

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 FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2010

The Directors of Guthrie GTS Limited wish to announce the following unaudited results of the Group for the financial year ended 31 December 2010.

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 S'000)

	<u>4Q10</u>	<u>4Q09</u>	<u>% change</u>	<u>2010</u>	<u>2009</u>	<u>% change</u>
Revenue	84,760	82,770	2.4%	295,063	423,291	-30.3%
Cost of sales	(51,523)	(57,600)	-10.6%	(193,063)	(325,041)	-40.6%
Gross profit	33,237	25,170	32.1%	102,000	98,250	3.8%
Other gains - net	2,004	1,412	41.9%	6,312	4,688	34.6%
Fair value gains on investment properties	22,935	15,994	43.4%	71,467	4,749	n.m.
Expenses						
Distribution	(755)	(864)	-12.6%	(2,457)	(3,095)	-20.6%
Administrative	(8,026)	(6,467)	24.1%	(33,793)	(28,934)	16.8%
Finance	(3,153)	(3,752)	-16.0%	(13,053)	(12,823)	1.8%
Other operating	(1,027)	(739)	39.0%	(3,374)	(4,692)	-28.1%
Share of profit of associates, net of tax	7,624	3,917	94.6%	8,469	17,901	-52.7%
Profit before income tax	52,839	34,671	52.4%	135,571	76,044	78.3%
Income tax expense	(4,897)	(4,779)	2.5%	(16,826)	(6,779)	148.2%
Net profit	47,942	29,892	60.4%	118,745	69,265	71.4%
Net profit attributable to:						
Equity holders of the Company (See Note below)	47,390	29,995	58.0%	116,561	69,049	68.8%
Non-controlling interest	552	(103)	n.m.	2,184	216	911.1%
	<u>47,942</u>	<u>29,892</u>	<u>60.4%</u>	<u>118,745</u>	<u>69,265</u>	<u>71.4%</u>
Analysis of net profit attributable:						
Operations	21,305	12,572	69.5%	48,609	44,064	10.3%
Fair value gains on investment properties	18,927	13,642	38.7%	60,794	3,748	n.m.
Share of an associate's fair value gain on an investment property	6,333	3,758	68.5%	6,333	17,942	-64.7%
Effect on change in tax rate on deferred income tax liabilities	825	23	n.m.	825	3,295	-75.0%
	<u>47,390</u>	<u>29,995</u>	<u>58.0%</u>	<u>116,561</u>	<u>69,049</u>	<u>68.8%</u>

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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>4Q10</u>	<u>4Q09</u>	<u>2010</u>	<u>2009</u>
Net profit	47,942	29,892	118,745	69,265
Other comprehensive income, after tax:				
Financial assets, available-for-sale				
- Fair value gains	3,354	7,185	5,639	9,794
- Reclassification	1,751	-	1,751	-
Cash flow hedges				
- Fair value gains/(losses)	559	(18)	(1,005)	715
Share of other comprehensive income of associates	(717)	495	(904)	573
Currency translation differences	(2,716)	1,897	(4,102)	10,784
Change in tax rate	-	(24)	-	(24)
Other comprehensive income, net of tax	2,231	9,535	1,379	21,842
Total comprehensive income for the period/year	50,173	39,427	120,124	91,107
Total comprehensive income attributable to:				
Equity holders of the Company	50,241	39,074	119,248	88,319
Non-controlling interest	(68)	353	876	2,788
	50,173	39,427	120,124	91,107

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

	<u>4Q10</u>	<u>4Q09</u>	<u>2010</u>	<u>2009</u>
Finance income	831	837	2,944	2,612
Foreign exchange gains/(losses) - net	291	(437)	(353)	(2,114)
(Losses)/gains on disposal of investment properties and property, plant and equipment - net	(59)	(559)	515	(607)
Amortisation and depreciation	(2,293)	(2,295)	(9,754)	(8,486)
Net write-back/(allowance) for doubtful debts and bad debts written-off	1,095	373	644	(388)

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

	<u>4Q10</u>	<u>4Q09</u>	<u>2010</u>	<u>2009</u>
Effect of change in tax rate on deferred income tax liabilities	1,088	28	1,088	3,428
Reversal of deferred income tax liabilities upon disposal of an investment property	-	-	1,171	-
Adjustments for net over provision of tax in respect of prior years	1,692	71	1,692	1,174

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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-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
Current assets				
Cash and cash equivalents	207,398	171,321	67,440	46,508
Trade and other receivables	46,088	47,476	10,662	6,432
Contract work-in-progress and inventories	2,348	5,945	-	-
Financial assets, available-for-sale	4,525	-	-	-
Derivative financial instruments	40	-	-	-
Financial assets, at fair value through profit or loss	110	110	-	-
Development property	155,854	-	-	-
Deposits and prepayments	15,872	2,380	436	21
	432,235	227,232	78,538	52,961
Non-current assets				
Other receivables, prepayments and deposits	17,294	17,401	473,109	480,659
Financial assets, available-for-sale	85,920	84,805	-	-
Derivative financial instruments	-	133	-	-
Investments in associates	55,207	48,916	2,987	2,987
Investments in joint ventures	-	-	6,255	6,255
Investments in subsidiaries	-	-	76,028	75,882
Investment properties	755,341	716,842	-	-
Property, plant and equipment	77,351	79,793	265	358
Deferred income tax assets	493	200	-	61
	991,606	948,090	558,644	566,202
Total assets	1,423,841	1,175,322	637,182	619,163
Current liabilities				
Trade and other payables	95,182	94,901	14,645	12,724
Current income tax liabilities	11,710	10,445	2,826	2,515
Borrowings	10,358	5,719	2,500	2,500
Derivative financial instruments	666	1,263	-	513
Provisions for warranties	2,708	2,413	-	-
	120,624	114,741	19,971	18,252
Non-current liabilities				
Borrowings	417,688	301,848	42,000	42,000
Other payables and liabilities	30,364	18,345	166,500	166,500
Derivative financial instruments	2,279	758	-	-
Deferred income tax liabilities	64,611	58,405	-	-
	514,942	379,356	208,500	208,500
Total liabilities	635,566	494,097	228,471	226,752
Net assets	788,275	681,225	408,711	392,411
Capital and reserves attributable to equity holders of the Company				
Share capital	244,405	244,405	244,405	244,405
Revaluation and other reserves	41,496	38,818	134,150	133,854
Retained earnings	477,500	374,404	30,156	14,152
	763,401	657,627	408,711	392,411
Non-controlling interest	24,874	23,598	-	-
Total equity	788,275	681,225	408,711	392,411

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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-Dec-10</u>	<u>31-Dec-09</u>
Secured	7,858	3,219
Unsecured	2,500	2,500
Total	<u>10,358</u>	<u>5,719</u>

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

	<u>31-Dec-10</u>	<u>31-Dec-09</u>
Secured	417,688	301,848
Unsecured	-	-
Total	<u>417,688</u>	<u>301,848</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-Dec-10</u>	<u>31-Dec-09</u>
Investment properties	748,738	710,584
Property, plant and equipment	49,429	48,755
Development property	155,854	-
Total	<u>954,021</u>	<u>759,339</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)

	4Q10	4Q09	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	52,839	34,671	135,571	76,044
Non-cash items	(23,761)	(15,049)	(59,497)	(4,335)
Change in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries:				
- Trade and other receivables	(22,381)	23,001	(12,534)	17,258
- Inventories and contract work-in-progress	4,153	6,728	3,597	1,697
- Development property - current	(1,477)	-	(155,824)	74,971
- Financial assets, at fair value through profit or loss	-	(1)	(2)	(46)
- Trade and other payables	1,290	(11,794)	923	(38,191)
- Other payables - non-current	(5,229)	(1,153)	(4,327)	1,579
Income tax paid - net	(582)	(355)	(9,140)	(7,982)
Net cash generated from/(used in) operating activities	4,852	36,048	(101,233)	120,995
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of property, plant and equipment	132	101	268	176
Purchases of property, plant and equipment	(3,491)	(5,618)	(9,267)	(11,507)
Payments for acquisition of an associate	-	(2,181)	-	(4,369)
Reclass of loan to investment in an associate	-	2,181	-	560
Payments from/(to) associates	1,832	314	209	(209)
Dividends received from associates	1,000	-	1,369	369
Payments for financial assets, available-for-sale	-	-	-	(843)
Proceeds from partial disposal of investment properties	-	57	31,961	57
Expenditure on investment properties	(484)	(828)	(1,341)	(2,497)
Other receivables - non-current	35	(39)	106	236
Dividends received	2	-	834	2
Interest received	831	837	2,944	2,612
Net cash (used in)/generated from investing activities	(143)	(5,176)	27,083	(15,413)
CASH FLOWS FROM FINANCING ACTIVITIES				
Subscription of shares by a non-controlling shareholder	-	-	400	-
Proceeds from borrowings	-	-	123,000	94,000
Repayments of borrowings	(562)	(563)	(2,250)	(119,682)
Net repayment of bonds	-	-	-	(32,500)
Payment for transaction costs relating to borrowings	(488)	471	(488)	(5,180)
Fixed deposits pledged to a security trustee	-	(3,859)	-	(3,859)
Interest paid	(4,150)	(4,867)	(11,667)	(12,367)
Loan from a non-controlling shareholder of a subsidiary	-	-	16,755	-
Dividends paid to equity holders of the Company	-	-	(13,474)	(21,559)
Net cash (used in)/generated from financing activities	(5,200)	(8,818)	112,276	(101,147)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS				
	(491)	22,054	38,126	4,435
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	204,323	144,576	166,493	161,286
Effects of currency translation differences on cash and cash equivalents	(401)	(137)	(1,188)	772
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	203,431	166,493	203,431	166,493

Note: Cash and cash equivalents are net of bank overdraft of \$108,000 (31 December 2009: \$968,500) and restricted cash of \$3,859,000 (31 December 2009: \$3,859,000).

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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 - 4Q10	Share capital	Fair value reserve	Revaluation and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 October 2010	244,405	51,278	(12,624)	430,101	713,160	24,942	738,102
Net release of asset revaluation reserve	-	-	(9)	9	-	-	-
Total comprehensive income for the period	-	5,105	(2,254)	47,390	50,241	(68)	50,173
Balance at 31 December 2010	244,405	56,383	(14,887)	477,500	763,401	24,874	788,275

Group - 4Q09

Balance at 1 October 2009	244,405	41,808	(12,060)	344,400	618,553	22,800	641,353
Net release of asset revaluation reserve	-	-	(9)	9	-	-	-
Contribution from non-controlling interest	-	-	-	-	-	445	445
Total comprehensive income for the period	-	7,185	1,894	29,995	39,074	353	39,427
Balance at 31 December 2009	244,405	48,993	(10,175)	374,404	657,627	23,598	681,225

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1(d)(i) (continued)

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

Group - 2010	Share capital	Fair value reserve	Revaluation and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2010	244,405	48,993	(10,175)	374,404	657,627	23,598	681,225
Net release of asset revaluation reserve	-	-	(9)	9	-	-	-
Contribution from non-controlling interest	-	-	-	-	-	400	400
Total comprehensive income for the year	-	7,390	(4,703)	116,561	119,248	876	120,124
Dividends relating to 2009 paid	-	-	-	(13,474)	(13,474)	-	(13,474)
Balance at 31 December 2010	244,405	56,383	(14,887)	477,500	763,401	24,874	788,275
Group - 2009							
Balance at 1 January 2009	244,405	39,199	(19,642)	326,905	590,867	20,365	611,232
Net release of asset revaluation reserve	-	-	(9)	9	-	-	-
Contribution from non-controlling interest	-	-	-	-	-	445	445
Total comprehensive income for the year	-	9,794	9,476	69,049	88,319	2,788	91,107
Dividends relating to 2008 paid	-	-	-	(21,559)	(21,559)	-	(21,559)
Balance at 31 December 2009	244,405	48,993	(10,175)	374,404	657,627	23,598	681,225

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

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

Company - 4Q10	Share capital	Revaluation and other reserves	Retained earnings	Total equity
Balance at 1 October 2010	244,405	134,150	19,214	397,769
Total comprehensive income for the period	-	-	10,942	10,942
Balance at 31 December 2010	244,405	134,150	30,156	408,711
Company - 4Q09				
Balance at 1 October 2009	244,405	133,797	6,774	384,976
Total comprehensive income for the period	-	57	7,378	7,435
Balance at 31 December 2009	244,405	133,854	14,152	392,411

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

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

Company - 2010	Share capital	Revaluation and other reserves	Retained earnings	Total equity
Balance at 1 January 2010	244,405	133,854	14,152	392,411
Total comprehensive income for the year	-	296	29,478	29,774
Dividend relating to 2009 paid	-	-	(13,474)	(13,474)
Balance at 31 December 2010	244,405	134,150	30,156	408,711
Company - 2009				
Balance at 1 January 2009	244,405	133,664	24,136	402,205
Total comprehensive income for the year	-	190	11,575	11,765
Dividend relating to 2008 paid	-	-	(21,559)	(21,559)
Balance at 31 December 2009	244,405	133,854	14,152	392,411

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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 December 2010 (31 December 2009: 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 December 2010 and at 31 December 2009 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 2009 except as disclosed in item 5.

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- 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

FRS 27 (revised) Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009)

The revisions to FRS 27 principally change the accounting for transactions with non-controlling interests. FRS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost.

Disposals of subsidiaries or businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to the income statement or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when the control is lost and its fair value is recognized in the income statement.

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements. There were no transactions with non-controlling interests in the current financial year. Accordingly, these changes do not have any impact on the financial statements for the current financial year.

FRS 103 (revised) Business Combinations (effective for annual periods beginning on or after 1 July 2009)

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes.

Acquisition of businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of pre-existing equity interest in the subsidiary.

Acquisition –related costs are expenses as incurred

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on the date of acquisition.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquirer's net identifiable assets.

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5 (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

Amendment to FRS 7 Cash Flow Statements (effective for annual periods beginning on or after 1 January 2010)

Under the amendment, only expenditures that result in a recognised asset in the balance sheet can be classified as investing activities in the statement of cash flows. Previously, such expenditure could be classified as investing activities in the statement of cash flows.

This change has been applied retrospectively. It had no material effect on the amounts presented in the statement of cash flows for the current or prior financial year.

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

	4Q10	4Q09	2010	2009
(a) Based on weighted average number of shares (cents)	4.40	2.78	10.81	6.41
- 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)	4.40	2.78	10.81	6.41
- 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

	31 December 10		31 December 09	
	Group	Company	Group	Company
Net asset value per ordinary share based on issued capital at the end of the financial year (cents)	71	38	61	36

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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.*

4Q10 v. 4Q09

Group revenue in 4Q10 at \$84.8 million was 2.4% higher compared to \$82.8 million in 4Q09. The Property and Leisure Divisions reported higher revenues but these were partly offset by the lower revenue in the Engineering Division.

Gross profit at \$33.2 million in 4Q10 was 32.1% higher compared to 4Q09. Both the Engineering and Property Divisions achieved higher gross profit but these were partly offset by lower gross profit in the Leisure Division.

Fair value of investment properties for 4Q10 recorded a higher gain of \$22.9 million compared to \$16.0 million in the previous corresponding quarter.

Total distribution and administrative expenses for 4Q10 was 19.8% higher than 4Q09, due mainly to higher manpower expenses. Other operating expenses were also higher, due mainly to provisions for impairment of financial assets available-for-sale and legal expenses.

Group finance expenses in 4Q10 were lower than 4Q09. In 4Q09, higher refinancing costs were incurred.

The share of profit of associates (net of tax) was higher, due mainly to the Group's equity share of higher contributions from operations and higher fair value gains from investment properties owned by associates.

Profit before income tax for 4Q10 at \$52.8 million was 52.4% higher than 4Q09. Profit attributable to equity holders for 4Q10 at \$47.4 million was 58.0% higher than 4Q09.

Cash flows

During the quarter ended 31 December 2010, net cash generated from the Group's operating activities amounted to \$4.9 million. Net cash used in investing and financing activities were \$0.1 million and \$5.2 million respectively, resulting in a net decrease in cash and cash equivalents of \$0.5 million.

FY10 v. FY09

Group revenue for FY10 at \$295.1 million was 30.3% lower than FY09, due largely to lower revenues for its Engineering and Property Divisions. In FY09, the Property Division had the benefit of its 25% share of the revenue from The Centris, a residential development. Overall, the Property Division achieved higher rental and higher retail consultancy and management fees in FY10 compared to FY09. The Leisure Division reported a 4.3% increase in revenue in FY10 over FY09.

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8 (continued)

FY10 v. FY09 (continued)

Fair value gain of investment properties for FY10 was substantially higher at \$71.5 million, compared to \$4.7 million in FY09.

Total distribution and administrative expenses for FY10 increased by 13.2% compared to FY09, due mainly to higher manpower expenses. However, other operating expenses were lower due mainly to lower foreign exchange losses.

Group finance expenses increased marginally to \$13.1 million in FY10 from \$12.8 million in FY09.

The share of profit of associates (net of tax) decreased from \$17.9 million in FY09 to \$8.5 million, due mainly to the Group's equity share of lower fair value gains in the investment properties owned by associates.

For the year ended 31 December 2010, the Group achieved profit before income tax of \$135.6 million compared to \$76.0 million in FY09, an increase of 78.3%.

The effective tax rate of the Group for FY10 was higher at 12.4% compared to 8.9% in FY09. The lower effective tax rate in FY09 was due mainly to the effect of changes in tax rates on deferred income tax liabilities.

Profit attributable to equity holders for the year ended 31 December 2010 increased 68.8% to \$116.6 million compared to \$69.0 million in FY09.

Balance Sheet

During the year, the Group secured a project for a residential development in Yishun, from the Housing & Development Board ("HDB") under the Design, Build and Sell Scheme ("DBSS"). The total cost incurred as at 31 December 2010 has been reflected as development property under current assets.

The Group's financial assets available-for-sale as at 31 December 2010 registered an increase of \$5.6 million due mainly to an increase in the underlying asset value.

The increase in the Group's investment in associate in FY10, arose mainly from its equity share of the results of its associates for the financial year.

The Group's investment properties registered healthy gains in their fair values for the year, which substantially contributed to the increase in investment properties as at 31 December 2010 as compared to 31 December 2009. The valuation reports for the major properties are available for inspection during normal office hours at the Company's registered office.

Total borrowings (including bonds) under non-current liabilities increased by \$115.8 million from a year ago, due mainly to the drawdown of new banking facilities for the HDB DBSS project in Yishun.

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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

8 (continued)

FY10 v. FY09 (continued)

Cash flows

For the financial year ended 31 December 2010, net cash used in the Group's operating activities amounted to \$101.2 million. This was due to the HDB DBSS project which used up \$155.8 million but was partly offset by cash generated from its other operations. Net cash inflows from its investing activities amounted to \$27.1 million, due mainly to the proceeds from the partial disposal of investment properties. The Group's financing activities generated \$112.3 million principally from the net increase in bank borrowings of \$120.8 million and a loan from a non-controlling shareholder of \$16.8 million. These were partly offset by interest paid of \$11.7 million and the payment of dividends to the company's shareholders of \$13.5 million. The Group generated a net increase in cash and cash equivalents of \$38.1 million for the year.

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 Singapore economy expanded 14.5% in 2010 and the Ministry of Trade and Industry expects a more modest and sustainable growth of 4-6% in 2011 for the Singapore economy.

Looking ahead, there are several general risk factors that can have an impact on our Group's business which include the possible tightening of monetary policy to combat inflation, the discontinuance of stimulus packages and any regional political instability.

The Property Division is mindful of competition, cost pressures and the planning and regulatory landscape in its operating environment. Additionally, there is no certainty that the significant increase in the fair value of its investment properties reported in 2010 can be maintained. The Division will continue to review and embark on strategies to maintain the current healthy level of occupancy and rental rates in its major retail properties for 2011.

The Engineering Division continues to face challenges from factors such as competition and cost pressures in the year ahead.

The Leisure Division is dependent on travel patterns and tourism sentiment regionally, as well as worldwide. The competitive nature of the leisure business as well as these external conditions will influence the performance of this Division in 2011.

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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

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

a) *Current financial period reported on*

Particulars of dividends

Name of dividend	First & Final (tax exempt-1- tier)	Special (tax exempt-1- tier)	Total
Dividend type	Cash	Cash	Cash
Dividend per share (in cents)	1.25	1.25	2.50

b) *Corresponding period of the immediately preceding financial year (FY 2009)*

Particulars of dividends

Name of dividend	First & Final (tax exempt-1- tier)
Dividend type	Cash
Dividend per share (in cents)	1.25

(c) *Books closure date*

NOTICE IS HEREBY GIVEN that, subject to the approval of members at the Forty-Second Annual General Meeting for the payment of the First and Final Dividend and the Special Dividend, the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2011, for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 5 May 2011 will be registered before entitlements to the First and Final Dividend and the Special Dividend are determined. In respect of shares in securities accounts maintained with The Central Depository (Pte) Limited ("CDP"), the First and Final Dividend and the Special Dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

(d) *Date payable*

The First and Final Dividend and the Special Dividend, if approved by members at the Forty-Second Annual General Meeting, will be paid on 20 May 2011.

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

Not applicable.

Guthrie GTS Limited
FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

13. *Segmented revenue and results for business segments or geographical information (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.*

Year ended 31 December 2010 – Business segments

<u>In \$'000</u>	<u>Property</u>	<u>Engineering</u>	<u>Leisure</u>	<u>Other</u>	<u>Consolidated</u>
REVENUE					
External	82,500	172,167	40,396	-	295,063
Inter-segment	239	81	-	-	320
	<u>82,739</u>	<u>172,248</u>	<u>40,396</u>	<u>-</u>	<u>295,383</u>
Elimination					(320)
Total					<u>295,063</u>
SEGMENT RESULTS					
Segment results	46,266	14,500	3,626	(30)	64,362
Fair value gains on investment properties	62,944	-	8,523	-	71,467
Unallocated expenses					<u>(8,727)</u>
					127,102
Share of results of associates	5,251	2,934	-	284	8,469
Profit before income tax					135,571
Income tax expense					<u>(16,826)</u>
Total profit					<u>118,745</u>
SEGMENT ASSETS					
Segment assets	1,054,892	111,559	133,321	195	1,299,967
Investments in associates	41,862	9,529	-	3,816	55,207
Deferred income tax assets					493
Unallocated assets					68,173
Total assets					<u>1,423,840</u>
SEGMENT LIABILITIES					
Segment liabilities	431,667	62,925	13,580	256	508,428
Tax liabilities/ deferred income tax liabilities					76,321
Unallocated liabilities					50,816
Total liabilities					<u>635,565</u>
OTHER SEGMENT ITEMS					
Depreciation	401	765	8,282	99	9,547
Capital expenditure	445	103	10,054	6	10,608
Amortisation of prepayment for operating lease	-	207	-	-	207
Amortisation of deferred revenue	-	-	(409)	-	(409)

Guthrie GTS Limited

FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

13. *Segmented revenue and results for business segments or geographical information (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.*

Year ended 31 December 2009 – Business segments

In \$'000	Property	Engineering	Leisure	Other	Consolidated
REVENUE					
External	165,341	219,213	38,737	-	423,291
Inter-segment	239	20	-	-	259
	<u>165,580</u>	<u>219,233</u>	<u>38,737</u>	<u>-</u>	<u>423,550</u>
Elimination					(259)
Total					<u>423,291</u>
SEGMENT RESULTS					
Segment results	45,864	13,093	236	84	59,277
Fair value gains/(losses) on investment properties	5,490	-	(741)	-	4,749
Unallocated expenses					<u>(5,883)</u>
					58,143
Share of results of associates	17,992	(341)	-	250	<u>17,901</u>
Profit before income tax					76,044
Income tax expense					<u>(6,779)</u>
Total profit					<u>69,265</u>
SEGMENT ASSETS					
Segment assets	838,001	112,556	128,517	213	1,079,287
Investments in associates	37,747	7,269	-	3,900	48,916
Tax recoverable/deferred income tax assets					214
Unallocated assets					<u>46,905</u>
Total assets					<u>1,175,322</u>
SEGMENT LIABILITIES					
Segment liabilities	293,107	68,252	14,255	273	375,887
Tax liabilities/deferred income tax liabilities					68,850
Unallocated liabilities					<u>49,360</u>
Total liabilities					<u>494,097</u>
OTHER SEGMENT ITEMS					
Depreciation	413	767	6,898	98	8,176
Capital expenditure	970	308	12,715	11	14,004
Amortisation of prepayment for operating lease	-	310	-	-	310
Amortisation of deferred revenue	-	-	(523)	-	(523)

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

13. *Segmented revenue and results for business segments or geographical information (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year (continued).*

Year ended 31 December 2010 – Geographical information

	<u>Revenue</u>		<u>Non-current assets</u>	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Singapore	254,317	384,373	765,644	730,105
Indonesia	37,185	34,746	112,013	105,766
Other countries	3,561	4,172	10,895	10,440
	295,063	423,291	888,552	846,311

14. *A breakdown of revenue and profit are as follows:*

	<u>Latest Financial Year</u> \$'000	<u>Previous Financial Year</u> \$'000	<u>Increase/ (decrease)</u> %
(a) Revenue reported for the first half year	127,069	159,034	-20.1%
(b) Profit after tax before non-controlling interests reported for first half year	44,330	25,850	71.5%
(c) Revenue reported for the second half year	167,994	264,257	-36.4%
(d) Profit after tax before non-controlling interests reported for second half year	74,415	43,415	71.4%

15. *A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:*

	<u>2010</u> \$'000	<u>2009</u> \$'000
Ordinary dividends		
- First and final	13,474	13,474
- Special	13,474	-
	26,948	13,474

BY ORDER OF THE BOARD

JEROME JANSEN

Company Secretary

24 February 2011