



GREAT EASTERN HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199903008M)

FINANCIAL RESULTS FOR THIRD QUARTER 2007

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 third quarter ended 30 September 2007.

1 GROUP PROFIT AND LOSS STATEMENTS

in Singapore Dollars (millions)	9 Months 2007	9 Months 2006	% + / (-)	3rd Quarter 2007	3rd Quarter 2006	% + / (-)
Turnover ⁽¹⁾	6,757.0	5,693.5	19	2,235.9	1,864.2	20
Gross Premiums	4,149.0	3,848.6	8	1,391.6	1,354.3	3
Life assurance profit from:						
Participating Fund	72.2	75.9	(5)	23.2	22.8	2
Non-participating Fund	207.9	135.3	54	64.8	72.1	(10)
Investment-linked Fund	49.1	39.4	25	19.2	11.1	73
Profit from life assurance	329.2	250.6	31	107.2	106.0	1
Profit from general insurance	23.8	12.2	95	5.9	2.7	119
Profit from insurance operations	353.0	262.8	34	113.1	108.7	4
Investment income, net	66.5	61.0	9	20.3	19.8	3
Gain on sale of investments and changes in fair value	35.8	33.8	6	9.0	(1.1)	nm
Decrease in provision for impairment of assets	0.1	-	nm	0.1	-	nm
Loss in exchange differences	(2.8)	(8.9)	69	(3.0)	-	nm
Profit from investments	99.6	85.9	16	26.4	18.7	41
Fees and other income	83.6	56.7	47	24.5	17.7	38
Profit before expenses	536.2	405.4	32	164.0	145.1	13
less:						
Management and other expenses	56.0	35.4	58	16.0	12.4	29
Depreciation and amortisation	0.8	0.8	(0)	0.2	0.2	(0)
Expenses	56.8	36.2	57	16.2	12.6	29
Profit after expenses	479.4	369.2	30	147.8	132.5	12
Share of results of associates	4.0	-	nm	(0.1)	-	nm
Share of results of joint ventures	(1.7)	(1.9)	11	(0.3)	(0.7)	57
	481.7	367.3	31	147.4	131.8	12
less: Income tax	66.5	57.5	16	18.9	16.5	15
Net profit after income tax	415.2	309.8	34	128.5	115.3	11
Attributable to:						
Shareholders	402.3	301.0	34	124.4	112.4	11
Minority interest	12.9	8.8	47	4.1	2.9	41
	415.2	309.8	34	128.5	115.3	11
Basic and diluted earnings per share (in Singapore dollars)	\$0.85	\$0.64	33	\$0.26	\$0.24	8

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 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) 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) from the General Insurance Revenue Statement.

2 BALANCE SHEETS

in Singapore Dollars (millions)	Group			Company		
	30 September 2007	31 December 2006	% + / (-)	30 September 2007	31 December 2006	% + / (-)
Share capital	247.4	247.4	-	247.4	247.4	-
Reserves						
Merger reserve	125.8	125.8	-	545.0	545.0	-
Translation reserve	(18.8)	(20.3)	7	-	-	-
Fair value reserve	218.2	146.8	49	-	-	-
Accumulated profit	2,575.4	2,435.7	6	601.6	827.5	(27)
SHAREHOLDERS' FUND	3,148.0	2,935.4	7	1,394.0	1,619.9	(14)
MINORITY INTEREST	30.0	33.0	(9)	-	-	-
TOTAL EQUITY	3,178.0	2,968.4	7	1,394.0	1,619.9	(14)
LIABILITIES						
Income tax	221.3	219.1	1	(0.3)	-	nm
Other creditors and interfund balances	1,094.6	996.9	10	3.2	2.5	28
Reinsurance liabilities	65.6	50.4	30	-	-	-
Unexpired risk reserve	60.7	55.6	9	-	-	-
Policy benefits	1,593.5	1,474.5	8	-	-	-
Claims admitted or intimated	147.3	148.8	(1)	-	-	-
Agents' retirement benefits	180.8	168.4	7	-	-	-
Deferred tax	452.2	345.4	31	-	-	-
General insurance fund	101.6	99.4	2	-	-	-
Life assurance fund	38,609.1	35,499.0	9	-	-	-
TOTAL EQUITY AND LIABILITIES	45,704.7	42,025.9	9	1,396.9	1,622.4	(14)
ASSETS						
Cash and bank balances	482.2	318.5	51	3.4	2.9	17
Cash on deposit	2,891.4	3,505.4	(18)	27.9	33.3	(16)
Other debtors and interfund balances	1,065.8	878.4	21	-	0.4	nm
Outstanding premiums	198.4	154.5	28	-	-	-
Reinsurance assets	64.7	57.2	13	-	-	-
Loans	3,348.2	2,977.9	12	-	-	-
Investments	35,381.3	32,067.2	10	-	2.0	nm
Associates and joint ventures	588.0	587.5	-	-	-	-
Subsidiaries	-	-	-	745.6	745.6	-
Amounts due from subsidiaries, associates and joint ventures	-	-	-	619.7	838.2	(26)
Goodwill and other intangible assets	110.0	107.6	2	-	-	-
Property, plant and equipment	733.4	604.1	21	0.3	-	nm
Investment properties	841.3	767.6	10	-	-	-
TOTAL ASSETS	45,704.7	42,025.9	9	1,396.9	1,622.4	(14)
Net Asset Value per share (S\$)	6.65	6.20	7	2.95	3.42	(14)

nm - not meaningful / exceeding 200%

3 SELECTED MANAGEMENT EXPENSES

in Singapore Dollars (millions)	Shareholders' and General Insurance Funds		Life Assurance Fund	
	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006
Directors' remuneration				
Directors of the Company	0.4	0.4	1.5	1.6
Auditors' remuneration				
Audit fees paid to Ernst & Young, Singapore	0.3	0.2	0.4	0.3
Audit fees paid to other auditors	0.1	0.2	-	0.1
Staff costs and related expenses (Including key management personnel compensation)	34.6	23.5	86.3	80.8
Rental expense	2.0	2.0	9.6	11.4
(Gain)/Loss on disposal of property, plant and equipment	(0.1)	-	(2.4)	0.1
Depreciation and amortisation	1.2	1.1	31.6	29.4

4 GROUP FINANCIAL HIGHLIGHTS

		Group		
		9 Months 2007	9 Months 2006	% + / (-)
Turnover	(S\$millions)	6,757.0	5,693.5	19
Gross Premiums	(S\$millions)	4,149.0	3,848.6	8
Total Assets	(S\$millions)	45,704.7	40,187.8	14
Profit Attributable to Shareholders	(S\$millions)	402.3	301.0	34
Shareholders' Fund	(S\$millions)	3,148.0	2,757.0	14
Profit After Tax before Minority Interests as a % of Turnover	%	6.1%	5.4%	0.7 pp
Return on Equity (average Shareholders' Fund)	%	13.2%	11.2%	2.0 pp
Gross Premium Growth	%	7.8%	8.4%	-0.6 pp

5.1 GROUP STATEMENT OF CHANGES IN EQUITY for the 9 months ended 30 September

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 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 September 2007:									
Exchange differences arising on translation of overseas entities	-	-	-	1.5	-	-	1.5	(1.0)	0.5
Current period movements in Fair Value Reserve:									
Fair value changes on remeasuring available-for-sale investments	-	-	-	-	109.3	-	109.3	1.3	110.6
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(28.4)	-	(28.4)	-	(28.4)
Deferred tax on fair value changes	-	-	-	-	(14.6)	-	(14.6)	(0.2)	(14.8)
Deferred tax - effect of change in tax rate	-	-	-	-	5.1	-	5.1	-	5.1
Net profit recognised directly in equity	-	-	-	1.5	71.4	-	72.9	0.1	73.0
Net profit for the period	-	-	-	-	-	402.3	402.3	12.9	415.2
Total recognised profit for the period	-	-	-	1.5	71.4	402.3	475.2	13.0	488.2
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)
Interim dividend (net of 18% Singapore Tax)	-	-	-	-	-	(2.5)	(2.5)	-	(2.5)
Interim dividend (net of 27% Malaysia Tax)	-	-	-	-	-	(73.8)	(73.8)	-	(73.8)
Dividends paid to minority interest	-	-	-	-	-	-	-	(16.0)	(16.0)
Balance at 30 September 2007	247.4	-	125.8	(18.8)	218.2	2,575.4	3,148.0	30.0	3,178.0
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 September 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	-	-	-	-	58.5	-	58.5	-	58.5
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	-	(38.0)	-	(38.0)	-	(38.0)
Deferred tax on fair value changes	-	-	-	-	(1.5)	-	(1.5)	-	(1.5)
Net profit/(loss) recognised directly in equity	-	-	-	(3.0)	19.0	-	16.0	-	16.0
Net profit for the period	-	-	-	-	-	301.0	301.0	8.8	309.8
Total recognised profit/(loss) for the period	-	-	-	(3.0)	19.0	301.0	317.0	8.8	325.8
Dividends paid during the period:									
Final and special final dividends for the previous year (net of 20% Singapore Tax)	-	-	-	-	-	(143.9)	(143.9)	-	(143.9)
Interim dividend (net of 20% Singapore Tax)	-	-	-	-	-	(45.4)	(45.4)	-	(45.4)
Transfer of share premium to share capital	10.7	(10.7)	-	-	-	-	-	-	-
Dividends paid to minority interest	-	-	-	-	-	-	-	(12.7)	(12.7)
Balance at 30 September 2006	247.4	-	200.8	(13.1)	137.1	2,184.8	2,757.0	27.8	2,784.8

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

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 July 2007	247.4	125.8	(14.0)	215.8	2,527.3	3,102.3	33.2	3,135.5
Net profit/(loss) recognised directly in equity for period ended 30 September 2007:								
Exchange differences arising on translation of overseas entities	-	-	(4.8)	-	-	(4.8)	(1.5)	(6.3)
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	8.6	-	8.6	1.3	9.9
Fair value changes transferred to Profit and Loss Statement during the period	-	-	-	(5.5)	-	(5.5)	-	(5.5)
Deferred tax on fair value changes	-	-	-	(0.7)	-	(0.7)	(0.2)	(0.9)
Deferred tax - effect of change in tax rate	-	-	-	-	-	-	-	-
Net profit/(loss) recognised directly in equity	-	-	(4.8)	2.4	-	(2.4)	(0.4)	(2.8)
Net profit for the period	-	-	-	-	124.4	124.4	4.1	128.5
Total recognised profit/(loss) for the period	-	-	(4.8)	2.4	124.4	122.0	3.7	125.7
Dividends paid during the period:								
Interim dividend (net of 18% Singapore Tax)	-	-	-	-	(2.5)	(2.5)	-	(2.5)
Interim dividend (net of 27% Malaysia Tax)	-	-	-	-	(73.8)	(73.8)	-	(73.8)
Dividends paid to minority interest	-	-	-	-	-	-	(6.9)	(6.9)
Balance at 30 September 2007	247.4	125.8	(18.8)	218.2	2,575.4	3,148.0	30.0	3,178.0
Balance at 1 July 2006	247.4	200.8	(12.9)	103.6	2,117.8	2,656.7	24.9	2,681.6
Net profit/(loss) recognised directly in equity for period ended 30 September 2006:								
Exchange differences arising on translation of overseas entities	-	-	(0.2)	-	-	(0.2)	-	(0.2)
Current period movements in Fair Value Reserve:								
Fair value changes on remeasuring available-for-sale investments	-	-	-	38.8	-	38.8	-	38.8
Deferred tax on fair value changes	-	-	-	(5.3)	-	(5.3)	-	(5.3)
Net profit/(loss) recognised directly in equity	-	-	(0.2)	33.5	-	33.3	-	33.3
Net profit for the period	-	-	-	-	112.4	112.4	2.9	115.3
Total recognised profit/(loss) for the period	-	-	(0.2)	33.5	112.4	145.7	2.9	148.6
Dividends paid during the period:								
Interim dividend (net of 20% Singapore Tax)	-	-	-	-	(45.4)	(45.4)	-	(45.4)
Balance at 30 September 2006	247.4	200.8	(13.1)	137.1	2,184.8	2,757.0	27.8	2,784.8

6.1 COMPANY STATEMENT OF CHANGES IN EQUITY for the 9 months ended 30 September

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Accumulated Profit	Total
Balance at 1 January 2007	247.4	-	545.0	827.5	1,619.9
Net profit for the period	-	-	-	36.7	36.7
Dividends paid during the period:					-
Final and special final dividends for the previous year (net of 18% Singapore Tax)	-	-	-	(186.3)	(186.3)
Interim dividend (net of 18% Singapore Tax)	-	-	-	(2.5)	(2.5)
Interim dividend (net of 27% Malaysia Tax)	-	-	-	(73.8)	(73.8)
Balance at 30 September 2007	247.4	-	545.0	601.6	1,394.0
Balance at 1 January 2006	236.7	10.7	620.0	916.4	1,783.8
Net profit for the period	-	-	-	28.7	28.7
Dividends paid during the period:					
Final and special final dividends for the previous year (net of 20% Singapore Tax)	-	-	-	(143.9)	(143.9)
Interim dividend (net of 20% Singapore Tax)	-	-	-	(45.4)	(45.4)
Transfer of share premium to share capital	10.7	(10.7)	-	-	-
Balance at 30 September 2006	247.4	-	620.0	755.8	1,623.2

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

in Singapore Dollars (millions)	Share Capital	Share Premium	Merger Reserve	Accumulated Profit	Total
Balance at 1 July 2007	247.4	-	545.0	662.7	1,455.1
Net profit for the period	-	-	-	15.2	15.2
Dividends paid during the period:					
Interim dividend (net of 18% Singapore Tax)	-	-	-	(2.5)	(2.5)
Interim dividend (net of 27% Malaysia Tax)	-	-	-	(73.8)	(73.8)
Balance at 30 September 2007	247.4	-	545.0	601.6	1,394.0
Balance at 1 July 2006	247.4	-	620.0	800.4	1,667.8
Net profit for the period	-	-	-	0.8	0.8
Dividends paid during the period:					
Interim dividend (net of 20% Singapore Tax)	-	-	-	(45.4)	(45.4)
Balance at 30 September 2006	247.4	-	620.0	755.8	1,623.2

7 CONSOLIDATED STATEMENT OF CASH FLOWS

in Singapore Dollars (millions)

	9 Months 2007	9 Months 2006	3rd Quarter 2007	3rd Quarter 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	481.7	367.3	147.4	131.8
Excess of inflow over outgo before income tax from life assurance revenue statement	968.9	579.3	255.3	186.5
Excess of inflow over outgo before income tax from general insurance revenue statement	32.9	18.7	8.3	4.0
Transfer (to)/from life assurance fund	(506.1)	(200.1)	(118.3)	(36.8)
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(329.2)	(250.6)	(107.2)	(106.0)
Profit transferred from general insurance fund but not yet withdrawn	(23.8)	(12.2)	(5.9)	(2.7)
Share of results of associates and joint ventures	(41.4)	1.9	(13.1)	0.7
Amortisation of difference in purchase consideration over nominal value of government securities, loan stocks and bonds	7.5	20.4	(3.2)	5.1
Gain on sale of investments and changes in fair value	(1,382.3)	(649.6)	(356.5)	(145.7)
Loss on sale of properties held for sale	0.2	4.5	0.2	2.7
Decrease in provision for impairment of assets	(1.8)	(2.1)	(0.1)	-
Increase in provision for agents' retirement benefits	16.4	14.3	5.6	4.9
(Gain) / loss on disposal of property, plant and equipment and investment properties	(2.5)	0.1	6.9	-
Depreciation and amortisation	32.8	30.5	12.9	10.0
Unrealised (gain)/loss in exchange differences	(7.2)	74.0	43.9	(25.1)
Dividend income	(320.5)	(300.1)	(130.0)	(105.1)
Interest income	(927.6)	(860.6)	(307.3)	(304.1)
	(2,002.0)	(1,164.3)	(561.1)	(379.8)
Changes in working capital:				
Reinsurance assets	(7.5)	(1.5)	7.1	8.3
Outstanding premiums	(43.9)	(39.7)	(69.8)	(79.5)
Other debtors and interfund balances	(187.4)	152.4	53.2	23.1
Insurance contract liabilities	2,175.3	818.9	612.5	419.3
Loss reserves	5.2	2.5	(1.6)	-
Claims admitted and intimated	(1.5)	(10.3)	(2.8)	(3.9)
Policy benefits	119.0	76.5	34.7	34.7
Unexpired risk reserve	5.2	6.8	0.9	1.2
Reinsurance liabilities	15.2	13.2	(2.2)	3.2
Other creditors and interfund balances	83.0	(131.1)	249.8	15.6
Cash generated from/(used in) operations	160.6	(276.6)	320.7	42.2
Income tax paid	(201.3)	(149.0)	(44.5)	(41.4)
Agents' retirement benefits paid	(4.5)	(5.0)	(2.2)	(1.3)
Net cash flows (used in)/from operating activities	(45.2)	(430.6)	274.0	(0.5)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	15,122.9	13,267.2	4,741.6	4,001.3
Purchase of investments	(16,504.8)	(13,214.4)	(5,058.9)	(4,442.0)
Proceeds from sale of properties held for sale	-	5.8	-	(2.2)
Proceeds from transfer of Dependents' Protection Scheme business from Central Provident Fund Board	-	124.1	-	-
Capital injection in associated and joint venture companies	16.8	(31.0)	(28.2)	-
Proceeds from disposal of associated company	4.8	-	-	-
Net cash outflow from acquisition of a subsidiary	-	(4.1)	-	-
Repayment of loan by subsidiary company	14.7	(13.6)	-	-
Proceeds from sale of property, plant and equipment and investment properties	9.5	5.9	(6.7)	1.1
Purchase of property, plant and equipment and investment properties	(82.9)	(49.1)	(25.3)	(16.1)
Addition of software development costs	(6.2)	-	(3.4)	-
Interest income received	927.6	860.6	307.3	304.1
Dividend received	320.5	300.1	130.0	105.1
Net cash flows (used in)/from investing activities	(177.1)	1,251.5	56.4	(48.7)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(262.6)	(189.3)	(76.3)	(45.4)
Dividends paid to minority interest	(16.0)	(12.7)	(6.9)	-
Net cash flows used in financing activities	(278.6)	(202.0)	(83.2)	(45.4)
Net effect of translation reserve adjustment	50.6	(249.5)	(205.6)	(27.6)
Net (decrease)/ increase in cash and cash equivalents	(450.3)	369.4	41.6	(122.2)
Cash and cash equivalents at the beginning of the period	3,823.9	3,392.0	3,332.0	3,883.6
Cash and cash equivalents at the end of the period	3,373.6	3,761.4	3,373.6	3,761.4
Cash and cash equivalents comprise:				
Cash and bank balances	482.2	299.7	482.2	299.7
Cash on deposit	2,891.4	3,461.7	2,891.4	3,461.7
	3,373.6	3,761.4	3,373.6	3,761.4

8 GROUP SEGMENTAL INFORMATION

(A) By Geographical Segments

in Singapore Dollars (millions)

	Singapore		Malaysia		Other Asia		Consolidated	
	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006
(a) Shareholders' Fund								
Profit/(loss) from insurance operations	178.2	128.0	178.7	134.4	(3.9)	0.4	353.0	262.8
Profit from investments ^(8.1)	227.1	271.1	9.8	5.4	-	-	99.6	85.9
Fees and other income	83.6	56.7	-	-	-	-	83.6	56.7
Profit/(loss) before expenses	488.9	455.8	188.5	139.8	(3.9)	0.4	536.2	405.4
	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06
Segment assets ^(8.2)	3,033.0	2,761.5	407.5	294.4	3.1	7.4	3,364.5	3,032.5
Investments in associates and joint ventures	78.2	118.9	-	-	-	-	78.2	118.9
Total assets employed as at 30 September / 31 December ^(8.2)	3,111.2	2,880.4	407.5	294.4	3.1	7.4	3,442.7	3,151.4
Segment liabilities	32.8	22.9	59.1	1.9	-	0.1	91.9	24.9
Income tax and deferred tax liabilities	136.5	139.8	36.4	22.0	-	-	172.9	161.8
Total liabilities as at 30 September / 31 December	169.3	162.7	95.5	23.9	-	0.1	264.8	186.7
Capital expenditure as at 30 September / 31 December	0.7	-	-	0.1	-	-	0.7	0.1
	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006
(b) General Insurance Fund								
Premiums less reinsurances	16.7	14.4	36.3	33.5	-	0.2	53.0	48.1
Increase in unexpired risk reserve during the period	(2.3)	(2.0)	(1.7)	(2.0)	-	-	(4.0)	(4.0)
Commissions received from reinsurers	5.8	5.7	7.0	6.6	-	-	12.8	12.3
Net claims and increase in loss reserves	(5.0)	(6.6)	(17.7)	(17.7)	-	-	(22.7)	(24.3)
Depreciation and amortisation	(0.1)	(0.1)	(0.3)	(0.2)	-	-	(0.4)	(0.3)
Commissions and expenses	(10.9)	(10.7)	(18.8)	(16.4)	-	(0.1)	(29.7)	(27.2)
Net underwriting profit	4.2	0.7	4.8	3.8	-	0.1	9.0	4.6
	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06
Segment assets / Total assets employed as at 30 September / 31 December	79.1	76.3	124.8	111.9	1.3	0.6	205.2	188.8
Segment liabilities	72.6	66.6	117.7	105.9	1.3	0.7	191.6	173.2
Income tax and deferred tax liabilities	6.5	6.2	7.1	5.7	-	-	13.6	11.9
Total liabilities as at 30 September / 31 December	79.1	72.8	124.8	111.6	1.3	0.7	205.2	185.1
Capital expenditure as at 30 September / 31 December	-	0.1	0.5	0.3	-	-	0.5	0.4
	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006
(c) Life Assurance Fund								
Premiums less reassurances	2,631.6	2,473.1	1,329.9	1,218.6	43.7	22.7	4,005.2	3,714.4
Commissions received from reinsurers	3.8	3.0	3.1	2.9	-	-	6.9	5.9
Investment and rental income	1,352.6	978.7	1,048.6	565.7	14.6	11.2	2,415.8	1,555.6
Decrease in provision for impairment of assets	1.7	2.1	-	-	-	-	1.7	2.1
Total inflow	3,989.7	3,456.9	2,381.6	1,787.2	58.3	33.9	6,429.6	5,278.0
Net claims, surrenders and annuities	2,508.3	2,980.9	790.7	623.3	11.5	8.8	3,310.5	3,613.0
Commissions and expenses	199.0	178.0	287.3	264.5	7.9	5.4	494.2	447.9
	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06
Segment assets	25,295.6	23,677.8	15,966.9	14,303.5	284.5	235.8	41,547.0	38,217.1
Investments in associates and joint ventures	509.8	468.6	-	-	-	-	509.8	468.6
Total assets employed as at 30 September / 31 December	25,805.4	24,146.4	15,966.9	14,303.5	284.5	235.8	42,056.8	38,685.7
Segment liabilities	25,539.5	23,903.3	15,746.8	14,156.6	283.5	235.0	41,569.8	38,294.9
Income tax and deferred tax liabilities	265.9	243.9	220.1	146.9	1.0	-	487.0	390.8
Total liabilities as at 30 September / 31 December	25,805.4	24,147.2	15,966.9	14,303.5	284.5	235.0	42,056.8	38,685.7
Capital expenditure as at 30 September / 31 December	24.8	26.5	58.8	92.3	4.3	-	87.9	118.8

8 GROUP SEGMENTAL INFORMATION (continued)

(B) By Business Segments

in Singapore Dollars (millions)	Life Assurance Fund (Non-Linked)		Life Assurance Fund (Linked)		Consolidated	
	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006	9 Months 2007	9 Months 2006
Premiums less reassurances	2,780.7	2,896.5	1,224.5	817.9	4,005.2	3,714.4
Commissions received from reinsurers	6.6	5.4	0.3	0.5	6.9	5.9
Investment and rental income	1,970.7	1,381.7	445.1	173.9	2,415.8	1,555.6
Decrease in provision for impairment of assets	1.7	2.1	-	-	1.7	2.1
Total inflow	4,759.7	4,285.7	1,669.9	992.3	6,429.6	5,278.0
Net claims, surrenders and annuities	2,638.7	3,091.9	671.8	521.1	3,310.5	3,613.0
Commissions and expenses	331.1	321.8	163.1	126.1	494.2	447.9
	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06	30 Sep 07	31 Dec 06
Segment assets	37,666.7	35,127.8	3,880.3	3,089.3	41,547.0	38,217.1
Investments in associates and joint ventures	509.8	468.6	-	-	509.8	468.6
Total assets employed as at 30 September / 31 December	38,176.5	35,596.4	3,880.3	3,089.3	42,056.8	38,685.7
Capital expenditure as at 30 September / 31 December	87.9	118.8	-	-	87.9	118.8

^(8.1) elimination of inter-segment transactions - 2007: \$137.3 million (2006:\$190.6 million)

^(8.2) elimination of inter-segment transactions - 2007: \$79.1 million (2006:\$30.8 million)

9 REVIEW OF RESULTS

The Group Financial Statements for the third quarter of 2007 ("Q3-07") and for the 9 months ended 30 September 2007 ("9M-07") have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS").

9.1 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Group profit attributable to shareholders for Q3-07 was \$124.4 million, compared with \$112.4 million for Q3-06, an increase of 11%. The increase was due mainly to higher profit from insurance operations, gains from sale of investments and higher fees and other income offset by higher management and other expenses. 9M-07 profit was \$402.3 million, compared with \$301.0 million for 9M-06, an increase of 34%.

9.2 PROFIT FROM INSURANCE OPERATIONS

(a) Profit from life assurance operations at \$107.2 million in Q3-07 was maintained at about Q3-06 level.

Whilst profit from investment-linked funds grew strongly by \$8.1 million in Q3-07 to \$19.2 million (as against \$11.1 million in Q3-06), due mainly to better performance in Malaysia; profit from non-participating fund was down by approximately same amount (i.e. \$7.3 million) in Q3-07 against Q3-06, attributable mainly to lower investment income in Singapore and Malaysia.

Profit from participating funds in Q3-07 remained at about same level as in Q3-06 i.e. \$23 million.

(b) General insurance showed marked improvements with profits reaching \$5.9 million for Q3-07 compared with \$2.7 million for Q3-06, an increase of 119%. The higher profit was due to better performance in the underwriting and investment operations in Singapore and Malaysia.

(c) Profit from total insurance operations for 9M-07 was \$353.0 million, compared with \$262.8 million for 9M-06, an increase of 34%.

9.3 PROFIT FROM INVESTMENTS OF SHAREHOLDERS' FUND

(a) Profit from investments of shareholders' fund in Q3-07 rose by 41% to \$26.4 million, compared with \$18.7 million in Q3-06, an increase of \$7.7 million. This improvement reflected higher profits from gain on sale of investments (+\$10.1 million) offset partially by higher loss in foreign exchange (-\$3.0 million).

(b) Profit from investments of the shareholders' fund for 9M-07 was \$99.6 million, compared with \$85.9 million for 9M-06, an increase of 16%.

9.4 FEES AND OTHER INCOME

Fees and other income for Q3-07 were \$24.5 million, compared with \$17.7 million for Q3-06, an increase of 38% due mainly to an increase in assets under management. Similarly, for 9M-07, fees and other income were \$83.6 million, compared with \$56.7 million for 9M-06, an increase of 47%.

9.5 MANAGEMENT AND OTHER EXPENSES

Management and other expenses rose by \$3.6 million (29%) in Q3-07 to \$16.0 million compared with Q3-06 as a result of increased headcount, higher wages and expenses incurred by Lion Capital, and for regional expansion in China, Indonesia and Vietnam.

For 9M-07, management and other expenses was \$56.0 million, compared with \$35.4 million for 9M-06, an increase of 58%.

9.6 INCOME TAX

The corporate tax rate was reduced to 18% and 27% with effect from 2007, for Singapore and Malaysia respectively. This reduction resulted in an improvement in Group Profit by \$1.9 million and an increase in shareholders' fund by \$5.1 million.

Income tax for Q3-07 was \$18.9 million, compared with \$16.5 million for Q3-06, an increase of 15%. For 9M-07, income tax was \$66.5 million compared with \$57.5 million for 9M-06, an increase of 16%, due to higher taxable profit. Effective tax rate for 9M-07 was 23% compared with 25% for 9M-06.

9.7 EARNINGS PER SHARE AND RETURN ON EQUITY

	<u>9M-07</u>	<u>9M-06</u>	<u>+/(-)</u>
Earnings per share	85 cents	64 cents	33%
Return on equity	13.2%	11.2%	2pp

9.8 NET ASSET VALUE PER SHARE AND GROUP ASSETS

	<u>30 Sep 07</u>	<u>31 Dec 06</u>	<u>+/(-)</u>
Net asset value per share	\$6.65	\$6.20	7%
Group Assets	\$45.7 billion	\$42.0 billion	9%

10 ACCOUNTING POLICIES

The Group adopted the accounting policies and methods of computation for the financial statements for Q3-07, consistent with the audited financial statements for the year ended 31 December 2006, except for FRS 40, Investment Property which is effective from 1 January 2007.

With the adoption of FRS 40, investment properties can be stated at either fair value or cost less accumulated depreciation. Investment properties of the Group reside predominantly in the Participating Life Assurance Funds. On adoption of FRS 40, the Group measures all investment properties at fair value unless it cannot be reliably determined on an ongoing basis. The gains or losses arising from changes in the fair value of investment properties are included in the Life Assurance Revenue Statements in the year in which they arise. As permitted by the transitional provisions of FRS 40, the revaluation gain of \$136.7 million was taken to the Life Assurance Fund on 1 January 2007.

Except as disclosed in the foregoing paragraph for the adoption of FRS 40, the adoption of the other revised and new FRS and INT FRS which came into effect on 1 January 2007 did not have any material financial impact on the Group's results for Q3-07.

11 UNAUDITED RESULTS

The consolidated Group financial results for the third quarter ended 30 September 2007 have not been audited by the Group's auditors.

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. The economic outlook as a whole is positive. However, earnings from the Group's insurance operations and investments will continue to be sensitive to changing economic conditions and movements in interest rates and volatility in the commodity and equity markets.

The Group continues to intensify efforts to expand its operations in Malaysia, China, Indonesia and Vietnam. Looking ahead, human resource management remains a key to success, including the building of a talent pool. The acceleration of activities in the regional markets will increase management expenses, such that breakeven is projected to take a few years for the operations in 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 September 2007 (31 December 2006: nil). The Group has maintained 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 September 2007 and 31 December 2006.

15 DIVIDEND

No interim dividend has been declared in the third quarter of 2007 (third quarter 2006: nil) in respect of the financial year ending 31 December 2007.

16 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 the attention of the Board of Directors of the Company which may render the unaudited financial results of the Company and of the Group for the third quarter ended 30 September 2007 to be false or misleading.

BY ORDER OF THE BOARD

Elizabeth Teoh
Group Company Secretary
Singapore
2 November 2007