

GREAT EASTERN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199903008M)

FINANCIAL RESULTS FOR SECOND QUARTER AND FIRST HALF 2008

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 second quarter and for the half year ended 30 June 2008.

1 GROUP PROFIT AND LOSS STATEMENTS

in Singapore Dollars (millions)	1st Half 2008	1st Half 2007	% + / (-)	2nd Quarter 2008	2nd Quarter 2007	% + / (-)
Turnover ⁽¹⁾	5,029.7	4,534.3	11	2,443.0	2,431.8	-
Gross Premiums	3,585.8	2,757.4	30	1,975.9	1,487.5	33
Life assurance profit / (loss) from:						
Participating Fund	49.4	46.3	7	23.9	20.7	15
Non-participating Fund	(40.7)	143.1	(128)	(11.0)	89.7	(112)
Investment-linked Fund	31.4	32.6	(4)	20.3	12.7	60
Profit from life assurance	40.1	222.0	(82)	33.2	123.1	(73)
Profit from general insurance	8.2	17.9	(54)	0.7	6.9	(90)
Profit from insurance operations	48.3	239.9	(80)	33.9	130.0	(74)
Investment income, net	60.3	46.2	31	29.3	23.1	27
Gain on sale of investments and changes in fair value	23.0	26.8	(14)	(14.1)	12.1	nm
Increase in provision for impairment of assets	(3.2)	-	nm	(0.2)	-	nm
(Loss) / Gain in exchange differences	(16.3)	0.2	nm	(13.0)	(0.3)	nm
Profit from investments	63.8	73.2	(13)	2.0	34.9	(94)
Fees and other income	42.7	59.0	(28)	20.4	28.4	(28)
Profit before expenses	154.8	372.1	(58)	56.3	193.3	(71)
less:						
Management and other expenses	48.3	39.9	21	23.6	19.8	19
Depreciation	0.4	0.6	(33)	0.2	0.4	(50)
Expenses	48.7	40.5	20	23.8	20.2	18
Profit after expenses	106.1	331.6	(68)	32.5	173.1	(81)
Share of (loss) / profit of associates	(1.1)	4.1	(127)	0.8	1.0	(20)
Share of loss of joint ventures	(1.4)	(1.4)	-	(0.9)	(0.7)	(29)
	103.6	334.3	(69)	32.4	173.4	(81)
less: Income tax	36.4	47.6	(24)	13.6	25.3	(46)
Net profit after income tax	67.2	286.7	(77)	18.8	148.1	(87)
Attributable to:						
Shareholders	60.7	277.9	(78)	15.7	143.4	(89)
Minority interest	6.5	8.8	(26)	3.1	4.7	(34)
	67.2	286.7	(77)	18.8	148.1	(87)
Basic and diluted earnings per share (in Singapore dollars)	\$0.13	\$0.59	(78)	\$0.03	\$0.31	(90)

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 fair value through profit and loss investments and investment properties) 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 fair value through profit and loss investments and investment properties) 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 fair value through profit and loss investments and investment properties) from the General Insurance Revenue Statement.

2 BALANCE SHEETS

in Singapore Dollars (millions)	Group			Company		
	30 June 2008	31 December 2007	% + / (-)	30 June 2008	31 December 2007	% + / (-)
Share capital	247.4	247.4	-	247.4	247.4	-
Reserves						
Merger reserve	15.8	15.8	-	435.0	435.0	-
Translation reserve	(35.7)	(17.4)	(105)	-	-	-
Fair value reserve	60.9	210.0	(71)	-	-	-
Accumulated profit	2,691.9	2,830.0	(5)	539.8	709.6	(24)
SHAREHOLDERS' FUND	2,980.3	3,285.8	(9)	1,222.2	1,392.0	(12)
MINORITY INTEREST	33.0	32.9	-	-	-	-
TOTAL EQUITY	3,013.3	3,318.7	(9)	1,222.2	1,392.0	(12)
LIABILITIES						
Income tax	281.1	259.3	8	(0.7)	(0.7)	-
Other creditors and interfund balances	1,543.3	1,443.9	7	5.1	4.5	13
Reinsurance liabilities	93.3	67.8	38	-	-	-
Unexpired risk reserve	66.6	59.7	12	-	-	-
Policy benefits	1,772.8	1,645.2	8	-	-	-
Claims admitted or intimated	184.8	165.3	12	-	-	-
Agents' retirement benefits	181.5	183.6	(1)	-	-	-
Deferred tax	706.8	1,019.1	(31)	-	-	-
General insurance fund	100.1	109.1	(8)	-	-	-
Life assurance fund	37,180.1	38,243.7	(3)	-	-	-
TOTAL EQUITY AND LIABILITIES	45,123.7	46,515.4	(3)	1,226.6	1,395.8	(12)
ASSETS						
Cash and cash equivalents	3,687.1	2,768.3	33	13.6	19.1	(29)
Other debtors and interfund balances	1,133.5	1,365.8	(17)	-	-	-
Outstanding premiums	144.3	168.7	(14)	-	-	-
Reinsurance assets	80.8	79.0	2	-	-	-
Loans	3,722.4	3,469.2	7	-	-	-
Investments	33,755.7	35,993.7	(6)	-	-	-
Associates and joint ventures	540.1	581.9	(7)	-	-	-
Subsidiaries	-	-	-	651.3	635.6	2
Amounts due from subsidiaries, associates and joint ventures	66.8	66.3	1	561.4	740.8	(24)
Goodwill	25.5	25.5	-	-	-	-
Property, plant and equipment	802.9	818.7	(2)	0.3	0.3	-
Investment properties	1,164.6	1,178.3	(1)	-	-	-
TOTAL ASSETS	45,123.7	46,515.4	(3)	1,226.6	1,395.8	(12)
Net Asset Value per share	6.30	6.94	(9)	2.58	2.94	(12)

nm - not meaningful / exceeding 200%

3 SELECTED MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Shareholders' and General Insurance			
	Funds		Life Assurance Fund	
	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007
1 Directors' remuneration - Directors of the Company	0.3	0.3	1.4	1.1
2 Auditors' remuneration - Other fees paid to Ernst & Young, Singapore	-	-	0.1	0.1
3 Staff costs and related expenses (Including key management personnel compensation)	27.2	22.5	73.3	56.7
4 Rental expense	1.4	1.3	8.2	6.5
5 Gain on disposal of property, plant and equipment and investment properties	-	-	(9.1)	(9.4)
6 Depreciation	0.6	0.8	25.9	19.1

4 GROUP FINANCIAL HIGHLIGHTS

	Group			
		1st Half 2008	1st Half 2007	% + / (-)
1 Turnover	(\$millions)	5,029.7	4,534.3	11
2 Gross Premiums	(\$millions)	3,585.8	2,757.4	30
3 Total Assets	(\$millions)	45,123.7	45,056.3	0
4 Profit Attributable to Shareholders	(\$millions)	60.7	277.9	(78)
5 Shareholders' Fund	(\$millions)	2,980.3	3,102.3	(4)
6 Profit After Tax before Minority Interests as a % of Turnover	%	1.3%	6.3%	-5 pp
7 Return on Equity (Average Shareholders' Fund)	%	1.9%	9.2%	-7.3 pp
8 Gross Premium Growth	%	30.0%	10.5%	19.5 pp

5 GROUP STATEMENT OF CHANGES IN EQUITY for the half-year ended 30 June

in Singapore Dollars (millions)	Attributable to shareholders of the Company					Total	Minority Interest	Total Equity
	Share Capital	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit			
Balance at 1 January 2008	247.4	15.8	(17.4)	210.0	2,830.0	3,285.8	32.9	3,318.7
Net profit/(loss) recognised directly in equity for period ended 30 June 2008:								
Exchange differences arising on translation of overseas entities	-	-	(18.3)	-	-	(18.3)	(0.1)	(18.4)
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	(146.8)	-	(146.8)	1.0	(145.8)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	(36.0)	-	(36.0)	-	(36.0)
Deferred tax on fair value changes	-	-	-	33.6	-	33.6	(0.2)	33.4
Deferred tax - effect of change in tax rate	-	-	-	0.1	-	0.1	-	0.1
Net profit / (loss) recognised directly in equity	-	-	(18.3)	(149.1)	-	(167.4)	0.7	(166.7)
Net profit for the period	-	-	-	-	60.7	60.7	6.5	67.2
Total recognised profit / (loss) for the period	-	-	(18.3)	(149.1)	60.7	(106.7)	7.2	(99.5)
Dividends paid during the period:								
Final and special final tax exempt (one-tier) dividends for the previous year	-	-	-	-	(198.8)	(198.8)	-	(198.8)
Liquidation distribution paid to minority interest	-	-	-	-	-	-	(7.1)	(7.1)
Balance at 30 June 2008	247.4	15.8	(35.7)	60.9	2,691.9	2,980.3	33.0	3,013.3
Balance at 1 January 2007	247.4	125.8	(20.3)	146.8	2,435.7	2,935.4	33.0	2,968.4
Net profit/(loss) recognised directly in equity for period ended 30 June 2007:								
Exchange differences arising on translation of overseas entities	-	-	6.3	-	-	6.3	0.5	6.8
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	100.7	-	100.7	-	100.7
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	(22.9)	-	(22.9)	-	(22.9)
Deferred tax on fair value changes	-	-	-	(13.9)	-	(13.9)	-	(13.9)
Deferred tax - effect of change in tax rate	-	-	-	5.1	-	5.1	-	5.1
Net profit recognised directly in equity	-	-	6.3	69.0	-	75.3	0.5	75.8
Net profit for the period	-	-	-	-	277.9	277.9	8.8	286.7
Total recognised profit for the period	-	-	6.3	69.0	277.9	353.2	9.3	362.5
Dividends paid during the period:								
Final and special final dividends for the previous year (net of 18% Singapore Tax)	-	-	-	-	(186.3)	(186.3)	-	(186.3)
Dividends paid to minority interest	-	-	-	-	-	-	(9.1)	(9.1)
Balance at 30 June 2007	247.4	125.8	(14.0)	215.8	2,527.3	3,102.3	33.2	3,135.5

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					Total	Minority Interest	Total Equity
	Share Capital	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit			
Balance at 1 April 2008	247.4	15.8	(15.8)	119.3	2,875.0	3,241.7	29.9	3,271.6
Net profit/(loss) recognised directly in equity for period ended 30 June 2008:								
Exchange differences arising on translation of overseas entities	-	-	(19.9)	-	-	(19.9)	-	(19.9)
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	(73.8)	-	(73.8)	(0.1)	(73.9)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	2.5	-	2.5	-	2.5
Deferred tax on fair value changes	-	-	-	12.9	-	12.9	0.1	13.0
Net profit/(loss) recognised directly in equity	-	-	(19.9)	(58.4)	-	(78.3)	(0.0)	(78.3)
Net profit for the period	-	-	-	-	15.7	15.7	3.1	18.8
Total recognised profit / (loss) for the period	-	-	(19.9)	(58.4)	15.7	(62.6)	3.1	(59.5)
Dividends paid during the period:								
Final and special final tax exempt (one-tier) dividends for the previous year	-	-	-	-	(198.8)	(198.8)	-	(198.8)
Balance at 30 June 2008	247.4	15.8	(35.7)	60.9	2,691.9	2,980.3	33.0	3,013.3
Balance at 1 April 2007	247.4	125.8	(19.6)	176.7	2,570.2	3,100.5	28.4	3,128.9
Net profit/(loss) recognised directly in equity for period ended 30 June 2007:								
Exchange differences arising on translation of overseas entities	-	-	5.6	-	-	5.6	0.1	5.7
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	55.4	-	55.4	-	55.4
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	(7.6)	-	(7.6)	-	(7.6)
Deferred tax on fair value changes	-	-	-	(8.7)	-	(8.7)	-	(8.7)
Net profit recognised directly in equity	-	-	5.6	39.1	-	44.7	0.1	44.8
Net profit for the period	-	-	-	-	143.4	143.4	4.7	148.1
Total recognised profit for the period	-	-	5.6	39.1	143.4	188.1	4.8	192.9
Dividends paid during the period:								
Final and special final dividends for the previous year (net of 18% Singapore Tax)	-	-	-	-	(186.3)	(186.3)	-	(186.3)
Balance at 30 June 2007	247.4	125.8	(14.0)	215.8	2,527.3	3,102.3	33.2	3,135.5

6 COMPANY STATEMENT OF CHANGES IN EQUITY

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total
Balance at 1 January 2008	247.4	435.0	709.6	1,392.0
Net profit for the period	-	-	29.0	29.0
Dividends paid during the period:				-
Final and special final tax exempt (one-tier) dividends for the previous year	-	-	(198.8)	(198.8)
Balance at 30 June 2008	247.4	435.0	539.8	1,222.2
Balance at 1 January 2007	247.4	545.0	827.5	1,619.9
Net profit for the period	-	-	21.5	21.5
Dividends paid during the period:				
Final and special final dividends for the previous year (net of 18% Singapore Tax)	-	-	(186.3)	(186.3)
Balance at 30 June 2007	247.4	545.0	662.7	1,455.1

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

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total
Balance at 1 April 2008	247.4	435.0	707.8	1,390.2
Net profit for the period	-	-	30.8	30.8
Dividends paid during the period:				
Final and special final tax exempt (one-tier) dividends for the previous year	-	-	(198.8)	(198.8)
Balance at 30 June 2008	247.4	435.0	539.8	1,222.2
Balance at 1 April 2007	247.4	545.0	848.0	1,640.4
Net profit for the period	-	-	1.0	1.0
Dividends paid during the period:				
Final and special final dividends for the previous year (net of 18% Singapore Tax)	-	-	(186.3)	(186.3)
Balance at 30 June 2007	247.4	545.0	662.7	1,455.1

7 CONSOLIDATED STATEMENT OF CASH FLOWS

in Singapore Dollars (millions)	1st Half 2008	1st Half 2007	2nd Quarter 2008	2nd Quarter 2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	103.6	334.3	32.4	173.4
Amount from life assurance revenue statement	1,514.3	713.6	734.0	527.6
Retained in life assurance fund	(1,536.5)	(295.5)	(732.2)	(248.5)
Excess of income over expenses before income tax from general insurance revenue statement	10.8	24.6	1.1	8.9
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(40.1)	(222.0)	(33.2)	(123.1)
Profit transferred from general insurance fund but not yet withdrawn	(8.2)	(17.9)	(0.7)	(6.9)
Share of loss / (profit) of associates and joint ventures	7.9	(28.3)	(6.4)	(8.0)
Amortisation of difference in purchase consideration over nominal value of government securities, loan stocks and bonds	(5.6)	10.7	(5.0)	7.8
Loss / (gain) on sale of investments and changes in fair value	265.1	(1,025.8)	170.0	(576.8)
Increase / (decrease) in provision for impairment of assets	4.8	(1.7)	1.8	-
Increase in provision for agents' retirement benefits	12.6	10.8	5.8	5.5
Gain on disposal of property, plant and equipment and investment properties	(9.1)	(9.4)	-	-
Depreciation	26.5	19.9	14.8	10.4
Unrealised loss / (gain) in exchange differences	97.6	(51.1)	23.5	(67.4)
Dividend income	(184.3)	(190.5)	(99.6)	(115.7)
Interest income	(653.5)	(620.3)	(313.9)	(307.6)
Interest on policy benefits	34.3	29.0	17.8	14.9
Shared-based payments	1.8	1.5	1.7	1.2
	(358.0)	(1,318.1)	(188.1)	(704.3)
Changes in working capital:				
Reinsurance assets	(3.1)	(14.6)	11.1	5.2
Outstanding premiums	24.4	25.9	5.5	(0.7)
Other debtors and interfund balances	232.3	(240.6)	531.9	(60.4)
Insurance contract liabilities	1,641.7	1,470.5	1,075.5	886.3
Loss reserves	3.8	6.8	4.0	2.1
Claims admitted and intimated	19.5	1.3	18.8	8.1
Policy benefits	127.6	84.3	(7.4)	51.6
Unexpired risk reserve	8.3	4.3	0.9	(0.4)
Reinsurance liabilities	25.5	17.4	(8.1)	0.6
Other creditors and interfund balances	97.6	(168.3)	(368.3)	(448.4)
Cash generated from operations	1,819.6	(131.1)	1,075.8	(260.3)
Income tax paid	(100.5)	(156.8)	(51.3)	(92.3)
Interest paid on policy benefits	(34.3)	(29.0)	(17.8)	(14.9)
Agents' retirement benefits paid	(7.1)	(2.3)	(5.9)	(0.6)
Net cash flows from operating activities	1,677.7	(319.2)	1,000.8	(368.1)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	8,671.7	10,381.3	4,845.2	5,728.1
Purchase of investments	(9,441.8)	(11,445.9)	(5,803.6)	(6,787.5)
Proceeds from reduction of interests in associated company	27.0	49.8	(41.8)	39.7
Repayment of loan by subsidiary	-	14.7	-	-
Proceeds from sale of property, plant and equipment and investment properties	17.9	16.2	7.4	2.1
Purchase of property, plant and equipment and investment properties	(23.9)	(60.4)	(15.3)	(27.4)
Interest income received	653.5	620.3	313.9	307.6
Dividend received	184.3	190.5	99.6	115.7
Net cash flows from investing activities	88.7	(233.5)	(594.6)	(621.7)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(198.8)	(186.3)	(198.8)	(186.3)
Dividends paid to minority interest	-	(9.1)	-	-
Liquidation distribution paid to minority interest	(7.1)	-	-	-
Net cash flows used in financing activities	(205.9)	(195.4)	(198.8)	(186.3)
Net effect of translation reserve adjustment	(641.7)	256.2	(596.6)	115.8
Net increase / (decrease) in cash and cash equivalents	918.8	(491.9)	(389.2)	(1,060.3)
Cash and cash equivalents at the beginning of the period	2,768.3	3,823.9	4,076.3	4,392.3
Cash and cash equivalents at the end of the period	3,687.1	3,332.0	3,687.1	3,332.0
Cash and cash equivalents comprise:				
Cash and bank balances	1,097.5	458.5	1,097.5	458.5
Cash on deposit	1,679.5	2,254.7	1,679.5	2,254.7
Short term instruments	910.1	618.8	910.1	618.8
	3,687.1	3,332.0	3,687.1	3,332.0

8 GROUP SEGMENTAL INFORMATION

8.1 By Geographical Segments

in Singapore Dollars (millions)	Singapore		Malaysia		Other Asia		Consolidated	
	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007
(a) Shareholders' Fund								
Profit/(loss) from insurance operations	(57.5)	112.8	106.4	129.8	(0.6)	(2.7)	48.3	239.9
Profit from investments ^(a1)	293.8	204.2	5.2	6.3	0.8	-	299.8	210.5
Fees and other income	42.7	59.0	-	-	-	-	42.7	59.0
	279.0	376.0	111.6	136.1	0.2	(2.7)	390.8	509.4
Inter segment elimination							(236.0)	(137.3)
Profit/(loss) before expenses							154.8	372.1
	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07
Segment assets	3,356.2	3,493.8	331.9	511.0	53.5	9.0	3,741.6	4,013.8
Investments in associates and joint ventures	72.2	77.3	-	-	-	-	72.2	77.3
	3,428.4	3,571.1	331.9	511.0	53.5	9.0	3,813.8	4,091.1
Inter segment elimination							(134.8)	(85.6)
Shareholders' Fund Assets							3,679.0	4,005.5
Segment liabilities	454.7	432.1	58.0	60.5	(0.6)	-	512.1	492.6
Income tax and deferred tax liabilities	121.7	152.5	31.3	41.7	0.6	-	153.6	194.2
Shareholders' Fund Liabilities	576.4	584.6	89.3	102.2	-	-	665.7	686.8
Capital expenditure	0.6	1.2	-	-	-	-	0.6	1.2

^(a1) On a restated basis for all funds reported on net of tax, profit or loss from insurance operations would be as follows:

Profit/(loss) before tax from insurance operations	(70.1)	137.6	108.1	133.7	(0.6)	(2.7)	37.4	268.6
less: Income tax	(12.6)	24.8	22.8	36.1	-	-	10.2	60.9
Profit/(loss) after tax from insurance	(57.5)	112.8	85.3	97.6	(0.6)	(2.7)	27.2	207.7

Profit transferred from Singapore insurance funds and Malaysia general funds are presented net of tax in the Profit and Loss Statement and Revenue Statements. This is done to reflect the substance that the tax liability is borne by the respective insurance funds.

Profit transferred from Malaysia life funds are presented before tax in the Revenue Statements.

	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007
	(b) General Insurance Fund							
Premiums less reinsurances	14.7	11.0	27.2	23.6	-	-	41.9	34.6
Net underwriting profit	2.9	(0.8)	0.4	3.2	-	-	3.3	2.4
Profit from investments	1.0	10.3	6.5	11.9	-	-	7.5	22.2
General Insurance Profits	3.5	7.2	4.7	10.7	-	-	8.2	17.9
	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07
General Insurance Fund Assets	95.9	85.9	114.0	120.1	-	0.5	209.9	206.5
General Insurance Fund Liabilities	95.9	85.9	114.0	120.1	-	0.5	209.9	206.5
Capital expenditure	-	-	0.4	0.5	-	-	0.4	0.5
(c) Life Assurance Fund								
Premiums less reassurances	2,582.6	1,777.4	884.4	860.1	21.0	27.8	3,488.0	2,665.3
Investment and rental income	(329.4)	924.4	810.3	783.6	(2.4)	9.1	478.5	1,717.1
Claims less reassurances	1,277.3	1,646.9	581.2	543.1	8.8	6.1	1,867.3	2,196.1
Commissions and expenses	197.1	130.1	193.6	187.1	6.6	4.8	397.3	322.0
Life Assurance Profit	(61.0)	95.7	101.7	120.1	(0.6)	6.2	40.1	222.0
	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07
Life Assurance Fund Assets	25,522.7	25,500.1	15,419.4	16,504.3	292.7	299.0	41,234.8	42,303.4
Life Assurance Fund Liabilities	25,522.7	25,500.1	15,419.4	16,504.3	292.7	299.0	41,234.8	42,303.4
Capital expenditure	9.3	32.0	12.0	69.6	0.1	4.2	21.4	105.8

8.2 By Business Segments

in Singapore Dollars (millions)	Life Assurance Fund (Non-Linked)		Life Assurance Fund (Linked)		Consolidated	
	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007
Premiums less reassurances	2,877.5	1,812.8	610.5	852.5	3,488.0	2,665.3
Investment and rental income	1,070.0	1,378.4	(591.5)	338.7	478.5	1,717.1
Claims less reassurances	1,672.4	1,741.2	194.9	454.9	1,867.3	2,196.1
Commissions and expenses	292.1	212.0	105.2	110.0	397.3	322.0
Life Assurance Profit	8.7	189.4	31.4	32.6	40.1	222.0
	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07	30 Jun 08	31 Dec 07
Life Assurance Fund Assets	37,455.2	38,318.9	3,779.6	3,984.5	41,234.8	42,303.4
Life Assurance Fund Liabilities	37,455.2	38,318.9	3,779.6	3,984.5	41,234.8	42,303.4
Capital expenditure	21.4	105.8	-	-	21.4	105.8

9. REVIEW OF RESULTS

The Group Financial Statements for the second quarter of 2008 (Q2-08) and for the half-year ended 30 June 2008 (H1-08) have been prepared in accordance with Singapore Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS).

9.1 BUSINESS PREMIUMS

- 9.1.1 The underlying insurance business of the Group remains strong, with gross business premiums income recording year-on-year increases of 33% for the second quarter and 30% for the half-year. Gross business premiums in Q2-08 increased 33% to \$1,976 million (Q2-07: \$1,488 million), in the ratio 75:25 between Singapore and Malaysia (Q2-07 70:30). Gross business premiums for the half-year rose 30% to \$3,586 million (H1-07: \$2,757 million).
- 9.1.2 New business premiums from the life assurance operations rose 68% in Q2-08 to \$1,151 million (Q2-07: \$687 million). The increase was due to strong growth in Singapore in the single premium category. Sales in Malaysia were flat for the quarter; the decrease was due to weaker MYR translation. New business premiums sales for the half-year rose 60% to \$2,009 million (H1-07: \$1,256 million).

in SGD (million)	H1-08	H1-07	+/(%)	Q2-08	Q2-07	+/(%)
SINGAPORE						
Single Premium	1,740	1,004	73%	1,018	548	86%
Annual Premium	101	78	29%	46	38	21%
	1,841	1,082	70%	1,064	586	82%
MALAYSIA						
Single Premium	65	67	- 3%	31	37	- 16%
Annual Premium	87	85	2%	48	44	9%
	152	152	-	79	81	- 2%
OTHER ASIA						
Single Premium	12	20	- 40%	6	18	- 67%
Annual Premium	4	2	nm	2	2	-
	16	22	- 27%	8	20	- 60%
TOTAL						
Single Premium	1,817	1,091	67%	1,055	603	75%
Annual Premium	192	165	16%	96	84	14%
	2,009	1,256	60%	1,151	687	68%

9.1.3 Market share

The Group maintained its leadership position in the life insurance business both in Singapore and Malaysia. Share of weighted premium market for the first quarter of 2008 was 25.9% (Q1-07: 22.6%) in Singapore and 17.1% (Q1-07: 20.1%) in Malaysia. Bancassurance market share in Singapore was 48% (Q1-07: 40%). Industry statistics for the second quarter sales performance are not available at reporting time.

9.1.4 New Business Embedded Value

New business embedded value (NBEV) increased 14% in Q2-08 to \$75.7 million (Q2-07: \$66.5 million). NBEV in H1-08 increased by 16% to \$136.1 million (H1-07: \$117.6 million). The weaker MYR accounted for 3% on average, of the decrease during the quarter.

in SGD (million)	H1-08	H1-07	+/(%)	Q2-08	Q2-07	+/(%)
Singapore	91.1	68.6	33%	52.8	39.0	35%
Malaysia	45.0	49.0	- 8%	22.9	27.5	- 17%
Total	136.1	117.6	16%	75.7	66.5	14%

9.2 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Group profit attributable to shareholders fell year-on-year by 89% to \$15.7 million (Q2-07:\$143.4 million) for the quarter and 78% to \$60.7 million (H1-07: \$277.9 million) for the half-year.

The decrease was due to:

	<u>H1-08</u>	<u>Q2-08</u>
1 Lower profits from insurance operations	- \$191.6 m	- \$96.1 m
2 Gain on sale/MTM loss on investments	- \$3.8 m	- \$ 26.2 m
3 MTM loss in foreign currency monetary assets	- \$ 16.3 m	- \$ 13.0 m
4 Lower income from asset management operations	- \$ 16.3 m	- \$ 8.0 m
5 Higher expenses	- \$ 8.4 m	- \$ 3.8 m
offset by		
6 Higher Investment income	+ \$ 14.1 m	+ \$ 6.2 m

9.3 PROFIT FROM INSURANCE OPERATIONS

Profit from insurance operations decreased 74% for the quarter to \$33.9 million (Q2-07: \$130.0 million) and 80% for the half-year to \$48.3 million (H1-07: \$239.9 million)

9.3.1 Profit from participating fund in Q2-08 was 15% higher at \$23.9 million (Q2-07:\$20.7 million). Profit in H1-08 was 7% higher at \$49.4 million (H1-07: \$46.3 million).

9.3.2 Non participating fund in Q2-08 was a loss of \$11 million (Q2-07: profit \$89.7 million). Loss in H1-08 was \$40.7 million (H1-07: profit \$143.1 million)

The Singapore non-participating fund reported a post tax loss of \$30 million in Q2-08 compared with a profit of \$48 million last year. The volatility in the debt and equity markets experienced in the first quarter this year continued into the second quarter. Higher long-term interest rates reflecting increasing inflationary concerns and negative sentiments in equity markets resulted in mark-to-market losses in equity and debt investments in the portfolio for the quarter.

The Singapore non-participating fund reported loss of \$89 million in H1-08, compared with a profit of \$69 million in H1-07, due to mark-to-market adjustments.

The Malaysia non-participating fund reported a post-tax profit of \$15.8 million in Q2-08, 48% lower than last year (Q2-07: \$30.4 million) due to lower investment profits this year. Profit in H1-08 was 31% lower at \$37.5 million (H1-07: \$54 million) also due to lower investment profits.

9.3.3 Profit from investment-linked fund increased 60% in Q2-08 to \$20.3 million (Q2-07: \$12.7million) due mainly to lower expenses in Singapore and Malaysia. Profit in H1-08 was 4% lower at \$31.4 million (H1-07: \$32.6 million).

9.3.4 Profit from general insurance decreased 90% in Q2-08 to \$0.7 million (Q2-07: \$6.9 million). Singapore general insurance fund incurred a loss resulting from higher motor and accident claims. The Malaysian general insurance reported a post-tax profit of \$1.3 million in Q2-08, 48% lower than Q2-07 at \$2.5 million due to lower investment profits. Profit in H1-08 was 54% lower at \$8.2 million (H1-07:\$17.9 million).

9.4 PROFIT FROM INVESTMENTS OF SHAREHOLDERS' FUND

Profit from investments of Shareholders' fund decreased 94% in Q2-08 to \$2.0 million (Q2-07: \$34.9 million) due mainly to mark-to-market losses from foreign currency denominated investments. Profit in H1-08 was 13% lower at \$63.8 million (H1-07:\$73.2 million).

9.5 FEES AND OTHER INCOME

Fees and other income declined 28% in Q2-08 to \$20.4 million (Q2-07: \$28.4 million) due mainly to lower fund management fees. Fees and other income in H1-08 was 28% lower at \$42.7 million (H1-07:\$59.0 million).

9.6 MANAGEMENT AND OTHER EXPENSES

Management and other expenses increased 19% in Q2-08 to \$23.6 million (Q2-07: \$19.8 million) due mainly to regional start-up costs and higher operating expenses of insurance operations in China, Indonesia and Vietnam. Management and other expenses in H1-08 was 21% higher at \$48.3 million (H1-07: \$39.9 million).

9.7 SHARE OF LOSS OF ASSOCIATES AND JOINT VENTURES

Share of loss of associates and joint venture for the quarter was at \$0.1 million (Q2-07: profit of \$0.3 million). Share of loss for H1-08 was \$2.5 million (H1-07: profit of \$2.7 million).

9.8 EARNINGS PER SHARE AND RETURN ON EQUITY

	<u>H1-08</u>	<u>H1-07</u>	<u>+/(-)</u>
Earnings per share	\$0.13	\$0.59	-78%
Return on equity	1.9%	9.2%	-7.3pp

9.9 NET ASSET VALUE PER SHARE AND GROUP ASSETS

	<u>30 Jun 08</u>	<u>31 Dec 07</u>	<u>+/(-)</u>
Net asset value per share	\$6.30	\$6.94	-9%
Group Assets	\$45.1 billion	\$46.5 billion	-3%

9.10 BALANCE SHEETS

9.10.1 Deferred Tax

Deferred tax balances decreased 31% from \$1,019 million as at 31 December 2007 to \$707 million as at 30 June 2008 due to the decrease in fair value reserves.

9.10.2 Cash & Cash Equivalents

Cash & cash equivalent balances increased 33% from \$2,768 million as at 31 December 2007 to \$3,687 million as at 30 June 2008 due to premium received but not yet invested on 30 June 2008.

9.10.3 Associates and Joint Ventures

Associates and joint ventures decreased 7% from \$582 million as at 31 December 2007 to \$540 million as at 30 June 2008 due to fund redemptions and dilution of interests.

9.10.4 Asset allocation of life funds, excluding investment-linked funds, is as follows:

	<u>SINGAPORE</u>		<u>MALAYSIA</u>	
	<u>30 Jun-08</u>	<u>31 Dec-07</u>	<u>30 Jun-08</u>	<u>31 Dec-07</u>
Fixed income & debt securities	59%	60%	71%	67%
Equities	24%	25%	20%	25%
Real estate & others	9%	9%	8%	4%
Cash & money market instruments	8%	6%	1%	4%
Market Value Assets (in SGD billion)	22.6	22.4	14.8	15.8

9.11 REGULATORY CAPITAL

The insurance subsidiaries of the Group are required to comply with capital ratios prescribed in the Insurance Regulations of the jurisdiction in which the subsidiary operates.

Capital Adequacy ratio of Singapore insurance subsidiaries was 246% at 30 Jun 08 (31 Dec 07: 252%). Available capital was \$7.0 billion (31 Dec 07: \$7.4 billion) and Risk capital requirement was \$2.9 billion (31 Dec 07: \$2.9 billion). The decrease was due to mark-to-market changes in the equity portfolio. The regulatory requirement is 120%.

Mark-to-market fund surplus under margin of solvency requirement for the Malaysia insurance subsidiaries was \$3.0 billion as at 30 Jun 2008 (31 Dec 07: \$3.9 billion) representing 28% (31 Dec 07: 36%) of long term actuarial liability reserves. The decrease was due to mark-to-market changes in the equity portfolio.

10. ACCOUNTING POLICIES

The Group adopted the accounting policies and methods of computation for the financial statements for Q2-08, consistent with the audited financial statements for the year ended 31 December 2007.

The adoption of the other revised and new FRS and INT FRS which came into effect on 1 January 2008 do not have any material financial impact on the Group's results for Q2-08.

11. UNAUDITED RESULTS

The consolidated Group's financial results for the second quarter and half-year ended 30 June 2008 have not been audited but have been reviewed by the Group's auditors and the auditors' review report is attached.

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

The Group's overall performance is affected by local, regional and global economic conditions and growth. New business premium sales and new business embedded value are expected to grow at a healthy pace; however, the continued stress caused by volatile interest rates / credit spreads and equity markets is expected to impact earnings of the non-participating funds in Singapore. In response to varying market conditions, Management continuously rebalances its portfolios and adjusts its new product offerings in both Singapore and Malaysia.

Capital adequacy for all insurance funds remains strong. Our various stress tests demonstrated the ability to withstand further deterioration in the financial markets, in the near to medium term. Management is closely monitoring the various risks within the portfolios and will implement risk mitigation measures as needed by its portfolios, including that in Malaysia as the Malaysian regulator plans to implement Risk Based Capital framework for insurance companies which is currently scheduled to take effect on 1 January 2009.

13. BORROWINGS, CONTINGENT LIABILITIES AND LONG TERM LIABILITIES

There were no borrowings or contingent liabilities for the Group as at 30 Jun 2008 (31 Dec 2007: nil). The Group has strong liquidity for its business operations.

14. SHARE CAPITAL

The Company's issued and paid up share capital amounted to \$247.4 million as at 30 June 2008, the same as 31 December 2007.

15. INTERIM DIVIDEND

The Board of Directors is pleased to declare an interim tax exempt (one-tier) dividend of 10 cents per ordinary share in respect of the financial year ending 31 December 2008, to be paid on 4 September 2008. (2007: interim dividend of 0.655 cents less 18% Singapore income tax and 21.345 cents less 27% Malaysia income tax).

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 22 August 2008 for the purpose of determining the entitlement of shareholders to the interim dividend; 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 21 August 2008 will be registered to determine the entitlement of shareholders to the interim dividend; shareholders whose shares are in the securities accounts with The Central Depository (Pte) Limited as at 5.00 p.m. on 21 August 2008 will be entitled to the interim dividend.

17. CONFIRMATION BY DIRECTORS

The Directors of the Company confirm pursuant to Rule 705(4) of the Listing Manual that, to the best of their knowledge, nothing has come to their attention which may render the un-audited financial results of the Company and of the Group for the second quarter and half year ended 30 June 2008 to be false or misleading.

BY ORDER OF THE BOARD

Elizabeth Teoh
Group Company Secretary
Singapore
5 August 2008

28 July 2008

The Board of Directors
Great Eastern Holdings Limited
1 Pickering Street
#15-00 Great Eastern Centre
Singapore 048659

Attention: Mr Tan Yam Pin
Chairman, Audit Committee

Report on Review of Interim Financial Statements to the Members of Great Eastern Holdings Limited

Introduction

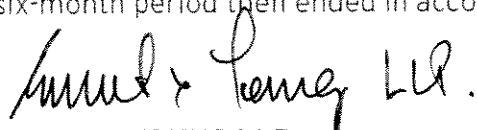
We have reviewed the accompanying interim balance sheet of Great Eastern Holdings Limited (the 'Company/Group') as at 30 June 2008 and the related interim statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Singapore Financial Reporting Standard FRS 34 Interim Financial Reporting ("FRS 34"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Company and of the Group as at 30 June 2008 and of the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the six-month period then ended in accordance with FRS 34.



ERNST & YOUNG LLP
Public Accountants and Certified Public Accountants

Singapore