

Guthrie GTS Limited
FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

UNAUDITED RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2011

The Directors of Guthrie GTS Limited wish to announce the following unaudited results of the Group for the third quarter ended 30 September 2011.

1(a)(i) *An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year*

INCOME STATEMENT (in \$'000)

	<u>3Q11</u>	<u>3Q10</u>	<u>% change</u>	<u>9M11</u>	<u>9M10</u>	<u>% change</u>
Revenue	75,355	83,234	-9.5%	207,977	210,303	-1.1%
Cost of sales	(45,151)	(57,780)	-21.9%	(134,731)	(141,540)	-4.8%
Gross profit	30,204	25,454	18.7%	73,246	68,763	6.5%
Other gains - net	698	1,314	-46.9%	5,251	4,308	21.9%
Fair value gains on investment properties	19,140	17,483	9.5%	144,814	48,532	198.4%
Expenses						
Distribution	(1,277)	(470)	171.7%	(3,774)	(1,702)	121.7%
Administrative	(8,697)	(9,161)	-5.1%	(30,103)	(25,767)	16.8%
Finance	(4,279)	(3,280)	30.5%	(10,821)	(9,900)	9.3%
Other operating	-	(1,577)	-100.0%	(326)	(2,347)	-86.1%
Share of profit of associates, net of tax	2,493	(140)	n.m.	3,625	845	329.0%
Profit before income tax	38,282	29,623	29.2%	181,912	82,732	119.9%
Income tax expense	(7,465)	(3,150)	137.0%	(32,653)	(11,929)	173.7%
Net profit	30,817	26,473	16.4%	149,259	70,803	110.8%
Net profit attributable to:						
Equity holders of the Company (See Analysis below)	30,418	25,368	19.9%	148,376	69,171	114.5%
Non-controlling interest	399	1,105	-63.9%	883	1,632	-45.9%
	30,817	26,473	16.4%	149,259	70,803	110.8%
Analysis of net profit attributable:						
Operations other than fair value gains	13,696	11,520	18.9%	35,184	30,610	14.9%
Fair value gains on investment properties (Note 1)	14,871	13,848	7.4%	111,341	38,561	188.7%
Share of an associate's fair value gain on an investment property	1,851	-	n.m.	1,851	-	n.m.
	30,418	25,368	19.9%	148,376	69,171	114.5%

n.m.: not meaningful

Note 1: Includes fair value gains on investment properties already disposed amounting to \$5,880,000 for 3Q11 (3Q10: Nil) and \$10,927,000 for 9M11 (9M10: Nil).

1(a)(i) *An income statement and statement of comprehensive income, or a statement of comprehensive income, 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>3Q11</u>	<u>3Q10</u>	<u>9M11</u>	<u>9M10</u>
Net profit	30,817	26,473	149,259	70,803
Other Comprehensive income, after tax:				
Financial assets, available-for-sale				
- Fair value gains	1,774	184	3,725	2,285
Cash flow hedges				
- Fair value losses	(1,532)	(598)	(1,603)	(1,565)
Share of other comprehensive income of an associate	(2)	(56)	(25)	(187)
Currency translation differences	140	(4,575)	917	(1,385)
Other comprehensive income, net of tax	380	(5,045)	3,014	(852)
Total comprehensive income for the period	31,197	21,428	152,273	69,951
Total comprehensive income attributable to:				
Equity holders of the Company	30,815	21,387	151,198	69,007
Non-controlling interest	382	41	1,075	944
	31,197	21,428	152,273	69,951

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

	<u>3Q11</u>	<u>3Q10</u>	<u>9M11</u>	<u>9M10</u>
Finance income	875	725	2,489	2,113
Foreign exchange gains/(losses) - net	221	(311)	(87)	(644)
Gains/(losses) on disposal of plant and equipment - net	7	96	(144)	574
Amortisation and depreciation	(2,565)	(2,979)	(7,222)	(7,461)
Net write-back/(allowance) for doubtful debts and bad debts written-off	80	(107)	103	(451)

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

Reversal of deferred income tax liabilities upon disposal of an investment property	-	2,081	-	1,171
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1(b)(i) A statement of financial position (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	
	30-Sep-11	31-Dec-10	30-Sep-11	31-Dec-10
Current assets				
Cash and cash equivalents	182,414	207,398	19,592	67,440
Trade and other receivables	43,972	46,088	3,982	10,662
Contract work-in-progress and inventories	10,269	2,348	-	-
Financial assets, available-for-sale	96,892	4,525	-	-
Derivative financial instruments	22	40	-	-
Financial assets, at fair value through profit or loss	95	110	-	-
Investment properties held for sale	86,730	-	-	-
Development property	192,324	155,854	-	-
Deposits and prepayments	4,080	15,872	27	436
	616,798	432,235	23,601	78,538
Non-current assets				
Other receivables, prepayments and deposits	36,815	17,294	507,741	473,109
Financial assets, available-for-sale	100	85,920	-	-
Investments in associates	56,619	55,207	2,987	2,987
Investments in joint ventures	-	-	6,255	6,255
Investments in subsidiaries	-	-	76,214	76,028
Investment properties	1,047,263	755,341	-	-
Property, plant and equipment	75,061	77,351	672	265
Deferred income tax assets	562	493	-	-
	1,216,420	991,606	593,869	558,644
Total assets	1,833,218	1,423,841	617,470	637,182
Current liabilities				
Trade and other payables	181,116	95,182	17,424	14,645
Current income tax liabilities	10,478	11,710	1,863	2,826
Borrowings	51,000	10,358	44,500	2,500
Derivative financial instruments	516	666	-	-
Provisions for warranties	3,951	2,708	-	-
	247,061	120,624	63,787	19,971
Non-current liabilities				
Borrowings	542,582	417,688	-	42,000
Other payables and liabilities	36,180	30,364	166,500	166,500
Derivative financial instruments	4,448	2,279	-	-
Deferred income tax liabilities	89,347	64,611	-	-
	672,557	514,942	166,500	208,500
Total liabilities	919,618	635,566	230,287	228,471
Net assets	913,600	788,275	387,183	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	44,318	41,496	134,150	134,150
Retained earnings	598,928	477,500	8,628	30,156
	887,651	763,401	387,183	408,711
Non-controlling interest	25,949	24,874	-	-
Total equity	913,600	788,275	387,183	408,711

1(b)(ii) *In relation to the aggregate amount of the 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>30-Sep-11</u>	<u>31-Dec-10</u>
Secured	48,500	7,858
Unsecured	2,500	2,500
Total	<u>51,000</u>	<u>10,358</u>

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

	<u>30-Sep-11</u>	<u>31-Dec-10</u>
Secured	542,582	417,688
Total	<u>542,582</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>30-Sep-11</u>	<u>31-Dec-10</u>
Investment properties	1,039,993	748,738
Investment properties held for sale	86,730	-
Property, plant and equipment	48,085	49,429
Development property	192,324	155,854
Total	<u>1,367,132</u>	<u>954,021</u>

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

CONSOLIDATED CASHFLOW STATEMENTS (IN \$'000)

	3Q11	3Q10	9M11	9M10
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	38,282	29,623	181,912	82,732
Non-cash items	(16,637)	(12,290)	(133,026)	(35,736)
Change in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries:				
- Trade and other receivables	(2,672)	21,898	16,581	9,847
- Inventories and contract work-in-progress	1,845	(4,642)	(7,921)	(556)
- Development property - current	(19,601)	(112,652)	(36,368)	(154,347)
- Financial assets, at fair value through profit or loss	2	(5)	15	(2)
- Trade and other payables	46,551	9,920	81,267	(379)
- Other payables - non-current	1,664	(17,160)	5,235	902
Income tax paid - net	(5,614)	(3,004)	(13,176)	(8,558)
Net cash generated from/(used in) operating activities	43,820	(88,312)	94,519	(106,097)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	244	73	507	136
Purchases of property, plant and equipment	(1,582)	(2,399)	(5,027)	(5,776)
Capital reduction in an associate	770	-	770	-
Repayment of loan from an associate	830	-	830	-
Payments from/(to) associates	86	315	728	(1,623)
Dividends received from associates	1,080	-	1,449	369
Payments for financial assets, available-for-sale	(2,500)	-	(2,600)	-
Proceeds from partial disposal of investment properties	28,712	24,476	48,327	31,973
Acquisition and expenditure on investment properties	(642)	(456)	(113,533)	(857)
Other receivables - non-current	(2,803)	60	(20,124)	71
Net cash outflow from acquisition of additional shares in a joint venture	-	-	(102,141)	-
Dividends received	3	832	3	832
Interest received	825	725	2,489	2,113
Net cash generated from/(used in) investing activities	25,023	23,626	(188,322)	27,238
CASH FLOWS FROM FINANCING ACTIVITIES				
Subscription of shares by a non-controlling shareholder	-	400	-	400
Proceeds from borrowings	111,500	123,000	306,491	123,000
Repayments of borrowings	(184,552)	(563)	(201,551)	(1,688)
Payment for transaction costs relating to borrowings	(995)	-	(995)	-
Fixed deposits pledged to a security trustee	(553)	-	(2,286)	-
Interest paid	(2,020)	(1,897)	(8,192)	(7,517)
Loan from a non-controlling shareholder of a subsidiary	-	16,755	-	16,755
Dividends paid to equity holders of the Company	-	-	(26,948)	(13,474)
Net cash (used in)/generated from financing activities	(76,620)	137,295	66,519	117,476
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(7,727)	73,009	(27,284)	38,617
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	179,929	130,623	199,950	164,767
Effects of currency translation differences on cash and cash equivalents	585	(1,035)	121	(787)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	172,787	202,597	172,787	202,597

Note: Cash and cash equivalents are net of restricted cash of \$9,627,000 (30 September 2010: \$5,585,000).

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 - 3Q11	Share capital	Fair value reserve	Revaluation and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 July 2011	244,405	58,334	(14,413)	568,510	856,836	25,567	882,403
Total comprehensive income for the period	-	1,774	(1,377)	30,418	30,815	382	31,197
Balance at 30 September 2011	244,405	60,108	(15,790)	598,928	887,651	25,949	913,600

Group - 3Q10

Balance at 1 July 2010	244,405	51,094	(8,459)	404,733	691,773	24,501	716,274
Contribution from non-controlling interest	-	-	-	-	-	400	400
Total comprehensive income for the period	-	184	(4,165)	25,368	21,387	41	21,428
Balance at 30 September 2010	244,405	51,278	(12,624)	430,101	713,160	24,942	738,102

Group - 9M11	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	-	3,725	(903)	148,376	151,198	1,075	152,273
Dividends relating to 2010 paid	-	-	-	(26,948)	(26,948)	-	(26,948)
Balance at 30 September 2011	244,405	60,108	(15,790)	598,928	887,651	25,949	913,600

Group - 9M10

Balance at 1 January 2010	244,405	48,993	(10,175)	374,404	657,627	23,598	681,225
Contribution from non-controlling interest	-	-	-	-	-	400	400
Total comprehensive income for the period	-	2,285	(2,449)	69,171	69,007	944	69,951
Dividends relating to 2009 paid	-	-	-	(13,474)	(13,474)	-	(13,474)
Balance at 30 September 2010	244,405	51,278	(12,624)	430,101	713,160	24,942	738,102

1(d)(i) (continued)

STATEMENT OF CHANGES IN EQUITY (in S'000)

Company - 3Q11	Share capital	Revaluation and other reserves	Retained earnings	Total equity
Balance at 1 July 2011	244,405	134,150	7,625	386,180
Total comprehensive income for the period	-	-	1,003	1,003
Balance at 30 September 2011	244,405	134,150	8,628	387,183

Company - 3Q10

Balance at 1 July 2010	244,405	134,064	10,219	388,688
Total comprehensive income for the period	-	86	8,995	9,081
Balance at 30 September 2010	244,405	134,150	19,214	397,769

Company - 9M11	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	-	-	5,420	5,420
Dividend relating to 2010 paid	-	-	(26,948)	(26,948)
Balance at 30 September 2011	244,405	134,150	8,628	387,183

Company - 9M10

Balance at 1 January 2010	244,405	133,854	14,152	392,411
Total comprehensive income for the period	-	296	18,536	18,832
Dividend relating to 2009 paid	-	-	(13,474)	(13,474)
Balance at 30 September 2010	244,405	134,150	19,214	397,769

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 30 September 2011 (30 September 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 30 September 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

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.

- 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

	3Q11	3Q10	9M11	9M10
(a) Based on weighted average number of shares (cents)	2.82	2.35	13.76	6.42
- Weighted average number of shares ('000)	1,077,937	1,077,937	1,077,937	1,077,937
(b) On a fully diluted basis (cents)	2.82	2.35	13.76	6.42
- Adjusted weighted average number of shares ('000)	1,077,937	1,077,937	1,077,937	1,077,937

- 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

	30 September 2011		31 December 10	
	Group	Company	Group	Company
Net asset value per ordinary share based on issued capital at the end of the financial year (cents)	82	36	71	38

- 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 financial period reported on.*

3Q11 vs 3Q10

Group revenue for 3Q11 of \$75.4 million was 9.5% lower compared to 3Q10, due mainly to the lower revenue recorded by the Engineering Division but partly offset by higher revenues achieved by the Property and Leisure Divisions.

Gross profit for 3Q11 of \$30.2 million was 18.7% higher compared to 3Q10. The Property and Leisure Divisions contributed higher profits but these were partly offset by a lower contribution from the Engineering Division.

Fair value gains on investment properties for 3Q11 amounted to \$19.1 million compared to \$17.5 million in 3Q10. These gains were mainly contributed by Jurong Point Shopping Centre (\$5.1 million), the office and retail units at The Adelphi (\$4.9 million), Guthrie House (\$3.5 million) and Wisma Nusantara, Jakarta (\$3.9 million).

Total distribution and administrative expenses in 3Q11 were 3.6% higher compared to 3Q10. These were due mainly to higher marketing expenses.

Group finance expenses in 3Q11 were 30.5% higher than the comparative period in 3Q10 due mainly to a higher level of borrowings.

For 3Q11, the Group recorded a profit before income tax of \$38.3 million compared to \$29.6 million in 3Q10, an increase of 29.2%.

During the quarter ended 30 September 2011, the income tax expense of \$7.5 million represented an effective tax rate of about 19.5%.

Profit attributable to equity holders in 3Q11 increased 19.9% to \$30.4 million from \$25.4 million in 3Q10. Attributable profit before fair value gains on investment properties increased 18.9% to \$13.7 million from \$11.5 million in 3Q10.

9M11 vs 9M10

Group revenue for 9M11 of \$208 million was 1.1% lower compared to 9M10. While the Property and Leisure Divisions recorded higher revenues, these were offset by the lower revenue of the Engineering Division.

Gross profit \$73.2 million for 9M11 was 6.5% higher than 9M10. Both the Property and Leisure Divisions contributed higher profit but these were partly offset by lower contribution from the Engineering Division.

Fair value gains on investment properties for 9M11 amounted to \$144.8 million compared to \$48.5 million in 9M10. These gains were mainly contributed by Jurong Point Shopping Centre (\$74.4 million), the office and retail units at The Adelphi (\$45.6 million), Guthrie House (\$8.8 million) and Wisma Nusantara, Jakarta (\$9.7 million).

Total distribution and administrative expenses for 9M11 were 23.3% higher compared to 9M10 due mainly to higher manpower and marketing costs.

Group finance expenses in 9M11 were 9.3% higher than the comparative period in 9M10 due mainly to higher level of borrowings.

For the 9-month period ended 30 September 2011, the Group recorded a 119.9% increase in profit before income tax of \$181.9 million compared to \$82.7 million in 9M10.

Income tax expense of \$32.7M for 9M11 represented an effective tax rate of about 17.9%.

Profit attributable to equity holders increased 114.5% in 9M11 to \$148.4 million from \$69.2 million in 9M10.

Balance Sheet

Under current assets, the increase in financial assets, available-for-sale as at 30 September 2011 compared to 31 December 2010, was due to the reclassification of the investments in Asian Retail Mall Limited (“ARML”) and Asian Retail Mall II Limited (“ARML II”) from non-current assets to current assets. This reclassification follows the execution of an agreement in October 2011 for the realisation of the Company’s investments in ARML and ARML II.

As at 30 September 2011, the investment properties held for sale under current assets of \$86.7 million consisted of 59 office and 10 retail units at The Adelphi, carried at fair value.

The increase in investment properties between 31 December 2010 and 30 September 2011 was due mainly to: (i) fair value gains on investment properties; (ii) increase in its share of Jurong Point 2 upon the acquisition of an additional 25% effective interest; and (iii) 64 retail units in The Adelphi currently held for investment. The desk-top valuation reports for the major properties are available for inspection during normal office hours at the Company’s registered office.

8 (continued)

Balance Sheet (continued)

The increase in total trade and other payables as at 30 September 2011 compared to 31 December 2010, was due mainly to the progress payments received from the Adora Green development.

For current liabilities, the increase in bank borrowings was due mainly to a reclassification of a loan from non-current.

For non-current liabilities, the increase in borrowings was due mainly to: (i) proportionate share of the borrowings (net of part repayments) of a 50-50 joint venture which acquired the office and retail units in The Adelphi; and (ii) increase in the proportionate share of the borrowings upon the acquisition of an additional 25% effective interest of a joint venture which owns Jurong Point 2. These increases were partly offset by the partial repayment of bank facilities granted to a public housing development project under the HDB design, build and sell scheme, Adora Green and a reclassification of a loan to current liabilities.

Deferred tax liabilities as at 30 September 2011 were higher due mainly to provision for deferred tax on the fair value gains on investment properties and investment properties held for sale.

Cash flows

The Group generated \$94.5 million and \$66.5 million of cash in its operating and financing activities respectively for 9M11. However, investing activities utilised \$188.3 million, resulting in a net decrease in cash and cash equivalents of \$27.3 million. The main investing activities in 9M11 were the acquisition of: (i) the office and retail units in The Adelphi; (ii) our 10% proportionate share for a commercial development project at Paya Lebar; and (iii) the acquisition of an additional 25% effective interest in a joint venture which owns Jurong Point 2. These were partly offset by proceeds from the partial disposals of certain office and retail units in The Adelphi. The net cash generated from financing activities was derived mainly from the drawdown of new bank facilities net of repayment of borrowings, the payment of dividends to the Company's shareholders and interest payment.

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 business operating environment remains uncertain in the light of the volatile global financial situation.

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 competitive and challenging for the year ahead.

On 11 October 2011, the Company announced that its subsidiaries entered into an agreement for the realisation of its investments in ARML, ARML II and ARMF II (Tampines) Pte Ltd ("ARMF II Tampines").

The Company's investments in ARML and ARML II are carried under financial assets, available-for-sale in the consolidated balance sheet. The accumulated fair value reserves and any further gain on realisations in respect of the assets comprised in Stage 1 (as specified in the announcement dated 11 October 2011) will be accounted for in the consolidated income statements in 4Q11.

The investment in ARMF II Tampines, a 20% associate, is accounted for in the consolidated financial statements using the equity method of accounting. With effect from 10 October 2011, ARMF II Tampines ceased to be an associate of the Company and any gain on realisation of this associate will be recognised in the consolidated financial statements in 4Q11.

- 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 second quarter ended 30 September 2011 (30 September 2010: Nil).

- 13 *If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"). The aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.*

Not applicable – No general mandate

14 *Negative confirmation pursuant to Rule 705(5).*

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 third quarter ended 30 September 2011 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

BEN YEO CHEE SEONG
Director

HARRY ONG KIM SENG
Director

BY ORDER OF THE BOARD

JEROME JANSEN
Company Secretary

11 November 2011