

Guthrie GTS Limited
FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3) HALF-YEAR AND FULL YEAR RESULTS

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011

The Directors of Guthrie GTS Limited wish to announce the following unaudited results of the Group for the first quarter ended 31 March 2011.

1(a)(i) *An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year*

INCOME STATEMENT (in \$'000)

	<u>1Q11</u>	<u>1Q10</u>	<u>% change</u>
Revenue	72,804	59,768	21.8%
Cost of sales	<u>(50,607)</u>	<u>(38,977)</u>	29.8%
Gross profit	22,197	20,791	6.8%
Other gains - net	2,101	1,709	22.9%
Fair value gains on investment properties	59,751	15,538	284.5%
Expenses			
Distribution	(825)	(659)	25.2%
Administrative	(10,303)	(8,323)	23.8%
Finance	(3,262)	(3,308)	-1.4%
Other operating	(588)	(532)	10.5%
Share of profit of associates, net of tax	464	274	69.3%
Profit before income tax	69,535	25,490	172.8%
Income tax expense	<u>(12,701)</u>	<u>(3,556)</u>	257.2%
Net profit	<u>56,834</u>	<u>21,934</u>	159.1%
<u>Net profit attributable to:</u>			
Equity holders of the Company (See Note below)	55,609	21,809	155.0%
Non-controlling interest	<u>1,225</u>	<u>125</u>	880.0%
	<u>56,834</u>	<u>21,934</u>	159.1%
<u>Analysis of net profit attributable:</u>			
Operations	7,497	7,743	-3.2%
Fair value gains on investment properties	<u>48,112</u>	<u>14,066</u>	242.0%
	<u>55,609</u>	<u>21,809</u>	155.0%

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1(a)(i) *An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year (continued)*

STATEMENT OF COMPREHENSIVE INCOME (in \$'000)

	<u>1Q11</u>	<u>1Q10</u>
Net profit	56,834	21,934
Other Comprehensive income, after tax:		
Financial assets, available-for-sale		
- Fair value gains	815	1,293
Cash flow hedges		
- Fair value gains/(losses)	102	(619)
Share of other comprehensive income of an associate	(20)	(47)
Currency translation differences	1,521	2,455
Other comprehensive income, net of tax	<u>2,418</u>	<u>3,082</u>
Total comprehensive income for the period	<u>59,252</u>	<u>25,016</u>
Total comprehensive income attributable to:		
Equity holders of the Company	57,671	24,320
Minority interest	1,581	696
	<u>59,252</u>	<u>25,016</u>

1(a)(ii) *Profit before tax is arrived at after (charging)/crediting the following significant items (in \$'000):*

	<u>1Q11</u>	<u>1Q10</u>
Finance income	789	697
Foreign exchange losses - net	(228)	(359)
(Losses)/gains on disposal of investment properties and property, plant and equipment - net	(90)	425
Amortisation and depreciation	(2,327)	(2,305)
Net allowance for doubtful debts and bad debts written-off	(182)	(126)

1(a)(iii) *The income tax expense is arrived at after (charging)/crediting the following significant items (in \$'000):*

Not applicable.

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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEETS (in \$'000)	The Group		The Company	
	31-Mar-11	31-Dec-10	31-Mar-11	31-Dec-10
Current assets				
Cash and cash equivalents	182,857	207,398	35,617	67,440
Trade and other receivables	49,295	46,088	12,126	10,662
Contract work-in-progress and inventories	12,495	2,348	-	-
Financial assets, available-for-sale	4,460	4,525	-	-
Derivative financial instruments	-	40	-	-
Financial assets, at fair value through profit or loss	104	110	-	-
Investment properties held for sale	108,000	-	-	-
Development property	163,857	155,854	-	-
Deposits and prepayments	3,325	15,872	22	436
	524,393	432,235	47,765	78,538
Non-current assets				
Other receivables, prepayments and deposits	17,282	17,294	504,400	473,109
Financial assets, available-for-sale	86,735	85,920	-	-
Investments in associates	55,313	55,207	2,987	2,987
Investments in joint ventures	-	-	6,255	6,255
Investments in subsidiaries	-	-	76,023	76,028
Investment properties	820,251	755,341	-	-
Property, plant and equipment	77,208	77,351	719	265
Deferred income tax assets	639	493	-	-
	1,057,428	991,606	590,384	558,644
Total assets	1,581,821	1,423,841	638,149	637,182
Current liabilities				
Trade and other payables	100,697	95,182	13,120	14,645
Current income tax liabilities	12,767	11,710	2,859	2,826
Borrowings	9,000	10,358	2,500	2,500
Derivative financial instruments	597	666	-	-
Provisions for warranties	2,676	2,708	-	-
	125,737	120,624	18,479	19,971
Non-current liabilities				
Borrowings	496,866	417,688	42,000	42,000
Other payables and liabilities	33,857	30,364	166,500	166,500
Derivative financial instruments	2,230	2,279	-	-
Deferred income tax liabilities	75,604	64,611	-	-
	608,557	514,942	208,500	208,500
Total liabilities	734,294	635,566	226,979	228,471
Net assets	847,527	788,275	411,170	408,711
Capital and reserves attributable to equity holders of the Company				
Share capital	244,405	244,405	244,405	244,405
Revaluation and other reserves	43,558	41,496	134,150	134,150
Retained earnings	533,109	477,500	32,615	30,156
	821,072	763,401	411,170	408,711
Non-controlling interest	26,455	24,874	-	-
Total equity	847,527	788,275	411,170	408,711

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1(b)(ii) *In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:*

(a) **Amount repayable in one year or less, or on demand (in \$'000)**

	<u>31-Mar-11</u>	<u>31-Dec-10</u>
Secured	6,500	7,858
Unsecured	2,500	2,500
Total	<u>9,000</u>	<u>10,358</u>

(b) **Amount repayable after one year (in \$'000)**

	<u>31-Mar-11</u>	<u>31-Dec-10</u>
Secured	496,866	417,688
Total	<u>496,866</u>	<u>417,688</u>

(c) **Details of collaterals**

The following assets of the Group were mortgaged to lenders as security for credit facilities for the Company and the Group (in \$'000):

	<u>31-Mar-11</u>	<u>31-Dec-10</u>
Investment properties	813,316	748,738
Investment properties held for sale	108,000	-
Property, plant and equipment	49,286	49,429
Development property	163,857	155,854
Total	<u>1,134,459</u>	<u>954,021</u>

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1(c) *A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.*

CONSOLIDATED CASHFLOW STATEMENTS (IN \$'000)

	<u>1Q11</u>	<u>1Q10</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	69,535	25,490
Non-cash items	(54,961)	(11,343)
Change in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries:		
- Trade and other receivables	9,340	1,008
- Inventories and contract work-in-progress	(10,147)	3,113
- Development property - current	(7,972)	-
- Financial assets, at fair value through profit or loss	7	1
- Trade and other payables	3,931	(8,492)
- Other payables - non-current	3,587	1,294
Income tax paid - net	(931)	(1,167)
Net cash generated from operating activities	<u>12,389</u>	<u>9,904</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	297	44
Purchases of property, plant and equipment	(1,940)	(1,153)
Payments from/(to) associates	419	(2,288)
Dividends received from an associate	369	369
Proceeds from partial disposal of investment properties	-	3,300
Expenditure on investment properties	(112,436)	(410)
Other receivables - non-current	13	(72)
Interest received	789	697
Net cash (used in)/generated from investing activities	<u>(112,489)</u>	<u>487</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	78,188	-
Repayments of borrowings	(563)	(563)
Fixed deposits pledged for secured borrowings	(1,751)	-
Interest paid	(1,813)	(1,611)
Net cash generated from/(used in) financing activities	<u>74,061</u>	<u>(2,174)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(26,039)</u>	<u>8,217</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>201,701</u>	<u>164,767</u>
Effects of currency translation differences on cash and cash equivalents	(145)	130
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	<u>175,517</u>	<u>173,114</u>

Note: Cash and cash equivalents are net of restricted cash of \$7,340,178 (31 March 2010: \$5,584,936).

Guthrie GTS Limited**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

1(d)(i) *A statement (for the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.*

STATEMENT OF CHANGES IN EQUITY (in \$'000)

Group - 1Q11	Share capital	Fair value reserve	Revaluation and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2011	244,405	56,383	(14,887)	477,500	763,401	24,874	788,275
Total comprehensive income for the period	-	815	1,247	55,609	57,671	1,581	59,252
Balance at 31 March 2011	244,405	57,198	(13,640)	533,109	821,072	26,455	847,527

Group - 1Q10

Balance at 1 January 2010	244,405	48,993	(10,175)	374,404	657,627	23,598	681,225
Total comprehensive income for the period	-	1,293	1,218	21,809	24,320	696	25,016
Balance at 31 March 2010	244,405	50,286	(8,957)	396,213	681,947	24,294	706,241

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1(d)(i) *(continued)*

STATEMENT OF CHANGES IN EQUITY (in \$'000)

Company - 1Q11	Share capital	Revaluation and other reserves	Retained earnings	Total equity
Balance at 1 January 2011	244,405	134,150	30,156	408,711
Total comprehensive income for the period	-	-	2,459	2,459
Balance at 31 March 2011	244,405	134,150	32,615	411,170

Company - 1Q10

Balance at 1 January 2010	244,405	133,854	14,152	392,411
Total comprehensive income for the period	-	163	6,323	6,486
Balance at 31 March 2010	244,405	134,017	20,475	398,897

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- 1(d)(ii) *Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.*

SHARE CAPITAL - No shares were issued during the quarter.

Total outstanding shares under options were nil at 31 March 2011 (31 March 2010: Nil) under the Guthrie GTS Share Option Scheme (2002).

- 1(d)(iii) *To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.*

The number of issued ordinary shares of the Company as at 31 March 2011 and at 31 December 2010 is 1,077,937,731.

- 1(d)(iv) *A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.*

Not applicable as the Company does not have any treasury shares.

- 2 *Whether the figures have been audited, or reviewed, and in accordance with which auditing standard or practice.*

AUDIT - The figures have not been audited nor reviewed by the Company's auditors.

- 3 *Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).*

AUDITORS' REPORT - Not applicable.

- 4 *Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied*

ACCOUNTING POLICIES – The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the financial year ended 31 December 2010 except as disclosed in item 5.

- 5 *If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.*

CHANGES IN ACCOUNTING POLICIES

Amendments to FRS 24 – Related party disclosures (effective for annual periods beginning on or after 1 January 2011)

The amendment clarifies and simplifies the definition of a related party. However, the revised definition of a related party will also mean that some entities will have more related parties and will be required to make additional disclosures.

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5 (continued)

INT FRS 115 – Agreements for the Construction of Real Estate (effective for annual periods beginning on or after 1 January 2011)

The interpretation clarifies whether FRS 18 ‘Revenue’ or FRS 11 ‘Construction Contracts’ should be applied to particular transactions. Contracts accounted for under FRS 18 are regarded as agreements for the rendering of services if the developer is not required to acquire and supply construction materials and as such not within the scope of FRS 11. Such contracts are accounted for using the percentage-of-completion method if the relevant criteria in FRS 18 are met. Other contracts are regarded as contracts for the sale of goods. The percentage-of-completion method applies to such contracts only when the developer transfers both control and significant risks and rewards of ownership of the work-in-progress as construction progresses. Otherwise, revenue is recognised only at the point where control and significant risks and rewards transfer to the buyer, typically, when the property is delivered to the buyer.

The amendments to the above FRS did not have any significant impact to the Group’s financial statements for the current quarter but management will evaluate the impact in the subsequent quarterly reporting.

6 *Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.*

EARNINGS PER ORDINARY SHARE of the Group for the financial period based on profit attributable to equity holders

	<u>1Q11</u>	<u>1Q10</u>
(a) Based on weighted average number of shares (cents)	5.16	2.02
- Weighted average number of shares (*000)	<u>1,077,937</u>	<u>1,077,937</u>
(b) On a fully diluted basis (cents)	5.16	2.02
- Adjusted weighted average number of shares (*000)	<u>1,077,937</u>	<u>1,077,937</u>

7 *Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year*

NET ASSET VALUE PER ORDINARY SHARE

	<u>31 March 11</u>		<u>31 December 10</u>	
	Group	Company	Group	Company
Net asset value per ordinary share based on issued capital at the end of the financial year (cents)	<u>76</u>	<u>38</u>	<u>71</u>	<u>38</u>

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- 8 *A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.*

1Q11 v. 1Q10

Group revenue for 1Q11 of \$72.8 million was 21.8% higher than 1Q10. All divisions contributed to the higher revenue, in particular the Engineering Division.

Gross profit for 1Q11 at \$22.2 million was 6.8% higher as compared to 1Q10. While the Property and Leisure Divisions achieved higher gross profit, this was partly offset by the lower contribution from the Engineering Division.

Fair value gains on investment properties for 1Q11 amounted to \$59.8 million as compared to \$15.5 million in 1Q10. These gains were mainly contributed by Jurong Point Shopping Centre (\$27.58 million), Wisma Nusantara, Jakarta (\$6.22 million) and the 163 office and retail units at The Adelphi acquired in January 2011 (\$23.17 million).

The office units at The Adelphi are owned through the subsidiaries of a 50% joint venture company, Guthrie-SV Pte Ltd. A sale programme of these office units commenced during the quarter. To date options for 23 office units have been granted and the completion for these transactions are scheduled to take place from June 2011 onwards. The financial effects of these and any subsequent divestments, to the extent that it is not already reflected in the fair value gain/(loss), currently or in the future, will be reflected in the Group's financial statements upon completion.

Total distribution and administrative expenses increased by about 23.9% as compared to 1Q10. This was due mainly to higher manpower expenses.

For 1Q11, the Group recorded a profit before income tax of \$69.5 million as compared to \$25.5 million for 1Q10, an increase of 172.8%.

Profit attributable to equity holders in 1Q11 increased 155% to \$55.6 million, from \$21.8 million in 1Q10. Attributable profit before fair value gains on investment properties was 3.2% lower as compared to 1Q10.

Balance Sheet

As at 31 March 2011, the investment properties held for sale under current assets of \$108 million is in respect of the 86 office units at The Adelphi carried at fair value.

During the quarter, the Group's investment properties increased by \$64.9 million due mainly to fair value gain and the acquisition of 77 retail units at The Adelphi in January 2011.

The desk-top valuation reports for the Group's major investment properties are available for inspection during normal office hours at the Company's registered office.

Cash flows

During the quarter ended 31 March 2011, the net cash generated from its operating and financing activities were \$12.4 million and \$74.1 million respectively.

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8 *(continued)*

Net cash used in investing activities of \$112.5 million was mainly due to our 50% share in the acquisition of 163 office and retail units at The Adelphi.

The increase in the Group's borrowings of \$78.2 million as at 31 March 2011 was mainly to fund our 50% share in the acquisition of 163 office and retail units at The Adelphi.

The Group's cash and cash equivalents as at 31 March 2011 decreased by \$26 million from 31 December 2010.

9 *Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.*

The Company did not disclose to shareholders a forecast for the current financial period.

10 *A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months*

The Group's Property Division remains confident of maintaining the current level of occupancy and rental rates in its major retail properties.

The operating conditions of the Group's Engineering and Leisure Divisions remain highly competitive and challenging for the year ahead.

11 *If a decision regarding dividend has been made.*

DIVIDEND – Not applicable

12 *If no dividend has been declared (recommended), a statement to that effect.*

No dividend has been declared/recommended for the first quarter ended 31 March 2011 (31 March 2010: Nil).

BY ORDER OF THE BOARD

JEROME JANSEN

Company Secretary

13 May 2011

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CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

We, being two of the Directors of Guthrie GTS Ltd (“the Company”), do hereby confirm on behalf of the Board of Directors 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 financial statements for the first quarter ended 31 March 2011 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

BEN YEO CHEE SEONG
Director

HARRY ONG KIM SENG
Director

13 May 2011