



## GREAT EASTERN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

The Board of Directors of Great Eastern Holdings Limited is pleased to announce the unaudited results of the Group and the Company for the first quarter ended 31 March 2003:

### 1 PROFIT AND LOSS STATEMENTS for the first quarter ended 31 March

in Singapore Dollars (millions)	Group			Company		
	31 Mar 2003	31 Mar 2002	% +/(-)	31 Mar 2003	31 Mar 2002	% +/(-)
Turnover	883.4	1,724.8	(48.8)	-	-	-
Gross Premiums	967.1	1,303.9	(25.8)	-	-	-
Profit from life assurance	32.2	67.8	(52.5)	-	-	-
Profit from general insurance	3.6	25.4	(85.8)	-	-	-
<b>Profit from insurance operations</b>	<b>35.8</b>	<b>93.2</b>	<b>(61.6)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investment income	7.3	7.3	-	0.2	0.7	(71.4)
Interest income	1.5	2.1	(28.6)	0.1	0.6	(83.3)
(Loss)/gain on sale of investments and changes in fair value	(1.7)	3.4	nm	0.7	1.3	(46.2)
<b>Profit from investments</b>	<b>7.1</b>	<b>12.8</b>	<b>(44.5)</b>	<b>1.0</b>	<b>2.6</b>	<b>(61.5)</b>
<b>Fees and other income</b>	<b>5.9</b>	<b>6.3</b>	<b>(6.3)</b>	<b>0.1</b>	<b>-</b>	<b>nm</b>
<b>Profit before expenses</b>	<b>48.8</b>	<b>112.3</b>	<b>(56.5)</b>	<b>1.1</b>	<b>2.6</b>	<b>(57.7)</b>
less: <b>Expenses</b>						
Management expenses	2.6	1.9	36.8	0.6	0.4	50.0
Depreciation	0.1	-	nm	-	-	-
Exchange differences	(11.6)	(0.3)	nm	(0.2)	(0.2)	-
	(8.9)	1.6	nm	0.4	0.2	100.0
<b>Profit before income tax</b>	<b>57.7</b>	<b>110.7</b>	<b>(47.9)</b>	<b>0.7</b>	<b>2.4</b>	<b>(70.8)</b>
less: <b>Income tax</b>	<b>16.8</b>	<b>29.6</b>	<b>(43.2)</b>	<b>0.1</b>	<b>0.8</b>	<b>(87.5)</b>
<b>Profit after income tax</b>	<b>40.9</b>	<b>81.1</b>	<b>(49.6)</b>	<b>0.6</b>	<b>1.6</b>	<b>(62.5)</b>
less: <b>Minority interests</b>	<b>0.8</b>	<b>0.7</b>	<b>14.3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>40.1</b>	<b>80.4</b>	<b>(50.1)</b>	<b>0.6</b>	<b>1.6</b>	<b>(62.5)</b>
Basic earnings per share (in Singapore cents)	9 cents	17 cents				
Diluted earnings per share (in Singapore cents)	9 cents	17 cents				

nm - not meaningful

Note: Turnover for the Group is derived from the summation of components as follows: (i) Investment income, Interest income, Gain/(loss) on sale of investments (excluding fair value changes on held-for-trading investments) and Fees and other income from the Profit and Loss Statement; (ii) Gross premiums, Investment income, Interest income, Rental income and Gain/(loss) on sale of investments (excluding fair value changes on held-for-trading investments) from the Life Assurance Revenue Statement and (iii) Gross premiums, Investment income, Interest income and Gain/(loss) on sale of investments (excluding fair value changes on held-for-trading investments) from the General Insurance Revenue Statement.

### 2 SELECTED MANAGEMENT EXPENSES for the first quarter ended 31 March

in Singapore Dollars (millions)	Shareholders' and General Insurance Funds		Life Assurance Fund	
	31 Mar 2003	31 Mar 2002	31 Mar 2003	31 Mar 2002
Directors' remuneration	-	-	0.3	0.3
Auditors' remuneration	-	-	0.4	0.1
Audit fees paid to auditors of the Company	-	-	0.1	0.1
<sup>(2.1)</sup> Other fees paid to auditors	-	-	0.3	-
Staff costs	2.8	2.6	15.4	15.6
Rental expense	0.2	0.2	1.9	1.9

<sup>(2.1)</sup> Other fees paid to auditors were approved by the Audit Committee.

**3 GROUP FINANCIAL HIGHLIGHTS for the first quarter ended 31 March**

		31 Mar 2003	31 Mar 2002	% +/(-)
Turnover	(\$millions)	883.4	1,724.8	(48.8)
Gross Premiums	(\$millions)	967.1	1,303.9	(25.8)
Total Assets	(\$millions)	28,128.3	26,927.1	4.5
Profit Attributable to Shareholders	(\$millions)	40.1	80.4	(50.1)
Shareholders' Fund	(\$millions)	1,662.0	1,650.6	0.7
Profit After Tax before Minority Interests as a % of Turnover	%	4.6%	4.7%	-0.1 pp
Return on Equity (average Shareholders' Fund)	%	2.4%	5.2%	-2.8 pp
Gross Premium Growth	%	-25.8%	-17.5%	-8.3 pp

**4 BALANCE SHEETS as at 31 March 2003 and 31 December 2002**

	Group			Company		
	31 Mar 2003	31 Dec 2002	% +/(-)	31 Mar 2003	31 Dec 2002	% +/(-)
in Singapore Dollars (millions)						
Property, plant and equipment	1,527.6	1,505.8	1.4	0.1	0.1	-
Investments	22,249.6	21,498.9	3.5	44.9	218.2	(79.4)
Subsidiary companies	-	-	-	1,496.2	1,217.5	22.9
Associated companies	143.9	139.0	3.5	-	-	-
Outstanding premiums	123.4	160.2	(23.0)	-	-	-
Other debtors and interfund balances	849.8	677.1	25.5	0.4	1.5	(73.3)
Cash on deposit	2,867.8	3,129.2	(8.4)	59.2	169.5	(65.1)
Cash and bank balances	366.2	236.1	55.1	8.9	5.2	71.2
<b>Total Assets</b>	<b>28,128.3</b>	<b>27,346.3</b>	<b>2.9</b>	<b>1,609.7</b>	<b>1,612.0</b>	<b>(0.1)</b>
Represented by :						
Share Capital	235.7	235.7	-	235.7	235.7	-
Reserves						
Merger reserve	141.9	141.9	-	620.0	620.0	-
Translation reserve	(3.4)	(6.5)	(47.7)	-	-	-
Fair value reserve	(61.4)	(50.2)	22.3	(9.8)	(7.5)	30.7
Accumulated profit	1,349.2	1,309.1	3.1	763.7	763.1	0.1
<b>Shareholders' Fund</b>	<b>1,662.0</b>	<b>1,630.0</b>	<b>2.0</b>	<b>1,609.6</b>	<b>1,611.3</b>	<b>(0.1)</b>
Life Assurance Fund	23,891.7	23,347.7	2.3	-	-	-
General Insurance Fund	130.6	123.6	5.7	-	-	-
Minority interests	10.6	10.2	3.9	-	-	-
Provision for deferred tax	18.0	2.7	nm	(2.7)	(1.8)	50.0
Provision for agents' retirement benefits	133.4	128.5	3.8	-	-	-
Claims admitted or intimated	109.3	96.3	13.5	-	-	-
Policy benefits	1,026.1	1,000.7	2.5	-	-	-
Unearned premium reserve	37.9	34.1	11.1	-	-	-
Other creditors and interfund balances	962.8	796.8	20.8	1.0	1.0	-
Provision for income tax	145.9	175.7	(17.0)	1.8	1.5	20.0
	<b>28,128.3</b>	<b>27,346.3</b>	<b>2.9</b>	<b>1,609.7</b>	<b>1,612.0</b>	<b>(0.1)</b>
Net Asset Value per share	(S\$)	3.53	3.46	2.0		

## 5 REVIEW OF FINANCIAL RESULTS

5.1 The Group profit attributable to shareholders for the first quarter ended 31 March 2003 was S\$40.1 million, which when compared against the profit of S\$80.4 million for the corresponding period in 2002 showed a decrease of 50.1%. Return on equity was 2.4% as at 31 March 2003, compared to 5.2% as at 31 March 2002. Earnings per share was 9 cents, compared to 17 cents for the corresponding period in 2002. The Group profit before income tax for the first quarter 2003 amounted to S\$57.7 million, a decrease of 47.9% from S\$110.7 million for the corresponding period in 2002. The main reasons for the decrease in profit are as set out in paragraph 5.1.1 below:

5.1.1 Pre-tax profit for the first quarter ended 31 March 2003 from life assurance, comprising pre-tax profit from the Participating Fund, Non-participating Fund and the Investment-linked Fund totalled S\$32.2 million, as follows, and showed a decrease of 52.5%, when compared to S\$67.8 million for the first quarter 2002:

in Singapore Dollars (millions)	First quarter ended		
	31 Mar 2003	31 Mar 2002	% +/(-)
<b>Pre-tax profit from:</b>			
Participating Fund	19.5	20.2	(3.5)
Non-participating Fund	7.5	45.4	(83.5)
Investment-linked Fund	5.2	2.2	136.4
<b>Total</b>	<b>32.2</b>	<b>67.8</b>	<b>(52.5)</b>

The decrease in pre-tax profit in Non-participating Fund was due mainly to a loss on sale of investments attributable to the decline in the regional and global equity markets and continued low interest rate environment. The improvement in pre-tax profit in the Investment-linked Fund was due to re-pricing in early 2002 of the Investment-linked products even though the fund size had decreased by 8.4% from S\$1,606.1 million as at 31 March 2002 to S\$1,471.6 million as at 31 March 2003 (the decrease in fund size was 0.4% if compared to the fund size of S\$1,477.0 million as at 31 December 2002).

5.1.2 The general insurance profit was S\$3.6 million for the first quarter of 2003, as compared to S\$25.4 million for the corresponding quarter in 2002. The higher profit in 2002 arose from the sale of certain investments in the General Insurance Fund, which was non-recurring in 2003.

5.1.3 Pre-tax profit from investments of the Shareholders' Fund in first quarter 2003 totalled S\$7.1 million, 44.5% lower than the S\$12.8 million for the corresponding period in 2002, due mainly to loss on sale of investments, arising from the decline in equity markets this year, as compared to profit on sale of investments for the same quarter last year.

5.2 Gross premiums from the insurance operations totalled S\$967.1 million for the first quarter 2003, a decrease of 25.8% from S\$1,303.9 million for the first quarter 2002. The decrease reflected the more difficult business operating environment in the industry and was also due in part to the Group's re-pricing of certain single premium products to reflect the lower investment return.

5.3 Total Group assets as at 31 March 2003 amounted to S\$28,128.3 million, 2.9% higher than S\$27,346.3 million as at 31 December 2002. Net asset value per share as at 31 March 2003 was S\$3.53, 2.0% higher than S\$3.46 as at 31 December 2002.

5.4 The Group Profit and Loss Statement for the first quarter ended 31 March 2003 and Balance Sheet as at 31 March 2003 have been prepared based on the same accounting policies and methods of computation used to prepare the Group's financial statements for the year ended 31 December 2002, except as disclosed in paragraph 5.5 below.

5.5 With effect from 1 January 2003, the Group has to comply with Financial Reporting Standards ("FRS") of Singapore which replaced the Singapore Statements of Accounting Standards ("SAS") adopted by the Group before the FRS came into effect. Basically, there are no material differences arising from the compliance with FRS except for the following:-

5.5.1 Under FRS 28, the Group has to equity account for its interest in associated companies which previously exemption was available under SAS 27. There are two associated companies within the Group. The Group has in prior year provided for impairment of secured loans to one of the associated companies, amounting to S\$66.1 million, in the Life Assurance Fund in accordance with Insurance Regulations in Singapore. As this impairment provision was in excess of its share of losses of the associated company, there was no financial impact to the Group in adopting FRS 28. However, it requires a reclassification from "provision for impairment of secured loans" to "share of losses of associated company" of S\$24.9 million. The Group's share of profits of the other associated company for the first quarter of 2003 was not material and would be accounted for at the end of the current financial year.

- 5.5.2 With effect from 1 January 2003, in compliance with FRS, the Group has changed its accounting basis of translating revenues and expenses of foreign entities from using exchange rates ruling at balance sheet date to average exchange rates. This change in accounting policy was adopted from 1 January 2003 as the effect of restatement of the Profit and Loss Statement, Life Assurance and General Insurance Revenue Statements on retrospective application was not material.
- 5.5.3 As disclosed in the Group's previous announcement of the 2002 full year results, the Group had with effect from 1 January 2002 adopted SAS 33, Financial Instruments: Recognition and Measurement, before its effective date. The same basis has been used to prepare the Group's financial statements for the first quarter ended 31 March 2003. The Council on Corporate Disclosure and Governance recently announced that the equivalent to SAS 33 would be FRS 39, which is expected to be released this year.
- 5.6 The financial statements for the first quarter ended 31 March 2003 have not been audited or reviewed by the Group's auditors.

**6 CONDITIONS AND KNOWN FACTORS THAT MAY AFFECT GROUP PERFORMANCE IN NEXT REPORTING PERIOD AND THE NEXT TWELVE MONTHS**

The overall business operating environment in the region has been rendered more complex and difficult as compared to last year, as a result of current global political, economic and social developments. The Group's performance in the next twelve months would continue to be affected by a range of short and long term factors including the uncertainty of the equity, foreign exchange and credit markets, the prevailing low interest rates, major global geopolitical events and the effect of SARS (severe acute respiratory syndrome) on the local and regional economies, in particular the economies in which the Group operates.

7 GROUP SEGMENTAL INFORMATION for first quarter ended 31 March

(1) By Geographical Segments

in Singapore Dollars (millions)

	Singapore		Malaysia		Other ASEAN		Consolidated	
	31 Mar 2003	31 Mar 2002	31 Mar 2003	31 Mar 2002	31 Mar 2003	31 Mar 2002	31 Mar 2003	31 Mar 2002
<b>(a) Life Assurance Fund</b>								
Premium income (net)	569.4	903.1	350.0	356.2	3.9	3.9	923.3	1,263.2
Investment, interest and rental income	126.2	118.8	95.9	99.0	1.0	0.9	223.1	218.7
(Loss)/gain on sale of investments and changes in fair value	(274.3)	166.8	-	14.9	(0.1)	0.9	(274.4)	182.6
Total	421.3	1,188.7	445.9	470.1	4.8	5.7	872.0	1,664.5
Claims, surrenders and annuities	287.9	271.8	140.9	203.9	3.0	2.7	431.8	478.4
Commissions and expenses	21.1	58.5	67.1	67.6	1.2	1.0	89.4	127.1
Income tax	0.4	14.4	7.7	8.0	(0.4)	0.2	7.7	22.6
Total	309.4	344.7	215.7	279.5	3.8	3.9	528.9	628.1
Excess of income over expenses	111.9	844.0	230.2	190.6	1.0	1.8	343.1	1,036.4
Total assets employed	16,675.6	15,864.9	9,116.8	8,677.0	157.0	173.2	25,949.4	24,715.1
Property, plant and equipment	1,277.9	1,217.4	245.1	228.2	0.3	0.2	1,523.3	1,445.8
Investments:	13,046.2	11,979.3	7,918.1	7,305.0	105.7	93.5	21,070.0	19,377.8
i. Quoted government securities, loan stocks and bonds	5,858.9	4,416.5	2,385.6	2,301.0	20.2	1.1	8,264.7	6,718.6
ii. Quoted equity in corporations	3,830.2	4,773.3	2,662.2	2,561.8	47.6	62.0	6,540.0	7,397.1
iii. Unquoted equity in corporations	27.6	35.8	9.1	2.2	0.6	0.6	37.3	38.6
iv. Other unquoted investments	1,471.7	1,008.9	1,651.6	1,207.9	17.0	10.9	3,140.3	2,227.7
v. Unit trusts	310.5	317.0	-	-	-	-	310.5	317.0
vi. Policy loans	797.4	765.7	998.2	951.6	18.8	18.9	1,814.4	1,736.2
vii. Unsecured loans	13.5	15.5	2.1	2.4	-	-	15.6	17.9
viii. Secured loans	636.0	610.4	209.3	278.1	-	-	845.3	888.5
ix. Derivatives	100.4	36.2	-	-	1.5	-	101.9	36.2
Cash and bank balances	1,902.0	2,364.0	803.4	1,094.8	48.6	75.6	2,754.0	3,534.4
Life Assurance Fund	15,502.3	14,591.6	8,238.5	7,880.4	150.9	164.8	23,891.7	22,636.8
Provision for deferred tax	(35.9)	92.5	40.5	69.2	(0.5)	-	4.1	161.7
Provision for agents' retirement benefits	-	-	132.6	126.7	0.8	0.8	133.4	127.5
Claims admitted or intimated	43.7	38.8	64.8	67.4	0.5	0.6	109.0	106.8
Policy benefits	547.8	501.3	471.9	423.2	6.4	6.1	1,026.1	930.6
Other creditors and interfund balances	602.1	641.6	191.1	109.0	(1.1)	0.3	792.1	750.9
Provision for income tax	15.6	(0.9)	(22.6)	1.2	-	0.5	(7.0)	0.8
<b>(b) General Insurance Fund</b>								
Premium income (net)	15.6	13.9	7.5	6.5	-	0.2	23.1	20.6
Increase in unearned premium reserve during the period	(3.3)	(3.0)	(0.4)	0.1	-	-	(3.7)	(2.9)
Claims and increase in loss reserve	(5.3)	(7.4)	(4.0)	(3.6)	(0.1)	(0.1)	(9.4)	(11.1)
Commissions and expenses	(4.0)	(3.9)	(1.7)	(1.9)	(0.4)	(0.2)	(6.1)	(6.0)
Net underwriting profit/(loss)	3.0	(0.4)	1.4	1.1	(0.5)	(0.1)	3.9	0.6
Investment income	1.4	25.6	1.4	1.7	-	-	2.8	27.3
Total assets employed	210.7	216.8	115.8	104.7	4.0	4.2	330.5	325.7
<b>(c) Shareholders' Fund</b>								
Profit/(loss) from insurance operations	3.5	50.3	32.7	43.1	(0.4)	(0.2)	35.8	93.2
Profit from investments	5.9	11.4	1.2	1.4	-	-	7.1	12.8
Fees and other income	5.9	6.3	-	-	-	-	5.9	6.3
Total income	15.3	68.0	33.9	44.5	(0.4)	(0.2)	48.8	112.3
Profit/(loss) attributable to shareholders	16.1	48.7	24.4	31.8	(0.4)	(0.1)	40.1	80.4
Total assets employed <sup>(7.1)</sup>	1,663.3	1,637.7	241.8	309.3	12.9	12.4	1,848.4	1,886.3

<sup>(7.1)</sup> elimination for 2003: \$69.6 million (2002: \$73.1 million)

**(2) By Business Segments:**

in Singapore Dollars (millions)	Life Assurance Fund (Non-Linked)		Life Assurance Fund (Linked)		Consolidated	
	31 Mar 2003	31 Mar 2002	31 Mar 2003	31 Mar 2002	31 Mar 2003	31 Mar 2002
Premium income (net)	<b>861.5</b>	1,139.6	<b>61.8</b>	123.6	<b>923.3</b>	1,263.2
Investment, interest and rental income	<b>215.4</b>	211.9	<b>7.7</b>	6.8	<b>223.1</b>	218.7
(Loss)/gain on sale of investments and changes in fair value	<b>(247.1)</b>	133.8	<b>(27.3)</b>	48.8	<b>(274.4)</b>	182.6
Total income	<b>829.8</b>	1,485.3	<b>42.2</b>	179.2	<b>872.0</b>	1,664.5
Claims, surrenders and annuities	<b>395.5</b>	440.7	<b>36.3</b>	37.7	<b>431.8</b>	478.4
Commissions and expenses	<b>79.7</b>	105.5	<b>9.7</b>	21.6	<b>89.4</b>	127.1
Income tax	<b>7.1</b>	22.1	<b>0.6</b>	0.5	<b>7.7</b>	22.6
Total expenses	<b>482.3</b>	568.3	<b>46.6</b>	59.8	<b>528.9</b>	628.1
Excess/(shortfall) of income over expenses	<b>347.5</b>	917.0	<b>(4.4)</b>	119.4	<b>343.1</b>	1,036.4

**8 CONSOLIDATED STATEMENT OF CASH FLOWS for the first quarter ended 31 March**

in Singapore Dollars (millions)	31 Mar 2003	31 Mar 2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	<b>57.7</b>	110.7
Excess of income over expenses before income tax from life assurance revenue statement	<b>350.8</b>	1,059.0
Excess of income over expenses before income tax from general insurance revenue statement	<b>6.7</b>	27.9
Adjustments for non-cash items:		
Surplus transferred from life assurance fund but not yet withdrawn	<b>(32.2)</b>	(67.8)
Profit transferred from general insurance fund but not yet withdrawn	<b>(3.6)</b>	(25.4)
Amortisation of difference in purchase consideration over nominal value of government securities, loan stocks and bonds	<b>(2.0)</b>	(10.8)
Loss/(gain) on sale of investments and changes in fair value	<b>276.2</b>	(210.0)
Provision for agents' retirement benefits	<b>3.9</b>	4.2
Increase in loss reserves	<b>0.8</b>	0.6
Depreciation	<b>5.5</b>	5.1
Exchange difference	<b>(38.4)</b>	(7.2)
	<b>625.4</b>	886.3
Changes in working capital:		
Outstanding premiums	<b>36.8</b>	27.4
Other debtors and interfund balances	<b>(172.7)</b>	(108.6)
Claims admitted or intimated	<b>13.0</b>	3.2
Policy benefits	<b>25.4</b>	22.8
Unearned premium reserve	<b>3.6</b>	2.9
Other creditors and interfund balances	<b>165.7</b>	293.9
Cash generated from operations	<b>697.2</b>	1,127.9
Income tax paid	<b>(50.1)</b>	(22.9)
Agents' retirement benefits paid	<b>(1.2)</b>	(1.2)
Net cash flows from operating activities	<b>645.9</b>	1,103.8
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	<b>2,566.1</b>	3,385.7
Purchase of investments	<b>(3,456.5)</b>	(3,587.0)
Capital injection in associated company	<b>(4.9)</b>	-
Purchase of property, plant and equipment	<b>(23.2)</b>	(384.3)
Net cash flows for investing activities	<b>(918.5)</b>	(585.6)
Net effect of translation reserve adjustment	<b>141.3</b>	(16.5)
Net (decrease)/increase in cash and cash equivalents	<b>(131.3)</b>	501.7
Cash and cash equivalents at the beginning of the year	<b>3,365.3</b>	3,569.5
Cash and cash equivalents at the end of the period	<b>3,234.0</b>	4,071.2

*Cash and cash equivalents consist of cash, bank balances and cash on deposit.*

9 GROUP STATEMENT OF CHANGES IN EQUITY for the quarter ended 31 March

in Singapore Dollars (millions)	Share Capital	Share Premium	General and Accident Reserve	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 January 2002	235.7	-	792.5	245.9	4.1	-	253.0	1,531.2
Effect of adopting SAS 33:								
Reversal of provision for diminution in value of investments and other adjustments	-	-	-	-	-	-	7.3	7.3
Fair value changes on remeasuring held-for-trading investments	-	-	-	-	-	-	0.7	0.7
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	-	8.3	-	8.3
Effect of adopting SAS 12:								
Deferred tax on fair value changes	-	-	-	(25.6)	-	(0.5)	(0.1)	(26.2)
Balance at 1 January 2002, as restated	235.7	-	792.5	220.3	4.1	7.8	260.9	1,521.3
Exchange differences arising on translation of overseas entities	-	-	-	-	(2.7)	-	-	(2.7)
Net profit for the period	-	-	-	-	-	-	80.4	80.4
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	-	64.6	-	64.6
Deferred tax on fair value changes	-	-	-	-	-	(15.7)	-	(15.7)
Deferred tax - effect of change in tax rate	-	-	-	2.6	-	0.1	-	2.7
<b>Balance at 31 March 2002</b>	<b>235.7</b>	<b>-</b>	<b>792.5</b>	<b>222.9</b>	<b>1.4</b>	<b>56.8</b>	<b>341.3</b>	<b>1,650.6</b>
Balance at 1 January 2003	235.7	-	-	141.9	(6.5)	(50.2)	1,309.1	1,630.0
Exchange differences arising on translation of overseas entities	-	-	-	-	3.1	-	-	3.1
Net profit for the period	-	-	-	-	-	-	40.1	40.1
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	-	(15.8)	-	(15.8)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	-	1.5	-	1.5
Deferred tax on fair value changes	-	-	-	-	-	3.1	-	3.1
Issue of share capital	*	*	-	-	-	-	-	*
<b>Balance at 31 March 2003</b>	<b>235.7</b>	<b>-</b>	<b>-</b>	<b>141.9</b>	<b>(3.4)</b>	<b>(61.4)</b>	<b>1,349.2</b>	<b>1,662.0</b>

\* amount is less than S\$0.1 million

10 COMPANY STATEMENT OF CHANGES IN EQUITY for the quarter ended 31 March

in Singapore Dollars (millions)	Share Capital	Share Premium	General Reserve	Merger Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 January 2002	235.7	-	152.8	701.0	-	167.6	1,257.1
Effect of adopting SAS 33:							
Fair value changes on remeasuring available-for- sale investments	-	-	-	-	2.7	-	2.7
Effect of adopting SAS 12:							
Deferred tax on fair value changes	-	-	-	-	(0.7)	-	(0.7)
Balance at 1 January 2002, as restituted	235.7	-	152.8	701.0	2.0	167.6	1,259.1
Net profit for the period	-	-	-	-	-	1.6	1.6
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for- sale investments	-	-	-	-	0.2	-	0.2
Deferred tax on fair value changes	-	-	-	-	(0.1)	-	(0.1)
<b>Balance at 31 March 2002</b>	<b>235.7</b>	<b>-</b>	<b>152.8</b>	<b>701.0</b>	<b>2.1</b>	<b>169.2</b>	<b>1,260.8</b>
Balance at 1 January 2003	235.7	-	-	620.0	(7.5)	763.1	1,611.3
Net profit for the period	-	-	-	-	-	0.6	0.6
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for- sale investments	-	-	-	-	(2.8)	-	(2.8)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(0.1)	-	(0.1)
Deferred tax on fair value changes	-	-	-	-	0.6	-	0.6
Issue of share capital	*	*	-	-	-	-	*
<b>Balance at 31 March 2003</b>	<b>235.7</b>	<b>-</b>	<b>-</b>	<b>620.0</b>	<b>(9.8)</b>	<b>763.7</b>	<b>1,609.6</b>

\* amount is less than S\$0.1 million

**11 ISSUED SHARE CAPITAL**

During the first quarter of 2003, the Company allotted and issued 18,400 ordinary shares of 50 cents each arising from the exercise of share options granted under the Great Eastern Holdings Executives' Share Option Scheme ("the Scheme"). Accordingly, the total number of issued shares increased from 471,290,369 as at 31 December 2002 to 471,308,769 as at 31 March 2003.

As at 31 March 2003, there were 5,106,600 (31 December 2002: 5,125,000) unissued ordinary shares of 50 cents each comprised in outstanding share options granted under the Scheme, of which 238,700 (31 December 2002: 257,100) of the options are exercisable as at 31 March 2003 pursuant to the Scheme.

**12 BORROWINGS, CONTINGENT LIABILITIES AND LONG TERM LIABILITIES**

There were no borrowings or contingent liabilities for the Group as at 31 March 2003 (31 December 2002: nil) as the Group has strong liquidity for its business operations.

Liabilities in relation to the provision of long term financial protection and financial services have been computed in accordance with provisions of the Insurance Regulations in the respective jurisdictions in which the Group operates. The long term liability reserves and fund surplus reserves in the insurance funds are as set out below:

	Life Assurance Fund		General Insurance Fund	
	As at 31 Mar 2003	As at 31 Dec 2002	As at 31 Mar 2003	As at 31 Dec 2002
in Singapore Dollars (millions)				
Long Term Liability Reserves	21,562.2	20,970.7	53.3	52.1
Fund Surplus Reserves	2,329.5	2,377.0	77.3	71.5
	<b>23,891.7</b>	<b>23,347.7</b>	<b>130.6</b>	<b>123.6</b>

**13 DIVIDEND**

No interim dividend has been declared in respect of the first quarter of 2003 (2002: nil).

BY ORDER OF THE BOARD

Elizabeth Teoh  
Group Secretary  
Singapore  
8 May 2003