

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 Second Quarter and Half Year Ended 30 June 2017

For the second quarter and half year ended 30 June 2017, Group profit attributable to shareholders was \$279.5 million and \$497.4 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.

Interim Dividend

The Board of Directors is pleased to declare an interim one-tier tax exempt dividend of 10 cents per ordinary share in respect of the financial year ending 31 December 2017 (2016: interim one-tier tax exempt dividend of 10 cents per ordinary share).

Books Closure Date and Payment Date for Dividends

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 18 August 2017 for the purpose of determining the entitlement of shareholders to the interim one-tier tax exempt dividend of 10 cents per ordinary share. Duly completed registrable transfers of shares received by the Company’s Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902 up to 5.00 pm on 17 August 2017 will be registered to determine shareholders’ entitlements to the interim one-tier tax exempt dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00pm on 17 August 2017 will be entitled to the interim one-tier tax exempt dividend.

The interim tax one-tier exempt dividend will be paid on 31 August 2017.

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 second quarter ended 30 June 2017 to be false or misleading in any material aspect.

By Order of the Board

Jennifer Wong Pakshong
Group Company Secretary
Singapore, 24 July 2017

FINANCIAL RESULTS FOR THE SECOND QUARTER AND FIRST HALF ENDED 30 JUNE 2017

1. GROUP PROFIT AND LOSS STATEMENTS

in Singapore Dollars (millions)	1st Half 2017	1st Half 2016	% + / (-)	2nd Quarter 2017	2nd Quarter 2016	% + / (-)	1st Quarter 2017	% + / (-)
Gross Premiums	5,149.9	4,538.6	13	2,458.5	2,276.3	8	2,691.4	(9)
Life assurance profit from:								
Participating Fund	73.4	70.5	4	38.2	35.1	9	35.2	9
Non-participating Fund	253.6	27.8	nm	159.8	27.1	nm	93.8	70
Investment-linked Fund	89.1	93.0	(4)	42.4	45.6	(7)	46.7	(9)
Profit from life assurance	416.1	191.3	118	240.4	107.8	123	175.7	37
Profit from general insurance	9.9	14.0	(29)	3.8	8.4	(55)	6.1	(38)
Profit from insurance business	426.0	205.3	108	244.2	116.2	110	181.8	34
Investment income, net	81.8	77.7	5	43.2	43.3	(0)	38.6	12
Gain/(loss) on sale of investments and changes in fair value	78.8	8.2	nm	30.4	(2.4)	nm	48.4	(37)
Change in third-party interests in consolidated investment funds	(17.4)	(0.4)	nm	(7.1)	(0.4)	nm	(10.3)	nm
Gain/(loss) on disposal of subsidiaries	1.0	(18.7)	nm	1.0	(18.7)	nm	-	nm
Increase in provision for impairment of assets	(7.2)	(7.4)	nm	(4.2)	(3.5)	nm	(3.0)	nm
(Loss)/gain on exchange differences	(6.2)	(11.7)	nm	(1.4)	0.5	nm	(4.8)	nm
Profit from Shareholders' Fund's investments	130.8	47.7	174	61.9	18.8	229	68.9	(10)
Fees and other income	42.0	39.3	7	21.6	19.8	9	20.4	6
Profit before expenses	598.8	292.3	105	327.7	154.8	112	271.1	21
less:								
Management and other expenses	34.8	36.5	(5)	15.3	20.3	(25)	19.5	(22)
Interest expense	9.2	9.2	-	4.6	4.6	-	4.6	-
Depreciation	0.4	0.6	(33)	0.2	0.4	(50)	0.2	-
Expenses	44.4	46.3	(4)	20.1	25.3	(21)	24.3	(17)
Profit before income tax	554.4	246.0	125	307.6	129.5	138	246.8	25
Income tax	(51.9)	(42.1)	nm	(25.5)	(25.0)	nm	(26.4)	nm
Profit after income tax	502.5	203.9	146	282.1	104.5	170	220.4	28
Attributable to:								
Shareholders	497.4	199.1	150	279.5	102.2	173	217.9	28
Non-controlling interests	5.1	4.8	6	2.6	2.3	13	2.5	4
	502.5	203.9	146	282.1	104.5	170	220.4	28
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	1.05	0.42	150	0.59	0.22	168	0.46	28
Return on Equity (Average Shareholders' Fund) (%) (not annualised)	7.3%	3.2%	4.1 pp	4.1%	1.6%	2.5 pp	3.2%	0.9 pp

nm – not meaningful / exceeding 300%

2. GROUP STATEMENT OF COMPREHENSIVE INCOME

in Singapore Dollars (millions)	1st Half 2017	1st Half 2016	% + / (-)	2nd Quarter 2017	2nd Quarter 2016	% + / (-)	1st Quarter 2017	% + / (-)
Profit after income tax for the period	502.5	203.9	146	282.1	104.5	170	220.4	28
Other comprehensive income:								
Items that will not be reclassified to profit or loss:								
Exchange differences arising on translation of overseas entities attributable to non-controlling interests	(0.1)	0.5	nm	0.2	(0.1)	nm	(0.3)	nm
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of overseas entities	(3.6)	0.7	nm	8.2	(8.0)	nm	(11.8)	nm
Share of other comprehensive income of associates	(0.3)	-	nm	(0.3)	-	nm	-	nm
Available-for-sale financial assets:								
Changes in fair value	191.9	(55.3)	nm	58.2	27.2	114	133.7	(56)
Reclassification of realised (gain)/loss on disposal of investments to Profit and Loss Statement	(54.9)	0.3	nm	(26.6)	1.9	nm	(28.3)	nm
Tax on changes in fair value	(22.5)	8.4	nm	(4.5)	(5.0)	nm	(18.0)	nm
Other comprehensive income for the period, after tax	110.5	(45.4)	nm	35.2	16.0	120	75.3	(53)
Total comprehensive income for the period	613.0	158.5	287	317.3	120.5	163	295.7	7
Total comprehensive income attributable to:								
Shareholders	605.3	154.8	291	313.4	118.2	165	291.9	7
Non-controlling interests	7.7	3.7	108	3.9	2.3	70	3.8	3
	613.0	158.5	287	317.3	120.5	163	295.7	7

nm – not meaningful / exceeding 300%

3. GROUP BALANCE SHEET

in Singapore Dollars (millions)	Group		
	30 Jun 2017	31 Dec 2016	% + / (-)
Share capital	152.7	152.7	-
Reserves			
Currency translation reserve	(145.6)	(139.8)	nm
Fair value reserve	177.3	65.5	171
Accumulated profit	6,818.6	6,510.5	5
SHAREHOLDERS' FUND	7,003.0	6,588.9	6
NON-CONTROLLING INTERESTS	78.3	75.3	4
TOTAL EQUITY	7,081.3	6,664.2	6
LIABILITIES			
Insurance payables	3,772.0	3,670.8	3
Other creditors and interfund balances	3,248.7	2,653.8	22
Unexpired risk reserve	132.2	124.9	6
Derivative financial liabilities	377.0	737.5	(49)
Income tax	480.6	446.4	8
Provision for agents' retirement benefits	266.9	263.3	1
Deferred tax	1,317.0	1,058.3	24
Debt issued	399.7	399.6	0
General insurance fund	243.4	223.2	9
Life assurance fund	59,380.0	54,881.1	8
TOTAL EQUITY AND LIABILITIES	76,698.8	71,123.1	8
ASSETS			
Cash and cash equivalents	3,502.3	3,526.6	(1)
Other debtors and interfund balances	2,924.3	2,691.0	9
Insurance receivables	2,642.3	2,604.5	1
Loans	1,575.8	1,609.0	(2)
Derivative financial assets	159.7	84.9	88
Investments	63,679.9	58,383.3	9
Associates	44.8	47.4	(5)
Intangible assets	29.9	32.0	(7)
Investment properties	1,538.1	1,539.0	(0)
Property, plant and equipment	601.7	605.4	(1)
TOTAL ASSETS	76,698.8	71,123.1	8
Net Asset Value per share (in Singapore Dollars)	14.80	13.92	6

nm – not meaningful / exceeding 300%

4. COMPANY BALANCE SHEET

in Singapore Dollars (millions)	Company		
	30 Jun 2017	31 Dec 2016	% + / (-)
Share capital	152.7	152.7	-
Reserves			
Merger reserve	419.2	419.2	-
Accumulated profit	2,814.5	2,662.5	6
TOTAL EQUITY	3,386.4	3,234.4	5
LIABILITIES			
Other creditors	7.9	7.8	1
Income tax	-	0.1	(100)
TOTAL EQUITY AND LIABILITIES	3,394.3	3,242.3	5
ASSETS			
Cash and cash equivalents	72.5	20.8	249
Other debtors	0.2	0.1	100
Amounts due from subsidiaries	2,627.3	2,534.9	4
Subsidiaries	693.9	686.1	1
Property, plant and equipment	0.4	0.4	-
TOTAL ASSETS	3,394.3	3,242.3	5
Net Asset Value per share (in Singapore Dollars)	7.15	6.83	5

5. SELECTED INCOME AND MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Shareholders' Fund				
	1st Half 2017	1st Half 2016	2nd Quarter 2017	2nd Quarter 2016	1st Quarter 2017
Expenses					
1. Staff costs and related expenses (including executive directors and key management personnel compensation)	20.0	38.9	9.9	19.5	10.1
2. Rental expense	1.2	3.1	0.4	1.4	0.8
3. Depreciation	0.4	0.6	0.2	0.4	0.2
Life Assurance and General Insurance Funds					
in Singapore Dollars (millions)	1st Half 2017	1st Half 2016	2nd Quarter 2017	2nd Quarter 2016	1st Quarter 2017
Income					
1. Investment income, net (excluding mark-to-market changes)	1,016.0	975.0	555.4	533.9	460.6
Expenses					
1. Staff costs and related expenses (including executive directors and key management personnel compensation)	132.9	111.2	68.1	59.0	64.8
2. Rental expense	10.6	9.0	5.5	4.5	5.1
3. Depreciation	26.1	24.4	13.7	12.7	12.4

6.1. GROUP STATEMENT OF CHANGES IN EQUITY for the half-year ended 30 June 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 ⁽¹⁾			
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	-	-	-	497.4	497.4	5.1	502.5
Other comprehensive income							
Exchange differences arising on translation of overseas entities	-	(3.6)	-	-	(3.6)	(0.1)	(3.7)
Share of other comprehensive income of associates	-	(0.3)	-	-	(0.3)	-	(0.3)
Available-for-sale financial assets:							
Changes in fair value	-	-	189.0	-	189.0	2.9	191.9
Reclassification of realised gain on disposal of investments to Profit and Loss Statement	-	-	(54.9)	-	(54.9)	-	(54.9)
Tax on changes in fair value	-	-	(22.3)	-	(22.3)	(0.2)	(22.5)
Other comprehensive income for the period, after tax	-	(3.9)	111.8	-	107.9	2.6	110.5
Total comprehensive income for the period	-	(3.9)	111.8	497.4	605.3	7.7	613.0
Distributions to shareholders							
Dividends paid during the period:							
Final one-tier tax exempt dividends for the previous year	-	-	-	(189.3)	(189.3)	-	(189.3)
Dividends paid to non-controlling interests	-	-	-	-	-	(7.5)	(7.5)
Total distributions to shareholders	-	-	-	(189.3)	(189.3)	(7.5)	(196.8)
Changes in ownership interests in subsidiaries							
Disposal of subsidiaries	-	(1.9)	-	-	(1.9)	(0.6)	(2.5)
Changes in non-controlling interests	-	-	-	-	-	3.4	3.4
Total changes in ownership interests in subsidiaries	-	(1.9)	-	-	(1.9)	2.8	0.9
Total transactions with shareholders in their capacity as shareholders	-	(1.9)	-	(189.3)	(191.2)	(4.7)	(195.9)
Balance at 30 June 2017	152.7	(145.6)	177.3	6,818.6	7,003.0	78.3	7,081.3

6.2. GROUP STATEMENT OF CHANGES IN EQUITY for the half-year ended 30 June 2016

in Singapore Dollars (millions)	Attributable to Shareholders of the Company					Non-Controlling Interests	Total Equity
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Accumulated Profit ⁽¹⁾	Total		
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	-	-	-	199.1	199.1	4.8	203.9
<u>Other comprehensive income</u>							
Exchange differences arising on translation of overseas entities	-	0.7	-	-	0.7	0.5	1.2
Available-for-sale financial assets:							
Changes in fair value	-	-	(53.6)	-	(53.6)	(1.7)	(55.3)
Reclassification of realised loss on disposal of investments to Profit and Loss Statement	-	-	0.3	-	0.3	-	0.3
Tax on changes in fair value	-	-	8.3	-	8.3	0.1	8.4
Other comprehensive income for the period, after tax	-	0.7	(45.0)	-	(44.3)	(1.1)	(45.4)
Total comprehensive income for the period	-	0.7	(45.0)	199.1	154.8	3.7	158.5
<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)
Total distributions to shareholders	-	-	-	(213.0)	(213.0)	-	(213.0)
<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)	(213.0)	(193.6)	-	(193.6)
Balance at 30 June 2016	152.7	(149.2)	20.5	6,167.6	6,191.6	70.3	6,261.9

(1) Included in Accumulated Profit are non-distributable reserves of \$1,799.2 million (30 June 2016: \$1,294.9 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 second quarter ended 30 June 2017

in Singapore Dollars (millions)	Attributable to Shareholders of the Company					Non-Controlling Interests	Total Equity
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Accumulated Profit ⁽¹⁾	Total		
Balance at 1 April 2017	152.7	(151.6)	151.3	6,728.4	6,880.8	79.1	6,959.9
Profit for the period	-	-	-	279.5	279.5	2.6	282.1
<u>Other comprehensive income</u>							
Exchange differences arising on translation of overseas entities	-	8.2	-	-	8.2	0.2	8.4
Share of other comprehensive income of associates	-	(0.3)	-	-	(0.3)	-	(0.3)
Available-for-sale financial assets:							
Changes in fair value	-	-	57.0	-	57.0	1.2	58.2
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	-	-	(4.4)	-	(4.4)	(0.1)	(4.5)
Other comprehensive income for the year, after tax	-	7.9	26.0	-	33.9	1.3	35.2
Total comprehensive income for the period	-	7.9	26.0	279.5	313.4	3.9	317.3
<u>Distributions to shareholders</u>							
Dividends paid during the period:							
Final one-tier tax exempt dividends for the previous year	-	-	-	(189.3)	(189.3)	-	(189.3)
Dividends paid to non-controlling interests	-	-	-	-	-	(7.5)	(7.5)
Total distributions to shareholders	-	-	-	(189.3)	(189.3)	(7.5)	(196.8)
<u>Changes in ownership interests in subsidiaries</u>							
Disposal of subsidiaries	-	(1.9)	-	-	(1.9)	(0.6)	(2.5)
Changes in non-controlling interests	-	-	-	-	-	3.4	3.4
Total changes in ownership interests in subsidiaries	-	(1.9)	-	-	(1.9)	2.8	0.9
Total transactions with shareholders in their capacity as shareholders	-	(1.9)	-	(189.3)	(191.2)	(4.7)	(195.9)
Balance at 30 June 2017	152.7	(145.6)	177.3	6,818.6	7,003.0	78.3	7,081.3

6.4. GROUP STATEMENT OF CHANGES IN EQUITY for the second quarter ended 30 June 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 ⁽¹⁾			
Balance at 1 April 2016	152.7	(162.1)	(2.0)	6,278.4	6,267.0	68.0	6,335.0
Profit for the period	-	-	-	102.2	102.2	2.3	104.5
<u>Other comprehensive income</u>							
Exchange differences arising on translation of overseas entities	-	(8.0)	-	-	(8.0)	(0.1)	(8.1)
Available-for-sale financial assets:							
Changes in fair value	-	-	27.1	-	27.1	0.1	27.2
Reclassification of realised loss on disposal of investments to Profit and Loss Statement	-	-	1.9	-	1.9	-	1.9
Tax on changes in fair value	-	-	(5.0)	-	(5.0)	-	(5.0)
Other comprehensive income for the period, after tax	-	(8.0)	24.0	-	16.0	-	16.0
Total comprehensive income for the period	-	(8.0)	24.0	102.2	118.2	2.3	120.5
<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)
Total distributions to shareholders	-	-	-	(213.0)	(213.0)	-	(213.0)
<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)	(213.0)	(193.6)	-	(193.6)
Balance at 30 June 2016	152.7	(149.2)	20.5	6,167.6	6,191.6	70.3	6,261.9

(1) Included in Accumulated Profit are non-distributable reserves of \$1,799.2 million (30 June 2016: \$1,294.9 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 half-years ended 30 June 2017 and 2016

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total Equity
Balance at 1 January 2017	152.7	419.2	2,662.5	3,234.4
Profit for the period	-	-	341.3	341.3
Total comprehensive income for the period	-	-	341.3	341.3
<u>Distributions to shareholders</u>				
Dividends paid during the period:				
Final one-tier tax exempt dividends for the previous year	-	-	(189.3)	(189.3)
Total distributions to shareholders	-	-	(189.3)	(189.3)
Total transactions with shareholders in their capacity as shareholders	-	-	(189.3)	(189.3)
Balance at 30 June 2017	152.7	419.2	2,814.5	3,386.4
Balance at 1 January 2016	152.7	419.2	2,264.2	2,836.1
Profit for the period	-	-	661.7	661.7
Total comprehensive income for the period	-	-	661.7	661.7
<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)
Total distributions to shareholders	-	-	(213.0)	(213.0)
Total transactions with shareholders in their capacity as shareholders	-	-	(213.0)	(213.0)
Balance at 30 June 2016	152.7	419.2	2,712.9	3,284.8

7.2 COMPANY STATEMENT OF CHANGES IN EQUITY for the second quarter ended 30 June 2017 and 2016

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total Equity
Balance at 1 April 2017	152.7	419.2	2,661.4	3,233.3
Profit for the period	-	-	342.4	342.4
Total comprehensive income for the period	-	-	342.4	342.4
<u>Distributions to shareholders</u>				
Dividends paid during the period:				
Final one-tier tax exempt dividends for the previous year	-	-	(189.3)	(189.3)
Total distributions to shareholders	-	-	(189.3)	(189.3)
Total transactions with shareholders in their capacity as shareholders	-	-	(189.3)	(189.3)
Balance at 30 June 2017	152.7	419.2	2,814.5	3,386.4
Balance at 1 April 2016	152.7	419.2	2,262.4	2,834.3
Profit for the period	-	-	663.5	663.5
Total comprehensive income for the period	-	-	663.5	663.5
<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)
Total distributions to shareholders	-	-	(213.0)	(213.0)
Total transactions with shareholders in their capacity as shareholders	-	-	(213.0)	(213.0)
Balance at 30 June 2016	152.7	419.2	2,712.9	3,284.8

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

in Singapore Dollars (millions)	1st Half 2017	1st Half 2016	2nd Quarter 2017	2nd Quarter 2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	554.4	246.0	307.6	129.5
Life assurance profit/(loss) before income tax	86.7	(287.0)	67.4	(69.3)
General insurance profit before income tax	11.6	16.7	4.0	10.3
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(416.1)	(191.3)	(240.4)	(107.8)
Surplus transferred from general insurance fund but not yet withdrawn	(9.9)	(14.0)	(3.8)	(8.4)
Share of loss of associates	0.4	0.1	0.3	-
Gain on sale of investments and changes in fair value	(1,544.6)	(409.0)	(522.9)	(51.1)
(Gain)/loss on disposal of subsidiaries	(1.0)	18.7	(1.0)	18.7
Increase in provision for impairment of assets	65.1	116.8	43.7	61.7
Increase in provision for agents' retirement benefits	23.8	16.1	10.8	10.1
Depreciation	26.4	25.0	13.9	13.1
Unrealised loss on exchange differences	593.4	678.7	275.8	162.6
Change in life assurance contract liabilities	3,788.4	2,471.3	1,597.5	1,278.9
Change in general insurance contract liabilities	6.5	1.4	5.2	(2.3)
Change in unexpired risk reserve	5.2	2.7	2.9	2.9
Amortisation of capitalised transaction fees	0.1	0.1	0.1	0.1
Dividend income	(278.7)	(257.8)	(180.4)	(174.6)
Interest income	(883.2)	(850.3)	(450.9)	(432.6)
Interest expense	9.2	9.2	4.6	4.6
Interest expense on policy benefits	73.2	73.7	37.1	38.2
Share-based payments	2.0	1.6	1.3	1.0
	2,112.9	1,668.7	972.8	885.6
Changes in working capital:				
Insurance receivables	(22.6)	(40.0)	(29.6)	47.4
Other debtors and interfund balances	(198.9)	527.9	(166.0)	354.5
Insurance payables	101.2	186.6	135.8	18.0
Other creditors and interfund balances	606.5	(266.3)	(125.8)	(230.4)
Cash generated from operations	2,599.1	2,076.9	787.2	1,075.1
Income tax paid	(120.2)	(174.5)	(73.3)	(128.1)
Interest paid on policy benefits	(73.2)	(73.7)	(37.1)	(38.2)
Agents' retirement benefits paid	(19.0)	(5.6)	(9.5)	(2.7)
Net cash flows from operating activities	2,386.7	1,823.1	667.3	906.1
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from maturities and sale of investments	35,345.2	11,096.1	22,766.5	5,606.7
Purchase of investments	(38,565.3)	(13,328.9)	(24,776.4)	(6,329.1)
Net cash inflow from disposal of subsidiaries	14.9	23.6	14.9	23.6
Proceeds from sale of property, plant and equipment	0.2	-	-	-
Purchase of property, plant and equipment and investment properties	(24.4)	(25.9)	(10.4)	(11.0)
Interest income received	860.7	832.7	404.6	413.8
Interest expense paid	(9.0)	(9.3)	0.4	-
Dividends received	271.5	254.4	181.9	172.9
Net cash flows used in investing activities	(2,106.2)	(1,157.3)	(1,418.5)	(123.1)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(189.3)	(213.0)	(189.3)	(213.0)
Dividends paid to non-controlling interests	(7.5)	-	(7.5)	-
Changes in non-controlling interests	3.4	-	3.4	-
Net cash flows used in financing activities	(193.4)	(213.0)	(193.4)	(213.0)
Net effect of currency translation reserve adjustment	(111.4)	298.5	288.1	(522.9)
Net (decrease)/increase in cash and cash equivalents	(24.3)	751.3	(656.5)	47.1
Cash and cash equivalents at the beginning of the period	3,526.6	3,491.1	4,158.8	4,195.3
Cash and cash equivalents at the end of the period	3,502.3	4,242.4	3,502.3	4,242.4

9. REVIEW OF RESULTS

The Group Financial Statements for the second quarter of 2017 ("Q2-17") and for the half-year ended 30 June 2017 ("1H-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 \$279.5 million for Q2-17 and \$497.4 million for 1H-17 were higher compared with the same periods last year (Q2-16: \$102.2 million, 1H-16: \$199.1 million). This was largely due to the higher non-operating profit brought about mainly by favourable financial market conditions.

9.2 GROSS PREMIUMS

Q2-17 and 1H-17 gross premiums increased 8% and 13% compared with the same periods last year to \$2,458.5 million and \$5,149.9 million (Q2-16: \$2,276.3 million, 1H-16: \$4,538.6 million).

9.3 PROFIT FROM INSURANCE BUSINESS

The Group's profit from insurance business for Q2-17 was \$244.2 million (Q2-16: \$116.2 million), up 110% from the same quarter last year, mainly because of higher contribution from its Singapore business and gain from favourable financial market conditions compared to last year. For 1H-17, profit from insurance business increased by 108% to \$426.0 million (1H-16: \$205.3 million) for the same reasons above.

9.4 PROFIT FROM SHAREHOLDERS' FUND'S INVESTMENTS

Profit from Shareholders' Fund's Investments for Q2-17 and 1H-17 were higher at \$61.9 million and \$130.8 million compared with the same periods last year (Q2-16: \$18.8 million, 1H-16: \$47.7 million), mainly because of higher realised gains from sale of investments and lower foreign exchange losses from US Dollar denominated investments, partly offset by changes in third-party's interests in consolidated investment funds.

9.5 FEES AND OTHER INCOME

Fees and other income increased to \$21.6 million for Q2-17 and \$42.0 million for 1H-17 (Q2-16: \$19.8 million, 1H-16: \$39.3 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 June 2017, fair value reserve was \$177.3 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 June 2017	31 December 2016
Subordinated fixed rate notes (unsecured)		
- payable after one year	399.7	399.6

9.6.3 Investments

Investments increased by 9% to \$63,679.9 million as at 30 June 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 June 2017	31 December 2016	30 June 2017	31 December 2016
Fixed income & debt securities	65%	63%	65%	70%
Equities	24%	26%	30%	23%
Real estate & others	6%	6%	3%	4%
Cash & money market instruments	5%	5%	2%	3%
Market Value of Assets (in SGD billions)	39.9	35.7	21.9	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 June 2017 was unchanged at \$152.7 million compared with 31 December 2016. Total number of shares issued as at 30 June 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 Q2-17, 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 Q2-17.

12. UNAUDITED RESULTS

The consolidated Group's financial results for the second quarter and half-year ended 30 June 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.

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