

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 2010

The Directors of Guthrie GTS Limited advise the following unaudited results of the Group for the first quarter ended 31 March 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 \$'000)

	<u>1Q10</u>	<u>1Q09</u>	<u>% change</u>
Revenue	59,768	92,542	-35.4%
Cost of sales	<u>(38,977)</u>	<u>(70,863)</u>	-45.0%
Gross profit	20,791	21,679	-4.1%
Other gains - net	1,709	1,334	28.1%
Fair value gains/(losses) on investment properties	15,538	(6,689)	n.m.
Expenses			
Distribution	(659)	(1,153)	-42.8%
Administrative	(8,323)	(7,309)	13.9%
Finance	(3,308)	(2,786)	18.7%
Other operating	(532)	(241)	120.7%
Share of profit of associates, net of tax	<u>274</u>	<u>13,870</u>	-98.0%
Profit before income tax	25,490	18,705	36.3%
Income tax (expense)/credit	<u>(3,556)</u>	<u>2,128</u>	-267.1%
Net profit	21,934	20,833	5.3%
<u>Net profit attributable to:</u>			
Equity holders of the Company (See Note below)	21,809	20,288	7.5%
Minority interest	<u>125</u>	<u>545</u>	-77.1%
	21,934	20,833	5.3%
<u>Analysis of net profit attributable:</u>			
Operations	7,743	8,832	-12.3%
Fair value gains/(losses) on investment properties	14,066	(6,123)	n.m.
Share of an associate's fair value gain on an investment property	-	14,179	-100.0%
Effect on changes in tax rates on deferred income tax liabilities	<u>-</u>	<u>3,400</u>	-100.0%
	21,809	20,288	7.5%

n.m.: not meaningful

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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>1Q10</u>	<u>1Q09</u>
Net profit	21,934	20,833
Other Comprehensive income, after tax:		
Financial assets, available-for-sale		
- Fair value gains	1,293	1,354
Cash flow hedges		
- Fair value (losses)/gains	(619)	747
Share of other comprehensive income of an associate	(47)	96
Currency translation differences	2,455	766
Other comprehensive income, net of tax	<u>3,082</u>	<u>2,963</u>
Total comprehensive income for the period	<u>25,016</u>	<u>23,796</u>
Total comprehensive income attributable to:		
Equity holders of the Company	24,320	23,119
Minority interest	696	677
	<u>25,016</u>	<u>23,796</u>

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

	<u>1Q10</u>	<u>1Q09</u>
Finance income	697	264
Foreign exchange (losses)/gains - net	(359)	505
Gain on disposal of investment properties and property, plant and equipment - net	425	6
Amortisation and depreciation	(2,305)	(1,926)
Net allowance for doubtful debts and bad debts written-off	(126)	(236)

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

	<u>1Q10</u>	<u>1Q09</u>
Effect of changes in tax rates on deferred income tax liabilities	-	3,400

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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 S'000)	The Group		The Company	
	31-Mar-10	31-Dec-09	31-Mar-10	31-Dec-09
Current assets				
Cash and cash equivalents	178,699	171,321	53,616	46,508
Trade and other receivables	47,114	47,476	8,290	6,432
Contract work-in-progress and inventories	2,832	5,945	-	-
Derivative financial instruments	10	-	-	-
Financial assets, at fair value through profit or loss	111	110	-	-
Deposits and prepayments	4,022	2,380	11	21
	232,788	227,232	61,917	52,961
Non-current assets				
Other receivables, prepayments and deposits	17,396	17,401	477,538	480,659
Financial assets, available-for-sale	86,098	84,805	-	-
Derivative financial instruments	58	133	-	-
Investments in associates	46,337	46,438	2,987	2,987
Investments in joint ventures	-	-	6,255	6,255
Investments in subsidiaries	-	-	76,266	75,882
Investment properties	731,035	716,842	-	-
Property, plant and equipment	79,969	79,793	333	358
Goodwill	2,478	2,478	-	-
Deferred income tax assets	309	200	27	61
	963,680	948,090	563,406	566,202
Total assets	1,196,468	1,175,322	625,323	619,163
Current liabilities				
Trade and other payables	87,731	94,901	12,205	12,724
Current income tax liabilities	11,402	10,445	3,019	2,515
Borrowings	4,750	5,719	2,500	2,500
Derivative financial instruments	948	1,263	202	513
Provisions for warranties	2,672	2,413	-	-
	107,503	114,741	17,926	18,252
Non-current liabilities				
Borrowings	301,551	301,848	42,000	42,000
Other payables and liabilities	19,537	18,345	166,500	166,500
Derivative financial instruments	1,607	758	-	-
Deferred income tax liabilities	60,029	58,405	-	-
	382,724	379,356	208,500	208,500
Total liabilities	490,227	494,097	226,426	226,752
Net assets	706,241	681,225	398,897	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	41,329	38,818	134,017	133,854
Retained earnings	396,213	374,404	20,475	14,152
	681,947	657,627	398,897	392,411
Minority interest	24,294	23,598	-	-
Total equity	706,241	681,225	398,897	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-Mar-10</u>	<u>31-Dec-09</u>
Secured	2,250	3,219
Unsecured	2,500	2,500
Total	<u>4,750</u>	<u>5,719</u>

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

	<u>31-Mar-10</u>	<u>31-Dec-09</u>
Secured	301,551	301,848
Unsecured	-	-
Total	<u>301,551</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-Mar-10</u>	<u>31-Dec-09</u>
Investment properties	724,777	710,584
Property, plant and equipment	49,707	48,755
Total	<u>774,484</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)

	<u>1Q10</u>	<u>1Q09</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	25,490	18,705
Non-cash items	(11,343)	(3,525)
Change in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries:		
- Trade and other receivables	1,008	4,076
- Inventories and contract work-in-progress	3,113	(3,500)
- Development property - current	-	(5,664)
- Financial assets, at fair value through profit or loss	1	2
- Trade and other payables	(8,492)	(2,102)
- Other payables - non-current	1,294	3,316
Income tax paid - net	(1,167)	(812)
Net cash generated from operating activities	<u>9,904</u>	<u>10,496</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	44	16
Purchases of property, plant and equipment	(1,153)	(825)
Loan to an associate	-	(1,840)
Payments to associates	(2,288)	(3)
Dividends received from an associate	369	369
Payments for financial assets, available-for-sale	-	(778)
Proceeds from partial disposal of investment properties	3,300	-
Expenditure on investment properties	(410)	(346)
Other receivables - non-current	(72)	280
Interest received	697	264
Net cash generated from/(used in) investing activities	<u>487</u>	<u>(2,863)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	2,812
Repayments of borrowings	(563)	(20,563)
Interest paid	(1,611)	(2,053)
Net cash used in financing activities	<u>(2,174)</u>	<u>(19,804)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		
	8,217	(12,171)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	166,493	161,286
Effects of currency translation differences on cash and cash equivalents	130	770
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	<u>174,840</u>	<u>149,885</u>

Note: Cash and cash equivalents are net of restricted cash of \$3,859,000 (31 March 2009: Nil).

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 - 1Q10	Share capital	Fair value reserve	Revaluation and other reserves	Retained earnings	Total	Minority interest	Total equity
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

Group - 1Q09

Balance at 1 January 2009	244,405	39,199	(19,642)	326,905	590,867	20,365	611,232
Total comprehensive income for the period	-	1,354	1,477	20,288	23,119	677	23,796
Balance at 31 March 2009	244,405	40,553	(18,165)	347,193	613,986	21,042	635,028

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

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

Company - 1Q10	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 period	-	163	6,323	6,486
Balance at 31 March 2010	244,405	134,017	20,475	398,897
Company - 1Q09				
Balance at 1 January 2009	244,405	133,664	24,136	402,205
Total comprehensive income for the period	-	168	1,603	1,771
Balance at 31 March 2009	244,405	133,832	25,739	403,976

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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 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 2010 (31 March 2009: Nil) under the Guthrie GTS Share Option Scheme (2002).

1(d)(iii) The number of issued ordinary shares of the Company as at 31 March 2010 and at 31 December 2009 is 1,077,937,731.

1(d) (iv) The company does not have any treasury shares as at 31 March 2010.

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 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.

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 – Not applicable

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- 6 *Earnings per ordinary share of the group for the current 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 (cents)

	<u>1Q10</u>	<u>1Q09</u>
(a) Based on weighted average number of shares	2.02	1.88
- Weighted average number of shares ('000)	<u>1,077,938</u>	<u>1,077,938</u>
(b) On a fully diluted basis	2.02	1.88
- Adjusted weighted average number of shares ('000)	<u>1,077,938</u>	<u>1,077,938</u>

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

NET ASSET VALUE PER ORDINARY SHARE

	<u>31 March 10</u>		<u>31 December 09</u>	
	Group	Company	Group	Company
Net asset value per ordinary share based on issued capital at the end of the financial period/year (cents)	<u>63</u>	<u>37</u>	<u>61</u>	<u>36</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.*

1Q10 v. 1Q09

Group revenue for 1Q10 of \$59.8 million was 35.4% lower than 1Q09 due mainly to lower revenue recorded by the Engineering Division and partially offset by higher revenue achieved by the Property Division.

Gross profit for 1Q10 at \$20.8 million was 4.1% lower as compared to 1Q09. While the Property Division achieved higher gross profit, this was not sufficient to offset the lower contributions from the Engineering and Leisure Divisions.

Other gains for 1Q10 were higher as compared to 1Q09 due mainly to higher interest income.

Fair value gains on investment properties for 1Q10 amounted to \$15.5 million as compared to a loss of \$6.7 million in 1Q09.

Total distribution and administrative expenses increased by about 6.1% as compared to 1Q09. This was due mainly to higher manpower expenses and partially offset by lower distribution expenses.

The share of profit of associates (net of tax) of \$0.3 million was lower as compared to 1Q09. In 1Q09, the Group recognised its 20% share of the fair value gain of an investment property, Tampines 1, owned by an associate.

For 1Q10, the Group recorded a profit before income tax of \$25.5 million as compared to \$18.7 million for 1Q09, an increase of 36.3%.

During the quarter ended 31.3.10, income tax expense at \$3.6 million represented an effective tax rate of about 14%. In 1Q09, income tax expense was credited with an amount of \$3.4 million which arose from reduction in tax rates resulting in a credit of \$2.1 million.

Profit attributable to equity holders in 1Q10 increased 7.5% to \$21.8 million, from \$20.3 million in 1Q09. Attributable profit before fair value gains/(losses) on investment properties however, decreased by 12.3% to \$7.7 million from \$8.8 million in 1Q09.

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8 (continued)

Balance Sheet

During the quarter, the Group's investment properties increased by \$14.2 million due mainly to fair value gain. 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

The Group's cash and cash equivalents ("CCE") increased to \$174.8 million as at 31 March 2010 from \$166.5 million as at 31 December 2009. During the quarter ended 31 March 2010, the net cash generated from its operating and investing activities of \$9.9 million and \$0.5 million respectively was partly offset by the net cash used in financing activities of \$2.2 million resulting in a net increase of \$8.2 million in CCE.

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. The results for the quarter ended were largely in line with the commentary made under item 10 in the announcement of results for the financial year ended 31 December 2009.

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 13.1 per cent in the first quarter of 2010 and the Ministry of Trade and Industry has upgraded the GDP growth forecast for 2010 from 4.5 to 6.5 per cent to 7.0 to 9.0 per cent.

The improved forecast for 2010 is positive for the Group's Property Division which 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/recommendeded for the first quarter ended 31 March 2010 (31 March 2009: Nil).

BY ORDER OF THE BOARD

JEROME JANSEN
Company Secretary
14 May 2010

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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 2010 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

BEN YEO CHEE SEONG
Director

HARRY ONG KIM SENG
Director

14 May 2010