



GUTHRIE GTS LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 196800390N

UPDATE ON LEGAL DISPUTE INVOLVING THE COMPANY'S SUBSIDIARIES

Guthrie GTS Limited (the "**Company**") refers to the announcement made on 25 August 2008 in relation to the legal dispute involving the Company's subsidiaries, Guthrie Overseas Investments Pte Ltd ("**GOI**") and PT Guthrie Jaya Indah Island Resort ("**GJIIR**").

As disclosed in the Company's previous announcement and the Company's latest Annual Report, GOI entered into a joint venture in 1990 with some partners including PT Jaya Putra Kundur Indah ("**JPKI**"), an Indonesian company, to establish GJIIR as a joint venture company to develop, own and operate the Indah Puri Resort in Batam, Indonesia. Subsequently, various disagreements arose and JPKI filed a law suit against GOI and GJIIR claiming, amongst other things, that JPKI was the proper owner of the land on which the Indah Puri Resort was built (the "**Land**") and that the joint venture to which JPKI was a party, did not pay JPKI for the Land. The Batam District Court and subsequently the High Court of Riau, Pekanbaru ruled in favour of JPKI, and awarded a judgment sum of US\$17,930,791/- plus interest at 0.5% per month from the date of filing of the law suit, as payment for the Land. Both GOI and GJIIR filed their appeals with the Supreme Court in Indonesia against the decision of the High Court. The Supreme Court overruled the decision of the High Court of Riau, Pekanbaru and awarded judgment in favour of GOI and GJIIR (the "**Supreme Court Judgment**").

The Company wishes to inform that JPKI has filed an appeal for judicial review of the Supreme Court Judgment under the Indonesian Civil Law Procedure (the "**JPKI Appeal**"). GOI and GJIIR have sought legal advice and its lawyers opine that, GOI and GJIIR have good legal grounds to challenge the JPKI Appeal. Accordingly, GOI and GJIIR have filed a Counter Memorandum to challenge the JPKI Appeal. GOI and GJIIR shall take all steps necessary to defend their respective interests and rights. The Company will provide further updates on the development of the matter where appropriate.

On the basis of the legal advice, the Company does not expect this law suit to have a material impact on the Company for the financial year ending 31 December 2009.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in GOI and GJIIR (other than through their respective shareholdings in the Company), JPKI, and the law suit.

By Order of the Board

Jerome Jansen
Company Secretary

12 May 2009