)</b>	(5.3)	nm	<b>(5.9)</b>	(4.9)	nm	(7.1)	nm
Loss on disposal of interest in associate	<b>(1.3)</b>	-	nm	<b>(1.3)</b>	-	nm	-	nm
Gain/(loss) on disposal of subsidiaries	<b>1.0</b>	(18.7)	nm	-	-	nm	1.0	(100)
Increase in provision for impairment of assets	<b>(12.8)</b>	(12.6)	nm	<b>(5.6)</b>	(5.2)	nm	(4.2)	nm
(Loss)/gain on exchange differences	<b>(7.4)</b>	(8.4)	nm	<b>(1.2)</b>	3.3	nm	(1.4)	nm
<b>Profit from Shareholders' Fund's investments</b>	<b>184.2</b>	107.0	72	<b>53.4</b>	59.3	(10)	61.9	(14)
<b>Fees and other income</b>	<b>64.8</b>	60.1	8	<b>22.8</b>	20.8	10	21.6	6
<b>Profit before expenses</b>	<b>883.6</b>	543.5	63	<b>284.8</b>	251.2	13	327.7	(13)
less:								
Management and other expenses	<b>52.3</b>	58.4	(10)	<b>17.5</b>	21.9	(20)	15.3	14
Interest expense	<b>13.7</b>	13.7	0	<b>4.5</b>	4.5	0	4.6	-
Depreciation	<b>0.7</b>	0.8	(13)	<b>0.3</b>	0.2	50	0.2	50
<b>Expenses</b>	<b>66.7</b>	72.9	(9)	<b>22.3</b>	26.6	(16)	20.1	11
<b>Profit after expenses</b>	<b>816.9</b>	470.6	74	<b>262.5</b>	224.6	17	307.6	(15)
Share of loss after income tax of associates	-	(1.2)	(100)	-	(1.2)	(100)	-	nm
<b>Profit before income tax</b>	<b>816.9</b>	469.4	74	<b>262.5</b>	223.4	18	307.6	(15)
Income tax	<b>(76.2)</b>	(67.8)	nm	<b>(24.3)</b>	(25.7)	nm	(25.5)	nm
<b>Profit after income tax</b>	<b>740.7</b>	401.6	84	<b>238.2</b>	197.7	20	282.1	(16)
<b>Attributable to:</b>								
<b>Shareholders</b>	<b>732.9</b>	394.1	86	<b>235.5</b>	195.0	21	279.5	(16)
<b>Non-controlling interests</b>	<b>7.8</b>	7.5	4	<b>2.7</b>	2.7	-	2.6	4
	<b>740.7</b>	401.6	84	<b>238.2</b>	197.7	20	282.1	(16)
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	<b>1.55</b>	0.83	87	<b>0.50</b>	0.41	22	0.59	(15)
Return on Equity (Average Shareholders' Fund) (%) (not annualised)	<b>10.6%</b>	6.2%	4.4 pp	<b>3.4%</b>	3.0%	0.4 pp	4.1%	-0.7 pp

nm – not meaningful / exceeding 300%

## 2. GROUP STATEMENT OF COMPREHENSIVE INCOME

in Singapore Dollars (millions)	9 Months 2017	9 Months 2016	% + / (-)	3rd Quarter 2017	3rd Quarter 2016	% + / (-)	2nd Quarter 2017	% + / (-)
<b>Profit after income tax for the period</b>	<b>740.7</b>	401.6	84	<b>238.2</b>	197.7	20	282.1	(16)
<b>Other comprehensive income:</b>								
<b>Items that will not be reclassified to profit or loss:</b>								
Exchange differences arising on translation of overseas entities attributable to non-controlling interests	(0.2)	0.3	nm	(0.1)	(0.2)	nm	0.2	nm
<b>Items that may be reclassified subsequently to profit or loss:</b>								
Exchange differences arising on translation of overseas entities	(4.1)	10.0	nm	(0.5)	9.3	nm	8.2	nm
Share of other comprehensive income of associates	(0.5)	0.1	nm	(0.2)	0.1	nm	(0.3)	nm
Available-for-sale financial assets:								
Changes in fair value	238.0	115.3	106	46.1	170.6	(73)	58.2	(21)
Reclassification of realised (gain)/loss on disposal of investments to Profit and Loss Statement	(81.5)	(10.4)	nm	(26.6)	(10.7)	nm	(26.6)	nm
Tax on changes in fair value	(25.9)	(18.7)	nm	(3.4)	(27.1)	nm	(4.5)	nm
<b>Other comprehensive income for the period, after tax</b>	<b>125.8</b>	96.6	30	<b>15.3</b>	142.0	(89)	35.2	(57)
<b>Total comprehensive income for the period</b>	<b>866.5</b>	498.2	74	<b>253.5</b>	339.7	(25)	317.3	(20)
<b>Total comprehensive income attributable to:</b>								
<b>Shareholders</b>	<b>855.1</b>	490.5	74	<b>249.8</b>	335.7	(26)	313.4	(20)
<b>Non-controlling interests</b>	<b>11.4</b>	7.7	48	<b>3.7</b>	4.0	(7)	3.9	(5)
	<b>866.5</b>	498.2	74	<b>253.5</b>	339.7	(25)	317.3	(20)

nm – not meaningful / exceeding 300%

### 3. GROUP BALANCE SHEET

in Singapore Dollars (millions)	Group		
	30 Sep 2017	31 Dec 2016	% + / (-)
<b>Share capital</b>	<b>152.7</b>	152.7	-
<b>Reserves</b>			
Currency translation reserve	(146.3)	(139.8)	nm
Fair value reserve	192.3	65.5	194
Accumulated profit	<b>7,006.7</b>	6,510.5	8
<b>SHAREHOLDERS' FUND</b>	<b>7,205.4</b>	6,588.9	9
<b>NON-CONTROLLING INTERESTS</b>	<b>82.0</b>	75.3	9
<b>TOTAL EQUITY</b>	<b>7,287.4</b>	6,664.2	9
<b>LIABILITIES</b>			
Insurance payables	<b>3,948.2</b>	3,670.8	8
Other creditors and interfund balances	<b>4,176.0</b>	2,653.8	57
Unexpired risk reserve	<b>123.9</b>	124.9	(1)
Derivative financial liabilities	<b>362.6</b>	737.5	(51)
Income tax	<b>519.6</b>	446.4	16
Provision for agents' retirement benefits	<b>267.9</b>	263.3	2
Deferred tax	<b>1,326.6</b>	1,058.3	25
Debt issued	<b>399.7</b>	399.6	0
General insurance fund	<b>216.9</b>	223.2	(3)
Life assurance fund	<b>61,133.6</b>	54,881.1	11
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>79,762.4</b>	71,123.1	12
<b>ASSETS</b>			
Cash and cash equivalents	<b>5,841.5</b>	3,526.6	66
Other debtors and interfund balances	<b>3,228.0</b>	2,691.0	20
Insurance receivables	<b>2,655.3</b>	2,604.5	2
Loans	<b>1,498.9</b>	1,609.0	(7)
Derivative financial assets	<b>108.4</b>	84.9	28
Investments	<b>64,256.8</b>	58,383.3	10
Associates	<b>2.2</b>	47.4	(95)
Intangible assets	<b>29.9</b>	32.0	(7)
Investment properties	<b>1,538.6</b>	1,539.0	(0)
Property, plant and equipment	<b>602.8</b>	605.4	(0)
<b>TOTAL ASSETS</b>	<b>79,762.4</b>	71,123.1	12
Net Asset Value per share (in Singapore Dollars)	<b>15.22</b>	13.92	9

nm – not meaningful / exceeding 300%

#### 4. COMPANY BALANCE SHEET

in Singapore Dollars (millions)	Company		
	30 Sep 2017	31 Dec 2016	% + / (-)
<b>Share capital</b>	<b>152.7</b>	152.7	-
<b>Reserves</b>			
Merger reserve	<b>419.2</b>	419.2	-
Accumulated profit	<b>2,815.8</b>	2,662.5	6
<b>TOTAL EQUITY</b>	<b>3,387.7</b>	3,234.4	5
<b>LIABILITIES</b>			
Other creditors	<b>8.4</b>	7.8	8
Income tax	<b>0.1</b>	0.1	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,396.2</b>	3,242.3	5
<b>ASSETS</b>			
Cash and cash equivalents	<b>100.3</b>	20.8	nm
Other debtors	<b>0.1</b>	0.1	-
Amounts due from subsidiaries	<b>2,601.6</b>	2,534.9	3
Subsidiaries	<b>693.9</b>	686.1	1
Property, plant and equipment	<b>0.3</b>	0.4	(25)
<b>TOTAL ASSETS</b>	<b>3,396.2</b>	3,242.3	5
Net Asset Value per share (in Singapore Dollars)	<b>7.16</b>	6.83	5

#### 5. SELECTED INCOME AND MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Shareholders' Fund				
	9 Months 2017	9 Months 2016	3rd Quarter 2017	3rd Quarter 2016	2nd Quarter 2017
<u>Expenses</u>					
1. Staff costs and related expenses (including executive directors and key management personnel compensation)	<b>30.1</b>	59.2	<b>10.1</b>	20.3	9.9
2. Rental expense	<b>1.9</b>	4.9	<b>0.7</b>	1.8	0.4
3. Depreciation	<b>0.7</b>	0.8	<b>0.3</b>	0.2	0.2
<b>Life Assurance and General Insurance Funds</b>					
in Singapore Dollars (millions)	9 Months 2017	9 Months 2016	3rd Quarter 2017	3rd Quarter 2016	2nd Quarter 2017
<u>Income</u>					
1. Investment income, net (excluding mark-to-market changes)	<b>1,558.6</b>	1,486.4	<b>542.6</b>	511.4	555.4
<u>Expenses</u>					
1. Staff costs and related expenses (including executive directors and key management personnel compensation)	<b>202.2</b>	166.7	<b>69.3</b>	55.5	68.1
2. Rental expense	<b>16.3</b>	13.3	<b>5.7</b>	4.3	5.5
3. Depreciation	<b>47.0</b>	38.3	<b>20.9</b>	13.9	13.7

**6.1. GROUP STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September 2017**

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 2017	152.7	(139.8)	65.5	6,510.5	6,588.9	75.3	6,664.2
Profit for the period	-	-	-	732.9	732.9	7.8	740.7
<b>Other comprehensive income</b>							
Exchange differences arising on translation of overseas entities	-	(4.1)	-	-	(4.1)	(0.2)	(4.3)
Share of other comprehensive income of associates	-	(0.5)	-	-	(0.5)	-	(0.5)
Available-for-sale financial assets:							
Changes in fair value	-	-	234.0	-	234.0	4.0	238.0
Reclassification of realised gain on disposal of investments to Profit and Loss Statement	-	-	(81.5)	-	(81.5)	-	(81.5)
Tax on changes in fair value	-	-	(25.7)	-	(25.7)	(0.2)	(25.9)
Other comprehensive income for the period, after tax	-	(4.6)	126.8	-	122.2	3.6	125.8
<b>Total comprehensive income for the period</b>	-	(4.6)	126.8	732.9	855.1	11.4	866.5
<b>Distributions to shareholders</b>							
Dividends paid during the period:							
Final one-tier tax exempt dividends for the previous year	-	-	-	(189.3)	(189.3)	-	(189.3)
Interim one-tier tax exempt dividend	-	-	-	(47.4)	(47.4)	-	(47.4)
Dividends paid to non-controlling interests	-	-	-	-	-	(7.5)	(7.5)
<b>Total distributions to shareholders</b>	-	-	-	(236.7)	(236.7)	(7.5)	(244.2)
<b>Changes in ownership interests in subsidiaries</b>							
Disposal of subsidiaries	-	(1.9)	-	-	(1.9)	(0.6)	(2.5)
Changes in non-controlling interests	-	-	-	-	-	3.4	3.4
<b>Total changes in ownership interests in subsidiaries</b>	-	(1.9)	-	-	(1.9)	2.8	0.9
<b>Total transactions with shareholders in their capacity as shareholders</b>	-	(1.9)	-	(236.7)	(238.6)	(4.7)	(243.3)
<b>Balance at 30 September 2017</b>	<b>152.7</b>	<b>(146.3)</b>	<b>192.3</b>	<b>7,006.7</b>	<b>7,205.4</b>	<b>82.0</b>	<b>7,287.4</b>

## 6.2. GROUP STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September 2016

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 2016	152.7	(170.8)	67.0	6,181.5	6,230.4	66.6	6,297.0
Profit for the period	-	-	-	394.1	394.1	7.5	401.6
<u>Other comprehensive income</u>							
Exchange differences arising on translation of overseas entities	-	10.0	-	-	10.0	0.3	10.3
Share of other comprehensive income of associates	-	0.1	-	-	0.1	-	0.1
<u>Available-for-sale financial assets:</u>							
Changes in fair value	-	-	115.4	-	115.4	(0.1)	115.3
Reclassification of realised gain on disposal of investments to Profit and Loss Statement	-	-	(10.4)	-	(10.4)	-	(10.4)
Tax on changes in fair value	-	-	(18.7)	-	(18.7)	-	(18.7)
Other comprehensive income for the period, after tax	-	10.1	86.3	-	96.4	0.2	96.6
Total comprehensive income for the period	-	10.1	86.3	394.1	490.5	7.7	498.2
<u>Distributions to shareholders</u>							
<u>Dividends paid during the period:</u>							
Final and special one-tier tax exempt dividends for the previous year	-	-	-	(213.0)	(213.0)	-	(213.0)
Interim one-tier tax exempt dividend	-	-	-	(47.3)	(47.3)	-	(47.3)
Total distributions to shareholders	-	-	-	(260.3)	(260.3)	-	(260.3)
<u>Changes in ownership interests in subsidiaries</u>							
Disposal of subsidiary	-	20.9	(1.5)	-	19.4	-	19.4
Total changes in ownership interests in subsidiaries	-	20.9	(1.5)	-	19.4	-	19.4
Total transactions with shareholders in their capacity as shareholders	-	20.9	(1.5)	(260.3)	(240.9)	-	(240.9)
Balance at 30 September 2016	152.7	(139.8)	151.8	6,315.3	6,480.0	74.3	6,554.3

(1) Included in Accumulated Profit are non-distributable reserves of \$1,959.3 million (30 September 2016: \$1,356.4 million), which arise from regulatory risk charges in Singapore and Malaysia that are held out of the Group Shareholders' Accumulated Profit Account.

**6.3. GROUP STATEMENT OF CHANGES IN EQUITY for the third quarter ended 30 September 2017**

in Singapore Dollars (millions)	Attributable to Shareholders of the Company					Non-Controlling	Total
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Accumulated Profit <sup>(1)</sup>	Total	Interests	Equity
Balance at 1 July 2017	152.7	(145.6)	177.3	6,818.6	7,003.0	78.3	7,081.3
Profit for the period	-	-	-	235.5	235.5	2.7	238.2
<b>Other comprehensive income</b>							
Exchange differences arising on translation of overseas entities	-	(0.5)	-	-	(0.5)	(0.1)	(0.6)
Share of other comprehensive income of associates	-	(0.2)	-	-	(0.2)	-	(0.2)
Available-for-sale financial assets:							
Changes in fair value	-	-	45.0	-	45.0	1.1	46.1
Reclassification of realised gain on disposal of investments to Profit and Loss Statement	-	-	(26.6)	-	(26.6)	-	(26.6)
Tax on changes in fair value	-	-	(3.4)	-	(3.4)	-	(3.4)
Other comprehensive income for the year, after tax	-	(0.7)	15.0	-	14.3	1.0	15.3
<b>Total comprehensive income for the period</b>	-	(0.7)	15.0	235.5	249.8	3.7	253.5
<b>Distributions to shareholders</b>							
Interim one-tier tax exempt dividend	-	-	-	(47.4)	(47.4)	-	(47.4)
Total distributions to shareholders	-	-	-	(47.4)	(47.4)	-	(47.4)
<b>Total transactions with shareholders in their capacity as shareholders</b>	-	-	-	(47.4)	(47.4)	-	(47.4)
<b>Balance at 30 September 2017</b>	<b>152.7</b>	<b>(146.3)</b>	<b>192.3</b>	<b>7,006.7</b>	<b>7,205.4</b>	<b>82.0</b>	<b>7,287.4</b>



**6.4. GROUP STATEMENT OF CHANGES IN EQUITY for the third quarter ended 30 September 2016**

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 July 2016	152.7	(149.2)	20.5	6,167.6	6,191.6	70.3	6,261.9
Profit for the period	-	-	-	195.0	195.0	2.7	197.7
<u>Other comprehensive income</u>							
Exchange differences arising on translation of overseas entities	-	9.3	-	-	9.3	(0.2)	9.1
Share of other comprehensive income of associates	-	0.1	-	-	0.1	-	0.1
Available-for-sale financial assets:							
Changes in fair value	-	-	169.0	-	169.0	1.6	170.6
Reclassification of realised loss on disposal of investments to Profit and Loss Statement	-	-	(10.7)	-	(10.7)	-	(10.7)
Tax on changes in fair value	-	-	(27.0)	-	(27.0)	(0.1)	(27.1)
Other comprehensive income for the period, after tax	-	9.4	131.3	-	140.7	1.3	142.0
Total comprehensive income for the period	-	9.4	131.3	195.0	335.7	4.0	339.7
<u>Distributions to shareholders</u>							
Interim one-tier tax exempt dividend	-	-	-	(47.3)	(47.3)	-	(47.3)
Total distributions to shareholders	-	-	-	(47.3)	(47.3)	-	(47.3)
Total transactions with shareholders in their capacity as shareholders	-	-	-	(47.3)	(47.3)	-	(47.3)
Balance at 30 September 2016	152.7	(139.8)	151.8	6,315.3	6,480.0	74.3	6,554.3

(1) Included in Accumulated Profit are non-distributable reserves of \$1,959.3 million (30 September 2016: \$1,356.4 million), which arise from regulatory risk charges in Singapore and Malaysia that are held out of the Group Shareholders' Accumulated Profit Account.

**7.1 COMPANY STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September 2017 and 2016**

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total Equity
<b>Balance at 1 January 2017</b>	<b>152.7</b>	<b>419.2</b>	<b>2,662.5</b>	<b>3,234.4</b>
<b>Profit for the period</b>	-	-	<b>390.0</b>	<b>390.0</b>
<b>Total comprehensive income for the period</b>	-	-	<b>390.0</b>	<b>390.0</b>
<b><u>Distributions to shareholders</u></b>				
<b>Dividends paid during the period:</b>				
<b>Final one-tier tax exempt dividends for the previous year</b>	-	-	<b>(189.3)</b>	<b>(189.3)</b>
<b>Interim one-tier tax exempt dividend</b>	-	-	<b>(47.4)</b>	<b>(47.4)</b>
<b>Total distributions to shareholders</b>	-	-	<b>(236.7)</b>	<b>(236.7)</b>
<b>Total transactions with shareholders in their capacity as shareholders</b>	-	-	<b>(236.7)</b>	<b>(236.7)</b>
<b>Balance at 30 September 2017</b>	<b>152.7</b>	<b>419.2</b>	<b>2,815.8</b>	<b>3,387.7</b>
Balance at 1 January 2016	152.7	419.2	2,264.2	2,836.1
<b>Profit for the period</b>	-	-	<b>659.6</b>	<b>659.6</b>
<b>Total comprehensive income for the period</b>	-	-	<b>659.6</b>	<b>659.6</b>
<b><u>Distributions to shareholders</u></b>				
<b>Dividends paid during the period:</b>				
<b>Final and special one-tier tax exempt dividends for the previous year</b>	-	-	<b>(213.0)</b>	<b>(213.0)</b>
<b>Interim one-tier tax exempt dividend</b>	-	-	<b>(47.3)</b>	<b>(47.3)</b>
<b>Total distributions to shareholders</b>	-	-	<b>(260.3)</b>	<b>(260.3)</b>
<b>Total transactions with shareholders in their capacity as shareholders</b>	-	-	<b>(260.3)</b>	<b>(260.3)</b>
<b>Balance at 30 September 2016</b>	<b>152.7</b>	<b>419.2</b>	<b>2,663.5</b>	<b>3,235.4</b>

**7.2. COMPANY STATEMENT OF CHANGES IN EQUITY for the third quarter ended 30 September 2017 and 2016**

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total Equity
<b>Balance at 1 July 2017</b>	<b>152.7</b>	<b>419.2</b>	<b>2,814.5</b>	<b>3,386.4</b>
<b>Profit for the period</b>	-	-	<b>48.7</b>	<b>48.7</b>
<b>Total comprehensive income for the period</b>	-	-	<b>48.7</b>	<b>48.7</b>
<b><u>Distributions to shareholders</u></b>				
<b>Interim one-tier tax exempt dividend</b>	-	-	<b>(47.4)</b>	<b>(47.4)</b>
<b>Total distributions to shareholders</b>	-	-	<b>(47.4)</b>	<b>(47.4)</b>
<b>Total transactions with shareholders in their capacity as shareholders</b>	-	-	<b>(47.4)</b>	<b>(47.4)</b>
<b>Balance at 30 September 2017</b>	<b>152.7</b>	<b>419.2</b>	<b>2,815.8</b>	<b>3,387.7</b>
Balance at 1 July 2016	152.7	419.2	2,712.9	3,284.8
<b>Loss for the period</b>	-	-	<b>(2.1)</b>	<b>(2.1)</b>
<b>Total comprehensive income for the period</b>	-	-	<b>(2.1)</b>	<b>(2.1)</b>
<b><u>Distributions to shareholders</u></b>				
<b>Interim one-tier tax exempt dividend</b>	-	-	<b>(47.3)</b>	<b>(47.3)</b>
<b>Total distributions to shareholders</b>	-	-	<b>(47.3)</b>	<b>(47.3)</b>
<b>Total transactions with shareholders in their capacity as shareholders</b>	-	-	<b>(47.3)</b>	<b>(47.3)</b>
<b>Balance at 30 September 2016</b>	<b>152.7</b>	<b>419.2</b>	<b>2,663.5</b>	<b>3,235.4</b>

## 8. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER

in Singapore Dollars (millions)	9 Months 2017	9 Months 2016	3rd Quarter 2017	3rd Quarter 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	816.9	469.4	262.5	223.4
Life assurance profit/(loss) before income tax	681.0	(805.6)	594.3	(518.6)
General insurance profit before income tax	21.5	26.5	9.9	9.8
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(617.4)	(355.3)	(201.3)	(164.0)
Surplus transferred from general insurance fund but not yet withdrawn	(17.2)	(21.1)	(7.3)	(7.1)
Share of loss of associates	0.4	8.5	-	8.4
Gain on sale of investments and changes in fair value	(2,206.6)	(640.9)	(662.0)	(231.9)
(Gain)/loss on disposal of subsidiaries	(1.0)	18.7	-	-
Loss on disposal of interest in associate	9.4	-	9.4	-
Increase in provision for impairment of assets	147.3	200.6	82.2	83.8
Increase in provision for agents' retirement benefits	32.0	28.2	8.2	12.1
Depreciation	47.5	39.1	21.1	14.1
Unrealised loss/(gain) on exchange differences	852.3	605.6	258.9	(73.1)
Change in life assurance contract liabilities	5,495.8	4,425.6	1,707.4	1,954.3
Change in general insurance contract liabilities	(1.1)	(3.7)	(7.6)	(5.1)
Change in unexpired risk reserve	5.6	0.6	0.4	(2.1)
Amortisation of capitalised transaction fees	0.1	0.1	-	-
Dividend income	(448.7)	(420.2)	(170.0)	(162.4)
Interest income	(1,336.4)	(1,287.3)	(453.2)	(437.0)
Interest expense	13.7	13.7	4.5	4.5
Interest expense on policy benefits	111.7	109.8	38.5	36.1
Share-based payments	3.2	2.4	1.2	0.8
	<b>3,610.0</b>	<b>2,414.7</b>	<b>1,497.1</b>	<b>746.0</b>
Changes in working capital:				
Insurance receivables	(63.6)	(49.8)	(41.0)	(9.8)
Other debtors and interfund balances	(523.3)	307.1	(324.4)	(220.8)
Insurance payables	277.4	266.1	176.2	79.5
Other creditors and interfund balances	1,537.2	71.5	930.7	337.8
Cash generated from operations	<b>4,837.7</b>	<b>3,009.6</b>	<b>2,238.6</b>	<b>932.7</b>
Income tax paid	(188.7)	(298.4)	(68.5)	(123.9)
Interest paid on policy benefits	(111.7)	(109.8)	(38.5)	(36.1)
Agents' retirement benefits paid	(26.9)	(9.4)	(7.9)	(3.8)
<b>Net cash flows from operating activities</b>	<b>4,510.4</b>	<b>2,592.0</b>	<b>2,123.7</b>	<b>768.9</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from maturities and sale of investments	57,207.0	17,475.7	21,861.8	6,379.6
Purchase of investments	(60,862.9)	(21,769.3)	(22,297.6)	(8,440.4)
Proceeds from disposal of interests in associate	32.1	-	32.1	-
Net cash inflow from disposal of subsidiaries	14.9	23.6	-	-
Proceeds from sale of property, plant and equipment	0.4	-	0.2	-
Purchase of property, plant and equipment and investment properties	(47.1)	(40.3)	(22.7)	(14.4)
Interest income received	1,347.9	1,277.9	487.2	445.2
Interest expense paid	(18.1)	(18.4)	(9.1)	(9.1)
Dividends received	432.4	414.4	160.9	160.0
<b>Net cash flows used in investing activities</b>	<b>(1,893.4)</b>	<b>(2,636.4)</b>	<b>212.8</b>	<b>(1,479.1)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid	(236.7)	(260.3)	(47.4)	(47.3)
Dividends paid to non-controlling interests	(7.5)	-	-	-
Changes in non-controlling interests	3.4	-	-	-
<b>Net cash flows used in financing activities</b>	<b>(240.8)</b>	<b>(260.3)</b>	<b>(47.4)</b>	<b>(47.3)</b>
<b>Net effect of currency translation reserve adjustment</b>	<b>(61.3)</b>	<b>82.6</b>	<b>50.1</b>	<b>(215.9)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>2,314.9</b>	<b>(222.1)</b>	<b>2,339.2</b>	<b>(973.4)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,526.6</b>	<b>3,491.1</b>	<b>3,502.3</b>	<b>4,242.4</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>5,841.5</b>	<b>3,269.0</b>	<b>5,841.5</b>	<b>3,269.0</b>

## 9. REVIEW OF RESULTS

The Group Financial Statements for the third quarter of 2017 ("Q3-17") and for the nine months ended 30 September 2017 ("9M-17") were prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS").

### 9.1 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The Group's profit attributable to shareholders of \$235.5 million for Q3-17 and \$732.9 million for 9M-17 were higher compared with the same periods last year (Q3-16: \$195.0 million, 9M-16: \$394.1 million). This was largely due to the higher profit from insurance business.

### 9.2 GROSS PREMIUMS

Q3-17 and 9M-17 gross premiums increased 33% and 20% compared with the same periods last year to \$3,099.8 million and \$8,249.7 million (Q3-16: \$2,336.0 million, 9M-16: \$6,874.6 million).

### 9.3 PROFIT FROM INSURANCE BUSINESS

The Group's profit from insurance business for Q3-17 was \$208.6 million (Q3-16: \$171.1 million), up 22% from the same quarter last year, mainly because of higher contribution from its Singapore business and gain in our investments from favourable financial market conditions compared to last year. For 9M-17, profit from insurance business increased by 69% to \$634.6 million (9M-16: \$376.4 million) for the same reasons set out above.

### 9.4 PROFIT FROM SHAREHOLDERS' FUND'S INVESTMENTS

Profit from Shareholders' Fund's Investments for Q3-17 was lower at \$53.4 million (Q3-16: \$59.3 million) mainly because of lower investment income, partly offset by gains from disposal. Profit for 9M-17 of \$184.2 million was higher compared with the same periods last year (9M-16: \$107.0 million) because of gain on sale of investments.

### 9.5 FEES AND OTHER INCOME

Fees and other income increased to \$22.8 million for Q3-17 and \$64.8 million for 9M-17 (Q3-16: \$20.8 million, 9M-16: \$60.1 million) from higher fee income from the Group's asset management arm, Lion Global Investors Limited.

### 9.6 BALANCE SHEET

#### 9.6.1 Fair Value Reserve

As at 30 September 2017, fair value reserve was \$192.3 million, compared with \$65.5 million as at 31 December 2016. The increase was caused by unrealised fair value gains from Shareholders' Fund's Investments.

#### 9.6.2 Debt Issued

in SGD (millions)	30 September 2017	31 December 2016
Subordinated fixed rate notes (unsecured)		
- payable after one year	399.7	399.6

#### 9.6.3 Investments

Investments increased by 10% to \$64,256.8 million as at 30 September 2017 (31 December 2016: \$58,383.3 million), mainly arising from net purchases and fair value gains.

#### 9.6.4 Asset allocation of life funds, excluding Investment-linked Funds, was as follows:

	SINGAPORE		MALAYSIA	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
Fixed income & debt securities	64%	63%	64%	70%
Equities	23%	26%	29%	23%
Real estate & others	5%	6%	3%	4%
Cash & money market instruments	8%	5%	4%	3%
Market Value of Assets (in SGD billions)	42.0	35.7	22.3	21.0

#### **9.7 REGULATORY CAPITAL**

The Capital Adequacy Ratios of the Group's insurance subsidiaries in both Singapore and Malaysia remain strong and well above their respective minimum regulatory levels.

#### **10. SHARE CAPITAL**

The Company's issued and paid up share capital as at 30 September 2017 was unchanged at \$152.7 million compared with 31 December 2016. Total number of shares issued as at 30 September 2017 also remained unchanged at 473,319,069 compared with 31 December 2016.

#### **11. ACCOUNTING POLICIES**

The accounting policies and methods of computation, adopted by the Group for the financial statements for Q3-17, were consistent with the audited financial statements for the year ended 31 December 2016.

The adoption of the other revised and new FRS and INT FRS which came into effect on 1 January 2017 did not have any material financial impact on the Group's results for Q3-17.

#### **12. UNAUDITED RESULTS**

The consolidated Group's financial results for the third quarter and nine-months ended 30 September 2017 have not been audited or reviewed by the Group's auditor.

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

The Group's performance may be affected by volatility in global financial markets. Over the longer term, the key indicators to watch are the direction of interest rates, equity prices and foreign exchange rates.

#### **14. OTHER MATTERS**

##### **14.1 Rule 920(1) of the Listing Manual**

GEH has not obtained a general mandate from shareholders for Interested Person Transactions.

##### **14.2 Rule 720(1) of the Listing Manual**

GEH has procured undertakings from all its directors and executive officers to comply with the listing requirements.

Issued: 23 October 2017