

**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 THIRD QUARTER ENDED 30 SEPTEMBER 2010**

The Directors of Guthrie GTS Limited wish to announce the following unaudited results of the Group for the third quarter ended 30 September 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>3Q10</u>	<u>3Q09</u>	<u>% change</u>	<u>9M10</u>	<u>9M09</u>	<u>% change</u>
Revenue	83,234	181,487	-54.1%	210,303	340,521	-38.2%
Cost of sales	(57,780)	(151,925)	-62.0%	(141,540)	(267,441)	-47.1%
<b>Gross profit</b>	<b>25,454</b>	<b>29,562</b>	<b>-13.9%</b>	<b>68,763</b>	<b>73,080</b>	<b>-5.9%</b>
Other gains - net	1,314	1,145	14.8%	4,308	3,276	31.5%
Fair value gains/(losses) on investment properties	17,483	(1,256)	n.m.	48,532	(11,245)	n.m.
Expenses						
Distribution	(470)	(595)	-21.0%	(1,702)	(2,231)	-23.7%
Administrative	(9,161)	(7,948)	15.3%	(25,767)	(22,467)	14.7%
Finance	(3,280)	(3,055)	7.4%	(9,900)	(9,071)	9.1%
Other operating	(1,577)	(2,370)	-33.5%	(2,347)	(3,953)	-40.6%
Share of (loss)/profit of associates, net of tax	(140)	176	n.m.	845	13,984	-94.0%
<b>Profit before income tax</b>	<b>29,623</b>	<b>15,659</b>	<b>89.2%</b>	<b>82,732</b>	<b>41,373</b>	<b>100.0%</b>
Income tax expense	(3,150)	(2,136)	47.5%	(11,929)	(2,000)	496.5%
<b>Net profit</b>	<b>26,473</b>	<b>13,523</b>	<b>95.8%</b>	<b>70,803</b>	<b>39,373</b>	<b>79.8%</b>
<b>Net profit attributable to:</b>						
Equity holders of the Company (See Note below)	25,368	13,457	88.5%	69,171	39,054	77.1%
Minority interest	1,105	66	n.m.	1,632	319	411.6%
	<b>26,473</b>	<b>13,523</b>	<b>95.8%</b>	<b>70,803</b>	<b>39,373</b>	<b>79.8%</b>
<b>Analysis of net profit attributable:</b>						
Operations	10,396	14,351	-27.6%	27,304	31,492	-13.3%
Fair value gains/(losses) on investment properties	14,972	(894)	n.m.	41,867	(9,894)	n.m.
Share of an associate's fair value gain on an investment property	-	-	-	-	14,184	-100.0%
Effect on change in tax rate on deferred income tax liabilities	-	-	-	-	3,272	-100.0%
	<b>25,368</b>	<b>13,457</b>	<b>88.5%</b>	<b>69,171</b>	<b>39,054</b>	<b>77.1%</b>

**Guthrie GTS Limited**

**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

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>3Q10</u>	<u>3Q09</u>	<u>9M10</u>	<u>9M09</u>
<b>Net profit</b>	<b>26,473</b>	13,523	<b>70,803</b>	39,373
<b>Other Comprehensive income, after tax:</b>				
Financial assets, available-for-sale				
- Fair value gains	184	1,274	2,285	2,609
Cash flow hedges				
- Fair value (losses)/gains	(598)	(816)	(1,565)	734
Share of other comprehensive income of an associate	(56)	(129)	(187)	77
Currency translation differences	(4,575)	2,326	(1,385)	8,887
<b>Other comprehensive income, net of tax</b>	<b>(5,045)</b>	2,655	<b>(852)</b>	12,307
<b>Total comprehensive income for the period</b>	<b>21,428</b>	16,178	<b>69,951</b>	51,680
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	21,387	15,544	69,007	49,245
Minority interest	41	634	944	2,435
	<b>21,428</b>	16,178	<b>69,951</b>	51,680

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

	<u>3Q10</u>	<u>3Q09</u>	<u>9M10</u>	<u>9M09</u>
Finance income	725	749	2,113	1,775
Foreign exchange losses - net	(311)	(648)	(644)	(1,677)
Gains on disposal of investment properties and property, plant and equipment - net	96	-	574	-
Amortisation and depreciation	(2,979)	(2,111)	(7,461)	(6,190)
Net allowance for doubtful debts and bad debts written-off	(107)	(293)	(451)	(761)

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

	<u>3Q10</u>	<u>3Q09</u>	<u>9M10</u>	<u>9M09</u>
Effect of change in tax rate on deferred income tax liabilities	-	-	-	3,400
Reversal of deferred income tax liabilities upon disposal of an investment property	2,081	-	1,171	-
Adjustments for net over provision of tax in respect of prior years	-	1,103	-	1,103

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

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.*

<b>BALANCE SHEETS (in \$'000)</b>	<b>The Group</b>		<b>The Company</b>	
	<b>30-Sep-10</b>	<b>31-Dec-09</b>	<b>30-Sep-10</b>	<b>31-Dec-09</b>
<b>Current assets</b>				
Cash and cash equivalents	208,182	171,321	67,453	46,508
Trade and other receivables	38,532	47,476	9,712	6,432
Contract work-in-progress and inventories	6,501	5,945	-	-
Derivative financial instruments	76	-	-	-
Financial assets, at fair value through profit or loss	112	110	-	-
Development property	154,347	-	-	-
Deposits and prepayments	2,803	2,380	23	21
	<b>410,553</b>	<b>227,232</b>	<b>77,188</b>	<b>52,961</b>
<b>Non-current assets</b>				
Other receivables, prepayments and deposits	17,330	17,401	461,880	480,659
Financial assets, available-for-sale	87,090	84,805	-	-
Derivative financial instruments	-	133	-	-
Investments in associates	46,846	46,438	2,987	2,987
Investments in joint ventures	-	-	6,255	6,255
Investments in subsidiaries	-	-	76,302	75,882
Investment properties	733,254	716,842	-	-
Property, plant and equipment	77,746	79,793	288	358
Goodwill	2,478	2,478	-	-
Deferred income tax assets	426	200	-	61
	<b>965,170</b>	<b>948,090</b>	<b>547,712</b>	<b>566,202</b>
<b>Total assets</b>	<b>1,375,723</b>	<b>1,175,322</b>	<b>624,900</b>	<b>619,163</b>
<b>Current liabilities</b>				
Trade and other payables	94,192	94,901	14,142	12,724
Current income tax liabilities	9,277	10,445	1,989	2,515
Borrowings	4,750	5,719	2,500	2,500
Derivative financial instruments	764	1,263	-	513
Provisions for warranties	3,383	2,413	-	-
	<b>112,366</b>	<b>114,741</b>	<b>18,631</b>	<b>18,252</b>
<b>Non-current liabilities</b>				
Borrowings	423,947	301,848	42,000	42,000
Other payables and liabilities	35,678	18,345	166,500	166,500
Derivative financial instruments	2,844	758	-	-
Deferred income tax liabilities	62,786	58,405	-	-
	<b>525,255</b>	<b>379,356</b>	<b>208,500</b>	<b>208,500</b>
<b>Total liabilities</b>	<b>637,621</b>	<b>494,097</b>	<b>227,131</b>	<b>226,752</b>
<b>Net assets</b>	<b>738,102</b>	<b>681,225</b>	<b>397,769</b>	<b>392,411</b>
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	244,405	244,405	244,405	244,405
Revaluation and other reserves	38,654	38,818	134,150	133,854
Retained earnings	430,101	374,404	19,214	14,152
	<b>713,160</b>	<b>657,627</b>	<b>397,769</b>	<b>392,411</b>
Minority interest	24,942	23,598	-	-
<b>Total equity</b>	<b>738,102</b>	<b>681,225</b>	<b>397,769</b>	<b>392,411</b>

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

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>30-Sep-10</u>	<u>31-Dec-09</u>
Secured	2,250	3,219
Unsecured	2,500	2,500
<b>Total</b>	<u>4,750</u>	<u>5,719</u>

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

	<u>30-Sep-10</u>	<u>31-Dec-09</u>
Secured	423,947	301,848
Unsecured	-	-
<b>Total</b>	<u>423,947</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>30-Sep-10</u>	<u>31-Dec-09</u>
Investment properties	726,984	710,584
Property, plant and equipment	49,134	48,755
Development property	154,347	-
<b>Total</b>	<u>930,465</u>	<u>759,339</u>

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

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>3Q10</u>	<u>3Q09</u>	<u>9M10</u>	<u>9M09</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before income tax	29,623	15,659	82,732	41,373
Non-cash items	(12,291)	5,765	(35,737)	10,714
Change in operating assets and liabilities, net of effects from acquisition and disposal of subsidiaries:				
- Trade and other receivables	21,898	(25,638)	9,847	(5,743)
- Inventories and contract work-in-progress	(4,642)	(5,656)	(556)	(5,031)
- Development property - current	(112,652)	84,516	(154,347)	74,971
- Financial assets, at fair value through profit or loss	(5)	(19)	(2)	(45)
- Trade and other payables	9,920	(11,517)	(379)	(26,397)
- Other payables - non-current	(405)	(215)	17,657	2,732
Income tax paid - net	(3,004)	(2,561)	(8,558)	(7,627)
<b>Net cash (used in)/generated from operating activities</b>	<b>(71,558)</b>	<b>60,334</b>	<b>(89,343)</b>	<b>84,947</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from disposal of property, plant and equipment	73	45	136	75
Purchases of property, plant and equipment	(2,399)	(3,507)	(5,776)	(5,889)
Payments for acquisition of an associate	-	(2,160)	-	(2,188)
Reclass of loan to investment in an associate	-	2,160	-	(1,621)
Payments from/(to) associates	315	(198)	(1,623)	(523)
Dividends received from investments	-	2	-	2
Dividends received from an associate	-	-	369	369
Payments for financial assets, available-for-sale	-	-	-	(843)
Proceeds from partial disposal of investment properties	24,476	-	31,973	-
Expenditure on investment properties	(456)	(713)	(857)	(1,669)
Other receivables - non-current	60	6	71	275
Dividends received	832	-	832	-
Interest received	725	749	2,113	1,775
<b>Net cash generated from/(used in) investing activities</b>	<b>23,626</b>	<b>(3,616)</b>	<b>27,238</b>	<b>(10,237)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Subscription of shares by a minority shareholder	400	-	400	-
Proceeds from borrowings	123,000	56,175	123,000	94,000
Repayments of borrowings	(563)	(97,994)	(1,688)	(119,119)
Net repayment of bonds	-	-	-	(32,500)
Payment for transaction costs relating to refinancing	-	(1,307)	-	(5,651)
Interest paid	(1,897)	(1,650)	(7,517)	(7,500)
Dividends paid to equity holders of the Company	-	-	(13,474)	(21,559)
<b>Net cash generated from/(used in) financing activities</b>	<b>120,940</b>	<b>(44,776)</b>	<b>100,721</b>	<b>(92,329)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>				
	73,008	11,942	38,616	(17,619)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>132,350</b>	<b>132,594</b>	<b>166,494</b>	<b>161,286</b>
Effects of currency translation differences on cash and cash equivalents	(1,035)	40	(787)	909
<b>CASH AND CASH EQUIVALENTS AS AT END OF PERIOD</b>	<b>204,323</b>	<b>144,576</b>	<b>204,323</b>	<b>144,576</b>

Note: Cash and cash equivalents are net of restricted cash of \$3,859,000 (30 September 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)**

<b>Group - 3Q10</b>	<b>Share capital</b>	<b>Fair value reserve</b>	<b>Revaluation and other reserves</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Minority interest</b>	<b>Total equity</b>
<b>Balance at 1 July 2010</b>	244,405	51,094	(8,459)	404,733	691,773	24,501	716,274
Total comprehensive income for the period	-	184	(4,165)	25,368	21,387	41	21,428
Contribution from minority interest	-	-	-	-	-	400	400
<b>Balance at 30 September 2010</b>	<b>244,405</b>	<b>51,278</b>	<b>(12,624)</b>	<b>430,101</b>	<b>713,160</b>	<b>24,942</b>	<b>738,102</b>
<b>Group - 3Q09</b>							
<b>Balance at 1 July 2009</b>	244,405	40,534	(12,873)	330,943	603,009	22,166	625,175
Total comprehensive income for the period	-	1,274	813	13,457	15,544	634	16,178
<b>Balance at 30 September 2009</b>	<b>244,405</b>	<b>41,808</b>	<b>(12,060)</b>	<b>344,400</b>	<b>618,553</b>	<b>22,800</b>	<b>641,353</b>

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

1(d)(i) (continued)

**STATEMENT OF CHANGES IN EQUITY (in S'000)**

<b>Group - 9M10</b>	<b>Share capital</b>	<b>Fair value reserve</b>	<b>Revaluation and other reserves</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Minority interests</b>	<b>Total equity</b>
<b>Balance at 1 January 2010</b>	244,405	48,993	(10,175)	374,404	657,627	23,598	681,225
Total comprehensive income							
for the period	-	2,285	(2,449)	69,171	69,007	944	69,951
Contribution from minority interest	-	-	-	-	-	400	400
Dividends relating to 2009 paid	-	-	-	(13,474)	(13,474)	-	(13,474)
<b>Balance at 30 September 2010</b>	<b>244,405</b>	<b>51,278</b>	<b>(12,624)</b>	<b>430,101</b>	<b>713,160</b>	<b>24,942</b>	<b>738,102</b>
 <b>Group - 9M09</b>							
<b>Balance at 1 January 2009</b>	244,405	39,199	(19,642)	326,905	590,867	20,365	611,232
Total comprehensive income							
for the period	-	2,609	7,582	39,054	49,245	2,435	51,680
Dividends relating to 2008 paid	-	-	-	(21,559)	(21,559)	-	(21,559)
<b>Balance at 30 September 2009</b>	<b>244,405</b>	<b>41,808</b>	<b>(12,060)</b>	<b>344,400</b>	<b>618,553</b>	<b>22,800</b>	<b>641,353</b>

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

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

**STATEMENT OF CHANGES IN EQUITY (in S'000)**

<b>Company - 3Q10</b>	<b>Share capital</b>	<b>Revaluation and other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance at 1 July 2010</b>	<b>244,405</b>	<b>134,064</b>	<b>10,219</b>	<b>388,688</b>
Total comprehensive income for the period	-	86	8,995	9,081
<b>Balance at 30 September 2010</b>	<b>244,405</b>	<b>134,150</b>	<b>19,214</b>	<b>397,769</b>
<b>Company - 3Q09</b>				
<b>Balance at 1 July 2009</b>	<b>244,405</b>	<b>133,810</b>	<b>5,954</b>	<b>384,169</b>
Total comprehensive income for the period	-	(13)	820	807
<b>Balance at 30 September 2009</b>	<b>244,405</b>	<b>133,797</b>	<b>6,774</b>	<b>384,976</b>

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

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

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

<b>Company - 9M10</b>	<b>Share capital</b>	<b>Revaluation and other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
<b>Balance at 1 January 2010</b>	<b>244,405</b>	<b>133,854</b>	<b>14,152</b>	<b>392,411</b>
Total comprehensive income for the period	-	296	18,536	18,832
Dividend relating to 2009 paid	-	-	(13,474)	(13,474)
<b>Balance at 30 September 2010</b>	<b>244,405</b>	<b>134,150</b>	<b>19,214</b>	<b>397,769</b>
<b>Company - 9M09</b>				
<b>Balance at 1 January 2009</b>	<b>244,405</b>	<b>133,664</b>	<b>24,136</b>	<b>402,205</b>
Total comprehensive income for the period	-	133	4,197	4,330
Dividend relating to 2008 paid	-	-	(21,559)	(21,559)
<b>Balance at 30 September 2009</b>	<b>244,405</b>	<b>133,797</b>	<b>6,774</b>	<b>384,976</b>

## **Guthrie GTS Limited**

### **FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

- 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 2010 (30 September 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 30 September 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.

- 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.

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

- 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>3Q10</u>	<u>3Q09</u>	<u>9M10</u>	<u>9M09</u>
(a) Based on weighted average number of shares (cents)	2.35	1.25	6.42	3.62
- Weighted average number of shares ('000)	<u>1,077,938</u>	<u>1,077,938</u>	<u>1,077,938</u>	<u>1,077,938</u>
(b) On a fully diluted basis (cents)	2.35	1.25	6.42	3.62
- Adjusted weighted average number of shares ('000)	<u>1,077,938</u>	<u>1,077,938</u>	<u>1,077,938</u>	<u>1,077,938</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>30 September 10</u>		<u>31 December 09</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
Net asset value per ordinary share based on issued capital at the end of the financial period/year (cents)	<u>66</u>	<u>37</u>	<u>61</u>	<u>36</u>

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**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

- 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.*

**3Q10 vs 3Q09**

Group revenue for 3Q10 of \$83.2 million was 54.1% lower than 3Q09 due mainly to lower revenues recorded by the Engineering and Property Divisions but partially offset by a small increase in the Leisure Division. The Group's revenue in 3Q09 included its 25% share of the sale of units in The Centris, a residential project in Jurong which amounted to about \$94 million.

Gross profit for 3Q10 at \$25.5 million was 13.9% lower as compared to 3Q09 due mainly to the lower contribution from the Property Division. In 3Q09, gross profit was boosted by the contribution from The Centris. The Engineering Division contributed higher gross profit for the quarter but this was partly offset by a lower contribution from the Leisure Division.

The Group's investment properties recorded a fair value gain of \$17.5 million in 3Q10 as compared to a loss of \$1.3 million in 3Q09.

Total distribution and administrative expenses increased by about 12.7% as compared to 3Q09. This was due mainly to higher manpower expenses.

The share of loss of associates (net of tax) of \$0.1 million as compared to a profit of \$0.2 million in 3Q09 was due mainly to losses incurred by our associate in Vietnam.

For 3Q10, the Group recorded a profit before income tax of \$29.6 million as compared to \$15.7 million for 3Q09, an increase of 89.2%.

During the quarter ended 30 September 2010, income tax expense at \$3.2 million represented an effective tax rate of about 10.6%. This lower effective tax rate is due mainly to a reversal of deferred income tax liabilities upon disposal of an investment property. There were no adjustments for (under)/over provision of tax for prior years.

Profit attributable to equity holders in 3Q10 increased 88.5% to \$25.4 million, as compared to \$13.5 million in 3Q09. Attributable profit before fair value gains/(losses) on investment properties in 3Q10 was lower at \$10.4 million as compared to \$14.4 million in 3Q09.

**9M10 vs 9M09**

Group revenue for 9M10 of \$210.3 million was 38.2% lower than 9M09. This was due mainly to lower revenues recorded by the Engineering and Property Divisions but partly offset by higher revenue achieved by the Leisure Division. The Group's revenue in 9M09 included its 25% share of the sale of units in The Centris which amounted to about \$94 million.

Gross profit at \$68.8 million for 9M10 was 5.9% lower as compared to 9M09 due mainly to the lower contribution from the Property Division. In 9M09, gross profit was higher due mainly to the contribution from The Centris.

Fair value of investment properties for 9M10 recorded a gain of \$48.5 million as compared to a loss of \$11.2 million in 9M09.

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8 (continued)

Total distribution and administrative expenses for 9M10 were 11.2% higher as compared to 9M09 due mainly to higher manpower expenses.

Group finance expenses were 9.1% higher in 9M10 as compared to 9M09 due mainly to higher interest costs incurred by the Group arising from refinancing exercises carried out in first half of 2009.

The share of profit of associates (net of tax) for 9M10 was \$0.8 million as compared to about \$14 million for 9M09. The higher profit in 9M09 arose mainly from the Group's share of the fair value gain of an investment property owned by an associate which amounted to \$14.2 million.

For the 9 months ended 30 September 2010, the Group's profit before income tax at \$82.7 million was double that of the previous corresponding period.

Income tax expense for 9M10 at \$11.9 million represented an effective tax rate of about 14.4% as compared to 4.8% in 9M09. The lower effective tax rate for 9M10 is due mainly to a reversal of deferred income tax liabilities upon disposal of an investment property. In comparison, the low effective tax rate for 9M09 was due mainly to adjustments for over provision of tax for prior years and the effect of change in tax rate on deferred income tax liabilities.

Profit attributable to equity holders increased 77.1% in 9M10 to \$69.2 million as compared to \$39.1 million in 9M09. Attributable profit before fair value gains/(losses) on investment properties for 9M10 was lower at \$27.3 million as compared to \$31.5 million for 9M09.

**Balance Sheet**

Group current assets increased from \$227.2 million at 31 December 2009 to \$410.6 million at 30 September 2010. The increase was mainly attributable to expenditure on a development property in Yishun under The Housing & Development Board's Design, Build & Sell Scheme ("DBSS") of \$154.3 million and increase in cash and cash equivalents of \$36.9 million.

Total non-current assets increased to \$965.2 million at 30 September 2010 from \$948.1 million at 31 December 2009. The increase in investment properties was mainly due to an increase in fair values but partly offset by disposals. The desk-top valuation reports for the major properties are available for inspection during normal office hours at the Company's registered office.

Group total liabilities of \$637.6 million at 30 September 2010 were \$143.5 million or 29% higher than at 31 December 2009. Higher borrowings were due mainly to the drawdown of a term loan facility for the DBSS project being undertaken by the Group. The increase in other payables and liabilities arose mainly from the proportionate shareholders' loan granted by a minority shareholder in a subsidiary.

Group Shareholders' funds increased from \$657.6 million at 31 December 2009 to \$713.2 million at 30 September 2010. The increase was mainly attributable to retained earnings for the period and partly offset by the payment of a first and final dividend of 1.25 cents per share in respect of financial year ended 2009.

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**Cash flows**

For the 9 months ended 30 September 2010, the Group used up \$89.3 million of cash in its operating activities while investing and financing activities generated \$27.2 million and \$100.7 million respectively. These have resulted in a net increase in cash and cash equivalents of \$38.6 million. Included in its financing activities were a drawdown of a term loan facility of \$123 million for the DBSS project, repayment of bank loans of \$1.7 million, interest payment of \$7.5 million and the payment of dividends to the Company's shareholders of \$13.5 million.

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 10.3 per cent in 3Q10 and the Ministry of Trade and Industry announced that the economy remains on track to achieve overall growth forecast of 13 to 15 per cent for the whole of 2010.

The Group is confident that it will be able to maintain the current level of occupancy and rental rates in its major retail properties with the growth forecast for 2010.

The operating conditions of the Group's Engineering and Leisure Divisions remain 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 third quarter ended 30 September 2010 (30 September 2009: Nil).

BY ORDER OF THE BOARD

**JEROME JANSEN**  
Company Secretary  
12 November 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 third quarter ended 30 September 2010 to be false or misleading.

ON BEHALF OF THE BOARD OF DIRECTORS

**BEN YEO CHEE SEONG**  
Director

**HARRY ONG KIM SENG**  
Director

12 November 2010