

GREAT EASTERN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199903008M)

FINANCIAL RESULTS FOR SECOND QUARTER AND FIRST HALF 2006

The Board of Directors of Great Eastern Holdings Limited is pleased to announce its unaudited financial results of the Group and the Company for the second quarter and for the half year ended 30 June 2006.

1 GROUP PROFIT AND LOSS STATEMENTS

in Singapore Dollars (millions)	1st Half 2006	1st Half 2005	%	2nd Quarter 2006	2nd Quarter 2005	%
			+ / (-)			+ / (-)
Turnover ⁽¹⁾	3,829.3	3,180.6		2,050.6	1,628.5	26
Gross Premiums	2,494.3	2,175.1		1,296.5	1,132.9	14
Life assurance profit from:						
Participating Fund	53.1	40.2		26.5	20.8	27
Non-participating Fund	63.2	98.1		22.7	50.0	(55)
Investment-linked Fund	28.3	15.6		14.4	4.0	nm
Profit from life assurance	144.6	153.9		63.6	74.8	(15)
Profit from general insurance	9.5	22.2		6.1	18.2	(66)
Profit from insurance operations	154.1	176.1		69.7	93.0	(25)
Investment income, net	29.5	25.6		16.1	14.4	12
Interest income	11.7	6.4		6.6	2.9	128
Gain on sale of investments and changes in fair value	34.9	5.9		16.9	1.6	nm
(Loss)/gain in exchange differences	(8.9)	(5.4)		4.4	(2.4)	nm
Profit from investments	67.2	32.5		44.0	16.5	167
Fees and other income	34.4	25.6		17.3	16.7	4
Profit before expenses	255.7	234.2		131.0	126.2	4
less:						
Management and other expenses	18.4	11.6		10.6	7.1	49
Depreciation and amortisation	0.6	0.4		0.3	0.2	50
Expenses	19.0	12.0		10.9	7.3	49
Profit after expenses	236.7	222.2		120.1	118.9	1
Share of loss of joint venture company ⁽²⁾	(1.2)	-		(0.5)	-	-
Profit before income tax	235.5	222.2		119.6	118.9	1
less: Income tax	41.0	26.6		23.5	14.7	60
Profit after income tax	194.5	195.6		96.1	104.2	(8)
Attributable to:						
Shareholders	188.6	190.9		93.3	100.6	(7)
Minority interest	5.9	4.7		2.8	3.6	(22)
	194.5	195.6		96.1	104.2	(8)
Basic earnings per share (in Singapore cents)	40 cents	40 cents		20 cents	21 cents	
Diluted earnings per share (in Singapore cents)	40 cents	40 cents		20 cents	21 cents	

nm - not meaningful / exceeding 200%

⁽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, Commission Income, 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, Commission Income, 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⁾ Joint venture company in China, Chongqing, of which 50% is held by Great Eastern Life Assurance Co. Ltd (wholly-owned subsidiary of GEH) was incorporated in May 2006; commenced life insurance operations in June 2006.

2 BALANCE SHEETS

in Singapore Dollars (millions)	Group			Company		
	30 Jun 2006	31 Dec 2005	% +/(-)	30 Jun 2006	31 Dec 2005	% +/(-)
Share capital						
Issued and fully paid	247.4	236.7	5	247.4	236.7	5
Share premium	-	10.7	nm	-	10.7	nm
Reserves						
Merger reserve	200.8	200.8	-	620.0	620.0	-
Translation reserve	(12.9)	(10.1)	(28)	-	-	-
Fair value reserve	103.6	118.1	(12)	-	-	-
Accumulated profit	2,117.8	2,073.1	2	800.4	916.4	(13)
SHAREHOLDERS' FUND	2,656.7	2,629.3	1	1,667.8	1,783.8	(7)
MINORITY INTERESTS	24.9	31.7	(21)	-	-	-
TOTAL EQUITY	2,681.6	2,661.0	1	1,667.8	1,783.8	(7)
LIABILITIES						
Income tax	269.6	229.7	17	(0.4)	-	nm
Other creditors and interfund balances	769.3	914.9	(16)	2.3	2.5	(8)
Reinsurance liabilities	51.3	41.3	24	-	-	-
Unexpired risk reserve	56.4	51.6	9	-	-	-
Policy benefits	1,394.1	1,352.3	3	-	-	-
Claims admitted or intimated	140.3	146.7	(4)	-	-	-
Agents' retirement benefits	159.3	156.5	2	-	-	-
Deferred tax	198.8	271.7	(27)	(0.1)	(0.1)	-
General insurance fund	107.8	116.7	(8)	-	-	-
Life assurance fund	33,212.7	33,286.2	-	-	-	-
TOTAL EQUITY AND LIABILITIES	39,041.2	39,228.6	-	1,669.6	1,786.2	-
ASSETS						
Cash and bank balances	499.2	493.9	1	2.5	3.0	(17)
Cash on deposit	3,384.4	2,898.1	17	2.7	30.9	(91)
Other debtors and interfund balances	787.2	916.2	(14)	-	0.1	nm
Outstanding premiums	122.2	162.0	(25)	-	-	-
Reinsurance assets	71.4	71.5	-	-	-	1
Properties held for sale	-	5.5	nm	-	-	-
Investments	32,678.1	33,237.2	(2)	2.0	2.0	-
Associated and joint venture companies ⁽¹⁾	37.1	120.7	(69)	-	-	-
Subsidiary companies	-	-	-	1,662.4	1,750.2	(5)
Goodwill and other intangible assets	97.1	93.8	4	-	-	-
Property, plant and equipment	1,364.5	1,229.7	11	-	-	-
TOTAL ASSETS	39,041.2	39,228.6	-	1,669.6	1,786.2	-
Net Asset Value per share (S\$)	5.61	5.56	1	3.52	3.77	(7)

⁽¹⁾ The decrease in investment in associated and joint venture companies from \$120.7 million as at 31 December 2005 to \$37.1 million as at 30 June 2006 was due to the reclassification of an associated company to a subsidiary, following the acquisition of additional stakes in the company during the year.

nm - not meaningful / exceeding 200%

3 SELECTED MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Shareholders' and General Insurance Funds		Life Assurance Fund	
	1st Half 2006	1st Half 2005	1st Half 2006	1st Half 2005
Directors' remuneration				
Directors of the Company	0.3	0.1	1.3	0.9
Auditors' remuneration				
Audit fees paid to Ernst & Young, Singapore	0.2	0.1	0.2	0.3
Audit fees paid to other auditors	0.1	0.1	0.1	0.1
Staff costs and related expenses	16.1	10.4	58.7	51.8
Rental expense	1.8	1.1	6.9	5.2
Loss/(gain) on disposal of property, plant and equipment	0.1	-	-	(0.1)
Depreciation and amortisation	0.8	0.6	19.7	14.7

4 GROUP FINANCIAL HIGHLIGHTS

	Group		
	1st Half 2006	1st Half 2005	% +/(-)
Turnover	(S\$millions) 3,829.3	3,180.6	20
Gross Premiums	(S\$millions) 2,494.3	2,175.1	15
Total Assets	(S\$millions) 39,041.2	37,804.1	3
Profit Attributable to Shareholders	(S\$millions) 188.6	190.9	(1)
Shareholders' Fund	(S\$millions) 2,656.7	2,492.5	7
Profit After Tax before Minority Interests as a % of Turnover	% 5.1%	6.1%	-1.0 pp
Return on Equity (average Shareholders' Fund)	% 7.1%	7.9%	-0.8 pp
Gross Premium Growth	% 14.7%	-10.8%	25.5 pp

5 GROUP STATEMENT OF CHANGES IN EQUITY

in Singapore Dollars (millions)	Attributable to shareholders of the Company						Minority Interest	Total Equity	
	Share Capital	Share Premium	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit			Total
Balance at 1 January 2006	236.7	10.7	200.8	(10.1)	118.1	2,073.1	2,629.3	31.7	2,661.0
Net profit/(loss) recognised directly in equity for period ended 30 June 2006:									
Exchange differences arising on translation of overseas entities	-	-	-	(2.8)	-	-	(2.8)	-	(2.8)
Current period movements in Fair Value Reserve:									
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	19.7	-	19.7	-	19.7
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(38.0)	-	(38.0)	-	(38.0)
Deferred tax on fair value changes	-	-	-	-	3.8	-	3.8	-	3.8
Net loss recognised directly in equity	-	-	-	(2.8)	(14.5)	-	(17.3)	-	(17.3)
Net profit/(loss) for the period	-	-	-	-	-	188.6	188.6	5.9	194.5
Total recognised profit/(loss) for the period	-	-	-	(2.8)	(14.5)	188.6	171.3	5.9	177.2
Dividends paid in the period:									
Final and special final dividends for the previous year (net of 20% Singapore Tax)	-	-	-	-	-	(143.9)	(143.9)	-	(143.9)
Transfer of share premium to share capital	10.7	(10.7)	-	-	-	-	-	-	-
Dividends paid to minority interest	-	-	-	-	-	-	-	(12.7)	(12.7)
Balance at 30 June 2006	247.4	-	200.8	(12.9)	103.6	2,117.8	2,656.7	24.9	2,681.6
Balance at 1 January 2005	236.7	10.7	164.9	(14.6)	94.3	1,832.7	2,324.7	11.8	2,336.5
Net profit/(loss) recognised directly in equity for period ended 30 June 2005:									
Exchange differences arising on translation of overseas entities	-	-	-	6.1	-	-	6.1	-	6.1
Current period movements in Fair Value Reserve:									
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	36.9	-	36.9	-	36.9
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(7.0)	-	(7.0)	-	(7.0)
Deferred tax on fair value changes	-	-	-	-	(7.9)	-	(7.9)	-	(7.9)
Net profit recognised directly in equity	-	-	-	6.1	22.0	-	28.1	-	28.1
Net profit for the period	-	-	-	-	-	190.9	190.9	4.7	195.6
Total recognised profit for the period	-	-	-	6.1	22.0	190.9	219.0	4.7	223.7
Dividends paid for the period:									
Final dividend for the previous year (net of 20% Singapore Tax)	-	-	-	-	-	(87.1)	(87.1)	-	(87.1)
Release of reserve from General Insurance Fund	-	-	35.9	-	-	-	35.9	-	35.9
Dilution of shareholdings	-	-	-	-	-	-	-	20.1	20.1
Balance at 30 June 2005	236.7	10.7	200.8	(8.5)	116.3	1,936.5	2,492.5	36.6	2,529.1

5.1 GROUP STATEMENT OF CHANGES IN EQUITY for the second quarter ended 30 June

in Singapore Dollars (millions)	Attributable to shareholders of the Company						Minority Interest	Total Equity	
	Share Capital	Share Premium	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit			Total
Balance at 1 April 2006	247.4	-	200.8	(9.9)	132.6	2,168.4	2,739.3	25.1	2,764.4
Net profit/(loss) recognised directly in equity for period ended 30 June 2006:									
Exchange differences arising on translation of overseas entities	-	-	-	(3.0)	-	-	(3.0)	-	(3.0)
Current period movements in Fair Value Reserve:									
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	(16.0)	-	(16.0)	-	(16.0)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(19.9)	-	(19.9)	-	(19.9)
Deferred tax on fair value changes	-	-	-	-	6.9	-	6.9	-	6.9
Net loss recognised directly in equity	-	-	-	(3.0)	(29.0)	-	(32.0)	-	(32.0)
Net profit for the period	-	-	-	-	-	93.3	93.3	2.8	96.1
Total recognised profit/(loss) for the period	-	-	-	(3.0)	(29.0)	93.3	61.3	2.8	64.1
Dividends paid in the period:									
Final and special final dividends for the previous year (net of 20% Singapore Tax)	-	-	-	-	-	(143.9)	(143.9)	-	(143.9)
Dividends paid to minority interest	-	-	-	-	-	-	-	(3.0)	(3.0)
Balance at 30 June 2006	247.4	-	200.8	(12.9)	103.6	2,117.8	2,656.7	24.9	2,681.6
Balance at 1 April 2005	236.7	10.7	164.9	(12.1)	95.2	1,835.9	2,331.3	12.9	2,344.2
Net profit/(loss) recognised directly in equity for period ended 30 June 2005:									
Exchange differences arising on translation of overseas entities	-	-	-	3.6	-	-	3.6	-	3.6
Current period movements in Fair Value Reserve:									
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	29.8	-	29.8	-	29.8
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(2.2)	-	(2.2)	-	(2.2)
Deferred tax on fair value changes	-	-	-	-	(6.5)	-	(6.5)	-	(6.5)
Net profit recognised directly in equity	-	-	-	3.6	21.1	-	24.7	-	24.7
Net profit for the period	-	-	-	-	-	100.6	100.6	3.6	104.2
Total recognised profit for the period	-	-	-	3.6	21.1	100.6	125.3	3.6	128.9
Release of reserve from General Insurance Fund	-	-	35.9	-	-	-	35.9	-	35.9
Dilution of shareholdings	-	-	-	-	-	-	-	20.1	20.1
Balance at 30 June 2005	236.7	10.7	200.8	(8.5)	116.3	1,936.5	2,492.5	36.6	2,529.1

6 COMPANY STATEMENT OF CHANGES IN EQUITY

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Accumulated Profit	Total
Balance at 1 January 2006	236.7	10.7	620.0	916.4	1,783.8
Net profit for the period	-	-	-	27.9	27.9
Total recognised profit for the year	-	-	-	27.9	27.9
Dividends paid in the period:					
Final and special final dividends for the previous year (net of 20% Singapore Tax)	-	-	-	(143.9)	(143.9)
Transfer of share premium to share capital	10.7	(10.7)	-	-	-
Balance at 30 June 2006	247.4	-	620.0	800.4	1,667.8
Balance at 1 January 2005	236.7	10.7	620.0	991.7	1,859.1
Net profit for the period	-	-	-	0.2	0.2
Total recognised profit for the year	-	-	-	0.2	0.2
Dividends paid for the period:					
Final dividend for the previous year (net of 20% Singapore Tax)	-	-	-	(87.1)	(87.1)
Balance at 30 June 2005	236.7	10.7	620.0	904.8	1,772.2

6.1 COMPANY STATEMENT OF CHANGES IN EQUITY for the second quarter ended 30 June

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Accumulated Profit	Total
Balance at 1 April 2006	247.4	-	620.0	938.5	1,805.9
Net profit/(loss) recognised directly in equity for period ended 30 June 2005:					
Net profit for the period	-	-	-	5.8	5.8
Total recognised profit for the period	-	-	-	5.8	5.8
Dividends paid in the period:					
Final and special final dividends for the previous year (net of 20% Singapore Tax)	-	-	-	(143.9)	(143.9)
Balance at 30 June 2006	247.4	-	620.0	800.4	1,667.8
Balance at 1 April 2005	236.7	10.7	620.0	904.8	1,772.2
Net profit for the period	-	-	-	-	-
Total recognised profit for the period	-	-	-	-	-
Balance at 30 June 2005	236.7	10.7	620.0	904.8	1,772.2

7 CONSOLIDATED STATEMENT OF CASH FLOWS

in Singapore Dollars (millions)	1st Half 2006	1st Half 2005	2nd Quarter 2006	2nd Quarter 2005
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	235.5	222.2	119.6	118.9
Excess of income over expenses before income tax from life assurance revenue statement	229.5	197.8	105.1	96.0
Excess of income over expenses before income tax from general insurance revenue statement	14.7	25.0	9.8	19.3
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(144.6)	(153.9)	(63.6)	(74.8)
Profit transferred from general insurance fund but not yet withdrawn	(9.5)	(22.2)	(6.1)	(18.2)
Share of loss/(gain) of associated and joint venture companies	1.2	0.1	0.5	(0.2)
Amortisation of difference in purchase consideration over nominal value of government securities, loan stocks and bonds	15.3	5.6	7.9	(2.2)
Gain on sale of investments and changes in fair value	(503.9)	(205.2)	(242.0)	(109.0)
Loss/(gain) on sale of properties held for sale	1.8	4.6	(0.6)	2.8
Increase in provision for impairment of assets	(2.1)	(3.1)	(0.9)	(2.3)
Increase in provision for agents' retirement benefits	9.4	8.7	4.2	4.8
Loss/(gain) on disposal of property, plant and equipment	0.1	(0.1)	(1.4)	(0.1)
Depreciation and amortisation	20.5	15.3	10.6	8.1
Unrealised loss/(gain) in exchange differences	99.1	15.4	(4.5)	3.4
	(33.0)	110.2	(61.4)	46.5
Changes in working capital:				
Reinsurance assets	(9.8)	(3.8)	9.9	(10.1)
Outstanding premiums	39.8	42.3	2.7	14.8
Other debtors	129.3	2.5	103.8	145.0
Insurance contract liabilities	399.6	1,041.9	301.4	555.6
Loss reserves	2.5	3.0	1.1	1.7
Claims admitted or intimated	(6.4)	12.9	(0.2)	4.7
Policy benefits	41.8	76.2	23.6	53.3
Unexpired risk reserve	5.6	8.1	(0.1)	9.1
Reinsurance liabilities	10.0	14.2	(16.7)	6.3
Other creditors	(146.7)	7.6	(25.6)	(273.9)
Cash generated from operations	432.7	1,315.1	338.5	553.0
Income tax paid	(107.6)	(120.5)	(76.9)	(69.8)
Agents' retirement benefits paid	(3.7)	(2.5)	(0.7)	(1.4)
Net cash flows from operating activities	321.4	1,192.1	260.9	481.8
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	9,265.9	6,442.8	4,700.0	3,407.0
Purchase of investments	(8,772.4)	(9,267.5)	(4,583.3)	(4,963.2)
Proceeds from sale of properties held for sale	8.0	30.1	0.8	19.2
Proceeds from transfer of Dependents' Protection Scheme business from Central Provident Fund Board	124.1	-	0.3	-
Capital injection in associated and joint venture companies	(31.0)	(11.8)	-	(11.8)
Repayment of loan by associated company	-	12.0	-	12.0
Proceeds from liquidation of associated company	-	29.8	-	29.8
Net cash outflow from acquisition of a subsidiary	(4.1)	-	-	-
Repayment of loan by subsidiary company	(13.6)	-	-	-
Net cash outflow from acquisition of additional interest in subsidiary	-	21.1	-	21.1
Proceeds from sale of property, plant and equipment	4.8	27.0	2.9	12.5
Purchase of property, plant and equipment	(33.0)	(37.1)	(14.4)	(19.6)
Net cash flows from/(used in) investing activities	548.7	(2,753.6)	106.3	(1,493.0)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(143.9)	(87.1)	(143.9)	(87.1)
Dividends paid to minority interest	(12.7)	-	(3.0)	-
Net cash flows used in financing activities	(156.6)	(87.1)	(146.9)	(87.1)
Net effect of translation reserve adjustment	(221.9)	324.3	(216.2)	224.7
Net increase/(decrease) in cash and cash equivalents	491.6	(1,324.3)	4.1	(873.6)
Cash and cash equivalents at the beginning of the period	3,392.0	4,869.8	3,879.5	4,419.1
Cash and cash equivalents at the end of the period	3,883.6	3,545.5	3,883.6	3,545.5

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

8 GROUP SEGMENTAL INFORMATION

(1) By Geographical Segments

in Singapore Dollars (millions)

	Singapore		Malaysia		Other Asia		Consolidated	
	1st Half 2006	1st Half 2005	1st Half 2006	1st Half 2005	1st Half 2006	1st Half 2005	1st Half 2006	1st Half 2005
(a) Life Assurance Fund								
Premium income (net)	1,599.5	1,265.2	794.7	807.1	12.8	9.9	2,407.0	2,082.2
Commissions received from reinsurers	2.5	2.2	1.8	1.9	-	-	4.3	4.1
Investment, interest and rental income	628.0	452.2	405.0	356.5	6.0	3.6	1,039.0	812.3
Decrease in provision for impairment of assets	2.1	3.1	-	-	-	-	2.1	3.1
Total income	2,232.1	1,722.7	1,201.5	1,165.5	18.8	13.5	3,452.4	2,901.7
Claims, surrenders and annuities	2,110.5	981.9	399.0	372.1	5.4	7.3	2,514.9	1,361.3
Depreciation and amortisation	13.9	11.1	5.7	3.5	0.1	0.1	19.7	14.7
Commissions and expenses	120.9	102.2	173.5	167.8	3.4	1.6	297.8	271.6
(Decrease)/Increase in life assurance fund contract liabilities	(118.3)	541.2	505.9	513.8	2.9	1.2	390.5	1,056.2
Income tax	53.4	16.7	31.1	27.1	0.4	0.1	84.9	43.9
Total expenses	2,180.4	1,653.1	1,115.2	1,084.3	12.2	10.3	3,307.8	2,747.7
Share of results of associated companies	-	(0.1)	-	-	-	-	-	(0.1)
Excess of income over expenses	51.7	69.5	86.3	81.2	6.6	3.2	144.6	153.9
Total assets employed	23,035.6	22,628.3	12,723.5	11,968.2	221.5	196.2	35,980.6	34,792.7
Capital expenditure	10.0	28.8	22.0	7.7	0.1	0.2	32.1	36.7
Property, plant and equipment	1,078.9	1,005.3	281.1	289.5	0.4	0.4	1,360.4	1,295.2
Intangible assets	32.8	13.4	45.6	18.3	-	-	78.4	31.7
Investments:	19,111.7	19,135.1	11,601.7	10,618.7	176.5	165.4	30,889.9	29,919.2
i. Government securities, loan stocks and bonds	10,620.3	10,899.5	6,663.6	6,084.4	104.5	90.7	17,388.4	17,074.6
ii. Quoted equity in corporations	5,201.4	5,585.6	3,212.0	3,042.5	44.6	48.4	8,458.0	8,676.5
iii. Unquoted equity in corporations	30.7	19.9	86.1	40.5	0.5	0.5	117.3	60.9
iv. Collective investment schemes	1,214.5	1,078.8	9.7	7.7	7.3	7.2	1,231.5	1,093.7
v. Derivatives and embedded derivatives	852.7	427.2	9.1	2.0	1.2	0.9	863.0	430.1
vi. Policy loans	867.6	853.5	1,127.0	1,090.0	18.4	17.7	2,013.0	1,961.2
vii. Unsecured loans	25.6	0.2	-	0.1	-	-	25.6	0.3
viii. Secured loans	298.9	270.4	494.2	351.5	-	-	793.1	621.9
Cash and bank balances	2,372.2	1,870.5	589.0	858.8	40.5	26.7	3,001.7	2,756.0

8 GROUP SEGMENTAL INFORMATION (continued)

(1) By Geographical Segments (continued)

in Singapore Dollars (millions)	Singapore		Malaysia		Other Asia		Consolidated	
	1st Half 2006	1st Half 2005	1st Half 2006	1st Half 2005	1st Half 2006	1st Half 2005	1st Half 2006	1st Half 2005
(b) General Insurance Fund								
Premium income (net)	9.3	16.3	21.5	19.0	0.1	0.2	30.9	35.5
Increase in unexpired risk reserve during the period	(1.2)	(2.8)	(0.8)	(1.5)	-	-	(2.0)	(4.3)
Commissions received from reinsurers	4.0	4.8	4.9	4.5	-	-	8.9	9.3
Claims and increase in loss reserve	(4.7)	(8.8)	(12.1)	(9.0)	-	-	(16.8)	(17.8)
Depreciation and amortisation	(0.1)	(0.1)	(0.1)	(0.1)	-	-	(0.2)	(0.2)
Commissions and expenses	(7.3)	(9.9)	(11.0)	(10.1)	-	-	(18.3)	(20.0)
Net underwriting profit	-	(0.5)	2.4	2.8	0.1	0.2	2.5	2.5
Investment and interest income	15.3	4.6	6.0	3.6	-	-	21.3	8.2
Total assets employed	88.7	111.4	109.9	117.7	0.4	1.0	199.0	230.1
Capital expenditure	-	-	0.3	0.1	-	-	0.3	0.1
(c) Shareholders' Fund								
Profit from insurance operations	63.1	89.8	90.4	86.1	0.6	0.2	154.1	176.1
Profit from investments ^(8.1)	252.6	245.5	5.2	4.1	-	-	67.2	32.5
Fees and other income	34.4	25.6	-	-	-	-	34.4	25.6
Profit before expenses ^(8.1)	350.1	360.9	95.6	90.2	0.6	0.2	255.7	234.2
Depreciation and amortisation	0.6	0.4	-	-	-	-	0.6	0.4
Share of loss of joint venture company	(1.2)	-	-	-	-	-	(1.2)	-
Profit after income tax ^(8.2)	314.4	285.5	70.1	66.4	0.6	0.2	194.5	195.6
Total assets employed ^(8.3)	2,720.4	2,595.7	207.9	252.0	5.5	2.1	2,861.6	2,781.3
Capital expenditure	0.6	-	-	0.3	-	-	0.6	0.3

^(8.1) elimination of inter-segment transactions - 2006: \$190.6 million (2005: \$217.1 million)

^(8.2) elimination of inter-segment transactions - 2006: \$190.6 million (2005: \$156.5 million)

^(8.3) elimination of inter-segment transactions - 2006: \$72.2 million (2005: \$68.5 million)

(2) By Business Segments

in Singapore Dollars (millions)	Life Assurance Fund (Non-Linked)		Life Assurance Fund (Linked)		Consolidated	
	1st Half 2006	1st Half 2005	1st Half 2006	1st Half 2005	1st Half 2006	1st Half 2005
Premium income (net)	1,939.4	1,801.2	467.6	281.0	2,407.0	2,082.2
Commissions received from reinsurers	3.7	4.1	0.6	-	4.3	4.1
Investment, interest and rental income	977.5	766.9	61.5	45.4	1,039.0	812.3
Decrease in provision for impairment of assets	2.1	3.1	-	-	2.1	3.1
Total income	2,922.7	2,575.3	529.7	326.4	3,452.4	2,901.7
Claims, surrenders and annuities	2,127.6	1,119.6	387.3	241.7	2,514.9	1,361.3
Depreciation and amortisation	19.2	14.3	0.5	0.4	19.7	14.7
Commissions and expenses	217.4	209.4	80.4	62.2	297.8	271.6
Increase in life assurance fund contract liabilities	360.1	1,051.6	30.4	4.6	390.5	1,056.2
Income tax	80.4	40.4	4.5	3.5	84.9	43.9
Total	2,804.7	2,435.3	503.1	312.4	3,307.8	2,747.7
Share of results of associated companies	-	(0.1)	-	-	-	(0.1)
Excess of income over expenses	118.0	139.9	26.6	14.0	144.6	153.9
Total assets employed	33,349.9	32,413.0	2,630.7	2,379.7	35,980.6	34,792.7
Capital expenditure	32.1	36.7	-	-	32.1	36.7

9. REVIEW OF RESULTS

The financial statements of Great Eastern Holdings Limited ("GEH") and its subsidiaries for the second quarter of 2006 ("Q2-06") and for the half year ended 30 June 2006 ("H1-06") 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 2005, except as disclosed in paragraph 10 below.

9.1 Profit attributable to shareholders

Group profit attributable to shareholders for Q2-06 was \$93.3 million, 7% lower than the corresponding quarter in 2005. The decrease in H1-06 was 1% to \$188.6 million.

9.2 Profit from insurance operations

As reported in the announcement of results fourth quarter of 2005, profits from insurance funds in Singapore and general insurance fund in Malaysia are reported net of tax in the profit and loss statement. Accordingly, the Q2-05 and half year 2005 comparatives have been restated. The restated amount included income tax of \$8.7 million and \$18.3 million borne by the insurance funds for the corresponding quarter and half year in 2005 respectively.

(a) Profit from life assurance operations for Q2-06 was \$63.6 million, 15% lower than \$74.8 million for the corresponding quarter in 2005. For H1-06, the profit decreased by 6% to \$144.6 million.

(b) Profit from participating fund for Q2-06 was \$26.5 million, 27% increase over than the corresponding quarter in 2005 due to higher maturity of policies where the 90/10 bonus distribution rule applies. The increase in H1-06 was 32% to \$53.1 million.

(c) Profit from non-participating fund for Q2-06 was \$22.7 million, 55% lower than the corresponding quarter in 2005 due to losses arising from fall in equity prices. For H1-06, the profit decreased by 36% to \$63.2 million.

(d) Profit from investment linked fund for Q2-06 was \$14.4 million, 260% increase over the corresponding quarter in 2005 due to sustained efforts and focus in this product segment both in Singapore and Malaysia. For H1-06, the profit increased by 81% to \$28.3 million.

(e) Profit from general insurance operations for Q2-06 was \$6.1 million, 66% lower than \$18.2 million for the corresponding quarter in 2005. For H1-06, the profit decreased by 57% to \$9.5 million. The profit in the corresponding quarter in 2005 included a one-time release of the fund solvency margin of \$17.6 million, after the closure of the general insurance fund within one of the Group's Singapore insurance subsidiaries, Great Eastern Life Assurance Company Limited ("GEL"), following the transfer of such business to GEL's Non-Participating Fund in the same quarter. If the one-time release of the fund solvency margin of \$17.6 million was excluded in Q2-05, profit from general insurance operations for Q2-06 would have been \$5.5 million higher than that of Q2-05. The stronger performance in Q2-06 was due to the gain on sale of the shares in Robinson And Company, Limited held by the general insurance fund in Singapore.

9.3 Profit from investments of Shareholders' Fund

Pre-tax profit from investments in the shareholders' fund for Q2-06 was \$44.0 million, 167% higher than the corresponding quarter in 2005. The increase was contributed mainly by the gain on sale of the shares in Robinson And Company, Limited held by the shareholders' fund and better management of foreign currency exposures in the fixed income portfolio. For H1-06, the pre-tax investment profit amounted to \$67.2 million, an increase of 107% over the same period last year.

9.4 Fees and other income

Pre-tax fees and other income for Q2-06 was \$17.3 million, 4% higher than \$16.7 million for Q2-05. Increase in fee income was contributed by GEH's asset management and financial advisory subsidiaries, Lion Capital Management Limited ("LCM"), Lion Fairfield Capital Management Limited and Alpha Financial Advisers Private Limited. Fees and other income for H1-06 totalled \$34.4 million, 34% higher than the \$25.6 million over the same period last year.

Assets under management by LCM amounted to \$29 billion as at 30 June 2006, lower than the \$33 billion as at 30 June 2005, due largely to redemption of Collateralised Debt Obligations.

9.5 Management and Other Expenses

Management and other expenses for Q2-06 amounted to \$10.6 million, 49% higher than the \$7.1 million for the corresponding quarter in 2005.

The increase was due primarily to (a) expenses incurred in the Group's regional expansion including pre-operational expenses for the life assurance business in China and (b) increased operating costs of the Group's asset management and financial advisory services. The life assurance business in China began operations in June 2006.

Management and other expenses for H1-06 was \$18.4 million, an increase of 59% over expenses over the same period last year.

9.6 Income Tax

Income tax expense for Q2-06 was \$23.5 million, 60% higher than the tax of \$14.7 million for the corresponding quarter in 2005.

As reported in the announcement of results in the fourth quarter of 2005, profits from insurance funds in Singapore and general insurance fund in Malaysia are reported net of tax in the profit and loss statement. Excluding these items, the effective tax rate was 28% in Q2-06, comparable to 29% in the corresponding quarter 2005. The higher effective tax rate than the Singapore corporate tax rate of 20% is due mainly to foreign tax rates.

Income tax expense for H1-06 was \$41.0 million, an increase of 54% over the same period last year.

9.7 Earnings per Share, Return on Equity and Net Asset Value

Earnings per share ("EPS") for H1-06 was 40 cents, same as the EPS for the corresponding period last year.

Non annualized return on equity for H1-06 was 7.1%, as compared with 7.9% for the corresponding period last year.

Net asset value per share as at 30 June 2006 was \$5.61, 1% higher than \$5.56 per share as at 31 December 2005.

9.8 Group Assets

The Group's total assets as at 30 June 2006 decreased slightly to \$39.0 billion, from \$39.2 billion as at 31 December 2005.

10 ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for Q2-06, consistent with the Group's audited financial statements for the year ended 31 December 2005, except for the adoption of certain revisions to FRS that are applicable with effect from 1 January 2006. Such revisions do not have any material financial impact on the Group's results for Q2-06 and H1-06.

11 UNAUDITED RESULTS

The consolidated Group financial results for the second quarter ended 30 June 2006 have not been audited but have been reviewed by the Group's auditors; the review report is attached.

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

The Group's performance is affected by the local, regional and global economic conditions and growth. Overall, the economic outlook remains positive, in the face of higher oil and commodity prices which are expected to impact interest rate and equity markets. Earnings from the Group's insurance operations and investments will continue to be sensitive to these developments.

The Group has intensified efforts to expand its regional footprint, in particular, stepping up recruitment of key personnel for regional and other business activities which would lead to higher management expenses. Regional focus includes Malaysia, China, Indonesia and Vietnam.

13 BORROWINGS, CONTINGENT LIABILITIES AND LONG TERM LIABILITIES

There were no borrowings or contingent liabilities for the Group as at 30 June 2006 (30 June 2005: nil) as the Group has strong liquidity for its business operations.

14 SHARE CAPITAL

The Companies (Amendment) Act, which came into effect on 30 January 2006, included the abolition of the concepts of par value and authorised capital. Accordingly, the Articles of Association of the Company have been revised to cater for the changes. The share premium account of the Company has been closed out and all amounts transferred to the share capital account. Authorised share capital is no longer shown on the Balance Sheet.

The transfer of about \$10.7 million from the share premium account has increased the share capital of the Company to \$247.4 million as at 30 June 2006.

15 DIVIDEND

The Board of Directors is pleased to declare an interim dividend of 12 cents per ordinary share less 20% Singapore income tax, in respect of the financial year ending 31 December 2006 (2005: Interim dividend of 12 cents per share less 20% Singapore income tax). The interim dividend will be payable on 7 September 2006.

In respect of shareholders' entitlement to the interim dividend, shareholders should also note paragraph 2.4 on page 8 of GEH's offeree circular dated 1 August 2006 issued by GEH to shareholders in relation to the offer made by Oversea-Chinese Banking Corporation Limited ("OCBC") for the shares in GEH other than those already owned or agreed to be acquired by OCBC or its subsidiaries.

16 CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that the Share Transfer Books and the Register of Members of the Company will be closed on 28 August 2006 for the purpose of determining the entitlement of shareholders to the interim dividend of 12 cents per share less 20% Singapore income tax. 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 25 August 2006 will be registered to determine the entitlement of shareholders to the interim dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 25 August 2006 will be entitled to the interim dividend.

BY ORDER OF THE BOARD

Elizabeth Teoh
Group Company Secretary
Singapore, 10 August 2006

22/060405/MKM

1 August 2006

Great Eastern Holdings Limited
1 Pickering Street
#13-01, Great Eastern Centre
Singapore 048659

Attention: Mr Michael Wong Pakshong
Chairman, Audit Committee

Dear Sirs:

Great Eastern Holdings Limited ('GEH')
Review of Interim Financial Information for the six-month period ended 30 June 2006

We have been engaged by the Company to review the interim financial information for the 6 months ended 30 June 2006 as set out in the Second Quarter 2006 Financial Statement Announcement of the Company.

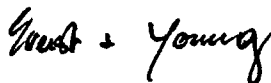
Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual ('Listing Manual') requires the preparation of interim financial information to be in compliance with the relevant provisions thereof. The interim financial information comprises the balance sheets of the Company and of the Group as at 30 June 2006, the profit and loss statement of the Group, the statements of changes in equity of the Company and of the Group and cashflow statement of the Group for the 6 months period then ended. The interim financial information is the responsibility of, and has been approved by the Directors. Our responsibility is to issue a report solely for the use of the Directors on the interim financial information based on our review.

We conducted our review in accordance with Singapore Statement of Auditing Practice 11, Review of Interim Financial Information. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of, and having discussions with, persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an opinion.

Based on our review, nothing has come to our attention that causes us to believe that:

1. There are any material modifications that need to be made to the accompanying interim financial information for it to be in accordance with Appendix 7.2 of the Listing Manual; and
2. The interim financial information has not been prepared in accordance with the accounting policies set out in the Company's audited financial statements for the year ended 31 December 2005.

Yours faithfully,



ERNST & YOUNG
Certified Public Accountants

Singapore