

2004 FINANCIAL RESULTS

The Board of Directors of Great Eastern Holdings Limited is pleased to announce the unaudited financial results of the Group and the Company for the year ended 31 December 2004:

1 GROUP PROFIT AND LOSS STATEMENTS for the year ended 31 December

in Singapore Dollars (millions)	2004	2003	% +/(-)	4th Qtr 2004	4th Qtr 2003	% +/(-)
Turnover ^(1.1)	7,878.0	6,052.4	30	1,777.4	2,100.8	(15)
Gross Premiums	5,374.9	5,055.9	6	1,437.2	1,651.5	(13)
Life assurance profit from:						
Participating Fund	106.3	84.8	25	41.4	23.5	76
Non-participating Fund	227.1	164.1	38	58.1	75.0	(23)
Investment-linked Fund	49.5	31.8	56	15.8	14.9	6
Profit from life assurance	382.9	280.7	36	115.3	113.4	2
Profit from general insurance	32.8	25.2	30	7.0	6.5	8
Profit from insurance operations	415.7	305.9	36	122.3	119.9	2
Investment income, net	50.1	46.8	7	5.6	10.9	(49)
Interest income	9.2	5.5	67	3.0	1.3	131
Gain/(loss) on sale of investments and changes in fair value	34.4	15.7	119	(3.5)	17.2	(120)
Increase in provision for impairment of assets	-	(0.6)	100	-	(0.6)	100
Exchange differences	0.1	24.3	(100)	4.9	9.9	(51)
Profit from investments	93.8	91.7	2	10.0	38.7	(74)
Fees and other income	39.4	28.3	39	12.7	8.1	57
Profit before expenses	548.9	425.9	29	145.0	166.7	(13)
less:						
Management and other expenses	21.3	12.7	68	7.1	4.8	48
Depreciation and amortisation	0.6	0.2	200	0.2	-	100
Expenses	21.9	12.9	70	7.3	4.8	52
Profit before income tax	527.0	413.0	28	137.7	161.9	(15)
less: Income tax	120.2	97.8	23	33.2	37.4	(11)
Profit after income tax	406.8	315.2	29	104.5	124.5	(16)
less: Minority interests	4.8	3.0	60	1.6	0.7	129
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	402.0	312.2	29	102.9	123.8	(17)
Basic earnings per share (in Singapore cents)	85 cents	66 cents		22 cents	26 cents	
Diluted earnings per share (in Singapore cents)	85 cents	66 cents		22 cents	26 cents	

^(1.1) Turnover for the Group is derived from the summation of components as follows: (i) Gross 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, Gross 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, Gross 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 BALANCE SHEETS as at 31 December 2004 and 31 December 2003

in Singapore Dollars (millions)	Group			Company		
	2004	2003	% +/(-)	2004	2003	% +/(-)
Share capital						
Authorised	1,000.0	1,000.0	-	1,000.0	1,000.0	-
Issued and fully paid	236.7	235.7	*	236.7	235.7	*
Share premium	10.7	0.8	nm	10.7	0.8	nm
Reserves						
Merger reserve	164.9	141.9	16	620.0	620.0	-
Translation reserve	(14.6)	(8.7)	(68)	-	-	-
Fair value reserve	94.3	110.2	(14)	-	-	-
Accumulated profit	1,832.7	1,544.1	19	991.7	890.1	11
SHAREHOLDERS' FUND	2,324.7	2,024.0	15	1,859.1	1,746.6	6
LIFE ASSURANCE FUND	30,804.8	27,556.1	12	-	-	-
GENERAL INSURANCE FUND	135.1	144.8	(7)	-	-	-
MINORITY INTERESTS	11.8	9.0	31	-	-	-
LIABILITIES						
Income tax	232.1	115.2	101	(0.5)	(0.7)	29
Other creditors and interfund balances	968.2	835.2	16	2.3	1.2	92
Unexpired risk reserve	34.8	38.8	(10)	-	-	-
Policy benefits	1,207.3	1,093.9	10	-	-	-
Claims admitted or intimated	130.8	120.0	9	-	-	-
Agents' retirement benefits	139.6	136.1	3	-	-	-
Deferred tax	267.4	278.6	(4)	(0.1)	(0.1)	-
Total Liabilities and Shareholders' Fund	36,256.6	32,351.7	12	1,860.8	1,747.0	7
ASSETS						
Cash and bank balances	657.4	393.0	67	2.7	3.6	(25)
Cash on deposit	4,212.4	3,747.0	12	271.7	367.4	(26)
Other debtors and interfund balances	976.4	829.9	18	0.3	0.2	50
Outstanding premiums	153.0	155.4	(2)	-	-	-
Properties held for sale	82.1	195.6	(58)	-	-	-
Investments	28,698.6	25,544.4	12	2.0	2.0	-
Associated companies	150.5	147.9	2	-	-	-
Subsidiary companies	-	-	-	1,584.1	1,373.7	15
Intangible assets	32.9	-	100	-	-	-
Property, plant and equipment	1,293.3	1,338.5	(3)	-	0.1	(100)
Total Assets	36,256.6	32,351.7	12	1,860.8	1,747.0	7
Net Asset Value per share (S\$)	4.91	4.29	14	3.93	3.70	6

* the percentage change is less than 1%

nm - not meaningful

3 TURNOVER, GROSS PREMIUMS AND PROFIT ATTRIBUTABLE TO SHAREHOLDERS FOR FIRST AND SECOND HALF-YEAR for the year ended 31 December

In Singapore Dollars (millions)	Group					
	First Half			Second Half		
	2004	2003	% +/(-)	2004	2003	% +/(-)
Turnover	4,261.4	2,198.1	93.9	3,616.6	3,854.3	(6.2)
Gross Premiums	2,437.9	2,050.1	18.9	2,937.0	3,005.8	(2.3)
Profit Attributable to Shareholders	234.6	125.3	87.2	167.4	186.9	(10.4)

4 SELECTED MANAGEMENT EXPENSES for the year ended 31 December

in Singapore Dollars (millions)	Shareholders' and General Insurance Funds				Life Assurance Fund	
	2004	2003	2004	2003	2004	2003
Directors' remuneration						
Directors of the Company	0.4	0.5	1.7	1.5		
Directors of subsidiaries	0.9	0.8	0.6	0.3		
Fees paid to a director of the Company for professional services rendered	-	0.1	-	0.2		
Auditors' remuneration						
Audit fees paid to auditors of the Company	0.4	0.3	0.6	0.3		
Audit fees paid to other auditors	0.2	0.2	-	0.1		
Other fees paid to auditors of the Company	0.1	0.2	0.3	0.5		
Other fees paid to other auditors	-	-	0.3	0.7		
Staff costs and related expenses	19.0	15.5	90.3	79.6		
Rental expense	1.7	1.4	11.5	11.5		
Depreciation and amortisation	1.3	1.5	30.5	25.1		

5 GROUP FINANCIAL HIGHLIGHTS for the year ended 31 December

	Group			
		2004	2003	% +/(-)
Turnover	(S\$millions)	7,878.0	6,052.4	30
Gross Premiums	(S\$millions)	5,374.9	5,055.9	6
Total Assets	(S\$millions)	36,256.6	32,351.7	12
Profit Attributable to Shareholders	(S\$millions)	402.0	312.2	29
Shareholders' Fund	(S\$millions)	2,324.7	2,024.0	15
Profit After Tax before Minority Interests as a % of Turnover	%	5.2%	5.2%	-
Return on Equity (average Shareholders' Fund)	%	18.5%	17.1%	1.4 pp
Gross Premium Growth	%	6.3%	-4.1%	10.4pp

6 GROUP STATEMENT OF CHANGES IN EQUITY for the year ended 31 December

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 January 2004	235.7	0.8	141.9	(8.7)	110.2	1,544.1	2,024.0
Exchange differences arising on translation of overseas entities	-	-	-	(5.9)	-	-	(5.9)
Net profit for the year	-	-	-	-	-	402.0	402.0
Current year movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	14.7	-	14.7
Fair value changes transferred to Profit and Loss Statement during the year	-	-	-	-	(42.2)	-	(42.2)
Deferred tax on fair value changes	-	-	-	-	29.9	-	29.9
Deferred tax - effect of change in tax rate	-	-	-	-	4.7	-	4.7
Transfer from Fair Value Reserve to Merger Reserve	-	-	23.0	-	(23.0)	-	-
Dividends paid for the year:							
Final dividend for the previous year (net of 20% Singapore Tax)	-	-	-	-	-	(67.9)	(67.9)
First interim dividend paid (net of 20% Singapore Tax)	-	-	-	-	-	(26.5)	(26.5)
Special interim dividend paid (net of 20% Singapore Tax)	-	-	-	-	-	(19.0)	(19.0)
Issue of shares arising from exercise of share options	1.0	9.9	-	-	-	-	10.9
Balance at 31 December 2004	236.7	10.7	164.9	(14.6)	94.3	1,832.7	2,324.7
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	-	-	-	(2.2)	-	-	(2.2)
Net profit for the year	-	-	-	-	-	312.2	312.2
Current year movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	207.5	-	207.5
Fair value changes transferred to Profit and Loss Statement during the year	-	-	-	-	(0.4)	-	(0.4)
Deferred tax on fair value changes	-	-	-	-	(46.7)	-	(46.7)
Dividends paid for the year:							
Final dividend for the previous year (net of 22% Singapore Tax)	-	-	-	-	-	(55.1)	(55.1)
Interim dividend paid (net of 22% Singapore Tax)	-	-	-	-	-	(22.1)	(22.1)
Issue of shares arising from exercise of share options	*	0.8	-	-	-	-	0.8
Balance at 31 December 2003	235.7	0.8	141.9	(8.7)	110.2	1,544.1	2,024.0

* amount is less than S\$0.1 million

6.1 GROUP STATEMENT OF CHANGES IN EQUITY for the quarter ended 31 December

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 October 2004	236.6	10.3	164.9	(10.3)	82.1	1,729.8	2,213.4
Exchange differences arising on translation of overseas entities	-	-	-	(4.3)	-	-	(4.3)
Net profit for the period	-	-	-	-	-	102.9	102.9
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	(37.4)	-	(37.4)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	51.8	-	51.8
Deferred tax on fair value changes	-	-	-	-	(2.2)	-	(2.2)
Issue of shares arising from exercise of share options	0.1	0.4	-	-	-	-	0.5
Balance at 31 December 2004	236.7	10.7	164.9	(14.6)	94.3	1,832.7	2,324.7
Balance at 1 October 2003	235.7	0.6	141.9	(6.6)	61.1	1,420.3	1,853.0
Exchange differences arising on translation of overseas entities	-	-	-	(2.1)	-	-	(2.1)
Net profit for the period	-	-	-	-	-	123.8	123.8
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	78.6	-	78.6
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(14.8)	-	(14.8)
Deferred tax on fair value changes	-	-	-	-	(14.7)	-	(14.7)
Issue of shares arising from exercise of share options	*	0.2	-	-	-	-	0.2
Balance at 31 December 2003	235.7	0.8	141.9	(8.7)	110.2	1,544.1	2,024.0

* amount is less than S\$0.1 million

7 COMPANY STATEMENT OF CHANGES IN EQUITY for the year ended 31 December

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 January 2004	235.7	0.8	620.0	-	890.1	1,746.6
Net profit for the year	-	-	-	-	215.0	215.0
Dividends paid for the year:						
Final dividend for the previous year (net of 20% Singapore Tax)	-	-	-	-	(67.9)	(67.9)
First interim dividend paid (net of 20% Singapore Tax)	-	-	-	-	(26.5)	(26.5)
Special interim dividend paid (net of 20% Singapore Tax)	-	-	-	-	(19.0)	(19.0)
Issue of shares arising from exercise of share options	1.0	9.9	-	-	-	10.9
Balance at 31 December 2004	236.7	10.7	620.0	-	991.7	1,859.1
Balance at 1 January 2003	235.7	-	620.0	(7.5)	763.1	1,611.3
Net profit for the year	-	-	-	-	204.2	204.2
Current year movements in Fair Value Reserve:						
Fair value changes on remeasuring available-for-sale investments	-	-	-	(8.5)	-	(8.5)
Fair value changes transferred to Profit and Loss Statement during the year	-	-	-	18.1	-	18.1
Deferred tax on fair value changes	-	-	-	(2.1)	-	(2.1)
Dividends paid for the year:						
Final dividend for the previous year (net of 22% Singapore Tax)	-	-	-	-	(55.1)	(55.1)
Interim dividend paid (net of 22% Singapore Tax)	-	-	-	-	(22.1)	(22.1)
Issue of shares arising from exercise of share options	*	0.8	-	-	-	0.8
Balance at 31 December 2003	235.7	0.8	620.0	-	890.1	1,746.6

7.1 COMPANY STATEMENT OF CHANGES IN EQUITY for the quarter ended 31 December

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 October 2004	236.6	10.3	620.0	-	780.7	1,647.6
Net profit for the period	-	-	-	-	211.0	211.0
Issue of shares arising from exercise of share options	0.1	0.4	-	-	-	0.5
Balance at 31 December 2004	236.7	10.7	620.0	-	991.7	1,859.1
Balance at 1 October 2003	235.7	0.6	620.0	-	684.1	1,540.4
Net profit for the period	-	-	-	-	206.0	206.0
Issue of shares arising from exercise of share options	*	0.2	-	-	-	0.2
Balance at 31 December 2003	235.7	0.8	620.0	-	890.1	1,746.6

* amount is less than S\$0.1 million

8 CONSOLIDATED STATEMENT OF CASH FLOWS for the year and fourth quarter ended 31 December

in Singapore Dollars (millions)	2004	2003	4th Qtr 2004	4th Qtr 2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	527.0	413.0	137.7	161.9
Excess of income over expenses before income tax from life assurance revenue statement	4,126.4	3,079.4	896.4	1,006.5
Excess of income over expenses before income tax from general insurance revenue statement	28.7	26.4	7.4	4.8
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(382.9)	(280.7)	(115.3)	(113.4)
Profit transferred from general insurance fund but not yet withdrawn	(32.8)	(25.2)	(7.0)	(6.5)
Share of results of associated companies	(29.2)	(0.7)	5.8	(0.7)
Amortisation of difference in purchase consideration over nominal value of government securities, loan stocks and bonds	31.4	(3.9)	14.2	0.9
Gain on sale of investments and changes in fair value	(1,160.2)	(154.0)	(192.2)	(251.9)
Loss on sale of properties held for sale	11.1	-	11.1	-
Increase in/(Write-back of) provision for impairment of assets	7.4	(6.8)	(2.9)	23.2
Agents' retirement benefits	13.6	14.7	2.7	4.0
Loss/(Gain) on disposal of property, plant and equipment	2.4	(2.6)	(3.0)	(2.6)
Increase/(decrease) in reserves during the year	1.1	2.6	(2.2)	0.8
Depreciation and amortisation	31.8	26.6	7.4	9.8
Exchange difference	30.2	(56.9)	(10.4)	1.6
	3,206.0	3,031.9	749.7	838.4
Changes in working capital:				
Outstanding premiums	2.4	4.8	54.2	64.6
Other debtors	(146.5)	(152.8)	(36.5)	5.9
Claims admitted or intimated	10.8	23.7	8.1	1.7
Policy benefits	113.4	93.2	25.9	26.3
Unexpired risk reserve	4.3	5.0	(0.1)	(2.4)
Other creditors	133.0	38.4	(150.3)	(5.8)
Cash generated from operations	3,323.4	3,044.2	651.0	928.7
Income tax paid	(130.5)	(156.0)	(30.1)	(21.7)
Agents' retirement benefits paid	(4.4)	(4.3)	(0.9)	(0.7)
Net cash flows from operating activities	3,188.5	2,883.9	620.0	906.3
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	11,197.4	10,365.0	978.9	3,894.1
Purchase of investments	(13,243.8)	(12,183.9)	(1,097.4)	(3,786.6)
Proceeds from sale of properties held for sale	110.0	-	20.4	-
Capital injection in associated company	-	(4.9)	-	-
Repayment of loan by associated company	14.1	59.6	15.0	41.4
Dividends from associated company	6.7	0.3	6.7	0.3
Proceeds from sale of property, plant and equipment	86.5	2.7	7.1	2.6
Purchase of property, plant and equipment	(126.9)	(92.2)	(7.1)	(19.1)
Net cash flows (used in)/from investing activities	(1,956.0)	(1,853.4)	(76.4)	132.7
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(113.4)	(77.2)	-	-
Dividends paid to minority shareholder of a subsidiary	(2.0)	(4.0)	-	(4.0)
Issue of shares arising from exercise of share options	10.9	0.8	0.5	0.2
Net cash flows (used in)/from financing activities	(104.5)	(80.4)	0.5	(3.8)
Net effect of translation reserve adjustment	(398.2)	(175.4)	(332.7)	(140.6)
Net increase in cash and cash equivalents	729.8	774.7	211.4	894.6
Cash and cash equivalents at the beginning of the year	4,140.0	3,365.3	4,658.4	3,245.4
Cash and cash equivalents at the end of the year	4,869.8	4,140.0	4,869.8	4,140.0

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

9 GROUP SEGMENTAL INFORMATION for the year ended 31 December

(1) By Geographical Segments

in Singapore Dollars (millions)	Singapore		Malaysia		Other ASEAN		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003
(a) Life Assurance Fund								
Premium income (net)	3,510.6	3,185.5	1,646.8	1,579.6	17.8	17.5	5,175.2	4,782.6
Investment, interest and rental income	1,430.9	710.8	912.8	570.9	10.7	4.3	2,354.4	1,286.0
(Increase in)/write-back of provision for impairment of assets	(7.4)	19.4	-	(12.0)	-	-	(7.4)	7.4
Total income	4,934.1	3,915.7	2,559.6	2,138.5	28.5	21.8	7,522.2	6,076.0
Claims, surrenders and annuities	2,043.9	1,733.1	774.1	709.7	11.8	14.8	2,829.8	2,457.6
Depreciation and amortisation	21.1	17.7	9.3	7.3	0.1	0.1	30.5	25.1
Commissions and expenses	212.6	187.3	348.1	323.9	4.0	3.4	564.7	514.6
Income tax	90.1	(18.3)	49.8	51.0	0.7	-	140.6	32.7
Total expenses	2,367.7	1,919.8	1,181.3	1,091.9	16.6	18.3	3,565.6	3,030.0
Share of results of associated companies	29.2	0.7	-	-	-	-	29.2	0.7
Excess of income over expenses	2,595.6	1,996.6	1,378.3	1,046.6	11.9	3.5	3,985.8	3,046.7
Total assets employed	22,071.3	19,395.4	11,240.6	10,239.1	191.8	181.3	33,503.7	29,815.8
Capital expenditure	44.2	74.8	80.7	16.7	-	-	124.9	91.5
Property, plant and equipment	1,012.8	1,103.8	275.8	230.8	0.3	0.2	1,288.9	1,334.8
Intangible Assets	14.2	-	18.7	-	-	-	32.9	-
Investments:	17,236.9	15,470.0	10,022.7	8,680.4	146.0	126.3	27,405.6	24,276.7
i. Government securities, loan stocks and bonds	9,775.1	7,829.7	5,571.2	3,980.1	71.5	40.6	15,417.8	11,850.4
ii. Quoted equity in corporations	5,114.7	5,501.2	3,075.6	3,367.5	49.6	64.7	8,239.9	8,933.4
iii. Unquoted equity in corporations	684.3	610.2	47.4	26.5	6.3	2.5	738.0	639.2
iv. Derivatives and embedded derivatives	396.7	129.6	7.7	30.0	1.0	1.0	405.4	160.6
v. Policy loans	845.4	811.1	1,017.9	1,008.6	17.6	17.5	1,880.9	1,837.2
vi. Unsecured loans	0.3	0.3	0.1	0.1	-	-	0.4	0.4
vii. Secured loans	420.4	587.9	302.8	267.6	-	-	723.2	855.5
Cash and bank balances	3,201.1	2,174.4	727.1	1,144.5	41.7	50.7	3,969.9	3,369.6
(b) General Insurance Fund								
Premium income (net)	41.1	51.1	34.7	33.4	0.2	0.2	76.0	84.7
Increase in unexpired risk reserve during the year	(2.9)	(3.3)	(1.4)	(1.9)	-	-	(4.3)	(5.2)
Claims and increase in loss reserve	(20.4)	(22.4)	(18.9)	(17.8)	(0.1)	(0.1)	(39.4)	(40.3)
Depreciation and amortisation	(0.4)	(1.0)	(0.3)	(0.3)	-	-	(0.7)	(1.3)
Commissions and expenses	(13.0)	(13.2)	(10.0)	(9.5)	(0.1)	(0.4)	(23.1)	(23.1)
Net underwriting profit/(loss)	4.4	11.2	4.1	3.9	-	(0.3)	8.5	14.8
Investment and interest income	11.6	5.2	8.4	6.4	0.2	-	20.2	11.6
Total assets employed	141.0	177.4	119.1	122.0	0.9	5.1	261.0	304.5
Capital expenditure	-	-	0.5	0.4	-	-	0.5	0.4
(c) Shareholders' Fund								
Profit/(loss) from insurance operations	209.2	150.5	209.2	155.4	(2.7)	-	415.7	305.9
Profit from investments ^(9.1)	247.4	198.2	8.3	6.8	0.8	-	93.8	91.7
Fees and other income	39.2	28.3	0.2	-	-	-	39.4	28.3
Profit before expenses ^(9.1)	495.8	377.0	217.7	162.2	(1.9)	-	548.9	425.9
Depreciation & amortisation	0.6	0.2	-	-	-	-	0.6	0.2
Profit/(loss) attributable to shareholders ^(9.2)	365.3	290.9	155.7	106.0	(1.9)	(0.1)	402.0	312.2
Total assets employed ^(9.3)	2,249.1	2,021.8	306.6	271.9	2.5	6.6	2,491.9	2,231.4
Capital expenditure	1.5	0.3	-	-	-	-	1.5	0.3

(9.1) elimination of inter-segment transactions - 2004: \$162.7 million (2003: \$113.3 million)

(9.2) elimination of inter-segment transactions - 2004: \$117.1 million (2003: \$84.6 million)

(9.3) elimination of inter-segment transactions - 2004: \$66.3 million (2003: \$88.9 million)

9 GROUP SEGMENTAL INFORMATION for the year ended 31 December - continued

(2) By Business Segments

in Singapore Dollars (millions)	Life Assurance Fund (Non-Linked)		Life Assurance Fund (Linked)		Consolidated	
	2004	2003	2004	2003	2004	2003
Premium income (net)	4,443.5	4,163.6	731.7	619.0	5,175.2	4,782.6
Investment, interest and rental income	2,215.6	882.6	138.8	403.4	2,354.4	1,286.0
(Increase in)/write-back of provision for impairment of assets	(7.4)	7.4	-	-	(7.4)	7.4
Total income	6,651.7	5,053.6	870.5	1,022.4	7,522.2	6,076.0
Claims, surrenders and annuities	2,337.5	2,075.8	492.3	381.8	2,829.8	2,457.6
Depreciation & amortisation	29.6	25.0	0.9	0.1	30.5	25.1
Commissions and expenses	456.9	436.6	107.8	78.0	564.7	514.6
Income tax	135.9	28.8	4.7	3.9	140.6	32.7
Total expenses	2,959.9	2,566.2	605.7	463.8	3,565.6	3,030.0
Share of results of associated companies	29.2	0.7	-	-	29.2	0.7
Excess of income over expenses	3,721.0	2,488.1	264.8	558.6	3,985.8	3,046.7
Total assets employed	31,354.4	27,760.1	2,149.3	2,055.7	33,503.7	29,815.8
Capital expenditure	124.9	91.5	-	-	124.9	91.5

10 REVIEW OF RESULTS

The financial statements of Great Eastern Holdings Limited (the "Company" or "GEH") and its subsidiaries for the fourth quarter of 2004 ("Q4 04") and for the financial year ended 31 December 2004 ("FY 04") have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The accounting policies and methods of computation applied are consistent with those used to prepare the Group's financial statements for 2003.

10.1 Profit attributable to shareholders

10.1.1 Group profit attributable to shareholders for Q4 04 of S\$102.9 million decreased 17% or S\$20.9 million over the profit for the fourth quarter of 2003 ("Q4 03") of S\$123.8 million, due mainly to lower profit from investments, as set out in paragraph 10.3.1 below.

10.1.2 Group profit attributable to shareholders for FY 04 totalled S\$402.0 million, which increased 29% or S\$89.8 million over the profit of the previous financial year 2003 ("FY 03") of S\$312.2 million. The increase was due mainly to S\$71.0 million profit attributable to shareholders from the disposal ("the Disposal") of the Group's shareholding in Oversea-Chinese Banking Corporation Limited ("OCBC"), pursuant to a selective capital reduction exercise undertaken by OCBC effected and completed on 28 May 2004. The Disposal profit was reported in the second quarter of 2004, accounted for under each of the three items as applicable - profit from the Non-Participating Fund, investment income and gain on sale of investments. Excluding this one-off Disposal profit, profit attributable to shareholders for FY 04 would have been S\$331.0 million or 6% higher than FY 03 profit.

10.2 Profit from insurance operations (pre-tax)

10.2.1 Pre-tax profit from the life assurance operations for Q4 04 (from the Participating, Non-Participating and Investment-Linked Funds) totalling S\$115.3 million showed a net increase of 2%, over Q4 03, comprising an increase in profit in the Participating Fund and a decrease in profit in the Non-Participating Fund. Compared to Q4 03, pre-tax profit from Participating Fund increased 76% in Q4 04 to S\$41.4 million, due mainly to declaration of a one-off higher bonus to policyholders in respect of FY 04. Pre-tax profit from the Non-Participating Fund, on the other hand, decreased 23% to S\$58.1 million compared with Q4 03, due to timing difference in the recognition of underwriting profit.

10.2.2 Pre-tax profit from the life assurance operations for FY 04 rose 36% to S\$382.9 million, as compared to S\$280.7 million in FY 03. This was attributable to increases in the Participating Fund, the Non-Participating Fund and the Investment-Linked Fund which increased 25%, 38% and 56% respectively over the comparatives in FY 03. The substantial increase in profit from the Investment-Linked Fund in FY 04 resulted from the strategy taken to increase sale of investment-linked segment.

10.2.3 Pre-tax profit from the general insurance operations for Q4 04 improved 8% to S\$7.0 million, from S\$6.5 million for Q4 03, due to higher underwriting profit from the Singapore insurance subsidiaries.

10.2.4 Pre-tax profit from general insurance operations for FY 04 totalled S\$32.8 million, an increase of 30% over the FY 03 profit of S\$25.2 million, due partly to higher dividend income received including a one-time special cash dividend from Robinson and Company Limited ("Robinson") of S\$3.6 million (gross), reported in the first quarter of 2004, and the release of margin of solvency reserve following the closure of a small overseas branch of a subsidiary.

10.3 Profit from investments (pre-tax)

10.3.1 Pre-tax profit from investments in the Shareholders' Fund in Q4 04 showed a net decrease of 74% to S\$10.0 million, from S\$38.7 million in Q4 03, due to lower investment income in Q4 04.

10.3.2 Pre-tax profit from investments in the Shareholders' Fund for FY 04 totalled S\$93.8 million, 2% higher than the FY 03 investment profit of S\$91.7 million despite lower investment profit in Q4 04. The net increase was due mainly to profit from the Disposal (as mentioned in paragraph 10.1.2 above) and to higher investment income (including a one-time special cash dividend from Robinson).

10.4 Fees and other income (pre-tax)

Fees and other income in the Shareholders' Fund rose 39% in FY 04 to S\$39.4 million, from S\$28.3 million in FY 03. The increase was contributed by three of the Company's subsidiaries in Singapore -- Straits Lion Asset Management Limited resulting from increase in its assets under management, Fairfield Straits Lion Asset Management Limited ("FSL"), and the Company's financial advisory subsidiary, Alpha Financial Advisers Private Limited ("Alpha"). Both FSL and Alpha commenced operations in FY 04.

10.5 Management and Other Expenses

Management and other expenses increased 48% in Q4 04 to S\$7.1 million and 68% in FY 04 to S\$21.3 million. The increase was due mainly to the inclusion of the following three new items in 2004, totalling S\$6.8 million (2003: nil) -- (a) professional and advisory fees incurred arising from the Disposal and the voluntary unconditional offer ("the Offer") by OCBC for the shares in GEH (under the terms set out in OCBC's offer document dated 17 May 2004 ("Offer Document")) completed as at 30 June 2004, (b) operating expenses of FSL and Alpha and (c) expenses related to the Group's regional expansion activities.

10.6 Earnings per Share and Return on Equity

Earnings per share ("EPS") for Q4 04 of 22 cents showed a 15% decrease over the Q4 03 EPS of 26 cents. EPS for FY 04 rose 29% to 85 cents, from 66 cents in FY 03. Return on equity as at 31 December 2004 improved 1.4 percentage points to 18.5%, compared with 17.1% as at 31 December 2003.

10.7 Group Assets

The Group's Balance Sheet as at 31 December 2004 showed a 12% growth in total Group assets to S\$36.3 billion, from S\$32.4 billion as at 31 December 2003; net asset value per share increased 14% to S\$4.91 from S\$4.29.

10.8 Factors that may affect Group performance in next reporting and/or 12-month period

The strong economic growth and improved operating environment in Singapore and Malaysia in 2004 are expected to continue in 2005, provided continuing pressures from geopolitical tensions and oil prices do not significantly dampen the economic growth prospects.

The Group is working with OCBC to enhance revenue synergies and to leverage on each other's capabilities and strengths, in particular in Bancassurance, cross-selling and wealth management, in Singapore and in the region. The Group will continue to pursue investment-linked business and regional expansion. Business strategies undertaken are on track to meet the Group's 2008 goal, although short term performance will continue to be affected by uncertainties in the equity, foreign exchange and money markets.

Regulatory changes and initiatives by the Monetary Authority of Singapore require life and non-life insurers in Singapore to adopt the risk based capital ("RBC") framework in 2005. Based on tests and analyses conducted, the implementation of RBC is not expected to have an unfavourable impact on the Group.

10.9 Results unaudited

The consolidated Group financial results for the year ended 31 December 2004 have not been audited or reviewed by the Group's auditors.

11 **CHANGES IN ISSUED SHARE CAPITAL**

The Company issued 1,860,300 new ordinary shares of 50 cents each in 2004, including 70,000 shares in Q4 04, arising from the exercise of share options in accordance with Great Eastern Holdings Executives' Share Option Scheme (the "Option Scheme").

Total issued and paid up shares in the share capital of the Company increased to 473,319,069 as at 31 December 2004 from 473,249,069 as at 30 September 2004 and 471,458,769 as at 31 December 2003.

Commencing from the date of OCBC's Offer, all outstanding unexercised share options became exercisable within a period of six months from that date, pursuant to the regulations of the Option Scheme; thereafter, any options remaining unexercised lapsed. Accordingly, there were no outstanding unexercised options as at 31 December 2004.

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

There were no borrowings or contingent liabilities for the Group as at 31 December 2004 (31 December 2003: 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:

in Singapore Dollars (millions)	Life Assurance Fund		General Insurance Fund	
	2004	2003	2004	2003
Long Term Liability Reserves	25,930.9	23,537.9	50.8	54.0
Fund Surplus Reserves	4,873.9	4,018.2	84.3	90.8
	30,804.8	27,556.1	135.1	144.8

13 DIVIDENDS

In respect of the financial year ended 31 December 2004, interim dividends totalling 12 cents (gross) per ordinary share were paid during 2004, including a special interim dividend; the Directors are pleased to recommend the payment of a final dividend of 20 cents (gross) and a special final dividend of 3 cents (gross), totalling 23 cents (gross) per ordinary share of 50 cents each, less 20% Singapore income tax, for approval at the Annual General Meeting to be paid on 26 April 2005, as summarised below:

	2004		2003	
	Cents per ordinary share of 50 cents each (gross)	S\$ million (net)	Cents per ordinary share of 50 cents each (gross)	S\$ million (net)
First interim dividend paid, less 20% Singapore income tax (2003: less 22% Singapore income tax)	7.0	26.50	6.0	22.06
Special interim dividend paid, less 20% Singapore income tax (2003: nil)	5.0	18.93	-	-
Final dividend proposed, less 20% Singapore income tax (2003: less 20% Singapore income tax)	20.0	75.73	18.0	67.92
Special final dividend proposed, less 20% Singapore income tax (2003: nil)	3.0	11.36	-	-
Total dividend	35.0	132.52	24.0	89.98

The Company's Section 44 tax credit balance in Singapore as at 31 December 2004 amounted to S\$121.9 million. This balance will continue to be utilised for the purpose of franking the Company's future dividend payment until the utilisation expiry date of 31 December 2007, the end of the transition period to a single tier tax system in Singapore.

14 CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 12 April 2005. Duly completed registrable transfers received by the Company's Share Registrar, M&C Services Pte Ltd at 138 Robinson Road #17-00, The Corporate Office, Singapore 068906 up to 5.00 p.m. on 11 April 2005 will be registered to determine shareholders' entitlements to the final dividend. Subject as aforesaid, Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 11 April 2005 will be entitled to the final dividend.

BY ORDER OF THE BOARD

Elizabeth Teoh
Group Company Secretary
Singapore
7 February 2005