

THIRD QUARTER 2004 FINANCIAL RESULTS

The Board of Directors of Great Eastern Holdings Limited is pleased to announce the unaudited financial results of the Group and the Company for the third quarter and for the nine months ended 30 September 2004:

1 GROUP PROFIT AND LOSS STATEMENTS for the nine months ("9 Mths") and the third quarter ("3rd Qtr") ended 30 September

in Singapore Dollars (millions)	9 Mths 2004	9 Mths 2003	%	3rd Qtr 2004	3rd Qtr 2003	%
			+/(−)			+/(−)
Turnover ^(1.1)	6,100.6	3,951.6	54	1,839.2	1,753.5	5
Gross Premiums	3,937.7	3,404.4	16	1,499.8	1,354.3	11
Life assurance profit from:						
Participating Fund	64.9	61.3	6	22.1	20.4	8
Non-participating Fund	169.0	89.1	90	34.8	29.6	18
Investment-linked Fund	33.7	16.9	99	10.4	7.0	49
Profit from life assurance	267.6	167.3	60	67.3	57.0	18
Profit from general insurance	25.8	18.7	38	4.2	8.6	(51)
Profit from insurance operations	293.4	186.0	58	71.5	65.6	9
Investment income, net	44.5	35.9	24	7.7	15.9	(52)
Interest income	6.2	4.2	48	2.7	1.8	50
Gain/(loss) on sale of investments and changes in fair value	37.9	(1.5)	nm	3.2	2.8	14
Exchange differences	(4.8)	14.4	(133)	(4.6)	(5.6)	18
Profit from investments	83.8	53.0	58	9.0	14.9	(40)
Fees and other income	26.7	20.2	32	9.2	7.8	18
Profit before expenses	403.9	259.2	56	89.7	88.3	2
<i>less:</i>						
Management expenses	14.2	7.9	80	5.1	2.6	96
Depreciation	0.4	0.2	100	0.1	0.1	-
Expenses	14.6	8.1	80	5.2	2.7	93
Profit before income tax	389.3	251.1	55	84.5	85.6	(1)
<i>less:</i> Income tax	87.0	60.4	44	19.0	21.6	(12)
Profit after income tax	302.3	190.7	59	65.5	64.0	2
<i>less:</i> Minority interests	3.2	2.3	39	1.0	0.9	11
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	299.1	188.4	59	64.5	63.1	2
Basic earnings per share (in Singapore cents)	63 cents	40 cents		13 cents	13 cents	
Diluted earnings per share (in Singapore cents)	63 cents	40 cents		13 cents	13 cents	

^(1.1) Turnover for the Group is derived from the summation of components as follows: (i) Investment income, Interest income, Gain/(loss) on sale of investments (excluding fair value changes on held-for-trading investments) and Fees and other income from the Profit and Loss Statement; (ii) Gross premiums, Investment income, Interest income, Rental income and Gain/(loss) on sale of investments (excluding fair value changes on held-for-trading investments) from the Life Assurance Revenue Statement and (iii) Gross premiums, Investment income, Interest income and Gain/(loss) on sale of investments (excluding fair value changes on held-for-trading investments) from the General Insurance Revenue Statement.

nm - not meaningful

2 BALANCE SHEETS as at 30 September 2004 and 31 December 2003

in Singapore Dollars (millions)	Group				Company			
	30 Sep 2004	31 Dec 2003	% +/(-)	30 Sep 2003	30 Sep 2004	31 Dec 2003	% +/(-)	30 Sep 2003
SHAREHOLDERS' FUND								
Share capital								
Authorised	1,000.0	1,000.0	-	1,000.0	1,000.0	1,000.0	-	1,000.0
Issued and fully paid	236.6	235.7	*	235.7	236.6	235.7	*	235.7
Share premium	10.3	0.8	nm	0.6	10.3	0.8	nm	0.6
Reserves								
Merger reserve	164.9	141.9	16	141.9	620.0	620.0	-	620.0
Translation reserve	(10.3)	(8.7)	(18)	(6.6)	-	-	-	-
Fair value reserve	82.1	110.2	(25)	61.1	-	-	-	-
Accumulated profit	1,729.8	1,544.1	12	1,420.3	780.7	890.1	(12)	684.1
Total Shareholders' Fund	2,213.4	2,024.0	9	1,853.0	1,647.6	1,746.6	(6)	1,540.4
MINORITY INTERESTS	10.3	9.0	14	12.3	-	-	-	-
LIABILITIES								
Income tax	249.6	115.2	117	133.4	(0.6)	(0.7)	14	(0.5)
Other creditors and interfund balances	1,118.5	835.2	34	841.0	3.7	1.2	208	1.3
Unexpired risk reserve	35.6	38.8	(8)	41.2	-	-	-	-
Policy benefits	1,181.4	1,093.9	8	1,067.6	-	-	-	-
Claims admitted or intimated	122.7	120.0	2	118.3	-	-	-	-
Agents' retirement benefits	142.7	136.1	5	135.1	-	-	-	-
Deferred tax	188.6	278.6	(32)	160.2	(0.1)	(0.1)	-	(0.3)
General Insurance Fund	136.8	144.8	(6)	142.2	-	-	-	-
Life Assurance Fund	29,778.4	27,556.1	8	26,345.8	-	-	-	-
Total Liabilities and Shareholders' Fund	35,178.0	32,351.7	9	30,850.1	1,650.6	1,747.0	(6)	1,540.9
ASSETS								
Cash and bank balances	638.9	393.0	63	706.3	2.5	3.6	(31)	(2.0)
Cash on deposit	4,019.5	3,747.0	7	2,539.1	271.0	367.4	(26)	301.6
Other debtors and interfund balances	939.9	829.9	13	835.8	0.2	0.2	-	0.3
Outstanding premiums	207.2	155.4	33	220.0	-	-	-	-
Development properties for sale	99.8	195.6	(49)	-	-	-	-	-
Investments	27,750.0	25,544.4	9	24,810.2	2.0	2.0	-	-
	33,655.3	30,865.3	9	29,111.4	275.7	373.2	(26)	299.9
Associated companies	176.8	147.9	20	177.5	-	-	-	-
Subsidiary companies	-	-	-	-	1,374.9	1,373.7	*	1,240.9
Property, plant and equipment	1,345.9	1,338.5	1	1,561.2	-	0.1	(100)	0.1
Total Assets	35,178.0	32,351.7	9	30,850.1	1,650.6	1,747.0	(6)	1,540.9
Net Asset Value per share (S\$)	4.68	4.29	9	3.93	3.48	3.70	(6)	3.27

* the percentage change is less than 1%

nm - not meaningful

3 **SELECTED MANAGEMENT EXPENSES for the nine months ended 30 September**

in Singapore Dollars (millions)	Shareholders' and General Insurance Funds		Life Assurance Fund	
	9 Mths 2004	9 Mths 2003	9 Mths 2004	9 Mths 2003
Directors' remuneration	0.4	0.4	1.0	1.2
Fees paid to a director of the Company for professional services rendered	-	-	-	0.2
Auditors' remuneration				
Audit fees paid to auditors of the Company	0.3	0.4	0.4	0.4
Other fees paid to auditors of the Company	0.1	0.2	0.1	0.8
Staff costs and related expenses	10.2	9.7	62.4	55.9
Rental expense	1.2	1.1	8.6	8.9
Depreciation	0.9	1.2	23.5	15.6

4 **GROUP FINANCIAL HIGHLIGHTS for the nine months ended 30 September**

	Group			% +/(-)
	9 Mths 2004	9 Mths 2003		
Turnover	(S\$millions) 6,100.6	3,951.6		54
Gross Premiums	(S\$millions) 3,937.7	3,404.4		16
Total Assets	(S\$millions) 35,178.0	30,850.1		14
Profit Attributable to Shareholders	(S\$millions) 299.1	188.4		59
Shareholders' Fund	(S\$millions) 2,213.4	1,853.0		19
Profit After Tax before Minority Interests as a % of Turnover	% 5.0%	4.8%		0.2 pp
Return on Equity (average Shareholders' Fund)	% 14.1%	10.8%		3.3 pp
Gross Premium Growth	% 15.7%	-6.3%		22.0pp

5 GROUP STATEMENT OF CHANGES IN EQUITY for the nine months ended 30 September

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 January 2004	235.7	0.8	141.9	(8.7)	110.2	1,544.1	2,024.0
Exchange differences arising on translation of overseas entities	-	-	-	(1.6)	-	-	(1.6)
Net profit for the period	-	-	-	-	-	299.1	299.1
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	52.1	-	52.1
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(94.0)	-	(94.0)
Deferred tax on fair value changes	-	-	-	-	32.1	-	32.1
Deferred tax - effect of change in tax rate	-	-	2.1	-	2.6	-	4.7
Transfer from Fair Value Reserve to Merger Reserve	-	-	20.9	-	(20.9)	-	-
Dividends paid for the period:							
Final dividend for the previous year (net of 20% Singapore Tax)	-	-	-	-	-	(67.9)	(67.9)
Interim dividend paid (net of 20% Singapore Tax)	-	-	-	-	-	(45.5)	(45.5)
Issue of shares arising from exercise of share options	0.9	9.5	-	-	-	-	10.4
Balance at 30 September 2004	236.6	10.3	164.9	(10.3)	82.1	1,729.8	2,213.4
Balance at 1 January 2003	235.7	-	141.9	(6.5)	(50.2)	1,309.1	1,630.0
Exchange differences arising on translation of overseas entities	-	-	-	(0.1)	-	-	(0.1)
Net profit for the period	-	-	-	-	-	188.4	188.4
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	128.9	-	128.9
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	14.4	-	14.4
Deferred tax on fair value changes	-	-	-	-	(32.0)	-	(32.0)
Dividends paid for the period:							
Final dividend for the previous year (net of 22% Singapore Tax)	-	-	-	-	-	(55.1)	(55.1)
Interim dividend paid (net of 22% Singapore Tax)	-	-	-	-	-	(22.1)	(22.1)
Issue of shares arising from exercise of share options	*	0.6	-	-	-	-	0.6
Balance at 30 September 2003	235.7	0.6	141.9	(6.6)	61.1	1,420.3	1,853.0

* amount is less than S\$0.1 million

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

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Translation Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 July 2004	236.4	8.0	164.9	(8.5)	89.4	1,710.8	2,201.0
Exchange differences arising on translation of overseas entities	-	-	-	(1.8)	-	-	(1.8)
Net profit for the period	-	-	-	-	-	64.5	64.5
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	(6.0)	-	(6.0)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(2.2)	-	(2.2)
Deferred tax on fair value changes	-	-	-	-	0.9	-	0.9
Dividends paid for the period:							
Interim dividend paid (net of 20% Singapore Tax)	-	-	-	-	-	(45.5)	(45.5)
Issue of shares arising from exercise of share options	0.2	2.3	-	-	-	-	2.5
Balance at 30 September 2004	236.6	10.3	164.9	(10.3)	82.1	1,729.8	2,213.4
Balance at 1 July 2003	235.7	0.4	141.9	(3.7)	10.6	1,379.3	1,764.2
Exchange differences arising on translation of overseas entities	-	-	-	(2.9)	-	-	(2.9)
Net profit for the period	-	-	-	-	-	63.1	63.1
Current period movements in Fair Value Reserve:							
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	63.1	-	63.1
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	2.3	-	2.3
Deferred tax on fair value changes	-	-	-	-	(14.9)	-	(14.9)
Dividends paid for the period:							
Interim dividend paid (net of 22% Singapore Tax)	-	-	-	-	-	(22.1)	(22.1)
Issue of shares arising from exercise of share options	*	0.2	-	-	-	-	0.2
Balance at 30 September 2003	235.7	0.6	141.9	(6.6)	61.1	1,420.3	1,853.0

* amount is less than S\$0.1 million

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 January 2004	235.7	0.8	620.0	-	890.1	1,746.6
Net profit for the period	-	-	-	-	4.0	4.0
Dividends paid for the period:	-	-	-	-	-	-
Final dividend for the previous year (net of 20% Singapore Tax)	-	-	-	-	(67.9)	(67.9)
Interim dividend paid (net of 20% Singapore Tax)	-	-	-	-	(45.5)	(45.5)
Issue of shares arising from exercise of share options	0.9	9.5	-	-	-	10.4
Balance at 30 September 2004	236.6	10.3	620.0	-	780.7	1,647.6
Balance at 1 January 2003	235.7	-	620.0	(7.5)	763.1	1,611.3
Net profit for the period	-	-	-	-	(1.8)	(1.8)
Current period movements in Fair Value Reserve:						
Fair value changes on remeasuring available-for-sale investments	-	-	-	(3.0)	-	(3.0)
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	12.6	-	12.6
Deferred tax on fair value changes	-	-	-	(2.1)	-	(2.1)
Dividends paid for the period:						
Final dividend for the previous year (net of 22% Singapore Tax)	-	-	-	-	(55.1)	(55.1)
Interim dividend paid (net of 22% Singapore Tax)	-	-	-	-	(22.1)	(22.1)
Issue of shares arising from exercise of share options	*	0.6	-	-	-	0.6
Balance at 30 September 2003	235.7	0.6	620.0	-	684.1	1,540.4

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

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Fair Value Reserve	Accumulated Profit	TOTAL
Balance at 1 July 2004	236.4	8.0	620.0	-	818.7	1,683.1
Net profit for the period	-	-	-	-	7.5	7.5
Dividends paid for the period:	-	-	-	-	-	-
Interim dividend paid (net of 20% Singapore Tax)	-	-	-	-	(45.5)	(45.5)
Issue of shares arising from exercise of share options	0.2	2.3	-	-	-	2.5
Balance at 30 September 2004	236.6	10.3	620.0	-	780.7	1,647.6
Balance at 1 July 2003	235.7	0.4	620.0	(2.3)	706.3	1,560.1
Net profit for the period	-	-	-	-	(0.1)	(0.1)
Current period movements in Fair Value Reserve:						
Fair value changes on remeasuring available-for-sale investments	-	-	-	2.9	-	2.9
Deferred tax on fair value changes	-	-	-	(0.6)	-	(0.6)
Dividends paid for the period:						
Interim dividend paid (net of 22% Singapore Tax)	-	-	-	-	(22.1)	(22.1)
Issue of shares arising from exercise of share options	*	0.2	-	-	-	0.2
Balance at 30 September 2003	235.7	0.6	620.0	-	684.1	1,540.4

* amount is less than S\$0.1 million

7 CONSOLIDATED STATEMENT OF CASH FLOWS for the nine months and third quarter ended 30 September

in Singapore Dollars (millions)	9 Mths 2004	9 Mths 2003	3rd Qtr 2004	3rd Qtr 2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	389.3	251.1	84.5	85.6
Excess of income over expenses before income tax from life assurance revenue statement	3,230.0	2,072.9	910.3	956.7
Excess of income over expenses before income tax from general insurance revenue statement	21.3	21.6	3.7	9.6
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(267.6)	(167.3)	(67.3)	(57.0)
Profit transferred from general insurance fund but not yet withdrawn	(25.8)	(18.7)	(4.2)	(8.6)
Amortisation of difference in purchase consideration over nominal value of government securities, loan stocks and bonds	17.2	(4.8)	8.3	-
(Gain)/loss on sale of investments and changes in fair value	(968.0)	97.9	4.5	(148.9)
Increase in/(Write-back of) provision for impairment	10.3	(30.0)	(3.8)	-
Share of results of associated companies	(35.0)	-	(34.7)	-
Agents' retirement benefits	10.9	10.7	3.8	3.7
Increase in reserves during the period	3.3	1.8	1.7	0.5
Loss on disposal of property, plant and equipment	5.4	-	5.4	-
Depreciation	24.4	16.8	8.2	5.7
Exchange difference	40.6	(58.5)	36.0	26.4
	2,456.3	2,193.5	956.4	873.7
Changes in working capital:				
Outstanding premiums	(51.8)	(59.8)	(79.6)	(95.0)
Other debtors	(110.0)	(158.7)	(18.1)	(97.3)
Claims admitted or intimated	2.7	22.0	1.3	2.8
Policy benefits	87.5	66.9	28.1	13.4
Unexpired risk reserve	4.4	7.4	2.5	0.8
Other creditors	283.3	44.2	121.4	51.8
Cash generated from operations	2,672.4	2,115.5	1,012.0	750.2
Income tax paid	(100.4)	(134.3)	(27.4)	(31.7)
Agents' retirement benefits paid	(3.5)	(3.6)	(1.7)	(1.2)
Net cash flows from operating activities	2,568.5	1,977.6	982.9	717.3
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	10,218.5	6,470.9	2,673.4	1,625.2
Purchase of investments	(12,146.4)	(8,397.3)	(4,170.2)	(2,226.6)
Proceeds from sale of property, plant and equipment	79.4	0.1	78.9	0.1
Capital injection in associated company	-	(4.9)	-	-
(Additional)/Repayment of loan (to)/by associated company	(0.9)	18.2	2.2	0.8
Proceeds from sale of development properties held for sale	89.6	-	(51.4)	-
Purchase of property, plant and equipment	(119.8)	(73.1)	(11.2)	(28.2)
Net cash flows used in investing activities	(1,879.6)	(1,986.1)	(1,478.3)	(628.7)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(113.4)	(77.2)	(45.5)	(22.1)
Dividends paid to minority shareholder of a subsidiary	(2.0)	-	(2.0)	-
Issue of shares arising from exercise of share options	10.4	0.6	2.5	0.2
Net cash flows used in financing activities	(105.0)	(76.6)	(45.0)	(21.9)
Net effect of translation reserve adjustment	(65.5)	(34.8)	(170.2)	(160.1)
Net increase/(decrease) in cash and cash equivalents	518.4	(119.9)	(710.6)	(93.4)
Cash and cash equivalents at the beginning of the period	4,140.0	3,365.3	5,369.0	3,338.8
Cash and cash equivalents at the end of the period	4,658.4	3,245.4	4,658.4	3,245.4

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

(1) By Geographical Segments

in Singapore Dollars (millions)

	Singapore		Malaysia		Other ASEAN		Consolidated	
	9 Mths 2004	9 Mths 2003	9 Mths 2004	9 Mths 2003	9 Mths 2004	9 Mths 2003	9 Mths 2004	9 Mths 2003
(a) Life Assurance Fund								
Premium income (net)	2,592.3	2,130.9	1,177.7	1,108.7	13.2	13.1	3,783.2	3,252.7
Investment income	1,086.5	337.0	776.7	419.7	8.3	2.9	1,871.5	759.6
(Increase in)/write-back of provision for impairment	(10.3)	30.0	-	-	-	-	(10.3)	30.0
Total income	3,668.5	2,497.9	1,954.4	1,528.4	21.5	16.0	5,644.4	4,042.3
Claims, surrenders and annuities	1,462.9	1,091.2	549.3	498.9	7.9	10.4	2,020.1	1,600.5
Commissions and expenses	173.4	141.0	253.0	225.1	2.9	2.8	429.3	368.9
Income tax	74.4	(22.7)	66.9	39.1	0.7	(0.1)	142.0	16.3
Total expenses	1,710.7	1,209.5	869.2	763.1	11.5	13.1	2,591.4	1,985.7
Share of results of associated companies	35.0	-	-	-	-	-	35.0	-
Excess of income over expenses	1,992.8	1,288.4	1,085.2	765.3	10.0	2.9	3,088.0	2,056.6
Total assets employed	21,306.4	18,443.7	11,040.6	9,867.8	189.3	174.5	32,536.3	28,486.0
Property, plant and equipment	1,037.1	1,308.5	303.9	248.6	0.3	0.2	1,341.3	1,557.3
Investments:	16,692.5	14,751.0	9,629.3	8,657.6	140.5	116.6	26,462.3	23,525.2
i. Government securities, loan stocks and bonds	9,762.3	7,521.2	5,362.7	4,257.5	61.1	37.4	15,186.1	11,816.1
ii. Quoted equity in corporations	4,829.5	5,122.9	2,852.7	3,116.2	55.6	57.4	7,737.8	8,296.5
iii. Unquoted equity in corporations	585.3	548.2	26.3	16.7	4.9	2.3	616.5	567.2
iv. Derivatives and embedded derivatives	172.2	151.8	8.6	25.9	1.1	1.5	181.9	179.2
v. Policy loans	843.7	811.6	1,045.1	1,010.4	17.8	18.0	1,906.6	1,840.0
vi. Unsecured loans	0.4	0.2	0.1	0.3	-	-	0.5	0.5
vii. Secured loans	499.1	595.1	333.8	230.6	-	-	832.9	825.7
Cash and bank balances	2,799.6	1,800.6	928.4	775.4	41.8	54.5	3,769.8	2,630.5
(b) General Insurance Fund								
Premium income (net)	32.8	41.7	27.0	25.4	0.2	0.1	60.0	67.2
Increase in unexpired risk reserve during the period	(2.7)	(5.5)	(1.7)	(1.9)	-	-	(4.4)	(7.4)
Claims and increase in loss reserve	(16.5)	(15.6)	(14.2)	(13.4)	(0.1)	(0.2)	(30.8)	(29.2)
Commissions and expenses	(11.0)	(12.6)	(7.8)	(7.2)	(0.1)	(0.4)	(18.9)	(20.2)
Net underwriting profit/(loss)	2.6	8.0	3.3	2.9	-	(0.5)	5.9	10.4
Investment income	8.4	2.6	7.0	2.9	-	-	15.4	5.5
Total assets employed	157.2	175.4	122.4	114.5	0.8	4.1	280.4	294.0
(c) Shareholders' Fund								
Profit/(loss) from insurance operations	148.8	84.3	139.8	102.4	4.8	(0.7)	293.4	186.0
Profit from investments ^(8.1)	239.0	161.2	6.6	5.1	0.9	-	83.8	53.0
Fees and other income	26.7	20.2	-	-	-	-	26.7	20.2
Profit before expenses ^(8.1)	414.5	265.7	146.4	107.5	5.7	(0.7)	403.9	259.2
Profit/(loss) attributable to shareholders ^(8.2)	305.1	193.2	105.4	77.5	5.7	(0.7)	299.1	188.4
Total assets employed ^(8.3)	2,167.3	1,900.0	252.3	203.4	10.2	12.2	2,361.3	2,070.1

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

(8.2) elimination of inter-segment transactions - 2004: \$117.1 million (2003: \$81.6 million)

(8.3) elimination of inter-segment transactions - 2004: \$68.5 million (2003: \$45.5 million)

(2) By Business Segments

in Singapore Dollars (millions)

	Life Assurance Fund (Non-Linked)		Life Assurance Fund (Linked)		Consolidated	
	9 Mths 2004	9 Mths 2003	9 Mths 2004	9 Mths 2003	9 Mths 2004	9 Mths 2003
Premium income (net)	3,209.9	2,924.9	573.3	327.8	3,783.2	3,252.7
Investment, interest and rental income	1,888.1	509.7	(16.6)	249.9	1,871.5	759.6
(Increase in)/write-back of provision for impairment	(10.3)	30.0	-	-	(10.3)	30.0
Total income	5,087.7	3,464.6	556.7	577.7	5,644.4	4,042.3
Claims, surrenders and annuities	1,652.4	1,393.6	367.7	206.9	2,020.1	1,600.5
Commissions and expenses	357.1	325.5	72.2	43.4	429.3	368.9
Income tax	138.6	13.1	3.4	3.2	142.0	16.3
Total expenses	2,148.1	1,732.2	443.3	253.5	2,591.4	1,985.7
Share of results of associated companies	35.0	-	-	-	35.0	-
Excess of income over expenses	2,974.6	1,732.4	113.4	324.2	3,088.0	2,056.6
Total assets employed	30,376.2	26,658.4	2,160.1	1,827.6	32,536.3	28,486.0

9 REVIEW OF RESULTS

The financial statements of Great Eastern Holdings Limited (the "Company" or "GEH") and its subsidiaries for the third quarter of 2004 ("Q3 04") and nine months ended 30 September 2004 ("9 mths 04") have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The accounting policies and methods of computation applied are consistent with those used to prepare the Group's financial statements for 2003.

9.1 Profit attributable to shareholders

9.1.1 Group profit attributable to shareholders for Q3 04 was S\$64.5 million, comparable to the profit of S\$63.1 million for the corresponding period in 2003 ("Q3 03").

9.1.2 Group profit attributable to shareholders for 9 mths 04 totalled S\$299.1 million, an increase of 59% over the profit of S\$188.4 million for the corresponding period in 2003 ("9 mths 03"). The increase was due principally to profit from the disposal of the Group's entire stake of about 6.2% in OCBC (the "Disposal") pursuant to a selective capital reduction undertaken by OCBC, completed on 28 May 2004.

9.1.3 Profit from the Disposal, including a deemed tax exempt dividend received, attributable to the shareholders totalled S\$71.0 million (post-tax) which had been included in the results of the second quarter of 2004, reflected mainly in three of the items shown in the Group profit and loss statements - the Non-Participating Fund, investment income and gain on sale of investments, as applicable. If the one-off profit from the Disposal was excluded, profit attributable to shareholders for 9 mths 04 would amount to S\$228.1 million, an improvement of 21% over 9 mths 03.

9.2 Profit from insurance operations (pre-tax)

9.2.1 Pre-tax profit from the life assurance operations (from the Participating, Non-Participating and Investment-Linked Funds) for Q3 04 improved by 18% to S\$67.3 million, from S\$57.0 million in Q3 03 due to the following reasons --- Pre-tax profit from the Non-Participating Fund increased 18% to S\$34.8 million due mainly to release of reserves from certain product categories; profit from the Investment-Linked Fund increased 49% to S\$10.4 million, in line with the strategy taken to enhance sale of investment-linked products.

9.2.2 Pre-tax profit from the life assurance operations for 9 mths 04 rose 60% to S\$267.6 million, over the corresponding 9 mths 03 profit of S\$167.3 million. This was due mainly to the 90% increase in the profit of the Non-Participating Fund to S\$169.0 million, boosted by profit from the Disposal, as compared with the S\$89.1 million in 9 mths 03; profit from the Investment-Linked Fund surged 99% in 9 mths 04 to S\$33.7 million.

9.2.3 Pre-tax profit from the general insurance operations for Q3 04 decreased 51% to S\$4.2 million against S\$8.6 million for Q3 03, due to lower underwriting profit from the Singapore subsidiaries.

9.2.4 Pre-tax profit from general insurance operations for 9 mths 04 totalled S\$25.8 million, an increase of 38% over profit of S\$18.7 million for 9 mths 03, due partly to higher dividend income received including a one-time special cash dividend from Robinson and Company Limited ("Robinson") of S\$3.6 million (gross) reported in the first quarter of 2004.

9.3 Profit from investments (pre-tax)

9.3.1 Pre-tax profit from investments in the Shareholders' Fund decreased by 40% in Q3 04 to S\$9.0 million, from S\$14.9 million in Q3 03 which included a one-off dividend received in Q3 03.

9.3.2 Pre-tax profit from investments in the Shareholders' Fund for 9 mths 04 rose 58% from S\$53.0 million for 9 mths 03 to S\$83.8 million, due mainly to profit from the Disposal and to higher investment income (including a one-time special cash dividend from Robinson of S\$3.1 million (gross)).

9.4 Management Expenses

Management expenses increased 96% from S\$2.6 million in Q3 03 to S\$5.1 million in Q3 04. For the 9 mths, the increase was 80% from S\$7.9 million in 2003 to S\$14.2 million in 2004. The increase arose mainly from professional and advisory fees incurred arising from the Disposal and the voluntary unconditional offer ("the Offer") by OCBC for the shares in GEH (under the terms set out in OCBC's offer document dated 17 May 2004 ("Offer Document")), and also from expenses incurred in beefing up resources and IT infrastructure for the Group's regional expansion.

9.5 Earnings per Share and Return on Equity

Earnings per share ("EPS") for Q3 04 is 13 cents, the same as for Q3 03; EPS for the 9 mths 04 rose 58% to 63 cents, from 40 cents for 9 mths 03. Return on equity improved 3.3 percentage points to 14.1% as at 30 September 2004, compared against 10.8% as at 30 September 2003.

9.6 Group Assets

The Group's Balance Sheet reflected a 9% growth in total Group assets from S\$32.4 billion as at 31 December 2003 to S\$35.2 billion as at 30 September 2004. Net asset value per share increased 9% to S\$4.68 from S\$4.29.

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

The stronger economic growth and improved operating environment in Singapore and Malaysia are expected to continue in Q4 04 and into 2005, barring unforeseen circumstances. However, at the global level, persistent geopolitical tensions and higher oil prices may dampen economic growth prospects.

The Group will be working more closely with OCBC to leverage on each other's capabilities and strengths and to capitalize on revenue synergies, in particular in Bancassurance, cross-selling and wealth management, in Singapore and in the region. The Group will also continue to adopt the strategy to grow the investment-linked business and to pursue regional expansion. Recent proposed regulatory changes and initiatives, including Private Pension Plan, privatization of CPF's Dependants' Protection Scheme and National Health Plan, will impact future product design and development. Effective 1 January 2005, life and non-life insurers in Singapore will have to comply with the regulatory requirement to adopt the risk based capital ("RBC") framework. On the basis of recent analysis, the implementation of RBC is not expected to have an unfavourable impact on the Group.

The business strategies undertaken by the Group are on track to achieve its 2008 Vision, although short term performance will continue to be affected by uncertainties in the equity, foreign exchange and money markets.

9.8 Results unaudited

The consolidated Group financial results for Q3 04 and for the 9 mths 04 have not been audited or reviewed by the Group's auditors.

10 **CHANGES IN ISSUED SHARE CAPITAL**

The Company issued 1,790,300 new ordinary shares of 50 cents each in the 9 mths 04, including 445,400 shares in Q3 04, arising from the exercise of share options in accordance with Great Eastern Holdings Executives' Share Option Scheme (the "Option Scheme").

Total issued and paid up shares in the share capital of the Company increased to 473,249,069 as at 30 September 2004 from 472,803,669 as at 30 June 2004 and 471,458,769 as at 31 December 2003.

As at 30 September 2004, there were outstanding options to subscribe for 128,700 (30 September 2003: 6,475,350) new ordinary shares of 50 cents each in the share capital of the Company. The substantial decrease in outstanding options as at 30 September 2004 was because of OCBC's Offer and its options proposal to GEH's optionholders as set out in its Offer Document. As a consequence of the Offer and pursuant to the regulations of the Option Scheme, all unexercised options became vested and exercisable within a period of six months from the date of the Offer. Thereafter (i.e. with effect from 17 November 2004), options remaining unexercised shall lapse.

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

There were no borrowings or contingent liabilities for the Group as at 30 September 2004 (30 September 2003: nil) as the Group has strong liquidity for its business operations.

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

in Singapore Dollars (millions)	Life Assurance Fund		General Insurance Fund	
	30 Sep 2004	31 Dec 2003	30 Sep 2004	31 Dec 2003
Long Term Liability Reserves	25,270.2	23,537.9	54.0	54.0
Fund Surplus Reserves	4,508.2	4,018.2	82.8	90.8
	29,778.4	27,556.1	136.8	144.8

12 **DIVIDENDS**

No interim dividend has been declared in the third quarter of 2004 (third quarter 2003: nil). The Company had on 7 September 2004 paid the interim and special dividends declared and announced on 5 August 2004 in respect of the financial year 2004.

BY ORDER OF THE BOARD

Elizabeth Teoh
Group Company Secretary
Singapore
3 November 2004