

GREAT EASTERN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No 199903008M)



To Our Shareholders

The Board of Directors of Great Eastern Holdings Limited (“**GEH**”) has announced:

Audited Financial Results of GEH Group for the Fourth Quarter and Year Ended 31 December 2017

For the fourth quarter and year ended 31 December 2017, Group profit attributable to shareholders was \$423.6 million and \$1,156.5 million respectively. Details of the financial results are attached.

Unaudited Supplementary Information

Disclosure of operating and non-operating profit from insurance business is provided as supplementary information to the financial results.

Dividend

The Board of Directors is pleased to recommend a final one-tier tax exempt dividend of 50 cents per ordinary share (2016: final one-tier tax exempt dividend of 40 cents per ordinary share) and a special one-tier tax exempt dividend of 10 cents per ordinary share (2016: nil). Including the interim one-tier tax exempt dividend of 10 cents per ordinary share paid in August 2017, total dividends for financial year 2017 would amount to 70 cents per ordinary share (2016: 50 cents per ordinary share).

Books Closure Date and Payment Date for Dividend

Subject to the approval of the shareholders to the final and special one-tier tax exempt dividends at the Annual General Meeting, the Share Transfer Books and Register of Members of the Company will be closed on 25 April 2018 for the purpose of determining the entitlement of shareholders to the recommended final one-tier tax exempt dividend of 50 cents per ordinary share and special one-tier tax exempt dividend of 10 cents per ordinary share. Duly completed registrable transfers of shares received by the Company’s Share Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 up to 5.00 pm on 24 April 2018 will be registered to determine shareholders’ entitlement to the proposed dividends. Subject to the aforesaid, Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 pm on 24 April 2018 will be entitled to the proposed dividends.

The final and special one-tier tax exempt dividends, if approved by shareholders, will be paid on 8 May 2018.

By Order of the Board

Jennifer Wong Pakshong
Group Company Secretary
Singapore, 12 February 2018

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

FINANCIAL RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED 31 DECEMBER 2017

1. GROUP PROFIT AND LOSS STATEMENTS

in Singapore Dollars (millions)	Year ended 2017	Year ended 2016	% + / (-)	4th Quarter 2017	4th Quarter 2016	% + / (-)	3rd Quarter 2017	% + / (-)
Gross Premiums	12,559.5	9,555.7	31	4,309.8	2,681.1	61	3,099.8	39
Life assurance profit from:								
Participating Fund	170.5	143.8	19	59.7	38.4	55	37.4	60
Non-participating Fund	521.7	182.9	185	148.6	71.2	109	119.5	24
Investment-linked Fund	184.0	172.3	7	50.5	34.1	48	44.4	14
Profit from life assurance	876.2	499.0	76	258.8	143.7	80	201.3	29
Profit from general insurance	23.7	25.7	(8)	6.5	4.6	41	7.3	(11)
Profit from insurance business	899.9	524.7	72	265.3	148.3	79	208.6	27
Investment income, net	153.6	172.1	(11)	32.6	40.7	(20)	39.2	(17)
Gain on sale of investments and changes in fair value	329.6	54.2	nm	222.6	33.6	nm	28.2	nm
Change in third-party interests in consolidated investment funds	(22.3)	3.7	nm	1.0	9.0	(89)	(5.9)	nm
Loss on disposal of interest in associate	(1.3)	-	nm	-	-	nm	(1.3)	(100)
Gain/(loss) on disposal of subsidiaries	1.0	(18.7)	nm	-	-	nm	-	nm
Increase in provision for impairment of assets	(15.8)	(16.3)	nm	(3.0)	(3.7)	nm	(5.6)	nm
(Loss)/gain on exchange differences	(10.1)	2.5	nm	(2.7)	10.9	nm	(1.2)	nm
Profit from Shareholders' Fund's investments	434.7	197.5	120	250.5	90.5	177	53.4	nm
Fees and other income	88.5	82.5	7	23.7	22.4	6	22.8	4
Profit before expenses	1,423.1	804.7	77	539.5	261.2	107	284.8	89
less:								
Management and other expenses	96.8	83.6	16	44.5	25.2	77	17.5	154
Interest expense	18.3	18.3	-	4.6	4.6	-	4.5	-
Depreciation	2.1	1.3	62	1.4	0.5	180	0.3	nm
Expenses	117.2	103.2	14	50.5	30.3	67	22.3	126
Profit after expenses	1,305.9	701.5	86	489.0	230.9	112	262.5	86
Share of loss after income tax of associates	-	(1.2)	(100)	-	-	nm	-	nm
Profit before income tax	1,305.9	700.3	86	489.0	230.9	112	262.5	86
Income tax	(138.5)	(101.5)	nm	(62.3)	(33.7)	nm	(24.3)	nm
Profit after income tax	1,167.4	598.8	95	426.7	197.2	116	238.2	79
Attributable to:								
Shareholders	1,156.5	589.3	96	423.6	195.2	117	235.5	80
Non-controlling interests	10.9	9.5	15	3.1	2.0	55	2.7	15
	1,167.4	598.8	95	426.7	197.2	116	238.2	79
Basic and diluted earnings per share attributable to shareholders of the Company (in Singapore Dollars)	2.44	1.25	95	0.89	0.42	112	0.50	78
Return on Equity (Average Shareholders' Fund) (%)	16.4%	9.2%	7.2 pp	6.0%	3.0%	3 pp	3.4%	2.6 pp

nm – not meaningful / exceeding 300%

2. GROUP STATEMENT OF COMPREHENSIVE INCOME

in Singapore Dollars (millions)	Year ended 2017	Year ended 2016	% + / (-)	4th Quarter 2017	4th Quarter 2016	% + / (-)	3rd Quarter 2017	% + / (-)
Profit after income tax for the year	1,167.4	598.8	95	426.7	197.2	116	238.2	79
Other comprehensive income:								
Items that will not be reclassified to profit or loss:								
Exchange differences arising on translation of overseas entities attributable to non-controlling interests	0.1	-	nm	0.3	(0.3)	nm	(0.1)	nm
Items that may be reclassified subsequently to profit or loss:								
Exchange differences arising on translation of overseas entities	5.2	9.6	(46)	9.3	(0.4)	nm	(0.5)	nm
Share of other comprehensive income of associates	(0.5)	0.5	nm	-	0.4	(100)	(0.2)	(100)
Available-for-sale financial assets:								
Changes in fair value	342.9	64.5	nm	104.9	(50.8)	nm	46.1	128
Reclassification of realised gain on disposal of investments to Profit and Loss Statement	(298.2)	(65.0)	nm	(216.7)	(54.6)	nm	(26.6)	nm
Tax on changes in fair value	(7.4)	(0.3)	nm	18.5	18.4	1	(3.4)	nm
Other comprehensive income for the year, after tax	42.1	9.3	nm	(83.7)	(87.3)	nm	15.3	nm
Total comprehensive income for the year	1,209.5	608.1	99	343.0	109.9	212	253.5	35
Total comprehensive income attributable to:								
Shareholders	1,194.0	599.4	99	338.9	108.9	211	249.8	36
Non-controlling interests	15.5	8.7	78	4.1	1.0	nm	3.7	11
	1,209.5	608.1	99	343.0	109.9	212	253.5	35

nm – not meaningful / exceeding 300%

3. GROUP BALANCE SHEET AS AT 31 DECEMBER

in Singapore Dollars (millions)	Group		%
	2017	2016	+ / (-)
Share capital	152.7	152.7	-
Reserves			
Currency translation reserve	(137.0)	(139.8)	nm
Fair value reserve	98.3	65.5	50
Other reserve	0.2	-	nm
Accumulated profit	7,430.3	6,510.5	14
SHAREHOLDERS' FUND	7,544.5	6,588.9	15
NON-CONTROLLING INTERESTS	86.1	75.3	14
TOTAL EQUITY	7,630.6	6,664.2	15
LIABILITIES			
Insurance payables	4,124.1	3,670.8	12
Other creditors and interfund balances	4,334.7	2,653.8	63
Unexpired risk reserve	129.3	124.9	4
Derivative financial liabilities	379.9	737.5	(48)
Income tax payable	534.7	446.4	20
Provision for agents' retirement benefits	276.0	263.3	5
Deferred tax	1,375.0	1,058.3	30
Debt issued	399.7	399.6	0
General insurance fund	233.7	223.2	5
Life assurance fund	65,143.9	54,881.1	19
TOTAL EQUITY AND LIABILITIES	84,561.6	71,123.1	19
ASSETS			
Cash and cash equivalents	5,364.8	3,526.6	52
Other debtors and interfund balances	3,800.7	2,691.0	41
Insurance receivables	2,701.1	2,604.5	4
Loans	1,359.1	1,609.0	(16)
Derivative financial assets	238.9	84.9	181
Investments	68,918.9	58,383.3	18
Assets held for sale	3.9	-	nm
Associates	2.2	47.4	(95)
Intangible assets	27.6	32.0	(14)
Investment properties	1,553.0	1,539.0	1
Property, plant and equipment	591.4	605.4	(2)
TOTAL ASSETS	84,561.6	71,123.1	19
Net Asset Value per share (in Singapore Dollars)	15.94	13.92	15

nm – not meaningful / exceeding 300%

6.1. GROUP STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2017

in Singapore Dollars (millions)	Attributable to Shareholders of the Company					Total	Non-Controlling Interests	Total Equity
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Other Reserve	Accumulated Profit ⁽¹⁾			
Balance at 1 January 2017	152.7	(139.8)	65.5	-	6,510.5	6,588.9	75.3	6,664.2
Profit for the year	-	-	-	-	1,156.5	1,156.5	10.9	1,167.4
Other comprehensive income								
Exchange differences arising on translation of overseas entities	-	5.2	-	-	-	5.2	0.1	5.3
Share of other comprehensive income of associates	-	(0.5)	-	-	-	(0.5)	-	(0.5)
Available-for-sale financial assets:								
Changes in fair value	-	-	338.2	-	-	338.2	4.7	342.9
Reclassification of realised gain on disposal of investments to Profit and Loss Statement	-	-	(298.2)	-	-	(298.2)	-	(298.2)
Tax on changes in fair value	-	-	(7.2)	-	-	(7.2)	(0.2)	(7.4)
Other comprehensive income for the year, after tax	-	4.7	32.8	-	-	37.5	4.6	42.1
Total comprehensive income for the year	-	4.7	32.8	-	1,156.5	1,194.0	15.5	1,209.5
Distributions to shareholders								
Dividends paid during the year:								
Final one-tier tax exempt dividend for the previous year	-	-	-	-	(189.3)	(189.3)	-	(189.3)
Interim one-tier tax exempt dividend	-	-	-	-	(47.4)	(47.4)	-	(47.4)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(7.5)	(7.5)
Total distributions to shareholders	-	-	-	-	(236.7)	(236.7)	(7.5)	(244.2)
Changes in ownership interests in subsidiaries								
Disposal of subsidiaries	-	(1.9)	-	-	-	(1.9)	(0.6)	(2.5)
Transaction with non-controlling interests without a change in control	-	-	-	0.2	-	0.2	3.4	3.6
Total changes in ownership interests in subsidiaries	-	(1.9)	-	0.2	-	(1.7)	2.8	1.1
Total transactions with shareholders in their capacity as shareholders	-	(1.9)	-	0.2	(236.7)	(238.4)	(4.7)	(243.1)
Balance at 31 December 2017	152.7	(137.0)	98.3	0.2	7,430.3	7,544.5	86.1	7,630.6

6.2. GROUP STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2016

in Singapore Dollars (millions)	Attributable to Shareholders of the Company					Total	Non-Controlling Interests	Total Equity
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Other Reserve	Accumulated Profit ⁽¹⁾			
Balance at 1 January 2016	152.7	(170.8)	67.0	-	6,181.5	6,230.4	66.6	6,297.0
Profit for the year	-	-	-	-	589.3	589.3	9.5	598.8
<u>Other comprehensive income</u>								
Exchange differences arising on translation of overseas entities	-	9.6	-	-	-	9.6	-	9.6
Share of other comprehensive income of associates	-	0.5	-	-	-	0.5	-	0.5
Available-for-sale financial assets:								
Changes in fair value	-	-	65.3	-	-	65.3	(0.8)	64.5
Reclassification of realised gain on disposal of investments to Profit and Loss Statement	-	-	(65.0)	-	-	(65.0)	-	(65.0)
Tax on changes in fair value	-	-	(0.3)	-	-	(0.3)	-	(0.3)
Other comprehensive income for the year, after tax	-	10.1	-	-	-	10.1	(0.8)	9.3
Total comprehensive income for the year	-	10.1	-	-	589.3	599.4	8.7	608.1
<u>Distributions to shareholders</u>								
Dividends paid during the year:								
Final and special one-tier tax exempt dividends for the previous year	-	-	-	-	(213.0)	(213.0)	-	(213.0)
Interim one-tier tax exempt dividend	-	-	-	-	(47.3)	(47.3)	-	(47.3)
Total distributions to shareholders	-	-	-	-	(260.3)	(260.3)	-	(260.3)
<u>Changes in ownership interests in subsidiaries</u>								
Disposal of subsidiary	-	20.9	(1.5)	-	-	19.4	-	19.4
Total changes in ownership interests in subsidiaries	-	20.9	(1.5)	-	-	19.4	-	19.4
Total transactions with shareholders in their capacity as shareholders	-	20.9	(1.5)	-	(260.3)	(240.9)	-	(240.9)
Balance at 31 December 2016	152.7	(139.8)	65.5	-	6,510.5	6,588.9	75.3	6,664.2

(1) Included in Accumulated Profit are non-distributable reserves of \$2,198.6 million (31 December 2016: \$1,309.2 million), which arise from regulatory risk charges in Singapore and Malaysia that are held out of the Group Shareholders' Accumulated Profit Account.

6.3. GROUP STATEMENT OF CHANGES IN EQUITY for the fourth quarter ended 31 December 2017

in Singapore Dollars (millions)	Attributable to Shareholders of the Company					Total	Non-Controlling Interests	Total Equity
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Other Reserve	Accumulated Profit ⁽¹⁾			
Balance at 1 October 2017	152.7	(146.3)	192.3	-	7,006.7	7,205.4	82.0	7,287.4
Profit for the period	-	-	-	-	423.6	423.6	3.1	426.7
Other comprehensive income								
Exchange differences arising on translation of overseas entities	-	9.3	-	-	-	9.3	0.3	9.6
Available-for-sale financial assets:								
Changes in fair value	-	-	104.2	-	-	104.2	0.7	104.9
Reclassification of realised gain on disposal of investments to Profit and Loss Statement	-	-	(216.7)	-	-	(216.7)	-	(216.7)
Tax on changes in fair value	-	-	18.5	-	-	18.5	-	18.5
Other comprehensive income for the period, after tax	-	9.3	(94.0)	-	-	(84.7)	1.0	(83.7)
Total comprehensive income for the period	-	9.3	(94.0)	-	423.6	338.9	4.1	343.0
Changes in ownership interests in subsidiaries								
Transaction with non-controlling interests without a change in control	-	-	-	0.2	-	0.2	-	0.2
Total changes in ownership interests in subsidiaries	-	-	-	0.2	-	0.2	-	0.2
Total transactions with shareholders in their capacity as shareholders	-	-	-	0.2	-	0.2	-	0.2
Balance at 31 December 2017	152.7	(137.0)	98.3	0.2	7,430.3	7,544.5	86.1	7,630.6

6.4. GROUP STATEMENT OF CHANGES IN EQUITY for the fourth quarter ended 31 December 2016

in Singapore Dollars (millions)	Attributable to Shareholders of the Company					Total	Non-Controlling Interests	Total Equity
	Share Capital	Currency Translation Reserve	Fair Value Reserve	Other Reserve	Accumulated Profit ⁽¹⁾			
Balance at 1 October 2016	152.7	(139.8)	151.8	-	6,315.3	6,480.0	74.3	6,554.3
Profit for the period	-	-	-	-	195.2	195.2	2.0	197.2
Other comprehensive income								
Exchange differences arising on translation of overseas entities	-	(0.4)	-	-	-	(0.4)	(0.3)	(0.7)
Share of other comprehensive income of associates	-	0.4	-	-	-	0.4	-	0.4
Available-for-sale financial assets:								
Changes in fair value	-	-	(50.1)	-	-	(50.1)	(0.7)	(50.8)
Reclassification of realised gain on disposal of investments to Profit and Loss Statement	-	-	(54.6)	-	-	(54.6)	-	(54.6)
Tax on changes in fair value	-	-	18.4	-	-	18.4	-	18.4
Other comprehensive income for the period, after tax	-	-	(86.3)	-	-	(86.3)	(1.0)	(87.3)
Total comprehensive income for the period	-	-	(86.3)	-	195.2	108.9	1.0	109.9
Balance at 31 December 2016	152.7	(139.8)	65.5	-	6,510.5	6,588.9	75.3	6,664.2

(1) Included in Accumulated Profit are non-distributable reserves of \$2,198.6 million (31 December 2016: \$1,309.2 million), which arise from regulatory risk charges in Singapore and Malaysia that are held out of the Group Shareholders' Accumulated Profit Account.

7.1 COMPANY STATEMENT OF CHANGES IN EQUITY for the years ended 31 December 2017 and 2016

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total Equity
Balance at 1 January 2017	152.7	419.2	2,662.5	3,234.4
Profit for the year	-	-	390.4	390.4
Total comprehensive income for the year	-	-	390.4	390.4
<u>Distributions to shareholders</u>				
Dividends paid during the year:				
Final one-tier tax exempt dividend for the previous year	-	-	(189.3)	(189.3)
Interim one-tier tax exempt dividend	-	-	(47.4)	(47.4)
Total distributions to shareholders	-	-	(236.7)	(236.7)
Total transactions with shareholders in their capacity as shareholders	-	-	(236.7)	(236.7)
Balance at 31 December 2017	152.7	419.2	2,816.2	3,388.1
Balance at 1 January 2016	152.7	419.2	2,264.2	2,836.1
Profit for the year	-	-	658.6	658.6
Total comprehensive income for the year	-	-	658.6	658.6
<u>Distributions to shareholders</u>				
Dividends paid during the year:				
Final and special one-tier tax exempt dividends for the previous year	-	-	(213.0)	(213.0)
Interim one-tier tax exempt dividend	-	-	(47.3)	(47.3)
Total distributions to shareholders	-	-	(260.3)	(260.3)
Total transactions with shareholders in their capacity as shareholders	-	-	(260.3)	(260.3)
Balance at 31 December 2016	152.7	419.2	2,662.5	3,234.4

7.2 COMPANY STATEMENT OF CHANGES IN EQUITY for the fourth quarter ended 31 December 2017 and 2016

in Singapore Dollars (millions)	Share Capital	Merger Reserve	Accumulated Profit	Total Equity
Balance at 1 October 2017	152.7	419.2	2,815.8	3,387.7
Profit for the period	-	-	0.4	0.4
Total comprehensive income for the period	-	-	0.4	0.4
Balance at 31 December 2017	152.7	419.2	2,816.2	3,388.1
Balance at 1 October 2016	152.7	419.2	2,663.5	3,235.4
Loss for the period	-	-	(1.0)	(1.0)
Total comprehensive income for the period	-	-	(1.0)	(1.0)
Balance at 31 December 2016	152.7	419.2	2,662.5	3,234.4

8. CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER

in Singapore Dollars (millions)	Year ended 2017	Year ended 2016	4th Quarter 2017	4th Quarter 2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	1,305.9	700.3	489.0	230.9
Life assurance profit/(loss) before income tax	587.6	(464.4)	(93.4)	341.2
General insurance profit before income tax	28.9	33.0	7.4	6.5
Adjustments for non-cash items:				
Surplus transferred from life assurance fund but not yet withdrawn	(876.2)	(499.0)	(258.8)	(143.7)
Surplus transferred from general insurance fund but not yet withdrawn	(23.7)	(25.7)	(6.5)	(4.6)
Share of loss of associates	0.5	8.6	0.1	0.1
(Gain)/loss on sale of investments and changes in fair value	(3,187.1)	(356.1)	(980.5)	284.8
(Gain)/loss on disposal of subsidiaries	(1.0)	18.7	-	-
Loss on disposal of interest in associate	9.4	-	-	-
Increase in provision for impairment of assets	251.9	250.8	104.6	50.2
Increase in provision for agents' retirement benefits	37.9	31.4	5.9	3.2
Gain on disposal of property, plant and equipment	-	(0.1)	-	(0.1)
Depreciation	70.7	56.2	23.2	17.1
Unrealised loss/(gain) on exchange differences	1,163.8	(70.4)	311.5	(676.0)
Change in life assurance contract liabilities	8,880.9	5,771.4	3,385.1	1,345.8
Change in general insurance contract liabilities	(6.1)	(3.6)	(5.0)	0.1
Change in unexpired risk reserve	8.1	0.4	2.5	(0.2)
Amortisation of capitalised transaction fees	0.1	0.1	-	-
Dividend income	(563.3)	(549.0)	(114.6)	(128.8)
Interest income	(1,802.9)	(1,733.5)	(466.5)	(446.2)
Interest expense	18.3	18.3	4.6	4.6
Interest expense on policy benefits	152.1	146.5	40.4	36.7
Share-based payments	4.7	3.4	1.5	1.0
	6,060.5	3,337.3	2,450.5	922.6
Changes in working capital:				
Insurance receivables	(86.7)	(30.1)	(23.1)	19.7
Other debtors and interfund balances	(1,047.9)	(81.1)	(524.6)	(388.2)
Insurance payables	453.3	279.4	175.9	13.3
Other creditors and interfund balances	1,689.8	101.8	152.6	30.3
Cash generated from operations	7,069.0	3,607.3	2,231.3	597.7
Income tax paid	(313.8)	(314.8)	(125.1)	(16.4)
Interest paid on policy benefits	(152.1)	(146.5)	(40.4)	(36.7)
Agents' retirement benefits paid	(32.9)	(12.0)	(6.0)	(2.6)
Net cash flows from operating activities	6,570.2	3,134.0	2,059.8	542.0
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from maturities and sale of investments	43,431.1	25,892.8	8,681.5	8,417.1
Purchase of investments	(50,688.1)	(30,524.6)	(12,282.6)	(8,755.3)
Proceeds from disposal of interests in associate	32.1	-	-	-
Net cash inflow from disposal of subsidiaries	14.9	23.6	-	-
Proceeds from sale of property, plant and equipment	1.3	8.6	0.9	8.6
Purchase of property, plant and equipment and investment properties	(58.9)	(54.4)	(11.8)	(14.1)
Interest income received	1,763.7	1,688.1	415.8	410.2
Interest expense paid	(18.1)	(18.6)	-	(0.2)
Dividends received	553.5	550.7	121.1	136.3
Net cash flows used in investing activities	(4,968.5)	(2,433.8)	(3,075.1)	202.6
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(236.7)	(260.3)	-	-
Dividends paid to non-controlling interests	(7.5)	-	-	-
Changes in non-controlling interests	3.4	-	-	-
Net cash flows used in financing activities	(240.8)	(260.3)	-	-
Net effect of currency translation reserve adjustment	477.3	(404.4)	538.6	(487.0)
Net increase/ (decrease) in cash and cash equivalents	1,838.2	35.5	(476.7)	257.6
Cash and cash equivalents at the beginning of the year	3,526.6	3,491.1	5,841.5	3,269.0
Cash and cash equivalents at the end of the year	5,364.8	3,526.6	5,364.8	3,526.6

9. GROUP SEGMENTAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER
9.1 By Business Segments

(a) Shareholders' Fund

in Singapore Dollars (millions)	Fund Management and Financial				Adjustments and		Consolidated	
	Advisory Business		Others		Eliminations			
	2017	2016	2017	2016	2017	2016	2017	2016
Profit from Shareholders' Fund's investments	22.2	2.5	419.0	185.5	(6.5)	9.5	434.7	197.5
Fees and other income	96.7	90.4	2.8	1.6	(11.0)	(9.5)	88.5	82.5
Total expenses	(49.9)	(47.9)	(67.3)	(55.3)	-	-	(117.2)	(103.2)
Profit after expenses	69.0	45.0	354.5	131.8	(17.5)	-	406.0	176.8
Share of loss of associates	-	-	-	(1.2)	-	-	-	(1.2)
Income tax	(8.1)	(7.2)	(130.4)	(94.3)	-	-	(138.5)	(101.5)
Segment profit after income tax	60.9	37.8	224.1	36.3	(17.5)	-	267.5	74.1
Profit from insurance business							899.9	524.7
Profit per Profit & Loss Statement							1,167.4	598.8

	31 Dec 17	31 Dec 16						
Segment assets	481.2	312.8	8,277.5	7,130.9	15.7	15.7	8,774.4	7,459.4
Investments in associates	-	-	-	6.3	-	-	-	6.3
Shareholders' Fund Assets	481.2	312.8	8,277.5	7,137.2	15.7	15.7	8,774.4	7,465.7
Segment liabilities	75.3	88.7	759.5	484.0	-	-	834.8	572.7
Income tax and deferred tax liabilities	7.5	5.8	301.5	223.0	-	-	309.0	228.8
Shareholders' Fund Liabilities	82.8	94.5	1,061.0	707.0	-	-	1,143.8	801.5
Additions to non-current assets	2.1	1.1	1.4	0.9	-	-	3.5	2.0

(b) General Insurance Fund

in Singapore Dollars (millions)	Consolidated	
	2017	2016
Premiums less assurances	153.9	155.4
Investment income	19.7	15.4
Increase in provision for impairment of assets	0.9	0.5
Claims less reassurances	71.4	73.3
Commissions and expenses	91.2	87.8
General Insurance Profit	22.8	25.6
	31 Dec 17	31 Dec 16
General Insurance Fund Assets	434.3	424.7
General Insurance Fund Liabilities	434.3	424.7
Additions to non-current assets	4.6	3.8

(c) Life Assurance Fund

in Singapore Dollars (millions)	Non-Participating				Adjustments and				Consolidated	
	Participating Business		Business		Linked Business		Eliminations			
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Premiums less reassurances	6,274.6	5,909.4	4,228.1	1,718.3	1,614.6	1,439.6	-	-	12,117.3	9,067.3
Investment and rental income (including mark-to-market changes)	3,443.3	1,875.9	630.6	217.1	888.7	240.3	(0.4)	(0.4)	4,962.2	2,332.9
Increase in provision for impairment of assets	215.1	217.8	20.1	16.2	-	-	-	-	235.2	234.0
Claims less reassurances	3,758.3	3,486.8	657.4	589.6	923.6	744.5	-	-	5,339.3	4,820.9
Commissions and expenses	577.3	565.2	357.8	277.3	424.9	396.3	(0.4)	(0.4)	1,359.6	1,238.4
Life Assurance Profit	170.5	143.8	521.7	182.9	184.0	172.3	-	-	876.2	499.0
	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16	31 Dec 17	31 Dec 16
Segment assets	57,249.9	50,348.4	11,305.2	7,119.9	6,795.6	5,723.3	-	-	75,350.7	63,191.6
Investments in associates	1.8	40.7	0.4	0.4	-	-	-	-	2.2	41.1
Life Assurance Fund Assets	57,251.7	50,389.1	11,305.6	7,120.3	6,795.6	5,723.3	-	-	75,352.9	63,232.7
Segment liabilities	55,840.0	49,211.2	11,154.3	7,036.8	6,761.0	5,713.1	-	-	73,755.3	61,961.1
Income tax and deferred tax liabilities	1,411.7	1,177.9	151.3	83.5	34.6	10.2	-	-	1,597.6	1,271.6
Life Assurance Fund Liabilities	57,251.7	50,389.1	11,305.6	7,120.3	6,795.6	5,723.3	-	-	75,352.9	63,232.7
Additions to non-current assets	45.3	44.3	4.8	4.0	0.7	0.3	-	-	50.8	48.6

9. GROUP SEGMENTAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER
9.2 By Geographical Segments

in Singapore Dollars (millions)	Singapore		Malaysia		Other Asia		Adjustments and Eliminations		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
(a) Shareholders' Fund										
Investment income, net	136.9	156.0	15.9	14.5	0.8	1.6	-	-	153.6	172.1
Gain on sale of investments and changes in fair value	322.5	51.5	7.1	2.7	-	-	-	-	329.6	54.2
Fees and other income	85.0	78.8	3.5	3.7	-	-	-	-	88.5	82.5
Total revenue from external customers	544.4	286.3	26.5	20.9	0.8	1.6	-	-	571.7	308.8
Dividend from subsidiaries	147.5	245.1	-	-	-	-	(147.5)	(245.1)	-	-
Total revenue	691.9	531.4	26.5	20.9	0.8	1.6	(147.5)	(245.1)	571.7	308.8
Profit/(loss) after income tax	1,059.0	564.3	259.8	262.6	(3.9)	17.0	(147.5)	(245.1)	1,167.4	598.8
Non-current assets	18.4	22.1	13.2	12.9	-	-	-	-	31.6	35.0
(b) General Insurance Fund										
Total revenue from external customers	78.6	76.8	116.2	119.6	-	-	-	-	194.8	196.4
Non-current assets	3.4	2.9	6.2	8.4	-	-	-	-	9.6	11.3
(c) Life Assurance Fund										
Total revenue from external customers	12,242.3	7,859.7	4,042.2	3,652.0	184.8	149.1	-	-	16,469.3	11,660.8
Non-current assets	1,762.9	1,777.1	361.0	346.5	6.9	6.5	-	-	2,130.8	2,130.1

10. REVIEW OF RESULTS

The Group Financial Statements for the fourth quarter of 2017 ("Q4-17") and year ended 31 December 2017 ("FY-17") were prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS").

10.1 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The Group's profit attributable to shareholders of \$423.6 million for Q4-17 and \$1,156.5 million for FY-17 increased 117% and 96% compared with the same periods last year (Q4-16: \$195.2 million, FY-16: \$589.3 million). This was largely due to the higher profit from insurance business and gains from sale of investments and changes in fair value.

10.2 GROSS PREMIUMS

Q4-17 and FY-17 gross premiums increased 61% and 31% compared with the same periods last year to \$4,309.8 million and \$12,559.5 million (Q4-16: \$2,681.1 million, FY-16: \$9,555.7 million).

10.3 PROFIT FROM INSURANCE BUSINESS

The Group's profit from insurance business for Q4-17 was \$265.3 million (Q4-16: \$148.3 million), up 79% from the same quarter last year, mainly because of higher contribution from its Singapore business and gain in our investments due to favourable financial market conditions compared to last year. For FY-17, profit from insurance business increased by 72% to \$899.9 million (FY-16: \$524.7 million) for the same reasons set out above.

10.4 PROFIT FROM SHAREHOLDERS' FUND'S INVESTMENTS

Profit from Shareholders' Fund's Investments for Q4-17 was higher at \$250.5 million (Q4-16: \$90.5 million) mainly because of higher gain on sale of investments. Profit for FY-17 of \$434.7 million was higher compared with the same period last year (FY-16: \$197.5 million) because of gain on sale of investments.

10.5 FEES AND OTHER INCOME

Fees and other income increased to \$23.7 million for Q4-17 and \$88.5 million for FY-17 (Q4-16: \$22.4 million, FY-16: \$82.5 million) from higher fee income from the Group's asset management arm, Lion Global Investors Limited.

10.6 BALANCE SHEET

10.6.1 Fair Value Reserve

As at 31 December 2017, fair value reserve was \$98.3 million, compared with \$65.5 million as at 31 December 2016. The increase was caused by unrealised fair value gains from Shareholders' Fund's Investments.

10.6.2 Debt Issued

in SGD (millions)	31 December 2017	31 December 2016
Subordinated fixed rate notes (unsecured)		
- payable after one year	399.7	399.6

10.6.3 Investments
Investments increased by 18% to \$68,918.9 million as at 31 December 2017 (31 December 2016: \$58,383.3 million), mainly arising from net purchases and fair value gains.

10.6.4 Asset allocation of life funds, excluding Investment-linked Funds, was as follows:

	SINGAPORE		MALAYSIA	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
Fixed income & debt securities	64%	63%	64%	70%
Equities	24%	26%	30%	23%
Real estate & others	6%	6%	3%	4%
Cash & money market instruments	6%	5%	3%	3%
Market Value of Assets (in SGD billions)	40.5	35.7	21.7	21.0

10.7 REGULATORY CAPITAL

The Capital Adequacy Ratios of the Group's insurance subsidiaries in both Singapore and Malaysia remain strong and well above their respective minimum regulatory levels.

11. SHARE CAPITAL

The Company's issued and paid up share capital as at 31 December 2017 was unchanged at \$152.7 million compared with 31 December 2016. Total number of shares issued as at 31 December 2017 also remained unchanged at 473,319,069 compared with 31 December 2016.

12. ACCOUNTING POLICIES

The accounting policies and methods of computation, adopted by the Group for the financial statements for FY-17, were consistent with the audited financial statements for the year ended 31 December 2016. The adoption of the other revised and new FRS and INT FRS which came into effect on 1 January 2017 did not have any material financial impact on the Group's results for FY-17.

13. AUDITED RESULTS

The consolidated Group's financial results for the financial year ended 31 December 2017 were audited by the Group's auditor. The Auditor's Report to the Members of Great Eastern Holdings Limited is appended.

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

The Group's performance may be affected by volatility in global financial markets. Over the longer term, the key indicators to watch are the direction of interest rates, equity prices and foreign exchange rates.

15. OTHER MATTERS

15.1 Rule 920(1) of the Listing Manual

GEH has not obtained a general mandate from shareholders for Interested Person Transactions.

15.2 Rule 704(13) of the Listing Manual

As at the financial year ended 31 December 2017, there were no persons occupying a managerial position in GEH or in any of its principal subsidiaries who are relatives of a director, chief executive officer or substantial shareholder of GEH.

15.3 Rule 720(1) of the Listing Manual

GEH has procured undertakings from all its directors and executive officers to comply with the listing requirements.

Issued: 12 February 2018

GREAT EASTERN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Great Eastern Holdings Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT EASTERN HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Great Eastern Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and the Company as at 31 December 2017, the profit and loss statements, statements of comprehensive income and the statements of changes in equity of the Group and the Company, the consolidated statement of cash flows, the life assurance revenue statement and general insurance revenue statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying balance sheets of the Group and the Company as at 31 December 2017, the profit and loss statements, statements of comprehensive income and the statements of changes in equity of the Group and the Company, the consolidated statement of cash flows, the life assurance revenue statement and general insurance revenue statement of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group, financial performance and changes in equity of the Company and financial performance of the insurance operations of the Group for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

GREAT EASTERN HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT
To the Members of Great Eastern Holdings Limited

KEY AUDIT MATTERS (continued)

Valuation of life insurance contract liabilities (continued)

As at 31 December 2017, the Group has \$62.2 billion of life insurance contract liabilities, which represents 80.9% of the Group's total liabilities. The valuation of life insurance contract liabilities involves significant judgement over uncertain future outcomes, including primarily the timing and occurrence of ultimate full settlement of life insurance contract liabilities. The Company uses valuation models and assumptions to support the calculations of the life insurance contract liabilities. The complexity of the models may give rise to errors as a result of inadequate/incomplete data or assumptions used or inappropriate design or application of the models. Economic assumptions such as investment return and interest rates, and non-economic assumptions such as mortality, morbidity, expenses, policyholders' behavior and claims experience are some of the key inputs used to estimate these life insurance contract liabilities. Changes in assumptions used may give rise to material impact to the valuation of these life insurance contract liabilities. On top of analysing historical experiences, significant management judgement is also involved in setting these assumptions.

We used internal actuarial specialists to assist us in performing the following procedures. Our audit procedures included, amongst others:

- ▶ assessing the processes and tested controls relating to the actuarial valuation process, including management's determination and approval process for setting of economic and non-economic actuarial assumptions;
- ▶ assessing the appropriateness of the actuarial valuation methodologies and assumptions used by the management against regulatory requirements and industry practices, where applicable;
- ▶ comparing assumptions used by management against the Group's experiences and market observable data, where applicable;
- ▶ assessing whether changes made to the actuarial models are in line with our understanding of business developments, and our expectations derived from the Group's or market experience;
- ▶ reviewing reasonableness of the actuarial reserves being set up by performing an analytical review on the results;
- ▶ reviewing a selection of the Group's independent testing of actuarial models used for reserve calculations.

Based on the work performed, we considered the valuation methodologies and the assumptions used to be appropriate.

We also considered whether the disclosures in relation to life insurance contract liabilities comply with the relevant disclosure requirements. The Group's disclosures related to life insurance liabilities are included in Note 2.9.4 (Life insurance contract liabilities), Note 2.32.1(a) (Critical accounting estimates and assumptions on liabilities of insurance business), Note 18 (note on Life Assurance Fund) and Note 36 (Insurance Risk). Accordingly, our review of the disclosures noted that they were in compliance with the relevant requirements.

Valuation of general insurance contract liabilities

As at 31 December 2017, the Group has \$194.6 million of general insurance contract liabilities, which represents 0.3% of the Group's total liabilities. General insurance contract liabilities, which include the Group's loss reserves and unexpired risk reserve, are determined based on previous claims experience, existing knowledge of events, the terms and conditions of the relevant policies and interpretation of circumstances. Estimates have to be made for both the expected ultimate cost of claims reported at the balance sheet date, and for the expected ultimate cost of claims incurred but not yet reported (IBNR) at the balance sheet date. The estimation of general insurance contract liabilities are sensitive to various factors and uncertainties. Significant management judgement is applied in setting these assumptions.

GREAT EASTERN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Great Eastern Holdings Limited

KEY AUDIT MATTERS (continued)

Valuation of general insurance contract liabilities (continued)

We used internal actuarial specialists to assist us in performing the following procedures. Our audit procedures included, amongst others:

- ▶ comparing the actuarial valuation methodologies and assumptions used by the management with industry data, and against recognised actuarial practices;
- ▶ reviewing the assumptions used by the Certifying Actuary and rationale for conclusions made thereon;
- ▶ assessing consistency of valuation methodologies applied against prior years;
- ▶ assessing whether changes made to the actuarial models are in line with our understanding of business developments, and our expectations derived from market experience; and
- ▶ performing independent analysis and re-computation of the general insurance contract liabilities of selected classes of business. We focused on the largest and most uncertain reserves. We compared our independent analysis to those performed by the management and enquired with management significant differences noted, if any.

Based on the work performed, we considered the methodology and assumptions used by management to be appropriate.

We considered whether the disclosures in relation to general insurance contract liabilities comply with the relevant disclosure requirements. The Group's disclosures related to general insurance liabilities are included in 2.9.5 (General insurance contract liabilities), Note 2.32.1(a) (Critical accounting estimates and assumptions on liabilities of insurance business), Note 17 (note on General insurance Fund) and Note 36 (Insurance Risk). Accordingly, our review of the disclosures noted that they were in compliance with the relevant requirements.

Valuation of financial investments

Financial instruments comprise mainly debt and equity investments. These instruments are measured at fair value with the corresponding fair value changes recognised in either other comprehensive income or, profit or loss. The valuation is performed by the Group using inputs which have been classified in accordance with the fair value hierarchy stated in FRS 113 – Fair Value Measurement. The fair value hierarchy is disclosed in Note 37.

The valuation of investments for the Level 2 and level 3 investments involves significant management judgement since these are valued based on inputs other than observable quoted prices. As such, we determined this to be significant to our audit. As at 31 December 2017, the Level 2 and Level 3 investments amounted to \$18.4 billion and \$1.2 billion respectively.

Our audit procedures focused on the valuation of these financial investments and included the following:

- ▶ assessing the processes and controls relating to valuation of these financial investments and their valuations review process ;
- ▶ performing independent valuations using external quotes where available, or with reference to alternative valuation methods used by other market participants on a sample of investments.

Overall, the results of our independent valuation are consistent with those of management's valuation.

We also assessed the adequacy of the related note disclosures, including valuation sensitivity analysis and fair value hierarchy. The Group's disclosures related to financial investments are included in Note 2.19 (Financial assets), Note 2.23 (Determination of fair value of financial instruments), Note 36 (note on Fair value of assets and liabilities). Accordingly, our review of the disclosures noted that they were in compliance with the relevant requirements.

GREAT EASTERN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Great Eastern Holdings Limited

KEY AUDIT MATTERS (continued)

Valuation of provision for tax and deferred taxation

As at 31 December 2017, the Group has recognised provision for tax and deferred tax liabilities of \$534.7 million and \$1,375.0 million respectively. The taxation rules and regulations governing the insurance industry are complex and evolving. There are many transactions and calculations for which the ultimate tax determination is uncertain as it involved significant management judgment in determining the deductibility of certain expenses during the estimation of provision for income taxes. The final tax outcome for open years of assessment may therefore be different from the amounts that were initially recorded and result in either tax refunds or further taxes to be imposed. As such, the valuation of the income tax is significant to our audit.

Our audit procedures included, amongst others:

- ▶ involving our internal tax experts in assessing the veracity of the bases used to determine the tax positions. We corroborated these bases with supporting evidence, historical accuracy of management's assumptions used and estimation process. We also assessed the historical accuracy of management's assumptions and estimation process;
- ▶ reviewing correspondences with the tax authorities to identify potential tax exposures; and
- ▶ assessing the adequacy of the Group's disclosures on provision for tax and deferred tax

Overall, the results of our evaluation of the Group's provision for tax and deferred tax are consistent with management's provision for tax and deferred tax.

The Group's disclosures related to provision for tax, and deferred taxation are included in Note 2.12 (Taxes), Note 9 (notes on Income tax). Our review of the disclosures noted that they were in compliance with the relevant requirements.

OTHER INFORMATION

Management is responsible for the other information. The other information consists of information included in the annual report other than the financial statements and our auditor's report thereon. We obtained all the other information prior to the date of our auditor's report and we expect to obtain the Key Figures, Letter to Shareholders, Financial Highlights, Embedded Value, Business Review – Singapore, Business Review – Malaysia, Business Review – Emerging Markets, Corporate Governance Report, Additional Information, Shareholding Statistics and Sustainability report, collectively, "Other Reports", after the date of our auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

GREAT EASTERN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Great Eastern Holdings Limited

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GREAT EASTERN HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Great Eastern Holdings Limited

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mak Keat Meng.

Ernst + Young LLP

Ernst & Young LLP

Public Accountants and Chartered Accountants

Singapore

12 February 2018