

# 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 2016**

For the third quarter and nine months ended 30 September 2016, Group profit attributable to shareholders was \$195.0 million and \$394.1 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 2016 (third quarter 2015: 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 2016 to be false or misleading in any material aspect.

By Order of the Board

Jennifer Wong Pakshong  
Group Company Secretary  
Singapore, 25 October 2016

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

**FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2016**

**1. GROUP PROFIT AND LOSS STATEMENTS**

in Singapore Dollars (millions)	Note	9 Months 2016	9 Months 2015	% + / (-)	3rd Quarter 2016	3rd Quarter 2015	% + / (-)	2nd Quarter 2016	% + / (-)
Gross Premiums	9.2	<b>6,874.6</b>	6,228.2	10	<b>2,336.0</b>	2,529.9	(8)	2,276.3	3
Life assurance profit from:									
Participating Fund		<b>105.4</b>	99.5	6	<b>34.9</b>	32.8	6	35.1	(1)
Non-participating Fund		<b>111.7</b>	167.1	(33)	<b>83.9</b>	(5.7)	nm	27.1	210
Investment-linked Fund		<b>138.2</b>	126.7	9	<b>45.2</b>	35.1	29	45.6	(1)
Profit from life assurance		<b>355.3</b>	393.3	(10)	<b>164.0</b>	62.2	164	107.8	52
Profit from general insurance		<b>21.1</b>	19.6	8	<b>7.1</b>	6.0	18	8.4	(15)
<b>Profit from insurance business</b>	9.3	<b>376.4</b>	412.9	(9)	<b>171.1</b>	68.2	151	116.2	47
Investment income, net		<b>131.4</b>	116.3	13	<b>53.7</b>	43.0	25	43.3	24
Gain/(loss) on sale of investments and changes in fair value		<b>20.6</b>	130.1	(84)	<b>12.4</b>	(19.5)	nm	(2.4)	nm
Loss on disposal of subsidiary		<b>(18.7)</b>	-	nm	-	-	nm	(18.7)	(100)
Increase in provision for impairment of assets		<b>(12.6)</b>	(13.6)	nm	<b>(5.2)</b>	(13.0)	nm	(3.5)	nm
(Loss)/gain on exchange differences		<b>(8.4)</b>	31.7	nm	<b>3.3</b>	28.1	(88)	0.5	nm
<b>Profit from Shareholders' Fund's investments</b>	9.4	<b>112.3</b>	264.5	(58)	<b>64.2</b>	38.6	66	19.2	234
<b>Fees and other income</b>	9.5	<b>60.1</b>	58.4	3	<b>20.8</b>	20.1	3	19.8	5
<b>Profit before expenses</b>		<b>548.8</b>	735.8	(25)	<b>256.1</b>	126.9	102	155.2	65
less:									
Management and other expenses		<b>63.7</b>	66.5	(4)	<b>26.8</b>	25.1	7	20.7	29
Interest expense		<b>13.7</b>	13.7	-	<b>4.5</b>	4.5	-	4.6	(2)
Depreciation		<b>0.8</b>	1.2	(33)	<b>0.2</b>	0.4	(50)	0.4	(50)
<b>Expenses</b>		<b>78.2</b>	81.4	(4)	<b>31.5</b>	30.0	5	25.7	23
<b>Profit after expenses</b>		<b>470.6</b>	654.4	(28)	<b>224.6</b>	96.9	132	129.5	73
Share of loss after income tax of associates	9.6	<b>(1.2)</b>	(5.8)	nm	<b>(1.2)</b>	(5.0)	nm	-	nm
<b>Profit before income tax</b>		<b>469.4</b>	648.6	(28)	<b>223.4</b>	91.9	143	129.5	73
Income tax		<b>(67.8)</b>	(75.9)	nm	<b>(25.7)</b>	(21.9)	nm	(25.0)	nm
<b>Profit after income tax</b>		<b>401.6</b>	572.7	(30)	<b>197.7</b>	70.0	182	104.5	89
<b>Attributable to:</b>									
<b>Shareholders</b>	9.1	<b>394.1</b>	566.6	(30)	<b>195.0</b>	68.4	185	102.2	91
<b>Non-controlling interests</b>		<b>7.5</b>	6.1	23	<b>2.7</b>	1.6	69	2.3	17
		<b>401.6</b>	572.7	(30)	<b>197.7</b>	70.0	182	104.5	89
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)		<b>0.83</b>	1.20	(31)	<b>0.41</b>	0.15	173	0.22	86
Return on Equity (Average Shareholders' Fund) (%) <i>(not annualised)</i>		<b>6.2%</b>	9.6%	-3.4 pp	<b>3.0%</b>	1.3%	1.7 pp	1.6%	1.4 pp

nm – not meaningful / exceeding 300%

## 2. GROUP STATEMENT OF COMPREHENSIVE INCOME

in Singapore Dollars (millions)	9 Months 2016	9 Months 2015	% + / (-)	3rd Quarter 2016	3rd Quarter 2015	% + / (-)	2nd Quarter 2016	% + / (-)
<b>Profit after income tax for the period</b>	<b>401.6</b>	572.7	(30)	<b>197.7</b>	70.0	182	104.5	89
<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	<b>0.3</b>	(1.8)	nm	<b>(0.2)</b>	(1.0)	nm	(0.1)	nm
<b>Items that may be reclassified subsequently to profit or loss:</b>								
Exchange differences arising on translation of overseas entities	<b>10.0</b>	(84.5)	nm	<b>9.3</b>	(51.7)	nm	(8.0)	nm
Share of other comprehensive income of associates	<b>0.1</b>	1.0	(90)	<b>0.1</b>	(0.5)	nm	-	nm
Available-for-sale financial assets:								
Changes in fair value	<b>115.3</b>	(24.3)	nm	<b>170.6</b>	(211.5)	nm	27.2	nm
Reclassification of realised (gain)/loss on disposal of investments to Profit and Loss Statement	<b>(10.4)</b>	(139.9)	nm	<b>(10.7)</b>	11.4	nm	1.9	nm
Tax on changes in fair value	<b>(18.7)</b>	28.1	nm	<b>(27.1)</b>	33.9	nm	(5.0)	nm
<b>Other comprehensive income for the period, after tax</b>	<b>96.6</b>	(221.4)	nm	<b>142.0</b>	(219.4)	nm	16.0	nm
<b>Total comprehensive income for the period</b>	<b>498.2</b>	351.3	42	<b>339.7</b>	(149.4)	nm	120.5	182
<b>Total comprehensive income attributable to:</b>								
<b>Shareholders</b>	<b>490.5</b>	347.6	41	<b>335.7</b>	(148.9)	nm	118.2	184
<b>Non-controlling interests</b>	<b>7.7</b>	3.7	108	<b>4.0</b>	(0.5)	nm	2.3	74
	<b>498.2</b>	351.3	42	<b>339.7</b>	(149.4)	nm	120.5	182

nm – not meaningful / exceeding 300%

### 3. GROUP BALANCE SHEET

in Singapore Dollars (millions)	Note	Group		% + / (-)
		30 Sep 2016	31 Dec 2015	
<b>Share capital</b>	10	<b>152.7</b>	152.7	-
<b>Reserves</b>				
Currency translation reserve	9.7.1	<b>(139.8)</b>	(170.8)	nm
Fair value reserve	9.7.2	<b>151.8</b>	67.0	127
Accumulated profit		<b>6,315.3</b>	6,181.5	2
<b>SHAREHOLDERS' FUND</b>		<b>6,480.0</b>	6,230.4	4
<b>NON-CONTROLLING INTERESTS</b>	9.7.3	<b>74.3</b>	66.6	12
<b>TOTAL EQUITY</b>		<b>6,554.3</b>	6,297.0	4
 <b>LIABILITIES</b>				
Insurance payables		<b>3,657.5</b>	3,391.6	8
Other creditors and interfund balances		<b>2,618.1</b>	2,562.3	2
Unexpired risk reserve		<b>123.2</b>	126.6	(3)
Derivative financial liabilities	9.7.4	<b>373.6</b>	521.4	(28)
Income tax	9.7.5	<b>419.0</b>	497.1	(16)
Provision for agents' retirement benefits		<b>269.5</b>	250.6	8
Deferred tax		<b>1,143.0</b>	1,068.3	7
Debt issued	9.7.6	<b>399.6</b>	399.5	0
General insurance fund		<b>207.6</b>	228.2	(9)
Life assurance fund		<b>55,271.9</b>	50,478.1	9
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>71,037.3</b>	65,820.7	8
 <b>ASSETS</b>				
Cash and cash equivalents		<b>3,269.0</b>	3,491.1	(6)
Other debtors and interfund balances	9.7.7	<b>2,274.4</b>	2,585.6	(12)
Insurance receivables		<b>2,599.3</b>	2,576.0	1
Loans		<b>1,638.9</b>	1,808.5	(9)
Derivative financial assets	9.7.4	<b>75.5</b>	38.1	98
Investments	9.7.8	<b>58,922.6</b>	53,058.3	11
Associates	9.7.9	<b>44.9</b>	52.8	(15)
Intangible assets		<b>32.3</b>	32.1	1
Investment properties		<b>1,568.6</b>	1,568.1	0
Property, plant and equipment		<b>611.8</b>	610.1	0
<b>TOTAL ASSETS</b>		<b>71,037.3</b>	65,820.7	8
 Net Asset Value per share (in Singapore Dollars)		<b>13.69</b>	13.16	4

nm – not meaningful / exceeding 300%

#### 4. COMPANY BALANCE SHEET

in Singapore Dollars (millions)	Company		
	30 Sep 2016	31 Dec 2015	%
			+ / (-)
<b>Share capital</b>	<b>152.7</b>	152.7	-
<b>Reserves</b>			
Merger reserve	<b>419.2</b>	419.2	-
Accumulated profit	<b>2,663.5</b>	2,264.2	18
<b>TOTAL EQUITY</b>	<b>3,235.4</b>	2,836.1	14
<b>LIABILITIES</b>			
Other creditors	<b>8.1</b>	8.7	(7)
Income tax	<b>0.1</b>	0.1	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,243.6</b>	2,844.9	14
<b>ASSETS</b>			
Cash and cash equivalents	<b>15.7</b>	317.0	(95)
Other debtors	<b>0.1</b>	0.1	-
Amounts due from subsidiaries	<b>2,541.2</b>	1,841.1	38
Subsidiaries	<b>686.1</b>	686.1	-
Property, plant and equipment	<b>0.5</b>	0.6	(17)
<b>TOTAL ASSETS</b>	<b>3,243.6</b>	2,844.9	14
 Net Asset Value per share (in Singapore Dollars)	 <b>6.84</b>	 5.99	 14

#### 5. SELECTED INCOME AND MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Shareholders' Fund				
	9 Months 2016	9 Months 2015	3rd Quarter 2016	3rd Quarter 2015	2nd Quarter 2016
<u>Expenses</u>					
1. Staff costs and related expenses (including executive directors and key management personnel compensation)	<b>59.2</b>	56.0	<b>20.3</b>	19.8	19.5
2. Rental expense	<b>4.9</b>	4.6	<b>1.8</b>	1.6	1.4
3. Depreciation	<b>0.8</b>	1.2	<b>0.2</b>	0.4	0.4
4. Changes in third-party interests in consolidated investment funds	<b>5.3</b>	-	<b>4.9</b>	-	0.4
 <u>Life Assurance and General Insurance Funds</u>					
in Singapore Dollars (millions)	9 Months 2016	9 Months 2015	3rd Quarter 2016	3rd Quarter 2015	2nd Quarter 2016
<u>Income</u>					
1. Investment income, net (excluding mark-to-market changes)	<b>1,486.4</b>	1,456.4	<b>511.4</b>	485.5	533.9
<u>Expenses</u>					
1. Staff costs and related expenses (including executive directors and key management personnel compensation)	<b>166.7</b>	158.2	<b>55.5</b>	52.3	59.0
2. Rental expense	<b>13.3</b>	12.9	<b>4.3</b>	4.4	4.5
3. Depreciation	<b>38.3</b>	34.3	<b>13.9</b>	11.8	12.7

6.1. GROUP STATEMENT OF CHANGES IN EQUITY for the period 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
<b>Other comprehensive income</b>							
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
<b>Available-for-sale financial assets:</b>							
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
<b>Distributions to shareholders</b>							
<b>Dividends paid during the period:</b>							
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)
<b>Changes in ownership interests in subsidiaries</b>							
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

**6.2. GROUP STATEMENT OF CHANGES IN EQUITY for the period ended 30 September 2015**

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 2015	152.7	(96.4)	159.1	5,656.4	5,871.8	60.1	5,931.9
Profit for the period	-	-	-	566.6	566.6	6.1	572.7
<u>Other comprehensive income</u>							
Exchange differences arising on translation of overseas entities	-	(84.5)	-	-	(84.5)	(1.8)	(86.3)
Share of other comprehensive income of associates	-	1.5	(0.5)	-	1.0	-	1.0
Available-for-sale financial assets:							
Changes in fair value	-	-	(23.6)	-	(23.6)	(0.7)	(24.3)
Reclassification of realised gain on disposal of investments to Profit and Loss Statement	-	-	(139.9)	-	(139.9)	-	(139.9)
Tax on changes in fair value	-	-	28.0	-	28.0	0.1	28.1
Other comprehensive income for the period, after tax	-	(83.0)	(136.0)	-	(219.0)	(2.4)	(221.4)
Total comprehensive income for the period	-	(83.0)	(136.0)	566.6	347.6	3.7	351.3
<u>Distributions to shareholders</u>							
Dividends paid during the period:							
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)
Total transactions with shareholders in their capacity as shareholders	-	-	-	(260.3)	(260.3)	-	(260.3)
Balance at 30 September 2015	152.7	(179.4)	23.1	5,962.7	5,959.1	63.8	6,022.9

(1) Included in Accumulated Profit are non-distributable reserves of \$1,356.4 million (30 September 2015: \$1,173.2 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 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
<b>Other comprehensive income</b>							
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
<b>Available-for-sale financial assets:</b>							
Changes in fair value	-	-	169.0	-	169.0	1.6	170.6
Reclassification of realised gain 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
<b>Distributions to shareholders</b>							
<b>Dividends paid during the period:</b>							
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



#### 6.4. GROUP STATEMENT OF CHANGES IN EQUITY for the third quarter ended 30 September 2015

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 2015	152.7	(128.7)	189.7	5,941.6	6,155.3	64.3	6,219.6
Profit for the period	-	-	-	68.4	68.4	1.6	70.0
<u>Other comprehensive income</u>							
Exchange differences arising on translation of overseas entities	-	(51.7)	-	-	(51.7)	(1.0)	(52.7)
Share of other comprehensive income of associates	-	1.0	(1.5)	-	(0.5)	-	(0.5)
Available-for-sale financial assets:							
Changes in fair value	-	-	(210.3)	-	(210.3)	(1.2)	(211.5)
Reclassification of realised loss on disposal of investments to Profit and Loss Statement	-	-	11.4	-	11.4	-	11.4
Tax on changes in fair value	-	-	33.8	-	33.8	0.1	33.9
Other comprehensive income for the period, after tax	-	(50.7)	(166.6)	-	(217.3)	(2.1)	(219.4)
Total comprehensive income for the period	-	(50.7)	(166.6)	68.4	(148.9)	(0.5)	(149.4)
<u>Distributions to shareholders</u>							
Dividends paid during the period:							
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 2015	152.7	(179.4)	23.1	5,962.7	5,959.1	63.8	6,022.9

(1) Included in Accumulated Profit are non-distributable reserves of \$1,356.4 million (30 September 2015: \$1,173.2 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 periods ended 30 September 2016 and 2015**

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total Equity
<b>Balance at 1 January 2016</b>	152.7	419.2	2,264.2	2,836.1
<b>Profit for the period</b>	-	-	659.6	659.6
<b>Total comprehensive income for the period</b>	-	-	659.6	659.6
<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>	-	-	(213.0)	(213.0)
<b>Interim one-tier tax exempt dividend</b>	-	-	(47.3)	(47.3)
<b>Total distributions to shareholders</b>	-	-	(260.3)	(260.3)
<b>Total transactions with shareholders in their capacity as shareholders</b>	-	-	(260.3)	(260.3)
<b>Balance at 30 September 2016</b>	152.7	419.2	2,663.5	3,235.4
Balance at 1 January 2015	152.7	419.2	1,983.9	2,555.8
<b>Profit for the period</b>	-	-	542.2	542.2
<b>Total comprehensive income for the period</b>	-	-	542.2	542.2
<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>	-	-	(213.0)	(213.0)
<b>Interim one-tier tax exempt dividend</b>	-	-	(47.3)	(47.3)
<b>Total distributions to shareholders</b>	-	-	(260.3)	(260.3)
<b>Total transactions with shareholders in their capacity as shareholders</b>	-	-	(260.3)	(260.3)
<b>Balance at 30 September 2015</b>	152.7	419.2	2,265.8	2,837.7

**7.2. COMPANY STATEMENT OF CHANGES IN EQUITY for the third quarter ended 30 September 2016 and 2015**

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total Equity
<b>Balance at 1 July 2016</b>	152.7	419.2	2,712.9	3,284.8
<b>Loss for the period</b>	-	-	(2.1)	(2.1)
<b>Total comprehensive income for the period</b>	-	-	(2.1)	(2.1)
<b><u>Distributions to shareholders</u></b>				
<b>Dividends paid during the period:</b>				
<b>Interim one-tier tax exempt dividend</b>	-	-	(47.3)	(47.3)
<b>Total distributions to shareholders</b>	-	-	(47.3)	(47.3)
<b>Total transactions with shareholders in their capacity as shareholders</b>	-	-	(47.3)	(47.3)
<b>Balance at 30 September 2016</b>	152.7	419.2	2,663.5	3,235.4
Balance at 1 July 2015	152.7	419.2	2,264.9	2,836.8
<b>Profit for the period</b>	-	-	48.2	48.2
<b>Total comprehensive income for the period</b>	-	-	48.2	48.2
<b><u>Distributions to shareholders</u></b>				
<b>Dividends paid during the period:</b>				
<b>Interim one-tier tax exempt dividend</b>	-	-	(47.3)	(47.3)
<b>Total distributions to shareholders</b>	-	-	(47.3)	(47.3)
<b>Total transactions with shareholders in their capacity as shareholders</b>	-	-	(47.3)	(47.3)
<b>Balance at 30 September 2015</b>	152.7	419.2	2,265.8	2,837.7

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

in Singapore Dollars (millions)	9 Months 2016	9 Months 2015	3rd Quarter 2016	3rd Quarter 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	469.4	648.6	223.4	91.9
Life assurance (loss)/profit before income tax	(805.6)	1,245.6	(518.6)	587.3
General insurance profit before income tax	26.5	24.7	8.8	7.8
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(355.3)	(393.3)	(164.0)	(62.2)
Profit transferred from general insurance fund but not yet withdrawn	(21.1)	(19.6)	(7.1)	(6.0)
Share of loss of associates	8.5	5.9	8.4	5.0
(Gain)/loss on sale of investments and changes in fair value	(640.9)	275.6	(231.9)	878.2
Loss on disposal of subsidiary	18.7	-	-	-
Increase in provision for impairment of assets	200.6	147.4	83.8	144.3
Increase in provision for agents' retirement benefits	28.2	28.8	12.1	9.0
Loss on disposal of property, plant and equipment	-	-	-	0.1
Depreciation	39.1	35.5	14.1	12.2
Unrealised loss/(gain) on exchange differences	605.6	(883.3)	(73.1)	(664.1)
Change in life assurance contract liabilities	4,425.6	1,350.2	1,954.3	(66.8)
Change in general insurance contract liabilities	(3.7)	6.5	(4.1)	2.1
Change in unexpired risk reserve	0.6	0.1	(2.1)	(2.5)
Amortisation of capitalised transaction fees	0.1	0.1	-	-
Dividend income	(420.2)	(409.9)	(162.4)	(137.5)
Interest income	(1,287.3)	(1,244.5)	(437.0)	(416.3)
Interest expense	13.7	14.1	4.5	4.5
Interest expense on policy benefits	109.8	102.3	36.1	33.7
Share-based payments	2.4	2.2	0.8	0.7
	<b>2,414.7</b>	<b>937.0</b>	<b>746.0</b>	<b>421.4</b>
Changes in working capital:				
Insurance receivables	(49.8)	167.8	(9.8)	108.1
Other debtors and interfund balances	307.1	(6.0)	(220.8)	(142.9)
Insurance payables	266.1	(177.7)	79.5	(128.6)
Other creditors and interfund balances	71.5	(371.0)	337.8	89.5
Cash generated from operations	<b>3,009.6</b>	<b>550.1</b>	<b>932.7</b>	<b>347.5</b>
Income tax paid	(298.4)	(154.1)	(123.9)	(45.0)
Interest paid on policy benefits	(109.8)	(102.3)	(36.1)	(33.7)
Agents' retirement benefits paid	(9.4)	(8.5)	(3.8)	(2.6)
<b>Net cash flows from operating activities</b>	<b>2,592.0</b>	<b>285.2</b>	<b>768.9</b>	<b>266.2</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from maturities and sale of investments	17,475.7	15,329.8	6,379.6	4,070.6
Purchase of investments	(21,769.3)	(13,309.9)	(8,440.4)	(2,827.8)
Net cash inflow from disposal of subsidiary	23.6	-	-	-
Proceeds from sale of property, plant and equipment	-	0.4	-	-
Purchase of property, plant and equipment and investment properties	(40.3)	(30.1)	(14.4)	(9.4)
Interest income received	1,277.9	1,265.6	445.2	433.4
Interest expense paid	(18.4)	(18.9)	(9.1)	(9.0)
Dividends received	414.4	411.2	160.0	152.2
<b>Net cash flows (used in)/from investing activities</b>	<b>(2,636.4)</b>	<b>3,648.1</b>	<b>(1,479.1)</b>	<b>1,810.0</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid	(260.3)	(260.3)	(47.3)	(47.3)
Repayment of loan	-	(41.2)	-	-
<b>Net cash flows used in financing activities</b>	<b>(260.3)</b>	<b>(301.5)</b>	<b>(47.3)</b>	<b>(47.3)</b>
<b>Net effect of currency translation reserve adjustment</b>	<b>82.6</b>	<b>(3,036.4)</b>	<b>(215.9)</b>	<b>(1,832.2)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(222.1)</b>	<b>595.4</b>	<b>(973.4)</b>	<b>196.7</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>3,491.1</b>	<b>3,254.3</b>	<b>4,242.4</b>	<b>3,653.0</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3,269.0</b>	<b>3,849.7</b>	<b>3,269.0</b>	<b>3,849.7</b>

## 9. REVIEW OF RESULTS

The Group Financial Statements for the third quarter of 2016 (“Q3-16”) and for the nine months ended 30 September 2016 (9M-16) 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 \$195.0 million for Q3-16 was 185% higher compared with the same period last year (Q3-15: \$68.4 million), this was mainly attributable to higher profit from insurance business and shareholders’ fund’s investments.

For 9M-16, profit attributable to shareholders of \$394.1 million was 30% lower compared with the same period last year (9M-15: \$566.6 million). 9M-15’s performance was boosted mainly by a gain of \$119.9 million (post-tax) from the sale of part of the Group’s investment in New China Life Insurance Company Ltd. In 2016, the earnings were affected by a one-off loss of \$18.7 million from disposal of its wholly-owned subsidiary, Great Eastern Life (Vietnam) Company Ltd (“GELV”).

### 9.2 GROSS PREMIUMS

Q3-16 gross premiums decreased 8% to \$2,336.0 million compared with the same period last year (Q3-15: \$2,529.9 million). 9M-16 gross premiums increased 10% to \$6,874.6 million (9M-15: \$6,228.2 million).

### 9.3 PROFIT FROM INSURANCE BUSINESS

The Group’s profit from insurance business for Q3-16 was \$171.1 million (Q3-15: \$68.2 million), up 151% from the same quarter last year, mainly because of higher contribution from Investment-linked Fund in its Malaysia business. In the earlier period of 2016, profit from insurance business decreased by 9% to \$376.4 million (9M-15: \$412.9 million) due to widening of credit spreads and sharp decline of long term interest rates.

Profit from general insurance of \$7.1 million for Q3-16 and \$21.1 million for 9M-16 was 18% and 8% higher than the same periods last year (Q3-15: \$6.0 million, 9M-15: \$19.6 million) due to a release of reserves in Malaysia.

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

Profit from Shareholders’ Fund’s Investments for Q3-16 was \$64.2 million, 66% higher compared with the same period last year (Q3-15: \$38.6 million), mainly because of higher net investment income and realised gains from sale of investments although partly offset by lower foreign exchange gain from US Dollar denominated investments.

For 9M-16, Shareholders’ Fund recorded a loss of \$18.7 million from disposal of GELV. Realised gain from sale of investments and changes in fair value was also lower as there was a gain from sale of part of the Group’s investment in New China Life Insurance Company Ltd in the same period last year. As a result, Profit from Shareholders’ Fund’s Investments was lower at \$112.3 million compared with the same period last year (9M-15: \$264.5 million).

### 9.5 FEES AND OTHER INCOME

Fees and other income increased to \$20.8 million for Q3-16 and \$60.1 million for 9M-16 (Q3-15: \$20.1 million, 9M-15: \$58.4 million) from higher fee income from the Group’s asset management arm, Lion Global Investors Limited.

### 9.6 SHARE OF LOSS AFTER INCOME TAX OF ASSOCIATES

Share of loss after income tax of associates for Q3-16 and 9M-16 were lower compared with the same periods last year as the Group’s investment in China ceased to be accounted for as an associate from 1 December 2015 and has since been accounted for as available-for-sale.

### 9.7 BALANCE SHEET

#### 9.7.1 Currency Translation Reserve

As at 30 September 2016, translation loss was \$139.8 million compared with a loss of \$170.8 million as at 31 December 2015. The reduction in the loss was due to the appreciation of the Malaysian Ringgit against the Singapore Dollar in 9M-16 as well as the reversal of translation loss on disposal of GELV.

9.7.2 Fair Value Reserve  
As at 30 September 2016, fair value reserve was \$151.8 million, compared with \$67.0 million as at 31 December 2015. The increase was mainly attributed to unrealised fair value gains from Shareholders' Fund's Investments.

9.7.3 Non-Controlling Interests  
Non-controlling interests increased by 12% to \$74.3 million as at 30 September 2016 (31 December 2015: \$66.6 million) mainly arising from share of profits of Lion Global Investors Limited.

9.7.4 Derivative Financial Liabilities and Assets  
Derivative financial liabilities and assets held by the Group are for hedging purposes. Derivative financial liabilities decreased to \$373.6 million as at 30 September 2016 (31 December 2015: \$521.4 million) and derivative financial assets increased to \$75.5 million (31 December 2015: \$38.1 million). The change in the net position mainly arose from movements in the fair value of currency swaps as a result of the weakening of the US Dollar against the Singapore Dollar.

9.7.5 Income Tax  
Income tax decreased by 16% to \$419.0 million as at 30 September 2016 (31 December 2015: \$497.1 million), due to the net impact of settlement of prior years' tax liabilities and tax provision for 9M-16.

9.7.6 Debt Issued

in SGD (millions)	30 September 2016	31 December 2015
Subordinated fixed rate notes (unsecured) - payable after one year	399.6	399.5

9.7.7 Other Debtors and Interfund Balances  
Other debtors and interfund balances decreased by 12% to \$2,274.4 million as at 30 September 2016 (31 December 2015: \$2,585.6 million) mainly arising from settlement of investment and decrease in prepayments.

9.7.8 Investments  
Investments increased by 11% to \$58,922.6 million as at 30 September 2016 (31 December 2015: \$53,058.3 million), arising from purchases and unrealised fair value gains.

9.7.9 Associates  
Associates decreased 15% to \$44.9 million as at 30 September 2016 (31 December 2015: \$52.8 million), arising from share of losses from Fairfield Investment Fund Ltd.

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

	SINGAPORE		MALAYSIA	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Fixed income & debt securities	65%	62%	70%	72%
Equities	25%	25%	23%	23%
Real estate & others	6%	7%	3%	3%
Cash & money market instruments	4%	6%	4%	2%
Market Value of Assets (in SGD billions)	35.2	31.6	21.8	20.7

## 9.8 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 2016 was unchanged at \$152.7 million compared with 31 December 2015. Total number of shares issued as at 30 September 2016 also remained unchanged at 473,319,069 compared with 31 December 2015.

**11. ACCOUNTING POLICIES**

The accounting policies and methods of computation, adopted by the Group for the financial statements for Q3-16, were consistent with the audited financial statements for the year ended 31 December 2015.

The adoption of the other revised and new FRS and INT FRS which came into effect on 1 January 2016 did not have any material financial impact on the Group's results for Q3-16.

**12. UNAUDITED RESULTS**

The consolidated Group's financial results for the third quarter and nine months ended 30 September 2016 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 the volatility in global financial markets due to the USA and Europe monetary policy. Over the longer term, the key indicators to watch are the direction of US interest rates and oil prices.

**14. OTHER MATTERS**

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

Pursuant to 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**

Pursuant to Rule 720(1) of the Listing Manual, GEH confirms that it has procured undertakings from all its directors and executive officers.

Issued: 25 October 2016