

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”) wishes to announce the following:

Audited Financial Results of GEH Group for the Fourth Quarter and Year Ended 31 December 2009

For the year ended 31 December 2009, GEH Group reported Group profit attributable to shareholders of \$516.7 million, an increase from \$272.4 million for the year ended 31 December 2008. For the fourth quarter of 2009, the Group achieved a profit of \$148.4 million (fourth quarter of 2008: \$76.5 million). Details of the financial results are attached.

Final Dividend

The Board of Directors is pleased to recommend a final tax exempt (one-tier) dividend of 27 cents (2008: final tax exempt (one-tier) dividend of 16 cents per ordinary share) and a special final tax exempt (one-tier) dividend of 8 cents (2008: nil), totalling 35 cents per ordinary share in respect of the financial year ended 31 December 2009. The recommended final and special final dividends will be payable on 7 May 2010 subject to shareholders’ approval at the Annual General Meeting.

Closure of Books

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company be closed on 26 April 2010 for the purpose of determining the entitlement of shareholders to the recommended final tax exempt (one-tier) dividend of 27 cents and special final tax exempt (one-tier) dividend of 8 cents. Duly completed registrable transfers of shares 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 23 April 2010 will be registered to determine the shareholders’ entitlements to the final and special final tax exempt (one-tier) dividends. Subject to the aforesaid, members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 23 April 2010 will be entitled to the recommended final and special final tax exempt (one-tier) dividends.

By Order of the Board

Jennifer Wong Pakshong
Group Company Secretary
Singapore, 10 February 2010

The Group financial results are also available on the Company’s website at www.lifeisgreat.com.sg.

FINANCIAL RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2009

1 GROUP PROFIT AND LOSS STATEMENTS

in Singapore Dollars (millions)	2009	2008	% +/-	4th Quarter 2009	4th Quarter 2008	% +/-	3rd Quarter 2009	% +/-
Gross Premiums	5,833.6	7,029.7	(17)	1,615.9	1,307.8	24	1,793.2	(10)
Life assurance profit from:								
Participating Fund	96.2	102.0	(6)	19.9	27.1	(27)	20.0	(0)
Non-participating Fund	505.4	129.8	289	73.8	67.3	10	162.8	(55)
Investment-linked Fund	125.1	68.6	82	33.7	21.0	60	26.3	28
Profit from life assurance	726.7	300.4	142	127.4	115.4	10	209.1	(39)
Profit from general insurance	25.2	16.6	52	4.1	8.4	(51)	2.4	71
Profit from insurance operations	751.9	317.0	137	131.5	123.8	6	211.5	(38)
Investment income, net	89.0	109.6	(19)	22.3	21.0	6	19.1	17
Gain / (loss) on sale of investments and changes in fair value	12.6	2.8	nm	6.6	(6.3)	nm	2.3	187
Increase in provision for impairment of assets	(16.2)	(52.4)	nm	(9.9)	(39.4)	nm	(2.2)	nm
Gain / (loss) in exchange differences	0.7	(19.1)	nm	(0.8)	(3.8)	nm	(1.2)	nm
Loss on redemption of GreatLink Choice	(213.3)	-	nm	-	-	-	(213.3)	nm
(Loss) / profit from investments	(127.2)	40.9	nm	18.2	(28.5)	nm	(195.3)	nm
Fees and other income	63.7	79.5	(20)	17.4	16.8	4	16.8	4
Profit before expenses	688.4	437.4	57	167.1	112.1	49	33.0	nm
less:								
Management and other expenses	64.7	125.2	(48)	(6.7)	56.2	nm	14.2	nm
Depreciation	1.6	1.0	60	0.5	0.3	67	0.5	-
Expenses	66.3	126.2	(47)	(6.2)	56.5	nm	14.7	nm
Profit after expenses	622.1	311.2	100	173.3	55.6	212	18.3	nm
Share of profit / (loss) of associates	0.6	(6.9)	nm	(0.3)	(4.2)	nm	-	nm
Share of loss of joint ventures	(6.2)	(4.4)	nm	(2.4)	(1.9)	nm	(1.0)	nm
	616.5	299.9	106	170.6	49.5	245	17.3	nm
Income tax	(91.9)	(15.2)	nm	(20.8)	29.5	nm	18.5	nm
Profit after income tax	524.6	284.7	84	149.8	79.0	90	35.8	nm
Attributable to:								
Shareholders	516.7	272.4	90	148.4	76.5	94	33.6	nm
Minority interests	7.9	12.3	(36)	1.4	2.5	(44)	2.2	(36)
	524.6	284.7	84	149.8	79.0	90	35.8	nm
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	1.09	0.58	88	0.31	0.17	82	0.07	nm

nm - not meaningful / exceeding 300%

2 GROUP STATEMENT OF COMPREHENSIVE INCOME

in Singapore Dollars (millions)	2009	2008	% + / (-)	4th Quarter 2009	4th Quarter 2008	% + / (-)	3rd Quarter 2009	% + / (-)
Profit for the year	524.6	284.7	84	149.8	79.0	90	35.8	nm
Other comprehensive income:								
Exchange differences arising on translation of overseas entities	(13.9)	(7.2)	nm	(0.3)	(7.7)	nm	(5.9)	nm
Share of currency translation reserves of associates and joint ventures	1.8	(1.5)	nm	(0.2)	2.3	nm	(0.6)	nm
Available-for-sale financial assets:								
Changes in fair value	182.2	(331.4)	nm	49.9	(63.0)	nm	37.5	33
Reclassification adjustments for gains / (losses) included in Profit and Loss Statement	2.7	(29.0)	nm	(3.4)	0.2	nm	3.3	nm
Tax on changes in fair value	(33.3)	67.0	nm	(7.3)	12.9	nm	(6.0)	nm
Effect of reduction in tax rate on other comprehensive income	(1.2)	0.1	nm	-	-	-	-	-
Other comprehensive income for the year, net of tax	138.3	(302.0)	nm	38.7	(55.3)	nm	28.3	37
Total comprehensive income for the year	662.9	(17.3)	nm	188.5	23.7	nm	64.1	194
Total comprehensive income attributable to:								
Shareholders	654.5	(28.5)	nm	186.8	22.4	nm	61.2	205
Minority interests	8.4	11.2	(25)	1.7	1.3	31	2.9	(41)
	662.9	(17.3)	nm	188.5	23.7	nm	64.1	194

nm - not meaningful / exceeding 300%

3.1 BALANCE SHEETS - GROUP

in Singapore Dollars (millions)	Group					
	31 Dec 09	31 Dec 08	% + / (-)	30 Sep 09	% + / (-)	1 Jan 08 ⁽¹⁾
Share capital	247.4	247.4	-	247.4	-	247.4
Reserves						
Merger reserve	-	-	-	-	-	15.8
Currency translation reserve	(38.0)	(25.9)	nm	(37.5)	nm	(17.4)
Fair value reserve	67.5	(82.4)	nm	28.6	136	210.0
Accumulated profit	3,289.4	2,872.1	15	3,141.0	5	2,830.0
SHAREHOLDERS' FUND	3,566.3	3,011.2	18	3,379.5	6	3,285.8
MINORITY INTEREST	26.7	28.5	(6)	25.0	7	32.9
TOTAL EQUITY	3,593.0	3,039.7	18	3,404.5	6	3,318.7
LIABILITIES						
Insurance payables	2,206.9	2,093.6	5	2,153.3	2	1,878.3
Other creditors and interfund balances	1,865.8	2,036.9	(8)	1,996.5	(7)	1,443.9
Unexpired risk reserve	79.5	67.1	18	78.7	1	59.7
Derivative financial liabilities	46.6	129.0	(64)	80.5	(42)	64.4
Income tax	299.1	166.7	79	172.3	74	259.3
Provision for agents' retirement benefits	192.0	183.2	5	186.7	3	183.6
Amount due to joint venture	-	0.5	(100)	-	-	-
Deferred tax	766.3	486.7	57	678.4	13	1,019.1
General insurance fund	95.5	96.0	(1)	93.7	2	109.1
Life assurance fund	39,386.5	35,855.8	10	38,524.0	2	38,243.7
TOTAL EQUITY AND LIABILITIES	48,531.2	44,155.2	10	47,368.6	2	46,579.8
ASSETS						
Cash and cash equivalents	3,215.9	4,030.4	(20)	3,601.4	(11)	2,768.3
Other debtors and interfund balances	1,835.1	1,761.3	4	1,825.3	1	1,365.8
Insurance receivables	2,454.9	2,422.4	1	2,502.8	(2)	2,348.6
Amount due from joint venture	5.9	5.7	4	5.9	(0)	66.3
Loans	1,932.5	1,631.0	18	1,766.7	9	1,368.3
Derivative financial assets	322.8	403.6	(20)	334.4	(3)	192.6
Investments	36,558.9	31,520.4	16	35,132.3	4	35,865.5
Deferred tax	-	22.1	(100)	-	-	-
Associates and joint ventures	323.9	455.1	(29)	343.0	(6)	581.9
Goodwill	18.7	25.5	(27)	25.5	(27)	25.5
Investment properties	1,118.9	1,073.5	4	1,085.4	3	1,178.3
Property, plant and equipment	743.7	804.2	(8)	745.9	(0)	818.7
TOTAL ASSETS	48,531.2	44,155.2	10	47,368.6	2	46,579.8
Net Asset Value per share (in Singapore Dollars)	7.53	6.36	18	7.14	5	6.94

For analysis of major variances, please refer to section 9.12 on page 14.

(1) Comparative figures for derivative financial assets and financial liabilities were reclassified from investments to be consistent with the presentation requirements of FRS. As required by FRS 1, when there is a reclassification or restatement of items, three balance sheets must be presented - at end of current period, at end of the previous period and at the beginning of the earliest comparative period.

nm - not meaningful / exceeding 300%

3.2 BALANCE SHEETS - COMPANY

in Singapore Dollars (millions)	Company				
	31 Dec 09	31 Dec 08	% + / (-)	30 Sep 09	% + / (-)
Share capital	247.4	247.4	-	247.4	-
Reserves					
Merger reserve	419.2	419.2	-	419.2	-
Accumulated profit	653.6	735.7	(11)	655.1	(0)
TOTAL EQUITY	1,320.2	1,402.3	(6)	1,321.7	(0)
LIABILITIES					
Other creditors and interfund balances	5.9	4.9	20	5.4	9
TOTAL EQUITY AND LIABILITIES	1,326.1	1,407.2	(6)	1,327.1	(0)
ASSETS					
Cash and cash equivalents	11.1	17.8	(38)	11.2	(1)
Income tax	0.3	0.7	(57)	0.3	-
Amounts due from subsidiaries	678.9	752.9	(10)	679.8	(0)
Subsidiaries	635.5	635.5	-	635.5	-
Property, plant and equipment	0.3	0.3	-	0.3	-
TOTAL ASSETS	1,326.1	1,407.2	(6)	1,327.1	(0)
Net Asset Value per share (in Singapore Dollars)	2.79	2.96	(6)	2.79	-

nm - not meaningful / exceeding 300%

4 SELECTED MANAGEMENT EXPENSES

		Shareholders' and General Insurance Funds				
in Singapore Dollars (millions)		2009	2008	4th Quarter 2009	4th Quarter 2008	3rd Quarter 2009
1	Directors' remuneration					
	Directors of the Company	1.4	1.6	0.7	1.2	0.2
	Directors of subsidiaries	1.9	2.6	1.9	2.6	-
2	Staff costs and related expenses (including executive directors and key management personnel compensation)	51.8	61.5	13.8	10.8	12.5
3	Rental expense	5.4	4.6	1.3	2.5	1.4
4	Depreciation	2.0	1.5	0.6	0.5	0.6

		Life Assurance Fund				
in Singapore Dollars (millions)		2009	2008	4th Quarter 2009	4th Quarter 2008	3rd Quarter 2009
1	Directors' remuneration					
	Directors of the Company	2.9	2.5	1.1	0.7	0.4
	Directors of subsidiaries	1.2	1.4	1.2	1.4	-
2	Staff costs and related expenses (including executive directors and key management personnel compensation)	120.5	127.1	34.0	36.0	29.7
3	Rental expense	16.8	15.4	4.0	2.8	4.2
4	Depreciation	45.0	52.6	11.8	14.3	11.1

5 GROUP FINANCIAL HIGHLIGHTS

		Group							
		2009	2008	% + / (-)	4th Quarter 2009	4th Quarter 2008	% + / (-)	3rd Quarter 2009	% + / (-)
1	Gross Premiums (S\$millions)	5,833.6	7,029.7	(17)	1,615.9	1,307.8	24	1,793.2	(10)
2	Total Assets (S\$millions)	48,531.2	44,155.2	10	48,531.2	44,155.2	10	47,368.6	2
3	Profit Attributable to Shareholders (S\$millions)	516.7	272.4	90	148.4	76.5	94	33.6	nm
4	Shareholders' Fund (S\$millions)	3,566.3	3,011.2	18	3,566.3	3,011.2	18	3,379.5	6
5	Return on Equity (Average Shareholders' Fund) (%)	15.7%	8.7%	7 pp	4.2%	2.4%	1.8 pp	1.0%	3.2 pp
6	Gross Premium Growth (%)	-17.0%	17.2%	nm	23.6%	-29.3%	nm	-16.1%	nm

nm - not meaningful / exceeding 300%

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

in Singapore Dollars (millions)	Attributable to Shareholders of the Company						Minority Interest	Total Equity
	Share Capital	Merger Reserve	Currency	Fair Value Reserve	Accumulated ⁽¹⁾ Profit	Total		
			Translation Reserve					
Balance at 1 January 2009	247.4	-	(25.9)	(82.4)	2,872.1	3,011.2	28.5	3,039.7
Total comprehensive income for the year	-	-	(12.1)	149.9	516.7	654.5	8.4	662.9
Dividends paid during the year:								
Final tax exempt (one-tier) dividends for the previous year	-	-	-	-	(75.7)	(75.7)	-	(75.7)
Interim tax exempt (one-tier) dividend	-	-	-	-	(23.7)	(23.7)	-	(23.7)
Dividends paid to minority interest	-	-	-	-	-	-	(10.2)	(10.2)
Balance at 31 December 2009	247.4	-	(38.0)	67.5	3,289.4	3,566.3	26.7	3,593.0
Balance at 1 January 2008	247.4	15.8	(17.4)	210.0	2,830.0	3,285.8	32.9	3,318.7
Total comprehensive income for the year	-	-	(8.5)	(292.4)	272.4	(28.5)	11.2	(17.3)
Transfer from Merger Reserve to Accumulated Profit	-	(15.8)	-	-	15.8	-	-	-
Dividends paid during the year:								
Final and special final tax exempt (one-tier) dividends for the previous year	-	-	-	-	(198.8)	(198.8)	-	(198.8)
Interim tax exempt (one-tier) dividend	-	-	-	-	(47.3)	(47.3)	-	(47.3)
Dividends paid to minority interest	-	-	-	-	-	-	(8.4)	(8.4)
Liquidation proceeds paid to minority interest	-	-	-	-	-	-	(7.2)	(7.2)
Balance at 31 December 2008	247.4	-	(25.9)	(82.4)	2,872.1	3,011.2	28.5	3,039.7

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

in Singapore Dollars (millions)	Attributable to Shareholders of the Company						Minority Interest	Total Equity
	Share Capital	Merger Reserve	Currency	Fair Value Reserve	Accumulated ⁽¹⁾ Profit	Total		
			Translation Reserve					
Balance at 1 October 2009	247.4	-	(37.5)	28.6	3,141.0	3,379.5	25.0	3,404.5
Total comprehensive income for the period	-	-	(0.5)	38.9	148.4	186.8	1.7	188.5
Balance at 31 December 2009	247.4	-	(38.0)	67.5	3,289.4	3,566.3	26.7	3,593.0
Balance at 1 October 2008	247.4	15.8	(20.9)	(33.3)	2,779.8	2,988.8	27.2	3,016.0
Total comprehensive income for the period	-	-	(5.0)	(49.1)	76.5	22.4	1.3	23.7
Transfer from Merger Reserves to Accumulated Profit	-	(15.8)	-	-	15.8	-	-	-
Balance at 31 December 2008	247.4	-	(25.9)	(82.4)	2,872.1	3,011.2	28.5	3,039.7

⁽¹⁾ Included in Accumulated Profit are non-distributable reserves of \$820.3 million (2008: \$191.3 million). The increase in non-distributable reserves arises from regulatory risk charges in Singapore and Malaysia that are held out of the Group Shareholders' Accumulated Profit account.

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

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total
Balance at 1 January 2009	247.4	419.2	735.7	1,402.3
Total comprehensive income for the year	-	-	17.3	17.3
Dividends paid during the year:				
Final tax exempt (one-tier) dividends for the previous year	-	-	(75.7)	(75.7)
Interim tax exempt (one-tier) dividend	-	-	(23.7)	(23.7)
Balance at 31 December 2009	247.4	419.2	653.6	1,320.2
Balance at 1 January 2008	247.4	435.0	709.6	1,392.0
Total comprehensive income for the year	-	-	256.4	256.4
Transfer from Merger Reserve to Accumulated Profit	-	(15.8)	15.8	-
Dividends paid during the year:				
Final and special final tax exempt (one-tier) dividends for the previous year	-	-	(198.8)	(198.8)
Interim tax exempt (one-tier) dividend	-	-	(47.3)	(47.3)
Balance at 31 December 2008	247.4	419.2	735.7	1,402.3

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

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total
Balance at 1 October 2009	247.4	419.2	655.1	1,321.7
Total comprehensive income for the period	-	-	(1.5)	(1.5)
Balance at 31 December 2009	247.4	419.2	653.6	1,320.2
Balance at 1 October 2008	247.4	435.0	508.6	1,191.0
Total comprehensive income for the period	-	-	211.3	211.3
Transfer from Merger Reserve to Accumulated Profit	-	(15.8)	15.8	-
Balance at 31 December 2008	247.4	419.2	735.7	1,402.3

7 CONSOLIDATED STATEMENT OF CASH FLOWS

in Singapore Dollars (millions)	2009	2008	4th Quarter 2009	4th Quarter 2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	616.5	299.9	170.6	49.5
Life assurance profit before tax	76.5	2,536.7	(351.4)	351.0
General insurance profit before tax	28.6	22.8	5.1	12.2
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(726.7)	(300.4)	(127.4)	(115.4)
Profit transferred from general insurance fund but not yet withdrawn	(25.2)	(16.6)	(4.1)	(8.4)
Share of loss / (profit) of associates and joint ventures	33.5	42.7	(3.3)	26.1
(Gain) / loss on sale of investments and changes in fair value	(1,314.7)	1,487.0	(339.9)	721.3
Loss on redemption of GreatLink Choice	213.3	-	-	-
Increase in provision for impairment of assets	75.6	486.6	25.0	409.6
Impairment loss on goodwill	6.8	-	6.8	-
Increase in provision for agents' retirement benefits	20.7	25.0	6.3	6.4
(Gain) / loss on disposal of property, plant and equipment and investment properties	(1.8)	(8.7)	-	0.4
Depreciation	47.0	54.1	12.4	14.8
Unrealised loss in exchange differences	2.4	21.6	8.7	-
Change in life assurance contract liabilities	2,929.2	(1,298.7)	1,190.9	(1,360.7)
Change in general insurance contract liabilities	(11.4)	0.3	(1.9)	(8.6)
Change in unexpired risk reserve	12.7	9.0	0.4	(2.5)
Dividend income	(282.3)	(366.4)	(51.6)	(74.6)
Interest income	(1,354.1)	(1,352.2)	(331.8)	(364.3)
Interest expense on policy benefits	75.5	70.6	19.6	18.9
Share-based payments	4.8	4.9	1.3	1.6
	426.9	1,718.2	235.7	(322.7)
Changes in working capital:				
Insurance receivables	(27.3)	(75.2)	50.5	35.7
Other debtors and interfund balances	(70.7)	(394.1)	1.0	(460.8)
Insurance payables	113.3	215.3	53.6	9.8
Other creditors and interfund balances	(175.9)	588.1	(132.0)	485.2
Cash generated from / (used in) operations	266.3	2,052.3	208.8	(252.8)
Income tax paid	(112.2)	(221.4)	(13.4)	(48.2)
Interest paid on policy benefits	(75.5)	(70.6)	(19.6)	(18.9)
Agents' retirement benefits paid	(9.3)	(16.4)	(1.7)	(1.7)
Net cash flows from / (used in) operating activities	69.3	1,743.9	174.1	(321.6)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	14,914.4	17,912.4	2,570.9	4,701.0
Purchase of investments	(17,196.8)	(19,181.8)	(3,578.1)	(4,768.8)
Proceeds from reduction of interests in associates	294.8	77.1	212.3	52.3
Capital injection in associates and joint ventures	(181.0)	(19.0)	(181.0)	(19.0)
Repayment of loans (to) / by joint ventures	(0.7)	60.6	-	(0.5)
Proceeds from sale of property, plant and equipment and investment properties	21.2	24.5	2.6	8.1
Purchase of property, plant and equipment and investment properties	(25.4)	(97.6)	(13.2)	(65.1)
Interest income received	1,307.5	1,325.6	315.6	328.9
Dividend received	283.8	374.6	61.7	84.6
Net cash flows (used in) / from investing activities	(582.2)	476.4	(609.2)	321.5
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(99.4)	(246.1)	-	-
Dividends paid to minority interest	(10.2)	(8.4)	-	-
Liquidation proceeds paid to minority interest	-	(7.2)	-	-
Net cash flows used in financing activities	(109.6)	(261.7)	-	-
Net effect of currency translation reserve adjustment	(192.0)	(696.5)	49.6	(85.6)
Net (decrease) / increase in cash and cash equivalents	(814.5)	1,262.1	(385.5)	(85.7)
Cash and cash equivalents at the beginning of the year	4,030.4	2,768.3	3,601.4	4,116.1
Cash and cash equivalents at the end of the year	3,215.9	4,030.4	3,215.9	4,030.4

8 GROUP SEGMENTAL INFORMATION

8.1 By Business Segments

(a) Shareholders' Fund

in Singapore Dollars (millions)	Fund Management and Financial Advisory Business				Others		Adjustments and Eliminations		Consolidated			
	2009		2008		2009		2008		2009		2008	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Profit / (loss) from investments	0.1	0.7	(106.7)	54.0	(20.6)	(13.8)	(127.2)	40.9				
Fees and other income	64.5	81.9	2.5	1.3	(3.3)	(3.7)	63.7	79.5				
Total expenses	(31.4)	(39.1)	(34.9)	(87.1)	-	-	(66.3)	(126.2)				
Profit after expenses	33.2	43.5	(139.1)	(31.8)	(23.9)	(17.5)	(129.8)	(5.8)				
Share of loss of associates and joint ventures	-	-	(5.6)	(11.3)	-	-	(5.6)	(11.3)				
Income tax	(6.3)	(8.4)	(85.6)	(6.8)	-	-	(91.9)	(15.2)				
Segment profit / (loss)	26.9	35.1	(230.3)	(49.9)	(23.9)	(17.5)	(227.3)	(32.3)				
Profit from insurance operations									751.9	317.0		
Profit per Profit & Loss Statement									524.6	284.7		

	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
Segment assets	98.2	100.3	3,892.7	3,343.1	16.7	16.8	4,007.6	3,460.2
Investments in associates and joint ventures	-	-	98.0	57.4	-	-	98.0	57.4
Shareholders' Fund Assets	98.2	100.3	3,990.7	3,400.5	16.7	16.8	4,105.6	3,517.6
Segment liabilities	19.0	19.2	359.4	384.9	-	-	378.4	404.1
Income tax and deferred tax liabilities	8.2	9.1	126.0	64.7	-	-	134.2	73.8
Shareholders' Fund Liabilities	27.2	28.3	485.4	449.6	-	-	512.6	477.9
Capital expenditure	0.2	0.9	1.0	1.0	-	-	1.2	1.9

(b) General Insurance Fund

in Singapore Dollars (millions)	Consolidated	
	2009	2008
Premiums less assurances	83.7	77.1
Investment income	3.1	8.8
Increase in provision for impairment of assets	-	2.5
Claims less reassurances	29.0	33.7
Commissions and expenses	47.2	44.1
General Insurance Profit	25.2	16.6
	31 Dec 09	31 Dec 08
General Insurance Fund Assets	209.4	202.1
General Insurance Fund Liabilities	209.4	202.1
Capital expenditure	0.3	0.7

(c) Life Assurance Fund

in Singapore Dollars (millions)	Participating Business		Non-Participating Business		Linked Business		Adjustments and Eliminations		Consolidated			
	2009		2008		2009		2008		2009		2008	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Premiums less reassurances	3,991.7	4,868.8	874.8	854.0	722.3	1,082.9	-	-	5,588.8	6,805.7		
Investment and rental income	1,446.8	1,373.0	146.3	196.2	1,239.9	(1,477.5)	-	-	2,833.0	91.7		
Increase / (decrease) in provision for impairment of assets	60.6	397.6	(1.2)	34.1	-	-	-	-	59.4	431.7		
Claims less reassurances	2,991.8	3,152.8	703.4	715.5	775.9	358.7	-	-	4,471.1	4,227.0		
Commissions and expenses	428.5	488.5	150.5	146.8	186.3	221.6	-	-	765.3	856.9		
Life Assurance Profit	96.2	102.0	505.4	129.8	125.1	68.6	-	-	726.7	300.4		
	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	31 Dec 08
Segment assets	35,709.6	32,391.2	4,486.1	4,292.8	3,794.6	3,353.8	-	-	43,990.3	40,037.8		
Investments in associates and joint ventures	216.5	397.2	9.4	0.5	-	-	-	-	225.9	397.7		
Life Assurance Fund Assets	35,926.1	32,788.4	4,495.5	4,293.3	3,794.6	3,353.8	-	-	44,216.2	40,435.5		
Segment liabilities	35,129.1	32,246.0	4,358.0	4,253.1	3,805.3	3,365.1	-	-	43,292.4	39,864.2		
Income tax and deferred tax liabilities	797.0	542.4	137.5	40.2	(10.7)	(11.3)	-	-	923.8	571.3		
Life Assurance Fund Liabilities	35,926.1	32,788.4	4,495.5	4,293.3	3,794.6	3,353.8	-	-	44,216.2	40,435.5		
Capital expenditure	19.6	92.0	4.3	3.0	-	-	-	-	23.9	95.0		

8.2 By Geographical Segments

in Singapore Dollars (millions)	Singapore		Malaysia		Other Asia		Adjustments and Eliminations		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<u>(a) Shareholders' Fund</u>										
Investment income, net	75.9	98.0	10.2	8.6	2.9	3.0	-	-	89.0	109.6
Gain on sale of investments and changes in fair value	13.3	2.5	(0.7)	0.4	-	(0.1)	-	-	12.6	2.8
Fees and other income	63.7	79.5	-	-	-	-	-	-	63.7	79.5
Revenue from external customers	152.9	180.0	9.5	9.0	2.9	2.9	-	-	165.3	191.9
Inter-segment revenue	2.1	236.1	-	-	-	-	(2.1)	(236.1)	-	-
Total revenue	155.0	416.1	9.5	9.0	2.9	2.9	(2.1)	(236.1)	165.3	191.9
Non-current assets	20.7	20.7	-	-	2.2	-	-	-	22.9	20.7
<u>(b) General Insurance Fund</u>										
Total revenue from external customers	40.3	37.7	64.9	65.9	-	-	-	-	105.2	103.6
Non-current assets	0.2	0.1	0.7	0.9	-	-	-	-	0.9	1.0
<u>(c) Life Assurance Fund</u>										
Total revenue from external customers	5,273.1	3,651.7	3,038.5	3,160.3	69.6	25.6	-	-	8,381.2	6,837.6
Non-current assets	1,414.8	1,438.2	438.1	437.0	4.6	6.3	-	-	1,857.5	1,881.5

9. REVIEW OF RESULTS

The Group Financial Statements for the fourth quarter of 2009 (Q4-09) and for the year ended 31 December 2009 (FY-09) have been prepared in accordance with Singapore Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS).

9.1 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Group profit attributable to shareholders in Q4-09 was \$148.4 million, nearly double the profit in Q4-08 of \$76.5 million. For FY-09, the Group registered a profit of \$516.7 million (FY-08: \$272.4 million), a year-on-year increase of 90%.

Both the quarter and full year results include a strong investment performance on the Non Participating Fund that was in line with the improving market conditions after the first quarter of 2009. There were also two non-recurring items - a profit of \$210.4 million arising from the move to the new risk based regulatory capital framework in Malaysia as well as from the portfolio matching exercise in Singapore in Q1 2009, and a non-recurring loss of \$213.3 million due to the one-off redemption offer made to GreatLink Choice policyholders in Q3 2009. These two non-recurring items offset each other and therefore have minimal financial impact to the Group profit.

9.2 GROSS PREMIUMS

Gross premiums for FY-09 dropped 17% to \$5,833.6 million (FY-08: \$7,029.7 million) as a result of a sharp drop in single premium sales.

9.3 NEW SALES

9.3.1 Q4-09 new sales measured on a weighted basis for the life assurance operations rose 10% to \$188.9 million compared with Q3-09 of \$171.9 million.

in SGD (million)	FY-09	FY-08	+ / (-)	Q4-09	Q4-08	+ / (-)	Q3-09	+ / (-)
SINGAPORE								
Single Premium	1,813.1	3,066.2	-41%	497.7	270.2	84%	757.0	-34%
New Annual Premium	148.7	185.2	-20%	52.9	33.9	56%	43.7	21%
Total Weighted New Sales	330.0	491.8	-33%	102.7	60.9	69%	119.4	-14%
MALAYSIA								
Single Premium	159.1	247.5	-36%	67.6	39.8	70%	36.4	86%
New Annual Premium	242.3	223.0	9%	76.0	77.4	-2%	44.8	70%
Total Weighted New Sales	258.2	247.8	4%	82.8	81.4	2%	48.4	71%
OTHER ASIA								
Single Premium	26.6	18.8	41%	7.9	1.7	nm	7.4	7%
New Annual Premium	10.4	7.2	44%	2.6	1.6	63%	3.4	-24%
Total Weighted New Sales	13.1	9.1	44%	3.4	1.8	89%	4.1	-17%
TOTAL								
Single Premium	1,998.8	3,332.5	-40%	573.2	311.7	84%	800.8	-28%
New Annual Premium	401.4	415.4	-3%	131.5	112.9	16%	91.9	43%
Total Weighted New Sales	601.3	748.7	-20%	188.9	144.1	31%	171.9	10%

- Note:
- Total Weighted New Sales = (Single Premium x 10%) + New Annual Premium
 - Figures have been restated to align definition of new sales across all entities within the Group. Before restatement, the total weighted new sales for FY-08, Q4-08 and Q3-09 were \$752.2 million, \$151.2 million and \$188.9 million respectively.
 - Premiums from Malaysia and Other Asia are converted using 2009 and 2008 year-end exchange rates respectively.
 - Other Asia includes premium from Indonesia, Vietnam and China. China results are based on equity accounting, thus sales are shown on a 50% basis in the above table.

In Singapore, the pick up in sales momentum across all distribution channels in Q3-09 continued into Q4-09 particularly in annual premium products. Higher weighted new sales of \$222.1 million was achieved in the second half of 2009, compared with \$107.9 million in the first half of 2009, reflecting improved customer demand and goodwill after the one-off redemption offer to GreatLink Choice customers. However, total weighted new sales for FY-09 were lower by 33%, mainly due to a sharp fall in sales of single premium investment products in line with the less buoyant market conditions in 2009. In addition, single premium sales in 2008 had benefited from a surge in sales activities ahead of new rules limiting withdrawals from the CPF Investment Scheme from 1 April 2008.

In Malaysia, weighted new sales in Q4-09 increased 71% to \$82.8 million compared with the weighted new sales in Q3-09, driven by strong growth in both investment linked and traditional life business. Total weighted new sales increased 4% year-on-year to \$258.2 million and this was achieved by increasing the productivity of the tied agency force.

In the other regions of Asia, weighted new sales for Q4-09 were 89% higher than Q4-08, declining 17% compared with Q3-09. New sales were mainly contributed by China and Indonesia. Overall performance for FY-09 was 44% higher than FY-08.

Overall, total weighted new sales for the Group rose by 50% in the second half of 2009 – i.e. \$360.8 million versus \$240.5 million in the first half of 2009. The strong sales in the second half of 2009 were however insufficient to offset the weak performance in the first half and as a result, the Group ended the year with a decline of 20% in total weighted new sales to \$601.3 million.

9.3.2 New Business Embedded Value

in SGD (million)	FY-09	FY-08	+/(-)	Q4-09	Q4-08	+/(-)	Q3-09	+/(-)
Singapore	127.8	153.2	-17%	43.2	32.5	33%	35.8	21%
Malaysia	103.7	109.4	-5%	33.9	32.0	6%	23.5	44%
Other Asia	3.1	1.4	121%	0.8	0.3	167%	1.0	-20%
Total	234.6	264.0	-11%	77.9	64.8	20%	60.3	29%

Note: Other Asia includes embedded value of Indonesia, Vietnam and China. China results are based on equity accounting, i.e. embedded value is shown on 50% basis in the above table.

For FY-09, new business embedded value (NBEV) decreased by 11% to \$234.6 million (FY-08: \$264.0 million) which was in line with the overall decline in total weighted new sales of 20% reported in paragraph 9.3.1.

9.4 **PROFIT FROM INSURANCE OPERATIONS**

FY-09 profit of \$751.9 million (FY-08: \$317.0 million) included non-recurring profit contributions of \$210.4 million that was reported in Q1-09 as a result of the move to the new risk based regulatory capital framework in Malaysia and the exercise carried out to achieve portfolio matching of assets and liabilities in Singapore.

in SGD (million)	FY-09			FY-08		
	Recurring Profit	Non-recurring Profit	Total Profit	Recurring Profit	Non-recurring Profit	Total Profit
Life assurance profit from:						
Participating Fund	96.2	-	96.2	102.0	-	102.0
Non-participating Fund	330.0	175.4	505.4	129.8	-	129.8
Investment-linked Fund	102.2	22.9	125.1	68.6	-	68.6
Profit from life assurance	528.4	198.3	726.7	300.4	-	300.4
Profit from general insurance	13.1	12.1	25.2	16.6	-	16.6
Profit from insurance operations	541.5	210.4	751.9	317.0	-	317.0

Excluding the non-recurring profit contributions, profit from the life and general insurance operations increased to \$541.5 million in FY-09 which was 71% higher than the profit of \$317.0 million in FY-08. As can be seen from the table above, while the profit from Participating Funds and General Insurance Funds were broadly the same in both years, there has been a significant increase in profit contribution from the Non Participating and Investment Linked funds. In respect of the former, the much improved profit performance was driven by a strong recovery in investment markets impacting equities and corporate bonds assets in both Singapore and Malaysia. Moreover, the exercise to achieve portfolio matching of assets and liabilities in Singapore also helped to cushion the impact of rising (risk-free) interest rates.

9.5 PROFIT FROM INVESTMENTS OF SHAREHOLDERS' FUND

Q4-09 profit from investments in the Shareholders' Fund was \$18.2 million (Q4-08: loss of \$28.5 million) mainly due to lower impairment provisions of \$9.9 million (Q4-08: \$39.4 million).

Investments in the Shareholders' Fund for FY-09 registered a loss of \$127.2 million (FY-08: profit of \$40.9 million) mainly due to the non-recurring loss of \$213.3 million arising from the one-time redemption offer made to GreatLink Choice policyholders in Q3-09.

Excluding this non-recurring loss and with lower impairment provisions of \$16.2 million, profit from investments in the Shareholders' Fund would have been \$86.1 million.

9.6 FEES AND OTHER INCOME

Fees and other income increased 4% to \$17.4 million in Q4-09 (Q4-08: \$16.8 million) due to higher assets under management in Lion Global Investors Limited (\$27.9 billion on 31 December 2009 compared to \$26.3 billion on 31 December 2008) in line with improving market performance.

For the full year 2009, fees and other income were 20% lower at \$63.7 million (FY-08: \$79.5 million) largely due to lower assets being managed on average in 2009 compared with 2008.

9.7 MANAGEMENT AND OTHER EXPENSES

Management and other expenses was a negative \$6.7 million in Q4-09 (Q4-08: expense of \$56.2 million) mainly due to a provision of expense in Q2-09 that was no longer required in Q4-09. For FY-09, management and other expenses was lower by 48% at \$64.7 million (FY-08: \$125.2 million). Expenses were higher in FY-08 mainly due to a \$30.0 million provision for expense to support insurance operations, higher salary and related expenses incurred by the asset management and regional development units for regional expansion activities.

9.8 SHARE OF LOSS OF ASSOCIATES AND JOINT VENTURES

Share of loss of associates (in hedge fund investments) and joint ventures (life insurance operations in China) for the quarter decreased to \$2.7 million (Q4-08: \$6.1 million). Share of loss for FY-09 was \$5.6 million (FY-08: \$11.3 million).

9.9 INCOME TAX

Profits from the Singapore insurance funds (other than the Participating fund) and the Malaysia General Insurance fund are reported net of tax in the profit and loss statement. Income tax is therefore determined on the Singapore Participating fund and the Malaysian insurance funds.

In Q4-09, these funds were in a profitable position therefore resulting in income tax of \$20.8 million (Q4-08: tax credit of \$29.5 million). Income tax was \$91.9 million for FY-09 (FY-08: \$15.2 million). The lower tax expense in Q4-08 and FY-08 was mainly due to the write back of tax expenses overprovided in prior years.

9.10 EARNINGS PER SHARE AND RETURN ON EQUITY

	<u>FY-09</u>	<u>FY-08</u>	<u>+ / (-)</u>
Earnings per share	\$1.09	\$0.58	88%
Return on Equity	15.7%	8.7%	7.0 pp

9.11 NET ASSET VALUE PER SHARE AND GROUP ASSETS

	<u>31 Dec 09</u>	<u>31 Dec 08</u>	<u>+ / (-)</u>
Net asset value per share	\$7.53	\$6.36	18%
Group Assets	\$48.5 billion	\$44.2 billion*	10%

* Restated for reclassification of derivative financial assets and liabilities from investments to be consistent with presentation requirements of Financial Reporting Standards. Before restatement, Group Assets was \$44.0 billion.

9.12 BALANCE SHEETS

- 9.12.1 Translation Reserves
Translation loss increased to \$38.0 million as at 31 December 2009 (31 December 2008: loss of \$25.9 million) mainly due to the weakening of MYR against SGD during FY-09.
- 9.12.2 Fair Value Reserves
Fair value reserves was a positive \$67.5 million as at 31 December 2009 (31 December 2008: negative reserves of \$82.4 million) mainly due to mark-to-market recovery of the portfolio in line with the rebound of market indices.
- 9.12.3 Income Tax and Deferred Tax
Income tax provision increased 79% to \$299.1 million as at 31 December 2009 (31 December 2008: \$166.7 million) in line with the increase in profits. Deferred tax increased 65% to \$766.3 million as at 31 December 2009 (31 December 2008: \$464.6 million) due to the increase in fair value reserves.
- 9.12.4 Cash and cash equivalents
Cash and cash equivalents decreased 20% to \$3,215.9 million as at 31 December 2009 (31 December 2008: \$4,030.4 million) in line with the Group's investment strategy.
- 9.12.5 Investments
Valuation of investments increased 16% to \$36,558.9 million as at 31 December 2009 (31 December 2008: \$31,520.4 million) due primarily to marked to market changes. Investments of the participating business constituted 74% as at 31 December 2009 (31 December 2008: 74%) and investments of the unit-linked business constituted 10% as at 31 December 2009 (31 December 2008: 9%).
- 9.12.6 Asset allocation of life funds, excluding investment-linked funds, is as follows:

	SINGAPORE		MALAYSIA	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
Fixed income & debt securities	63%	62%	72%	74%
Equities	23%	19%	19%	16%
Real estate & others	7%	8%	4%	5%
Cash & money market instruments	7%	11%	5%	5%
Market Value Assets (in SGD billion)	23.6	21.7	16.7	15.2

The allocations to the equity portfolio increased due to the mark-to-market gains arising from the improvement in equity markets.

9.13 CONSOLIDATED STATEMENT OF CASH FLOWS

Net cash flow from operating activities was \$69.3 million for FY-09 (FY-08: \$1,743.9 million). The decrease was mainly due to the reduction in new business premium sales. Net cash flow used in investing activities was \$582.2 million for FY-09, as compared to a net cash flow from investment activities of \$476.4 million for FY-08. The decrease was mainly due to higher net cash outflows from purchase and sales of investments. Net cash flow used in financing activities arose mainly from payment of dividends which was lower at \$109.6 million for FY-09 (FY-08: \$261.7 million).

9.14 REGULATORY CAPITAL

The insurance subsidiaries of the Group have complied with the capital ratios prescribed by the Insurance Regulations of the jurisdiction in which they operate. In Singapore and Malaysia, the Capital Adequacy Ratios of the insurance subsidiaries both exceeded 200%, well above the minimum regulatory ratios of 120% and 130% respectively in each country.

10. ACCOUNTING POLICIES

The Group adopted the accounting policies and methods of computation for the financial statements for FY-09, consistent with the audited financial statements for the year ended 31 December 2008, except for FRS 1, Presentation of Financial Statements – Revised Presentation and FRS 108, Operating Segments which was effective from 1 January 2009.

FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. The revised Standard also introduces the statement of comprehensive income which presents all items of income and expense recognized in profit or loss, together with all other items of comprehensive income, either in one single statement of comprehensive income, or in two linked statements. The Group has opted to present the comprehensive income in two linked statements.

FRS 108 requires an entity to present its segment performance based on the same segment information used by management internally for managing the entity's operations.

FRS 1 and 108 are both disclosure standards and would have no impact on the financial position and results of the Group. The adoption of the other revised and new FRS and INT FRS which came into effect on 1 January 2009 do not have any material financial impact on the Group's results for Q4-09 and FY-09.

11. AUDITED RESULTS

The consolidated Group's financial results for the financial year ended 31 December 2009 have been audited by the Group's auditors. The Auditors' Report to the Members of Great Eastern Holdings Limited is appended.

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

The Group's overall performance will continue to be dependent on the economic recovery of local and regional countries. While the economic outlook as a whole is positive in Asia, the pace and depth of recovery remain closely tied to the developments and sustainable recoveries in the economies of USA and Western Europe.

The Group will continue to closely monitor interest rates to identify opportunities to achieve a better portfolio matching in order to minimize volatility in earnings.

13. SHARE CAPITAL

The Company's issued and paid up share capital amounted to \$247.4 million as at 31 December 2009, the same as 31 December 2008. Total number of shares issued as at 31 December 2009 was 473,319,069, the same as 31 December 2008.

Issued: 10 February 2010

GREAT EASTERN HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT To the Members of Great Eastern Holdings Limited

We have audited the accompanying financial statements of Great Eastern Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 9 to 83, which comprise the balance sheets of the Group and of the Company as at 31 December 2009, the profit and loss statements, the statements of changes in equity and the statements of comprehensive income of the Group and of the Company and the statement of cash flows, the life assurance revenue statement and general insurance revenue statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion,

- (i) the accompanying financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and the results, changes in equity of the Group and of the Company and the cash flows and results of the insurance operations of the Group for the financial year ended on that date; and
- (ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.



ERNST & YOUNG LLP
Public Accountants and Certified Public Accountants
Singapore
10 February 2010